Annual and Sustainability Report 2024

Turning visions into reality

About the report

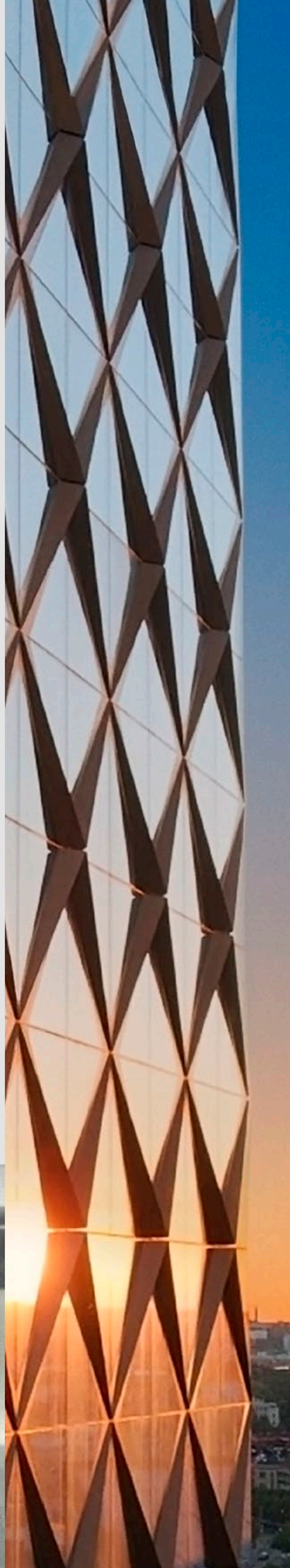
NCC's Annual Report for 2024 is submitted by the Board and the President and CEO of NCC AB (publ). The statutory annual accounts are presented on pp. 52–63, 80–123 and have been audited by NCC's external auditor. The reviewed Corporate Governance Report covers pp. 69–79. The Sustainability Report is presented on pp. 16–50 and has been prepared in accordance with Chapter 6 of the Swedish Annual Accounts Act.

ESEF report

NCC has prepared the Annual Report in a format that enables uniform electronic reporting according to Chapter 16, Section 4a of the Swedish Securities Market Act (2007:528).

Cover image: E136: The road that improves Ålesund's accessibility

On behalf of the Norwegian Public Roads Administration, NCC is constructing a four-lane access road (E136) to Ålesund. The project comprises two parallel tunnels, a grade-separated intersection and new pedestrian and bicycle paths. Because the road is being built in the middle of a residential area, there are stringent requirements to limit noise and vibrations, making the project particularly challenging. Once completed in 2027, the road will provide better accessibility, shorter travel times and increased road safety.



Building for the future

Every generation has a responsibility to maintain and develop its shared social infrastructure in order to create opportunities today and in the future. Construction, maintenance and development projects are initiated by our customers or by NCC.

NCC's purpose is to utilize our expertise and competencies as the basis for taking the customer through the construction process to create a positive end result for all stakeholders.

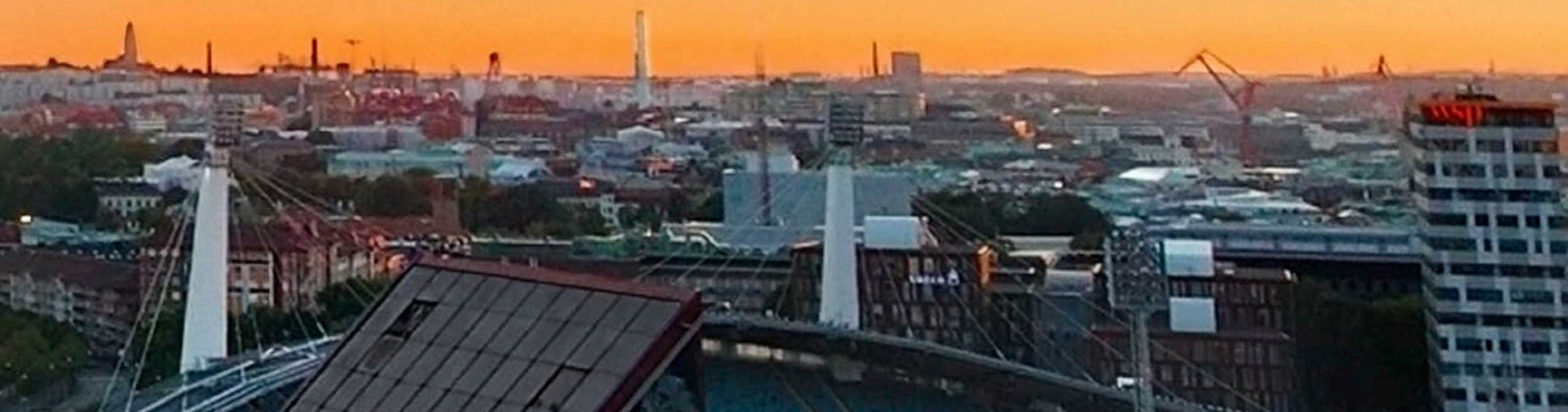
NCC is a knowledge-based company whose core is the ability to manage the complexity of a construction process. Our operations include building and infrastructure project contracting, asphalt and stone materials production and commercial property development. We are experts in the various aspects of the process, and also at getting them to work together.

NCC is pursuing development initiatives in the areas of skills development, digitization and increased utilization of expertise and data from all parts of the company.

Orders received, SEK M → 54,730
(56,819)

Net sales, SEK M → 61,609
(56,932)

Operating profit, SEK M → 2,032
(1,802)



Business areas

Construction and civil engineering

NCC Infrastructure

Builds, renovates and maintains infrastructure for travel, transportation, energy and water treatment, as well as facilities for basic industry, in Sweden, Norway and Denmark. With expertise encompassing the entire chain from counseling in early stages, project planning and design to production and maintenance, we realize, together with our customers, projects with a favorable impact on society.

Read more on p. 58

NCC Building Nordics

Builds and renovates residential buildings, offices, hotels, healthcare buildings, schools, sports facilities and public buildings for public and private customers in Denmark, Finland and Norway. With advanced skills in sustainability, safety, digitization and partnering, NCC Building Nordics develops projects jointly with customers from the early stages.

Read more on p. 59

NCC Building Sweden

Builds and renovates residential buildings, offices, hotels, healthcare buildings, schools, sports facilities and public buildings for public and private customers in Sweden. With advanced skills in sustainability, safety, digitization and partnering, NCC Building Sweden develops projects jointly with customers from the early stages.

Read more on p. 60

NCC Green Industry Transformation

In January 2024, NCC launched a new business area, NCC Green Industry Transformation. This is NCC's focused initiative to support industry in the ongoing green transformation in the Nordic region. Through NCC's long-standing experience of coordinating large, complex projects, and by becoming involved early in the process, we can – in our capacity as contractor – contribute resources and specialist expertise to facilitate the transition of industry.

NCC Green Industry Transformation is a long-term initiative and will be reported under Other and Eliminations in this Annual Report.

Industry

NCC Industry

Develops, produces and sells stone materials and asphalt products for construction and infrastructure projects in Sweden, Norway, Denmark and stone materials in Finland. The business, which forms a natural supply chain in construction and civil engineering operations in society, is committed to reducing its carbon footprint from the production of asphalt and stone materials.

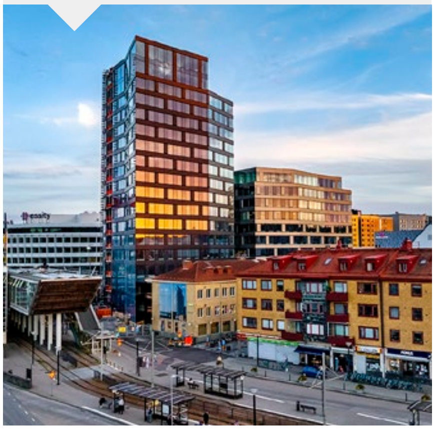
Read more on p. 61

Development

NCC Property Development

Develops, lets and sells properties, with the focus on office properties. With extensive expertise encompassing the entire chain from conceptualization of individual projects to the development of city districts, and with a major focus on sustainability and cooperation with our customers, flexible and customized property solutions are created in growth markets in the Nordic region.

Read more on pp. 62–63



Targets and outcome

Financial targets and outcome

	Outcome 2024	Target 2024
Earnings per share, SEK	16.1	≥16

	Outcome 2024	Target
Corporate net debt[1] /EBITDA, times	–0.1	<2.5

Dividend policy

	Outcome 2024	Policy
Dividend policy, %[2] The Board of Directors has proposed an ordinary dividend of SEK 9 per share and a extra dividend of SEK 2 per share for 2024.	68	≈60

Sustainability targets and outcome

	Outcome 2024	Target 2026
Health and Safety **LTIF4** Work-related accidents resulting in more than four calendar days of absence per million working hours.	3.3	≤2.0

Climate and energy, %

	Outcome 2024	Target 2030
Scope 1 & 2 **Target:** 60-percent reduction in CO_2e[1] by 2030 (base year 2015), measured as CO_2e tons/SEK M. **Outcome 2024:** Emissions intensity amounted to 1.9 CO_2e tons/SEK M, corresponding to a reduction of 64 percent compared with 2015.	–64	–60

Scope 3

Outcome 2024		Target 2030
Ready-mix concrete[2]: –22	Asphalt[2]: –23	–50
Steel reinforcement[2]: –57	Transportation and machine services[3]: +33	

Notes for financial targets
1) Corporate net debt excludes pension debt and lease liability.
2) Percent of net profit for the year to be distributed to shareholders according to dividend proposal.

Notes for sustainability
1) Carbon dioxide equivalents, i.e. greenhouse gas emissions expressed as the equivalent amount of carbon dioxide.
2) Relates to sub-set of ready-mix concrete, steel reinforcement and internally purchased asphalt.
3) Difference between the published version of the Annual and Sustainability Report and the formally approved Annual Report.

Review by the CEO

Sustainable value creation

For NCC, 2024 was characterized by stability and strong earnings development. Three business areas reported record earnings. Through careful choices and the positive effects of long-term improvement work, we have been able to demonstrate progress in many areas.

Financial target achieved

We reported strong earnings in a challenging market and achieved our financial target of SEK 16 per share for the second consecutive year. The achievement of the target is a result of strong underlying operating profit and value-generating property sales. Orders received was healthy, particularly in prioritized segments where NCC has specialist expertise in such areas as water treatment, hospitals and energy solutions.

The Infrastructure business area performed solidly and ended the year with a healthy order backlog, and Building Nordics achieved record earnings, with Denmark continuing to perform strongly and Finland improving significantly. Building Sweden reported lower earnings as a result of provisions related to projects completed or under completion.

The Industry business area reported record earnings, driven by operational discipline, higher prices and lower raw material costs. Following a hesitant market for property transactions at the beginning of the year, Property Development ended the year strongly, completing four sales including one newly started project. This demonstrates the benefits of a strong balance sheet, which has enabled us to hold off on selling these projects until we found the right buyer for the properties.

Advantages of a large company

Our aim is to take the customer through the complex construction process and create value for all stakeholders. NCC has a clear strategic direction aimed at capitalizing on the advantages that come with being a large company. This means that, as a knowledge-based company, we have a culture driven by shared values and behaviors. We work in a data-informed manner, with clear processes to understand and manage costs, leverage the advantages of coordinated purchasing and accumulate specific construction expertise. The operational model ensures greater predictability in the business and therefore more stable earnings, while strengthening customer relationships and creating the conditions for growth over time.

In January 2024, we launched a new business area – NCC Green Industry Transformation. This is NCC's focused initiative to support industry's green transformation. Through our long-standing experience of coordinating large, complex projects, and by becoming involved early in the process, we can – in our capacity as contractor – contribute resources and specialist expertise to enable the investments and development projects being pursued to facilitate the transition. NCC has signed two partnering agreements with LKAB concerning major projects, and several other dialogues are ongoing in the business area.

At the beginning of 2025, it was announced that we will conduct a strategic review of the Industry business area. Various options will be evaluated, including a possible divestment of the business area. The purpose is to review the best way to develop the business area going forward and to increase shareholder value in NCC.

Financial targets

In 2024, NCC achieved earnings per share of SEK 16, which is in line with the company's financial targets. Our financial targets have been set to focus on creating value for shareholders and to be relevant for all business areas, guiding them in efforts to contribute profit in absolute terms. No time limit has been set for reaching the target; it is instead based on steadily increasing profitability in contract and industrial operations, and also assumes profit recognitions from Property Development. Our strong financial position is an effect of increased profitability and thus improved cash flow in construction operations and Industry as well as recently completed property sales.

Review by the CEO

"NCC has a clear strategic direction aimed at capitalizing on the advantages that come with being a large company."

NCC supports customers in reducing their climate footprint

The climate issue and the green transition are strong drivers for today's societal transformation. NCC is pursuing this work together with our customers and supports them in their efforts to reduce the climate footprint of construction. These activities include work to increase energy efficiency, choosing the right material for the right place, and by reusing materials. In the asphalt operations, we have taken major steps by phasing out fossil fuels in our asphalt plants, thereby significantly reducing emissions from our own operations. Already in 2024, NCC achieved the target set for 2030 for emissions in its own operations (Scope 1 and 2). NCC has now adopted a new target for own emissions and continues to strive for climate neutrality.

Focus always on safety

NCC's primary key figure for measuring accidents is the number of accidents resulting in four days or more of absence. The number of accidents is at an all-time low, but we still have some way to go to reach our long-term target. We are also continuing our efforts to completely eliminate serious accidents and incidents, and have seen a positive trend in a reduction of serious incidents.

In February 2024, a tragic event occurred that affected many people. A fire broke out at the Oceana water park at Liseberg in Gothenburg, resulting in the death of one person working on behalf of Liseberg. We have worked closely with our client Liseberg and have now been entrusted with the reconstruction of the facility.

Our outlook for the future remains positive

We continue to see healthy market demand and positive prospects in several areas, particularly in infrastructure, industry and public buildings. Other underlying drivers supporting a continued need for significant investment across the Nordic region include preparations in society to address an uncertain security situation as well as the transition to a more sustainable society. The markets for residential construction and commercial properties remain cautious.

Our focus is to partner with our customers to realize their visions and guide them through the complex construction process. I would like to thank our customers for their confidence in us. One basic prerequisite for the success of our ambition and our commitments is engaged employees, subcontractors and partners, and I would like to take this opportunity to thank you for your hard work during the year. We would also like to thank our shareholders for their interest and support.

Solna, April 2025

Tomas Carlsson,
President and CEO

Strategy

NCC creates value throughout the construction process

NCC is a leading player in the Nordic construction market with a strong and well-established position. The foundation for NCC's strategic focus is being an expert in managing complexity in the construction process. The starting point is to leverage the strength of being a large company combined with strong local presence.

NCC's core is the ability to guide customers through the complex construction process. Our operations comprise building construction, infrastructure project contracting, asphalt and stone materials production and commercial property development. By realizing hundreds of construction projects every year, NCC contributes to positive social development in the Nordic countries.

The construction process involves many stakeholders, the need for broad expertise and the ability to coordinate multiple operators. NCC's strengths include working proactively with customers prior to and during projects and – supported by our data and knowledge – to secure a positive end result for all stakeholders.

NCC's strategic focus means that the company accumulates knowledge, which forms the basis for specialization and focus on specific segments. The focus on selected segments provides clear customer value. First and foremost as it allows us to propose the best solutions and structural design early in the process. During the project phase, better conditions are created for efficiency and time and quality planning. NCC acts to optimally leverage the value created by a large Nordic company with a strong local presence.

NCC's strategic initiatives

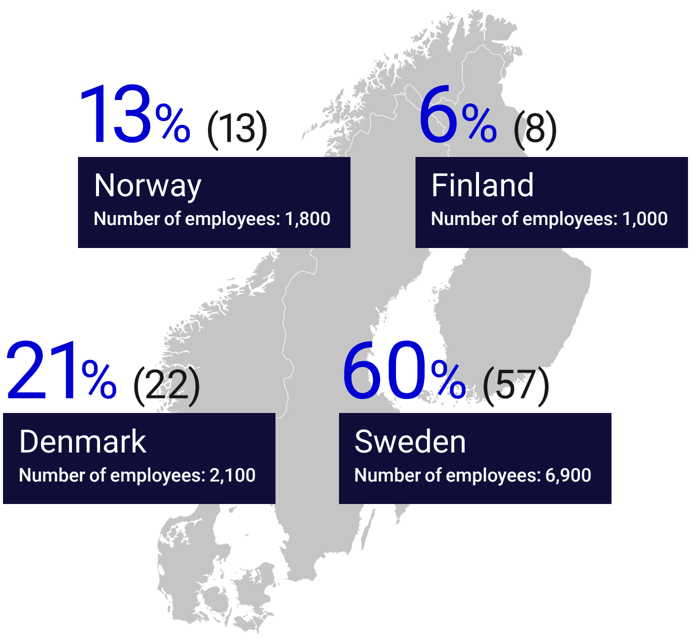
To achieve the company's goals and strengthen its market position, NCC focuses on a number of strategic initiatives that form an integral part of the company's business and operating model. By focusing on these initiatives, NCC is well positioned to continue to deliver value to shareholders and other stakeholders, while contributing to sustainable social development.

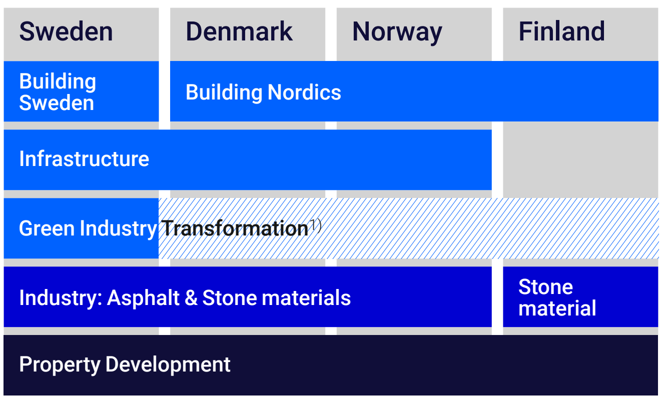
Values and Star behaviors

Building a culture of shared values and behaviors is a key factor in leveraging the strength of a large company. NCC's Code of Conduct and the Star behaviors framework are central to defining the desired culture and encouraging behaviors that lead to successful operations. NCC's values Honesty, Respect and Trust underpin these guiding behaviors.

NCC's market

NCC conducts operations in Denmark, Finland, Norway and Sweden. The market is fragmented with a large number of participants. Share of net sales and average number of employees. Comparative figures relate to 2023.

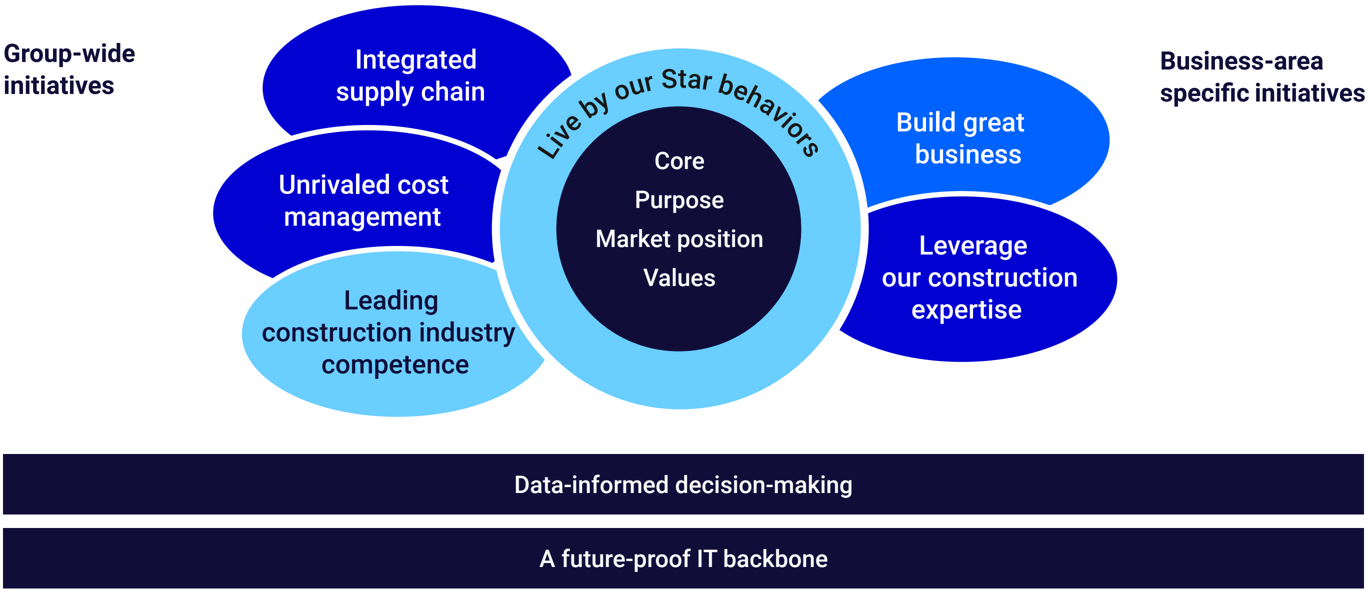




1) A completely new business area was started as of January 1, 2024, NCC Green Industry Transformation, which will initially have its main focus in Sweden but can work across the Nordic region.

Strategy

NCC's strategic initiatives



Data-informed decision-making

NCC bases its decisions on validated and integrated data, which increases competitiveness and facilitates knowledge sharing. With its size, NCC generates large amounts of data. Capitalizing on this data requires structured and easily accessible information. The digitization and systematization of data enables efficient knowledge sharing between projects and business areas.

A future-proof IT backbone

Investments in future-proof IT infrastructure support data-informed decision-making and provide the necessary flexibility to adapt to changing customer preferences.

Group-wide initiatives

Integrated supply chain

Integrating purchasing and supply chains in NCC's projects is crucial to fully utilize suppliers' expertise and improve overall efficiency. By building strong relationships with suppliers and integrating their expertise into NCC's processes, the company can improve purchasing practices, optimize resource use, and ensure the delivery of high-quality projects on time and within budget.

Unrivaled cost management

Managing project costs effectively from start to finish is crucial for delivering value to customers and for creating long-term competitiveness. This requires a comprehensive understanding of customer value, careful planning, good risk management and clear cost control. The Unrivaled Cost Management (UCM) approach simplifies the conditions for accurately forecasting and monitoring costs, which provides reliable forecasts and early warnings, and this in turn is crucial for maintaining financial profitability and operational efficiency.

Leading construction industry competence

Recruiting, retaining and developing skills within the company is a key part of competence building. As part of this, NCC has developed industry-leading training programs in construction processes and project management. By developing our employees and encouraging mobility within the organization, we can ensure that we have the right skills and knowledge in place to manage complex projects and develop operations.

Business-area specific initiatives

Build great business

NCC sees great value in involving customers early in the construction process. Customers' needs vary according to market and geography. NCC meets customer requirements by adapting sales and tendering processes to the local market, while these are supported at a central level through training and experience sharing. One example of an initiative during the year is the new NCC Green Industry Transformation business area, which supports customers in the major industrial transition taking place in the Nordic region.

Leverage our expertise

An important feature of the strategic focus is to further develop NCC's expertise in specific areas. Through sector-specific segment strategies, NCC focuses on areas where the company can build unique positions that increase customer value. Examples of areas where NCC has utilized its expertise to a greater extent are hospitals, swim centers and water treatment and sewage plants. To leverage the strength of being a large company, NCC is also focusing on being able to share this expertise throughout the company.

Operations

A knowledge-based company with a focus on competence development and culture

NCC sees a continued development toward increasingly complex construction projects with a need for specialist expertise in a diverse range of areas. We strive to be an industry leader in managing the construction process and proactively provide the expertise needed at the different stages of the construction project. Major initiatives are therefore taking place in competence development and in building a safe, engaging corporate culture.

Engaged employees in a high-performing culture

In recent years, NCC has worked purposefully with our corporate culture. Working with shared, guiding behaviors in day-to-day activities – Star behaviors – creates conditions for NCC to achieve set business goals and for employees and work teams to develop, perform at their best and feel a sense of engagement for their work. In the latest employee engagement surveys, the level was 8.0/10, which is clearly above the benchmark and places NCC in the top 25 percent of peer companies[1]. To further strengthen this positive development, NCC made a minor update to its Star behaviors in 2024. The update aims to more clearly move in the direction of a high-performance culture and strengthen clear leadership and responsible employeeship.

NCC's employee survey shows that Star behaviors are having a positive impact on corporate culture, and that employees have strong sense of engagement. Equally positive is that the overall level of all drivers covered by the survey – such as development opportunities, job recognition and understanding of the strategic focus – is above the external benchmark and shows a positive trend.

Developing our employees

NCC is handling larger and increasingly complex projects, which places high demands on leadership and project management. The ambition of being at the forefront in construction management is the starting point for skills development at NCC today.

In 2024, NCC continued to offer development programs in leadership and project management at the highest level, not least for those who lead the largest and most complex projects – the Mega projects. All leadership programs are based on meeting business needs and the complexities of leading in a project-based organization. The training modules and programs are developed in close cooperation with academic institutions in the Nordic region and Europe. The institutions with which NCC cooperates include Stockholm School of Economics, Copenhagen Business School, IMD and Oxford Global Projects, as well as researchers from Oxford University.

Follow-ups of managers and participants showed that the programs contributed to significant improvements in behaviors and offer tools that can directly be implemented into operations and add business value. Other positive effects included increased networking and knowledge sharing within the company.

1) Refers to the Manufacturing & Capital Goods group, where construction & engineering represents almost 50 percent.

Star behaviors

NCC has a set of behaviors, our Star behaviors, that guide us in our actions to achieve our business goals. Together with our values, they comprise our corporate culture and shape how we act internally – and externally – in relationships with customers and other stakeholders.

Act with passion to perform

We challenge ourselves and each other to constantly improve and outperform our targets and results.

Build together

We work actively to ensure effective collaboration internally, in and between units, and with our customers.

Follow through and follow up

We take data-informed decisions, communicate them clearly and always act on what's decided.

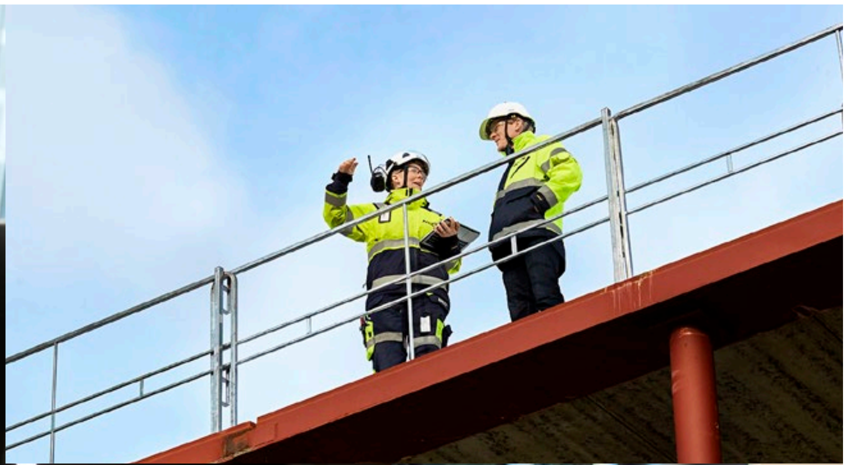
Act with care

We take responsibility for our actions and use of resources. We mitigate risk and act with integrity to ensure safe, high-quality and responsible operations.

Our values

Honesty	Respect	Trust

Operations

A safe and healthy work environment

Offering a safe and healthy work environment is NCC's highest priority. We are committed to eliminating serious incidents and fatal accidents, and to reducing all types of accidents. This is a continuous effort and involves and places demands on everyone in our workplaces, including suppliers, consultants and subcontractors.

An analysis of the root causes of accidents in the workplace has focused NCC's work environment efforts on three high-risk areas: heavy lifting by cranes, working at heights and working close to and around heavy machinery. The improvement efforts are focused on planning and organizing work, ensuring strong barriers between people and the risk of an accident, and strengthening the safety culture, as these efforts produce the best results. The NCC Awareness Day is held in September each year. This is an activity when all NCC employees gather at their respective workplaces to reflect on attitudes and behavior and to discuss safety issues.

A strong safety culture is part of NCC's corporate culture and Star behaviors – to work safely or not at all. The safety culture includes everyone present in the workplace and for NCC this requires the involvement of customers, own employees, suppliers and subcontractors. NCC has established work methods and pursues development projects in different phases that together aim to ensure safe work methods and the right authorizations, skills and labor conditions for everyone in the workplace.

NCC has zero tolerance for discrimination – no employees should be impeded in their development and careers due to deliberate or non-deliberate discrimination. The results from this year's employee survey show that employees feel very confident that they will not experience discrimination at work. In the latest survey in 2024, the engagement level was 8.8/10, which places NCC in the top 10 percent of peer companies.

Operations

Knowledge and expertise in the climate transition

The climate issue and the green transition are strong drivers for today's societal transformation. These factors are also driving NCC's development. With knowledge and expertise, we can satisfy our customers' needs and challenges in the complex construction process. During the year, work continued to work toward the goal of halving our climate impact across the value chain by 2030.

NCC is one of the leading construction companies in the Nordics and constructs, maintains and develops the built environment. The construction sector accounts for a significant share of society's total emissions and therefore has a central role to play in the ongoing climate transition. At the same time, the societal transformation is creating new business opportunities based on changing conditions and needs, such as the demand for building structures with a lower climate impact, investments and infrastructure upgrades, and measures for the long-term climate adaptation of cities.

Based on customer needs and circumstances, NCC aims to play a leading role in the transition of the industry toward climate neutrality. Our strength is our expertise and deep knowledge of the complex construction process. By using our knowledge, working with early involvement and customer and stakeholder dialogue, NCC can propose innovative solutions for a lower climate impact.

In addition to expert knowledge, access to reliable data is a prerequisite for analysis and well-founded decision-making. During the year, NCC continued its efforts to provide data and digital information about processes and products. This enhances traceability and the ability to compare environmental performance and make informed, fact-based choices.

To actively support the climate transition, it is also essential that we interact and collaborate with customers, suppliers and subcontractors. NCC is active in various national industry bodies to promote knowledge sharing and technological advances, and to advocate for joint issues. The company also initiates and participates in research and development projects.

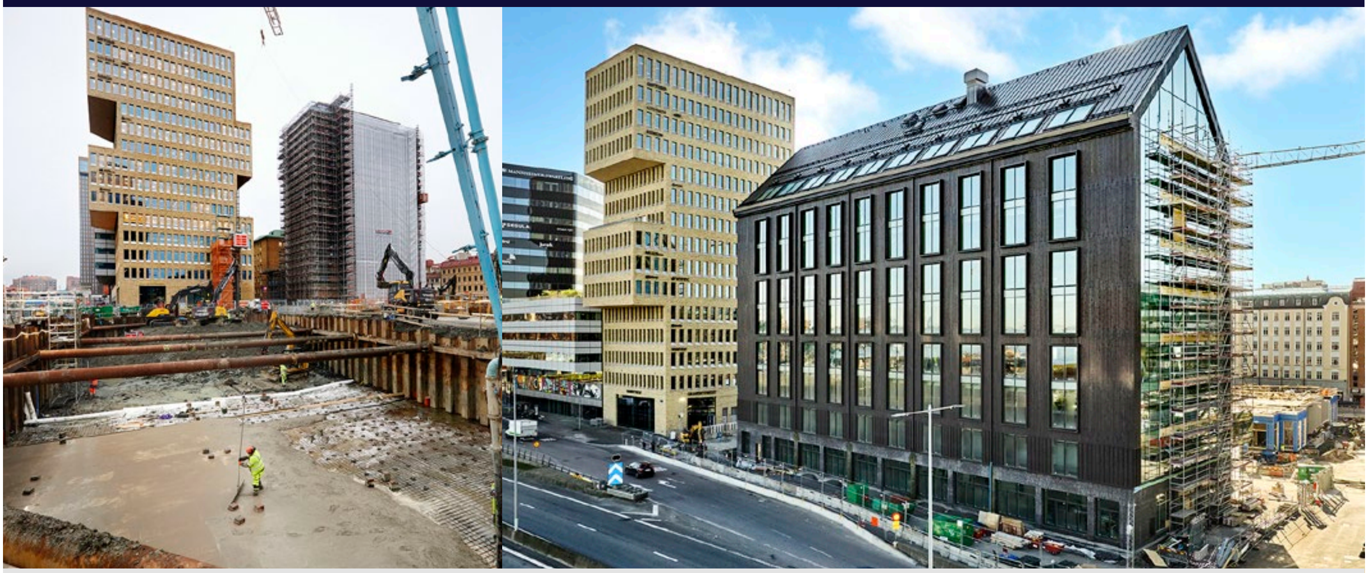
Climate targets

NCC's long-term target is to achieve climate neutrality by 2045. One of NCC's two interim targets is to reduce the emissions intensity in the company's own operations (Scope 1 and 2) by 60 percent by 2030, which means 2.08 CO_2e tons/SEK M. A multi-year initiative to convert the company's asphalt plants from fossil fuel to biofuel has resulted in NCC achieving the target ahead of schedule by the end of 2024. The level was then 1.9 CO_2e tons/SEK M, a reduction of 64 percent compared with base year 2015. NCC has decided to increase its target for reducing emissions intensity in own operations (Scope 1 and 2) to 75 percent by 2030, which means 1.3 CO_2e tons/SEK M.

A major challenge is the climate impact emanating from across the value chain (Scope 3). NCC second interim target is to halve these emissions by 2030 compared with 2015. To date, climate actions have focused on the four prioritized areas in the "Purchased goods and services" category that are considered to have the greatest climate impact: concrete, steel, asphalt and transportation.

Operations

Habitat 7 in Gothenburg – The right material used in the right place reduces climate impact by 40 percent.



Habitat 7 is a state-of-the-art office building in Gothenburg's new Masthuggskajen district. With the goal of reducing the construction-phase climate impact by 40 percent, NCC has concentrated on optimizing the use of materials such as concrete and steel, which account for a substantial part of the climate footprint.

Solutions that have a low climate impact and are very cost effective have been identified by analyzing the building's location, design and façade system. The early phases were crucial to ensure that the right materials and building systems were used in the right places. By applying resource-efficient and optimized construction solutions, the volume of concrete was minimized without compromising on function and quality.

In addition, climate-improved concrete was used to reduce emissions. The frame consists mainly of solid wood, thereby reducing the climate impact compared with a conventional steel and concrete frame. An electric pile driving rig and hybrid wood and concrete piles were used for the foundations to further reduce the carbon footprint.

The climate impact during construction of Habitat 7 is estimated to be 230 kg CO_2e/GFA (gross floor area), a reduction of more than 40 percent compared to a reference office according to the Sweden Green Building Council's Noll CO_2 (Zero CO_2) certification. This includes all materials used in the project, meaning a larger scope than what is encompassed by the Swedish National Board of Housing, Building and Planning's climate declaration.

Work continued in 2024 to analyze our overall carbon emissions in the value chain to support the drafting of a Group-wide climate action plan. The analysis is also part of meeting the requirements for accurate sustainability reporting under the EU Corporate Sustainability Reporting Directive (CSRD).

Continued focus on reduced climate footprint

NCC's climate impact comes mainly from the production of materials and the fuel used in the construction process. To reduce climate impact, we are focusing on materials such as concrete, steel and asphalt as well as on transportation and machinery. Our expertise in lifecycle assessment and climate calculations supports customers throughout the construction process and enables designs that optimize the selection of material and structural elements for a lower carbon footprint.

Concrete has a high climate impact, but also several advantages and is central to many construction projects. NCC works according to a Group-wide roadmap for climate-neutral concrete-based construction, with three main perspectives: the right concrete in the right place, minimize the amount of cement in concrete, and minimize the volume of concrete. During the year, NCC's business areas continued to develop and implement solutions for concrete optimization in projects, create new tools and improve internal processes. NCC also participates in various research projects, has close supplier partnerships and an active customer dialogue to increase knowledge sharing.

Operations

To reduce the climate impact of steel, it is crucial to make well-informed purchases from producers that provide products with lower emissions. NCC uses environmental product declarations in the evaluation of suppliers, and NCC's emissions for reinforcement steel have fallen by 57 percent since 2015. By also developing its own product offerings and producing environmental product declarations, NCC helps its customers to drive positive change.

In asphalt, NCC has extensive experience of developing methods to reduce the climate footprint of the asphalt production phase. This is mainly achieved through biofuels, energy optimization and incorporating reclaimed asphalt pavement (RAP). To highlight the deteriorating road network in Scandinavia, NCC published a report at the beginning of the year on the maintenance debt in the region. The report outlines actions to address the maintenance debt while reducing the climate footprint of asphalt by up to 50 percent by 2045.

As part of its initiatives to reduce its climate footprint, NCC is also focusing on transportation and machinery services, which account for a substantial share of total emissions. Transportation can be reduced by optimizing logistics chains and improving freight efficiency, particularly in connection with civil engineering works and major excavation works. Another approach is to replace fossil fuel with biofuel. NCC is also endeavoring to meet the increased demand for emission-free construction sites and electrified vehicles and machinery.

Climate adaptation for increased resilience

Greenhouse gas emissions are changing our climate, and the consequences for our society and the world are plain for all to see. The effects of climate change, such as flooding and higher temperatures, are also expected to increase in the future. Society and customers are demanding solutions for climate adaptation and the use of innovative technologies and materials are giving rise to new business opportunities.

NCC's offering includes various drainage products, and the company endeavors to ensure that buildings and civil engineering projects to a greater extent are climate future-proofed. NCC also conducts projects directly aimed at achieving enhanced climate adaptation, such as building structures to manage stormwater and heavy rainfall in urban areas or protecting shorelines and ports.

NCC uses wood oil to produce almost emissions-free asphalt.

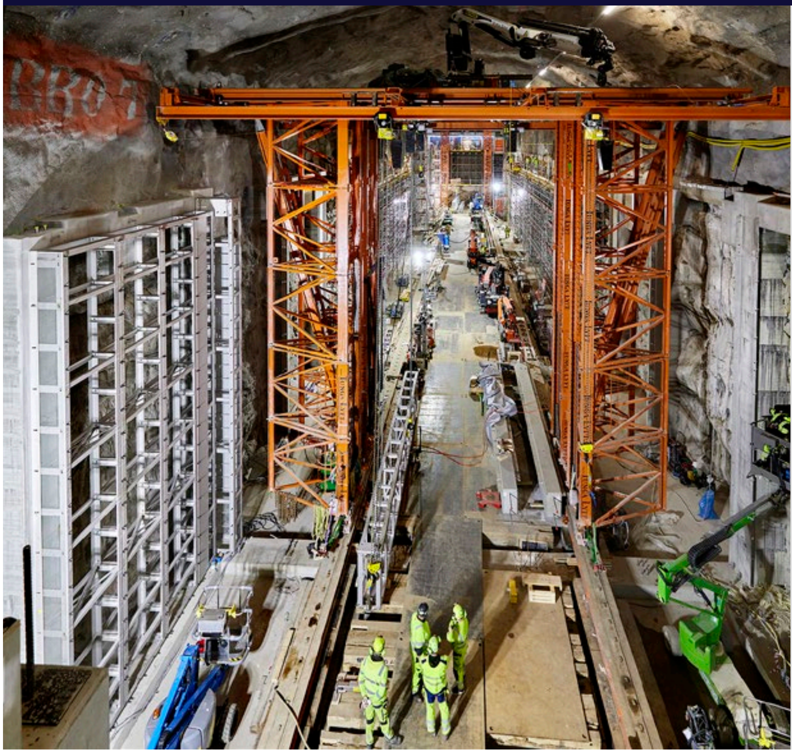
NCC's asphalt laboratory southwest of Oslo has developed a new asphalt mixture that results in almost emissions-free asphalt, based on a lifecycle assessment. The first surface to be paved with the new asphalt was located in Kristiansand, in southern Norway. The 150-meter stretch of road is a pilot and an key milestone.

The mixture replaces traditional fossil-based resin with wood oil derived from forest industry waste. Forests absorb carbon dioxide from the atmosphere, which is then stored in the wood material. When asphalt is laid, it binds carbon dioxide in the road surface.

The tested asphalt uses 40 percent reclaimed asphalt pavement (RAP) and 60 percent new asphalt. The RAP contains some bitumen, which is included in climate calculations. The wood oil comes from pine trees and is a residual product from paper production. Average CO_2e emissions per ton of asphalt produced is 44 kg (reference value, Norwegian Public Roads Administration, 2023). 90 tons of asphalt were used to pave the 150-meter-long stretch in Kristiansand, yielding a reduction of almost 7 tons of CO_2e.

Operations

Emissions reduction and higher quality in connection with expansion of Käppala plant.



In partnership with the Käppala Association, NCC is expanding the Käppala wastewater treatment plant on Lidingö in Stockholm. In addition to deploying various methods to minimize the overall need for concrete, NCC used a concrete mixture that includes slag, a waste product from steel production. By using concrete with less cement, the climate impact of the concrete in the project could be reduced by 28 percent versus conventional concrete.

The use of slag in concrete has several benefits. When concrete with cement cures, it produces heat and must be cooled to prevent cracking. Concrete containing slag does not reach such high temperatures and therefore requires less cooling, at the same time as the risk of cracking is reduced. In addition, the concrete is stronger and better able to withstand the harsh environment of a wastewater treatment plant compared with conventional concrete.

Climate adaptation of Storkeengen nature park prevents flooding.

In the Danish region of Jutland, the city of Randers is located just northeast of the Gudenå River. To protect the Vorup city district from torrential rain and rising water levels, NCC transformed the Storkeengen nature park.

The project was completed in 2024 and rainwater from Vorup is now led underground and via channeling routes to Storkeengen, where surface water is collected before being discharged into the Gudenå River. A treatment basin with channeling, dual valve and a pumping station were built. A 270-meter-long embankment against the Gudenå River formed a crucial element of the climate adaptation. New hiking trails give local residents access to a beautiful recreational area close to Randers city center.

A shared sustainability framework

NCC's sustainability framework is the starting point for the Group's sustainability work. In addition to the Group-wide sustainability targets, the business areas set operations-specific sustainability targets.

A sustainability framework forms the foundation for the Group's sustainability work. It encompasses our work to pursue and develop operations to ensure that they generate long-term value – financially and in respect of the environment and climate, human health and wellbeing, and on the basis of sound ethical and governance principles.

This framework rests on a base comprising NCC's core, purpose, values and Star behaviors. A prerequisite for long-term sustainability work is healthy and sustainable profitability. Data and expertise are integral parts of NCC's strategic focus and also of our sustainability agenda. This ensures a positive end result and generates value for the customer and other stakeholders.

The framework's six impact areas illustrate the aspects and issues that are most important for NCC to work with and where the impact is greatest. Three of the areas relate to environmental issues: Climate and energy, Natural resources and ecosystems, Materials and circularity. Two areas relate to social dimensions: Health and safety and People and team. One area focuses on how the company conducts its operations: Ethics and compliance.

In 2024, preparations continued ahead of future reporting according to the CSRD. NCC has conducted a double materiality assessment to identify NCC's impact, which includes both negative and positive effects that the company has on people and the environment. It also demonstrates how various external sustainability matters may pose a risk or opportunity for NCC's financial development.

In the double materiality assessment, NCC identified and assessed its impacts, risks and opportunities, resulting in a number of material sustainability matters. These matters confirm the impact areas that NCC has previously identified in its sustainability framework. Some adjustments were made to the sustainability framework during the year, including some additions that NCC considers strategically important to work with going forward.

For more information on the double materiality assessment, see p. 23.

Targets for sustainability work

NCC has Group-wide targets in two areas: Climate and energy and Health and safety. We also report and follow up work in other areas at Group level. Each business area then has relevant sustainability targets and key figures for its own operations.

NCC supports Agenda 2030 and the Sustainable Development Goals (SDGs). NCC's potential to contribute is integrated in the sustainability framework and the Group's overall work to develop the business.

Positive impact through core business

NCC's core business – building and developing the built environment – has the potential to contribute to achieving the SDG 7 (Affordable and clean energy), 9 (Industry, innovation and infrastructure), 11 (Sustainable cities and communities) and 12 (Responsible consumption and production).

Resource management

NCC has the potential, through its offerings, to contribute to developing products and work methods that improve the situation for both people and the environment. In this context, NCC has the potential to contribute to SDG 3 (Good health and well-being), 6 (Clean water and sanitation), 13 (Climate action), 14 (Life below water) and 15 (Life on land).

Based on our values: Honesty, Respect and Trust

NCC works with distinct and value-driven principles to promote SDG 4 (Quality education), 5 (Gender equality), and 8 (Decent work and economic growth). Cooperation and partnerships with various stakeholders are prerequisites for making the transition to a sustainable world by 2030, as reflected in SDG 16 (Peace and justice strong institutions) and SDG 17 (Partnerships to achieve the goal).

Read more at ncc.com.

Investor report for Green Bonds

Each year, NCC publishes an investor report for the company's Green Bonds and reports its climate emissions to CDP. NCC has a Green Financing Framework that has been verified by the Center for International Climate and Environmental Research (CICERO). The framework has been given the highest rating of Excellent for governance and the overall rating of Medium Green under the Shades of Green methodology.
Read more at: ncc.com

NCC's sustainability framework

Our impact areas

Environment

Climate and energy
- Greenhouse gas emissions
- Energy
- Climate adaptation

Natural resources and ecosystems
- Virgin materials
- Biodiversity
- Water
- Pollution

Materials and circularity
- Resource use
- Hazardous substances
- Waste

Social

Health and safety
- Occupational health and safety

People and team
- Fair working conditions
- Learning and development
- Diversity, equity and inclusion
- Employee engagement

Governance

Ethics and Compliance
- Anti-corruption
- Fair competition
- Responsible purchasing
- Data protection

Data and expertise
Value for customers and other stakeholders

Economic performance
Stable, sustainable financial performance

Our core

Our core:
Our ability to manage the complexity of a construction process

Our purpose:
To take the customer through the construction process to ensure a positive end result for all stakeholders

Our values:
Honesty / Trust / Respect

Our Star behaviors
Act with passion to perform / Build together / Follow through and follow up / Act with care

Sustainability Report

General disclosures

Introduction

The Board of Directors and the President and CEO of NCC AB (publ), Corporate Registration Number 556034-5174 and headquartered in Solna, Sweden, hereby submit the Sustainability Report for the 2024 fiscal year.

This Sustainability Report describes NCC's efforts to pursue and develop operations in respect of the environment and climate, human health and well-being, and on the basis of sound ethical and governance principles.

The Sustainability Report this year is structured and arranged to facilitate the transition to the 2025 Sustainability Statements, which will be prepared in accordance with the European Sustainability Reporting Standards (ESRS).

Basis for preparation

The 2024 Sustainability Report has been prepared in accordance with the Swedish Annual Accounts Act and is partially inspired by the European Sustainability Reporting Standards (ESRS) – a step that marks a transition from the previous reports. This adjustment to the requirements of ESRS is reflected in NCC's ongoing efforts at integrating and harmonizing our sustainability initiatives with the ESRS structure. Previous years' sustainability reports have been prepared with reference to the Global Reporting Initiative (GRI).

The information in the Sustainability Report was consolidated on the same basis as the financial statements except for joint arrangements where operational control applies. Both the Sustainability Report and the financial statements encompass the Parent Company and the companies and operations in which the Parent Company – directly or indirectly – has a controlling interest, as well as joint arrangements and associated companies. The report covers both NCC's own operations and the upstream and downstream value chain. All material sustainability matters in the value chain are reported on the basis of the double materiality assessment of impacts, risks and opportunities.

NCC's material Group policies are described in the Policies and governing documents section, whereas activities, goals and metrics are presented in connection to the respective sustainability topic.

Governance

A description of the role of the administrative, management and supervisory bodies is provided in the Corporate Governance Report, along with a presentation of the Board members and Senior Management Team.

The NCC Board is continually informed about the activities of the various parts of the Group, including the aspects encompassed by the sustainability framework. Various elements of these activities are presented by Group functions and business areas at Board meetings. The Board conducts reviews and follow-ups to ensure that NCC is working in line with the Group's targets. The Board of Directors' Audit Committee is responsible for issues related to sustainability activities and the associated reporting. Risks and opportunities that have been identified as part of the double materiality assessment are also included in the Audit Committee's yearly agenda. The Board is informed of – and approves – the outcomes of the materiality assessment via the Audit Committee, with the understanding that this forms the basis for statutory expectations of NCC's future sustainability reporting and thus falls within the scope of the Board's responsibilities.

NCC's Senior Management Team (SMT) is responsible for establishing and monitoring the Group's sustainability targets. The SMT regularly addresses Group-wide activities, and processes issues covered by the sustainability framework. On two occasions this year, the Senior Management Team monitored the climate targets and also discussed Group-wide topics in conjunction with this. Health and safety targets were followed up every quarter.

Each business area has responsibility for its respective sustainability activities. Operation-wide targets are set in each business area, and followed up on at regularly scheduled business reviews. Furthermore, the various Group functions Legal Affairs & Risk, Purchasing, Finance & IT, Communication and HR – pursue their own sustainability activities that could relate to Group-wide responsibilities and support for individual business areas as well as specialist functions.

NCC's Common Environment Team is a forum, with representatives from all business areas and relevant Group functions, that coordinates and pursues Group-wide environmental topics. The forum is responsible for coordinating the environmental and climate activities that fall under the Group-wide sustainability framework. NCC also has a forum called the Sustainability Reporting Board, with representatives from all business areas and relevant Group functions, that coordinates and pursues sustainability reporting. It focuses on Group-wide targets and sustainability data, as well as coordinating the collection and reporting of data. The Group Compliance Committee (GCC), containing representatives from selected Group functions, is responsible for follow-up of the implementation of NCC's Compliance Program as well as generally reviewing reports of suspected serious irregularities and breaches of rules within NCC's whistleblower channel and that these are handled appropriately.

To further support effective governance, all NCC business areas are certified or work in accordance with ISO 14001 and ISO 9001. Substantial portions of the operational units are also certified in accordance with ISO 45001.

General disclosures

Preparatory work ahead of reporting under ESRS is led and organized by an internal group, with an associated steering group that consists of members from the Senior Management Team. Subject experts in sustainability matters at Group level have been have been involved in the double materiality assessment. Employees from the business areas and Group functions who are experts in the various sustainability matters also participated in identifying impacts, risks and opportunities. The activities within this grouping are temporary in nature, but will continue in 2025.

Policies and governing documents

NCC has a Code of Conduct as well as several policies and governing documents that are of relevance to its work on sustainability matters. All policies, directives and governing documents are collected in the Group Management System (GMS), where they are available to all employees. Sustainability policies that are also material to our external stakeholders are available on the NCC website. Each business area can have its own, further adapted, versions of the governing documents, which in these cases are collected in the management system of the respective business areas.

Code of Conduct
NCC's Code of Conduct describes the type of conduct that NCC expects from its employees, management, Board of Directors and business partners. It is based on applicable laws and regulations, NCC's values, Star behaviors and on voluntary initiatives adopted by the Group. The Senior Management Team is responsible for ensuring compliance with the Code of Conduct and policies, which is continuously monitored as part of the framework of operating activities. Suspicion or observations of potential violations of the Code of Conduct or other serious irregularities may be reported in NCC's "Tell Me" function, which includes an option to report anonymously. The "Tell Me" function is available to both NCC's employees and external individuals.

Code of Conduct for Suppliers
NCC has a Code of Conduct for Suppliers that is based on the content of NCC's Code of Conduct and describes the expectations on our suppliers. Areas such as the environment, human rights, anti-corruption and regulatory compliance are included in the Code of Conduct for Suppliers. This applies to all entities that supply NCC with products, personnel or services, including direct and indirect suppliers, service suppliers, sub-suppliers, intermediaries and agents. Under the Compliance Directive, the Code of Conduct for Suppliers is a mandatory component of NCC's contracts.

Compliance Directive
NCC's Compliance Directive relating to regulatory compliance includes the Group's policies and guidelines concerning anti-bribery and anti-corruption, fair competition, conflicts of interest, counteracting fraud, data protection, diversity and human rights. The directive also describes NCC's Compliance Program, including due diligence on business partners, the whistleblower channel and policy against reprisals for whistleblowing. Information on the content of the Compliance Directive is regularly distributed via internal communication channels and training courses arranged for NCC's employees.

Health and Safety Policy and Directive
Health and safety initiatives at NCC are governed through a Health and Safety Policy and Directive, which are Group-wide and apply to everyone who works at NCC's worksites. The Policy serves as a guide for how to act and make decisions that are in line with our target of reducing all forms of accidents and completely eliminating accidents with a serious or fatal outcome.

Purchasing Policy
NCC's Purchasing Policy addresses, on a general level, the orientation that has been set for the Group-wide purchasing process, both from a business perspective as well as a sustainability perspective. The Purchasing Policy is based on NCC's Code of Conduct and the Group's shared values. The Policy highlights the need for continuous development of ways of working in responsible purchasing and for building further on existing competence, in order to promote a positive outcome for all stakeholders involved.

Sustainability and Environmental Policy
Initiatives within sustainability are governed by the Sustainability and Environmental Policy and the sustainability framework adopted by NCC. The Sustainability and Environmental Policy encompasses the entire NCC Group and addresses all employees, suppliers and sub-suppliers. Under the Policy, NCC commits to promote a sustainable society by carrying out its operations in an economically, socially and environmentally sustainable manner, taking the needs of current and future generations into account. Efforts to update and further develop the Policy are ongoing.

Tax Policy
The Tax Policy applies to all divisions and employees of the Group. It is intended to establish a framework for the company's position on tax issues, and defines principles for regulatory compliance, transparency and risk management linked to tax.

Tax Directive
The Tax Directive applies to all of the Group's divisions, and governs how internal pricing and interactions with tax authorities are to be handled.

General disclosures

Important policies and governing documents

Policy	Area
Code of Conduct	Environment, human rights, social topics, anti-corruption and regulatory compliance
Code of Conduct for Suppliers	Environment, human rights, social topics, anti-corruption and regulatory compliance
Compliance Directive	Anti-corruption, fair competition, counteracting fraud, conflicts of interest, data protection, diversity and human rights, as well as a description of the Group's Compliance Program
Health and Safety Policy	Social topics
Health and Safety Directive	Social topics
Purchasing Policy	Responsible purchasing
Sustainability and Environmental Policy	Environmental, social topics and anti-corruption
Tax Policy	Tax
Tax Directive	Tax

Integration of sustainability-related performance in incentive schemes

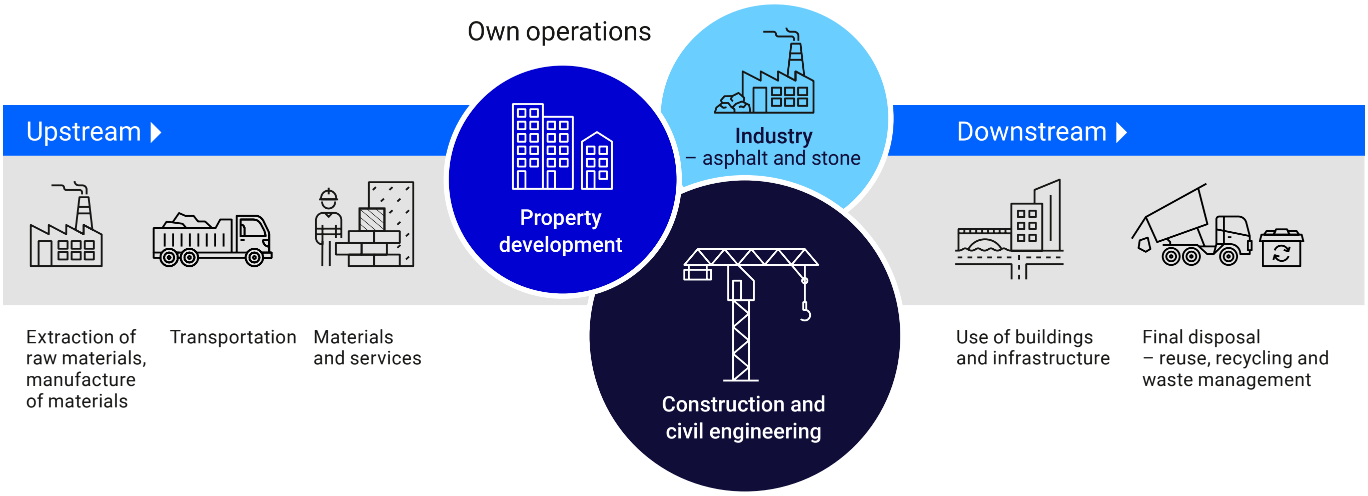
Long-term performance-based share-related incentive programs have been established at NCC. These are three-year programs that are clearly linked to the business strategy, and thus to the company's long-term value creation, including sustainability. The terms and conditions of the incentive programs are determined by the Annual General Meeting. For more information on the programs, and the criteria on which outcomes are dependent, refer to Note 4 in the financial statements.

Risk management and internal controls over sustainability reporting

NCC's sustainability reporting faces risks such as incompleteness and insufficient data, precision in estimated data, availability of data in the value chain and the timing at which the data is available. Preventive activities include controls designed to cover both general procedures and specifically identified risks throughout the NCC organization. This includes, for example, consultation of experts in relevant fields, the various IT initiatives that create conditions for good data processing, and recurring meetings with the Sustainability Reporting Board and other forums where risks and questions can be raised and addressed.

High priority is given to developing and structuring a robust management and internal controls over sustainability reporting. There are extensive efforts ongoing in the organization and within the sustainability functions to ensure solid risk management and controls. Over time, sustainability-related procedures will be integrated into NCC's procedures for various types of internal audits, reviews and self-assessments in pace with the maturation of these procedures. These initiatives will continue through 2025 and beyond.

General disclosures



Strategy

NCC's strategic focus and business model

The core of NCC is its ability to guide customers through the complexity of a construction process. Our operations comprise building construction and infrastructure project contracting, asphalt and stone materials production and commercial property development. The construction process involves many stakeholders, the need for broad expertise and the ability to coordinate multiple operators. NCC's strengths include working proactively with customers prior to and during projects and – using our data and knowledge – to secure a positive end result for all stakeholders.

NCC has a sustainability framework as a foundation for the Group's work. The framework rests on a basis comprising NCC's core in the form of its purpose, values, Star behaviors and Code of Conduct. To read more about the sustainability framework, see section Operations in the Introduction.

NCC has set targets of becoming climate neutral by 2045 and reducing its own emissions (Scope 1 and 2) by 60 percent by 2030. At the end of 2024, a reduction of 64 percent had been achieved compared with base year 2015. However, the major challenge is to reduce the emissions emanating from the value chain (Scope 3). Read more about this in the section Climate change. NCC has set a target of halving these emissions by 2030 compared with 2015. The effort to reduce emissions in the value chain has focused so far on the four prioritized areas in which the largest emissions are found. These are concrete, steel, asphalt and transportation. In addition to the climate neutrality goal, NCC has set a target for health and safety, where LTIF4 (work-related accidents that result in more than four calendar days of absence per million hours worked) will be less than or equal to 2.0 by 2026. At the end of 2024, LTIF4 totaled 3.3. Read more about this in the section Own workforce.

Value chain

NCC has a large supplier base comprising over 32,000 suppliers. A large proportion of building and construction materials used at our facilities are characterized by complex global supply chains. Many materials in NCC's operations are linked to the mining and extraction industries, and related raw materials such as bitumen, iron, steel, concrete and plastic products may be produced in regions with greater risk of violations of human rights and workers' rights as well as environmental risks. The majority of NCC's direct suppliers are based in the Nordic region, and also in counties such as Poland, Estonia, Latvia, Lithuania and China. In addition to purchases made through materials suppliers, NCC also procures services that are provided by sub-suppliers, as well as transport and excavation services.

In its own operations, NCC is responsible for planning and completion of construction and civil engineering projects as well as maintenance and redevelopments. During the design phase, NCC works to optimize the choices of material and production processes in order to minimize environmental impact. Own operations also include extraction of stone materials and manufacturing of asphalt.

Downstream in the value chain, buildings and other completed projects are delivered to the customer for future management and operation. NCC works actively to support circularity and enable a greater proportion of reuse and recycling, and to minimize volumes of waste.

General disclosures

Summary of NCC's ongoing dialogues with various stakeholder groups

Stakeholder group	Issues in focus	Type of dialogue
Customers	Reduced climate footprint. Energy efficiency. Circularity. Reuse. Biodiversity. Control over the supply chain. Health and safety. Sound working conditions.	Personal meetings. Partnership projects. Customer surveys. Customer seminars and events.
People	Safe and secure workplaces. Skills and career development. Good leadership. Diversity, equity and inclusion. Long-term economic value growth. Responsible enterprise. Reduced climate footprint.	Daily workplace dialogues. Employee surveys. Work environment measurements, work environment dialogues, safety rounds at workplaces, workplace meetings, in-house training. Employee dialogue. Dialogue and activities with students. Structured internal network. Program for younger talents.
Shareholders, investors, banks and other representatives of the financial market	Long-term economic value growth. Responsible enterprise with a focus on sound working conditions, work to counter corruption and bribery and control of the supply chain. Reduced climate impact, increased circularity and efficient use of materials. Health and safety. Routine risk assessment and risk management.	Annual General Meeting, meetings in conjunction with quarterly reporting, participation in questionnaires and dialogue with investors, individual meetings. Participation in seminars arranged by players in the financial market.
Suppliers and subcontractors	Sound working conditions with respect to human rights. Climate impact. Circularity. Long-term economic value growth.	Procurement processes, supplier assessments, meetings with suppliers, supply days, partnership projects, supplier audits.
Society	Good dialogues prior to, during and after the construction and work process, to achieve a favorable end result for all stakeholders. Participating in the development of new know-how.	Dialogues with local inhabitants, which frequently occur in collaboration with NCC customers. Cooperation with colleges and universities.

Interests and views of stakeholders

NCC's principal stakeholder groups are customers, employees, suppliers and subcontractors, shareholders, investors and the financial market, as well as society in the form of experts and representatives of various groups in society.

NCC engages in dialogue with the stakeholder groups within the framework of operating activities and also implements structured surveys and dialogues, including customer surveys and employee surveys. NCC also creates opportunities for dialogue with specific stakeholder groups in the form of supplier days, Capital Market Days and meetings in conjunction with financial reporting. Furthermore, NCC participates in stakeholders' initiatives, for example through dialogues with suppliers, investors and customers.

NCC also participates in industry-wide collaborations and actively participates in the work of, for example, industry associations, business organizations and chambers of commerce in the markets where we operate.

When it comes to silent stakeholders such as nature, NCC uses the expertise in the environmental fields that is available within the organization, as well as continual contact with and monitoring of developments in these areas. NCC also takes into account the dialogue and engagement that accompany normal business relationships, such as in business meetings and similar activities.

The viewpoints and interests of the principal stakeholders were taken into account when conducting the double materiality assessment, which contributed to the identification of the material sustainability matters that are presented in this report.

Impact, risk and opportunity management

Material impacts, risks and opportunities were identified during the double materiality assessment and are presented in the upcoming sections.

Process for assessing material impacts, risks and opportunities

NCC conducted a double materiality assessment in 2024.This process included identifying and assessing impacts, risks and opportunities that were then used as the basis for establishing material sustainability matters. Where possible, existing frameworks, scales and work methods regarding risk assessment were used to ensure quality.

The double materiality assessment is conducted from two perspectives: impact materiality and financial materiality. Impact materiality pertains to the actual and/or potential effects that NCC has on people and the environment, while financial materiality pertains to the sustainability-related risks and opportunities that have or could have financial effects on NCC. When the financial materiality assessment was carried out, the topics and their assessments were synchronized with the impact assessment, and their connections and dependencies were taken into account. The double materiality assessment takes into account the impact that is generated both from own operations and through business relationships. The process accounted for potential factors that give rise to increased risk of negative impact. As an example, the material categories that are considered having the greatest impact were identified, and received extra attention during the assessment.

The double materiality assessment involved several experts and key roles within NCC's business areas as well as in purchasing, HR, legal and finance, which were deemed relevant for the analysis. This was done to cover perspectives along NCC's entire value chain and to ensure a well-balanced outcome. The perspectives of affected stakeholders were taken into account during the process, both through the knowledge of the experts about their respective topics' stakeholders and through the stakeholder analysis that was previously conducted.

NCC will review the process of identifying, evaluating and prioritizing impacts, risks and opportunities on a yearly basis, and thereby taking into account ongoing trends, assumptions, changed circumstances and context, as well as regulatory changes. Efforts are under way to integrate the process of the double materiality assessment with NCC's general risk management process.

Scoring method

The scoring method connected to the materiality assessment and its criteria focused on:

- *Impact materiality:*
  Scale, scope and irremediability were taken into account for actual negative impact. Likelihood was taken into account as an additional parameter when analyzing potential impact. The irremediability was not taken into account when analyzing positive impact. In cases where there is a risk for violation of human rights, severity takes precedence over likelihood.
- *Financial materiality:*
  The size of financial risks and opportunities, their likelihood and type of financial effect were analyzed.

In addition to the above, the time horizon (short, medium or long-term) was considered for each impact, risk and opportunity. The score assigned to the respective parameters was consolidated into a total score. This was then used to set a threshold and determine materiality.

Decision process

Impacts, risks and opportunities were assessed together with relevant internal experts and stakeholder representatives in the applicable topics. The process and outcome of the double materiality assessment have been approved and validated by the steering group of the CSRD project and the Audit Committee. The steering group comprises members of NCC's management team.

General disclosures

NCC's material sustainability matters

Sustainability topic	Sub-topic	Where in the value chain
Climate change	Climate change adaptation	Throughout the value chain
	Climate change mitigation	Throughout the value chain
	Energy	Throughout the value chain
Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	Upstream, own operations
	Impacts on the extent and condition of ecosystems	Own operations
Resource use and circular economy	Resource inflows, including resource use	Throughout the value chain
	Waste	Throughout the value chain
Own workforce	Working conditions	Own operations
	Equal treatment and opportunities for all	Own operations
Workers in the value chain	Working conditions	Upstream
	Other work-related rights	Upstream
Ethics and compliance	Corporate culture	Throughout the value chain
	Management of relationships with suppliers, including payment practices	Upstream, own operations
	Corruption and bribery	Throughout the value chain

Environmental disclosures

Reporting according to the EU Taxonomy

Introduction

NCC's operations include projects in construction, civil engineering, industry and property development. The operations span several activities of the Taxonomy. To evaluate the business, NCC has established a reporting method based on its various products, projects and sites. NCC's products are initially reviewed against the economic activities in the Taxonomy. Projects with a product that correspond with an economic activity are Taxonomy-eligible. These projects are subsequently assessed based on established technical screening criteria in order to evaluate whether the project is Taxonomy-aligned. This assessment is based on the sector's establishedinterpretations of technical screen-ingcriteria. NCC applies thresholds to identify projects and products that should be evaluated on the basis of the technical screening criteria.

Taxonomy-aligned activities

The activities that NCC assesses to be Taxonomy-aligned and their criteria for making a substantial contribution to one of the six environmental objectives of the Taxonomy are presented below. In addition to meeting the criteria for making a substantial contribution, the Taxonomy-aligned activity must also do no significant harm (DNSH) to the other Taxonomy objectives, and meet minimum social safeguards. In all of its Taxonomy-aligned activities, NCC contributes to the environmental objective of Climate change mitigation.

Sector – Energy

NCC performs work at facilities that generate electricity from hydropower and wind power, and builds high-voltage electricity grids and distribution systems that transport electricity in high-voltage grid systems. NCC also builds and refurbishes pipelines and associated infrastructure for the distribution of heating and cooling.

Aligned activities:

- Electricity generation from hydroelectric power:
  Project activities at electricity generation facilities produce emissions of less than 100g CO_2e per kWh.
- Transmission and distribution of electricity:
  The transmission and distribution infrastructure or equipment is the interconnected European system, i.e. the interconnected control areas of Member States, Norway, Switzerland, the United Kingdom and its subordinated systems.
- District heating/cooling distribution:
  Project activities meet the definition of efficient district heating and cooling systems laid down in Article 2, point 41, of Directive 2012/27/EU, or represent modification to lower temperature regimes/advanced pilot systems (control and energy management systems).

Sector – Transport

A large proportion of NCC's operations is linked to transport infrastructure in the form of, for example, railways, roads and bicycle logistics.

Aligned activities:

- Infrastructure for personal mobility and cycle logistics:
  Infrastructure that is intended for pedestrians and bicycles, with or without electric motors.
- Infrastructure for rail transport:
  Projects have participated in the construction of infrastructure for the electrification of railways, serving as interchange points for travelers between trains, or from other means of transport to trains. The infrastructure is available for various types of rail transport.

For all of the above activities in the Transport sector, the infrastructure also meets the criteria that it is not intended for the transport of fossil fuels.

Environmental disclosures

Sector – Construction and real estate

Construction of new buildings accounts for a major share of NCC's business and includes hundreds of projects, both residential and non-residential buildings such as schools and hospitals. In addition to construction of new buildings, renovation of existing buildings is another major area for NCC. Acquisition and ownership of buildings accounts for a minor share of NCC's operations and it is the rental revenue that arises before a property is recognized in profit that is classified. This sector also includes asphalt maintenance of streets, roads and highways carried out by the NCC Industry business area.

Aligned activities:

- Construction of new buildings:
  The building's energy performance is at least 10 percent lower than the threshold set on the building permit date, which is certified by the energy declaration. The buildings undergo testing for air-tightness and thermal integrity in accordance with prescribed requirements and standards. For larger buildings, the life-cycle Global Warming Potential (GWP) of the building resulting from the construction has been calculated for each stage in the life cycle, or an accepted alternative method in the respective countries.
- Acquisition and ownership of buildings:
  For acquisition and ownership of large buildings, in addition to a reduction of primary energy demand of at least 10 percent compared with national requirements, the building must be operated efficiently by following up and evaluating energy consumption. This applies only to non-residential buildings.

Do no significant harm criteria

For an activity to be Taxonomy-aligned, in addition to meeting the technical screening criteria for a substantial contribution to a specific environmental objective, it must do no significant harm (DNSH) to any of the other five objectives. NCC applies the following criteria to each project to ensure they do no significant harm.

Climate change mitigation

Since all of NCC's Taxonomy-aligned activities contribute substantially to climate change mitigation, the 'do no significant harm' criteria are not applicable.

Climate change adaptation

A risk and vulnerability assessment was performed in relation to future climate change. Where relevant, local changes in temperature, wind, water and solid mass, was taken into account.

Sustainable use and protection of water and marine resources

For construction and renovation, low water flow fixtures are to be installed that meet the requirements of the Taxonomy. For other economic activities, the sustainable use and protection of water and marine resources is complied with on the basis of existing legislation for permits, environmental impact assessments or self-assessments, and taking actions to comply with these.

Transition to a circular economy

In projects for transmission and distribution of electricity, there must be a waste management plan in place that ensures the highest possible degree of reuse/recycling upon final dismantling/demolition. The plan must be based on the waste hierarchy, be communicated and economic means must be set aside for the management.

For the Taxonomy sector of Transport, and for construction and renovation, at least 70 percent by weight of the non-hazardous construction and demolition waste generated on the construction site must be prepared for reuse, recycling or other material recovery.

For construction and renovation, construction and construction techniques must also support circularity. The projects must describe, based on relevant standards, how the building is designed to be more resource efficient, adaptable, flexible and dismantlable to enable reuse and recycling, during and after the building's lifetime.

Pollution prevention and control

Guidelines for noise are followed and self-assessments are performed. Risk management for dust and emissions are handled in the environmental plan. These requirements are handled by following NCC's ordinary procedures.

NCC's internal requirements are to primarily choose recommended and accepted products in Byggvarubedömningen (BVB) or the equivalent in the applicable country. There must be low emissions of harmful substances to the indoor environment from materials. Projects built on former industrial sites perform a land survey to identify potential contaminants.

For district heating/cooling distribution, the relevant purchased products and equipment must comply with the Ecodesign Directive, best energy class and Best Available Technology.

Protection and restoration of biodiversity and ecosystems

To meet the criteria, either an environmental impact assessment (EIA) or a nature value inventory (NVI) or similar are required and the necessary risk mitigation and biodiversity offsets must be carried out to protect the environment. New construction is controlled by building within a planned development area, otherwise requirements linked to construction on unused land must be followed.

Minimum social safeguards

In order to be Taxonomy-aligned, the activities must also meet social safeguards. The aim of the safeguards is to set a minimum standard for social and ethical sustainability for how a company should operate for its activities to be considered sustainable. This means that the company must not cause any harm or violate any laws or regulations based on four aspects: taxation, fair competition, corruption and human rights. NCC achieves this minimum standard by complying with the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights (UNGP) and the OECD Guidelines for Multinational Enterprises.

Taxation

Compliance with taxation regulations is a priority at NCC, and the topic is addressed in the same review procedures as corporate governance. NCC complies with tax regulations in all jurisdictions with active operations, and ensures compliance with the regulations through suitable procedures and strategies for managing tax risks. Prudence and transparency guide our decisions within tax management. NCC's procedures and strategies for managing tax risks are described in its Tax Policy and Directive. As needed, extra tax advisers can be called in for consulting, primarily from larger audit companies or law offices. NCC has not been found guilty of violating any tax laws.

Fair competition

NCC operates in an industry that has, historically speaking, been at risk for unfair competition. NCC therefore has clear guidelines and procedures as well as training for ensuring fair competition in all its business. Read more about this in the Ethics and compliance section.

Anti-corruption and anti-bribery

NCC is aware of the risk of corruption and bribery in the industry in which NCC is active, and has training, policies and processes for minimizing and managing the risk of corruption in and around its operations. Read more about this in the Ethics and compliance section.

Human rights

NCC respects human rights and is responsible for preventing anyone in its own operations from being subjected to treatment that violates those human rights. Read more about this in the Own workforce section.

NCC is aware that violations of human rights can occur throughout the value chain, and has various procedures in place to reduce this risk and to detect – to the greatest extent possible – whether anything like this could occur, in order to facilitate remediation. Read more about this in the Workers in the value chain section and about the requirements NCC sets on its suppliers in the Ethics and compliance section.

Green bonds

NCC has market financing programs with SEK 3,350 M (2,850) in green bonds, of which SEK 2,250 M (1,750) is listed on Nasdaq Stockholm. For more information, refer to the Investor Report 2024. During the year, SEK 0 M (0) of bonds or other debt instruments were issued to finance specific Taxonomy-aligned activities. The absolute majority refers to investments in property projects conducted by NCC Property Development, which are classified as current assets in NCC's balance sheet and thus not Taxonomy-eligible capital expenditure.

Nuclear and fossil gas related activities

Row		Yes/No
Nuclear energy related activities		
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Reporting principles

Turnover

Total turnover

For NCC, turnover according to the Taxonomy and net sales according to IFRS have the same key performance indicator (KPI). Turnover reported according to the Taxonomy is based solely on external revenue, which means that double counting is avoided. For more information, refer to Note 1 Accounting policies and Note 2 Revenue recognition.

Taxonomy-eligible turnover
(not environmentally sustainable/Taxonomy-aligned, A.2)

Taxonomy-eligible turnover for NCC Infrastructure, NCC Building Sweden and NCC Building Nordics refers to revenue from contracting operations. For NCC Property Development, sales of projects and rental revenues from properties are eligible turnover. NCC Industry's Taxonomy-eligible turnover is those parts related to recycling and reuse of materials, and the paving and maintenance of public roads.

Environmentally sustainable turnover (Taxonomy-aligned, A.1)

As a consequence of applying revenue recognition gradually over time, in line with the completion rate, the assessment of whether or not an economic activity is Taxonomy-aligned is based on the project's predetermined assumptions. If these assumption are subsequently changed, the reported Taxonomy-aligned turnover can also be changed. In its assessment of projects, NCC assumes that they are carried out in accordance with the order placed. If, upon the completion of a project, NCC identifies a change in the assessment of whether the project's turnover is Taxonomy-aligned, this changed assessment is reported on the next reporting date. For the part of NCC's operations that report turnover at a certains point in time, whether or not the turnover is Taxonomy-aligned is determined upon completion of the project.

Capital Expenditure (CapEx)

Total CapEx

For NCC, CapEx according to the Taxonomy and IFRS has the same KPI. For more information, refer to Note 15 Tangible fixed assets, Note 16 Intangible fixed assets and Note 33 Leasing.

Taxonomy-eligible CapEx (not environmentally sustainable/ Taxonomy-aligned, A.2)

NCC has determined that investments attributable to owner-occupied properties, machinery and equipment, right-of-use assets buildings and right-of-use assets machinery and equipment are eligible CapEx.

Since individual investments are used in many economic activities over their lifetime, NCC has distributed Taxonomy-eligible investments in machinery and equipment based on each business area's distribution of the net sales KPI. Starting in 2024, right-of-use assets have not been included in the allocation and have instead been handled separately. Right-of-use assets in the form of heavy machinery that are directly linked to an individual project have been reported under the same economic activity as project sales are reported against. Right-of-use assets owner-occupied properties and vehicles of category M1 and N1 (part of Right-of-use assets machinery and equipment) have been reported in their entirety as Acquisition and ownership of buildings and Transport by motorbikes, passenger cars and light commercial vehicles, respectively.

Environmentally sustainable CapEx (Taxonomy-aligned, A.1)

NCC has applied the same reasoning for Taxonomy-aligned CapEx as for Taxonomy-eligible CapEx.

Operating Expenditure (OpEx)

Total OpEx

Since IFRS does not provide clear guidance on the expenses considered operating expenses, the concept of operating expenditure (OpEx) is not included in NCC's financial statements. NCC defines OpEx in accordance with the Taxonomy, which means expenses for short-term leases and the repair and maintenance of tangible fixed assets related to fixed assets in Taxonomy-eligible activities.

NCC has three different business models: contracting operations, industrial operations and property development. The majority of NCC's assets are in contracting operations and property development, and are recognized as current assets. As a result, NCC's total capital expenditure and operating expenditure are not substantial amounts. NCC therefore does not believe that a division of operating expenditure into Taxonomy-aligned and environmentally sustainable operating expenditure in accordance with the Taxonomy is material, and has chosen to apply the exemption in accordance with the Taxonomy. Only total operating expenditure is reported.

Environmental disclosures

Turnover[1)]

Financial year 2024	2024			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities	Code	Turnover[2)]	Proportion of Turnover, 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) Turnover, 2023	Category enabling activity	Category transitional activity
		SEK M	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation from hydropower	CCM 4.5/ CCA 4.5	122	0.2%	Y	N	N/EL	N/EL	N/EL	N/EL	–	Y	Y	–	–	Y	Y	0.4%	–	–
Transmission and distribution of electricity	CCM 4.9/ CCA 4.9	328	0.5%	Y	N	N/EL	N/EL	N/EL	N/EL	–	Y	–	Y	Y	Y	Y	0.3%	E	–
District heating/cooling distribution	CCM 4.15/ CCA 4.15	56	0.1%	Y	N	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	–	Y	Y	0.1%	–	–
Infrastructure for personal mobility, cycle logistics	CCM 6.13/ CCA 6.13	54	0.1%	Y	N	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	Y	Y	Y	0.0%	E	–
Infrastructure for rail transport	CCM 6.14/ CCA 6.14	4,888	7.9%	Y	N	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	Y	Y	Y	2.8%	E	–
Infrastructure enabling (low carbon) water transport	CCM 6.16/ CCA 6.16	0	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	Y	Y	Y	0.3%	–	–
Construction of new buildings	CCM 7.1/ CCA 7.1/ CE 3.1	3,099	5.0%	Y	N	N/EL	N/EL	N	N/EL	–	Y	Y	Y	Y	Y	Y	0.8%	–	–
Renovation of existing buildings	CCM 7.2/ CCA 7.2/ CE 3.2	0	0.0%	Y	N	N/EL	N/EL	N	N/EL	–	Y	Y	Y	Y	–	Y	0.6%	–	T
Acquisition and ownership of buildings	CCM 7.7/ CCA 7.7	341	0.6%	Y	N	N/EL	N/EL	N/EL	N/EL	–	Y	–	–	–	–	Y	0.2%	–	–
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**8,888**	**14.4%**	**100.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**–**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**5.4%**		
Of which Enabling		5,270	8.6%	58.7%	0.0%	0.0%	0.0%	0.0%	0.0%	–	Y	Y	Y	Y	Y	Y	3.1%	E	
Of which Transitional		0	0.0%	0.0%						–	Y	Y	Y	Y	–	Y	0.6%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Electricity generation from wind power	CCM 4.3/ CCA 4.3	122	0.2%														0.0%		
Electricity generation from hydropower	CCM 4.5/ CCA 4.5	385	0.6%														1.0%		
Transmission and distribution of electricity	CCM 4.9/ CCA 4.9	267	0.4%														0.8%		
District heating/cooling distribution	CCM 4.15/ CCA 4.15	1,131	1.8%														0.7%		
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1/ CCA 5.1	1,039	1.7%														1.8%		
Renewal of water collection, treatment and supply systems	CCM 5.2/ CCA 5.2	299	0.5%														0.4%		
Construction, extension and operation of waste water collection and treatment	CCM 5.3/ CCA 5.3	1,263	2.0%														1.7%		
Renewal of waste water collection and treatment	CCM 5.4/ CCA 5.4	628	1.0%														0.8%		
Sorting and material recovery of non hazardous	CE 2.7	260	0.4%														0.5%		
Infrastructure for personal mobility, cycle logistics	CCM 6.13/ CCA 6.13	96	0.2%														0.4%		
Infrastructure for rail transport	CCM 6.14/ CCA 6.14	964	1.6%														6.1%		
Infrastructure enabling (low-carbon) road transport and public transport	CCM 6.15/ CCA 6.15	1,887	3.1%														3.2%		
Infrastructure enabling (low carbon) water transport	CCM 6.16/ CCA 6.16	579	0.9%														0.1%		
Construction of new buildings	CCM 7.1/ CCA 7.1/ CE 3.1	20,928	34.0%														36.6%		
Renovation of existing buildings	CCM 7.2/ CCA 7.2/ CE 3.2	4,949	8.0%														6.9%		
Acquisition and ownership of buildings	CCM 7.7/ CCA 7.7	0	0.0%														0.1%		
Maintenance of roads and motorways	CE 3.4	5,217	8.5%														7.8%		
Flood risk prevention and protection infrastructure	CCA 14.2	225	0.4%														0.0%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**40,240**	**65.3%**														**68.9%**		
A. Turnover of Taxonomy-eligible activities (A.1 +A.2)		**49,128**	**79.7%**														**74.3%**[3)]		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		**12,482**	**20.3%**																
TOTAL		**61,609**	**100.0%**																

1) Proportion of turnover derived from products or services associated with Taxonomy-aligned economic activities – disclosures that cover 2024.
2) Turnover for Taxonomy-eligible but not environmentally sustainable activities where turnover for activities that are < SEK 50 M is not reported separately but as turnover of Taxonomy-non-eligible activities.
3) In 2024, instructions for guidance in assessing the projects for alignment with the Taxonomy were reviewed. The comparative figures for some projects have been adjusted.

	Proportion of Turnover/Total Turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	14.4%	70.5%
CCA	0.0%	70.9%
WTR	0.0%	0.0%
CE	0.0%	50.9%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

Environmental disclosures

CapEx[1)]

Financial year 2024	2024			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities	Code	CapEx	Proportion of CapEx 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, 2023	Category enabling activity	Category transitional activity
		SEK M	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation from hydropower	CCM 4.5/ CCA 4.5	1	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL	–	Y	Y	–	–	Y	Y	0.2%	–	–
Transmission and distribution of electricity	CCM 4.9/ CCA 4.9	3	0.2%	Y	N	N/EL	N/EL	N/EL	N/EL	–	Y	–	Y	Y	Y	Y	0.5%	E	–
District heating/cooling distribution	CCM 4.15/ CCA 4.15	0	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	–	Y	Y	0.1%	–	–
Infrastructure for personal mobility, cycle logistics	CCM 6.13/ CCA 6.13	1	0.1%	Y	N	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	Y	Y	Y	0.0%	E	–
Infrastructure for rail transport	CCM 6.14/ CCA 6.14	38	2.6%	Y	N	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	Y	Y	Y	5.0%	E	–
Infrastructure enabling (low carbon) water transport	CCM 6.16/ CCA 6.16	0	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	Y	Y	Y	0.9%	–	–
Construction of new buildings	CCM 7.1/ CCA 7.1/ CE 3.1	0	0.0%	Y	N	N/EL	N/EL	N	N/EL	–	Y	Y	Y	Y	Y	Y	0.2%	–	–
Renovation of existing buildings	CCM 7.2/ CCA 7.2/ CE 3.2	0	0.0%	Y	N	N/EL	N/EL	N	N/EL	–	Y	Y	Y	Y	–	Y	0.2%	–	T
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**44**	**2.9%**	**100%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**–**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**7.0%**		
Of which Enabling		41	2.7%	97.0%	0.0%	0.0%	0.0%	0.0%	0.0%	–	Y	Y	Y	Y	Y	Y	5.4%	E	
Of which Transitional		0	0.0%	0.0%						–	Y	Y	Y	Y	–	Y	0.2%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Electricity generation from wind power	CCM 4.3/ CCA 4.3	1	0.0%														0.0%		
Electricity generation from hydropower	CCM 4.5/ CCA 4.5	2	0.1%														0.7%		
Transmission and distribution of electricity	CCM 4.9/ CCA 4.9	1	0.1%														0.3%		
District heating/cooling distribution	CCM 4.15/ CCA 4.15	8	0.5%														0.5%		
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1/ CCA 5.1	7	0.4%														1.3%		
Renewal of water collection, treatment and supply systems	CCM 5.2/ CCA 5.2	2	0.1%														0.2%		
Construction, extension and operation of waste water collection and treatment	CCM 5.3/ CCA 5.3	8	0.5%														1.7%		
Renewal of waste water collection and treatment	CCM 5.4/ CCA 5.4	4	0.2%														0.4%		
Sorting and material recovery of non hazardous	CE 2.7	3	0.2%														0.8%		
Infrastructure for personal mobility, cycle logistics	CCM 6.13/ CCA 6.13	1	0.1%														0.5%		
Infrastructure for rail transport	CCM 6.14/ CCA 6.14	9	0.6%														3.6%		
Infrastructure enabling (low-carbon) road transport and public transport	CCM 6.15/ CCA 6.15	98	6.6%														2.4%		
Infrastructure enabling (low carbon) water transport	CCM 6.16/ CCA 6.16	6	0.4%														0.1%		
Transport by motorbikes, passenger cars and light commercial vehicles [2)]	CCM 6.5 / CCA 6.5	265	17.7%														0.0%		
Construction of new buildings	CCM 7.1/ CCA 7.1/ CE 3.1	39	2.6%														8.9%		
Renovation of existing buildings	CCM 7.2/ CCA 7.2/ CE 3.2	0	0.0%														1.4%		
Acquisition and ownership of buildings[2)]	CCM 7.7/ CCA 7.7	204	13.6%														0.0%		
Maintenance of roads and motorways	CE 3.4	25	1.7%														3.8%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**682**	**45.4%**														**26.6%**		
A. CapEx of Taxonomy-eligible activities (A.1 +A.2)		**726**	**48.3%**														**33.6%**[3)]		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		**776**	**51.7%**																
TOTAL		**1,502**	**100.0%**																

1) Proportion of CapEx derived from products or services associated with Taxonomy-aligned economic activities – disclosures that cover 2024.
2) Starting in 2024, right-of-use assets are handled separately and not included in allocation. The comparative period has not been adjusted, since no data is available.
3) In 2024, instructions for guidance in assessing the projects for alignment with the Taxonomy were reviewed. The comparative figures for some projects have been adjusted.

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	2.9%	43.5%
CCA	0.0%	43.5%
WTR	0.0%	0.0%
CE	0.0%	4.5%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

Environmental disclosures

OpEx[1)]

Financial year 2024	2024			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities	Code	OpEx	Proportion of OpEx, 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned OpEx, 2023	Category enabling activity	Category transitional activity
		SEK M	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0.0%**	**%**	**%**	**%**	**%**	**%**	**%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0.0%**		
Of which Enabling		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	0.0%	E	
Of which Transitional		0	0.0%	0.0%						Y	Y	Y	Y	Y	–	Y	0.0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**0**	**0.0%**														**0.0%**		
A. OpEx of Taxonomy-eligible activities (A.1 +A.2)		**0**	**0.0%**														**0.0%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		**2,737**	**100.0%**																
TOTAL		**2,737**	**100.0%**																

1) Proportion of OpEx derived from products or services associated with Taxonomy-aligned economic activities – disclosures that cover 2024.

	Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.0%	0.0%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

Environmental disclosures

Climate change

Material sustainability matters	Where in the value chain
Climate change adaptation	Throughout the value chain
Climate change mitigation	Throughout the value chain
Energy	Throughout the value chain

Material impacts, risks and opportunities

During the double materiality assessment, climate change was identified as one of NCC's material sustainability topics. This is in line with previous assessments, with NCC having a long history of focusing on reducing greenhouse gas emissions from its operations. Climate change remains a central impact area for NCC since large amounts of greenhouse gases are generated across the value chain. NCC's climate impact is primarily derived from the materials that are purchased and used in the construction process and from energy consumption in the various parts of the operations. NCC uses a significant amount of energy for machinery, heating and electricity at construction sites as well as in the production of asphalt. Upstream in the value chain, greenhouse gas emissions are primarily generated from extraction of virgin materials and from manufacturing processes. Apart from NCC's direct impact, there are also financial risks and opportunities. The financial risks comprise negative impacts on suppliers from a changing climate with disruptions to supply chains and raw materials becoming difficult or extremely costly to procure. One potential financial opportunity lies in increased demand for products that help customers adapt to a changing climate and thereby ensuring that society is adapting to new conditions.

Governance

NCC has a Sustainability and Environmental Policy and is working to update and further develop the policy within the area of climate change. NCC has Group-wide roadmaps for reducing the climate impact of its operations. One example is the roadmap for concrete, with the goal of achieving climate-neutral concrete-based construction. Furthermore, each business area is responsible for their respective climate initiatives and have targets that are broken down on the basis of the Group's energy and climate targets. To achieve these, each business area has established measures and action plans.

The efforts to produce a coherent Group-wide climate transition plan continued during the year. For more information on NCC's policies, see the General disclosures section.

Targets

NCC's climate targets 2024 are:

- Climate neutrality by 2045
- 60 percent decrease in CO_2e emissions for Scope 1 and 2 by 2030
- 50 percent decrease in CO_2e emissions for Scope 3 by 2030

The target for Scope 1 and 2 is measured from base year 2015 in CO_2e tons/SEK M in sales, with a starting value of 5.2 CO_2e/SEK M. This target includes all fuels that NCC uses in production and own transport as well as all electricity, district heating and district cooling that NCC uses for buildings and construction. The greenhouse gases CO_2, CH_4 and N_2O are included for Scope 1 and 2 since these are the primary gases that are released in conjunction with the included activities. Scope 1 biogenic CO_2 emissions are not included in the target.

The target for Scope 3 is measured in kg CO_2e per volume purchased and MWh, respectively, with 2015 as the base year. The target for Scope 3 includes ready-mix concrete, asphalt, reinforcement steel and transportation. The greenhouse gases CO_2, CH_4 and N_2O are also included.

NCC has set a target of only purchasing fossil-free and mainly renewable electricity. In 2024, the portion of fossil-free electricity was 90 percent (95) of total electricity consumption.

Activities

NCC's efforts at reducing its climate emissions are based on the specific conditions and operation of each business area. Efficient resource utilization, purchases of materials with lower carbon emissions and increased use of recycled and reused products are essential in this work. These efforts are carried out in close collaboration with NCC's customers and clients, in conjunction with planning and procurement.

Digitization of data processing is necessary for long-term sustainable work processes, and for this reason climate calculations and joint IT development are key activities. NCC is proactive in its dialogue and collaboration with suppliers, and participates in research and development projects to produce materials with a smaller carbon footprint.

Reduced climate footprint

NCC is focused on reducing its climate footprint. Analysis, cooperation and dialogue with customers, suppliers and other stakeholders for the implementation of measures and changed work methods is of the utmost importance. Climate calculations in construction projects are crucial for making the right decisions and reducing the climate footprint in a cost-efficient manner for NCC and for customers. As support in this task, NCC has several digital tools as well as internal centers of excellence with experts who specialize in climate calculations. The purpose of climate calculations is to gain an overview of and control over the total climate impact of a project. This includes data and related greenhouse gas emissions associated with the use of materials, energy consumption and waste.

Energy

Energy consumption in own operations includes use of energy and fuel in projects and at production work sites.

Key actions to reduce energy and fuel consumption, and thereby climate impact, include:

- Continued energy-efficiency improvements in operations
- Electrification of machinery and transportation for reduced primary energy
- Optimized logistics chains to reduce the total number of transport journeys
- Economical driving and avoiding idling
- Use of fossil-free fuel
- Phase-out of fossil fuels

To reduce energy consumption downstream in the value chain, the focus on enhancing energy efficiency in property development is an important measure. The NCC Property Development business area requires energy performance to be at least 25 percent better compared with regulations and to use local energy production in all projects.

Materials

NCC's climate impact arises primarily in conjunction with the manufacturing of the materials used in the construction process. Within the category "Purchased goods and services" (Scope 3), concrete, asphalt and steel have the largest climate impact.

Concrete:

NCC works according to a roadmap toward climate-neutral concrete-based construction, aimed at achieving the target of becoming climate neutral by 2045. This initiative has three main perspectives: The right concrete in the right place, minimize the amount of cement in concrete, and minimize the volume of concrete. Analysis, cooperation and dialogue with customers, suppliers and other stakeholders for the implementation of measures and changed work methods is of the utmost importance.

Asphalt:

The asphalt division's total greenhouse gas emissions, from both asphalt production and paving, accounts for 50 percent (53) of the Group's total emissions (Scope 1 and 2). Key actions to reduce climate impact from production of asphalt include:

- Continued conversion of asphalt plants to the use of biofuels
- Replacing fossil bitumen with bio-binders in the asphalt
- Developing asphalt products with a lower climate impact through NCC's method of increasing the proportion of reclaimed asphalt pavement (RAP), lowering manufacturing temperatures and using biofuel during production
- Decreasing the number of starts and stops at asphalt plants in order to reduce energy consumption
- Reduce moisture in the stone materials that are mixed into the asphalt and keep it dry, in order to reduce energy consumption in asphalt production

Steel:

In order to halve the climate impact of steel, well-informed purchasing from producers who provide products with a lower carbon footprint is crucial. Environmental product declarations (EPDs) for materials are used in the supplier assessment to determine whether the suppliers fulfill the requirements of NCC and its customers. By using recycled steel, energy consumption can be reduced by up to 75 percent compared with production of ore-based steel. To achieve fossil-free steel, new production technologies are also needed.

Transportation and machine services

Key actions to reduce emissions from transportation:

- Actively partnering with suppliers to increase degree of filling and optimizing logistics chains to reduce the number of transport journeys
- Requiring suppliers to use fuel-efficient vehicles
- Requiring suppliers to use electric vehicles and biofuel

One key measure for reduced climate impact from machine and machine services is electrification. Examples of such measures include:

- Electrification of mobile rock crushers, which would offer significant energy savings and thereby reduce climate emissions
- Projects that use emission-free machinery and electrified transport in all countries, together with customers
- Continued testing and implementation of electric paving machinery

Efforts to obtain data from suppliers of transportation and machine services continued during the year. The focus was on Sweden, and on transportation and machine services that NCC itself purchased. Efforts are under way to include more countries and business areas as well as transportation of the materials that NCC does not directly purchase but are included upstream in the value chain.

Environmental disclosures

Climate-related risks and opportunities[1)]

Material opportunities	Description/Effect	Likelihood	Consequence	Existing measures	Change
Transition risk Changes to external climate-related policies and/or legal conditions that impact NCC.	Carbon-price mechanisms – such as higher prices for greenhouse gas emissions through the emissions trading system – or all price mechanisms for carbon emissions directly or indirectly through suppliers.	May occur	Major	• Optimize and reduce the use of materials, fuels and energy; use renewable and recycled materials; substitute with materials that have a lower carbon intensity • Manage risks for higher prices through tenders and contracts, as well as follow-up • Participate in projects to develop materials with a lower climate impact	→
Transition risk Changes to external climate-related policies and/or legal conditions that impact NCC.	Increased administration and workload due to expanded climate-related reporting requirements.	May occur	Major	• Increased digitization of data processing, automation and know-how • Optimized procedures to reduce workload	↓
Transition risk NCC does not meet changed climate-related needs or requirements from customers quickly enough.	Customers substitute products, projects and/or services with lower (lifecycle) emissions options from competitors.	May occur	Major	• Strategies to reduce greenhouse gas emissions in construction projects • Continued phase-out of fossil fuels in operations • Strategies to develop cost-efficient solutions for reducing carbon emissions for customers • Development of climate guides for various customer segments	↓
Transition risk Transition and access to sources of fossil-free energy.	Stricter requirements from customers for electrification in projects. Shortage of renewable alternatives at competitive prices. Suppliers have to adapt to fossil-free production, which could lead to increased investments and costs.	May occur	Major	• Tools and methods to support the electrification process • Continued monitoring of developments and opportunities for external financing via government initiatives • Management of risks of higher prices through tenders and contracts, as well as follow-up	↓
Acute physical risk Increased frequency and severity of extreme weather events such as heat waves, storms, and floods.	Delays in project deliveries (e.g. problems with the flow of materials from suppliers). Severe damage to material inventories, sites, or construction and infrastructure projects.	May occur	Major	• Thorough review of tender documents and risk assessments to evaluate and price risks • Buffer activities and environmental impact statements • Evaluation of climate risks and vulnerability, with contingency plans for sites and construction projects	↓
Chronic physical risk Long-term changes in climate patterns such as rising average temperatures, rising ocean levels and variations in the weather.	Higher ocean levels and heavy rains can impact the attractiveness of the land and increase requirements for the resilience of construction projects.	May occur	Major	• Construction norms ensure that structures can cope with climate change • Access to technical expertise and standards in the organization	↓
Material opportunities	**Description/Effect**	**Likelihood**	**Consequence**	**Strategies to realize opportunities**	**Change**
Transition opportunity Changes in climate-related needs among, and requirements from, current and future customers.	Increased demand for energy-efficient buildings and business operations related to renovation and reuse in circular models. Increased demand for hydroelectric power and electricity distribution.	May occur	Major	• Design and construction of cutting-edge projects provide knowledge of potential solutions • Development of climate guides for various customer segments	↑
Physical opportunity Increased frequency and severity of extreme weather events and long-term changes in climate patterns, such as rising average temperatures and ocean levels.	Increased demand for NCC's products and/or projects that directly support customers' climate adaptation activities (for example, urban embankments, flood barriers, storm tunnels).	May occur	Major	• Specialization within the segment • Monitoring of developments in society and the market • Development of climate guides for various customer segments	↑

1) Two scenarios have been used to identify and evaluate climate-related risks and opportunities. For physical risks, the SSP5-8.5 scenario has been used, and for transition risks the International Energy Agency's Net Zero (NZE) scenario has been used. In this year's risk assessment, NCC has switched to evaluating gross risks before action taken, to then arrive at a remaining risk assessment that takes the effect of the actions into account. The entire value chain has been evaluated in this assessment. Short-, medium- and long-term time horizons were used in the analysis, corresponding to the ones selected for the strategic risk process and NCC's strategy.

Definitions

Consequence:	Minor (>SEK 10 M)	Tangible (>SEK 50 M)	Serious (>SEK 100 M)	Major (>SEK 250 M)
Likelihood:	Most unlikely	Unlikely	May occur	Most likely

↓	Decrease in consequence or likelihood following action
→	No change in consequence or likelihood following action
↑	Increase in consequence or likelihood following action

Environmental disclosures

Metrics and outcome

In 2024, Scope 1 and 2 emissions intensity amounted to 1.9 tons CO_2e/SEK M, corresponding to a reduction of 64 percent compared with 2015. A multi-year initiative to convert the company's asphalt plants from fossil fuel to biofuel has resulted in NCC achieving the target set for 2030 early. In view of this, NCC has decided to increase its target for reducing emissions intensity in own operations to 75 percent by 2030, which means 1.3 CO_2e tons/SEK M.

For Scope 3, NCC has mapped climate emissions in the areas that are considered having the greatest climate impact and has identified six categories as material:

- Purchased goods and services
- Fuel and energy-related activities
- Upstream transportation and distribution
- Waste
- Business travel
- Use of sold products

In the category Purchased goods and services in Scope 3, NCC specifically follows up ready-mix concrete, reinforcement steel and internally purchased asphalt. In 2024, ready-mix concrete decreased by 22 percent, reinforcement steel by 57 percent and internally purchased asphalt by 23 percent compared with base year 2015.

Total GHG emissions has decreased compared with 2023. The largest changes are found in Scope 1 and Scope 3, in the categories Purchased goods and services and Use of sold products. Several asphalt plants used biofuel instead of fossil fuels during the year, which resulted in lower emissions for Scope 1. The reason why emissions for internally purchased asphalt have increased is mainly due to a reduction in internal sales in Sweden, where more progress has been made in reducing climate impact than in Norway and Denmark. They therefore constitute a larger share of the total amount of asphalt sold internally and the average climate impact per ton of asphalt sold internally has therefore increased, although the climate impact from the total production of asphalt has decreased. Reinforcement steel accounts for the greatest reduction in purchased goods and services, due largely to lower EPDs on reinforcement steel purchased, followed by ready-mix concrete. In the category Use of sold products, the greatest reduction was achieved in Finland. This category is heavily project-dependent, and is largely determined by the number and type of projects that were completed during the reporting year, which is why it can vary without specific actions being taken.

Emissions from transportation and machinery services are reported using the base year 2023 and use data from Sweden. This year's increase is mainly attributable to the change in the reduction obligation of biofuels with fossil fuels.

The efforts to improve the quality of NCC's emissions calculations have resulted in a higher coverage rate in Scope 3 compared to previous years. Higher emissions in Scope 3 should therefore not be interpreted as an increase in actual emissions. No new Scope 3 categories were added in 2024. In 2025, a project will be conducted aimed at setting a new base year with a uniform coverage rate. NCC will also carry out a new evaluation of material categories in Scope 3.

Reporting principles, climate data

Climate reporting follows the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard for Scope 1 and 2, and the Corporate Value Chain Standard for Scope 3 unless otherwise indicated. NCC reports on Scope 1 and 2, and material Scope 3 categories. NCC does not include climate compensation in the calculations for Scope 1, 2 and 3.

Calculations primarily use supplier-specific Environmental Product Declarations, or EPDs. Where EPDs are not available, emissions factors from the Department for Energy Security and Net Zero (2024) or the Swedish Environmental Protection Agency (2024) are used, depending on applicability. In cases where pre-calculated climate data is provided from the supplier, the reliability and correctness of the sources used to calculate the data are verified.

For Scope 1, NCC reports stationary combustion (combustion in connection with asphalt production) and mobile combustion (combustion of fuel for vehicles, trucks and working vehicles that NCC controls). Combustion of biofuel, which generates biogenic carbon dioxide, is reported separately from Scope 1.

For Scope 2, NCC reports energy purchased in the form of electricity, district heating and district cooling. Both market-based and location-based calculation methods are reported, but only market-based calculation methods form the basis for follow-up of the targets for Scope 1 and 2.

Greenhouse gas emissions related to the purchase of ready-mix concrete, reinforcement steel and internally purchased asphalt are reported in the category Purchased goods and services in Scope 3. This also includes all purchased machine services in Sweden. The asphalt reported is asphalt that was purchased internally and produced by the NCC Industry business area. This deviates from the GHG Protocol Corporate Value Chain (Scope 3) Standard. Upstream transportation in Scope 3 includes only directly purchased transportation in Sweden. Carbon emissions from waste management in Scope 3 is based on reported amounts of waste. Use of sold products in Scope 3 includes only the NCC Building Sweden business area, as well as Finland and Norway for NCC Building Nordics.

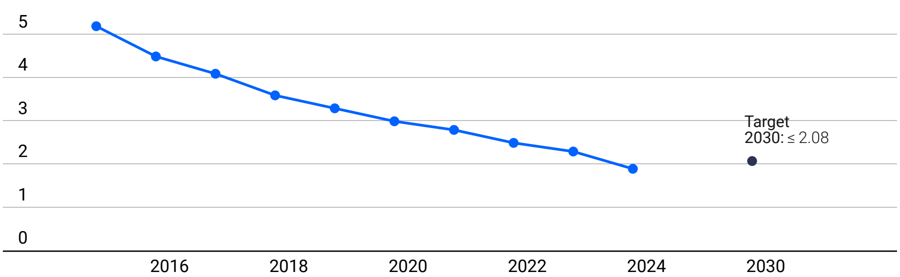
Environmental disclosures

GHG emissions

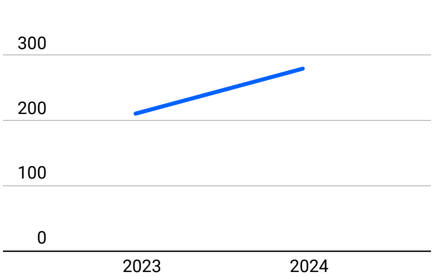
GHG emissions	2024	Change compared with base year 2015, %	2023	2015
GHG emissions, market-based, Scope 1 and 2, CO_2e (thousand tons)	**117**	**–57**	**130**	**271**
GHG emissions, location-based, Scope 1 and 2, CO_2e (thousand tons)	**120**	**–50**	**137**	**241**
of which, Scope 1	113	–48	126	217
of which, Scope 2				
Market-based method	4	–93	4	54
Location-based method	7	–71	11	24
Emissions intensity: CO_2e tons/MWh[1]	**0.15**	**–32**	**0.14**	**0.22**
Emissions intensity: CO_2e tons/SEK M[1]	**1.9**	**–64**	**2.3**	**5.2**
Net sales, SEK M	61,609	18	56,932	52,155
GHG emissions, Scope 3	**355**	**–**	**385**	**–**
Purchased goods and services[2]	144	–	156	–
Fuel and energy-related activities	46	–	49	–
Upstream transportation and distribution[3]	45	–	34	–
Waste	1	–	1	–
Business traveling (air travel)	4	–	4	–
Use of sold products[4]	116	–	142	–
Total GHG emissions,[5] CO_2e (thousand tons)	**472**	**–**	**515**	**–**
Combustion of biomass (biogenic Scope 1) (thousand tons)	**82**	**–**	**57**	**–**

1) Only Scope 1 and Scope 2 (market-based method) are used in the performance indicator.
2) Includes ready-mix concrete, reinforcement steel, internally purchased asphalt and machinery services purchased in Sweden.
3) Includes directly purchased transportation in Sweden.
4) Includes only the NCC Building Sweden business area as well as Finland and Norway for NCC Building Nordics.
5) Total GHG emissions for Scope 1, 2 and 3 (market-based method).

Scope 1 and 2, CO_2e tons/SEK M

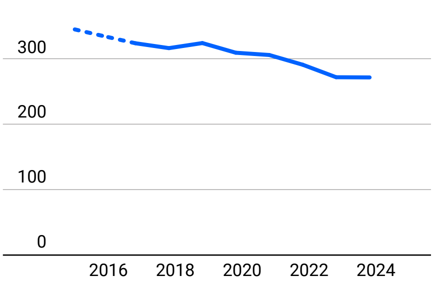


Transportation and machine services (kg CO_2e/MWh)



Outcome 2024: +33 percent from 2023 (only Sweden)

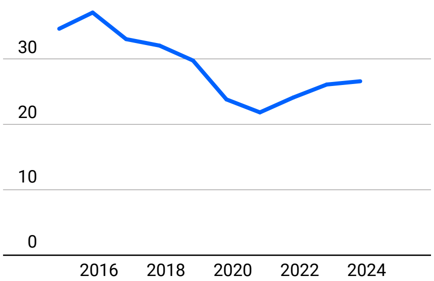
Ready-mix concrete (kg CO_2e/m^3)



Outcome 2024: –22 percent from 2015

The base level is derived from a compilation of values from customers, trade associations, manufacturers and various research initiatives.

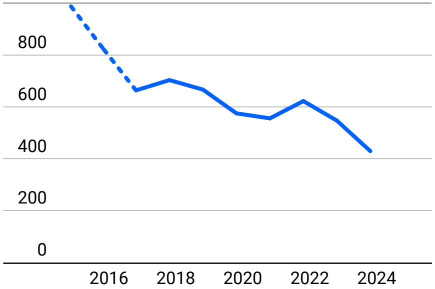
Asphalt (kg CO_2e/ton)



Outcome 2024: –23 percent from 2015

Pertains to internally purchased asphalt. The reason for the increase in emissions from internally purchased asphalt is mainly due to the increased share of production volume in Norway and Denmark. Here, emissions in kg per tonne of asphalt produced are not as low as in Sweden, where work to reduce CO_2 emissions has progressed further.

Reinforcement steel (kg CO_2e/ton)



Outcome 2024: –57 percent from 2015

The base level for concrete is derived from a compilation of values from customers, trade associations, and EPDs from manufacturers of reinforcement steel.

Environmental disclosures

Energy consumption in the operation

Fuel use

MWh	2024	Change compared with base year 2015, %	2023	2015
Renewable fuels	246,416	195	174,118	83,462
Fossil fuels	495,062	–45	566,017	906,468
Fuels, total	**741,478**	**–25**	**740,135**	**989,930**

District heating/cooling

MWh	2024	Change compared with base year 2015, %	2023	2015
District cooling	3,982	855	818	417
District heating	19,134	–62	26,343	50,851
District cooling/District heating, total	**23,116**	**–55**	**27,161**	**51,268**

Electricity consumption

MWh	2024	Change compared with base year 2015, %	2023	2015
Electricity from fossil-free sources[1)]	146,947	44	162,052	102,360
Other electricity	16,290	–87	8,030	121,618
Electricity, total	**163,236**	**–27**	**170,082**	**223,978**

1) Hydroelectric power, wind power and nuclear power.

Total energy consumption[1)]

MWh	2024	Change compared with base year 2015, %	2023	2015
Energy consumption, total	**927,831**	**–27**	**937,378**	**1,265,176**

1) Total energy consumption is a sum of reported energy usage for fuel, district heating/cooling, and electricity.

Biodiversity and ecosystems

Material sustainability matters	Where in the value chain
Direct impact drivers of biodiversity loss	Upstream, Own operations
Impacts on the extent and condition of ecosystems	Own operations

Material impacts, risks and opportunities

Construction of buildings and infrastructure projects depends on the use of land area, which can cause biodiversity loss depending on the geographical location and scope of the activities. This is why it is important that each project or site that is started is preceded by an assessment of the best location as well as an inventory of natural values.

During the double materiality assessment, biodiversity and ecosystems was identified as one of NCC's material sustainability topics. This also confirms previously conducted materiality and stakeholder analyses. NCC's operations have an impact not only locally, where the work is being carried out, but also upstream in the value chain. Throughout the supply chain of NCC's primary goods and products, there is significant dependence on virgin raw materials such as soil, limestone, sand and iron. All of these are examples of direct exploitation of virgin materials that could cause biodiversity loss and damage on ecosystems. Wood is a renewable material that is not classified as a virgin material, but its supply chain could still have an impact on biodiversity depending on where the material is gathered from. Because of this, it is important for NCC to create traceability in the supply chain for our priority materials.

Governance and targets

As part of the customer contract, the locations of projects, production sites and quarries are evaluated. The work on permits and legislative procedures is normally done in advance, and the risk of establishing operations near areas with sensitive biodiversity is therefore reduced naturally through these procedures. Internal routines in NCC's business areas are in place to control local risks associated with biodiversity, which means the issue is an integral part of NCC's projects and site management.

NCC has a Sustainability and Environmental Policy. Efforts to update and further develop the policy in the area of biodiversity and ecosystems are under way, with the aim of increasing focus on and clarify the direction within this area. For more information on NCC's policies, see the General disclosures section.

Efforts are in progress to review current work methods which can thereby create possibilities for establishing metrics and targets in the area. NCC will report on the progress of these efforts as part of its sustainability reporting.

Activities

All of NCC's business areas have different approaches to addressing risks and opportunities related to biodiversity. The business area NCC Industry has defined actions and allocated resources to its production facilities in order to reduce risks and improve biodiversity in local areas where their sites are located. For the business areas NCC Property Development, NCC Building Sweden and NCC Building Nordics, it is possible to include actions for biodiversity and potential compensation measures in the customer contract. Resources are being devoted to work relating to building certifications, many of which involve requirements associated with biodiversity. The business area NCC Infrastructure also carries out projects that support the preservation of biodiversity – for example, the construction of wildlife passages.

Environmental disclosures

Resource use and circular economy

Material sustainability matters	Where in the value chain
Resource inflows, including resource use	Throughout the value chain
Waste	Throughout the value chain

Material impacts, risks and opportunities

NCC uses large amounts of materials, which has an impact on resource use in society as a whole. To meet the challenges related to the planet's finite resources, we need to reduce the use of virgin materials and increase the use of reused or recycled materials. The materials that NCC uses are primarily concrete, steel and asphalt, which creates a dependency on virgin raw materials such as limestone, sand, iron and oil. At the same time, the impact of the use of other materials such as rock and soil material is significant, with closed material flows being of significant importance.

During the double materiality assessment, resource use and circular economy was identified as one of NCC's material sustainability topics. This is in line with previous analyses that highlighted resource efficiency and waste management as strategic matters for NCC.

Governance and targets

NCC has a Sustainability and Environmental Policy. Efforts to update and further develop the policy in the area of resource use and circular economy are under way, with the aim of increasing focus on and clarify the direction within this area. In parallel, initiatives are also under way to review current work methods, which can thereby create possibilities for establishing new metrics and targets within the area. NCC will report on the progress of these efforts as part of its sustainability reporting. For more information on NCC's policies, see the General disclosures section.

Purchasing and resource use

NCC is working to reduce the use of virgin materials, where the purchasing function plays a key role in ensuring traceability in the value chain and signing agreements with suitable operators. In construction projects, specific materials choices are made based on the needs and wishes of both the project and the customer. Different certification systems can also impose requirements on the use of certain materials.

Waste and recycling

NCC works to increase recycling and reuse, and facilitates this through measures including active collection and analysis of data. NCC's objective is to have a sorting rate greater than 70 percent. NCC follows up and governs the waste activities conducted at the construction sites through regular checks of waste statistics, at production meetings and during environmental rounds. NCC has established partnerships in all countries for handling of the waste that arises at construction sites. NCC has also developed specific control tools for increasing the proportion of recycling and reuse in its projects.

Activities

NCC's efforts on issues involving choice of materials, circularity and waste is performed on the basis of each business area's specific conditions and operations, and is designed to reduce the use of materials with a negative impact on climate, environment, and human health. Efficient resource utilization, purchases of materials with a lower environmental impact and increased recycling play an essential role in this work.

Recycling and reuse

The construction waste generated at construction sites holds great potential since it can be used in other projects. NCC cooperates internally among various functions and business areas, but also with suppliers, to develop new ways of reducing construction waste and reintroducing it into production as well as reusing and recycling materials. NCC is collaborating with its suppliers to facilitate the circular flows of specific byproducts such as loading pallets, flooring waste, plaster, brick and wood. Significant activities include ensuring that surplus purchased materials can be reused, protecting weather-sensitive materials, minimizing packaging through intelligent transport solutions and having a well-developed sorting system. Cooperation concerning circularity also occurs between property development and contracting operations, on the basis of the projects' specific conditions.

Reuse of entire construction components and materials is a market that is still immature. NCC focuses primarily on the reuse of large construction components such as frames, since this makes the largest contribution to climate impact in building construction. The research and development being conducted in the areas will now be scaled up. NCC also works internally with reclaimed asphalt pavement (RAP) and uses it in its own asphalt plant – a measure that is monitored and reported yearly.

Circular handling of excavation mass

In connection with infrastructure projects, NCC aims to only excavate the necessary volume of soil and rock material, and the company strives to increase the reuse of excavation masses that were previously sent to landfill. This reuse occurs either within the specific project or in a nearby project that needs filler materials. Measures include a systematic sampling and chemical analysis of the rock to identify suitable projects for receiving the material.

Also in the business area NCC Industry, NCC promotes the reuse and recycling of stone materials, soil, excavation masses, gravel, concrete, asphalt and garden waste, and both purchases and receives materials from other business areas in NCC and external customers.

Environmental disclosures

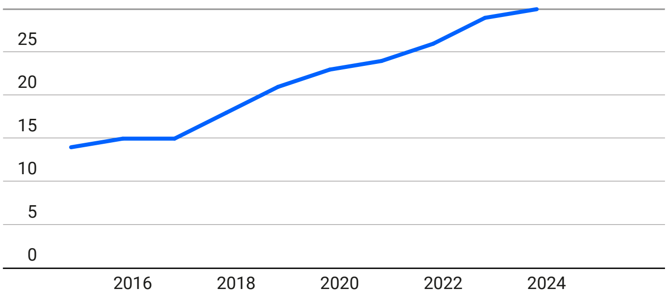
Waste
All of NCC's business areas are actively engaged in waste management. This includes using a larger share of recovered materials, ensuring the use of non-hazardous materials, applying standardized construction with made-to-measure and prefabricated products to reduce waste, and designing buildings so that the materials can be reused and recycled. NCC has a strong focus on sorting its construction and demolition waste into the fractions that have been prescribed by the industry.

NCC collaborates with stakeholders such as suppliers, hauliers and waste contractors in order to increase circular flows and minimize waste, and to work for resource-efficient management of the waste that arises. NCC also participates in pilot projects around waste and circularity.

Metrics and outcome

Reporting principles, waste
NCC reports its waste volumes from construction activities (NCC Building Sweden, NCC Building Nordics and NCC Infrastructure). Statistics are collected via waste contractor and the figures include typical construction waste above ground. NCC collects waste data directly from our main contractors. The data is mapped to the correct waste category and waste fraction, depending on material and processing. Soil, stone and excavated materials, which depend on the geography of the projects, are usually handled separately and are not included in the tables below.

Reclaimed asphalt pavement (RAP), %



As a result of the increased amount of RAP, the climate impact from NCC's total asphalt production in 2024 was approximately 10,300 tons of CO_2e lower compared to 2015.

Amounts of waste by type and disposal method

	2024		2023	
Residual product and waste category	**Total weight, tons**	**%**	**Total weight, tons**	**%**
Non-hazardous waste				
Sorting	5,102	9	6,438	12
Energy recycling	4,004	7	5,396	10
Reuse/materials recycling	47,502	80	40,687	74
Glass	507		60	
Plastic	2,726		1,671	
Wood	13,281		14,367	
Gypsum	3,519		4,176	
Metal	7,884		6,730	
Concrete, bricks, tiles	16,514		10,416	
Other reuse/materials recycling	3,071		3,267	
Landfill	2,304	4	1,777	3
Hazardous waste				
Special treatment	716	1	450	1
Total amount	**59,628**	**100**	**54,749**	**100**

Social disclosures

Own workforce

Material sustainability matters	Where in the value chain
Working conditions	Own operation
Equal treatment and opportunities for all	Own operations

Material impacts, risks and opportunities

During the double materiality assessment, own workforce was identified as one of NCC's material sustainability topics. NCC's own workforce is a key stakeholder group, and the material matters that were identified in the double materiality assessment are in line with both previous priorities and reporting as well as NCC's general orientation, with access to a high level of expertise and a safe and healthy work environment being key components.

Health and safety has been identified as a material matter with an actual negative impact on own workforce. Some activities at our worksites entail risky work elements, placing high demands on the right competence and safety equipment as well as a risk-aware culture of safety with the right attitudes and behaviors. Serious incidents occur at NCC's construction sites, primarily in the three high-risk areas identified by NCC: heavy lifting by cranes, working at heights and working close to and around heavy machinery. Routines, guidelines, training, tools and activities are designed to create safe working conditions. For example, NCC requires that everyone who is working at a worksite – both own workforce and subcontractors – undergo NCC's introductory and safety training before the work begins.

Training and skills development has been identified as having a positive impact on employees. NCC offers skills development based on its ambition to have the best project management in the industry. Having skilled project managers, supervisors and managers is crucial for NCC's operations, which is why NCC has developed a unique portfolio of programs and training modules in project management and leadership. These target groups can thus specifically benefit from the positive impact of the training and skills development initiatives, in addition to NCC identifying access to the total offering of training modules and other skills development initiatives as having a positive impact on all employees.

NCC has identified a potential negative impact in the area of gender equality and opportunities for all. NCC operates in an industry that has historically been, and remains, male-dominated. NCC currently has an uneven gender distribution when it comes to the total number of employees but also in key leadership roles in project operations and in management positions. In organizations with an uneven gender distribution, the minority groups run a greater risk of being at a disadvantage, for example, due to unconscious partiality, prejudices and habits.

Governance

NCC has a Code of Conduct as well as policies, directives and routines that are relevant for its own workforce and include procedures and mechanisms to monitor compliance with the UN's Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. Read more about NCC's policies under the section General disclosures.

NCC's Code of Conduct, policies, directives and procedures for health and safety as well as the Compliance Directive are all available to employees on the intranet and are part of general internal communication. This information is included in onboarding of new employees, and is spread and deepened further through subject-specific training modules. Policies, directives and procedures for health and safety are integrated into the enterprise systems of the business areas. Questions concerning regulatory compliance, health and safety, diversity and inclusiveness, and discrimination are included in NCC's employee survey. All managers are responsible for acting upon the survey results for their teams.

To support effective governance, NCC works in accordance with ISO 45001. Currently, significant parts of the operational units are certified in accordance with ISO 45001, or intend to be certified. Internal audits are conducted continuously, while units that are ISO 45001 certified are also audited externally.

The management approach to occupational health and safety work is based on the EU directive 89/391/EEC (including Norway), which has been included in national laws and ordinances, and other national regulations.

Targets

Health and safety

NCC is to offer a safe and healthy work environment. NCC's strategic focus is to reduce all types of accidents and eliminate accidents with serious or fatal outcomes. NCC's target is an accident frequency rate for LTIF4 (work-related accidents resulting in more than four calendar days of absence per million hours worked) that is less than or equal to 2.0 in 2026 with interim targets along the way.

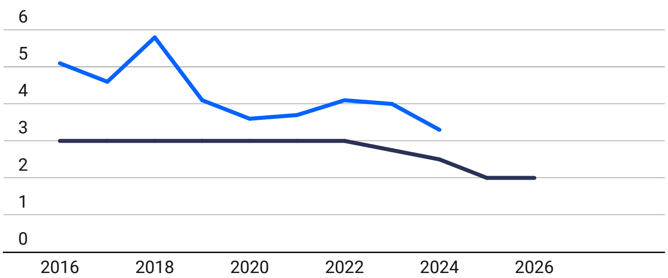
For 2024, the target for NCC's own employees was an accident frequency rate for LTIF4 of less than or equal to 2.5. During 2024, this accident frequency rate was 3.3. Particular focus is put on units where the accident frequency rate increased. Follow-up of activities includes all employees and everyone who works at NCC's worksites. The trend in serious incidents with actual or potential serious consequences is showing a decline over time.

Social disclosures

Diversity, equity and inclusion
NCC's ambition is to recruit, develop and retain the most competent people in the industry, support the progress of high-performing teams and to work actively so that no one is excluded unfairly or due to unconscious biases. Work with diversity, equity and inclusion is monitored through measures including NCC's employee survey, which monitors employee engagement and perceived confidence in not being subjected to discrimination, harassment or bullying. All managers are responsible for following up on the employee survey in their team, involving employees in dialogue about the results, and formulating and initiating actions for improvement.

NCC monitors gender distribution in management teams, from the Senior Management Team down to department management. The target is that no management team should have a distribution where one gender exceeds 70 percent of the group's members. Of the total 67 management teams monitored, 64 percent have met the target regarding gender distribution.

Lost Time Injury Frequency – LTIF4



NCC has a Group-wide occupational health and safety (OHS) target for the number of work-related accidents resulting in more than four days of absence per million working hours (Lost Time Injury Frequency, LTIF4). In 2024, the accident frequency rate was 3.3. The target for 2026 is 2.0.

Outcome Target

Activities

NCC's cooperation with trade unions, including safety officers, is well established. NCC's joint forums comprise representatives from all trade union organizations and encompasses all employees. NCC participates in a number of external forums and industry-wide initiatives that promote increased safety and a positive impact on the work environment in the construction industry. These exchanges of experience include the European network ENCORD, "Håll Nollan" in Sweden and the "Business Panel" partnership at the Danish National Research Center for Work Environment.

Health and safety
All accidents, incidents and negative and positive observations are reported in NCC's shared reporting tool, Synergi. This can be done either online or via a smartphone app. The system is used by anyone who is present at any of NCC's worksites. The manager in charge is tasked with following up on and pursuing initiatives for improvement. Reporting of both positive and negative observations promotes the employees' commitment to safety work and provides the organization with the possibility to identify potential risks at an early stage and to highlight best practices. The incident reporting system is also used at an overall level to identify risks and work on improvement measures. When an accident occurs and the employee cannot perform their ordinary work tasks, NCC strives to offer alternative work tasks so that the employee can return to work as soon as possible.

A crucial factor for systematic safety work is that the people who are working at the worksite have the right competence. That is why it is mandatory for all NCC employees, hired staff and subcontractors to complete NCC Site Introduction, the online safety training course that NCC has developed, before work commences at an NCC worksite in production. NCC Site Introduction follows up general and specific authorizations and will be synchronized with access cards at construction sites to ensure that those who are working at the site have the right

	Accidents/injuries resulting in four days or more of sickness absence		Accident frequency rate for accidents resulting in four days or more of absence from work per million worked hours	
	2024	**2023**	**2024**	**2023**
Sweden	41	52	3.7	4.2
Norway	3	6	1.0	2.2
Denmark	17	16	4.8	4.7
Finland	2	4	1.4	2.4
NCC Group	**63**	**78**	**3.3**	**4.0**

LTIF 4 Work-related accidents resulting in more than four days of absence per million working hours.

Social disclosures

authorizations and competence. The tool is being rolled out in all the Nordic countries.

NCC's strategic focus is to reduce all types of accidents and eliminate accidents with serious or fatal outcomes. Serious incidents can be prevented by focusing on activities primarily related to the three high-risk areas: heavy lifting by cranes, working at heights and working close to and around heavy machinery. The activities build on fundamental causes related to planning, safe behaviors and ensuring strong barriers between people and the risk of an accident. Each business area has action plans for these areas that are now being implemented. Measures include:

- Risk management and preventive efforts are built into NCC's work methods. For example, a risk assessment must be performed before production begins, and include a safety analysis of all risky work elements. Analyzing and identifying risks on the basis of fact-based data, and thereby being able to eliminate or minimize work elements or situations that create risks for accidents, is of fundamental importance for occupational health and safety. NCC is working to ensure that all employees, hired staff and employees of subcontractors demonstrate good risk awareness.
- NCC's "Time Out" concept provides all employees with the opportunity to stop work if a new, unexpected risk or hazardous situation arises, and to have the situation addressed so that the work can be resumed safely
- A daily safety briefing is conducted to make employees aware of potential risks connected to the day's work, and to minimize the risks before work commences
- To encourage further commitment and increase safety awareness while strengthening the shared safety culture, NCC arranges an Awareness Day every year. The entire organization pauses work in order to jointly reflect and focus on occupational health and safety issues.
- NCC also arranges a Health & Safety Week when several activities take place to increase awareness around health and safety

Diversity, equity and inclusion

NCC has the ambition to recruit, develop and retain the most the competent people in the industry. That is why being an attractive choice for all target groups who have the expertise that NCC requires is important.

NCC is pursuing a number of initiatives to strengthen diversity, equity and inclusion. Some examples are:

- In Sweden, NCC has become a member of Diversity Charter Sweden, the world's largest network in diversity and inclusion issues
- NCC in Sweden has appointed a group to work with diversity, equity and inclusion that coordinates activities and supports the Group's impact areas and the seven bases for discrimination
- Training courses to improve knowledge of diversity, equity and inclusion related to unconscious biases were launched in Denmark in 2024 for managers and employees. There is now mandatory e-learning for all employees, training in diversity and inclusion for management teams, and training in managing age differences for new employees and managers.
- Participation in the external mentor network Pepp in Sweden, and the Danish Association for Responsible Construction in Denmark
- Stella, NCC's women's network in Sweden
- In Norway, NCC is a partner in the Diversitas network, the leading network in the industry to promote diversity and equity
- Highlight role models and people with different backgrounds and experiences in recruitment and communication

NCC does not accept any form of discrimination. No employee should be discriminated against on the grounds of gender, transgender identity or expression, sexual orientation, ethnicity, religious convictions, functional disability, age or other reason. Should any form of harassment, discrimination or bullying be discovered, NCC has action plans so that suitable measures can be taken.

NCC conducts quarterly employee surveys to capture opinions about matters such as leadership, development and job satisfaction, NCC's Code of Conduct, diversity, equity and inclusion. The employee survey is a tool for managers to involve employees in the development of their own work environment. NCC monitors overall employee engagement. For 2024, the result was 8.0 out of 10, which is above the external benchmark.

The employee survey is analyzed in order to highlight groups of people who may be more exposed to impacts. This may involve differences in responses between men and women, in various roles, in various countries, etc. in order to gain insight into how improvement efforts can be planned. On the question of whether employees feel confident about not being exposed to discrimination, harassment or bullying, NCC had an average value in 2024 of 8.8 out of 10, which is better than the external benchmark.

Training and skills development

NCC offers its employees continuous skills development based on the needs of the company and the individual. NCC's leadership program covers various stages in a manager's development. The various training activities may include face-to-face training sessions, e-learning and other skills enhancement activities and training programs.

Examples of ongoing skills development programs include:

- The NCC Mega Project Management Program is aimed at our most senior and experienced project managers responsible for our largest and most complex projects. The program is conducted together with, among others, Oxford Global Projects and Copenhagen Business School.

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- The Senior Executive Program in partnership with the IMD Business School in Lausanne, which is aimed at division and department managers
- The Strategic Leadership Program for those deemed capable of assuming a more senior management position in the near future, conducted with the Stockholm School of Economics
- The Supervisor Academy, where employees train to become supervisors
- The Site Manager Program, where supervisors or the equivalent can take the next step in their career and train to become site managers
- Collaboration and course activities together with the Stockholm School of Economics, Royal Institute of Technology and Copenhagen Business School

NCC continually follows up on, evaluates and monitors its training programs. This is done in several ways, for the purpose of following up on the actual effect of the training in the participants' daily work and often encompasses both managers and employees. Examples of regular monitoring include:
- Immediately after the program, follow-up is conducted with the participants using questionnaires, interviews, tests and reports
- Pre- and post-surveys of participants to track direct effects
- Effect assessment from six months up to two years after a program is finished

The employee dialogue is the tool that NCC prioritizes to support the employee's individual development. Managerial responsibilities include offering employees a yearly employee dialogue. Employees who start at NCC receive an individualized onboarding plan. After the introduction period, the ordinary process for employee dialogue applies. The employee dialogue includes several parts such as the individual's work situation, individual targets and the individual development plan. NCC promotes work methods and a view of training and skills development in which the largest part of development is related to learning through the daily work, networking, mentorship and planning of professional development. Planned activities are routinely followed up on during the year.

Employee data

NCC has collective agreements that regulate minimum wages, working time and employees' rights in relation to the employer in all markets. In total, 90 percent of NCC's employees are covered by collective agreements and among skilled workers, this coverage is 100 percent. All employees are covered by collective agreements in Sweden and Norway; the 10 percent not covered are based in Denmark and Finland where local agreements are used to a limited extent.

NCC conducts social dialogue in accordance with legal requirements and collective agreements in the markets in which the Group operates, and partners with informational and consulting bodies such as joint participation councils and the European Works Council.

Metrics and outcome

Reporting principles, health and safety

The management system for health and safety encompasses 100 percent of everyone working at NCC's worksites: NCC employees, hired staff and sub-suppliers. NCC's internal OHS organization maintains the management system. Internal audits are continually conducted.

The management approach to occupational health and safety work is based on the EU directive 89/391/EEC (including Norway), which has been included in national laws and ordinances, and other national regulations.

Data for NCC's employees is collected from NCC's OHS and payroll systems. Subcontractors also include hired staff. The total number of hours worked for NCC's employees and subcontractors was approximately 45,500,000 hours. For NCC employees, worked hours are based on actual hours.

LTIF1 refers to the number of accidents resulting in one or more calendar days of absence per one million hours worked for NCC's own workforce. LTIF4 refers to the number of accidents resulting in more than four calendar days of absence per million hours worked for NCC's own workforce.

Employee sickness absence data pertains to the number of employees at the end of the fiscal year and was collected from the Group's HR and payroll system and refers to the companies included in the shared systems. Sickness absence is based on the number of hours of sickness absence in relation to the total number of hours worked, including absence for other reasons but excluding overtime.

The data reported pertains to the period from December of the preceding period to November of the current period.

Reporting principles, employee data

Employee data pertains to the number of employees at the end of the fiscal year. Employees whose employment was terminated are included until their employment expires, regardless of whether they were dismissed from all or some of their tasks during the period of notice. NCC reports on gender distribution by men and women, which are the legal genders in the Nordic region. Data was collected from the HR and payroll system and refers as of 2024 to all subsidiaries, with the exception of collective agreements where only companies in NCC's Group-wide HR and payroll systems are included.

The Board of Directors comprises members elected at the Annual General Meeting. Board members elected by employees are not included in this information.

Management teams surveyed include all management teams from the Senior Management Team down to department management or the equivalent.

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Health and safety

Work-related accidents/injuries, accident frequency rate and fatalities[1)]

		Work-related fatalities		Accident frequency rate for work-related fatalities		Very serious work-related injuries[2)]		Accident frequency rate for very serious work-related injuries	
		2024	2023	2024	2023	2024	2023	2024	2023
Sweden	NCC's employees	1	1	0.08	0.08	7	3	0.37	0.24
	Subcontractors	0	0	–	–	5	3	–	–
Norway	NCC's employees	0	0	0	0	0	0	0	0
	Subcontractors	0	0	–	–	0	0	–	–
Denmark	NCC's employees	0	0	0	0	3	0	0.16	0
	Subcontractors	0	0	–	–	2	3	–	–
Finland	NCC's employees	0	0	0	0	0	1	0	0.60
	Subcontractors	0	0	–	–	6	6	–	–
Total	**NCC's employees**	**1**	**1**	**0.05**	**0.05**	**10**	**4**	**0.52**	**0.21**
	Subcontractors	**0**	**0**	**–**	**–**	**13**	**12**	**–**	**–**

1) The data reported pertains to the period from December of the preceding period to November of the current period. Reporting on hours worked for external staff is not available.
2) Injury with permanent impact or more than 30 days of absence.

		Accidents/injuries resulting in one day or more of sickness absence		Accident frequency rate for accidents resulting in one day or more of absence from work per million worked hours		Injuries not leading to lost time	
		2024	2023	2024	2023	2024	2023
Sweden	NCC's employees	82	98	7.4	7.9	258	354
	Subcontractors	110	122	–	–	244	215
Norway	NCC's employees	9	9	3.0	3.3	41	39
	Subcontractors	6	6	–	–	36	36
Denmark	NCC's employees	39	39	11.0	11.4	141	146
	Subcontractors	46	49	–	–	92	68
Finland	NCC's employees	5	11	3.6	6.5	17	32
	Subcontractors	22	54	–	–	33	54
Total	**NCC's employees**	**135**	**157**	**7.1**	**8.1**	**457**	**571**
	Subcontractors	**184**	**231**	**–**	**–**	**405**	**373**

Sickness absence, NCC employees, all types of illness and poor health

	Sickness absence % All types of illness and poor health	
	2024	2023
Sweden	3.9	4.1
Norway	6.6	5.7
Denmark	4.4	4.6
Finland	3.0	3.2
Total	**4.3**	**4.3**

Close calls and observations

		2024	2023
Sweden	NCC employees	7,744	6,376
	Subcontractors	9,205	8,525
Norway	NCC employees	422	552
	Subcontractors	5,772	6,550
Denmark	NCC employees	3,552	2,690
	Subcontractors	2,847	3,847
Finland	NCC employees	210	225
	Subcontractors	9,397	10,676
Total	**NCC employees**	**11,928**	**9,844**
	Subcontractors	**27,221**	**29,601**

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Employee data

Age breakdown

	2024			2023		
Share %[1)]	<30	30–50	>50	<30	30–50	>50
Board of Directors	–	29	71	–	29	71
Senior Management Team	–	25	75	–	18	82
Management teams	1	52	47	1	53	46
Managers	2	54	44	2	57	41
Employees	12	51	37	15	49	36
White-collar employees	7	56	37	8	56	35
Blue-collar employees	19	44	37	19	43	38

1) All subsidiaries are included as of 2024.

Gender breakdown

	2024		2023	
Share %[1)]	Men	Women	Men	Women
Board of Directors	57	43	57	43
Senior Management Team	50	50	45	55
Management teams	64	36	65	35
Managers	81	19	81	19
Employees	82	18	82	18
White-collar employees	71	29	71	29
Blue-collar employees	97	3	97	3

1) All subsidiaries are included as of 2024.

Scope of employment

	Full-time				Part-time			
	2024		2023		2024		2023	
Number of employees[1)]	Men	Women	Men	Women	Men	Women	Men	Women
Sweden	5,434	1,323	5,707	1,328	47	28	43	35
Norway	1,515	199	1,191	173	27	11	5	7
Denmark	1,821	263	1,796	252	38	63	31	48
Finland	648	170	707	198	15	7	10	6
Other	6	2	–	–	0	0	–	–
Total, NCC	**9,424**	**1,957**	**9,401**	**1951**	**127**	**109**	**89**	**96**

1) Some seasonal variations exist regarding the number of employees. All subsidiaries are included as of 2024.

Employment contracts

	Total employees[1)]		Permanent employment				Temporary employment			
			2024		2023		2024		2023	
	2024	2023	Men	Women	Men	Women	Men	Women	Men	Women
Sweden	6,832	7,113	5,311	1,331	5,566	1,342	170	20	184	21
Norway	1,752	1,376	1,460	199	1,173	169	82	11	23	11
Denmark	2,185	2,127	1,837	316	1,799	294	22	10	28	6
Finland	840	921	641	171	704	199	22	6	13	5
Other	8	–	6	2	–	–	–	–	–	–
Total, NCC	**11,617**	**11,537**	**9,255**	**2,019**	**9,242**	**2,004**	**296**	**47**	**248**	**43**

1) All subsidiaries are included as of 2024. Some seasonal variations exist regarding the number of employees. Note 4 in the financial statement contains employee data on the average number of employees.

Collective agreements

	2024		2023	
	Number covered by collective agreements[1)]	Share covered by collective agreements, %	Number covered by collective agreements[1)]	Share covered by collective agreements, %
Sweden	6,832	100	7,113	100
Norway	1,417	100	1,376	100
Denmark	1,161	53	1,154	54
Finland	670	82	779	80
Total, NCC	**10,080**	**90**	**10,422**	**91**

1) Some seasonal variations exist regarding the number of employees.

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Workers in the value chain

Material sustainability matters	Where in the value chain
Working conditions	Upstream
Other work-related rights	Upstream

Material impacts, risks and opportunities

During the double materiality assessment, workers in the value chain was identified as one of NCC's material sustainability topics. NCC's purchasing function was involved in identifying and evaluating the impacts, risks and opportunities that are related to activities and stakeholders represented in the value chain. The results of this analysis are in line with previous materiality assessments, with NCC having addressed risks associated with violations of human rights and workers' rights throughout the value chain.

Despite the fact that NCC is based in the Nordic region, with most of the business and supplier relationships located within the EU, there is dependence on complex relationships with global suppliers' base networks – a common occurrence in the construction sector. Workers are involved in every step of NCC's value chain, from raw material extraction (which occasionally takes place in high-risk countries), product manufacturing, transportation, and assembly and installation to the end phase in construction projects. This means that everyone involved in creating, delivering or installing products at NCC sites, or otherwise contributes with their proficiencies and knowledge to carry out our projects, should be regarded as stakeholders in our value chain. However, the most direct impact occurs at NCC's own worksites, where we work to ensure that all employees are treated with the same respect and focus on safety.

Governance

NCC's purchasing and HR functions are responsible for monitoring the protection of human rights. This is accomplished through the Human Rights Due Diligence (HRDD) process, which involves addressing human rights and workers' rights through governing documents; identification, management and actions to counteract the negative impact on human rights (Human Rights Impact Assessment, HRIA), surveying and following up actions, compensation as needed, and continually communicating progress in the area.

NCC also has a number of policies in place to manage issues concerning workers in the value chain, that follow the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. These include:

- Compliance Directive
- Code of Conduct
- Code of Conduct for Suppliers

These policies and directives concern material matters associated with human and workers' rights, regulatory compliance, ethical standards, and health and safety. For more information on NCC's policies and directives, see the section General disclosures.

Targets

Efforts are in progress to review current work methods, which can thereby create possibilities for establishing metrics and targets whitin the area. NCC will report on the progress of these efforts as part of its sustainability reporting.

Activities

NCC has created awareness around the fact that the majority of our initiatives should be concentrated close to our core, meaning the projects where the scope, scale and irremediable character of the impact are the greatest. NCC's ambition is for all workers at NCC's worksites to be treated fairly, with respect for human rights and workers' rights, and for the work they perform to not entail risks to their health, safety or well-being. Efforts are ongoing to expand competence in managing risks that are linked to stakeholders further along the value chain, where transparency and insight are limited.

In 2022, NCC began efforts to systematically evaluate the results of its HRDD and HRIA and to address the areas of risk through relevant procedures and communications channels. On the basis of the initial phase of mapping the value chain, NCC has defined a number of raw materials that are particularly exposed to potential violations of human rights, and linked them to products that are purchased by NCC. These materials include mining-related products, oil-based products, electronic components, chemicals and textiles. These types of products are often produced in countries where there is a high risk of violation of human rights and workers' rights. These matters were then highlighted in the process for supplier risk management that we began implementing in 2024. This is a system that provides support in efforts to increase general transparency in the value chain and to establish contingency plans for managing both business risks and sustainability risks. As a result, we have also initiated efforts to review and develop existing routines around managing relationships with suppliers in order to ensure that they manage matters concerning human rights and workers' rights responsibly. These efforts will continue through 2025 and beyond.

During 2024, the Supplier Insight was further developed, which is a support tool for evaluating and auditing the fulfillment of internal and external requirements by new and existing suppliers. This tool will be a supplementary solution that will strengthen routines for managing supplier relationships, and will be implemented in 2025.

NCC has also introduced a control system for subcontractors that is intended to increase our understanding of relationships among various subcontractors. This facilitates efficient control of follow-up of subcontractors. The goal is to ensure that all subcontractors working at our sites are working under legal, stable and fair conditions that fulfill NCC's requirements for human and labor rights.

Governance disclosures

Ethics and compliance

Material sustainability matters	Where in the value chain
Corporate culture	Throughout the value chain
Management of relationships with suppliers including payment practices	Upstream, Own operations
Corruption and bribery	Throughout the value chain

Material impacts, risks and opportunities

During the double materiality assessment, ethics and compliance was identified as one of NCC's material sustainability topics. Issues concerning general business conduct, anti-corruption, transparency and functional governance are of great significance throughout NCC's value chain, where both negative and positive impact – as well as financial risks – have been identified.

A high ethical standard and integrity in the corporate culture has a positive impact, reducing the risk of unethical behavior and of violations of the law and human rights. NCC works proactively with its corporate culture in order to promote good business conduct, both through communication and activities pertaining to NCC's values and Star behaviors, and through activities as part of NCC's Compliance Program.

NCC is active in an industry where complex projects, supply chains and operations with both private and public-sector customers lead to an increased risk of corruption and other unethical conduct, both in our own operations and throughout the supply chain. This risk is managed and minimized through, for example, policies, training, and routines to detect and prevent corruption.

There is a positive impact within the area of relationships with suppliers, since NCC's management of and procedures for supplier relationships and payment practices ensure efficient and functional business operations both in own operations and for operators upstream in the value chain. These procedures support strategic goals through proactive communication, training and evaluation of business, social and environmental performance. In pace with the accumulation of requirements and regulations concerning transparency in the value chain, this area could also constitute a financial risk since expanded legal requirements could entail increased costs for adapting existing procedures and controls.

Governance

NCC's Code of Conduct defines NCC's position and policies regarding sustainability matters as well as other areas of relevance for maintaining a high ethical standard and a responsible corporate culture. NCC's values, Star behaviors and Code of Conduct set forth the guiding principles for how NCC's employees and business partners are expected to act and behave. The Code of Conduct is supported by internal governing documents that provide more guidance in specific areas.

NCC's Compliance Program is designed to ensure that responsible leadership and a high ethical standard is a shared committment across all levels in the organization. The program encompasses the risk areas of corruption, competition law, fraud, conflicts of interest, data protection (personal data processing), and diversity and human rights. The content and policies of this program are described in NCC's Compliance Directive.

The Group Head of Compliance is responsible for overseeing the program regarding the risk areas corruption, competition law, fraud, conflicts of interest and data protection and for ensuring that implementation is monitored and reported on to the Group Compliance Committee (GCC), CEO and Board of Directors. The Board of Directors receives a written Compliance Report at least once a year, with information on training and communication activities, as well as analysis and updates on cases in the whistleblower channel.

NCC's purchasing organization and HR function are responsible for the parts of the program in respect of the protection of human rights and diversity. Operational initiatives related to business conduct and regulatory compliance are pursued in NCC's business areas and Group functions. These are led by the respective Legal Affairs & Risk teams in the business divisions and Group functions. They are routinely monitored by the Group's Head of Compliance and the persons responsible regularly meet in the Compliance Forum.

NCC evaluates the Compliance Program by analyzing statistics from the Tell Me function, regular employee surveys and the results of internal audits.

The Head of Compliance leads the internal investigation process and is responsible for ensuring that all suspected violations of the Code of Conduct or other non-compliance reported through the Tell Me function are assessed, investigated, and acted upon. The Group Compliance Committee (GCC) is responsible for monitoring the Tell Me function to ensure that serious violations of the Code of Conduct are dealt with appropriately.

Responsible purchasing initiatives are based on the Group's Code of Conduct for Suppliers, which all suppliers must undertake to comply with. The Code of Conduct for Suppliers includes guidelines for regulatory compliance and ethical behavior, as well as guidelines to counter bribery and corruption, avoid conflicts of interest, respect competition law, protect human rights, promote diversity and inclusion, and for having safe and healthy worksites and reducing the environmental impact. Work to update the Code of Conduct and the Purchasing Policy in order to more clearly address the principles concerning responsible purchasing is ongoing.

Most of the major framework agreement suppliers are also required to be certified under the ISO 9001, ISO 14001 management systems or the equivalent. All of the major framework agreement suppliers are evaluated before any collaboration commences. NCC performs audits of its framework agreement suppliers to ensure compliance with NCC's Code of Conduct for Suppliers and that the suppliers work in accordance with ISO 9001 and ISO 14001. NCC has a specific, thorough process for evaluating suppliers in geographical risk areas in order to prevent human rights violations. If any deviations or non-compliance are noted during the supplier audit, this must be corrected by the supplier according to an action plan. If the actions are not implemented, collaboration with the supplier may be terminated.

Targets

Our commitment

NCC is committed to acting in accordance with the highest ethical standards and transparency, while serving as a responsible partner across the value chain.

Externally, NCC has undertaken to comply with several global initiatives related to responsible business conduct. NCC is a signatory of the United Nations (UN) Global Compact and supports the ten principles of human rights, labor, environment and anti-corruption. In addition, NCC is a supporting member of the Swedish Anti-Corruption Institutet (IMM) and Transparency International Sweden. In cooperation with most other industry players in Sweden, a joint policy has been formulated: "Joint initiative to prevent bribery and corruption". NCC works continuously to counteract corruption in the supply chain.

NCC is a member of Amfori BSCI (Business Social Compliance Initiative), through which it has access to additional tools for training its suppliers. NCC's own audits of suppliers in high-risk countries (according to Amfori BSCI's definition) are supplemented by the fact that these suppliers are integrated into Amfori BSCI's processes, for training and collaboration.

Activities

Mechanisms for seeking advice and reporting violations

All employees are encouraged to report any suspected or observed violations of the law and the NCC Code of Conduct via the Tell Me function. The Tell Me function includes an externally hosted whistleblower hotline that enables anonymous reporting on a website (for employees and external stakeholders) or by phone (for employees) in NCC's local languages and English. The hotline can be found on the MyNCC intranet and on the NCC website. Employees can ask their immediate supervisor, HR, Legal Affairs & Risk, the Privacy Navigators as well as Compliance for advice on the NCC's Code of Conduct and how they themselves should act in a given situation or how to report a concern.

Internal investigations and follow-ups

NCC is committed to maintaining open and transparent communication and all employees are expected to report any suspected or observed violations of the law or of the NCC Code of Conduct. NCC has a strict policy against retaliation for good-faith reporting in the whistleblower channel and provides training and communication about the internal investigation process, lessons learned and protection against retaliation.

Communication and training

Training and communications are essential components of NCC's Compliance Program. The Code of Conduct and other relevant policies are part of the NCC onboarding process for all new NCC employees. During the year, information on the Code of Conduct and the Group's policies and directives were communicated throughout the organization through various communication channels, including articles on NCC's intranet and at management and team meetings.

NCC provides three training modules as part of its Compliance Program, which are mandatory for all of NCC's white-collar employees. These three training modules must be completed within 30 calendar days of commencing employment at NCC. The target group, frequency and content of the training course is defined on the basis of a risk assessment. The training is available in English, Norwegian, Danish, Swedish and Finnish. The "Business Ethics" training course was launched in late 2023 and contains an introduction to NCC's Code of Conduct and Compliance Program as well as training in anti-corruption, conflicts of interest and combating fraud. The training is also mandatory for current NCC white-collar employees.

The Head of Compliance follows up on the mandatory training and reports the results to the Group Compliance Committee (GCC), the Senior Management Team and the Board of Directors.

Anti-corruption and anti-bribery

The risks of corruption can arise in relationships between NCC and its business partners, or in conjunction with, for example, the exercise of government authority. The risk of corruption is linked on the one hand to actions by NCC employees toward, for example, government authorities, public officials and private business partners, and on the other hand to actions by business partners, primarily suppliers and sub-suppliers. NCC has an annual Group-wide risk assessment process in which both Group staff units and NCC's business areas evaluate and report on risks in the operations. In certain parts of the business, corruption has been identified as a risk. NCC's operations are conducted in countries with a low risk of corruption according to the Transparency International Corruption Perception Index. However, a portion of NCC's suppliers operate in countries with a higher risk of corruption.

NCC's Code of Conduct and Group Compliance Directive define NCC's standpoint and policy as regards corruption and bribery. The Compliance Program guides the organization via internal governing documents, training courses and communication to ensure that NCC has adequate procedures in place to prevent corruption in business operations and to ensure that the company complies with applicable laws and regulations.

Fair competition
NCC operates in an industry where, historically speaking, anti-competitive activities have existed. For this reason, fair competition is a focus area at NCC. NCC's Code of Conduct and Compliance Directive define NCC's position and policy as regards anti-competitive practices. The Code of Conduct and Compliance Program guide the organization via additional Group policies and directives, as well as training courses and communication to ensure fair competition and compliance with applicable laws and regulations within competition law.

Responsible purchasing
NCC has business relationships with several thousands of suppliers from whom we purchase materials and services, either directly or through sub-suppliers. Most of the suppliers are based in the Nordic region but are also found in countries such as Poland, Estonia, Latvia, Lithuania and China. NCC is working on reducing the total number of suppliers. A large portion of these purchases are made through long-term agreements. The aims are to improve controls, increase the efficiency of purchasing work, promote a sustainability focus in the value chain and reduce NCC's purchasing costs.

NCC strives to have a responsible value chain where operations are conducted in an environmentally and socially sustainable manner that is also in line with healthy working conditions. Efforts are also under way to review our work methods linked to managing supplier relationships.

Metrics and outcome

Reporting principles, training
The number of permanent white-collar employees who completed the training courses is calculated as the proportion that finished the respective training courses in relation to the total number of permanent white-collar employees at the date of the reconciliation.

Reporting principles, incidents of corruption and fair competition
Incidents of corruption pertain to incidents reported to NCC's whistleblower channel, or legal cases known to NCC, in which corruption or bribery was confirmed during the fiscal year and in which NCC or NCC employees were involved.

Definition of legal procedure/case is the number of ongoing or concluded legal cases during the reporting period.

Reporting principles, whistleblowing
The table presents the cases that were reported in the whistleblower function during the respective years. The number of cases reported in the table refer to the number of incoming cases during the reporting year.

Training
In 2024, NCC provided three Group-wide training modules in business ethics (including anti-corruption), GDPR and competition law.

At December 31, the percentage of NCC's white-collar employees who had completed the training modules was:

Percentage, %	2024	2023
Business ethics	97	96
GDPR	97	96
Competition law	97	94

Confirmed incidents of corruption and actions taken

Total number and nature of confirmed incidents of corruption	2024	2023
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	0	0
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	0	0
Public legal proceedings relating to corruption against the organization or its employees during the reporting period and the outcome of such processes	0	0

Fair competition

Number	2024	2023
Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	0	0

Whistleblowing

Number	2024	2023
Tell Me	101	74

Responsible purchasing
All of the non-Nordic material suppliers, with active agreements in 2024, were evaluated initially before any collaboration commenced. During the year, NCC conducted 171 audits of non-Nordic suppliers.

About the report

The company reports its sustainability work annually as part of the NCC Annual Report. The 2024 Sustainability Report has been prepared in accordance with the Swedish Annual Accounts Act and is partially inspired by the European Sustainability Reporting Standards (ESRS) – a step that marks a transition from the previous reports. Previous years' Sustainability Reports have been prepared according to GRI Standards. NCC's Communication on Progress in accordance with the UN Global Compact can be found on the UNGC website.

The report has not been audited by a third party. Unless otherwise stated, all the information pertains to the entire NCC Group including direct, wholly owned subsidiaries for the period January 1 – December 31. If information or calculation methods have changed compared to previous year, it is stated in the respective table. No significant changes have occurred in the organization, the share capital structure or the supply chain during the year.

Statutory Sustainability Report

At the Board meeting on April 9, 2025, the Board of Directors approved NCC AB's Sustainability Report for the 2024 fiscal year. The 2024 Sustainability Report has been prepared in accordance with the Swedish Annual Accounts Act, and has to a certain extent been inspired by the European Sustainability Reporting Standards (ESRS). This statutory Sustainability Report is not part of the formal Annual Report. The Sustainability Report in accordance with the Annual Accounts Act is included in the Annual and Sustainability Report on pp. 16–50. The Sustainability Report describes NCC's work to conduct and develop operations with consideration for the environment and climate, human health and well-being, and based on sound principles of ethics and governance.

Board of Directors

Auditor’s report on the statutory sustainability report

This is a translation of the Swedish original report

To the general meeting of the shareholders in NCC AB (publ.) corporate identity number 556034-5174

Engagement and responsibility

The Board of Directors is responsible for the statutory sustainability report for the year 2024 on pages 16–50 and for ensuring that it is prepared in accordance with the Annual Accounts Act in accordance with the older wording that applied before July 1, 2024.

The scope of the audit

Our examination has been conducted in accordance with FAR’s auditing standard RevR 12 *The auditor’s opinion regarding the statutory sustainability report*. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Stockholm, 10 April 2025
Öhrlings PricewaterhouseCoopers AB

Patrik Adolfson
Authorised Public Accountant

Information for the statutory Sustainability Report

	Pages
Environment	24–25, 27–39
Social conditions	40–45
Employees	40–46
Respect for human rights	18–19, 21, 22, 26, 40, 46–48
Anti-corruption	18, 47–49
Business model	20, 27
Policies for sustainability	18–19, 31, 37, 38, 40, 46, 47, 48
Significant sustainability risks	33
Central sustainability performance indicators	31, 32, 34, 35, 37, 38, 40, 41, 42, 43, 46, 48

Report of the Board of Directors

Developments during the year

The Board of Directors and the President and CEO of NCC AB (publ), Corporate Registration Number 556034-5174 and headquartered in Solna, hereby submit the Annual Report and the consolidated financial statements for the 2024 fiscal year.

Operations

NCC is one of the leading construction companies in the Nordics. Based on its expertise in managing complex construction processes, NCC contributes to the positive impact of construction for its customers and society as a whole. Operations include commercial property development, building and infrastructure project contracting, and asphalt and stone materials production.

Market

In general, NCC is impacted by the general economic situation and the GDP trend. Costs for input materials, the interest rate situation and expectations for future economic development have a significant impact.

The long-term market conditions for construction and civil engineering, property development, and asphalt and stone in the Nordic region are positive. The countries where NCC operates in infrastructure have ambitious plans and investment initiatives in new construction, as well as refurbishment and maintenance of national and regional infrastructure. Urbanization and the emergence of new growth regions are driving investments in infrastructure in city outskirts, such as roads, public transport, water and wastewater systems, and energy solutions. Moreover, NCC is well positioned to support major industrial initiatives linked to the green transition.

Underlying demand for public buildings throughout the Nordic region, such as schools, security classified buildings, hospitals and nursing homes, is good. Similarly, the market for renovation and refurbishment also remains strong. The long-term need for residential units is substantial, but the market remains negatively impacted by the prevailing economic conditions. Similarly, demand for commercial properties also remains subdued.

Demand for asphalt and stone materials is driven by investments in infrastructure and maintenance, as well as general construction and, to some extent, the economic situation of public customers. Activity levels in these markets remain high.

External factors

See the description in the risk section on page 64.

Operations during the year

Orders received

Orders received amounted to SEK 54,730 M (56,819). Orders received decreased in the Building Nordics business area but increased in the Infrastructure and Industry business areas. The lower orders received in Building Nordics was attributable to the Norwegian and Danish operations. The higher orders received in the Infrastructure business area was due to more major projects being registered among orders. The higher orders received in the Industry business area was driven by the asphalt operations. The Building Sweden business area noted slightly lower orders received year-on-year.

Changes in exchange rates impacted orders received by SEK 406 M (326).

Order backlog

The Group's order backlog amounted to SEK 50,723 M (53,422) at year-end. The order backlog decreased in the Building Nordics and Building Sweden business areas but increased in the Infrastructure business area.

Changes in exchange rates impacted the order backlog by SEK 582 M (–472).

Net sales

Net sales totaled SEK 61,609 M (56,932). Net sales increased primarily as an effect of property sales in Property Development, but were also higher in Industry and Infrastructure. Net sales in Building Nordics and Building Sweden decreased somewhat during the year. Exchange rate effects had an impact of SEK 425 M (309) on net sales.

Operating profit

Operating profit amounted to SEK 2,032 M (1,802). The higher operating profit was driven by the Property Development, Industry and Building Nordics business areas. The operating margin was 3.3 percent (3.2).

Operating profit for the Infrastructure business area was slightly lower compared with the preceding year at SEK 535 M (548). The comparative period is adjusted for the positive contribution from the divestment of Bergnäset.

In the Building Nordics business area, operating profit amounted to SEK 426 M (343). The increase was the result of higher profitability in Finland and Denmark.

Operating profit in the Building Sweden business area was charged with non-recurring costs of approximately SEK 250 M related to provisions for the revaluation of risks in the project portfolio for uncertain cost compensation. This relates to projects that were started before inflation gained momentum in 2022 that are completed or under completion. The profile of later projects and the order backlog is different, which is expected to gradually improve underlying earnings. Operating profit was SEK 30 M (272).

Operating profit in Industry amounted to SEK 584 M (400) and increased as a result of a slightly longer season, operational discipline, higher volumes and prices, and lower overheads in general for the business area.

Property Development recognized several projects in profit in Sweden: Arendal Albatross, Brick Studios, Våghuset and MIMO. Operating profit was SEK 719 M (243).

Other and eliminations amounted to SEK –262 M (–179), where the result from NCC AB and minor subsidiaries and associated companies is included as well as inter-company gains and other Group adjustments. The higher costs were largely attributable to continued investment in new IT platforms and applications and to some extent, the start-up of the business area Green Industry Transformation.

Net financial items, profit after financial items and net profit for the year

Net financial items amounted to SEK –169 M (1). The deterioration is explained by the lower capitalization of interest in the Property Development business area and higher average corporate net debt during the year combined with higher average interest rates.

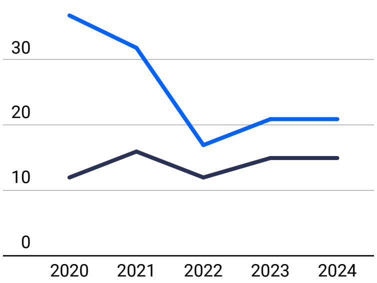
Profit after financial items was SEK 1,863 M (1,803). Tax expenses for the year totaled SEK –292 M (–230) and the effective tax rate was 16 (13) percent. As in the previous year, the tax rate was reduced due to the tax-free divestments that NCC Property Development carried out during the year. In 2023, the tax rate was also reduced by the tax-free company divestment of Bergnäset. Profit after tax for the year amounted to SEK 1,571 M (1,573).

Comprehensive income for the year

Comprehensive income for the year totaled SEK 2,103 M (728). The change was mainly attributable to remeasurement of defined-benefit pension plans, SEK 515 M (–818). Tax relating to items that cannot be recycled to net profit for the year amounted to SEK –106 M (168). For more information, refer to Note 23.

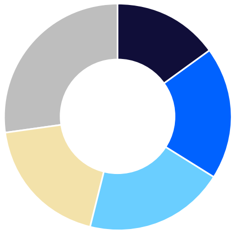
Developments during the year

Return, %



Return on capital employed
Return on equity

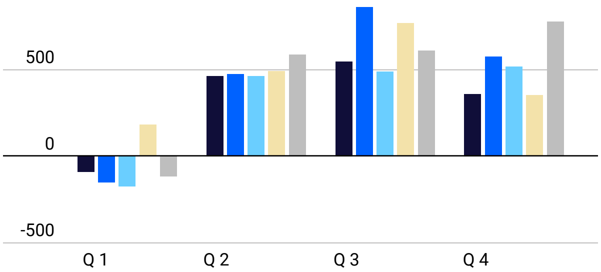
Project size of orders received



- <SEK 25 M, **15** (14)%
- SEK 25–100 M, **19** (20) %
- SEK 100–300 M, **20** (23) %
- SEK 300–500 M, **19** (10) %
- >SEK 500 M, **27** (33)%

The diagram reflects orders received in contracting operations, which is equivalent to SEK 43 billion of the total orders received of SEK 55 billion.

Profit/loss after financial items per quarter, SEK M



2020 2021 2022 2023 2024

NCC is impacted by seasonally low activity in the first quarter.

Orders received, order backlog, net sales and earnings per business area, SEK M

	Orders received		Order backlog		Net sales		Operating profit/loss	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
NCC Infrastructure	18,919	16,707	16,824	16,074	18,105	17,667	535	723
NCC Building Nordics	11,392	16,654	16,720	18,684	13,884	14,615	426	343
NCC Building Sweden	12,239	12,661	14,980	16,753	14,012	14,475	30	272
NCC Industry	12,884	11,459	2,281	2,015	12,634	11,485	584	400
NCC Property Development	–	–	–	–	4,853	1,376	719	243
Total	**55,433**	**57,481**	**50,805**	**53,525**	**63,488**	**59,619**	**2,294**	**1,982**
Other and eliminations	–704	–662	–81	–104	–1,879	–2,686	–262	–179
Group	**54,730**	**56,819**	**50,723**	**53,422**	**61,609**	**56,932**	**2,032**	**1,802**

Orders received and net sales per country, SEK M

	Orders received		Net sales	
	2024	**2023**	**2024**	**2023**
Sweden	31,078	30,673	36,843	32,435
Denmark	12,485	15,934	12,989	12,655
Norway	7,493	7,317	7,793	7,082
Finland	3,673	2,895	3,985	4,760
Group	**54,730**	**56,819**	**61,609**	**56,932**

Developments during the year

Cash flow
Cash flow before financing was SEK 3,990 M (361). The strong cash flow is mainly due to the four property sales completed during the year. Cash flow from investing activities amounted to SEK –647 M (–446); the lower cash flow was due to the divestment of the subsidiary Bergnäset in the preceding year. At the end of the year, cash and cash equivalents amounted to SEK 2,910 M (707).

Financial position
At December 31, the Group's total assets amounted to SEK 32,026 M (31,950). Property development projects decreased while cash and cash equivalents increased. On the liabilities side, current liabilities decreased while equity increased with the profit for the year.

Capital employed amounted to SEK 13,746 M (13,175) at the end of the year. The increase is mainly due to an higher cash and cash equivalents and short-term investments, partly offset by a decrease in property development projects. The return on capital employed was 15 percent (15). The return on equity was 21 percent (21).

The Group's net debt at December 31 amounted to SEK –1,164 M (–4,310). The change is mainly attributable to better cash flow before financing and lower pension debt. The company's net cash, meaning net debt excluding pension debt and lease liability, amounted to SEK 205 M (–2,374). In all significant respects, the change from net debt to net cash is due to the sale of property projects. The average maturity of interest-bearing liabilities, excluding the pension debt and lease liability, was 24 months (18) at the end of the year. At December 31, 2024, NCC's unutilized committed lines of credit totaled SEK 3,481 M (5,361), with an average remaining maturity of 23 (24) months.

On December 31, 2024, the equity/assets ratio was 27 percent (23). The debt/equity ratio was a multiple of 0.1 (0.6).

Business areas
For more information about our major projects and developments during the year in NCC's business areas, see pp. 58–63.

Parent Company
The Parent Company's net sales pertain to charges to Group companies and amounted to SEK 179 M (172). The average number of employees was 68 (63). Impairment of shares and participations totaled SEK 0 M (0). Profit after financial items was SEK 1,800 M (997). Approved dividends, adjusted for repurchased shares, amounted to SEK 781 M, of which SEK 391 M was paid in April and SEK 390 M was paid in November.

Personnel
The average number of employees in the NCC Group in 2024 was 11,776 (12,243).

Remuneration
A description of salary, remuneration and terms of employment of the President and CEO and other employees in the company is presented in Note 4.

Evaluation of guidelines for remuneration of senior executives in 2024
The Board of Directors has evaluated the application of the guidelines for salary and other remuneration of the CEO and other members of the company's Senior Management Team (SMT), as resolved by the 2024 AGM. The Board of Directors has concluded that the guidelines were applied when determining salary and other remuneration for the CEO and other senior executives.

For more information, refer to the remuneration report available at https://www.ncc.com/investor-relations/annual-general-meeting/.

Board of Directors' motion concerning guidelines for remuneration of senior executives
Board of Directors' motion concerning guidelines encompass the CEO and other members of the Senior Management Team (SMT), totaling 12 people (including the CEO) when the Annual Report was issued. The guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the 2025 Annual General Meeting. These guidelines do not apply to any remuneration resolved or approved by the Annual General Meeting.

Board of Directors' motion concerning guidelines for remuneration of senior executives is in all significant respects similar to previous years. A few minor adjustments have been made due to the establishment of the Compensation and Competence Committee. For more information, refer to the remuneration guidelines available at https://www.ncc.com/investor-relations/annual-general-meeting/.

NCC share

Number unless otherwise specified	2024	2023
Registered share capital, Series A	6,797,667	11,548,853
Registered share capital, Series B	92,963,289	88,212,103
Series B treasury shares	1,968,589	2,099,221
Average price Series B treasury shares, SEK	106.46	106.46
Converted Series A shares to Series B shares	4,751,186	1,365,270
Distributed Series B shares to participants in LTI programs	130,632	69,495
Distributed Series B shares to participants in LTI programs, proportion of total number of shares, %	0.13	0.07
Average price of distributed Series B shares, SEK	106.46	100.39
Quotient value, SEK	8.70	8.70

Series A shares carry ten voting rights each and Series B shares one voting right. All shares provide the same entitlement to participation in the company's assets and profit and to an equally large dividend. At the request of the holder, Series A shares can be converted into Series B shares.

Developments during the year

Shareholders
The number of NCC shareholders at year-end was 45,773 (44,622). In terms of voting rights, OBOS was the largest individual holder accounting for 10.05 percent (8.38) of the share capital and 28.60 percent (26.19) of the voting rights. No other shareholder accounts for more than 10 percent of the voting rights. NCC holds 1.97 percent (2.10) of the share capital and 1.22 percent (1.03) of the voting rights. The ten largest shareholders jointly accounted for 41.73 percent (37.92) of the share capital and 48.99 percent (58.68) of the voting rights.

Dividend
NCC's 2024 Annual General Meeting resolved on a dividend of SEK 8.00 (6.00) per share to be paid on two occasions. The record date for the first payment of SEK 4 was April 11, 2024, with payment occurring on April 16, 2024. The record date for the second payment of SEK 4 was November 7, 2024 with payment occurring on November 12, 2024.

Appropriation of profits
The Board of Directors proposes that the profit will be appropriated as follows:

Profit brought forward	5,194,085,018
Be appropriated as follows:	
To be distributed to shareholders	1,075,716,037
To be carried forward	4,118,368,981
Total, SEK	**5,194,085,018**

Refer to Note 39 for more information.

Significant events during the year
As of January 1, 2024, NCC has a new business area, NCC Green Industry Transformation. The business area focuses on major projects driven by the green industrial transition and that require specialist skills and resources.

In February, two new Business Area Managers took office: Niklas Sparw, Head of the NCC Building Sweden business area and Helena Hed, Head of the NCC Green Industry Transformation business area.

On February 12, 2024, a fire broke out at Oceana Water World in Gothenburg, which NCC was building on behalf of Liseberg. In January 2025, it was announced that reconstruction can begin.

NCC held its Annual General Meeting on April 9. For more information, refer to the Corporate Governance Report.

On March 7, NCC announced that Maria Grimberg, Head of Communications, has decided to leave NCC for a role outside the company.

On May 14, NCC appointed Andreas Koch as new Head of Communications and member of the Senior Management Team. Andreas Koch took up his new position on October 14.

On November 4, Carnegie Fonder announced that it wished to change its representative on the next Nomination Committee to Mattias Sjödin, Portfolio Manager at Carnegie Fonder.

Significant events after the end of the year
NCC Industry
On February 10, NCC announced that it will conduct a strategic review of the NCC Industry business area in 2025. Various options will be evaluated, including a possible divestment of the business area.

Proposed dividend
NCC's Board of Directors has proposed a dividend of SEK 9.00 (8.00) per share and an extra dividend of SEK 2.00 per share to be paid on two occasions. This corresponds to approximately 68 percent of after-tax profit for the year. The proposed record date for the first payment of SEK 6.50 per share, which includes an extra dividend of SEK 2.00 per share, is May 9, 2025 with payment occurring on May 14, 2025. For the second payment of SEK 4.50 per share, November 7, 2025 is the proposed record date with payment occurring on November 12, 2025.

Omnibus
On February 26, 2025, the European Commission published a proposal for changes to sustainability reporting regulations in the form of the first Omnibus package of measures. NCC will monitor developments and evaluate any impact on the Group's sustainability reporting resulting from the changed regulations.

Environmental impact
The Group conducts operations subject to permit obligations under the Environmental Code in the Swedish subsidiaries. Of the Group operations subject to permit and reporting obligations, it is mainly the asphalt and gravel pit operations conducted by NCC Industry that affect the external environment, as well as the construction and civil engineering operations conducted by NCC Building Sweden, NCC Building Nordics and NCC Infrastructure. Quarries and harbors are activities subject to permit obligations, while asphalt production is generally subject to reporting obligations. Permits for quarries are renewed continuously. NCC Industry also conducts recycling operations that are subject to permit obligations. Some of these include landfills, which are also subject to permit obligations. No significant injunctions according to the Environmental Code exist.

Statutory Sustainability Report
In accordance with Chapter 6, Section 11 and Chapter 7, Sections 31 a–c of the Swedish Annual Accounts Act, NCC has decided to prepare the Parent Company's and the Group's statutory Sustainability Report as a separate report that is not part of the official annual accounts. The Sustainability Report encompasses all subsidiaries. For more information, refer to the Sustainability Report on pp. 16–50.

Seasonal effects
NCC Industry's operations and certain operations in NCC Building Sweden, NCC Building Nordics and NCC Infrastructure are impacted by seasonal variations due to weather conditions. Earnings in the first quarter are normally weaker than the rest of the year.

Amounts and dates
Unless otherwise indicated, all amounts are stated in millions of Swedish kronor (SEK M). The period referred to is January 1–December 31 for profit/loss items and December 31 for balance sheet items. Rounding-off differences may arise.

Developments during the year

Major projects

Projects >SEK 500 M Order value and estimated completion may change over the course of the project. Internal projects are not included.		NCC's share of order value, Dec. 31, 2024, SEK M	Completion rate Dec. 31, 2024, %	Estimated completion
New projects in 2024				
Road and tunnel, Ålesund	NO	1,429	19	2027
Residential renovation, Aarhus	DK	1,135	2	2029
Correctional institution 2, Mariestad	SE	1,037	14	2027
Train depot, Hagalund	SE	921	21	2026
Industrial building, Oxelösund	SE	780	46	2026
Ongoing projects				
Railway tunnel, West Link/Central Station, Gothenburg	SE	9,969	–	2026
Hospital, Hillerød	DK	8,721	66	2025
Railway tunnel, West Link/Korsvägen, Gothenburg	SE	6,934	–	–
Hospital, Västerås	SE	4,100	28	2029
Hospital building, Eskilstuna	SE	2,584	90	2025
Subway station, Hagastaden, Stockholm	SE	2,411	53	2027
Correctional facility, Tidaholm	SE	2,254	77	2029
Railway section, Lund Arlöv	SE	2,181	99	2025
Railway station, Drammen	NO	2,131	86	2025
Hotel and office, Aarhus	DK	1,970	42	2026
Hospital project, phase 2, Oulu	FI	1,633	86	2025
Offices, Gothenburg	SE	1,617	71	2026
Renovation of water treatment plant, Lidingö	SE	1,578	46	2027
Correctional institution 1, Mariestad	SE	1,271	90	2026
Offices, Odense	DK	1,198	85	2025
Water and wastewater treatment facility, Åkersberga	SE	1,182	22	2029
Offices, Trondheim	NO	1,113	77	2026
Residential units, Herlev	DK	1,107	82	2025
Quay structure, Gothenburg	SE	1,066	32	2028
Psychiatric hospital, Oslo	NO	1,024	45	2026
Subway depot, Stockholm	SE	1,014	86	2025
Industrial building, Kalundborg	DK	1,001	72	2025
Extension of office and parking facility, Fredericia	DK	930	11	2026
Swim center, Oslo	NO	801	49	2026
Residential units, Stockholm	SE	788	90	2025
Residential units, Copenhagen	DK	755	84	2025
Training and storage area, Halmstad	SE	735	50	2026
Wastewater treatment plant, Kristianstad	SE	729	93	2025
Refurbishment event arena, Stockholm	SE	725	86	2025
Distribution station, Stockholm	SE	702	53	2026
Residential renovation 2, Albertslund	DK	690	47	2025
Offices, Ballerup	DK	628	21	2025
Quay structure, Norrköping	SE	620	89	2029
Offices, Middelfart	DK	594	35	2026
Residential renovation, Herning	DK	591	36	2027
Dam/Hydropower plant, Lilla Edet	SE	591	55	2027
School, Varberg	SE	531	77	2026
Waterworks, Copenhagen	DK	525	29	2027
Dam/Hydropower plant, Borlänge	SE	501	52	2027
Completed projects 2024				
Residential units, hotel and restaurants, Copenhagen	DK	2,381	100	2024
Swimming complex/water park, Gothenburg	SE	1,056	100	2024
Offices, Helsinki	FI	885	100	2024
Prison, Kristianstad	SE	756	100	2024
Residential renovation, Malmö	SE	724	100	2024
Offices/residential units, Umeå	SE	656	100	2024
University, Borlänge	SE	615	100	2024
University buildings, Espoo	FI	604	100	2024
Offices, Oslo	NO	604	100	2024
Residential renovation, Herlev	DK	559	100	2024
Residential renovation 1, Albertslund	DK	541	100	2024

Developments during the year

Central treatment plant, Kristianstad

NCC Infrastructure

NCC Infrastructure's orders received totaled SEK 18,919 M (16,707). Orders received for the Energy & Water Treatment product segment remained high, although the share of the total was lower compared to 2023, 27 percent (40). The Railways product segment increased the most, to 26 percent (11). The contract to completely renovate the Majorstuen metro station in Oslo, Norway, is one example of a new project during the year. Groundworks continued to represent a high share of orders received by NCC Infrastructure and amounted to 20 percent (22).

The order backlog was higher year-on-year and amounted to SEK 16,824 M (16,074).

Net sales increased to SEK 18,105 M (17,667). Energy & Water Treatment, Railways and Groundworks accounted for almost 80 percent of total net sales. Sweden is NCC Infrastructure's largest market, accounting for 70 percent (74) of net sales, while Denmark and Norway account for 17 percent (13) and 13 percent (13) of net sales, respectively.

Operating profit and operating margin were in line with the preceding year and amounted to SEK 535 M (548). The comparative period has been adjusted for the positive impact on earnings of SEK 175 M from the divestment of the subsidiary Bergnäset.

Orders received (SEK M)

18,919

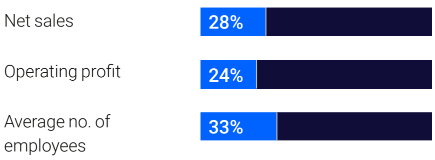
Net sales (SEK M)

18,105

Operating profit (SEK M)

535

Share of NCC total

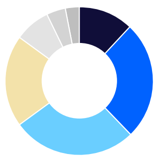


Key figures

SEK M	2024	2023
Orders received	18,919	16,707
Net sales	18,105	17,667
Operating profit	535	723
Operating profit/loss excl. Bergnäset[1]	535	548
Operating margin, %	3.0	4.1
Operating margin excl. Bergnäset, %[1]	3.0	3.1
Average no. of employees	3,718	3,910

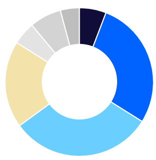
1) Refers to operating profit adjusted for the positive impact from the sale of Bergnäset.

Orders received per product segment



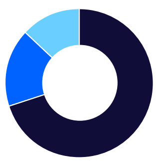
- Roads **12** (5)%
- Railways **26** (11)%
- Energy & Water Treatment **27** (40)%
- Groundworks **20** (22)%
- Industry **8** (8)%
- Foundation engineering **4** (5)%
- Other **3** (9)%

Net sales per product segment



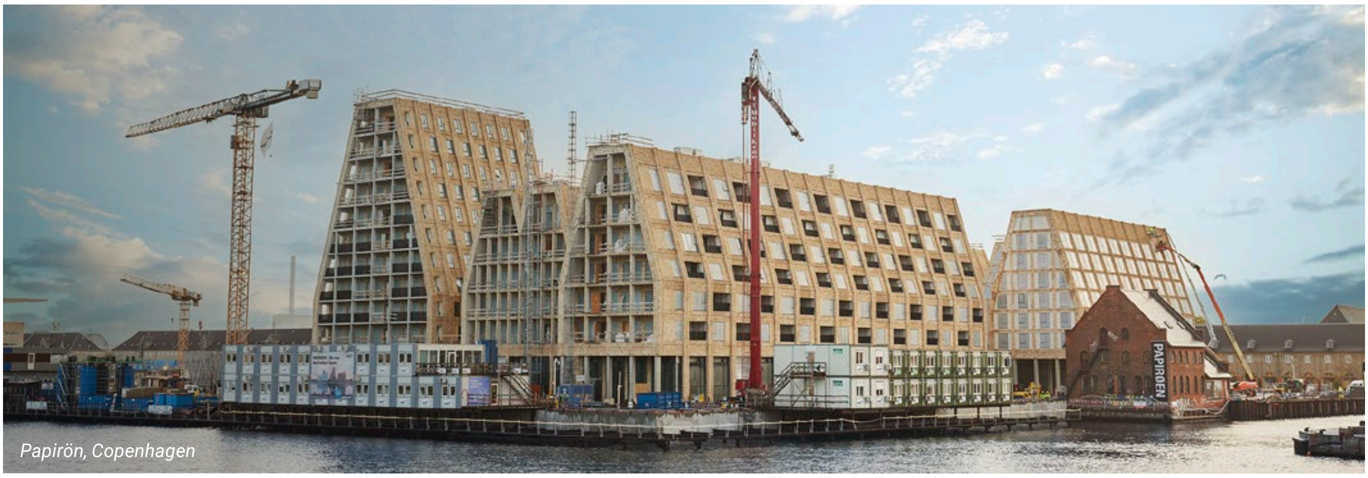
- Roads **6** (10)%
- Railways **28** (24)%
- Energy & Water Treatment **31** (25)%
- Groundworks **19** (25)%
- Industry **5** (4)%
- Foundation engineering **7** (6)%
- Other **4** (6)%

Net sales per country



- Sweden **70** (74)%
- Denmark **17** (13)%
- Norway, **13** (13)%

Developments during the year



Papirön, Copenhagen

NCC Building Nordics

NCC Building Nordics' orders received amounted to SEK 11,392 M (16,654). The lower orders received was mainly attributable to Denmark and Norway, but orders received also declined in Finland. The Refurbishment/Conversion product segment increased to 49 percent (17), mainly attributable to a number of contracts won in Denmark during the year (Aarhus, Frederikssund, Copenhagen, Dommerparken, Sönderpark Ringsted and Mindeparken). The Other product segment declined. The prevailing market situation continues to affect mainly Offices and Residential and orders received amounted to 6 percent (15) and 6 percent (7) respectively.

The order backlog was lower than in the year-earlier period and amounted to SEK 16,720 M (18,684).

Net sales amounted to SEK 13,884 M (14,615). The challenging market in Finland was the reason for the lower net sales. The percentage of Public Buildings increased and accounted for the largest proportion of net sales, 37 percent (31), followed by Refurbishment/Conversion. Net sales attributable to Refurbishment/Conversion amounted to 21 percent (18), which was lower than the share for orders received, as several projects were registered during the latter part of the year. Net sales for Offices and Residential continued to decline due to the prevailing market situation.

Denmark is NCC Building Nordics' largest market, accounting for 52 percent (49) of sales, while Finland and Norway account for 29 percent (35) and 19 percent (16) of net sales, respectively.

Operating profit amounted to SEK 426 M (343). The operating margin was 3.1 percent (2.3), with the improvement due to higher profitability in both Finland and Denmark. In Finland, cost adjustments were made in view of the challenging market.

Orders received (SEK M)

11,392

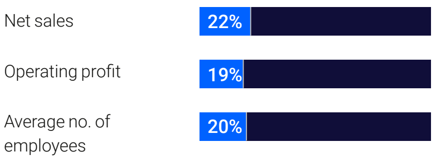
Net sales (SEK M)

13,884

Operating profit (SEK M)

426

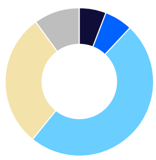
Share of NCC total



Key figures

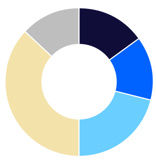
SEK M	2024	2023
Orders received	11,392	16,654
Net sales	13,884	14,615
Operating profit	426	343
Operating margin, %	3.1	2.3
Average no. of employees	2,262	2,434

Orders received per product segment



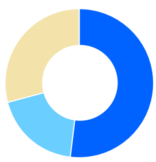
- Offices **6** (15)%
- Residential **6** (7)%
- Refurbishment/Conversion **49** (17)%
- Public Buildings **29** (37)%
- Other **10** (24)%

Net sales per product segment



- Offices **15** (17)%
- Residential **14** (22)%
- Refurbishment/Conversion **21** (18)%
- Public Buildings **37** (31)%
- Other **13** (12)%

Net sales per country



- Denmark **52** (49)%
- Norway **19** (16)%
- Finland **29** (35)%

Developments during the year


Kulturhus Agnes, Gävle

NCC Building Sweden

NCC Building Sweden's orders received amounted to SEK 12,239 M (12,661). Public Buildings accounted for the largest share of orders received. The Other product segment increased the most, with orders received comprising one fourth of total orders received during the year. The increase was due primarily to several industrial projects, including a new train maintenance depot in Solna. Orders received for Offices and Residential continued to decline due to the prevailing market situation. For Residential, orders received consisted of just over 80 percent rental apartments.

Major projects registered among orders during the year included the third project phase of Region Västmanland's new emergency hospital in Västerås, the next phase of work on SSAB's new plant for fossil-free steel production and a new train maintenance depot at the Hagalund depot in Solna.

The order backlog was lower year-on-year but still in line with net sales for one year and amounted to SEK 14,980 M (16,753).

Net sales totaled SEK 14,012 M (14,475). Public Buildings continue to account for the highest share of net sales, 37 percent (31). Residential and Refurbishment/Conversion continue to account for a high share of around 20 percent.

Operating profit was charged with non-recurring costs of approximately SEK 250 M related to provisions for the revaluation of risks in the project portfolio for uncertain cost compensation. This relates to projects that were started before inflation gained momentum in 2022 that are completed or under completion. The profile of later projects and the order backlog is different, which is expected to gradually improve underlying earnings. Operating profit was SEK 30 M (272).

Orders received (SEK M)

12,239

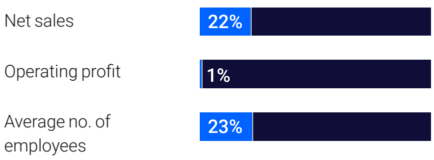
Net sales (SEK M)

14,012

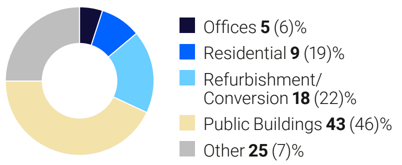
Operating profit (SEK M)

30

Share of NCC total



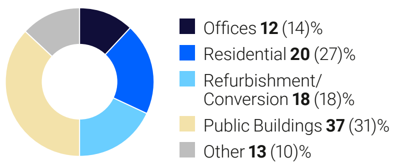
Orders received per product segment



Key figures

SEK M	2024	2023
Orders received	12,239	12,661
Net sales	14,012	14,475
Operating profit	30	272
Operating margin, %	0.2	1.9
Average no. of employees	2,542	2,700

Net sales per product segment



Net sales per country

Developments during the year

Stora Bältbron, Denmark

NCC Industry

NCC Industry's orders received amounted to SEK 12,884 M (11,459), the increase was mainly attributable to asphalt operations.

Net sales totaled SEK 12,634 M (11,485), the increase was attributable to higher volumes from both the asphalt and stone materials operations. Volumes of sold stone materials amounted to 25,642 thousand tons (25,610) and volumes of sold asphalt to 5,061 thousand tons (4,657).

Operating profit amounted to SEK 584 M (400) and the operating margin improved from 3.5 percent to 4.6 percent. Operational discipline, higher volumes and prices, and generally lower costs in general for the business area contributed to the higher margin.

Operating capital employed

Operating capital employed decreased to SEK 3,844 M (4,090) due to higher non-interest-bearing liabilities.

Orders received (SEK M)

12,884

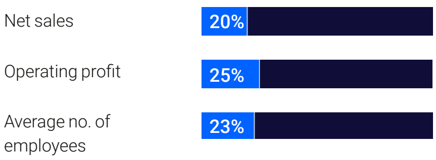
Net sales (SEK M)

12,634

Operating profit (SEK M)

584

Share of NCC total

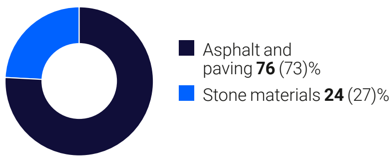


Key figures

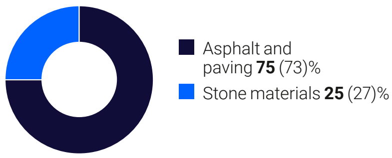
SEK M	2024	2023
Net sales	12,634	11,485
Operating profit	584	400
Operating margin, %	4.6	3.5
Operating capital employed	3,844	4,090
Return on operating capital employed, %	14.0	8.9
Average no. of employees	2,596	2,553
Stone materials, 1,000 tons[1)]	25,642	25,610
Asphalt, 1,000 tons[1)]	5,061	4,657

1) Sold volume.

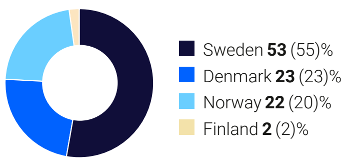
Orders received per product segment

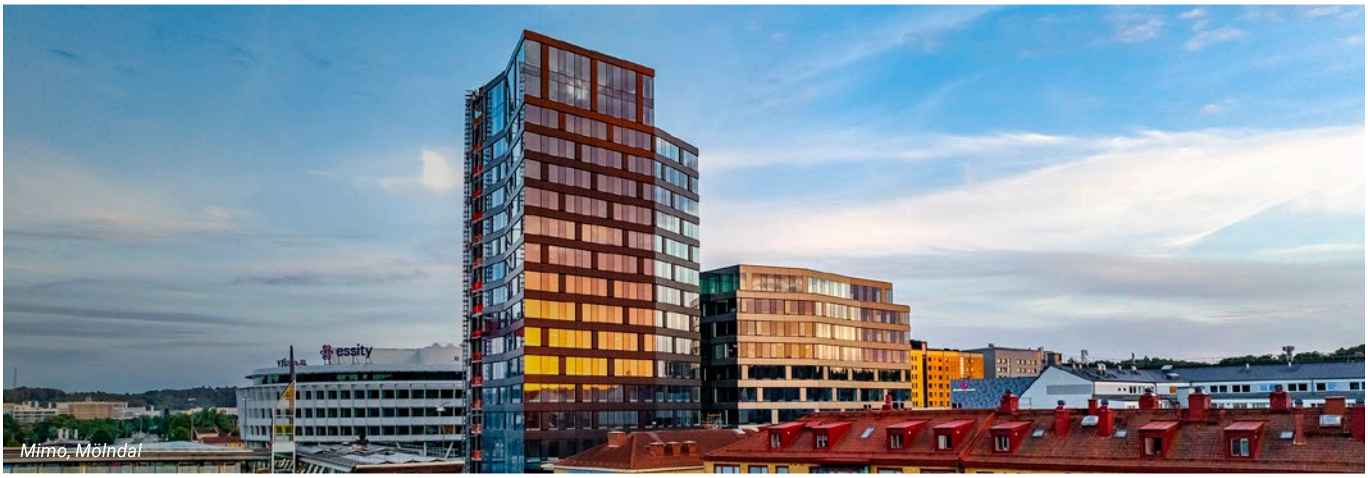


Net sales per product segment



Net sales per country





Mimo, Mölndal

NCC Property Development

Net sales amounted to SEK 4,853 M (1,376). Operating profit amounted to SEK 719 M (243). Four projects in Sweden were recognized in profit during the year: Arendal Albatross, Brick Studios, Våghuset and MIMO. Higher rental revenues from several projects in Sweden and Finland also made a positive contribution to profit. Earnings in 2023 were mainly attributable to profit recognition of one major project, Kontorværket 1 in Denmark, and the sale of land with development rights in Sweden (Järva Krog).

Property projects

One project in Sweden, Yrket, started during the year and is expected to be recognized in profit in the second quarter of 2028. In 2023, one project was started, Park Central, in Sweden.

Letting amounted to 73,500 square meters (27,900). Of these, the Yrket project accounts for 52,000 square meters (pertaining to GFA). During the year, a total of 23 new leases (31) were signed in Sweden and Finland.

At the end of the year, 8 projects (11) were either ongoing or completed but not yet recognized in profit. Costs incurred in all projects amounted to SEK 7.4 billion (9.0), corresponding to a total completion rate of 64 percent (75). The completion rate for ongoing projects was 24 percent (60). The total letting rate was 77 percent (65). Operating net amounted to SEK 74 M (45).

Operating capital employed

Operating capital employed decreased and amounted to SEK 7,938 M (9,592) at the end of the year. The decrease was attributable to the recognition in profit of several projects during the year.

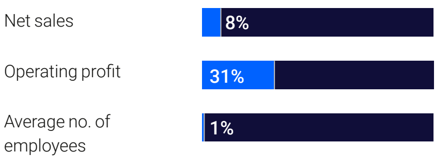
Net sales (SEK M)

4,853

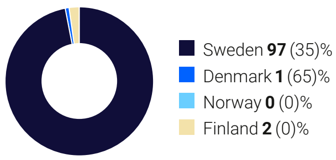
Operating profit (SEK M)

719

Share of NCC total



Net sales per country



Key figures

SEK M	2024	2023
Net sales	4,853	1,376
Operating profit	719	243
Operating margin, %	14.8	17.7
Operating capital employed	7,938	9,592
Return on operating capital employed, %	7.6	2.8
Average no. of employees	87	108

Developments during the year

NCC Property Development

Property development projects, Dec. 31, 2024

Ongoing property development projects[1)]

Project	Type	Location	Sold, expected to be recognized in profit	Completion rate, %	Lettable space, sqm	Letting rate, %[4)]
Yrket[2)]	Offices	Solna	Q2 2028	12	52,000	100
Habitat 7	Offices	Gothenburg		82	7,800	42
Park Central[3)]	Offices	Gothenburg	Q2 2027	26	15,200	21
Total, Sweden				**24**	**75,000**	**76**
Total				**24**	**75,000**	**76**

Completed property development projects[1)]

	Type	Location	Sold, expected to be recognized in profit	Lettable space, sqm	Letting rate, %[4)]
We Land	Offices	Helsinki		20,800	85
Kulma21	Offices	Helsinki		7,700	100
Total, Finland				**28,500**	**89**
Nova	Offices	Solna		9,800	35
Flow Hyllie	Offices	Malmö		10,200	71
Bromma Blocks	Offices	Stockholm		52,400	79
Total, Sweden				**72,400**	**71**
Total				**100,900**	**77**

1) The tables pertain to ongoing or completed property projects that have yet to be recognized in profit. In addition to these projects, NCC works actively with letting (rental guarantees and supplementary purchase price) in two previously sold and profit-recognized property projects, equal to a maximum of about SEK 2 M in potential positive impact on earnings.

2) The stated lettable space for the Yrket project pertains to GFA.

3) The project comprises a total area of approximately 40,000 square meters and lettable space of about 30,400 square meters. The project is being carried out together with Jernhusen, a Swedish state-owned property company. In December 2021, a contract was entered into to develop Park Central through a joint venture. NCC has acquired 50 percent of the company owning the property from Jernhusen, which will repurchase this shareholding when the property is fully developed and certain criteria are met. Figures in the table refer to NCC's share of the project.

4) The percentage of anticipated rental revenues that corresponds to signed leases (also called leasing rate based on revenues).

Material risks and uncertainties

Management of operational, strategic, financial and sustainability risks is a key prerequisite for NCC's business and efficient risk management is a necessity for a stable and profitable company. NCC has conducted an assessment of the company's risks and describes below the risks regarded as the most probable and that are estimated to have the greatest impact on NCC's potential to achieve its objectives in the long and the short term.

The aim of risk management is to identify, assess and prioritize risks within the operations. The organization can then take action to minimize the likelihood and impact of the incident.

Risk management is a central and essential part of NCC's operations. We work actively with risk management. These activities are supported by experts in the relevant areas. Risk management measures are integrated into internal processes for management and operations, with working procedures and guidelines that are often specifically designed for risk identification and implementation of mitigating measures.

Opportunities are handled separately at NCC and are not included in the same process, where another methodology and approach could be used.

Risk assessment is the most important tool for systematic risk management in our projects. It starts in the selling stage and is continuously updated throughout the construction process. The aim is to achieve a safe and predictable construction process, where the project is executed within established parameters. The purpose of the assessment is to take the unique conditions for each project and systematically identify, analyze and manage the risks. By taking suitable measures, the likelihood and consequences of risks are minimized.

Overview of top risk risks at Group level

Risk category	Risk	Likelihood	Consequence	Change
Market	1. Geopolitical situation	Most likely	Major	→
	2. Market volatility	May occur	Serious	→
	3. Price increases and delivery shortage	May occur	Serious	→
People	4. Competence supply & Leadership	May occur	Major	→
	5. Health & Safety	May occur	Serious	→
Environment	6. Climate	May occur	Serious	↑
	7. Resource use	May occur	Serious	↑
Management	8. Management of operations	May occur	Major	→
	9. Supply chain	May occur	Serious	→
IT	10. Group Common IT Development	May occur	Major	→
	11. IT security (Information security)	May occur	Serious	→
Compliance	12. Compliance	May occur	Major	→

Definitions

Consequence:	Minor (>10 MSEK)	Tangible (>50 MSEK)	Serious (>100 MSEK)	Major (>250 MSEK)
Likelihood:	Most unlikely	Unlikely	May occur	Most likely
↓	Decrease in consequence or likelihood from 2023			
→	No changes in consequence or likelihood from 2023			
↑	Increase in consequence or likelihood from 2023			

Material risks and uncertainties

Top risks at Group level

Risk	Risk description	Key mitigating action plans
Market		
1. Geopolitical situation	The global geopolitical situation is unstable in several parts of the world with a potential impact on the normal course of international relations. This leads to more complex situations for companies in several respects, including inflation and economic developments, rising energy prices and interest rates, austerity in financing markets, higher risk for cyber-attacks and disturbances in the supply chain.	• NCC only conducts operations in the Nordic region, which limits exposure to international geopolitical situations and their consequences on NCC's general economy and supply chain • The organization has managed and mitigated challenges related to the geopolitical situation, including cost inflation and disturbances in the supply chains during 2024. The risk remains in the coming years with a potential broad impact on the business. • See sections 2, 3 and 11 below for more details about risk description and key mitigation action plans relating to the situation
2. Market volatility	Risk of loss of revenue due to weakening market overall. More specifically a risk of underestimating the size and speed of the downturn of the market and then being too slow to respond. The market sentiment is a material risk for the property development operations both in terms of letting and divestments. Furthermore, there are cost increases linked to interest and inflation.	• NCC carefully monitors developments in the market and the financial development of customers and suppliers • Internal processes are designed to ensure that price increases can be passed to customers (fixed prices from suppliers where appropriate) • NCC works continuously to steer operations through segment prioritization and portfolio governance to limit exposure to vulnerable parts of the economy where possible
3. Material and price increases	Risk of shortage of materials and price increases in general, for instance metals, steel, energy, cement, plastics and freight, due to the external circumstances in the market. Stone material and asphalt plants are highly dependent on the supply of raw material, such as aggregates reserves, bitumen, recycled asphalt etc.	• Price and delivery stability are secured by long-term agreements and continuous supplier risk assessments. To guarantee deliveries, the supplier base has several key suppliers. • Work with NCC's supplier relationship to ensure that we are a prioritized customer • Focus on hedging activities mainly for bitumen. Multiple sources and volume commitment to ensure supply. Hedging strategy for electricity, and transportation contracts with indexation.
People		
4. Competence supply & Leadership	The foundation of NCC's strategic direction is to be a knowledge-based company, and it is therefore imperative for us to have the right people with the right attitude, skills and experience on. Successful recruitment, retention and development of people with necessary skills is crucial for the company. Lack of leadership increases the risk that we cannot deliver according to quality and profitability and will not be able to retain our employees. The development of managers is essential to drive and deliver quality in projects and retain personnel with the desired skills.	• Development plans are created for both the short and long term, based on continuous discussion about the skills development needed by our employees (focus on general development and project management ability) • Group-wide development programs are conducted for project management and leadership, such as the Mega Project Management Program, Senior executive program, Strategic leadership program and Practical leadership program for site managers • Workshops based on the Group's Star behaviors have been conducted to improve culture and behavior across the organization • Star behaviors form the basis of all leadership programs • A structured succession planning process is in place to ensure that we constantly replenish with the right competencies and experience
5. Health & Safety	In the construction business, there is a high risk of different types of accidents. Fatal and serious accidents still occur and often within the three high-risk areas: working at height, heavy crane lifting and use of heavy vehicles. Analyses implemented have concluded that root causes are poor planning, less involvement from production management, and improper and high-risk behaviors among workers. Another conclusion is that there are few or poor safety barriers between people and this increases the risk of an accident. Many operations in the Group feature risky elements for workers, placing high demands on correct training and safety equipment, and not least an established culture that has the health and safety of employees as its highest priority.	• Strategic direction that aims to reduce common accidents, and to eliminate serious incidents and fatalities • Systematic work to improve and increase the number of digital and physical safety barriers in collaboration with NCC Group R&I, IT and Purchasing. It is important to incorporate more qualitative safety barriers into equipment, machinery and production vehicles we purchase or lease. NCC stipulates clear safety requirements for production machinery and vehicles used by our subcontractors. • Within the framework of Star behaviors, NCC focuses systematically on reducing behavior among NCC employees and subcontractors that is not in line with NCC's values • Intensive work to improve our Site Introduction tool to align and digitize our safety requirements for NCC worksites • Each employee, supplier and subcontractor must pass the Site Introduction to gain access to our worksites. The purpose of this is to increase safety awareness. • Clarification of what applies to the entire Group and what all managers must know. At Group level, distinct directives and guidelines are set for safety work, and instructions are devised for each business area, all to achieve the vision of zero accidents at our workplaces. All reported incidents are analyzed with the aim of improving injury-prevention activities, with a particular focus on creating a culture that encourages a safe work environment.

Material risks and uncertainties

Risk	Risk description	Key mitigating action plans
Environment		
6. Climate	NCC's environmental work focuses on reducing greenhouse gas emissions throughout the value chain. The biggest sources of climate impact are the materials used in the construction process and the fuel that drives various parts of this process. Energy use is also a significant factor, as NCC's operations require a lot of energy for machinery, heating, electricity on construction sites and in the manufacture of materials. If we fail to adapt our operations to climate change, we risk facing higher costs, reduced access to capital and lost business opportunities.	• Introduction of stricter CO_2 requirements and strategies in projects • Plans and actions to phase out fossil fuels and drive change towards lower climate emissions • Building standards that ensure that constructions are adapted to climate change • Assessment of climate risks and vulnerability, with contingency plans for construction sites • NCC's work with wind and hydropower and climate-optimized construction to meet external demands and adapt operations to climate change
7. Resource use	The construction sector consumes large amounts of materials, which significantly affects society's use of resources. Concrete, steel and asphalt are the materials that contribute the most to the climate impact, but other materials such as rock and soil materials also have a significant impact, especially when closed material flows are important. In addition, the business generates large amounts of waste throughout the value chain, making this a significant issue for both NCC and the industry at large.	• Streamline and reduce the use of materials, fuel and energy as well as promote the recycling and reuse of building materials, where NCC makes major efforts • NCC adapts its work with material selection, circularity and waste to the unique conditions of each business area and the aim is to reduce the use of materials that harm the climate, the environment and human health
Management		
8. Management of operations	Within contracting operations, the main operating risks are project selection and project management. There is also a risk of failure in the ability to implement what has been decided according to the processes and strategic initiatives. For Industry the season is limited and there is competition to provide large volumes in a short period of time.	• NCC assigns priority to submitting tenders with identified risks that are manageable and calculable. Different forms of contracts and partnerships with customers facilitate the management of various risks. These operating risks are counteracted by NCC's project selection, assessment of tenders and operational control systems. • For NCC Industry, we work with capacity, sales control, tender evaluation and pricing to ensure the right volume and cost control
9. Supply chain	Inadequate control of the supply chain gives rise to the risk of human rights violations, such as illegal labor, which remains an industry risk. It also gives rise to the risk of commercial breaches and, lastly, a poor overview of material being brought into our worksites.	• All international suppliers are pre-qualified before entering into a contract to ensure compliance with rules and regulations, including internal rules • NCC conducts systematic evaluations to ensure compliance with rules and regulations • At the worksites, the Site Introduction initiative helps to identify personnel on site who support our efforts against illegal labor and unfair pay • During 2025 the two initiatives supplier control and subcontractor control will be rolled out to further strengthen the control with our supplier base

Material risks and uncertainties

Risk	Risk description	Key mitigating action plans
IT		
10. Group Common IT Development	Failure to implement shared IT developments leads to significant costs for development without any realized benefits, implying lack of commitment and readiness for change in NCC's operations. In the event of failure, NCC will face new stalemates in the future, both in terms of the technological lifecycle and adaptation to business needs.	• Dedicated resources for leading the program and a business approach (future processes and ways of working at NCC) before selection of the tools • Clear roles and responsibilities have been defined to ensure business alignment and maximum benefit • Process framework and governance are in place and shared process owners have already been appointed for some process areas • NCC has developed and implemented a common way of working with business change management and is continuously working with building capability to ensure sustainable change • NCC is continuously following up the ongoing implementations and realized benefits to ensure that we are progressing as planned
11. IT security (Information security)	The ongoing advances in technology, rapid digitization and emergence of information-dependent societies are expected to give rise to new types of cyberattacks and network vulnerabilities. It is fundamental to continue to monitor the fast-changing technical development and ensure proper security governance and planning to prevent weaknesses in the IT environment.	• NCC Security Strategy and roadmap, in combination with the NCC Finance & IT development roadmap, together with each business area's and Group function's roadmap, describe the necessary activities to mitigate information security risks • NCC is continuing to develop our Information Security Management System and a Cyber Security Operation Center, which increases the threat-monitoring ability and capabilities for resilience to security incidents
Compliance		
12. Compliance	Risk of penalties and sanctions and risks related to branding, lawsuits and costs for disqualification from public tenders due to compliance breaches.	• A risk-based compliance program that includes a whistleblower channel and policies governing anti-corruption, competition law, conflicts of interest, data privacy and human rights • Mandatory training for white-collar employees in anti-corruption, competition law and data privacy. The training programs are regularly followed up.

Material risks and uncertainties

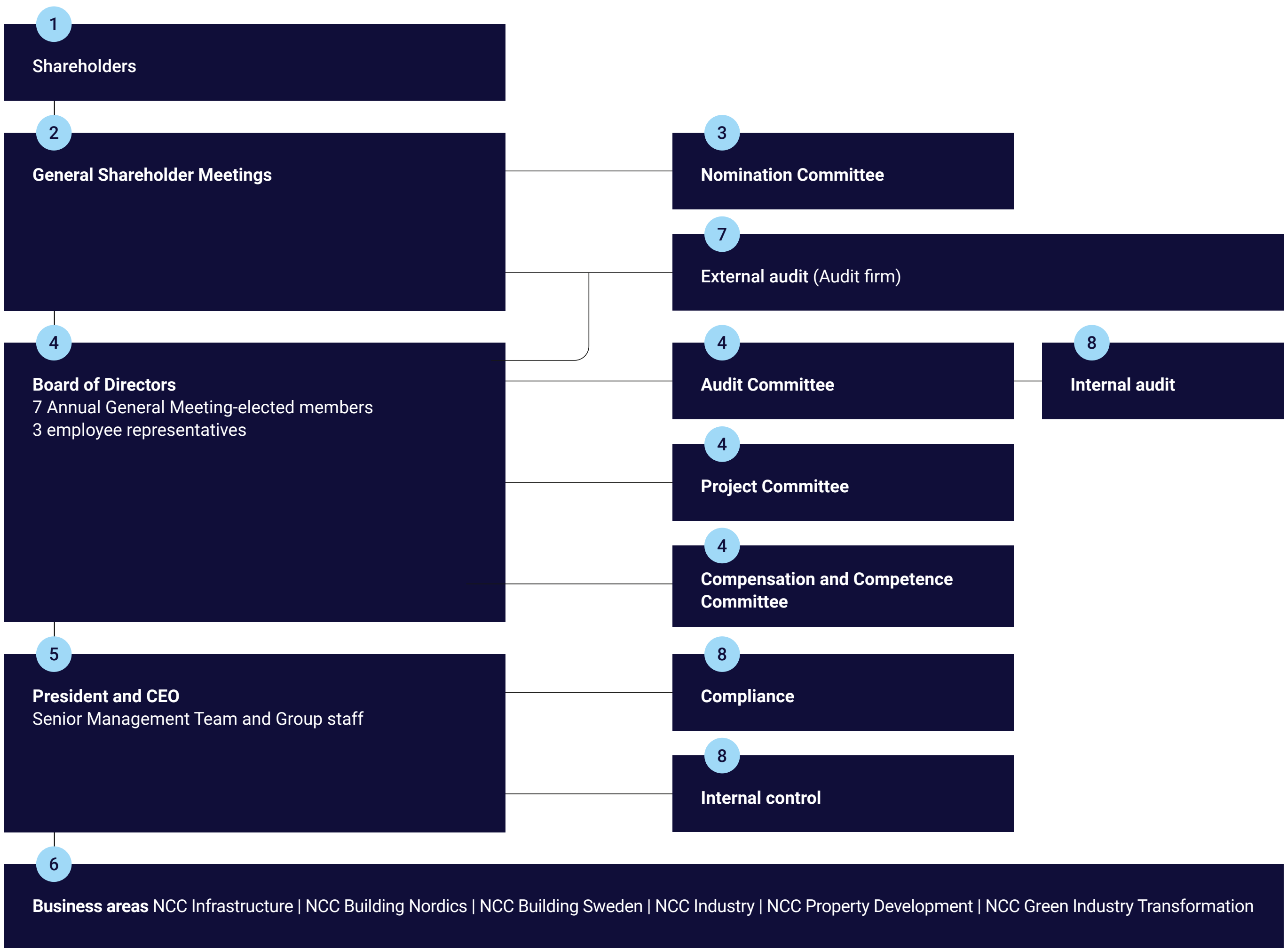
Sensitivity and risk assessment *(figures are based on outcomes in 2024)*

Risk	Change	Earnings effect after net financial items, SEK M (annual basis)	Effect on return on equity (percentage points)	Effect on return on capital employed (percentage points)	Comments
NCC Infrastructure					
Volume[1]	±5%	72	0.8	0.5	For NCC Infrastructure, a 1-percentage-point increase in the margin has a significantly larger impact on earnings than a 5-percent increase in volume. This reflects the importance of pursuing a selective tendering policy and focusing on risk management in early project stages.
Operating margin	±1 percentage point	181	1.9	1.3	
NCC Building Sweden					
Volume[1]	±5%	34	0.4	0.2	For NCC Building Sweden, a 1-percentage-point increase in the margin has a significantly larger impact on earnings than a 5-percent increase in volume. This reflects the importance of pursuing a selective tendering policy and focusing on risk management in early project stages.
Operating margin	±1 percentage point	140	1.5	1.0	
NCC Building Nordics					
Volume[1]	±5%	59	0.6	0.4	For NCC Building Nordics, a 1-percentage-point increase in the margin has a significantly larger impact on earnings than a 5-percent increase in volume. This reflects the importance of pursuing a selective tendering policy and focusing on risk management in early project stages.
Operating margin	±1 percentage point	139	1.4	1.0	
NCC Industry					
Volume[1]	±5%	53	0.6	0.4	NCC Industry's operations are affected by such factors as price levels and the volume of produced and paved asphalt. An extended season due to favorable weather conditions increases volumes and, because the proportion of fixed costs is high, the impact on the margin is material.
Operating margin	±1 percentage point	126	1.3	0.9	
Capital rationalization	±10%	21	0.2	0.4	
NCC Property Development					
Sales volume, project	±10%	71	0.7	0.5	NCC Property Development's earnings are predominantly determined by sales. The potential to sell property projects is largely dependent on the leases signed with tenants. An increased letting rate facilitates a higher sales volume. The value of a property is also determined by the difference between operating expenses and rent levels, and thus a change in the rent levels or operating economy of ongoing projects could yield a change in value.
Sales margin, projects	±1 percentage point	45	0.5	0.3	
Group					
Changed interest rate, net debt[2]	±1 percentage point	13	0.1	–	The exposure is based on the closing balance of net debt by the end of the fiscal year.

1) Given a change in volume, it is assumed that overhead costs will be largely unchanged.
2) Excluding pension debt in accordance with IAS 19.

Corporate Governance Report

NCC AB is a Swedish public limited liability company whose shares are registered for trading on Nasdaq Stockholm. NCC AB is governed by and conforms with Swedish company law and other rules that apply to listed companies, such as the Swedish Code of Corporate Governance, Nasdaq Stockholm's Rule Book for Issuers and generally accepted practices on the stock market. This report has been issued by the Board of Directors of NCC AB but is not part of the formal Annual Report documentation.



How NCC is governed:

1 Shareholders

The number of shareholders in NCC AB at year-end 2024 was approximately 45,770, with OBOS as the largest individual holder accounting for 10.05 percent of the share capital and 28.6 percent of the voting rights.

2 General Shareholder Meetings

At General Shareholder Meetings, shareholders may be accompanied by not more than two advisors, on condition that the shareholder has given the company prior notice of this. The Articles of Association contain no stipulations concerning the appointment and dismissal of Board members or concerning amendments of the Articles of Association. Each Series A share carries ten votes and each Series B share carries one vote. All shares provide the same entitlement to participation in the company's assets and profit and to an equally large dividend. The procedures for notifying shareholders of General Shareholder Meetings are stipulated in the Articles of Association.

Annual General Meeting 2024

The 2024 Annual General Meeting (AGM) was held at SPACE Arena in Stockholm on April 9. 247 shareholders were represented at the AGM, accounting for 50.5 percent of the share capital and 57.5 percent of the total number of votes. The minutes of the AGM are available at ncc.com.

The 2024 AGM passed the following resolutions, among others:

A dividend for the 2023 fiscal year of SEK 8.00 per share was decided, divided between two payment occasions.

Alf Göransson, Simon de Château, Cecilia Fasth, Mats Jönsson, Daniel Kjørberg Siraj and Birgit Nørgaard were re-elected as members of the Board of Directors. Alf Göransson was re-elected Chairman of the Board. Ida Aall Gram was elected as a new member. Board member Angela Langemar Olsson had declined re-election.

It was resolved that fees for the Board of Directors and its committees would total SEK 4,815,000. Guidelines were adopted for determining the salary and other remuneration of the CEO and other members of the company's management and the remuneration report was adopted.

Furthermore, it was decided to establish a long-term performance-based incentive program (LTI 2024 Share Savings Program) for senior executives and key personnel.

To give the Board greater scope to be able to adapt the company's capital structure to the capital requirement from time to time, the AGM authorized the Board, on one or several occasions during the period up to the next AGM, to make decisions on the buyback of the company's Series B shares up to an amount so that, at the given time following the acquisition, the company holds a maximum of 10 percent of all shares in the company.

The AGM also authorized the Board, on one or several occasions during the period up to the next AGM, to make decisions on the transfer of a maximum of 100,000 of the company's Series B shares on Nasdaq Stockholm to cover costs, for example social security fees, due to outstanding long-term performance-based incentive programs (LTI 2021 and LTI 2023 Share Programs).

The AGM approved that NCC, in order to hedge the anticipated financial exposure in respect of LTI 2024 Share Savings Program, shall be able to enter into share swap agreements with third parties on normal market terms.

Income statements and balance sheets for 2023 were adopted and discharge from liability was granted to the Board and the CEO.

3 Nomination Committee

The AGM elects a Nomination Committee whose task is to nominate candidates to the AGM for election as Chairman of the Meeting, Chairman of the Board and Board members, and to propose the fees to these officers.

Another task of the Nomination Committee is to nominate auditors and propose the fees to be paid to them. The Nomination Committee's work complies with the instructions adopted by the AGM. The Board of Directors is evaluated within the framework of the Nomination Committee's work. The Audit Committee assists the Nomination Committee in evaluating the work of the auditors.

Nomination Committee 2024

At the AGM on April 9, 2024, Trond Stabekk (OBOS), Simon Blecher (Carnegie Fonder) and Anna Magnusson (Första AP-fonden (AP1)) were elected as members of the Nomination Committee. Trond Stabekk was also elected as Chairman of the Nomination Committee. The AGM adopted amended instructions for the Nomination Committee.

Carnegie Fonder announced in November 2024 the change of representative to Mattias Sjödin.

Alf Göransson, Chairman of the NCC Board, is a co-opted member of the Nomination Committee but has no voting right. No remuneration was paid to members of the Nomination Committee. The diversity policy applied by the Nomination Committee complies with Article 4.1 of the Swedish Code of Corporate Governance.

The Nomination Committee's proposals to the 2025 AGM are available at ncc.com.

4 Board of Directors, Audit Committee, Project Committee and Compensation and Competence Committee

The Board shall consist of not fewer than five and not more than ten members elected by the AGM for a term of one year. The employees are represented on the Board.

During 2024, seven Board members were elected by the AGM. The Board also included three representatives and two deputies for the employees. For information on individual Board members, see pp. 76–77. The Chairman of the Board is Alf Göransson (for details concerning the Chairman's age, education, professional experience, assignments outside the company and holdings of shares in the company, refer to p. 76).

The Chairman of the Board directs the work conducted by the Board and maintains regular contact with the President and CEO in order to continuously monitor the Group's operations and development. The Chairman represents the company in ownership matters and is a co-opted member of the Nomination Committee but has no voting right.

The Board's Audit Committee comprises Board members Birgit Nørgaard, Ida Aall Gram and Mats Jönsson. The Chairman of the Audit Committee is Birgit Nørgaard.

The Board of Directors' Project Committee comprises Board members Daniel Kjørberg Siraj and Alf Göransson. The Project Committee is chaired by Daniel Kjørberg Siraj.

The Board of Directors' Compensation and Competence Committee was established in 2024 and comprises Board members Alf Göransson, Daniel Kjørberg Siraj and Cecilia Fasth. The Compensation and Competence Committee is chaired by Alf Göransson.

Work of the Board of Directors

In 2024, NCC's Board held six scheduled meetings, two unscheduled meetings, and one circular-letter meeting as well as the statutory meeting directly after the AGM. The Board's work focuses primarily on strategic issues, the adoption and follow-up of operational goals, business plans, financial accounts, major investments and divestments, sustainability matters plus other decisions that have to be addressed by the Board. In conjunction with Board meetings, the Board of Directors performed a worksite visit in Trondheim. In addition to the CEO and the CFO, other senior NCC executives participated in order to present matters, and the Senior Legal Counsel served as secretary.

Within the framework of the Board's work, the Audit Committee is to monitor the company's financial and non-financial reporting to, among other objectives, maintain the market's confidence in the company. Moreover, the Committee is to ensure a qualified, effective and independent internal and external audit of the company and that good communication is maintained between the Board of Directors and the external auditors. This includes preparing matters relating to the company's financial reporting and auditing, as well as sustainability reporting, see p. 75, item 5, Follow-up. In 2024, the Committee held six meetings. All members were present at these meetings.

The Project Committee shall, within the framework of the Board's work, participate in the preparation, analysis and decisions regarding tenders in contracting operations for projects exceeding SEK 1.5 billion. In 2024, the Committee addressed six projects and held four meetings, which all members attended.

The Compensation and Competence Committee shall, within the framework of the Board's work, manage remuneration and terms of employment of the President and CEO and other members of the Senior Management Team, as well as issues relating to skills development. In 2024, the Committee

Board of Directors' working year 2024

In addition to such standing items as investments and divestments within NCC Property Development, and Finance.

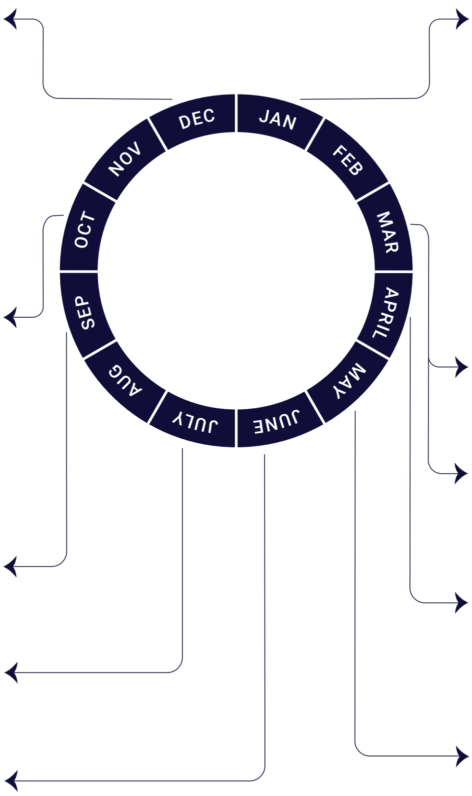
Board meeting, December 11
- Review of NCC Industry
- Budget 2025
- Proposed bonus system
- Sustainability report
- IT Common Development, follow-up
- Code of conduct, new revised version
- Purchasing, update
- Succession planning

Board meeting, October 24
- Quarterly report
- Review of NCC Infrastructure
- Capital rationalization
- Analysis of large projects
- Investments and sales
- Evaluation of Board members

Board meeting (unscheduled), September 16
- Update on operations

Board meeting, July 15
- Semi-annual report

Board meeting, June 26–27
- Strategy
- Review of NCC Industry and NCC Building Nordics Norway
- IT Common Development
- CEO's review of management team
- Debriefing, Compliance matters
- Debriefing, Sustainability
- Review of health and safety issues



Board meeting, January 29
- Review of NCC Property Development and NCC Building Nordics, Norway Division
- Year-end accounts 2023
- Annual Report
- Compliance report 2023
- Proposed dividend
- Motion concerning guidelines for salary and other remuneration of senior executives
- Review of audit report
- Evaluation of CEO

Board meeting (unscheduled), March 8
- Update on operations

Board meeting (circular-letter meeting), March 14
- Credit facility

Statutory Board meeting, April 9
- Company signatories appointed
- Members of Board of Directors' committees appointed

Board meeting, May 2
- Review of NCC Building Sweden, NCC Green Industry Transformation and NCC Building Nordics, Finland Division
- Review of Finance and IT function
- Purchases of bitumen and energy
- Quarterly report
- LTI program and allotment
- Competitor analysis
- Governing documents, such as:
  - Group Treasury Policy
  - Insider Policy
  - Rules of procedure and decision-making directives

held three meetings, which all members attended.

The Board's evaluation of its work was conducted by asking all Board members to anonymously respond to a questionnaire. The results were then compiled and discussed by the Board. This documentation was also presented to the Nomination Committee.

5 CEO and Senior Management Team

The President and CEO of the company is Tomas Carlsson (for details concerning the CEO's age, education, professional experience, assignments outside the company and holdings of shares in the company, refer to p. 78). The Board has established instructions for the division of duties between the Board and the CEO and for financial reporting to the Board (also refer to "Board of Directors' report on internal control," p. 73). The company has not appointed any Deputy Chief Executive Officer.

NCC's Senior Management Team (SMT) consisted during 2024 of the President and CEO, the Heads of NCC Infrastructure, NCC Building Nordics, NCC Building Sweden, NCC Industry, NCC Property Development and NCC Green Industry Transformation (February 2024), Chief Financial Officer, the Senior Legal Counsel, the Head of Human Resources, the Head of Purchasing and the Head of Communications.

For information on members of the SMT, see pp. 78–79.

The SMT mainly focuses on strategic and other Group-wide matters and generally meets once per month.

Remuneration of the Senior Management Team

The Board established a Compensation and Competence Committee to prepare matters involving remuneration and other terms of employment for the SMT. Guidelines for salary and other remuneration for the SMT are resolved by the AGM. The CEO's remuneration for 2025 has been proposed by the Compensation and Competence Committee and decided by the Board.

Remuneration of other senior executives is proposed by the CEO and approved by the Compensation and Competence Committee, according to a mandate from the Board of Directors. Remuneration of the CEO and other senior executives consists of a fixed salary, variable remuneration, pension and other benefits.

Corporate Governance Report

A specification of salaries and other remuneration paid to Board members, the CEO and senior executives is presented in Note 4, on pp. 93–96.

6 Governance of business areas

The Group is composed of business areas. Each business area is headed by a business area manager and has a supervisory council whose members include the President and CEO, CFO and Senior Legal Counsel. The approval of the President and CEO or NCC AB's Board of Directors is required for certain decisions.

The Group staff heads are responsible for Group-wide functional issues that fall under the position and mandate of the individual head of Group staff.

7 External audit

The AGM appoints an Authorized Public Accountant to examine the company's Annual Report, consolidated financial statements, accounting records and the company's management by the Board and the CEO. A registered firm of accountants may also be appointed auditor of the company. The Nomination Committee nominates auditors. The current auditor is appointed for a period of one year. Öhrlings PricewaterhouseCoopers AB (PwC) will serve as the company's auditor until the close of the AGM in 2025. Authorized Public Accountant Patrik Adolfson has been appointed PwC's auditor-in-charge. For more information on the auditor, see p. 77.

8 Internal Governance and Control

NCC's operations require a considerable amount of delegated responsibility.

A Group-wide directive is in place to clarify exactly who is entitled to make decisions concerning various matters. In addition to strategic and organizational matters, the areas regulated include investments and divestments, rental and leasing agreements, financing, sureties and contracting undertakings. There are also a number of other Group-wide governing documents concerning such matters as communication, finance, Code of Conduct, regulatory compliance, the environment and social matters.

The number of ongoing projects in production varies from year to year but totals more than a thousand. The organization of each project varies according to the specific project's size and complexity. Each project is headed by a project manager who is responsible for product format, purchases, financial aspects, production, quality, completion and handover to the customer. Major projects are monitored on a monthly basis by the business area manager, the CEO and the CFO. All tenders are reviewed on the basis of Group-wide requirements. Tenders for projects exceeding SEK 300 M are subject to special assessment and must be approved by the business area manager responsible for the project. Tenders for projects exceeding SEK 500 M are subject to special assessment at Group level and are approved by the CEO. The Board's Project Committee is involved in projects exceeding SEK 1,500 M. Projects exceeding SEK 300 M are also followed up via the NCC Project Trend Report (PTR) process. Proprietary property development projects representing an investment exceeding SEK 50 M must be approved by the CEO and such projects exceeding SEK 150 M must be authorized by NCC AB's Board. Decisions regarding investments corresponding to less than SEK 50 M are the responsibility of the particular business area.

Concerning the internal audit, see p. 75, item 5, Follow-up.

Business conduct and regulatory compliance

The CEO is ultimately responsible for ensuring that an effective Compliance Program in priority risk areas is implemented in the Group and each head of the business areas is responsible for regulatory compliance and business conduct in their business area.

From a risk perspective, NCC has identified the following impact areas for NCC's Compliance Program: Counteracting bribery and corruption; Fair competition; Counteracting fraud and conflict of interest; Data protection (GDPR); and Human rights and diversity. The Compliance function is responsible for the design of the program, the Code of Conduct, policies and processes, Group-wide training and communications relating to Counteracting bribery and corruption; Fair competition; Counteracting fraud and conflict of interest, and regulatory compliance in conjunction with the processing of personal data. The function is headed by the Group's Head of Compliance, who reports to the Senior Legal Counsel. The implementation of NCC's Compliance Program in the business areas and Group staffs is led by the respective Legal Affairs & Risk function. NCC's purchasing organization is responsible for ensuring high ethical standards and regulatory compliance in the supply chain. For more information, see the section on Ethics and compliance in the separate Sustainability Report.

NCC's purchasing organization and HR function are responsible for the overall work safeguarding human rights and diversity. For more information, see the section on Own workforce in the separate Sustainability Report.

The Group Compliance Committee (GCC), containing representatives from selected Group functions, is responsible for following-up implementation of NCC's Compliance Program under the Head of Compliance's area of responsibility as well as generally reviewing reports of suspected serious irregularities and breaches of rules within NCC's whistleblower channel and ensuring that these are handled appropriately.

The Head of Compliance coordinates internal investigations and has overall responsibility for NCC's whistleblower channel, "Tell me". On a semi-annual basis, the Head of Compliance summarizes, in a written report, Tell me statistics, personal data breaches and information on significant matters, which is presented to NCC's CEO and Board of Directors. The Head of Compliance also submits a more detailed annual report to the CEO and the Board of Directors on work completed and statistics related to the Compliance function's responsibilities within NCC's Compliance Program.

Internal rules and regulations

- Articles of Association
- Rules of procedure for Board work and instructions for the CEO
- Audit Committee's instruction
- Project Committee's instruction
- Compensation and Competence Committee's instruction
- The Group's and business areas' directives on delegation of authorities and internal governance
- NCC's Code of Conduct and Code of Conduct for Suppliers
- Group Compliance Directive
- Group Tax Policy, Group Treasury Policy and Information Policy
- Other governing documents in the form of policies, directives, regulations, guidelines and instructions for the CEO

Important external rules and regulations

- Swedish Companies Act
- Listing agreement of Nasdaq Nordic
- Swedish Code of Corporate Governance
- Annual Accounts Act
- Bookkeeping Act
- Market Abuse Regulation

Sustainability work

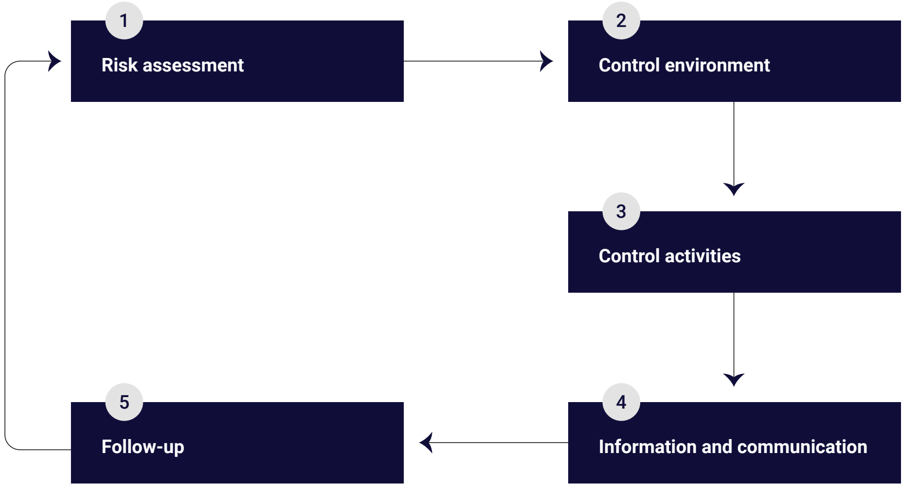
In 2024, NCC continued work to prepare for the new Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standard (ESRS). NCC will report under ESRS for the 2025 fiscal year.

NCC has worked with cross-functional teams to ensure that material perspectives are considered and that ownership is established in day-to-day activities. Subject-specific specialists in sustainability at Group level were also involved in the work.

Follow-up and implementation of new sustainability reporting and compliance procedures are standing items on the Audit Committee's agenda.

Board of Directors' report on internal control

The Board's responsibility for internal control is regulated in the Swedish Companies Act and in the Swedish Code of Corporate Governance. The Corporate Governance Report must contain disclosures concerning the principal features of the company's internal control and risk management systems in connection with financial reporting and in the preparation of the company's consolidated financial statements. Information on this is provided in this section.



1 Risk assessment

As a feature of its internal control efforts, NCC implements methodical risk assessment and risk management for ensuring that the risks to which NCC is exposed, and that can impact the internal control and financial reporting, are addressed within the company's established processes.

The material risks that have to be taken into account include market risks and operating risks as well as the risk of errors in financial reporting. With respect to the latter, systematic and documented updates occur once annually. The material risks that have to be considered mainly comprise the risk of errors in percentage-of-completion profit recognition and items based on estimates and assessments, such as valuations of land held for future development and ongoing development projects, goodwill and provisions.

At NCC, the ways risks are followed up include the following:

- Regular status checks are performed, according to a structured plan, by the CEO and CFO together with the business area manager, business area controller and other relevant functions of the Group, business areas and/or specialist functions. The participants in these meetings vary depending on the areas being addressed. The areas may include, for example, earnings, financial position and cash flow in terms of outcome, forecast and budget as well as internal control. These meetings and checks also cover orders received, major ongoing and problematic projects, outstanding accounts receivable, tenders and major investments. The meeting structure encompasses both quarterly major meetings and monthly meetings. Forecasts are formulated and are checked in connection with the quarters ending March, June and September, and for the following-year budget in November.
- NCC AB's Board receives monthly financial reports and NCC's current financial status is presented at each Board meeting
- Quarterly follow-up of material claims and disputes, which are also reported to the Board
- Annual analysis of business operations and the Group's committee for the follow-up of strategic risks

Financial risk positions, such as interest-rate, credit, liquidity, exchange rate and refinancing risks, are managed by the specialist function, Group Treasury. NCC's Group Treasury Policy stipulates that Group Treasury must always be consulted and, in cases where Group Treasury sees fit, that it must manage financial matters. Risks that could also influence reporting include breach of NCC's Code of Conduct and discrepancies in insurance coverage. These risks are monitored by the Compliance function and by NCC Försäkring.

2 Control environment

The Board has overall responsibility for internal control and financial reporting and sustainability reporting. A good control environment is characterized by the company having prepared and complied with established policies, directives, guidelines, control framework, manuals and job descriptions. These must be documented and kept available. In NCC, this means that the Board establishes rules of procedure for the Board's work each year, including instructions for the CEO. According to this instruction, the CEO is responsible for ensuring that work on the internal control contributes to an efficient control environment. Important complements to the formal structures include the Group's work with values and behaviors that are supported and activized by the Senior Management Team, through leaders and managers to reach all employees.

The NCC Group is an international organization that governs and conducts its operations in a Nordic operational structure. Operational management of the Group is based on a Group directive on the delegation of authorities and internal governance adopted annually by the Board. The directive stipulates the matters that require the Board's approval. In turn, this is reflected in the corresponding directives and attestation regulations applying to the business areas. The basis for the internal control of financial reporting and sustainability reporting comprises everything that is documented and communicated in governing documents, such as internal policies, directives, guidelines, control framework, instructions and other manuals. The NCC Group's legal governance occurs on the basis of a corporate structure with subsidiaries in each country.

3 Control activities

At NCC, the management of risks is based on a number of control activities that are conducted at various levels for business areas, Shared Service Centers (SSCs) and staff units.

The purpose of the control activities is to ensure both the efficiency of the Group's processes and efficient internal control of identified risks. Operational control systems form the basis for the established control structure for the business operations. These focus on important stages in the business operations, such as investment decisions, tender evaluation, project forecasts, authorization to start up projects and project completion. NCC attaches considerable weight to project follow-up.

A strong focus is placed on ensuring the correctness of the business transactions included in the financial reporting, the reasonableness of sustainability data collected and the fairness of sustainability reporting.

For a number of years, NCC has had several SSCs, in part NCC Business Services (NBS), which manages most of the financial transactions of the Nordic operations, and in part the Human Resources Services (HRS), which manages NCC's payroll administration for the Nordic countries. IT also has central responsibility for the shared IT systems in NCC.

The functions require that their processes include control activities that manage identified risks in a manner that is efficient for NCC in relation to the cost incurred. The units develop their processes using control matrixes that connect risks and control and ensure that the control is documented and that there is proof that control exists.

4 Information and communication

Information and communication regarding the internal policies, directives, guidelines, manuals and codes to which the financial reporting is subject are available on NCC's Intranet (MyNCC).

The information also contains methodology, instructions and supporting documentation in the form of checklists and overall time schedules. It is a living regulatory system that is updated regularly through the addition of, for example, new regulations concerning IFRS and requirements from Nasdaq Stockholm. NCC's CFO has principal responsibility for documents intended for the management of the internal control of financial reporting and sustainability reporting. MyNCC includes, among other documents, the following:

- Policies and regulations for the valuation and classification of assets, liabilities, revenue and costs
- Accounting and reporting instructions
- Framework for self-evaluation of internal controls
- Attestation instructions

All financial reporting must comply with the above rules and regulations. Financial reporting occurs in part in the form of figures in the Group-wide reporting system and in part in the form of written comments in accordance with specially formulated templates. Regular training programs and conferences are arranged for management and financial control personnel in respect of joint principles and frameworks concerning the requirements to which the internal control is subject.

A debriefing on internal control occurs annually to the NCC AB Board through the Audit Committee.

Debriefing also occurs at business area level. The CFO of the NCC Group is responsible for ensuring that information and communication regarding the internal control have been established and are effective.

Corporate Governance Report

5 Follow-up

Follow-ups to safeguard the efficiency and quality of the internal controls are conducted in various ways within NCC. NCC has developed a system (framework) for documented self-evaluation of internal control. Self-assessments are performed regularly for NCC's business areas, staff units and Group offices and comprise a component of the Board's assessment of internal control.

Operational control systems, which are the business areas' management systems, are evaluated through audits of business areas' operations, during which any shortcomings are rectified. The internal controls are followed up via different types of reviews in the various business areas. The financial control and controller organization is utilized when it is considered to be value-generating. In those cases where the necessary skills are not available internally, external consultants are used, for example, linked to external certifications. Feedback from these reviews is directed to the appropriate position in operations to ensure that the right work and controls are done by the right person at the right time.

NCC has an independent internal audit function. The function is led by the head of the internal audit and is responsible for providing independent and objective assurance and evaluation of risk management and internal control processes in the entire Group and also subsidiaries that are wholly owned or with a majority ownership. The function plans its work in consultation with the Audit Committee and it reports directly to the Board of Directors through the Audit Committee.

PwC participated in all of the Audit Committee's meetings in 2024. The duties of the Audit Committee in terms of financial reporting include monitoring the efficiency of the company's internal controls and internal audit.

The Board meets the external auditor at least once a year. In addition, the Chairman of the Board has direct contact with the external auditor on a number of occasions during the year. Prior to these meetings, views from the audit of the business areas and subsidiaries have been presented to the Board meetings held in the particular business area/subsidiary or to the respective business area management. The views that arise are to be considered and followed up within the particular unit. NCC's external auditor also reviewed the company's nine-month report.

→ For more information on governance and control of NCC, see the Group's website ncc.com. The information also includes such documents as the Articles of Association and the Code of Conduct.

Sustainability work

According to the Swedish Code of Corporate Governance, the Board of Directors is responsible for internal control over financial reporting and sustainability reporting. In 2024, NCC's Board of Directors and Audit Committee monitored preparations ahead of the Corporate Sustainability Reporting Directive (CSRD) and the associated European Sustainability Reporting Standard (ESRS) and were involved in, among other aspects, the approval of the double materiality assessment. As part of this process, it is being reviewed how the work of the Board and the Audit Committee in relation to the company's internal control and risk management needs to be updated to comply with the new updated requirements. The Sustainability Report contained in the 2024 Annual Report has been inspired by the upcoming ESRS requirements and further development will be carried out until the 2025 report when NCC's reporting must be fully compliant with the new regulations.

Corporate Governance Report

Board of Directors

Alf Göransson

Chairman of the Board
Chairman of the Compensation and Competence Committee and member of the Project Committee

Born 1957. International B.Sc. in Economics and Business Administration.

Elected (year): 2019 (member), Chairman since 2020.

Other assignments: Chairman of the Board of Loomis, Hexpol and AxFast and Board member of Sweco, Melker Schörling, Sandberg Development Group and Anticimex.

Previous experience includes: CEO of Securitas, CEO of NCC and CEO of Svedala Industri.

Independent in relation to the company and the SMT: Yes

Independent in relation to major shareholders: Yes

Attendance, Board meetings: 10 (10)

Total annual remuneration: SEK 1,805,000

Shareholding in NCC AB[1)]: 10,000 Series B shares

Ida Aall Gram

Board member
Member of Audit Committee

Born 1977. M.Sc. in Economics.

Elected (year): 2024

Other assignments: President and CEO of Aspelin Ramm and Board member of A/S Høyres Hus.

Previous experience includes: Executive Vice President Real Estate, HR and Communications of AF Gruppen, Portfolio Director at AF Eiendom, CFO of Gyldendal, Investment Manager at Orkla Eiendom and consultant at McKinsey & Company Inc.

Independent in relation to the company and the SMT: Yes

Independent in relation to major shareholders: Yes

Attendance, Board meetings: 5 (10)

Total annual remuneration: SEK 660,000

Shareholding in NCC AB[1)]: 0

Simon de Château

Board member

Born 1970. M.Sc. in Business Administration.

Elected (year): 2020

Other assignments: Chairman and founder of Alma Property Partners. Chairman of the Board of Prisma Properties and Board member of Atrium Ljungberg and Akka Egendom.

Previous experience includes: Partner and CEO of Sveafastigheter, Partner and Head of Corporate Finance and Research at Leimdörfer.

Independent in relation to the company and the SMT: Yes

Independent in relation to major shareholders: Yes

Attendance, Board meetings: 9 (10)

Total annual remuneration: SEK 535,000

Shareholding in NCC AB[1)]: 20,000 Series B shares

Cecilia Fasth

Board member
Member of Compensation and Competence Committee

Born 1973. M.Sc. in Engineering.

Elected (year): 2023

Other assignments: CEO of Stena Fastigheter, Board member of Fagerhult and Swegon Group.

Previous experience includes: CEO of Castellum Väst, CEO of Sverigehuset, EVP of Skanska UK and various roles at Skanska.

Independent in relation to the company and the SMT: Yes

Independent in relation to major shareholders: Yes

Attendance, Board meetings: 9 (10)

Total annual remuneration: SEK 585,000

Shareholding in NCC AB[1)]: 3,100 Series B shares

Mats Jönsson

Board member
Member of Audit Committee

Born 1957. M.Sc. in Engineering.

Elected (year): 2017

Other assignments: Chairman of the Board of Bonava and Eduviva as well as Board member of Assemblin Caverion Group.

Previous experience includes: President and CEO of Coor Service Management, Business Unit Manager of Skanska Services and Division Manager of Skanska Sweden.

Independent in relation to the company and the SMT: Yes

Independent in relation to major shareholders: Yes

Attendance, Board meetings: 10 (10)

Total annual remuneration: SEK 660,000

Shareholding in NCC AB[1)]: 20,000 Series B shares

Daniel Kjørberg Siraj

Board member
Chairman of Project Committee and Member of Compensation and Competence Committee

Born 1975. Master of Laws.

Elected (year): 2023

Other assignments: CEO of OBOS and Chairman of the Board of Construction City Cluster.

Previous experience includes: EVP Residential Development at OBOS, Board member and Vice Chairman of BWG Homes ASA, AF Gruppen ASA and Veidekke ASA.

Independent in relation to the company and the SMT: Yes

Independent in relation to major shareholders: No

Attendance, Board meetings: 10 (10)

Total annual remuneration: SEK 710,000

Shareholding in NCC AB[1)]: 0

Birgit Nørgaard

Board member
Chairman of Audit Committee

Born 1958. M.Sc. Economics and MBA.

Elected (year): 2017

Other assignments: Chairman of the Board of Scandlines Infrastructure Aps and Norisol Holding A/S, Deputy Chairman of the Board of the Danish Government's IT Council and Dansk Vækstkapital I. Board member of WSP Global Inc., Associated British Ports, Dansk Vækstkapital II and Associated Danish Ports.

Previous experience includes: President and CEO of Carl Bro A/S, COO of Grontmij NV and CFO of Danisco Distillers A/S.

Independent in relation to the company and the SMT: Yes

Independent in relation to major shareholders: Yes

Attendance, Board meetings: 10 (10)

Total annual remuneration: SEK 710,000

Shareholding in NCC AB[1)]: 6,500 Series B shares

Corporate Governance Report

Karl G. Sivertsson

Board member
Employee representative

Born 1961. Carpenter and crane operator.

Elected (year): 2009

Employed by NCC since 1981.

Shop steward in NCC.

Employee representative of Swedish Building Workers Union (Byggnads).

Other assignments: Board member of Byggnads' Central Northern Sweden region.

Shareholding in NCC AB[1]: 200 Series B shares

Karl-Johan Andersson

Board member
Employee representative

Born 1964. Paver.

Elected (year): 2011

Employed by NCC since 1984.

Shop steward in NCC.

Employee representative of SEKO (Union for Employees in the Service and Communication Sectors).

Other assignments: Chairman of SEKO's Road and Rail Department in Skåne. Chairman of SEKO's negotiating organization at NCC.

Shareholding in NCC AB[1]: 0

Harald Stjernström

Board member
Employee representative

Born 1962. Project Manager.

Elected (year): 2018

Employed by NCC since 1984.

Shop steward in NCC.

Employee representative of Ledarna (Swedish Association of Supervisors).

Shareholding in NCC AB[1]: 0

Bengt Göransson

Deputy
Employee representative

Born 1959. Installation Manager.

Elected (year): 2017

Employed by NCC since 2013.

Shop steward in NCC.

Employee representative of Unionen.

Shareholding in NCC AB[1]: 0

Thomas Gustafsson

Deputy
Employee representative

Born 1963. Concrete worker.

Elected (year): 2022

Employed by NCC since 1988.

Shop steward at NCC, and occupational health and safety officer.

Employee representative of Swedish Building Workers Union (Byggnads).

Other assignments: Deputy Chairman of Byggnads, Region East, Chairman of The Swedish Trade Union Confederation (LO) section in Kinda Municipality, Östergötland.

Shareholding in NCC AB[1]: 6 Series B shares

Auditors – Öhrlings PricewaterhouseCoopers AB

Patrik Adolfson

Auditor in Charge. Born 1973.

Other significant assignments: Auditor in Charge of Anticimex Group, Bonava, Dometic Group, Nordstjernan and Röko.

Secretary of the Board of Directors

Ann-Marie Hedbeck

Born 1972. Master of Laws.

NCC's Senior Legal Counsel since 2018.

Previous experience includes: Chief Legal Counsel in NCC Infrastructure and General Counsel at Skanska. Employed by NCC since 2017.

Shareholding in NCC AB[1]: 3,730 Series B shares

1) The details regarding shareholdings in NCC pertain to shares that were directly owned, owned via related parties or owned via companies at December 31, 2024.

Corporate Governance Report

Senior Management Team

Tomas Carlsson

President and CEO

Born 1965. M.Sc. in Engineering and MBA.

President and CEO since 2018.

Employed by NCC since 2018 and 1991–2012.

Previous experience includes: President and CEO of Sweco, Head of NCC Construction Sweden and Regional Manager of NCC Construction Western Sweden.

Other assignments: Board member of Alimak Group.

Shareholding in NCC AB[1]: 161,551 Series B shares

Susanne Lithander

CFO and Head of Finance & IT

Born 1961. B.Sc. in Economics.

CFO since 2018 and Head of Finance & IT since 2020.

Employed by NCC since 2018.

Previous experience includes: CFO of Billerud Korsnäs, CEO of Mercuri International and several key positions at Ericsson.

Other assignments: Board member of Svedbergs Group.

Shareholding in NCC AB[1]: 6,497 Series B shares

Kenneth Nilsson

Head of NCC Infrastructure business area

Born 1961. M.Sc. in Engineering.

Head of NCC Infrastructure since 2018.

Employed by NCC since 2018.

Previous experience includes: 20 years of experience from various executive positions at Skanska, such as Deputy CEO of Skanska Sweden and Head of Skanska's Road and Civil Engineering operations, and CEO of Skanska in Finland. An additional ten years of experience as foreman as well as project manager and supervisor.

Shareholding in NCC AB[1]: 17,340 Series B shares

Catarina Molén-Runnäs

Head of NCC Building Nordics business area

Born 1966. M.Sc. in Engineering.

Head of NCC Building Nordics since 2020.

Employed by NCC since 2020 and 1988–1999.

Previous experience includes: CEO Nordic Property Management and CPO Nordic Choice Hotels. Project and property development in the Nordic region and Germany for a number of years.

Other assignments: Board Member of Helvar OY.

Shareholding in NCC AB[1]: 9,915 Series B shares

Niklas Sparw

Head of NCC Building Sweden business area

Born 1973. M.Sc. in Engineering.

Head of NCC Building Sweden since 2024.

Employed by NCC since 1996.

Previous experience includes: Division Manager of West/South NCC Building Sweden, Head of NCC Engineering & Sustainability.

Shareholding in NCC AB[1]: 5,969 Series B shares

Grete Aspelund

Head of NCC Industry business area

Born 1971. M.Sc. in Economics.

Head of NCC Industry since 2022.

Employed by NCC since 2022.

Previous experience includes: President of Sweco Norway, CEO of Nemko AS and Ramböll Management Norway.

Shareholding in NCC AB[1]: 4,672 Series B shares

Corporate Governance Report

Joachim Holmberg

Head of NCC Property Development business area

Born 1971. M.Sc. in Engineering.

Head of NCC Property Development since 2019.

Employed by NCC since 2019.

Previous experience includes: Head of Skanska Sweden's Commercial Project Development, Operational Development Head of Skanska Sweden's commercial project development, District Manager Skanska Sweden, Project Manager Skanska Sweden.

Shareholding in NCC AB[1]: 9,520 Series B shares

Helena Hed

Head of NCC Green Industry Transformation business area

Born 1975. M.Sc. in Engineering.

Head of NCC Green Industry Transformation since 2024.

Employed by NCC since 2024.

Previous experience includes: President and CEO Projektengagemang, CEO of Sweco Management and Regional Manager at Sweco Rail.

Shareholding in NCC AB[1]: 2,161 Series B shares

Ann-Marie Hedbeck

Senior Legal Counsel

Born 1972. Master of Laws.

Senior Legal Counsel since 2018.

Employed by NCC since 2017.

Previous experience includes: Chief Legal Counsel in NCC Infrastructure and General Counsel at Skanska.

Shareholding in NCC AB[1]: 3,730 Series B shares

Andreas Koch

Head of Communications

Born 1977. M.Sc. Business and Economics.

Head of Communications since 2024.

Employed by NCC since 2024.

Previous experience includes: Communication and IR Director at Attendo, Head of Investor Relations at SSAB, Head of Communications at Carnegie Investment Bank, Head of Investor Relations at SCA/Essity.

Shareholding in NCC AB[1]: 1,149 Series B shares

Johan Lindqvist

CPO, Head of Purchasing

Born 1975. M.Sc. Business Administration & Economics.

Head of Purchasing and Chief Procurement Officer since 2021.

Employed by NCC since 2021.

Previous experience includes: Vice President & Head of Purchasing Volvo Group Canada Inc, Vice President Global Purchasing Volvo Buses and several other senior purchasing roles at Volvo Trucks.

Shareholding in NCC AB[1]: 8,401 Series B shares

Marie Reifeldt

Head of HR

Born 1963. B.Sc. in Social Work.

Head of HR since 2018.

Employed by NCC since 2007.

Previous experience includes: HR Manager at NCC Construction Sverige, Corporate HR Manager at Bravida group, Head of HR Teracom, HR Manager at Stokab and HR Manager at Stockholm Energi Elnät.

Shareholding in NCC AB[1]: 8,851 Series B shares

1) The details regarding shareholdings in NCC pertain to shares that were directly owned, owned via related parties or owned via companies at December 31, 2024.

Financial statements

Notes

Group

Consolidated income statement

SEK M	Note 1, 3, 12, 19	2024	2023
Net sales	2	61,609	56,932
Production costs	4, 5, 9, 15, 16, 24, 33	−56,330	−52,245
Gross profit		**5,280**	**4,687**
Selling and administrative costs	4, 5, 6, 9, 15, 16, 33	−3,223	−3,156
Result from sales of owner-occupied properties	16	5	19
Impairment losses and reversal of impairment losses, fixed assets	7, 15, 16	−27	−2
Result from sales of Group companies	8	3	265
Result from participations in associated companies and joint ventures		−6	−11
Operating profit		**2,032**	**1,802**
Financial income	11	75	80
Financial expenses	11	−244	−79
Net financial items		**−169**	**1**
Profit after financial items		1,863	1,803
Tax on profit for the year	23	−292	−230
Net profit for the year		**1,571**	**1,573**
Attributable to:			
NCC’s shareholders		1,571	1,573
Net profit for the year		**1,571**	**1,573**
Earnings per share			
Profit after tax, SEK, before dilution		16.08	16.11
Profit after tax, SEK, after dilution		16.08	16.11
Number of shares, millions			
Total number of issued shares		99.8	99.8
Average number of shares outstanding before dilution during the year		97.7	97.6
Average number of shares outstanding after dilution during the year		97.7	97.6
Number of shares outstanding on Dec. 31		97.8	97.7

Consolidated statement of comprehensive income

SEK M	Note	2024	2023
Net profit for the year		**1,571**	**1,573**
Items that have been recycled or can be recycled to net profit for the year	14		
Year’s exchange differences on translating foreign operations		95	−74
Fair value changes for the year in cash flow hedges		5	−54
Year’s fair value changes for cash flow hedges transferred to net profit for the year		30	−100
Tax attributable to cash flow hedges	23	−7	32
		123	**−196**
Items that cannot be recycled to net profit for the year			
Remeasurement of defined-benefit pension plans	29	515	−818
Tax relating to items that cannot be recycled to net profit for the year	23	−106	168
		409	**−649**
Other comprehensive income for the year		**532**	**−846**
Comprehensive income for the year		**2,103**	**728**
Attributable to:			
NCC’s shareholders		2,103	728
Total comprehensive income during the year		**2,103**	**728**

Group

Consolidated balance sheet

SEK M	Note	2024	2023
ASSETS	1, 19, 32, 36		
Fixed assets			
Goodwill	15	1,942	1,913
Other intangible assets	15	731	545
Right-of-use assets	33	1,396	1,300
Owner-occupied properties	16	892	867
Machinery and equipment	16	2,158	2,310
Long-term holdings of securities	18, 20	88	84
Long-term interest-bearing receivables	22	201	204
Pension receivable	29	94	–
Other long-term receivables		23	21
Deferred tax assets	23	557	583
Total fixed assets		**8,082**	**7,827**
Current assets			
Right-of-use assets	33	1	1
Properties held for future development	24	1,314	1,265
Ongoing property projects	24	749	3,794
Completed property projects	24	6,302	4,986
Participations in associated companies	24	238	201
Inventory	25	1,052	1,120
Tax receivables		42	43
Accounts receivable	36	8,322	8,696
Worked-up non-invoiced revenues	2	837	1,076
Prepaid expenses and accrued income		1,096	1,190
Current interest-bearing receivables		138	129
Other receivables	22	368	415
Short-term investments	20	576	501
Cash and cash equivalents	35	2,910	707
Total current assets		**23,945**	**24,124**
TOTAL ASSETS		**32,026**	**31,950**
EQUITY	1		
Share capital	26	867	867
Other capital contributions		1,844	1,844
Reserves	14	258	135
Earnings brought forward including net profit for the year		5,694	4,477
Shareholders' equity		**8,663**	**7,324**
Total equity		**8,663**	**7,324**
LIABILITIES	1, 19, 32, 36		
Long-term liabilities			
Long-term interest-bearing liabilities	27, 33	3,314	3,006
Other long-term liabilities	30	17	13
Provisions for pensions and similar obligations	29	–	556
Deferred tax liabilities	23	1,165	889
Other provisions	28	2,448	2,218
Total long-term liabilities		**6,944**	**6,683**
Current liabilities			
Current interest-bearing liabilities	27, 33	1,769	2,289
Accounts payable		4,841	6,105
Tax liabilities		14	–
Invoiced revenues not worked up	2	5,226	5,058
Accrued expenses and deferred income	31	3,552	3,396
Provisions	28	2	–
Other current liabilities	30	1,016	1,096
Total current liabilities		**16,419**	**17,944**
Total liabilities		**23,363**	**24,627**
TOTAL EQUITY AND LIABILITIES		**32,026**	**31,950**

Group

Consolidated changes in equity

SEK M	Equity attributable to Parent Company shareholders					
	Share capital	Other capital contributions	Reserves	Profit brought forward	Total	Total equity
Opening equity, Jan. 1, 2023	**867**	**1,844**	**331**	**4,140**	**7,183**	**7,183**
Net profit for the year	–	–	–	1,573	1,573	1,573
Other comprehensive income	–	–	−196	−649	−846	−846
Total comprehensive income	**–**	**–**	**−196**	**924**	**728**	**728**
Withdrawal of own shares	−69	–	–	69	–	–
Bonus issue	69	–	–	−69	–	–
Performance-based incentive program	–	–	–	−1	−1	−1
Dividend	–	–	–	−586	−586	−586
Total transactions with the Group's shareholders	**–**	**–**	**–**	**−586**	**−586**	**−586**
Equity on Dec. 31, 2023	**867**	**1,844**	**135**	**4,477**	**7,324**	**7,324**
Net profit for the year	–	–	–	1,571	1,571	1,571
Other comprehensive income	–	–	123	409	532	532
Total comprehensive income	–	–	123	1,981	2,103	2,103
Performance-based incentive program	–	–	–	18	18	18
Dividend	–	–	–	−781	−781	−781
Total transactions with the Group's shareholders	**–**	**–**	**–**	**−764**	**−764**	**−764**
Equity on Dec. 31, 2024	**867**	**1,844**	**258**	**5,694**	**8,663**	**8,663**

Group

Consolidated cash flow statement

SEK M	Note	2024	2023
OPERATING ACTIVITIES			
Operating profit		**2,032**	**1,802**
Adjustments for items not included in cash flow:			
– Depreciation/amortization	5	1,271	1,219
– Impairment losses and reversal of impairment losses	7	27	2
– Result from sales of fixed assets		–60	–336
– Changes in provisions	28	72	–433
– Other		79	82
Total items not included in cash flow		**1,388**	**534**
Interest paid and received		–250	–162
Tax paid		–103	–52
Cash flow from operating activities before changes in working capital		**3,067**	**2,122**
Cash flow from changes in working capital			
Sales of property projects	24	3,599	747
Investments in property projects	24	–1,672	–2,432
Other changes in working capital	35	–356	369
Cash flow from changes in working capital		**1,571**	**–1,315**
Cash flow from operating activities		**4,638**	**807**
INVESTING ACTIVITIES			
Sale of subsidiaries/operations	35	–	265
Investment in tangible fixed assets	16	–481	–602
Sale of tangible fixed assets	16	62	195
Investment in financial fixed assets		–36	–65
Sale of financial fixed assets		92	61
Investment in intangible fixed assets	15	–285	–307
Sale of intangible fixed assets	15	1	7
Cash flow from investing activities		**–647**	**–446**
Cash flow before financing		**3,990**	**361**
FINANCING ACTIVITIES			
Dividend paid		–781	–586
Loans raised		1,312	1,381
Amortization of loans		–1,543	–350
Amortization of lease liabilities	33	–697	–646
Increase (–) / Decrease (+) in long-term interest-bearing receivables		30	53
Increase (–) / Decrease (+) in current interest-bearing receivables		–111	–40
Cash flow from financing activities	35	**–1,790**	**–187**
Cash flow for the year		**2,201**	**174**
Cash and cash equivalents, Jan. 1		**707**	**534**
Exchange rate difference in cash and cash equivalents		2	0
Cash and cash equivalents, Dec. 31	35	**2,910**	**707**

Parent Company

Parent Company income statement

SEK M	Note 1, 32	2024	2023
Net sales		179	172
Gross profit		**179**	**172**
Selling and administrative costs	4, 6, 7	–293	–316
Operating loss		**–114**	**–144**
Result from financial investments			
Result from participations in Group companies	7, 8	1,888	1,125
Result from other financial fixed assets		14	14
Result from financial current assets		34	17
Interest expense and similar items	10	–22	–15
Profit after financial items		**1,800**	**997**
Appropriations	13	116	134
Tax on net profit for the year	23	3	3
Net profit for the year		**1,920**	**1,133**

Parent Company statement of comprehensive income

SEK M	2024	2023
Net profit for the year	**1,920**	**1,133**
Total comprehensive income during the year	**1,920**	**1,133**

Parent Company

Parent Company balance sheet

SEK M	Note	2024	2023
ASSETS	1, 32, 36		
Fixed assets			
Tangible fixed assets			
Owner-occupied properties		0	0
Total tangible fixed assets		**0**	**0**
Financial fixed assets			
Participations in Group companies	17	5,061	5,048
Other long-term holdings of securities		45	45
Deferred tax assets	23	35	33
Total financial fixed assets	21	**5,141**	**5,125**
Total fixed assets		**5,142**	**5,126**
Current assets			
Current receivables			
Accounts receivable		1	1
Receivables from Group companies		423	314
Other current receivables		4	6
Tax receivables		36	35
Prepaid expenses and accrued income		8	2
Total current receivables		**473**	**359**
Balance in NCC Treasury AB	35	930	133
Total current assets		**1,403**	**492**
TOTAL ASSETS		**6,545**	**5,618**
EQUITY AND LIABILITIES	1, 32, 36		
Equity			
Restricted equity			
Share capital	26	867	867
Statutory reserves		174	174
Total restricted equity		**1,041**	**1,041**
Unrestricted equity			
Profit brought forward		3,275	2,905
Net profit for the year		1,920	1,133
Total unrestricted equity		**5,194**	**4,038**
Total equity		**6,235**	**5,079**
Provisions			
Other provisions	28	–	6
Total provisions		**–**	**6**
Long-term liabilities			
Other long-term liabilities		3	2
Total long-term liabilities		**3**	**2**
Current liabilities			
Accounts payable		14	19
Liabilities to Group companies	27	158	387
Tax liabilities		38	34
Other liabilities		22	20
Accrued expenses and deferred income	31	75	71
Total current liabilities		**307**	**531**
TOTAL EQUITY AND LIABILITIES		**6,545**	**5,618**

Parent Company

Parent Company changes in equity

	Restricted equity		Unrestricted equity		
SEK M	**Share capital**	**Statutory reserves**	**Profit brought forward**	**Net profit for the year**	**Total equity**
Opening equity, Jan. 1, 2023	**867**	**174**	**2,287**	**1,205**	**4,532**
Appropriation of profits	–	–	1,205	–1,205	–
Net profit for the year	–	–	–	1,133	1,133
Total comprehensive income	**–**	**–**	**–**	**1,133**	**1,133**
Withdrawal of own shares	–69	–	69	–	–
Bonus issue	69	–	–69	–	–
Performance-based incentive program	–	–	–1	–	–1
Dividend	–	–	–586	–	–586
Equity on Dec. 31, 2023	**867**	**174**	**2,905**	**1,133**	**5,079**
Appropriation of profits	–	–	1,133	–1,133	–
Net profit for the year	–	–	–	1,920	1,920
Total comprehensive income	**–**	**–**	**–**	**1,920**	**1,920**
Performance-based incentive program	–	–	18	–	18
Dividend	–	–	–781	–	–781
Equity on Dec. 31, 2024	**867**	**174**	**3,275**	**1,920**	**6,235**

Parent Company

Parent Company cash flow statement

SEK M	Note	2024	2023
OPERATING ACTIVITIES			
Operating loss		**–114**	**–144**
Adjustments for items not included in cash flow:	7, 28		
– Changes in provisions		–6	–
– Other		0	–7
Total items not included in cash flow		**–6**	**–7**
Interest paid and received		18	7
Tax paid		3	63
Cash flow from operating activities before changes in working capital		**–99**	**–81**
Cash flow from changes in working capital			
Other changes in working capital		–8	17
Cash flow from changes in working capital		**–8**	**17**
Cash flow from operating activities		**–107**	**–65**
INVESTING ACTIVITIES			
Acquisition of subsidiaries/operations		–	–562
Sale of financial fixed assets		14	14
Cash flow from investing activities		**14**	**–548**
Cash flow before financing		**–93**	**–613**
FINANCING ACTIVITIES			
Dividend paid		–781	–586
Group contributions net and dividends received		2,021	1,358
Loans raised		320	350
Amortization of loans		–670	–600
Increase (–) / Decrease (+) in current interest-bearing receivables		1	11
Cash flow from financing activities	35	**891**	**534**
Cash flow for the year		**798**	**–80**
Cash and cash equivalents, Jan. 1		**133**	**213**
Cash and cash equivalents, Dec. 31	35	**930**	**133**

Notes

Note 1

Accounting policies

Basis for preparing the accounts

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as approved by the European Union (EU). The Group also complies with RFR 1 Supplementary Accounting Rules for Groups, the Swedish Annual Accounts Act and applicable statements (UFRs). The Annual Report is prepared in accordance with the Annual Accounts Act and RFR 2 Accounting for Legal Entities.

The Annual Report and the consolidated financial statements were approved for issue by the Board of Directors on April 9, 2025. The consolidated income statement and balance sheet and the Parent Company's income statement and balance sheet will be presented to the Annual General Meeting (AGM) for adoption on May 7, 2025.

Important estimates and assessments

These estimates and assessments that have been made for accounting purposes were made on the basis of what is known when the Annual Report was issued, and, by definition, will rarely correspond to the actual outcome. This needs to be specially considered in connection with uncertainty in the economic climate and the global financial market, as NCC is impacted to a normal degree by the general economic situation. The areas subject to a high degree of complex assessment or those where assumptions and estimates are material to NCC are presented in the relevant note.

New IFRS accounting standards and amendments to IFRS accounting standards applied

NCC is subject to the OECD's Pillar Two model rules. For more information, refer to Note 23 Tax on profit for the year, deferred tax assets and deferred tax liabilities.

NCC is also encompassed by the agenda decision from the IASB that clarifies the disclosure requirements in IFRS 8 regarding the specified amounts included in profit or loss per reportable segment as well as information on material income and expense items. NCC believes that Note 3 Reporting by operating segment meets the disclosure requirements.

No other amendments that came into effect on January 1, 2024 had a material impact on the consolidated financial statements.

New IFRS accounting standards and amendments to IFRS accounting standards whose application has yet to commence

No amendments that came into effect on January 1, 2025 are expected to have any material impact on the consolidated financial statements.

Parent Company accounts compared with consolidated financial statements

The Parent Company has prepared its Annual Report in accordance with the Annual Accounts Act (1995:1554), recommendation RFR 2 Accounting for Legal Entities and statements issued by the Swedish Financial Reporting Board. The Parent Company recognizes Group contributions received and granted as appropriations, which is in accordance with the alternative rule in RFR 2. Shareholder contributions granted are recognized as a part of the investment in the subsidiary and are thus subject to customary impairment testing. The Swedish Financial Reporting Board has granted exemption from the requirement that listed parent companies must recognize certain financial instruments at fair value. NCC applies the exemption rules and has thus refrained from recognizing certain financial instruments at fair value.

Within the areas described below, the Parent Company's accounting policies differ from the Group's:

- Borrowing costs, refer to Note 10, Interest expense and similar items
- Subsidiaries, refer to Note 17, Participations in Group companies
- Associated companies, refer to Note 18, Investments in associated companies and joint ventures
- Joint arrangements, refer to Note 19, Participations in joint operations
- Income taxes, refer to Note 23, Tax on profit for the year, deferred tax assets and deferred tax liabilities
- Pensions, refer to Note 29, Pensions
- Leasing, refer to Note 33, Leasing
- Financial instruments, refer to Note 36, Financial instruments and financial risk management

Consolidated financial statements

The consolidated financial statements include the Parent Company and the companies and operations in which the Parent Company, directly or indirectly, has a controlling interest, as well as joint arrangements and associated companies.

Elimination of inter-Group transactions

Receivables, liabilities, revenue and costs, as well as unrealized gains and losses, that arise when a Group company sells goods or services to another Group company are eliminated in their entirety. Unrealized losses are eliminated in the same way as unrealized gains, but only insofar as there are no impairment requirements. This also applies to joint arrangements and associated companies, in an amount corresponding to the Group's holding. Refer to Note 32, Related party transactions.

Foreign subsidiaries, associated companies and joint arrangements

Foreign subsidiaries, associated companies and joint arrangements are recognized using the functional currency and are translated to the reporting currency. For NCC, the functional currency is defined as the local currency used in the reporting entity's accounts. The Parent Company's functional currency is SEK. The reporting currency is defined as the currency in which the Group's overall accounting is conducted, in NCC's case SEK.

Property holdings

NCC's property holdings are recognized divided into:

- Owner-occupied properties, which are held for use in the company's own operations. Refer to Note 16, Tangible fixed assets.
- Properties classified as current assets, which are held for development and sale as part of operations. Refer to Note 24, Properties classified as current assets.

Climate change

Risk management measures are integrated into internal processes for management and operations. Risk assessment is the most important tool for systematic risk management in NCC's projects. Sustainability factors such as price outlooks, resource use, technology changes and initiatives to limit climate changes are in different ways factored into the risk assessments. The assumptions may change over time, which could materialize in different outcomes. This could result in significant changes to accounting estimates, such as useful life (potential impact on depreciation period), value-in-use calculations (potential impact on impairment assessments) and measurement of deferred tax assets.

For 2024, climate change has not been assessed to have a significant impact on the financial statements nor on the estimates and assumptions made when preparing the Annual Report and consolidated accounts. For 2025, the risk of a material adjustment of the financial statements related to climate risks is assessed not to be significant. However, the financial impact of the sustainability factors might still impose a risk of material adjustments in the long-term perspective. NCC will continue the work of incorporating the risk assessments into the record to report process in order to fully be able to understand the impact of particular transactions, other events and conditions on NCC's financial position and performance.

Effects of amended accounting policies

No effects of amended accounting policies in 2024.

Notes

Note 2

Revenue recognition

	NCC Infrastructure	NCC Building Nordics	NCC Building Sweden	Subtotal, construction and civil engineering	NCC Industry	NCC Property Development	Other and eliminations[1]	Group
Order backlog, December 31, 2024	16,824	16,720	14,980	**48,523**	2,281	–	–81	**50,723**
Of which, expected to be recognized as revenue:								
Within one year	11,930	10,612	9,862	**32,405**	1,345	–	–47	**33,703**
Within two years	2,069	4,453	3,838	**10,360**	739	–	–29	**11,070**
More than two years ahead	2,825	1,655	1,279	**5,759**	197	–	–5	**5,951**
External net sales 2024[2]	17,867	13,439	13,228	**44,534**	12,157	4,849	70	**61,609**
External net sales 2023	17,288	13,833	13,314	**44,436**	10,972	1,373	151	**56,932**
Point in time for revenue recognition								
Over time (percentage-of-completion)	●	●	●		●			
Specific point in time					●	●		

1) Road Services is recognized in Other and eliminations and this unit's order backlog at Dec. 31, 2024 amounted to SEK 137 M.
2) For information on net sales per service/product, refer to Note 3.

Revenues from construction and civil engineering operations are recognized successively over time, on a percentage-of-completion basis (recognized costs in relation to estimated total project costs). Invoicing is conducted on an ongoing basis according to agreement over the course of the project. This also applies to parts of NCC Industry's operations, where percentage-of-completion revenue is recognized but usually during the same calendar year. A component of NCC Industry's revenues is recognized at a point in time connected to delivery of asphalt and stone materials to the customer, which is reflected in customer payments. For NCC Property Development too, revenues are normally recognized at a point in time (at date of occupancy), which normally coincides with the receipt of payment from the customer.

In all significant respects, the order backlog in construction and civil engineering operations is expected to be recognized as revenue over the coming 24 months, the majority of which within the coming year. In all significant respects, NCC Industry's order backlog is expected to be recognized as revenue during the coming year. For information regarding NCC Property Development's as yet unfulfilled performance obligations, see the property table in the Report of the Board of Directors. For information on orders received, see the Order status section in the Report of the Board of Directors.

Worked-up non-invoiced revenues

Group	2024	2023
Worked-up revenues from ongoing contracts	35,824	37,926
Invoicing for ongoing contracts	–34,987	–36,850
Total	**837**	**1,076**

Invoiced revenues not worked up

Group	2024	2023
Advance invoicing for ongoing contracts	64,660	67,134
Worked-up revenues from advance-invoiced contracts	–59,433	–62,076
Total	**5,226**	**5,058**

Worked-up revenues from ongoing projects including recognized gains less recognized loss allowances amounted to SEK 95,257 M (100,002) for 2024 and prior years. In 2024, recognized revenue derived from work performed in 2023 or earlier is not estimated to amount to significant amounts.

In all significant respects, invoiced revenues not worked up at December 31, 2023 or earlier are adjudged to have been recognized in 2024. In 2024, reversed bad debt losses arising from 2023 or earlier are not expected to amount to significant amounts.

Accounting policies

NCC's revenues are recognized according to IFRS 15 Revenue from Contracts with Customers, meaning when the customer gains control over the sold goods or services. This can occur either by NCC's performance obligations being fulfilled over time (on a percentage-of-completion basis) or at a point in time. NCC's revenues essentially comprise:

- Revenues from construction contracts and similar projects
- Revenues from commercial property development
- Revenues from sales of asphalt, stone materials, etc

Revenues from construction contracts and similar projects
The construction contracts mean that NCC performs work on land belonging to the customer and thus creates an asset that is controlled by the customer in pace with the asset's completion. In turn this means that NCC recognizes revenues over time by applying percentage-of-completion profit recognition.

Application of the percentage-of-completion recognition of revenue and profit entails that profit is recognized in pace with completion of the project. To determine the amount of income worked up at a specific point in time, the following components are required:

- Project revenue: total revenues attributable to the construction contract. The revenues must be of such a character that the recipient can credit them to income in the form of actual payment received or another form of payment.
- Project cost: total costs attributable to the construction contract, which corresponds to project revenues
- Completion rate (worked-up rate): recognized costs in relation to estimated total project costs

The fundamental condition for percentage-of-completion profit recognition is that estimate-at-completion of total project revenues and costs can be quantified reliably. As a consequence of percentage-of-completion profit recognition, the trend of earnings in ongoing projects is reflected immediately in the financial statements. Percentage-of-completion profit recognition is subject to a component of uncertainty. Due to unforeseen events, the final profit of the projects may occasionally be higher or lower than expected. It is particularly difficult to anticipate profit at the beginning of the project period and for technologically complex projects or projects that extend over a long period. For projects that are difficult to forecast, revenue is recognized in an amount corresponding to the worked-up cost, meaning that SEK zero earnings are entered until the profit can be reliably estimated. As soon as this is possible, the project switches to percentage-of-completion profit recognition.

Provisions posted for potential loss-making contracts are charged against profit for the relevant year. Provisions for losses are posted as soon as they become known, refer to Note 28 Other provisions for more information.

Contract modifications covering change orders and contract claims for shortcomings in tender specifications and similar items are recognized when the modifications are enforceable. When assessing whether the modifications are enforceable, all relevant facts and circumstances are to be considered. If the parties fail to agree on the price, the revenue is only to be recognized insofar as it is highly probable that a material reversal of accumulated recognized revenues will not arise when the parties reach agreement. The same applies to revenue recognition of any bonuses, as well as sanctions, whereby revenue is only to be recognized insofar as it is highly probable that a material reversal of accumulated recognized revenues will not be necessary.

Balance sheet items such as "Worked-up non-invoiced revenues" and "Invoiced revenues not worked up" are recognized in gross amounts on a project-by-project basis. Projects for which worked-up revenues exceed invoiced revenues are recognized as current assets, while projects for which invoiced revenues exceed worked-up revenues are recognized as a current interest-free liability. The customer is normally invoiced on account during the term of the project.

The following example illustrates how the percentage-of-completion profit recognition is applied. On January 1 of Year 1, NCC receives a contract regarding the construction of a building. The project is estimated to take two years to complete. The contract price is 100 and the anticipated profit from the project is 10. On December 31 of year 1, NCC's costs for the project amount to 45, in line with expectations. Since NCC has completed half of the work and the project is proceeding as planned, NCC recognizes half of the anticipated profit of 10, that is 5, in the accounts for Year 1. Profit recognition on completion means that profit is not recognized until the end of Year 2, or the beginning of Year 3, depending on when the final financial settlement with the client was agreed.

Notes

Note 2 cont'd.

Profit	Year 1	Year 2
Profit recognition on completion	0	10
According to percentage-of-completion profit recognition	5	5

For agreements that contain both a contract and an operation and maintenance service, the revenue must be allocated to the various parts. The part of the agreement that pertains to the contract-related service is recognized on a percentage-of-completion basis.

Revenues from commercial property development
NCC's net sales include revenues from sales of properties classed as current assets. Sales include both land and the building constructed by NCC on the land.
Normally, the sale of land and construction of a building constitute a performance obligation and are recognized jointly. Payment is normally received in conjunction with date of occupancy. In rare cases, depending on the terms and conditions of the agreements, the sale of land (or land with construction under way) constitutes one performance obligation and construction of a building another.
Revenues are recognized at the point in time when control is transferred to the buyer. Control is transferred over time (on a percentage-of-completion basis) unless NCC has an alternative use for the sold property and NCC is entitled to payment from the customer for work completed to date, in which case the revenue is recognized by applying percentage-of-completion profit recognition. If one of the above criteria is not fulfilled, the revenue is to be recognized at a point in time – on completion and handover to the customer. Since NCC always contractually agrees on delivery of a certain property to the customer, and the property cannot be sold to anyone else, NCC never has an alternative use for the sold property. Concerning the question of whether NCC is entitled to payment, certain legislation contains factors that indicate that NCC has such an entitlement, while other legislation indicates that this is not the case. Moreover, legal praxis has not been developed in this context. NCC's overall assessment is that in normal cases the uncertainty concerning NCC's entitlement to payment is so great that the revenue should be recognized at a point in time, on completion of the property and handover to the customer.

It could also be the case that property projects are sold with guarantees of certain leasing to tenants or with a stipulation that a supplementary purchase consideration be paid when a certain letting rate has been achieved. In connection with the date of sale, any rental guarantees are recognized as prepaid income, which is then recognized as revenue as letting progresses. The supplementary purchase consideration is recognized as revenue when the agreed letting rate has been achieved.
In the event NCC remains the owner of a property during a transition period, the property continues to be recognized as a current asset and NCC receives rental revenues until the property is divested and transferred to a buyer.

Revenues from sales of asphalt, stone materials, etc.
Revenues from sales of asphalt, stone materials, etc. are recognized at the point in time of delivery to the customer.

Important estimates and assessments

Percentage-of-completion profit recognition
A fundamental condition for being able to estimate percentage-of-completion profit recognition is that project revenues and project costs can be established reliably. This reliability is based on such factors as compliance with NCC's systems for project control and that project management has the necessary skills.
The assessment of project revenues and project costs is based on a number of estimates and assessments that depend on the experience and knowledge of project management in respect of project control, training and the prior management of projects. The assessment also includes a review of project portfolio risks related to provisions for uncertain cost compensation. The assessment component means that the final result may differ from the profit accrued based on percentage-of-completion.

Revenue recognition of property development projects
Property sales are recognized at the point in time when control is transferred to the buyer. The point in time primarily depends on the assessment of which point in time NCC is entitled to payment. This normally does not occur until the project is completed and handed over to the customer, at which time the revenue is recognized in full. However, assessments are made on an agreement-by-agreement basis.

Note 3

Reporting by operating segment

NCC's business operations are divided into five operating segments. Each operating segment has a president who is responsible for the daily operations and regularly reports on the results of the segment's performance to the Senior Management Team. The following operating segments were identified based on this reporting procedure:
NCC Infrastructure supplies entire infrastructure projects (such as tunnels, roads and railways), from design and construction to production and maintenance.
NCC Building Sweden and NCC Building Nordics build residential buildings, offices, and construct such public premises as schools and hospitals and commercial premises as stores and warehouses.
NCC Industry's operations are based on production of stone materials, asphalt and paving.
NCC Property Development develops and sells commercial properties in metropolitan regions in Sweden, Norway, Denmark and Finland.
All transactions between the various operating segments are conducted on a purely commercial basis.

Other and eliminations includes NCC's Group functions and the NCC Green Industry Transformation business area. Further, the figures include eliminations of internal profits and other Group adjustments primarily related to pensions and leases.

Accounting policies

An operating segment is part of the Group that conducts business operations from which it generates revenues and incurs costs and for which independent financial information is available. Furthermore, the earnings of an operating segment are followed up by the chief operating decision maker, who in NCC's case is the CEO, for evaluation of results and for allocating resources to the operating segment. The reporting of operating segments concurs with the reports presented to the CEO.

Group, 2024	NCC Infrastructure	NCC Building Nordics	NCC Building Sweden	NCC Industry	NCC Property Development	Total operating segments	Other and eliminations	Group
Orders received	18,919	11,392	12,239	12,884		55,433	–704	54,730
Order backlog	16,824	16,720	14,980	2,281		50,805	–81	50,723
External net sales	17,867	13,439	13,228	12,157	4,849	61,540	70	61,609
Internal net sales	238	445	784	477	4	1,948	–1,948	–
Total net sales	18,105	13,884	14,012	12,634	4,853	63,488	–1,879	61,609
Depreciation/amortization	–349	–129	–79	–571	–14	–1,142	–128	–1,271
Share in associated company profits	–	–	–	5	–11	–6	–	–6
Operating profit/loss	535	426	30	584	719	2,294	–262	2,032
Net financial items								–169
Profit after financial items								1,863
Operating capital employed				3,844	7,938			
Return on operating capital employed, %				14.0	7.6			

Notes

Note 3 cont'd.

Group, 2023	NCC Infrastructure	NCC Building Nordics	NCC Building Sweden	NCC Industry	NCC Property Development	Total operating segments	Other and eliminations	Group
Orders received	16,707	16,654	12,661	11,459		57,481	−662	56,819
Order backlog	16,074	18,684	16,753	2,015		53,525	−104	53,422
External net sales	17,288	13,833	13,314	10,972	1,373	56,782	151	56,932
Internal net sales	379	782	1,161	513	3	2,837	−2,837	–
Total net sales	17,667	14,615	14,475	11,485	1,376	59,619	−2,686	56,932
Depreciation/amortization	−342	−100	−74	−586	−16	−1,118	−101	−1,219
Share in associated company profits	0	–	–	5	−16	−11	–	−11
Operating profit/loss	723	343	272	400	243	1,982	−179	1,802
Net financial items								1
Profit after financial items								1,803
Operating capital employed				4,090	9,592			
Return on operating capital employed, %				8.9	2.8			

Net sales per product segment 2024

	NCC Infrastructure	NCC Building Nordics	NCC Building Sweden	NCC Industry
Roads	1,032	–	–	–
Railways	5,071	–	–	–
Energy & Water Treatment	5,619	–	–	–
Groundworks	3,501	–	–	–
Industry	989	–	–	–
Offices	–	2,040	1,689	–
Residential	–	1,913	2,785	–
Refurbishment/ Conversion	–	2,916	2,558	–
Public buildings	–	5,108	5,119	–
Asphalt & paving	–	–	–	9,504
Stone materials	–	–	–	3,130
Foundation engineering	1,260	–	–	–
Other	634	1,907	1,861	–
Total	**18,105**	**13,884**	**14,012**	**12,634**

Net sales per product segment 2023

	NCC Infrastructure	NCC Building Nordics	NCC Building Sweden	NCC Industry
Roads	1,677	–	–	–
Railways	4,180	–	–	–
Energy & Water Treatment	4,491	–	–	–
Groundworks	4,359	–	–	–
Industry	769	–	–	–
Offices	–	2,509	2,078	–
Residential	–	3,228	3,854	–
Refurbishment/ Conversion	–	2,674	2,563	–
Public buildings	–	4,502	4,527	–
Asphalt & paving	–	–	–	8,421
Stone materials	–	–	–	3,064
Foundation engineering	1,140	–	–	–
Other	1,051	1,703	1,453	–
Total	**17,667**	**14,623**	**14,475**	**11,485**

Other and eliminations

	External net sales		Operating profit/loss	
	2024	**2023**	**2024**	**2023**
NCC's Head Office, results from minor subsidiaries and associated companies	69	151	−436	−315
Eliminations of inter-company gains			78	−18
Other Group adjustments (essentially comprising the difference in accounting policies between operating segments and the Group, such items as pensions[1] and sale and leaseback)	0	–	96	155
Total	**70**	**151**	**−262**	**−179**

1) For more information, refer to Note 29 Pensions.

Geographical areas

	Orders received		Order backlog		Net sales		Fixed assets[1]	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Sweden	31,078	30,673	28,357	30,178	36,843	32,435	3,327	3,191
Denmark	12,485	15,934	14,424	14,463	12,989	12,655	2,030	1,947
Norway	7,493	7,317	4,635	4,954	7,793	7,082	1,504	1,586
Finland	3,673	2,895	3,307	3,827	3,985	4,760	258	210

1) Pertains to fixed assets (incl. right-of-use assets according to Note 33) that are not financial instruments, deferred tax assets, assets pertaining to post-employment remuneration and rights arising in accordance with insurance agreements.

Notes

Note 4

Number of employees, personnel expenses and remuneration of senior executives

Average number of employees[1)]

	2024					2023				
	Number of employees	of whom, men	%	of whom, women	%	Number of employees	of whom, men	%	of whom, women	%
Parent Company										
Sweden	68	29	43	39	57	63	24	39	38	61
Subsidiaries										
Sweden	6,862	5,556	81	1,306	19	7,289	5,978	82	1,311	18
Norway	1,778	1,575	89	203	11	1,743	1,546	89	197	11
Finland	950	742	78	208	22	1,105	851	77	254	23
Denmark	2,110	1,808	86	302	14	2,036	1,754	86	281	14
Other countries	8	6	75	2	25	8	6	75	2	25
Total in subsidiaries	11,708	9,686	83	2,021	17	12,180	10,136	83	2,045	17
Group total	11,776	9,715	83	2,060	17	12,243	10,160	83	2,083	17

1) The average number of employees is based on the average number of employees during the period January 1 to December 31, calculated on the basis of the number of salaried employees, recalculated to full-year positions.

Men and women in the Board of Directors and Senior Management Team on balance sheet date

	Dec. 31, 2024		Dec. 31, 2023	
	men, %	women, %	men, %	women, %
Board of Directors	70	30	70	30
AGM-elected Board members	57	43	57	43
Senior Management Team	50	50	45	55
Senior Management Team, employed in the Parent Company	50	50	33	67

Salaries and other remuneration distributed between members of the Board and senior executives[1)] and other employees

	2024			2023		
	Board of Directors and senior executives	Other employees	Total	Board of Directors and senior executives	Other employees	Total
Parent Company, Sweden						
Salaries and other remuneration	53	76	129	47	70	117
Social security expenses			72			69
– of which, pension costs	8	17	25	7	15	22
Change in pension obligation	4			4		
Group						
Salaries and other remuneration	88	8,964	9,052	72	8,854	8,927
– of which, bonus and similar	22			20		
Social security expenses			2,990			2,936
– of which, pension costs	13		1,079	12		978
Change in pension obligation	13			8		

1) The senior executives category comprises six individuals (six) in the Parent Company and six individuals (five) in subsidiaries. The definition senior executive applies to the Senior Management Team, incl. the CEO.

Employment conditions and remuneration of senior executives

The Chairman of the Board and other AGM-elected Board members receive director fees according to an AGM resolution for work on the Board of Directors and committees. No pensions are paid to Board members. No special fee is paid to the Nomination Committee.

Salary and other remuneration for the CEO is proposed by the Chairman of the Board and decided by the Board. STI target levels are proposed by the Chairman of the Board and decided by the Board. Remuneration of other senior executives in the Senior Management Team (SMT) is proposed by the CEO and approved by the Chairman of the Board.

Remuneration of the CEO and other senior executives consists of fixed and variable remuneration, other benefits and pensions. The term "other senior executives" refers to the people who together with the CEO constitute the SMT.

Fixed remuneration of the CEO

President and CEO Tomas Carlsson receives a fixed monthly salary of SEK 920,000.

Variable remuneration

For the CEO, the short-term variable remuneration is capped at 80 percent of fixed remuneration and based on the outcome of established targets, which are mainly financial. Short-term variable remuneration for other senior executives in 2024 is capped at 42.5 or 55 percent of fixed remuneration.

Pension conditions

NCC is endeavoring to move gradually toward defined-contribution pension solutions, which entail that NCC pays contributions that represent a specific percentage of the employee's salary. The CEO has a pension with a premium frame capped at 42 percent of contractual fixed monthly salary. Other members of the SMT, who are active in Sweden and have an employment contract subject to Swedish terms and conditions, have a collectively agreed ITP plan (the collectively bargained occupational pension for salaried employees). ITP 1 is applied to new employment contracts where possible. In addition to the collectively bargained ITP plan, members of the SMT are also entitled to receive a defined-contribution supplementary pension capped at 30 percent of pensionable salary increments exceeding 30 income base amounts. The definition of pensionable salary as stipulated in ITP 2 is to be used for this supplementary pension. Variable remuneration and other benefits are pensionable to the extent

Notes

Note 4 cont'd.

specified by law and collective agreements. Members of the SMT who have employment contracts under the terms and conditions of another country are covered by pension solutions in accordance with local practices, which must to the extent possible comply with the principles stated in these guidelines. The retirement age for all members of the SMT is 65 years.

Other benefits

NCC provides other benefits, such as medical insurance and a car benefit, to members of the SMT. The combined amount of such benefits in relation to total remuneration may constitute only a limited value and correspond essentially to the benefits normally arising in the market, in total not more than 5 percent of annual cash salary.

Termination terms

The CEO has a period of notice of six months from NCC and six months should he resign at his own request. If employment is terminated by NCC, severance pay is payable for 18 months. The severance pay is not pensionable and does not carry entitlement to vacation pay or other benefits. For a period of six months following the period of notice, the CEO, should NCC so demand, is required to observe a ban on working for competitors. During such a period, the CEO receives remuneration corresponding to basic monthly salary. Remuneration is not payable for periods when the CEO receives severance pay.

Other senior executives are subject to six to 12 months' period of notice from NCC, or six months' notice if the senior executive resigns of his/her own accord.

If employment is terminated by NCC, severance pay is normally payable for 12 months. The severance pay will, with one exception, be reduced by an amount corresponding to any remuneration received from a new employer or own business.

During the period of notice, senior executives may not take up a new position with another employer or conduct their own business activities without NCC's written consent.

Share-based remuneration

Long-term share-based incentive programs that are performance-based have been established in the company. The prerequisites and conditions for allotment are listed below.

LTI 2021

The performance period for LTI 2021 expired on December 31, 2023. The target for the program, which consisted exclusively of a financial performance target, accumulated EPS of SEK 38–43, was achieved in part at SEK 40.42. The outcome was 48.40 percent of the maximum outcome. Shares were delivered in May 2024 to remaining participants in the program. A total of 130,632 shares were delivered/disbursed to 132 participants. The share price on the redemption date was SEK 131.60.

LTI 2023

In March 2023, the AGM resolved in accordance with the Board's proposal to introduce a long-term performance-based incentive program for senior executives and key personnel within the NCC Group – LTI 2023. Apart from the performance targets, the program has essentially the same structure as the LTI 2021 program.

The purposes of the LTI 2023 are to ensure continued focus on the company's long-term profitability and value growth, create prerequisites for retaining and recruiting key personnel, provide competitive remuneration, and create increased focus on the company's long-term sustainability targets in respect of reductions in work-related accidents and carbon emissions. LTI 2023 entails that the participants themselves invest in company shares, savings shares. After the period expires, each savings share provides entitlement, depending on the degree to which the targets have been achieved, to the receipt of 3–6 performance shares free of charge.

LTI 2024

In April 2024, the AGM resolved in accordance with the Board's proposal to introduce a long-term performance-based incentive program for senior executives and key personnel within the NCC Group – LTI 2024. The program has essentially the same structure as the LTI 2023 program.

The purposes of the LTI 2024 are to ensure continued focus on the company's long-term profitability and value growth, create prerequisites for retaining and recruiting key personnel, provide competitive remuneration, and create increased focus on the company's long-term sustainability targets in respect of reductions in work-related accidents and carbon emissions. LTI 2024 entails that the participants themselves invest in company shares, savings shares. After the period expires, each savings share provides entitlement, depending on the degree to which the targets have been achieved, to the receipt of 2–5 performance shares free of charge.

Performance targets for LTI 2024

The performance targets during the savings period focus on long-term value performance in the form of earnings per share ("performance target 1"), a reduction in the Group's carbon emissions ("performance target 2") and a reduction in the number of work-related accidents ("performance target 3"). Of the allotment of performance shares, 90 percent will pertain to performance target 1, 5 percent to performance target 2 and 5 percent to performance target 3.

Each year, the Board sets specific target levels in all three areas, based on current and possibly updated targets for NCC. These will be communicated in the Annual Report or remuneration report for 2026. Targets for 2024 have been communicated to participants in the program and an annual target will be communicated in early 2025 and 2026, respectively.

Performance target 1: Earnings per share

Performance target 1 pertains to NCC's earnings per share (EPS) for the period 2024, 2025 and 2026. The allotment of performance shares will be based on the minimum and maximum target levels established by the Board for each year during the period. The outcome will be calculated annually, whereby one third of the performance shares will be measured against the outcome for 2024, one third will be measured against the outcome for 2025 and one third will be measured against the outcome for 2026: i.e. 30 percent of the total outcome for each year.

The targets will be well-balanced in the opinion of the Board. If the minimum level for the year in question is not achieved, no performance shares will be awarded for the relevant year. If the maximum target level for the year in question is achieved or exceeded, performance shares will be awarded at a rate of 100 percent. If the minimum level is exceeded but the maximum level is not achieved, allotment will occur linearly within the span.

Performance target 2: Climate and environment

NCC strives to eliminate emissions from the entire value chain, increase energy efficiency and enable climate change adaptation. NCC's target is to achieve a 60-percent reduction in CO_2e tons/SEK M within Scope 1 and 2 by 2030 compared with 2015. Scope 1 pertains to emissions related to fuel consumption in asphalt plants, and from own vehicles and machinery. Scope 2 pertains to emissions related to the production of electricity, district heating and district cooling used in the operations.

The Board will establish appropriate targets based primarily on the Group's own emissions in Scope 1 and 2 or other appropriate and measurable target number. If the target level is not achieved, no performance shares will be awarded. If the target level is achieved, performance shares connected to performance target 2 will be awarded at a rate of 100 percent.

Performance target 3: Health and safety

NCC strives to reduce the number of accidents and completely eliminate serious accidents and incidents. This is to be measured through the metric of LTIF4, meaning work-related accidents resulting in more than four calendar days of absence per million hours worked by NCC's employees. If the target level is not achieved, no performance shares will be awarded. If the target level is achieved, Performance Shares connected to performance target 3 will be awarded at a rate of 100 percent.

Participants

The participants are divided into four categories. The CEO (one person) is entitled to acquire savings shares for an amount corresponding to not more than 8 percent of his basic salary and may receive a maximum of five performance shares for each savings share held. Other members of the Senior Management Team (11 persons) are entitled to acquire savings shares for an amount corresponding to not more than 6 percent of their respective basic salary and may receive a maximum of four performance shares for each savings share held.

Division Managers (about 40 persons) are entitled to acquire savings shares for an amount corresponding to not more than 4 percent of their respective basic salary and may receive a maximum of three performance shares for each savings share held. Key personnel line/staff units (about 190 persons) are entitled to acquire savings shares for an amount corresponding to not more than 4 percent of their respective basic salary and may receive a maximum of two performance shares for each savings share held.

Expenses

Assuming a share price of SEK 126 at the date of acquisition and the maximum outcome, meaning full achievement of the performance targets, the cost for the LTI 2024, including costs for social security fees, will be about SEK 55.9 M, which corresponds to a value of approximately 0.45 percent of the total number of shares in the company.

Repurchase of own shares

No repurchases of own shares due to the LTI programs took place in 2024.

Transfer of treasury shares

To secure delivery of Series B shares, and to cover costs for social security fees, arising from previously outstanding long-term performance-based incentive programs (LTI 2021 and LTI 2023), the AGM resolved to permit the transfer of no more than 100,000 Series B shares.

Notes

Note 4 cont'd.

Remuneration, provisions and other benefits in 2024

SEK 000s	Basic salary[1) 2)]	Variable remuneration[3)]	Share-based remuneration[4)]	Other benefits	Pension costs	Pension obligations
Chairman of the Board Alf Göransson	1,760					
Other Board members						
Ida Aall Gram	495					
Simon de Château	526					
Cecilia Fasth	564					
Mats Jönsson	651					
Daniel Kjørberg Siraj	683					
Angela Langemar Olsson	169					
Birgit Nørgaard	689					
Total Board of Directors	**5,536**					
CEO Tomas Carlsson	12,103	8,280	2,523	221	4,637	3,292
Other senior executives[5)]	16,575	6,010	1,393	390	2,990	14,384
Total Parent Company	**34,214**	**14,290**	**3,916**	**611**	**7,627**	**17,676**
Other senior executives in subsidiaries[6)]	24,853	7,964	1,857	619	5,582	27,421
Total senior executives	**59,067**	**22,254**	**5,773**	**1,230**	**13,208**	**45,097**

1) For the Board of Directors, basic salary includes fees for Board and committee membership and for others, in addition to salary, also vacation compensation and, where appropriate, reduced working hours and severance pay.
2) Of fees paid to Board members, about three months are attributable to fees adopted by the 2023 AGM and about nine months to resolutions adopted at the 2024 AGM. At the AGM on April 9, 2024, Angela Langemar Olsson resigned and Ida Aall Gram took office.
3) Variable remuneration refers to amounts expensed in the fiscal year.
4) Amounts reserved/reversed for the completed LTI program 2021 and ongoing LTI programs 2023 and 2024.
5) This includes the five positions: the CFO and Head of Finance & IT, Head of Communications, Senior Legal Counsel, Head of Human Resources and Head of Purchasing.
6) This includes the six positions for NCC Infrastructure, NCC Building Sweden, NCC Building Nordics, NCC Industry, NCC Property Development and NCC Green Industry Transformation.

Remuneration, provisions and other benefits in 2023

SEK 000s	Basic salary[1) 2)]	Variable remuneration[3)]	Share-based remuneration[4)]	Other benefits	Pension costs	Pension obligations
Chairman of the Board Alf Göransson	1,625					
Other Board members						
Geir Magne Aarstad	150					
Simon de Château	500					
Cecilia Fasth	375					
Mats Jönsson	625					
Daniel Kjørberg Siraj	450					
Angela Langemar Olsson	675					
Birgit Nørgaard	625					
Total Board of Directors	**5,025**					
CEO Tomas Carlsson	11,420	7,560	55	166	4,234	2,669
Other senior executives[5)]	16,395	6,517	–146	381	2,905	10,964
Total Parent Company	**32,839**	**14,077**	**–91**	**547**	**7,139**	**13,634**
Other senior executives in subsidiaries[6)]	18,469	5,638	270	494	4,756	18,685
Total senior executives	**51,308**	**19,715**	**179**	**1,041**	**11,895**	**32,319**

1) For the Board of Directors, basic salary includes fees for Board and committee membership and for others, in addition to salary, also vacation compensation, reduced working hours and, where appropriate, severance pay.
2) Of fees paid to Board members, about three months are attributable to fees adopted by the 2022 AGM and about nine months to resolutions adopted at the 2023 AGM. At the time of the AGM on March 31, 2023, Geir Magne Aarstad resigned. At the same Cecilia Fasth and Daniel Kjørberg Siraj took office.
3) Variable remuneration refers to amounts expensed in the fiscal year.
4) Amounts reserved/reversed for the completed LTI program 2020 and ongoing LTI programs 2021 and 2023.
5) This includes the five positions: the CFO and Head of Finance & IT, Head of Communications, Senior Legal Counsel, Head of Human Resources and Head of Purchasing.
6) This includes the five positions for NCC Infrastructure, NCC Building Sweden, NCC Building Nordics, NCC Industry and NCC Property Development.

Notes

Note 4 cont'd.

Share rights

	Group	Parent Company
Number	Share rights	Share rights
Outstanding at the beginning of the period	823,218	192,356
Allotted during the period	234,298	56,628
Expired, unallocated	−150,553	−36,323
Compensation shares allotted LTI 2021	−130,632	−34,060
Forfeited during the period	−33,304	−1,119
Outstanding at the end of the period	**743,027**	**177,482**
Puttable at the end of the period	0	0

All share rights have an exercise price of SEK 0.

Share rights outstanding have a remaining maturity of two and a half years to one and a half years. The share price for exercised shares on the exercise date was SEK 131.60.

Personnel expenses for share-based remuneration

	2024		2023	
	Group	Parent Company	Group	Parent Company
Share rights	18	5	−1	0
Synthetic shares	0	0	−3	0
Social security expenses	8	3	1	0
Total personnel costs for share-based remunerations	**25**	**7**	**−2**	**0**

Fair value and assumptions for share rights

	LTI 2023		LTI 2024	
	Group	Parent Company	Group	Parent Company
Fair value on date of valuation, SEK 000s	14,478	3,436	3,358	812
Share price, SEK	79.25	79.25	114.95	114.95
Redemption price, SEK	0	0	0	0
Maturity of share rights, years	1.5	1.5	2.5	2.5
Risk-free interest rate, %	3.50	3.50	0	0

Dividend has been calculated as a three-year average of NCC AB's dividends. All fair values and assumptions are the same for all participants in the program.

Accounting policies

Share-based remuneration

Instrument issued under the NCC Group's share-based remuneration plan comprise share rights and synthetic (cash-settled) shares.

The fair value of allotted share rights is recognized as a personnel cost accompanied by a corresponding increase in shareholders' equity. The fair value is estimated at the date of allotment by means of an adjustment of the discounted value of the future dividends for which the plan participants will not qualify. The fair value is based on the average share price for the ten days following the AGM in the relevant year. Adjustments are continuously made for the share rights that are not expected to be vested, meaning that the final degree of fulfillment is estimated on a quarterly basis and the fair value is adjusted thereafter.

At each financial report occasion, the Parent Company makes an assessment of the probability of whether the performance targets will be achieved. Costs are calculated on the basis of the number of shares and synthetic shares that are estimated to be settled at the close of the vesting period.

When settlement of the share rights occurs, social security fees must be paid for the value of the employees' benefit. These vary in the different countries in which NCC is active. During the period in which the services are performed, provisions are also posted for these calculated social security fees based on the market price of NCC's Series B share on each reporting date.

To satisfy NCC AB's undertakings in accordance with the long-term incentive programs, NCC AB has repurchased Series B shares. These are recognized as shares held in treasury and thus reduce equity.

Severance payments

In conjunction with notice of employment termination, a provision is recognized only if the company is contractually obliged to terminate an employment position before the normal time, or when payments are made as an offering to encourage voluntary redundancy. For cases in which the company implements personnel cutbacks, a detailed plan is prepared that covers at least the workplace concerned, positions, and the approximate number of affected employees and remuneration for every personnel category or position, as is a time schedule for the plan's implementation.

Notes

Note 5

Depreciation/amortization

	Group	
	2024	2023
Intangible assets	–73	–58
Owner-occupied properties	–44	–44
Owner-occupied properties, right-of-use assets	–272	–270
Machinery and equipment	–523	–529
Machinery and equipment, right-of-use assets	–359	–318
Total depreciation/amortization	**–1,271**	**–1,219**

Accounting policies

Straight-line depreciation based on estimated useful life, or on utilization rate, is applied with due consideration for any residual values at the close of the period. Goodwill and other assets that have an indefinite life are not amortized but subject to systematic impairment testing. NCC applies so-called component depreciation, whereby each asset with a considerable value is divided into a number of components that are depreciated on the basis of their particular useful life. Depreciation/amortization rates vary in accordance with the table below:

Intangible fixed assets	
Right-of-use assets	In pace with confirmed depletion of net asset value
Software	10–33 percent
Other intangible assets	10–33 percent
Tangible fixed assets	
Owner-occupied properties	1.4–10 percent
Land improvements	3.7–5 percent
Pits and quarries	In pace with confirmed depletion of net asset value
Fittings in let premises	14–20 percent
Machinery and equipment, right-of-use assets	5–33 percent

Note 6

Fees and remuneration to audit firms

	Group		Parent Company	
	2024	2023	2024	2023
Audit firms				
PwC				
Auditing assignments	25	22	7	6
Audit in addition to the audit assignment	1	1	0	1
Tax consultations	–	–	–	–
Other services	1	1	–	–
Other auditors				
Auditing assignments	0	0	–	–
Audit in addition to the audit assignment	–	–	–	–
Tax consultations	–	–	–	–
Other services	–	0	–	–
Total fees and remuneration to auditors and audit firms	**26**	**24**	**7**	**7**

During 2024, PwC received approximately SEK 1 M for non-audit services. The services primarily comprised various types of consultations in accounting and related matters, but no valuation services. Audit assignments amounted to SEK 25 M, of which SEK 14 M to Öhrlings PricewaterhouseCoopers AB. Accounting activities in addition to the audit assignment amounted to SEK 1 M, of which SEK 1 M to Öhrlings PricewaterhouseCoopers AB. Öhrlings PricewaterhouseCoopers AB did not perform any tax consultancy for NCC. Other services amounted to SEK 1 M, of which SEK 1 M to Öhrlings PricewaterhouseCoopers AB.

Note 7

Impairment losses

	Group	
	2024	2023
Impairment losses on other fixed assets		
Owner-occupied properties	–	–
Machinery and equipment	–1	–2
Other intangible assets	–27	0
Total impairment losses and reversal of impairment losses for other fixed assets	**–27**	**–2**
Total impairment losses	**–27**	**–2**

Accounting policies

When necessary, although at least once a year, NCC conducts impairment testing of the assets' carrying amounts. An impairment requirement arises when the recoverable amount is less than the carrying amount.

Note 8

Result from participations in Group companies

	Group		Parent Company	
	2024	2023	2024	2023
Dividend	–	–	1,888	1,125
Capital gain/loss on sale	3	265	–	–
Total	**3**	**265**	**1,888**	**1,125**

Note 9

Operating expenses by type of cost

Group	**2024**	**2023**
Production-related goods and services, plus raw materials and supplies	–46,144	–42,359
Change in inventory	–68	41
Personnel expenses	–12,042	–11,862
Depreciation/amortization	–1,271	–1,219
Impairment losses	–27	–2
Total production costs, and selling and administrative costs	**–59,552**	**–55,401**

Notes

Note 10
Interest expense and similar items

Parent Company	2024	2023
Interest expense, Group companies	–16	–9
Financial portion of pension cost	–6	–5
Total	**–22**	**–15**

Accounting policies
In the Parent Company, borrowing costs are expensed in their entirety in the period in which they are incurred.

Note 11
Net financial items

Group	2024	2023
Interest income and financial assets measured at fair value	17	12
Interest income on financial assets measured at amortized cost	12	17
Interest income on bank balances	11	14
Net gain on financial assets/liabilities measured at fair value	33	36
Net exchange rate changes	0	–2
Other financial income	1	3
Financial income	**75**	**80**
Interest expense on financial liabilities measured at amortized cost	–224	–60
Other financial expenses	–21	–19
Financial expenses[1]	**–244**	**–79**
Net financial items	**–169**	**1**
Of which, changes in value calculated using valuation techniques	**29**	**33**

1) Refer to Note 24 Properties classified as current assets for more information concerning capitalized interest.

Note 12
Effects on profit or loss of exchange rate changes

Group	2024 exchange rates 2023[1]	2024	Exchange rate effect
Net sales	61,184	61,609	425
Operating profit	2,015	2,032	17
Profit after financial items	1,848	1,863	15
Net profit for the year	1,560	1,571	11

1) Figures for 2024 converted at 2023 exchange rates.

			Average exchange rate Jan–Dec		Year-end rate, Dec 31	
Country	**SEK**	**Currency**	**2024**	**2023**	**2024**	**2023**
Denmark	100	DKK	153.27	150.34	153.99	148.58
Euro countries	1	EUR	11.43	11.21	11.49	11.07
Norway	100	NOK	98.33	97.07	96.85	98.49

Note 13
Appropriations

	Appropriations	
Parent Company	**2024**	**2023**
Group contributions received	267	164
Group contributions granted	–151	–30
Total	**116**	**134**

Note 14
Equity

Specification of the item reserves in equity

Group	2024	2023
Translation reserve		
Translation reserve, January 1	169	243
Year's exchange differences on translating foreign operations	95	–74
Translation reserve, December 31	**264**	**169**
Hedging reserve		
Hedging reserve, January 1	–35	87
Fair value changes for the year in cash flow hedges	5	–54
Fair value changes in cash flow hedges transferred to net profit/loss for the year	30	–100
Tax attributable to cash flow hedges	–7	32
Hedging reserve, December 31	**–7**	**–35**
Revaluation reserve		
Revaluation reserve, January 1	0	0
Revaluation reserve, December 31	**0**	**0**
Total reserves		
Reserves, January 1	135	331
Change in reserves during the year		
– Translation reserve	95	–74
– Hedging reserve	28	–123
– Revaluation reserve	–	0
Reserves, December 31	**258**	**135**

Translation reserve
The translation reserve includes all exchange rate differences that arise from the translation of the financial statements of foreign operations that have compiled their reports in a currency other than the currency in which the consolidated financial statements are presented, in NCC's case, SEK.

Hedging reserve
The hedging reserve includes the effective portion of the accumulated net change in the fair value of cash flow hedging instruments attributable to hedging transactions that have not yet occurred.

Revaluation reserve
The revaluation reserve arises from step acquisitions, multi-stage acquisitions, meaning an increase in the fair value of previously owned participations in net assets resulting from step acquisitions.

Notes

Note 15

Intangible fixed assets

2024	Group				
		Other acquired intangible assets			
	Goodwill	Right-of-use assets	Capitalized development expenses	Other	Total other
Recognized cost on January 1	**2,142**	**236**	**696**	**176**	**1,108**
Investments	–	4	272	10	286
Divestment and scrappage	–	–1	–122	–	–123
Reclassifications	3	–4	–	–	–4
Translation differences during the year	30	1	0	3	5
Recognized cost on December 31	**2,175**	**236**	**847**	**189**	**1,272**
Accumulated amortization on January 1	**–**	**–122**	**–272**	**–154**	**–547**
Divestment and scrappage	–	1	120	–	121
Reclassifications	–	3	–	–	3
Translation differences during the year	–	–1	–	–3	–4
Amortization according to plan during the year	–	–6	–58	–8	–73
Accumulated amortization on December 31	**–**	**–124**	**–209**	**–165**	**–499**
Accumulated impairment losses on January 1	**–228**	**–16**	**–**	**–**	**–16**
Translation differences during the year	–4	–	–	–	–
Impairment losses for the year	–	–	–27	–	–27
Accumulated impairment losses on December 31	**–232**	**–16**	**–27**	**–**	**–42**
Residual value on January 1	**1,913**	**98**	**425**	**22**	**545**
Residual value on December 31	**1,942**	**96**	**611**	**24**	**731**

2023	Group				
		Other acquired intangible assets			
	Goodwill	Right-of-use assets	Capitalized development expenses	Other	Total other
Recognized cost on January 1	**2,174**	**244**	**481**	**217**	**942**
Investments	11	7	161	12	180
Divestment and scrappage	–	–10	–	–102	–112
Reclassifications	1	0	61	49	109
Translation differences during the year	–45	–5	–7	–	–12
Recognized cost on December 31	**2,142**	**236**	**696**	**176**	**1,108**
Accumulated amortization on January 1	**–**	**–127**	**–258**	**–216**	**–601**
Divestment and scrappage	–	10	–	96	105
Reclassifications	–	1	2	–2	1
Translation differences during the year	–	3	2	–	5
Amortization according to plan during the year	–	–8	–18	–31	–58
Accumulated amortization on December 31	**–**	**–122**	**–272**	**–154**	**–547**
Accumulated impairment losses on January 1	**–227**	**–16**	**–**	**–**	**–16**
Translation differences during the year	–1	–	–	–	–
Accumulated impairment losses on December 31	–228	–16	–	–	–16
Residual value on January 1	**1,943**	**101**	**224**	**–**	**326**
Residual value on December 31	**1,913**	**98**	**425**	**22**	**545**

Goodwill per operating segment

Operating segments	2024	2023
NCC Infrastructure	272	270
NCC Building Nordics	324	322
NCC Building Sweden	233	233
NCC Industry	1,113	1,088
Total, NCC Group	**1,942**	**1,913**

Impairment testing of goodwill in cash-generating units

Impairment testing of goodwill in the Group occurs annually or more often if there are indications that the value of goodwill has declined. To test the impairment requirement, goodwill was allocated to cash-generating units in accordance with NCC's commercial organization, meaning NCC's business areas, the outcome of which is regularly monitored by the Senior Management Team.

The lowest cash-generating unit identified by NCC is at the business area level, meaning the segment level. The business areas are responsible for conducting business operations and the operating results of these are routinely reviewed by NCC's chief operating decision maker. For example, separate financial information relating to the business areas is disclosed to the market. The decisions taken by NCC's management are based on this specific, separate financial information. Some Group adjustments are made only at the business area level and thus the business area is the lowest level at which a complete balance sheet and income statement can be prepared that includes all assets and liabilities based on IFRS requirements and recommendations. The business areas are thus NCC's lowest cash-generating units.

Impairment testing is conducted based on the business areas' future cash flow, taking into account the market's yield requirement and the units' risk profile. The calculations of the recoverable amount are based on assessments by corporate management that are considered the best available information on the test date.

Significant assumptions:

- Long-term growth: In all cases, a long-term sustainable growth rate of 2.0 percent (1.8) has been assumed when the forecast period is over, which reflects anticipated long-term growth in the market. Management does not believe the terminal value used for growth in any case exceeds the average growth rate for the markets in which NCC operates.

Notes

Note 15 cont'd.

- Operating margin: The assumption regarding the forecast operating margin is based on approved forecasts by management, which in their opinion reflects historical experience and other externally available information
- Working capital and reinvestment requirement: The requirement has been assumed to match the figure for 2024, with a growth rate equal to the sustainable long-term growth rate. The assumption has been based on previous experience and estimates of future requirements.

In the event of a –0.5 percent change in the operating margin over the 2025–2028 forecast period or a +0.5 percent change in the WACC, no impairment was identified. Nor have any other reasonable changes in significant assumptions resulted in an impairment requirement for any business area.

Weighted average cost of capital, WACC
Is calculated for the various units on the basis of beta value, and local conditions in respect of market rates and tax, as well as a planned, long-term market-based capital structure for the various operations. The latter is based on the operational risk and the opportunities to leverage the operation. The weighted average cost of capital after tax for the various cash-generating units are as follows: NCC Infrastructure: 9.2 (9.0), NCC Building Nordics 9.7 (9.2), NCC Building Sweden 8.9 (8.6) and NCC Industry 7.2 (7.3). For NCC Industry, the weighted average cost of capital is lower than for other business areas due to another capital structure. Of NCC Industry's assets, approximately 40 percent is estimated to be eligible as collateral, which enables a higher degree of indebtedness compared with other business areas and therefore reduces the cost of capital. The calculations are iterative and conditions are tested annually. NCC Infrastructure, NCC Building Nordics and NCC Building Sweden have essentially no assets eligible as collateral, their operational capital employed is negative.

Impairment and risk analyses
The year's impairment testing was based on cash flow forecasts for 2025–2028. The average growth rate during the forecast period corresponds to about 2 percent for all business areas. The anticipated operating margin is based on the latest available forecast for each of the business areas. No impairment requirement was identified.

Other intangible assets
NCC primarily has two types of other intangible assets: right-of-use assets to utilize gravel and rock pits and capitalized expenses for computer systems, software and licenses. Right-of-use assets include the right to use gravel and rock pits for a determined period. The periods may vary but the rights normally pertain to longer periods.

Accounting policies
Intangible fixed assets are recognized at cost less accumulated impairment losses and amortization. Expenses that do not meet the criteria for recognition as an intangible fixed asset and expenses for day-to-day servicing and modification of existing products, processes and systems are expensed on an ongoing basis.

Goodwill arises from acquisitions of companies and operations, and is measured at the lower of cost and recoverable amount. Goodwill is not amortized but is impairment tested annually. Goodwill in foreign operations is valued in the particular functional currency and is converted from this functional currency to the Group's reporting currency at the exchange rates prevailing on the balance sheet date.

Right-of-use assets consist primarily of the right to utilize rock pits and gravel quarries, which are amortized in parallel with confirmed depletion of net asset value based on volumes of extracted stone and gravel. This type of right-of-use asset is not covered by IFRS 16 Leases but by IAS 38 Intangible Assets.

Intangible assets with determinable useful lives are amortized straight-line from the date on which the asset is available for use. The useful lives can vary. Assessed useful lives:
- capitalized development expenses 3–10 years
- right-of-use assets 3–25 years
- other 3–5 years

Refer also to Note 5.

Impairment losses
When necessary, although at least once a year, NCC conducts impairment testing of the assets' carrying amounts. An impairment requirement arises when the recoverable amount is less than the carrying amount.

Important estimates and assessments
Several assumptions and estimates are made concerning future conditions, which are taken into account when calculating the discounted cash flow upon which the estimated recoverable amount of goodwill has been based. Important assumptions include expected growth, margins and the discount rate. If these assumptions change, the value of the remaining goodwill could be affected.

Investments in IT are assessed individually and at December 31, 2024, NCC made the assessment that certain systems or parts of systems can be considered to be an intangible fixed asset. The concept of control is central to this assessment and certain contracts with suppliers have been designed to ensure that NCC retains a contractual right to take possession of the software. NCC has done an analysis that shows that it even would be practically feasible. NCC makes the assessment that it would not involve a deterioration of essential functions of the software, nor would it involve significant costs. It would be feasible to operate the software inhouse or with another third party. NCC therefore considers that there is support for capitalizing the costs that create a separately identifiable resource that is controlled by the Group. Expenses that do not meet these criteria are expensed.

Each investment is also individually assessed based on the criteria stipulated in IAS 38 Intangible Assets. NCC has made the assessment that the investments will also generate future economic benefits since technological advances make it possible to use the systems in a manner that significantly surpasses existing systems. Established project organizations reinforce the Group's intent, ability and possibility to complete the systems. Financial follow-ups of the investments take place separately and are broken down to effectively analyze the costs incurred. If the intended benefits are not achieved, it may impact the value in the future.

The useful life reflects the expected period in which the asset will generate economic benefits. Material investments that comprise a central and necessary part of NCC's technological ecosystem are deemed to have a lifecycle of up to ten years. A useful life of up to ten years is deemed to reflect the economic benefit since it also facilitates adjustments for future business needs.

Notes

Note 16

Tangible fixed assets

	Group		
2024	Owner-occupied properties	Machinery and equipment	Total
Recognized cost on January 1	**1,574**	**7,276**	**8,849**
Investments	44	435	479
Divestment and scrappage	–22	–388	–409
Reclassifications	19	–17	2
Translation differences during the year	19	28	47
Recognized cost on December 31	**1,634**	**7,333**	**8,968**
Accumulated impairment losses and depreciation on January 1	**–707**	**–4,967**	**–5,674**
Divestment and scrappage	16	333	349
Reclassifications	0	1	1
Translation differences during the year	–8	–19	–27
Impairment losses for the year	–	–2	–2
Depreciation during the year	–44	–523	–567
Accumulated impairment losses and depreciation on December 31 1)	**–743**	**–5,176**	**–5,919**
Residual value on January 1	**867**	**2,310**	**3,177**
Residual value on December 31	**892**	**2,157**	**3,049**
1) Accumulated impairment losses on December 31	–47	–22	–70

	Group		
2023	Owner-occupied properties	Machinery and equipment	Total
Recognized cost on January 1	**1,631**	**7,415**	**9,046**
Investments	19	625	644
Divestment and scrappage	–44	–486	–529
Reclassifications	–10	–130	–140
Translation differences during the year	–23	–148	–171
Recognized cost on December 31	**1,574**	**7,276**	**8,849**
Accumulated impairment losses and depreciation on January 1	**–723**	**–4,912**	**–5,634**
Divestment and scrappage	22	378	400
Reclassifications	27	3	30
Translation differences during the year	10	94	104
Impairment losses for the year	–	–2	–2
Depreciation during the year	–44	–529	–573
Accumulated impairment losses and depreciation on December 31 1)	**–707**	**–4,967**	**–5,674**
Residual value on January 1	**909**	**2,504**	**3,413**
Residual value on December 31	**867**	**2,310**	**3,177**
1) Accumulated impairment losses on December 31	–47	–23	–70

Accounting policies

Owner-occupied properties

Owner-occupied properties are held for use in the company's own operations for the purpose of production, the provision of services or administration and are recognized in accordance with IAS 16 Tangible fixed assets. They are recognized at cost, based on an external valuation conducted in connection with the acquisition, less accumulated depreciation and any impairment losses. Land is not depreciated.

Machinery and equipment

Machinery and equipment are recognized, according to IAS 16 Tangible fixed assets, at cost less accumulated depreciation and any impairment losses. Cost includes the purchase price and expenses directly attributable to the asset for bringing it to the place and condition for use according to the purpose of the acquisition. For all depreciation periods, refer to Note 5.

Important estimates and assessments

Additional expenses are added to carrying amount of the asset only when it is probable that the future economic benefits associated with the asset will accrue to the Group and the cost of the asset can be reliably measured. All other types of maintenance of tangible fixed assets is expensed in the income statement.

Notes

Note 17

Participations in Group companies

Parent Company

Name of company, Corp. Reg. No., Reg. office	Ownership share %[1]	No. of participa-tions[2]	Carrying amount 2024	Carrying amount 2023
Property companies:				
NCC Property Development Nordic AB, 556743-6232, Solna	100	1	966	964
Total participations in property companies			**966**	**964**
Other companies:				
NCC Danmark A/S, 69 89 40 11, Denmark	100	400	139	136
NCC Norge AS, 911 274 426, Norway	100	17,500	1,683	1,682
NCC Sverige AB, 556613-4929, Solna	100	500	427	421
NCC Försäkringsaktiebolag, 516401-8151, Solna	100	500	78	78
NCC International AB, 556033-5100, Solna	100	1,000	4	4
NCC Purchasing Group AB, 556104-9932, Solna	100	2	7	7
NCC Suomi Oy, 1765514-2, Finland	100	5	96	95
NCC Industry Nordic AB, 556144-6732, Solna	100	275	1,645	1,643
NCC Treasury AB, 556030-7091, Solna	100	120	16	16
Nordic Road Services Holding AB, 559172-2227, Stockholm	100	50	–	–
Total shares in other companies			**4,095**	**4,084**
Total participations in Group companies			**5,061**	**5,048**

1) Ownership share corresponds to the shareholding.
2) Number of shares in thousands.

NCC essentially owns 100 percent of all subsidiaries, whereby these are consolidated in their entirety according to the purchase method. NCC's assessment is that it has no controlling interest in any holdings in which the ownership share amounts to 50 percent or less.

Only directly owned subsidiaries have been specified. The number of indirectly owned subsidiaries is 126 (129).

Accounting policies

Companies in which the Parent Company has a controlling interest, normally through a direct or indirect holding carrying more than 50 percent of the voting rights, are consolidated in their entirety. Controlling interest is defined as power over the investee, exposure or the right to variable returns from its involvement with the investee and the ability to exercise its power over the investee to affect the returns. Participations in subsidiaries are recognized in the Parent Company at cost. Should the recoverable amount of shares in subsidiaries fall below the fair value, an impairment loss is recognized. Dividends received are recognized as revenue.

Note 18

Investments in associated companies and joint ventures

Group

Name of company, Corp. Reg. No., Reg. office	Ownership share %[1]	No. of participa-tions[2]	Carrying amount 2024	Carrying amount 2023
Hercules-Trevi Foundations AB, 556185-3788, Solna	50	1	1	1
Oraser AB, 556293-2722, Stockholm	50	1	5	5
Sjællands Emulsionsfabrik I/S, 18004968, Vedbæk, Denmark	50	–	12	9
Other NCC-owned associated companies 7(7)			0	0
Total			**19**	**16**

1) The ownership share corresponds to the proportion of votes for the total number of shares.
2) Number of shares in thousands.

Accounting policies

Associated companies are defined as companies in which the Group controls 20–50 percent of the voting rights. Companies in which the Group owns less than 20 percent of voting rights but exercises a significant influence are also classified as associated companies. In accordance IFRS 11 Joint Arrangements, joint ventures recognized are those joint arrangements in which the parties involved have a joint influence and the parties have the right to the net assets.

Participations in associated companies and joint ventures are consolidated in accordance with the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures.

NCC's share in associated companies relates to their operations and its share in the results of associated companies is recognized in profit or loss as "Result from participations in associated companies," which is part of operating profit. Amounts are recognized net after taxes.

Note 19

Joint operations

The consolidated financial statements include the items below that constitute the Group's interests in the joint operations' net sales, costs, assets and liabilities.

Group	2024	2023
Revenue	1,420	1,408
Expenses	–1,368	–1,356
Profit	**52**	**53**
Fixed assets	31	40
Current assets	668	7,192
Total assets	**699**	**7,232**
Long-term liabilities	64	53
Current liabilities	346	6,884
Total liabilities	**410**	**6,938**
Net assets	**289**	**294**

The joint operations category also includes partly owned construction contracts, over which NCC has a contractual joint influence together with the other partners.

Notes

Note 19 cont'd.

Specification of joint operations

Group	Shareholding, %
Arandur OY	33
HB NCC-DPR Data Centre Contractors	50
HNB Fjernvarme I/S	70
Konsortiet Nyt Assens Resenanlæg I/S	50
Konsortium NCC - Brøndum I/S	70
Koy Polaristontti 2	50
Koy Polaristontti 3	50
Miljöfabriken 2000 AB	50
Milman Miljömudring	50
NCC SMET Kalvebod Konsortiet I/S	77
NCC W&F West Link Contr HB	60
NCC_OHL Lund Arlöv HB	50
Polaris Business Park OY	50
Vandlinjen Entreprise Konsortium, VEK I/S	50

Accounting policies

Joint arrangements are defined by NCC as projects conducted in forms similar to those of a consortium, meaning subject to joint control. This could take the form of, for example, jointly owned companies that are governed jointly. Joint arrangements are divided into joint ventures, which are consolidated according to the equity method, or into joint operations, which are consolidated according to the proportional method. For information on joint ventures, refer to Note 18, Investments in associated companies and joint ventures. A joint arrangement is recognized as a joint operation in accordance IFRS 11 Joint Arrangements when NCC has a right to the assets and also has obligations related to the liabilities that the arrangement entails.

Note 20

Financial investments

Group	2024	2023
Financial investments classified as fixed assets		
Fair value through other comprehensive income, equity instruments		
Unlisted securities	68	68
Total	**68**	**68**
Short-term investments classified as current assets		
Financial assets measured at fair value through profit or loss		
Short-term investments	506	450
Financial assets measured at amortized cost		
Short-term investments	70	51
Total	**576**	**501**

Investments measured at amortized cost have an established interest rate ranging from 0.5 percent (0.2) to 3.0 percent (4.0), and have due dates between five months and three years.

During the year, financial fixed assets were impaired by SEK 0 M (0).

Note 21

Financial fixed assets

Parent Company, 2024	Participations in Group companies	Other long-term securities	Other long-term receivables[1]	Total
Recognized cost on January 1	**7,261**	**45**	**33**	**7,338**
Assets added	13	–	3	16
Recognized cost on December 31	**7,274**	**45**	**35**	**7,354**
Accumulated impairment losses on January 1	**–2,213**	**–**	**–**	**–2,213**
Accumulated impairment losses on December 31	**–2,213**	**–**	**–**	**–2,213**
Residual value on December 31	**5,061**	**45**	**35**	**5,141**

Parent Company, 2023	Participations in Group companies	Other long-term securities	Other long-term receivables[1]	Total
Recognized cost on January 1	**6,700**	**45**	**29**	**6,775**
Assets added	561	–	3	564
Recognized cost on December 31	**7,261**	**45**	**33**	**7,338**
Accumulated impairment losses on January 1	**–2,213**	**–**	**–**	**–2,213**
Accumulated impairment losses on December 31	**–2,213**	**–**	**–**	**–2,213**
Residual value on December 31	**5,048**	**45**	**33**	**5,125**

1) The item also includes deferred tax assets.

Accounting policies

The Parent Company recognizes participations in subsidiaries at cost and, where applicable, taking into account write-ups or impairment losses.

Notes

Note 22

Long-term interest-bearing receivables and other receivables

Group	2024	2023
Long-term interest-bearing receivables classified as fixed assets, January 1	**204**	**184**
Receivables from associated companies and joint ventures	6	32
Interest-bearing securities[1]	–9	2
Other long-term interest-bearing receivables	0	–14
Long-term interest-bearing receivables classified as fixed assets, December 31	**201**	**204**

1) Carrying amount is a reasonable estimation of fair value. For due dates, refer to Note 20 Financial investments.

Group	2024	2023
Other receivables classified as current assets		
Receivables from associated companies and joint ventures	7	4
Receivables from divested property and residential projects	14	62
Advance payments to suppliers	1	1
Derivative instruments held for hedging	12	32
Other current receivables	334	316
Other receivables classified as current assets	**368**	**415**

NCC's subsidiary, NCC Försäkringsaktiebolag, as an insurance company, must have investment assets that cover technical liabilities for own account. In 2024 and 2023, these requirements were fulfilled. These investment assets pertain to interest-bearing securities, as specified in the table.

Long-term interest-bearing receivables pertaining to pensions are recognized in the balance sheet under Pension receivable.

Note 23

Tax on profit for the year, deferred tax assets and deferred tax liabilities

	Group		Parent Company	
	2024	2023	2024	2023
Tax on profit for the year				
Current tax cost	–119	–112	–	0
Deferred tax revenue/cost	–172	–118	3	3
Total recognized tax on profit for the year	**–292**	**–230**	**3**	**3**

Tax items recognized directly in Other comprehensive income

Group	2024	2023
Deferred tax on cash flow hedges	–7	32
Deferred tax attributable to the revaluation of defined-benefit pension plans	–106	168
Total	**–113**	**200**

	Group				Parent Company			
	2024		2023		2024		2023	
Effective tax	**Tax, %**	**Profit**	**Tax, %**	**Profit**	**Tax, %**	**Profit**	**Tax, %**	**Profit**
Pretax profit		1,863		1,803		1,917		1,130
Tax according to Swedish current tax rate	–21	–384	–21	–371	–21	–395	–21	–233
Effect of other tax rates for non-Swedish companies	–1	–12	–1	–12	–	–	–	–
Other non-tax-deductible costs	–1	–11	–1	–14	0	0	0	0
Non-taxable revenues	9	172	9	163	21	392	21	235
Tax effects resulting from non-capitalized tax loss carryforwards for the year	–2	–43	0	–8	–	–	–	–
Tax effects resulting from utilization of previously non-capitalized tax loss carryforwards	1	11	2	28	–	–	–	–
Tax effects resulting from changed measurement of tax loss carryforwards	–	–	–	–	–	–	–	–
Tax effects resulting from limitation rule for interest deductions	–1	–22	–1	–16	0	4	0	1
Tax attributable to prior years	0	–4	0	6	–	–	0	0
Other	0	0	0	–5	0	3	0	0
Average tax rate/recognized tax	**–16**	**–292**	**–13**	**–230**	**0**	**3**	**0**	**3**

Current tax has been calculated based on the nominal tax prevailing in the country concerned.

NCC follows the OECD Pillar Two model rules, which means the company is subject to international tax rules to ensure fair taxation. NCC applies the exception from recognizing and disclosing information on deferred tax assets and deferred tax liabilities that are related to the Pillar Two income taxes. As far as possible, NCC also applies the temporary exemptions.

Due to the fact that the Property Development business area conducts share sales, NCC prepares Global Anti-Base Erosion (GloBE) calculations in the countries where tax-free share sales are conducted to determine the effective tax rate. For 2024, the result of this calculation was that the effective tax rate in Sweden exceeded 15 percent, which means that NCC meets the international requirements for fair taxation.

Change in deferred tax in temporary differences and tax loss carryforwards

	Group		Parent Company	
	2024	2023	2024	2023
Opening carrying amount	–305	–379	33	29
Sale / merger of subsidiaries	2	29	–	–
Tax items attributable to cash flow hedges recognized in Other comprehensive income	–7	32	–	–
Recognized tax on profit for the year	–172	–118	3	3
Tax item, revaluation of defined-benefit pension plans recognized in other comprehensive income	–106	168	–	–
Translation differences	–19	–32	–	–
Other	0	–5	–	–
Closing carrying amount	**–607**	**–305**	**35**	**33**

Notes

Note 23 cont'd.

Group	Assets 2024	Assets 2023	Liabilities 2024	Liabilities 2023	Net 2024	Net 2023
Tangible fixed assets	71	65	–	–	71	65
Right-of-use assets	–	–	–321	–302	–321	–302
Financial fixed assets	13	1	–	–	13	1
Non-completed projects	–	–	–1,264	–1,149	–1,264	–1,149
Properties held for future development	–	13	–8	–	–8	13
Untaxed reserves	–	–	–216	–221	–216	–221
Provisions	238	210	–	–	238	210
Lease liabilities	350	332	–	–	350	332
Personnel benefits/Pension provisions	–	115	–19	–	–19	115
Loss carryforwards[1)]	501	576	–	–	501	576
Other	47	55	–	–	47	55
Deferred tax assets/deferred tax liabilities	**1,220**	**1,367**	**–1,827**	**–1,672**	**–607**	**–305**
Offsetting	–523	–447	523	447	–	–
Net deferred tax assets/tax liabilities	**697**	**920**	**–1,304**	**–1,225**	**–607**	**–305**

1) Of the Group's deferred tax assets concerning loss carryforwards totaling SEK 501 M (576), SEK 447 M (558) pertains to operations in Norway. Accumulated non-capitalized deferred tax assets on tax loss carryforwards amounted to SEK 77 M (42) of which SEK 74 M (39) are attributable to operations in Norway.

Parent Company	Assets 2024	Assets 2023	Liabilities 2024	Liabilities 2023	Net 2024	Net 2023
Provisions	35	31	–	–	35	31
Other	–	2	–	–	–	2
Deferred tax assets / tax liabilities, net	**35**	**33**	**–**	**–**	**35**	**33**

Temporary differences between the carrying amount and the taxable value of directly owned participations do not normally arise for participations held as business assets in Swedish companies. Nor do they arise from other participations owned by NCC companies in other countries.

Accounting policies

Income taxes comprise current tax and deferred tax. Taxes are recognized in profit or loss, except when the underlying transactions are recognized in other comprehensive income, whereby the relating tax effects are also recognized in other comprehensive income. Current tax is tax that is to be paid or received during the current fiscal year. This also includes adjustments of current tax attributable to prior periods. Deferred tax is recognized on the basis of temporary differences between recognized and taxable values of assets and liabilities and for carry-forward of unused tax losses.

Deferred tax assets and liabilities are calculated based on the tax rate determined for the following year in each particular country. When changes occur in tax rates, the change is recognized in net profit for the year in the consolidated financial statements or in other comprehensive income for the tax items included there.

In the Parent Company, untaxed reserves are recognized that consist of the taxable temporary difference arising because of the relationship between reporting and taxation in the legal entity. Untaxed reserves are recognized gross in the balance sheet and the change is recognized gross in profit or loss, as an appropriation. Group contributions received and granted are recognized in the Parent Company's profit or loss as appropriations.

Important estimates and assessments

Valuation of tax losses

The utilization of deferred tax assets is dependent on future taxable profits. The majority of the Group's deferred tax assets concerning loss carryforwards relate to the Norwegian operations. The loss carryforwards in Norway may be utilized against future profits, with no time limitations, and NCC's assessment is that there are factors that convincingly indicate that this will be the case. Several assumptions and estimates are made concerning future conditions, which are taken into account when calculating future cash flows that form the basis for assessing the Norwegian operations. Changes to key assumptions may impact the value of tax losses.

The assessment has been made on the basis of the future cash flows of the Norwegian operations, taking into account the market's yield requirement and the unit's risk profile. The calculations are based on assessments by corporate management, which NCC considers reasonable given the best available information on the balance sheet date. Historically, the operations have turned a profit and the losses of recent years have primarily arisen due to impairment of a few projects.

A sensitivity analysis of key assumptions (volume) has not resulted in a change in the estimate of future taxable profits within a reasonable period of time.

Note 24

Properties classified as current assets

Group, 2024	Properties held for future development	Ongoing property projects	Completed property projects	Total property projects[1)]	Participations in associated companies	Total
Recognized cost on January 1	**1,374**	**3,806**	**4,986**	**10,166**	**201**	**10,367**
Investments[2)]	26	1,220	164	1,410	38	1,448
Increase through acquisition of operations	356	–	–	356	–	356
Divestment and scrappage	–7	–359	–3,183	–3,549	–	–3,549
Discontinued operations	0	–343	343	0	–	0
Reclassifications	–356	–3,589	3,945	–0	–	0
Translation differences during the year	31	26	48	105	–1	103
Recognized cost on December 31	**1,424**	**762**	**6,302**	**8,487**	**238**	**8,725**
Accumulated impairment losses on January 1	**–109**	**–12**	**–**	**–121**	**–**	**–121**
Translation differences during the year	–1	0	0	–1	–	–1
Accumulated impairment losses on December 31	**–110**	**–13**	**0**	**–122**	**–**	**–122**
Residual value on January 1	**1,265**	**3,794**	**4,986**	**10,045**	**201**	**10,246**
Residual value on December 31	**1,314**	**749**	**6,302**	**8,365**	**238**	**8,603**

1) Pertains primarily to properties classified as current assets recognized in NCC Property Development.
2) Capitalized interest for ongoing property projects totaled SEK 131 M during the year. The interest rate on these loans during the year was 5.5–5.9 percent.

Notes

Note 24 cont'd.

Group, 2023	Properties held for future development	Ongoing property projects	Completed property projects	Total property projects[1]	Participations in associated companies	Total
Recognized cost on January 1	**1,326**	**7,184**	**103**	**8,613**	**74**	**8,687**
Investments[2]	167	2,205	16	2,388	132	2,520
Increase through acquisition of operations	27	–	9	36	–	36
Divestment and scrappage	–94	–608	0	–703	–	–703
Reclassifications	–38	–4,969	4,865	–141	–	–141
Translation differences during the year	–13	–6	–7	–27	–5	–32
Recognized cost on December 31	**1,374**	**3,806**	**4,986**	**10,166**	**201**	**10,367**
Accumulated impairment losses on January 1	**–147**	**–12**	**–103**	**–262**	**–**	**–262**
Reclassifications	38	–	104	141	–	141
Accumulated impairment losses on December 31	**–109**	**–12**	**0**	**–121**	**–**	**–121**
Residual value on January 1	**1,179**	**7,171**	**–**	**8,350**	**74**	**8,424**
Residual value on December 31	**1,265**	**3,794**	**4,986**	**10,045**	**201**	**10,246**

1) Pertains primarily to properties classified as current assets recognized in NCC Property Development.
2) Capitalized interest for ongoing property projects totaled SEK 206 M during the year. The interest rate on these loans during the year was 3.8–6.0 percent.

For further information concerning ongoing property projects, refer to the property table in the Report of the Board of Directors.

Accounting policies

Properties classified as current assets are held for development and sale as part of operations. The Group's property holdings classified as property projects are recognized continuously in the balance sheet according to IAS 2, Inventories as the intention is to sell the properties on completion. The property holdings are measured at the lower of cost and net realizable value, which is the selling value (market value) less estimated costs for completion and direct selling costs. Cost includes a reasonable share of indirect costs. Property projects are defined as properties held for development and sale in NCC Property Development.

Property projects

Property projects within NCC Property Development are recognized divided as follows:

- Properties held for future development
- Ongoing property projects
- Completed property projects

Properties held for future development

Properties held for future development consist of NCC's holding of land and development rights intended for future property development and sale. Properties comprising leased buildings are classified as properties held for future development in cases where the intention is to demolish or refurbish the buildings. Any rental revenues that may accrue from these properties are recognized continuously in profit or loss until letting ceases.

Ongoing property projects

Properties held for future development are classified as ongoing property projects when a definitive decision is taken about a building start and when the activities required in order to complete the property project have been initiated. An actual building start is not necessary. Ongoing property projects include properties under construction, extension or refurbishment.

Ongoing property projects are classified as completed property projects when the property is ready for occupancy, excluding tenant adaptations in those properties whose premises are not fully let. The reclassification is effective not later than the date of approved final inspection. If a project is divided into phases, each phase must be reclassified separately. The smallest unit that can be classified is an entire building that can be sold separately.

Borrowing costs attributable to qualifying assets are capitalized as a portion of the capitalized asset's cost when the borrowing costs total a significant amount. A qualifying asset is an asset that takes a significant period of time to complete for its intended use or sale, which in NCC's case is more than a year. For NCC, the capitalization of borrowing costs is most relevant in the construction of property projects.

Completed property projects

Completed property projects can only be derecognized from the balance sheet due to a sale.

Valuation of commercial property projects

The cost of commercial property projects includes expenditure for the acquisition of land and for building design/property development, as well as expenditure for construction, extension or refurbishment. Expenditure for borrowing costs related to ongoing projects is capitalized. Other borrowing costs are expensed continuously. Property development means that the input of the developer – NCC Property Development – is concentrated to the activities that do not pertain to actual construction. These activities are evaluation of project concepts, acquisition of land, work on the detailed development plan, project development, letting and sale. These activities are conducted by the company's own employees and by external architects and other technical consultants. Development expenditure is capitalized when it pertains to land or properties owned by NCC or over which it has control.

Properties held for future development that are included in the project portfolio, meaning ones that are held for development and sale, are normally valued in the same manner as ongoing projects, as described above. Other properties held for future development are valued on the basis of a value per square meter of development right or a value per square meter of land.

Important estimates and assessments

Valuation of properties classified as current assets

The assessment of net realizable value is based on a series of assumptions such as sales prices, production costs, the price of land, rent levels and yield requirements plus the possible timing of production start and/or sale. NCC continuously monitors developments in the market and tests the assumptions made on an ongoing basis. A change in the assumptions made could give rise to impairment requirement. A reasonable change in material assumptions has not resulted in a need for impairment during the year.

Notes

Note 25

Inventory

Group	2024	2023
Stone materials	670	710
Building materials	70	72
Other	311	339
Total	**1,052**	**1,120**

Accounting policies

Inventory is measured at the lower of cost and net realizable value according to IAS 2 Inventories. Cost is established using the first-in-first-out method (FIFO).

Note 26

Share capital

Changes in share capital		Number of shares	Share capital, SEK M
2023	**End of year**	**99,760,956**	**867**
2024	**End of year**	**99,760,956**	**867**

Series B treasury shares		Number of shares
2022	**End of year**	**10,843,582**
2023	Withdrawal	–8,674,866
2023	Allotment	–69,495
2023	**End of year**	**2,099,221**
2024	Allotment	–130,632
2024	**End of year**	**1,968,589**

The share capital is divided into 99,760,956 shares with a quotient value of SEK 8.70 each. Series A shares carry ten voting rights each and Series B shares one voting right. A specification of changes in equity is presented in Note 14.

Series A and B shares, excluding shares held in treasury

	Series A shares	Series B shares	Total Series A and Series B shares
No. of shares on Dec. 31, 2022	**12,914,123**	**84,678,117**	**97,592,240**
Conversion of Series A shares to Series B shares	–1,365,270	1,365,270	–
Distribution of shares to participants in incentive programs	–	69,495	69,495
No. of shares on Dec. 31, 2023	**11,548,853**	**86,112,882**	**97,661,735**
Conversion of Series A shares to Series B shares	–4,751,186	4,751,186	–
Distribution of shares to participants in incentive programs	–	130,632	130,632
No. of shares on Dec. 31, 2024	**6,797,667**	**90,994,700**	**97,792,367**
Number of voting rights	**67,976,670**	**90,994,700**	**158,971,370**
Percentage of voting rights, %	43	57	100
Percentage of share capital, %	7	93	100
Closing price, Dec. 31, 2024	162.00	162.40	
Market capitalization, SEK M	1,101	14,778	15,879

Earnings per share before and after dilution

	2024	2023
Net profit for the year attributable to Parent Company shareholders, SEK M	1,571	1,573
Weighted average number of outstanding common shares during the year, millions	97.7	97.6
Earnings per share before dilution, SEK	**16.08**	**16.11**
Weighted average number of outstanding common shares after dilution, millions	97.7	97.6
Earnings per share after dilution, SEK	**16.08**	**16.11**

Accounting policies

Repurchase of shares

The repurchase of shares, including repurchase costs, is charged directly against profit brought forward. Similarly, the sale of such shares results in an increase in profit brought forward.

Earnings per share

Earnings per share has been calculated by dividing net profit for the year in the Group attributable to Parent Company shareholders with a weighted number of shares outstanding during the reporting period. When calculating earnings per share after dilution, the average number of shares outstanding during the period is adjusted for all potential dilutive shares. Shares held in treasury are not included in the calculation of earnings per share. NCC takes account on an ongoing basis of the dilutive effect of the Performance-based Share Program in the calculation, though this had no material impact in 2024 or 2023.

Note 27

Interest-bearing liabilities

Group	2024	2023
Long-term liabilities		
Liabilities to credit institutions and investors	2,350	2,100
Lease liabilities	964	906
Other long-term loans	0	0
Total	**3,314**	**3,006**
Current liabilities		
Current portion of liabilities to credit institutions and investors	1,266	1,808
Liabilities to associated companies	1	6
Lease liabilities, current portion	499	473
Other current liabilities	2	1
Total	**1,769**	**2,289**
Total interest-bearing liabilities	**5,082**	**5,295**

Interest-bearing long-term liabilities pertaining to pensions is recognized in the balance sheet under Provisions for pensions and similar obligations.

Parent Company	2024	2023
Current liabilities		
Liabilities to Group companies	151	380
Total interest-bearing liabilities	**151**	**380**

For repayment schedules and terms and conditions, refer to Note 36 Financial instruments and financial risk management.

Notes

Note 28
Other provisions

Group, 2024	Guarantees	Other	Total
On January 1	**1,147**	**1,071**	**2,218**
Provisions during the year	287	475	762
Amount utilized during the year	–223	–143	–366
Reversed, unutilized provisions	–25	–163	–188
Translation differences	13	10	23
On December 31	**1,200**	**1,250**	**2,450**

Group, 2023	Guarantees	Other	Total
On January 1	**1,276**	**1,212**	**2,488**
Provisions during the year	322	396	718
Amount utilized during the year	–315	–382	–697
Reversed, unutilized provisions	–124	–145	–270
Reclassifications	–	1	1
Translation differences	–11	–11	–22
On December 31	**1,147**	**1,071**	**2,218**

Parent Company, 2024	Guarantees	Other	Total
On January 1	–	**6**	**6**
Reversed, unutilized provisions	–	–6	–6
On December 31	**–**	**–**	**–**

Parent Company, 2023	Guarantees	Other	Total
On January 1	**–**	**6**	**6**
On December 31	**–**	**6**	**6**

Specification of other provisions and guarantees

	Group		Parent Company	
	2024	2023	2024	2023
Restoration reserve	277	262	–	–
Restructuring costs	2	–	–	–
Other	971	809	–	6
Other provisions	**1,250**	**1,071**	**–**	**6**
Guarantee commitments	1,200	1,147	–	–
Total	**2,450**	**2,218**	**–**	**6**

Accounting policies
Provisions differ from other liabilities in that there is a degree of uncertainty concerning when payment will occur or concerning the size of the amount required to settle the provision. Provisions are recognized in the balance sheet when a legal or informal commitment exists due to an event that has occurred, it is probable that an outflow of resources will be required to settle the commitment and the amount can be estimated reliably.

Guarantee commitments
Guarantee provisions pertain to anticipated future expenses. To estimate a future guarantee cost, individual assessments are made from project to project. Standard percentage rates are used for the calculation of the size of the future cost, whereby the standard percentage is varied depending on the nature of the project. In order to eliminate various risks, a provision for guarantee claims is posted at the rate at which the risks are expected to arise after having been identified. Initially, the guarantee cost is posted for each project. This means that the cost can be recognized and reported gradually for each project. The longest maturity for a guarantee provision is ten years, while most of them have maturities of approximately two to three years.

Restoration reserve
Provisions for restoration costs are made when such commitments arise and are designed to cover future costs. Provisions are made for that portion of restoration that arises for start-up of a quarry and construction of plants at pits and quarries, and on a continuous basis when activities are related to additional extractions at pits and quarries. The provisions are posted continuously, once the future costs have been identified. Accordingly, the reserves are utilized at the same rate as restoration occurs.

Other provisions
The provisions comprise additional costs plus uncertainty in projects as well as outstanding claims and legal matters. Some provisions are intended to cover project losses arising in operations and is utilized gradually as the project is worked up. A restructuring provision is recognized when a detailed or formal restructuring plan has been established and the restructuring has either started or been announced publicly. No provisions are posted for future operating expenses.

Important estimates and assessments
Guarantee commitments
Provisions for future costs arising due to guarantee commitments are recognized at the estimated amounts required to settle the commitment on the balance sheet date. This estimate is based on calculations, assessments and experience from previous transactions.

Restoration reserve
Provisions for future costs of restoring pits and quarries are associated with uncertainties and actual costs may differ from these estimates and assessments.

Claims and legal procedures
In its continuous business operations, NCC occasionally becomes a party to claims or legal procedures. Within the framework of particularly its contracting operations, NCC makes what it considers to be justifiable claims against clients but the clients may partially or fully contest such claims. In many cases, the client may make counterclaims. In other cases, clients may direct claims against NCC for, inter alia, alleged shortcomings in NCC's execution of the ordered work. The aggregated amounts may be material. NCC's financial statements reflect NCC's best assessment of the outcome but it cannot be excluded that the final outcome could in certain cases differ significantly from assessments made.

Operations subject to permit obligations
NCC conducts operations subject to permit obligations in the form of, for example, asphalt and gravel pit operations, plants and landfills. NCC occasionally engages in a dialogue with the authorities concerned compliance with the terms and conditions for conducting the operations. Such matters are handled within the framework of the operating activities. In the unlikely event that NCC is found to have breached the applicable permits without being able to take necessary actions, this could result in material costs.

Notes

Note 29

Pensions

Pensions are recognized in accordance with IAS 19 Employee Benefits. The NCC Group has defined-benefit pension plans in Sweden, as well as two very minor pension arrangements in Norway.

In Sweden, NCC's pension obligations largely comprise the ITP2 plan that covers employees born prior to 1979. The plan provides retirement pension based on the final salary and is funded in NCC Group's Pension Foundation. The number of paid-up holders and pensioners is about 80 percent of the total portfolio. In addition, there are three small defined-benefit plans, all of which are blocked from new vesting. All of these plans are funded in the NCC Group's Pension Foundation.

The Board of Directors of NCC Group's Pension Foundation consists of an equal number of representatives for the NCC Group and the employees covered by the ITP2 plan. The Board holds meetings six times per year and addresses the Foundation's quarterly accounts, investment strategy, reference portfolio and sensitivity analyses. Under certain conditions, the NCC Group can request compensation from the Foundation for pension payments. There are no minimum funding requirements for the ITP2 plan.

The risks associated with the Swedish pension plans are:

- Interest rate risk: with lower interest rates and the resulting lower discount rate, the debt will increase
- Salary increase risk: the debt will increase with higher pay rises
- Volatility of assets: the portfolio contains mostly share funds, whose prices can rise and fall sharply in the short term, but the long-term aim of the portfolio is to generate the best possible return
- Life expectancy assumption: the longer the individuals covered by the plan live, the higher the obligation

Pension cost

Group	2024	2023
Defined-benefit plans:		
Current service cost	–145	–127
Interest expense	–264	–255
Estimated return on plan assets	248	257
Total cost of defined-benefit plans	–160	–124
Total cost of defined-contribution plans	–919	–854
Total cost of post-employment remuneration excluding special payroll tax	**–1,079**	**–978**

Current service cost is recognized in operating profit and in net financial items. The estimated return on plan assets is recognized in net financial items.

NCC secures obligations for disability pensions and family pensions for white-collar employees in Sweden through insurance in Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10, Recognition of ITP2 Pension Plan financed through insurance in Alecta, this constitutes a multi-employer defined-benefit plan. For the 2024 fiscal year, NCC did not have access to the type of information required for recognizing its proportional share of the plan's obligation, plan assets and costs, which makes it impossible to recognize these plans as defined-benefit plans. Accordingly, the ITP (individual supplementary pension) plans that are secured through insurance in Alecta are recognized as a defined-contribution plan. The NCC Group's share of the total savings premium for ITP2 in Alecta is 0.11 percent (0.11).

The collective solvency rate consists of the market value of Alecta's assets as a percentage of its insurance obligations, calculated in accordance with Alecta's actuarial accounting methods and assumptions, which do not comply with IAS 19. The collective solvency rate is normally allowed to vary between 125 and 170 percent. If Alecta's collective solvency rate falls below 125 percent or exceeds 170 percent, measures must be taken to create conditions for returning the solvency rate to the normal interval. In the event of low solvency, one measure could be to raise the agreed price for new subscriptions and increase existing benefits. In the event of high solvency, one measure can be to introduce premium reductions. At the end of 2024, Alecta's surplus in the form of its collective solvency rate was 162 percent (157).

Defined-benefit obligations and the value of plan assets

Group	2024	2023
Obligations secured in full or in part in funds:		
Present value of defined-benefit obligations	7,991	7,746
Fair value of plan assets	8,064	7,296
Net value of obligations funded in full or in part	**–74**	**449**
Special payroll tax/employer contributions	–20	107
Net amount in balance sheet (obligation +, asset –)	**–94**	**556**
Net amount is recognized in the following balance sheet items:		
Pension receivable/provisions for pensions and similar obligations	–94	556
Net amount in balance sheet (obligation +, asset –)	**–94**	**556**
Net amount is distributed among plans in the following countries:		
Sweden	–102	547
Norway	9	9
Net amount in balance sheet (obligation +, asset –)	**–94**	**556**

Change in obligation for defined-benefit plans

Group	2024	2023
Obligation for defined-benefit plans on January 1	**7,746**	**6,616**
Remuneration paid	–274	–253
Current service cost plus interest expense	408	381
Actuarial gains and losses on changed experience-based assumptions	–7	419
Actuarial gains and losses on changed financial assumptions	118	583
Obligation for defined-benefit plans on December 31	**7,991**	**7,745**

The weighted average maturity for the plans is 20 years (20).

Change in plan assets

Group	2024	2023
Fair value of plan assets on January 1	**7,296**	**6,669**
Compensation	–6	–7
Estimated return	248	257
Funds contributed	–	34
Actuarial gains and losses	526	344
Fair value of plan assets on December 31	**8,064**	**7,296**
The plan assets comprise:		
Swedish stock market, listed	1,158	1,040
International stock market, listed	2,786	2,151
Hedge funds, listed	456	620
Interest-bearing securities, listed	3,211	3,055
Interest-bearing securities, unlisted	454	430
Fair value of plan assets on December 31	**8,064**	**7,296**

There is no effect of the lowest funding requirements or asset ceiling.

Actuarial assumptions, weighted average value

Group	2024	2023
Discount rate, %	3.30	3.40
Future salary increases, %	3.00	3.00
Anticipated inflation, %	2.00	2.00
Life expectancy assumption at 65 years, years	22.4	22.4

Notes

Note 29 cont'd.

Sensitivity analysis; percentage impact on the size of the assumption, at December 31

Group	Increase, %	Decrease, %
Discount rate, 0.5 percentage points change	−7.1	7.9
Future salary increases, 0.5 percentage points change	2.1	−1.9
Anticipated inflation, 0.5 percentage points change	6.5	−6.0
Life expectancy assumption at 65 years, 1 year change	3.7	−3.7

The above sensitivity analysis does not constitute a forecast from the company but only a mathematical calculation. The sensitivity analysis is based on a change in an assumption, while all other assumptions remain constant. In practice, it is not probable that this will occur and any changes in the assumptions could be correlated. When calculating the sensitivity analysis, the same method is used as in the calculation of the pension receivable/pension debt in the balance sheet.

The Group estimates that SEK 0 M (30) will be paid in 2024 to funded and unfunded defined-benefit plans. The indexation decided by Alecta of 1.6 percent (6.48) for 2025 was taken into account in the year's measurement in accordance with IAS 19 and led to an increase of approximately 0.3 percent (3) in the obligation.

Pension costs

Parent Company	2024	2023
Proprietary pension payments		
Proprietary costs, excluding interest expense	−19	−29
Interest expense	−6	−5
Cost of proprietary pension payments	**−25**	**−34**
Pension payments through insurance		
Insurance premiums	−26	−22
Subtotal	**−51**	**−56**
Special payroll tax on pension costs	−6	−5
Pension costs during the year	**−57**	**−61**

Capital value of pension obligations

Parent Company	2024	2023
Capital value of pension obligations pertaining to proprietary pension payments on January 1	255	230
Cost, excluding interest expense, charged against profit	19	29
Interest expense	6	5
Pension payments	−9	−9
Capital value of pension obligations pertaining to proprietary pension payments on December 31	**271**	**255**

Fair value of especially detached assets

Parent Company	2024	2023
Fair value of especially detached assets on January 1	274	268
Return on especially detached assets	15	5
Fair value of especially detached assets on December 31	**289**	**274**
Fair value of especially detached assets distributed as:		
Shares	141	120
Funds	16	23
Interest-bearing receivables	131	131
Fair value of especially detached assets on December 31	**289**	**274**

The pension foundations have no financial instruments issued by NCC AB or assets used by the company.

Net pension obligations

Parent Company	2024	2023
Capital value of pension obligations pertaining to proprietary pension payments on December 31	271	255
Fair value of especially detached assets on December 31	289	274
Surplus on especially detached assets	18	19
Net recognized pension obligations	**0**	**0**

Assumptions for defined-benefit obligations

Parent Company	2024	2023
Discount rate on December 31	3.30	3.40

The pension calculations are based on the salary and pension level on the balance sheet date.

Accounting policies

NCC differentiates between defined-contribution pension plans and defined-benefit pension plans. Defined-contribution plans are pension plans for which the company pays fixed fees to a separate legal entity and does not assume any obligations for payments of additional fees, even if the legal entity lacks sufficient assets to pay benefits accrued for employment up to and including the balance sheet date. Other pension plans are defined-benefit plans.

Country	Defined-benefit pension obligations	Defined-contribution pension obligations
Sweden	X	X
Denmark		X
Finland		X
Norway	X	X
Other countries		X

There are several defined-contribution and defined-benefit pension plans in the Group, some of which are secured through assets in dedicated foundations or similar funds. The pension plans are financed through payments made by the various Group companies. Calculations of defined-benefit pension plans are based on the Projected Unit Credit Method, whereby each term of employment is considered to create a future unit of the total final obligation. Each unit is calculated separately and they jointly constitute the total obligation on the balance sheet date. The intention of the principle is to expense pension payments straight-line over the term of employment. The calculation is made annually by independent actuaries. When the way pension costs are established in the legal entity and in the Group differs, a provision or receivable for Swedish pension plans is recognized for the payroll tax based on this difference. Accordingly, the value of the defined-benefit liability is the present value of anticipated future disbursements using a discount rate that corresponds to the interest stated above. The interest rate on first-class housing bonds is used as the basis for calculating the discount rate for Swedish pension plans. Swedish defined-benefit pension obligations are funded in the NCC Group's Pension Foundation. For funded plans, the fair value of plan assets reduces the computed obligation. Changes in plan assets and obligations stemming from experience-based adjustments and/or changes in actuarial assumptions, known as actuarial gains and losses, are recognized directly in other comprehensive income in the period in which they arise.

This reporting method is applied for all identified defined-benefit pension plans in the Group. The Group's disbursements related to defined-contribution pension plans are recognized as an expense during the period in which the employees perform the services covered by the fee.

The Parent Company is covered by the ITP plan, which does not require any payments by the employees. The difference, compared with the principles applied by the Group for recognizing pension debt, pertains mainly to how the discount rate is determined, the fact that the calculation of defined-benefit obligations is based on the current salary level without assuming future salary increases and that all actuarial gains and losses are recognized in profit or loss when they arise.

Important estimates and assessments

Pension obligations

Carrying amounts are affected by changes in the actuarial assumptions that form the basis for calculations of the plan assets and pension obligations. These actuarial assumptions, and a sensitivity analysis, are described above.

Notes

Note 30

Other liabilities

Group	2024	2023
Other long-term liabilities		
Derivative instruments held for hedging	1	2
Other long-term liabilities	16	11
Total	**17**	**13**
Other current liabilities		
Advances from customers	206	107
Derivative instruments held for hedging	22	110
Other current liabilities	788	880
Total	**1,016**	**1,096**

Note 31

Accrued expenses and deferred income

	Group		Parent Company	
	2024	**2023**	**2024**	**2023**
Payroll-related costs	1,960	1,869	63	60
Financial expenses	39	24	–	–
Prepaid rental revenues	21	27	–	–
Prepaid revenues from rental guarantees	2	16	–	–
Project-related costs	874	910	–	–
Administrative costs	35	41	12	10
Operating and selling costs	503	404	–	–
Other expenses	118	105	–	–
Total	**3,552**	**3,396**	**75**	**71**

Note 32

Related party transactions

The companies classified as being closely related to the NCC Group are primarily NCC's subsidiaries, associated companies and joint arrangements.

The Parent Company has a related party relationship with its subsidiaries; refer to Note 17, Participations in Group companies. For information on NCC's senior executives, refer to Note 4, Number of employees, personnel expenses and remuneration of senior executives. Transactions involving NCC's associated companies and joint operations were of a production nature.

A model based on the arm's length principle is applied to the pricing of transactions between the Group's entities.

Group	2024	2023
Transactions with associated companies and joint arrangements		
Sales to associated companies and joint arrangements	34	38
Purchases from associated companies and joint arrangements	–16	–17
Long-term receivables from associated companies and joint arrangements	45	39
Current receivables from associated companies and joint arrangements	9	5
Interest-bearing liabilities to associated companies and joint arrangements	1	6
Operating liabilities to associated companies and joint arrangements	3	1
Guarantee obligations for associated companies and joint arrangements	142	132

Parent Company	2024	2023
Transactions with Group companies		
Sales to Group companies	145	172
Purchases from Group companies	–35	–24
Interest income from Group companies	34	16
Interest expense to Group companies	–16	–9
Dividend from Group companies	1,888	1,125
Current receivables from Group companies	1,353	447
Interest-bearing liabilities to Group companies	151	380
Operating liabilities to Group companies	7	7
Sureties and guarantee obligations to Group companies	26,260	25,142

Note 33

Leasing

The NCC Group recognizes leases in accordance to IFRS 16 Leases. The Group's leases primarily pertain to the framework leases held by the Group concerning cars, trucks, heavy production machinery, owner-occupied properties, such as leased commercial premises, and site leaseholds/land leases.

Group	2024	2023
Income statement		
Depreciation of right-of-use assets	–631	–588
Interest expense for lease liabilities	–65	–58
Total costs, capitalized leases	**–696**	**–647**
Low-value and short-term leases	–1,707	–1,688
Total costs, non-capitalized leases	**–1,707**	**–1,688**
Total costs, leases	**–2,403**	**–2,335**
Cash flow, leases[1)]	**–697**	**–646**

1) Corresponding amortization of lease debt.

Group – Lease liabilities	2024	2023
Current lease liabilities	499	473
Long-term lease liabilities	964	906
Total lease liabilities	**1,463**	**1,380**

For an analysis of the lease liability's maturities, refer to Note 36.

Group	2024	2023
Lessor		
Future lease payments		
Non-discounted future lease payments that expire:		
Within one year	285	239
Later than one year but earlier than five years	556	203
that expire after five years	531	–
Total future non-discounted lease payments	**1,372**	**442**

Parent Company	2024	2023
Lessee		
Future lease payments		
Non-discounted leases that expire:		
Within one year	2	2
Later than one year but earlier than five years	1	3
Total future non-discounted lease payments	**3**	**5**

The Parent Company's expensed lease payments amounted to SEK 14 M (12).

Notes

Note 33 cont'd.

Right-of-use assets

2024	Owner-occupied properties	Machinery & equipment	Land leases	Total
Recognized cost on January 1	1,605	1,189	3	2,797
Increase in leases during the year	220	517	1	737
Divestment and scrappage	–173	–401	0	–574
Translation differences during the year	10	7	0	16
Recognized cost on December 31	**1,662**	**1,311**	**3**	**2,976**
Accumulated depreciation on January 1	–808	–686	–2	–1,496
Divestment and scrappage	173	387	–	560
Depreciation during the year	–271	–359	–	–631
Translation differences during the year	–8	–5	–	–12
Accumulated depreciation on December 31	**–914**	**–662**	**–2**	**–1,579**
Residual value on January 1	**797**	**503**	**1**	**1,301**
Residual value on December 31	**747**	**649**	**1**	**1,397**

2023	Owner-occupied properties	Machinery & equipment	Land leases	Total
Recognized cost on January 1	1,472	1,398	4	2,874
Increase in leases during the year	214	289	–1	502
Divestment and scrappage	–63	–475	0	–537
Translation differences during the year	–19	–23	0	–42
Recognized cost on December 31	**1,605**	**1,189**	**3**	**2,797**
Accumulated depreciation on January 1	–608	–842	–2	–1,450
Divestment and scrappage	63	461	–	524
Depreciation during the year	–270	–318	–	–588
Translation differences during the year	7	14	–	21
Accumulated depreciation on December 31	**–808**	**–686**	**–2**	**–1,496**
Residual value on January 1	**864**	**555**	**2**	**1,422**
Residual value on December 31	**797**	**503**	**1**	**1,301**

Accounting policies

NCC as a lessee

IFRS 16 Leases is solely applied in the consolidated financial statements and NCC, in accordance with RFR 2, has elected not to apply IFRS 16 for NCC AB. All lease payments in NCC AB are expensed continuously.

The Group's leases are recognized as right-of-use assets and the corresponding lease liability as of the date the leased asset becomes available for use by the Group. Assets and liabilities arising from leases are initially recognized at present value. Lease liabilities include the present value of lease payments in the form of fixed charges, and variable charges linked to indexes. Lease payments that will be defrayed for reasonably certain extension options are also included in the liability measurement. Right-of-use assets are measured at cost and include the amount at which the lease liability was originally measured as well as lease payments paid on or before the commencement date. Where appropriate, any initial direct fees are included, as well as an estimation of costs for dismantling and disposal of the asset. Exceptions are leases with a term of less than 12 months and low-value leases, less than SEK 250,000, which are thus expensed continuously.

The right-of-use asset represents a right to use the underlying asset and the lease liability represents a commitment to pay lease payments. NCC has right-of-use assets with associated lease liability for vehicles, heavy production machinery, leased premises and site leaseholds/land leases. Right-of-use assets are recognized under tangible fixed assets and current assets, respectively. The associated lease liability is included in current and long-term interest-bearing liabilities. Right-of-use assets are depreciated over the term of the lease. The costs for these capitalized leases are recognized as depreciation and interest expense, respectively. The lease payment is divided into an interest component and a amortization component.

When discounting future lease payments for most of the vehicles and heavy machinery leased by the Group, NCC uses the interest rate implicit in each lease as the discount rate. In respect of other lease payments, such as leased commercial premises and site leaseholds/land leases, the respective subsidiary's incremental borrowing rate is used as the discount rate. The incremental borrowing rate of the individual subsidiary is based on the legal entity's financial strength, the country and the term of the lease in question.

NCC as a lessor

A lessor must classify its leases as either operating or finance leases. A finance lease is a lease under which the financial risks and advantages associated with ownership of an asset are transferred in all significant respects from the lessor to the lessee. An operating lease is a lease that is not a finance lease. NCC as a lessor only has operating leases and income from these are recognized as revenue continuously.

Sale-and-leaseback

A sale-and-leaseback transaction means that NCC as the seller transfers an asset to a buyer at the same time as NCC as a lessee enters into a lease with the buyer. This occurs, for example, when NCC sells an office project and simultaneously signs a lease covering all or parts of the property.

When NCC's sale fulfills the requirements for profit recognition according to IFRS 15, NCC as the seller and lessee must assess the value of the right-of-use asset attributable to the lease at the share of the carrying amount on the date of sale that accrues to the right of use retained by NCC.

This also means that NCC can only recognize a capital gain on that part of the right of use that is not retained by NCC.

Important estimates and assessments

Measurement of leases

When measuring leases according to IFRS 16, NCC uses a discount rate, either for the measurement of vehicles and heavy machinery or the interest rate implicit in the respective lease, or for leased premises and site leaseholds/land leases, the incremental borrowing rate of the respective subsidiary.

Notes

Note 34

Pledged assets and contingent liabilities

	Group		Parent Company	
	2024	2023	2024	2023
Pledged assets				
For own liabilities:				
Assets subject to liens, etc.	627	422	–	–
Total	**627**	**422**	–	**–**
Other pledged assets	9	9		
Total assets pledged	**636**	**431**	–	**–**
Contingent liabilities				
Own contingent liabilities:				
Sureties on behalf of Group companies			26,254	25,136
Other sureties and contingent liabilities[1)]	2,987	2,296	6	5
Held jointly with other companies:				
Liabilities in consortiums, partnerships and limited partnerships	142	132	–	–
Total contingent liabilities[2)]	**3,129**	**2,428**	**26,260**	**25,142**

1) As of 2024, guarantees issued in connection with the establishment of share transfer agreements within Property Development are recognized in surety and guarantee obligations. The comparative amount has been adjusted.
2) Sureties for former wholly owned subsidiaries of NCC AB in the Bonava Group have not been eliminated. Sureties recognized in the comparative period as outstanding in NCC AB on behalf of Bonava companies were included in this item (for the Group 0 (0) and for the Parent Company 0 (0)). All commitments to Bonava had been completed as per June 2023.

Pledged assets

Assets subject to liens

Primarily pertains to leased assets in the form of cars and trucks.

Contingent liabilities

Sureties on behalf of Group companies

Sureties on behalf of Group companies have mainly been issued as collateral for:
- fulfillment of construction contracts
- utilized guarantee limits with banks and insurance companies
- NCC Treasury AB's borrowing
- NCC's pension debt

Accounting policies

Pledged assets

NCC recognizes collateral pledged for company or Group liabilities and/or commitments as pledged assets. These may be liabilities, provisions included in the balance sheet or commitments not recognized in the balance sheet. The collateral may be related to assets entered in the balance sheet or mortgages. Assets are recognized at the carrying amount and mortgages at nominal value. Shares in Group companies are recognized at their value in the Group.

Note 35

Cash flow statement

Cash and cash equivalents

Group	2024	2023
Cash and bank balances	2,910	707
Total cash and cash equivalents	**2,910**	**707**

Parent Company	2024	2023
Balance in NCC Treasury AB	930	133
Total according to cash flow statement	**930**	**133**

Acquisition of fixed assets

Group

Acquisitions of intangible and tangible fixed assets, excluding assets acquired via finance leases, amounted to SEK 765 M (835) during the year, of which SEK 0 M (0) was financed through loans.

Acquisitions of non-controlling interests totaled SEK 0 M (0), of which SEK 0 M (0) had no effect on cash flow. Sales of subsidiaries and non-controlling interests amounted to SEK 0 M (280), of which SEK 0 M (15) had no effect on cash flow.

Parent Company

Acquisitions of intangible and tangible fixed assets during the year amounted to SEK 0 M (0), of which SEK 0 M (0) was financed through loans. Since the Parent Company has only insignificant amounts of cash and cash equivalents in foreign currency, no exchange rate differences in cash and cash equivalents arose.

Disclosures about interest received and paid

Group

Interest received during the period amounted to SEK 41 M (26). Interest paid during the period amounted to SEK 291 M (188).

Parent Company

Interest received during the period amounted to SEK 34 M (16). Interest paid during the period amounted to SEK 16 M (9).

Cash flow derived from participations in joint operations

Group	2024	2023
Operating activities	78	73
Change in working capital	–167	–93
Investing activities	–11	–24
Financing activities	–55	–3
Total cash flow	**–155**	**–47**

Notes

Note 35 cont'd.

Cash and cash equivalents unavailable for use

Group	2024	2023
Cash and cash equivalents in joint operations	136	294
Total cash and cash equivalents unavailable for use	**136**	**294**

Transactions that had no effect on payments

Group	2024	2023
Increase in right-of-use assets, leases	737	503

Changes in financing activities

Group	CB 2023	Cash flow	of which non-cash items: Change in leases	Interest indexing	Exchange rate differences/ other	CB 2024
Interest-bearing liabilities	3,916	–282	–	–	–15	3,619
Interest-bearing receivables	–834	–30	–	–	–51	–915
Lease liabilities	1,380	–697	841	–65	4	1,463
Total	**4,462**	**–1,009**	**841**	**–65**	**–62**	**4,167**
Dividends		–781				
Cash flow from financing activities		**–1,790**				

Group	CB 2022	Cash flow	of which non-cash items: Change in leases	Interest indexing	Exchange rate differences/ other	CB 2023
Interest-bearing liabilities	2,849	1,070	–	–	–3	3,916
Interest-bearing receivables	–695	–26	–	–	–113	–834
Lease liabilities	1,507	–646	599	–59	–21	1,380
Total	**3,661**	**399**	**599**	**–59**	**–137**	**4,462**
Dividends		–586				
Cash flow from financing activities		**–187**				

Parent Company	CB 2023	Cash flow	of which non-cash items: Group contribu- tions	Exchange rate differences/ other	CB 2024
Interest-bearing liabilities	381	–350	–	123	154
Interest-bearing receivables	–166	134	–116	–121	–269
Total	**215**	**–216**	**–116**	**2**	**–115**
Dividend		1,107			
Cash flow from financing activities		**891**			

Parent Company	CB 2022	Cash flow	of which non-cash items: Group contribu- tions	Exchange rate differences/ other	CB 2023
Interest-bearing liabilities	700	–250	–	–69	381
Interest-bearing receivables	–343	245	–134	66	–166
Total	**357**	**–5**	**–134**	**–3**	**215**
Dividend		539			
Cash flow from financing activities		**534**			

Trend in net debt

Group, SEK M	2024	2023
Net debt, January 1	–4,310	–3,000
Cash flow before financing	3,990	361
Change in lease liability	–714	–461
Acquisition/sale of company shares	–	–
Change in pension debt	650	–624
Exchange rate difference in cash and cash equivalents	2	0
Dividend paid	–781	–586
Net debt, closing balance	**–1,164**	**–4,310**
Of which, pension debt	94	–556
Of which, lease liability according to IFRS 16	–1,463	–1,380
Of which, other net cash/net debt	205	–2,374

Other changes in working capital

SEK M	Group 2024	Group 2023
Increase (–) / Decrease (+) in inventory	75	–46
Increase (–) / Decrease (+) in receivables	527	–1,175
Increase (+) / Decrease (–) in liabilities	–958	1,590
Other changes in working capital	**–356**	**369**

Accounting policies

The cash flow statement is prepared using the indirect method, pursuant to IAS 7 Statement of Cash Flows. The recognized cash flow includes only transactions that involve cash payments and disbursements.

Cash and cash equivalents

Cash and cash equivalents consist of cash, bank balances and short-term investments with a maturity of less than three months at the date of acquisition.

Notes

Note 36
Financial instruments and financial risk management

Group Treasury Policy (Principles for risk management)

Through its business operations, the Group is exposed to financial risks. These financial risks are defined as refinancing, liquidity, interest rate, exchange rate, credit, counterparty and guarantee capacity risks. NCC's Group Treasury Policy for managing financial risks is adopted by NCC AB's Board of Directors and constitutes a framework of guidelines and rules in the form of risk mandates and limits for Group Treasury's activities.

Within the NCC Group's decentralized organization, financial activities are centralized to NCC Group Treasury, partly in order to monitor the Group's overall financial risk positions, and partly to achieve cost-effectiveness and economies of scale and to accumulate expertise, while protecting Group-wide interests. Within NCC, risks associated with the Group's interest and exchange rate, credit, refinancing, counterparty, liquidity and price risks associated with oil-based products are managed by NCC's internal bank, NCC Treasury AB. Price risks associated with electrical products and customer credit risks are handled within each business area.

Contractual conditions
NCC is subject to a net debt/equity ratio financial covenant associated with committed lines of credit in EUR (in 2023 also SEK), at a counter-value of SEK 3,216 M (5,101). NCC meets the requirements for the financial covenants.

Reference rate reform
NCC is tracking the transition from IBOR to RFR (risk-free reference rate) and adapting its operations through a flexible work process based on assumptions that can be adjusted on the basis of the changes occurring in the market.

Refinancing risk
The refinancing risk is defined as the risk that NCC will not be able to obtain financing at a given time or that creditors will have difficulty in meeting their commitments. NCC strives to spread its risk among various sources of financing (market financing programs, bank loans and other loan structures) in order to secure the Group's long-term access to borrowed capital.

NCC's policy for its refinancing risk is to ensure that NCC's interest-bearing corporate debt will have a maturity structure that minimizes the Group's exposure from the perspective of the refinancing risk. The maturities of the debt portfolio must be well-diversified over time. The distribution norm is that the capital maturity period must be at least 18 months. At December 31, the capital maturity period for NCC's interest-bearing corporate debt of SEK 3,619 M (3,916) was 24 months (18).

Maturity structure, loans[1]

	2024		2023	
	Interest-bearing liabilities			
Matures	**Amount**	**Proportion, %**	**Amount**	**Proportion, %**
2024	–	–	1,816	46
2025	1,269	35	1,000	25
2026	600	16	600	15
2027	1,000	28	500	13
2028	–	–	–	–
2029	750	21	–	–
Total	**3,619**	**100**	**3,916**	**100**

1) Excluding pension debt and lease liability.

NCC has the following market financing programs:

Market financing programs

	Limit	Utilized nom SEK M
Commercial paper (CP) program in Finland	EUR 300 M	–
Commercial paper (CP) program in Sweden	SEK 4,000 M	270
Medium Term Note (MTN) in Sweden[1]	SEK 5,000 M	3,350
Total		**3,620**

1) Green bonds of SEK 3,350 M (2,850), of which SEK 2,250 M (1,750) is listed on Nasdaq Stockholm.

Market financing programs accounted for 100 percent (100) of NCC's interest -bearing corporate debt.

Liquidity risks
The liquidity risk refers to the risk that NCC does not have sufficient payment capacity at a given time, which could adversely impact the Group's ability to fulfill its payment obligations. To achieve adequate flexibility and cost-effectiveness, while ensuring that future financing requirements are satisfied, the Group Treasury Policy states that the Group's payment capacity must correspond to at least 7 percent of annual consolidated sales, with at least 5 percent of this in the form of unutilized committed lines of credit. Payment capacity is defined as the Group's cash and cash equivalents, short-term investments and unutilized committed lines of credit, less market financing programs with a remaining maturity of less than three months. At the end of the year, the volume of unutilized committed lines of credit was SEK 3,481 M (5,361), with an average remaining maturity of 1.9 years (2.0). Available cash and cash equivalents are invested in banks or in interest-bearing instruments with good creditworthiness and a liquid secondary market. At December 31, the Group's cash and cash equivalents, including short-term investments, amounted to SEK 3,486 M (1,208). Payment capacity on December 31 corresponded to 11 percent (10) of sales.

Maturity structure unutilized committed lines of credit

	2024		2023	
Matures	**Amount**	**Proportion, %**	**Amount**	**Proportion, %**
2024	–	–	2,260	42
2025	265	8	–	–
2026	3,216	92	3,101	58
Total	**3,481**	**100**	**5,361**	**100**

The table below shows the Group's financial liabilities (including interest payments) and net settled derivative instruments classified as financial liabilities. Financial instruments carrying variable interest rates are based on forward interest rates using observable yield curves. Amounts in foreign currency have been translated to SEK based on the exchange rate applying on the balance sheet date. The amounts in the tables are the contractual undiscounted cash flows.

Notes

Note 36 cont'd.

Analysis of maturities (amounts including interest)[1)]

	2024						2023					
	Total	<3 months	3 months–1 year	1–3 years	3–5 years	>5 years	Total	<3 months	3 months–1 year	1–3 years	3–5 years	>5 years
Interest-bearing liabilities	4,031	303	1,143	1,771	814	–	4,233	1,015	963	1,745	511	–
Lease liabilities	1,574	–	546	680	311	37	1,487	–	522	619	278	69
Interest rate swaps	1	0	0	1	–	–	1	–	0	1	–	–
Oil forward contracts	0	0	0	0	–	–	4	0	4	0	–	–
Electricity forward contracts	15	4	9	2	–	–	17	2	4	11	–	–
Accounts payable	4,841	4,841	–	–	–	–	6,105	6,105	–	–	–	–
Total	**10,462**	**5,148**	**1,698**	**2,454**	**1,125**	**37**	**11,847**	**7,122**	**1,492**	**2,376**	**789**	**69**

1) Excluding pension debt.

The table below shows the Group's gross settled currency derivatives. The amounts in the table are the contractual undiscounted cash flows.

Analysis of maturities (amounts including interest)

	2024				2023			
	Total	<3 months	3 months–1 year	>1 year	Total	<3 months	3 months–1 year	>1 year
Currency forward contracts								
– outflow	–3,445	–3,121	–265	–59	–4,859	–3,983	–836	–40
– inflow	3,448	3,122	267	59	4,790	3,938	813	39
Net flow from gross settled derivatives	**3**	**1**	**2**	**0**	**–69**	**–45**	**–23**	**–1**

Interest rate risks

The interest rate risk is the risk that changes in market rates will adversely affect NCC's cash flow or the fair value of financial assets and liabilities. NCC's main financing sources are shareholders' equity, cash flow from operating activities and external financing. NCC's policy for the interest rate risk is that the weighted average remaining period of fixed interest for NCC's interest-bearing corporate debt when exposure is reduced by the period of fixed interest on cash and cash equivalents and short-term investments including interest rate swaps, should normally be 12 months subject to a mandate to deviate from this figure by +/–6 months, and that the interest rate maturity structure of the debt portfolio should be adequately spread over time. If the available borrowing vehicles are not compatible with the desired interest rate structure for the corporate debt, interest rate swaps are the main instruments used to adapt the structure. In the financial statements, hedge accounting is applied when there is an effective connection between the hedged loan and the interest rate swap. When assessing effectiveness, NCC ensures that the financial correlation between interest rate swaps and underlying loans has been fulfilled by having the interest rate swaps denominated in the same currency, and that maturities, the timing of interest payments, nominal amounts and interest rate bases correspond with underlying loans. Interest rate swaps have the same quantity as underlying loans (hedge ratio 1-for-1). NCC applies hedge accounting for a nominal amount of SEK 300 M (575), with STIBOR as the interest base, which will be affected by the reference rate reform. Ineffectiveness may arise if the points in time for the cash flow in the interest rate swaps do not fully match those of underlying loans and if the point in time for the switch in the reference rate deviates between the interest rate swap and the underlying loans. Ineffectiveness attributable to interest rate swaps was negligible in 2024.

The fixed interest rate maturity period for NCC's interest-bearing corporate debt reduced by the interest exposure in cash and cash equivalents and short-term investments was 14 months (10), including interest rate swaps. Cash and cash equivalents and short-term investments amounted to SEK 3,486 M (1,208) and the average interest rate maturity for these assets was four months (six).

At the end of the year, NCC's interest-bearing corporate debt amounted to SEK 3,619 M (3,916) and the average interest rate maturity period was 10 months (eight).

On December 31, 2024, NCC had interest rate swaps with a nominal value of SEK 300 M (575) that were linked to interest-bearing corporate debt. On December 31, 2024, the interest rate swaps had a fair value of SEK 1 M (5) net, comprising long-term receivables of SEK 2 M (0), current receivables of SEK 0 M (7) and long-term liabilities of SEK 1 M (2). The interest rate swaps have due dates ranging from 1.5 (0.8) to 4.3 (3.5) years with an average fixed interest rate of 3.0 percent (2.0). An increase in interest rates by one percentage point would result in a change of SEK 0 M (–15) in net profit for the year, based on the interest-bearing assets and liabilities, including interest rate swaps, existing on the balance sheet date. Regarding the change in fair value of the Group's interest rate swaps, an increase in interest rates by one percentage point would result in a change of SEK 0 M (0) in net profit for the year and a change of SEK 6 M (6) in other comprehensive income.

Maturity structure, fixed interest[1)]

	2024		2023	
	Interest-bearing liabilities, incl. interest rate swaps			
Matures	Amount	Proportion, %	Amount	Proportion, %
2024	–	–	2,966	76
2025	2,919	81	650	17
2026	200	5	200	5
2027	100	3	100	3
2028	–	–	–	–
2029	400	11	–	–
Total	**3,619**	**100**	**3,916**	**100**

1) Excluding pension debt and lease liability.

Exchange rate risks

The exchange rate risk is the risk that changes in exchange rates will adversely affect the consolidated income statement, balance sheet or cash flow statement.

Transaction exposure

In accordance with the Group Treasury Policy, all currency exposure must be hedged. Hedges relate to contractual and probable forecast flows, mainly through currency forward contracts. In the financial statements, hedge accounting is applied when the requirements for hedge accounting are fulfilled. Currency forward contracts that hedge the cash flow are denominated in the same currency, are in the same amount (hedge ratio 1-for-1) and have the same due date as the hedged cash flow. Ineffectiveness may arise if a change occurs at the point of time when the future cash flow will arise or if there is a change in the contractual or forecast cash flow.

Currency outflows

The following table shows the Group's gross outflows of various currencies during the year, the portion hedged and the exchange rate risk for each currency in the unhedged currency flows. The exchange rate risk shows the change in net profit for the year and in equity should the SEK exchange rate change by 5 percent in relation to every single currency due to losses from the translation of unhedged accounts payable.

Notes

Note 36 cont'd.

Counter-value in SEK M	2024 Gross outflow	2024 Hedged share, SEK M	2024 Hedged share, %	2024 Exchange rate risk, 5%, after tax on unhedged share	2023 Gross outflow	2023 Hedged share, SEK M	2023 Hedged share, %	2023 Exchange rate risk, 5%, after tax on unhedged share
EUR	2,198	2,086	95	4	2,376	2,064	87	12
DKK	93	47	51	2	59	30	51	1
NOK	193	4	2	8	230	78	34	6
Other	43	13	30	1	114	49	43	3
Total	**2,527**	**2,150**	**85**	**15**	**2,779**	**2,221**	**80**	**22**

Currency inflows

The following table shows the Group's gross inflows of various currencies during the year, the portion hedged and the exchange rate risk for each currency in the unhedged currency flows. The exchange rate risk shows the change in net profit for the year should the SEK exchange rate change by 5 percent in relation to every single currency due to losses from the translation of unhedged accounts receivable.

Counter-value in SEK M	2024 Gross inflow	2024 Hedged share, SEK M	2024 Hedged share, %	2024 Exchange rate risk, 5%, after tax on unhedged share	2023 Gross inflow	2023 Hedged share, SEK M	2023 Hedged share, %	2023 Exchange rate risk, 5%, after tax on unhedged share
DKK	87	24	28	3	81	44	54	1
Other	29	–	–	1	48	–	–	2
Total	**116**	**24**	**21**	**4**	**129**	**44**	**34**	**3**

The forward contracts used to hedge contracts, and forecast transactions, are classified as cash flow hedges. During 2024, no cash flow hedges were closed, due to the expected cash flow was no longer likely to occur.

Contracted and forecast currency outflows, outstanding hedge position

The table below shows the outstanding total hedge positions per currency at year-end pertaining to forecast and contractual currency outflows, the hedged portion and average forward rates per currency in SEK.

Counter-value in SEK M	2024 Total	2024 <3 months	2024 3 months–1 year	2024 >1 year	2023 Total	2023 <3 months	2023 3 months–1 year	2023 >1 year
EUR	483	184	246	53	954	321	593	39
Other	23	16	6	–	6	6	0	–
Total hedge position	**506**	**201**	**252**	**53**	**960**	**328**	**594**	**39**
Total contracted and forecast currency outflows.	813	210	435	168	1,307	345	798	165
Hedged share, %	62	96	58	32	73	95	74	24
Average forward rate in SEK regarding total hedge position for currency outflows:								
EUR currency forward contracts	11.38	11.33	11.38	11.56	11.41	11.29	11.48	11.32

The hedges pertaining to forecast and contractual currency outflows fulfill effectiveness requirements, meaning that all changes resulting from changed exchange rates are recognized in other comprehensive income. The net fair value of currency forward contracts used for hedging transaction exposure amounted to SEK 5 M (–27). Of this amount, other receivables of SEK 6 M (9), other long-term liabilities of SEK 0 M (1) and other current liabilities of SEK 1 M (35) have been recognized in the balance sheet.

Currency distribution of financing

According to the Group Treasury Policy, Group assets are to be financed in local currency. External and internal borrowing in the NCC Group occurs mainly through Group Treasury and is then transferred to the business areas and subsidiaries in the form of internal loans. Lending is denominated in local currency, while external financing largely occurs in SEK. Parts of the Group's loans and liquidity are converted through currency derivatives into the currencies of the Group's assets.

The following tables illustrate NCC's financing and the currency swap agreements for financing. The stated values include underlying principals.

Interest-bearing liabilities[1)]

Counter-value in SEK M	2024 Amount	2024 Proportion, %	2023 Amount	2023 Proportion, %
SEK	3,619	100	3,916	100
Total	**3,619**	**100**	**3,916**	**100**

1) Excluding pension debt and lease liability.

Financing via currency derivatives (currency swaps)

Counter-value in SEK M	2024	2023
Buy +/ Sell – DKK	1,368	2,305
Buy +/ Sell – EUR	–1,322	–700
Buy +/ Sell – NOK	–23	–
Buy +/ Sell – PLN	30	33
Buy +/ Sell – USD	10	–
Net	**62**	**1,638**

Notes

Note 36 cont'd.

Translation exposure

According to the Group Treasury Policy, the Group's translation exposure is not to be hedged.

Group's net investments in foreign subsidiaries

The table below shows the Group's net investments in foreign subsidiaries and the exchange rate risk associated with translation exposure. At December 31, 2024, a 5-percent depreciation of the SEK in relation to other currencies would result in a change of SEK 220 M (216) in other comprehensive income; see the table below.

	2024		2023	
Counter-value in SEK M	**Net investment**	**Exchange rate risk, 5%**	**Net investment**	**Exchange rate risk, 5%**
DKK	2,694	135	2,512	126
EUR	511	26	480	24
NOK	1,195	60	1,323	66
Total	**4,400**	**220**	**4,315**	**216**

Price risks

Price risks associated with bitumen

A part of NCC Industry's sales of paving contracts in NCC Industry are subject to indexed prices, whereby the index in relation to the customer matches the index used by the supplier for pricing bitumen, which means that NCC Industry is not exposed to any risk arising from a change in the price of bitumen.

There are also cases of fixed price contracts that are not indexed, whereby NCC Industry is exposed to a risk should the price of bitumen change. The price risk is managed by Group Treasury via oil forward contracts. The policy is to hedge customer contracts when the work is to be performed later than two months from the ordering date. NCC ensures that oil derivatives are priced using the same underlying index as that applying to suppliers and that the number of purchased tons of bitumen per month exceeds the number of hedged tons of bitumen per month.

The hedged quantity of purchased bitumen matches the quantity stated in the derivative (hedge ratio 1-for-1). Ineffectiveness may arise if the point in time of the purchases of bitumen deviates from the derivatives' due date.

The net fair value of oil forward contracts used for hedging the price risk when purchasing bitumen was SEK 1 M (–4). Of this amount, other receivables of SEK 1 M (0) and other current liabilities of SEK 0 M (4) have been recognized in the balance sheet.

Given outstanding oil forward contracts on the balance sheet date, a 10-percent increase in the price of bitumen at December 31, 2024 would give rise to a change of SEK 2 M (2) in other comprehensive income and of SEK 0 M (0) in net profit for the year. The sensitivity analysis assumes that all other factors remain unchanged.

Purchases of bitumen

The table below shows the Group's total purchases of bitumen, regarding both customer contracts with fixed price and those subject to indexed prices, and the portion hedged via oil forward contracts during the year. NCC hedges only fixed price customer contracts.

	2024			2023		
	Purchases bitumen tons	**Hedged share tons**	**Hedged share via oil forward contracts, %**	**Purchases bitumen tons**	**Hedged share tons**	**Hedged share via oil forward contracts, %**
Total	212,265	38,971	18	196,000	31,816	16

The following table shows the Group's forecast volume of total purchases of bitumen, the outstanding hedge position at year-end and the portion hedged via oil forward contracts. The hedges fulfill effectiveness requirements. The forward contracts used to hedge forecast purchases of bitumen are classified as cash flow hedges.

	2024				2023			
	Total	**<3 months**	**3 months–1 year**	**>1 year**	**Total**	**<3 months**	**3 months–1 year**	**>1 year**
Forecast volume of purchases of bitumen (tons)[1)]	480,299	9,843	230,307	240,149	474,093	9,715	227,331	237,047
Hedge position through oil forward contracts (tons)	6,729	924	5,748	57	7,498	459	6,840	199
Hedged share, %	1	9	2	0	2	5	3	0
Hedge position counter-value, SEK M	30	5	25	0	35	2	32	1
Hedged price per ton (average price in SEK)	4,447	4,917	4,371	4,448	4,611	4,472	4,626	4,415

1) The forecast volume for 2024 is until the end of 2026 and for 2023 until the end of 2025.

Price risks associated with electricity

As part of efforts to ensure calculable costs for electricity, NCC has elected to use electricity derivatives to smooth out price fluctuations occurring in the electricity market. NCC progressively hedges the price for up to four years and builds up the volume of electricity contracts until the particular delivery date.

The hedges fulfill effectiveness requirements, meaning that all changes due to price adjustments are recognized in other comprehensive income. The forward contracts used to hedge contracted purchases of electricity are classified as cash flow hedges.

At year-end, the outstanding volume of electricity derivatives amounted to 144,066 MWh (136,508), of which 24,867 MWh (24,728) fall due within three months, 50,070 MWh (47,288) fall due in 3–12 months and 69,130 MWh (64,492) fall due after one year.

The net fair value of electricity forward contracts used for hedging the price risk related to electricity was SEK –15 M (–17). Of this amount, other liabilities of SEK 15 M (17) were recognized in the balance sheet.

Given outstanding electricity forward contracts on the balance sheet date, a 10-percent increase in electricity prices at December 31, 2024 would give rise to a change of SEK 5 M (6) in other comprehensive income and of SEK 0 M (0) in profit or loss. The sensitivity analysis assumes that all other factors remain unchanged.

Credit risks

Credit and counterparty risks in financial operations

NCC's investment regulations for financial credit risks are revised continuously and are characterized by caution. Transactions are only entered into with creditworthy counterparties with credit ratings of at least A– (Standard & Poor's) or the equivalent international rating, as well as local banks with a minimum rating equal to the creditworthiness of the country in which NCC has operations. ISDA's (International Swaps and Derivatives Association) framework agreement on netting is used with all counterparties with respect to derivative trading. The investment regulations specify maximum credit exposure and maturity for various counterparties.

Total counterparty exposure with respect to derivative trading, calculated as the net receivable per counterparty, amounted to SEK 39 M (45) at the end of 2024. The net receivable per counterparty is calculated in accordance with the market valuation method, i.e. the market value of the derivative plus a supplement for the change in risk (1 percent of the nominal amount). Calculated gross exposure to counterparty risks pertaining to cash and cash equivalents and short-term investments amounted to SEK 3,486 M (1,208).

Credit risks in accounts receivable

The risk that the Group's customers will not fulfill their commitments, meaning that payment is not received from the customers, is a credit risk. The credit rating of the Group's customers is checked, whereby information on the customers' financial position is obtained from various credit rating agencies. For major accounts receivable, the risk of credit losses is limited through various types of collateral, such as bank guarantees, blocks on building loans, parent company guarantees and other payment guarantees. The proportion of accounts receivable subject to some type of collateral was 18.9 percent (17.4) during the year.

Age analysis of accounts receivable

	2024		2023	
Group	**Gross**	**Reserve for doubtful receivables**	**Gross**	**Reserve for doubtful receivables**
Not past-due accounts receivable	6,495	–	6,334	–
Past-due accounts receivable 1–30 days	574	–3	935	–
Past-due accounts receivable 31–60 days	74	0	93	–
Past-due accounts receivable 61–180 days	145	–10	148	–33
Past-due accounts receivable >180 days	1,381	–334	1,651	–432
Total	**8,669**	**–347**	**9,161**	**–465**

Notes

Note 36 cont'd.

Within NCC, there are, firstly, estimated/potential customer losses that mainly relate to ongoing discussions or claims with the client and, secondly, confirmed/potential credit losses that mainly relate to shortcomings in the client's payment capacity.

Receivables expired >180 days are essentially caused by ongoing discussions/claims with the client and do not involve an issue about the client's creditworthiness.

Thus the reserve for doubtful receivables expired >180 days essentially relates to former claims and not to anticipated payment capacity. Apart from these, customer bad debts are low, whereby the reserve for doubtful receivables expired <180 days is low.

Provisions for doubtful accounts receivable and reversals of these, which essentially relate to ongoing discussions/claims with the client, known as performance obligations, are recognized as reduced revenues in the company's construction projects and are thus included as net sales in profit or loss. The confirmed/potential credit losses that arise due to shortcomings in the client's payment capacity are instead recognized as production costs or as selling and administrative costs in profit or loss. In 2024, reversed bad debt losses arising from 2023 or earlier are not expected to amount to significant amounts.

Refer also to under Accounting policies.

Reserve for doubtful receivables

Group	2024	2023
On January 1	–465	–723
Provision for the year	–408	–324
Reversal of previously posted impairment losses	524	548
Translation differences	1	36
On December 31	**–347**	**–465**

Carrying amount and fair value of financial instruments

The carrying amount and fair value of financial instruments are presented in the tables below. In NCC's balance sheet, mainly short-term investments in housing bonds and fixed-income funds and derivatives are measured at fair value. Short-term investments are measured according to prices quoted on a well-functioning secondary market for the same instruments.

The measurement at fair value of currency forward contracts, oil forward contracts and electricity forward contracts is based on customary models with observable input data such as interest rates, exchange rates and commodity prices. The measurement of interest rate swaps is based on forward interest rates based on observable yield curves.

For financial instruments recognized at amortized cost – accounts receivables, current interest-bearing receivables, other receivables, cash and cash equivalents, accounts payable and other interest-free liabilities – the fair value does not materially deviate from the carrying amount. For long-term holdings of bonds (long-term interest-bearing receivables) and short-term investments recognized at amortized cost, the fair value is based on prices listed in a well-functioning secondary market. For short and long-term bond loans listed on Nasdaq Stockholm, the fair value was calculated according to prices listed in a well-functioning secondary market. The fair value for unlisted long-term bonds was calculated by discounting future cash flows with current market rates for similar financial instruments. The assessment is that the fair value of other long-term and current interest-bearing liabilities did not materially deviate from the carrying amount.

The carrying amount and fair value of financial instruments are presented in the following table.

Classification of financial instruments

Group, 2024	Financial assets measured at fair value through profit or loss[1)]	Derivatives used in hedge accounting	Financial assets measured at amortized cost	Financial assets measured at fair value through other comprehensive income, equity instruments	Financial liabilities measured at fair value through profit or loss[1)]	Other liabilities	Total carrying amount	Total fair value
Long-term holdings of securities	–	–	–	68			68	68
Long-term interest-bearing receivables	–	–	201	–			201	202
Pension receivable	–	–	94	–			94	94
Other long-term receivables	–	2	–	–			2	2
Accounts receivable	–	–	8,322	–			8,322	8,322
Prepaid expenses and accrued income	–	–	3	–			3	3
Current interest-bearing receivables	–	–	138	–			138	138
Other receivables	5	7	21	–			33	33
Short-term investments	506	–	70	–			576	575
Cash and cash equivalents	–	–	2,910	–			2,910	2,910
Total assets	**511**	**9**	**11,760**	**68**			**12,348**	**12,348**
Long-term interest-bearing liabilities		–			–	3,314	3,314	3,348
Other long-term liabilities		1			–	16	17	17
Provisions for pensions and similar obligations		–			–	–	–	–
Current interest-bearing liabilities		–			–	1,769	1,769	1,779
Accounts payable		–			–	4,841	4,841	4,841
Accrued expenses and deferred income		–			–	39	39	39
Other current liabilities		16			6	–	22	22
Total liabilities		**18**			**6**	**9,979**	**10,002**	**10,046**

1) Statutorily measured at fair value.

Notes

Note 36 cont'd.

Group, 2023	Financial assets measured at fair value through profit or loss[1)]	Derivatives used in hedge accounting	Financial assets measured at amortized cost	Financial assets measured at fair value through other comprehensive income, equity instruments	Financial liabilities measured at fair value through profit or loss[1)]	Other liabilities	Total carrying amount	Total fair value
Long-term holdings of securities	–	–	–	68			68	68
Long-term interest-bearing receivables	–	–	204	–			204	203
Pension receivable	–	–	–	–			–	–
Other long-term receivables	–	–	–	–			–	–
Accounts receivable	–	–	8,696	–			8,696	8,696
Current interest-bearing receivables	–	–	129	–			129	129
Other receivables	16	16	66	–			98	98
Short-term investments	450	–	51	–			501	500
Cash and cash equivalents	–	–	707	–			707	707
Total assets	**467**	**16**	**9,852**	**68**		**–**	**10,403**	**10,402**
Long-term interest-bearing liabilities		–			–	3,006	3,006	2,987
Other long-term liabilities		2			–	11	13	13
Provisions for pensions and similar obligations		–			–	556	556	556
Current interest-bearing liabilities		–			–	2,289	2,289	2,285
Accounts payable		–			–	6,105	6,105	6,105
Accrued expenses and deferred income		–			–	24	24	24
Other current liabilities		57			53	–	110	110
Total liabilities		**59**			**53**	**11,991**	**12,103**	**12,080**

1) Statutorily measured at fair value.

Parent Company, 2024	Financial assets measured at amortized cost	Financial assets measured at fair value through other comprehensive income, equity instruments	Other liabilities	Total carrying amount	Total fair value
Other long-term holdings of securities	–	45		45	45
Accounts receivable	1	–		1	1
Current receivables from Group companies	423	–		423	423
Other current receivables	2	–		2	2
Balance in NCC Treasury AB	930	–		930	930
Total assets	**1,357**	**45**		**1,402**	**1,402**
Other long-term liabilities			3	3	3
Accounts payable			14	14	14
Current liabilities to Group companies			158	158	158
Total liabilities			**175**	**175**	**175**

Parent Company, 2023	Financial assets measured at amortized cost	Financial assets measured at fair value through other comprehensive income, equity instruments	Other liabilities	Total carrying amount	Total fair value
Other long-term holdings of securities	–	45		45	45
Accounts receivable	1	–		1	1
Current receivables from Group companies	314	–		314	314
Other current receivables	1	–		1	1
Balance in NCC Treasury AB	133	–		133	133
Total assets	**449**	**45**		**494**	**494**
Other long-term liabilities			2	2	2
Accounts payable			19	19	19
Current liabilities to Group companies			387	387	387
Total liabilities			**408**	**408**	**408**

The classification categories Financial assets measured at fair value through profit or loss and Financial liabilities measured at fair value through profit or loss are not applicable for the Parent Company. No reclassifications of financial assets and liabilities among the above categories were effected during the year. It has been determined that the fair value of the Parent Company's financial instruments did not materially deviate from the carrying amount.

In the forthcoming tables, disclosures are made concerning how fair value was determined for the financial instruments that are continuously measured at fair value and the financial instruments not measured at fair value in NCC's balance sheet. When determining fair value, assets have been divided into three levels. No transfers were made between the levels during the period and no significant changes were made with respect to measurement methods, data or assumptions used.

Level 1: in accordance with prices quoted on an active market for the same instruments. This category does not apply for the Parent Company.
Level 2: on the basis of directly or indirectly observable market data that is not included in Level 1. This category does not apply for the Parent Company.
Level 3: on the basis of input data that is not observable in the market.

Notes

Note 36 cont'd.

	2024				2023			
Group	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value								
Financial assets measured at fair value through profit or loss								
Short-term investments	506	–	–	506	450	–	–	450
Derivative instruments	–	5	–	5	–	16	–	16
Derivative instruments used in hedge accounting	–	9	–	9	–	16	–	16
Financial assets measured at fair value through other comprehensive income								
Equity instruments	–	–	68	68	–	–	68	68
Financial assets not measured at fair value								
Long-term interest-bearing receivables	202	–	–	202	203	–	–	203
Short-term investments	69	–	–	69	49	–	–	49
Total assets	**777**	**14**	**68**	**859**	**702**	**32**	**68**	**802**
Financial liabilities measured at fair value								
Financial liabilities measured at fair value through profit or loss								
Derivative instruments	–	6	–	6	–	53	–	53
Derivative instruments used in hedge accounting	–	18	–	18	–	59	–	59
Financial liabilities not measured at fair value								
Other interest-bearing liabilities	2,284	2,843	–	5,127	1,747	3,525	–	5,272
Total liabilities	**2,284**	**2,867**	**–**	**5,151**	**1,747**	**3,637**	**–**	**5,384**

Offsetting of financial instruments

NCC has binding framework agreements on netting (ISDA agreements) with all counterparties for derivative trading, whereby NCC can offset receivables and liabilities should a counterparty become insolvent or in another event. The following table sets out the gross financial assets and liabilities recognized and the amounts available for offsetting. NCC has not offset any amounts in the balance sheet.

	2024		2023	
Group	**Financial assets**	**Financial liabilities**	**Financial assets**	**Financial liabilities**
Recognized gross amount[1)]	14	24	32	112
Amount included in netting agreements	–7	–7	–29	–29
Net amount after netting agreement	**7**	**17**	**3**	**83**

1) The gross recognized carrying amount of financial assets includes SEK 5 M (16) for derivatives measured at fair value through profit or loss in other receivables, SEK 2 M (0) for derivatives used in hedge accounting for other long-term receivables and SEK 7 M (16) in other receivables. The gross recognized carrying amount of financial liabilities includes derivatives measured at fair value through profit or loss in other current liabilities of SEK 6 M (53), and derivatives used in hedge accounting in long-term liabilities of SEK 1 M (2) and in other current liabilities of SEK 17 M (57).

The Parent Company has no derivatives outstanding.

Accounting policies

Acquisitions and divestments of financial instruments are recognized on the date of transaction, meaning the date on which the company undertakes to acquire or divest the asset.

Financial instruments recognized on the asset side of the balance sheet include cash and cash equivalents, loan receivables, accounts receivable, financial investments and derivatives. Accounts payable, loan payables and derivatives are recognized under liabilities. Financial guarantees such as sureties are also included in financial instruments.

A financial asset or financial liability is recognized in the balance sheet when the company becomes a party to the instrument's contractual terms and conditions. Accounts receivable are recognized in the balance sheet when invoices have been sent. Accounts payable are recognized when invoices have been received.

A financial asset is derecognized from the balance sheet when the contractual rights have been realized or extinguished. The same applies to portions of financial assets. A financial liability is derecognized from the balance sheet when the contractual commitment has been fulfilled or otherwise terminated. This also applies to part of the financial liability.

Financial instruments are classified in the following categories for measurement:

- Financial assets measured at fair value through profit or loss
- Financial assets measured at fair value through other comprehensive income, equity instruments
- Financial assets measured at amortized cost
- Financial liabilities measured at fair value through profit or loss
- Derivatives used in hedge accounting
- Other liabilities

When entered for the first time, a financial asset is classified on the basis of NCC's business model for managing the financial asset and the character of the expected cash flows. Financial assets are only reclassified if the business model for the asset has been modified. A financial liability is recognized at amortized cost, apart from derivatives measured at fair value.

Financial assets measured at fair value through profit or loss
This category includes the Group's derivatives with a positive fair value and interest-bearing securities for which NCC's business model is to maximize the return on the asset within given risk limits. Fair value changes are recognized in net financial items in profit or loss. A derivative instrument that is an identified and effective hedging instrument is not included in this category. For an account of hedging instruments, see Derivatives used in hedge accounting below.

Financial assets measured at amortized cost
These include accounts receivable and loan receivables, as well as investments in interest-bearing securities where the objective of the business model is to receive contractual cash flows up to maturity. These cash flows are received at predetermined points in time and solely comprise payment of principals and interest on the outstanding principals. Investments in interest-bearing securities with a remaining maturity exceeding 12 months after the balance sheet date are recognized as long-term interest-bearing receivables. Other investments are recognized as short-term investments.

Financial assets measured at fair value through other comprehensive income (equity instruments)
Holdings of shares and participations that are not recognized as subsidiaries, associated companies or joint arrangements are recognized here. These assets are measured at fair value.

Financial liabilities measured at fair value through profit or loss
This category includes the Group's derivatives with a negative fair value, with the exception of derivatives that function as an identified and effective hedging instrument; see Derivatives used in hedge accounting below. Fair value changes are recognized in net financial items.

Derivatives used in hedge accounting
Derivatives used in hedge accounting are measured at fair value in the balance sheet. The change in value of an effective hedging instrument is recognized in the hedging reserve in equity through other comprehensive income.

Other financial liabilities
Loans and other financial liabilities, such as accounts payable, are included in this category. Liabilities are recognized at amortized cost.

Notes

Note 36 cont'd.

Impairment
NCC applies impairment requirements for expected credit losses on financial assets and a loss allowance for them is recognized as a deduction from the asset. This applies to financial assets recognized at amortized cost and fair value through other comprehensive income. A loss allowance is established in one of the following ways:

- for loss events that may be expected to be incurred within 12 months
- for loss events that may be expected to be incurred during the full lifetime of the asset

A loss risk reserve for the full lifetime of the asset is established if, on the reporting date, the credit risk for the financial asset has risen significantly since initial recognition and, if this is not the case, a loss risk reserve is established within 12 months.

For accounts receivable, contract assets and lease receivables, loss risk reserves are always posted for the full lifetime of the asset according to the simplified model in IFRS 9. The measurement of expected credit losses must reflect an unbiased and probability-weighted amount, the time value of money, reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. Although each invoice is measured individually, provisions are made for invoices that are more than 180 days overdue unless special circumstances apply. Accounts receivable, contract assets and lease receivables are then written off when there is no reasonable expectation of repayment.

Hedge accounting
NCC applies hedge accounting in the following categories: hedging of exchange rate risk in transaction flows, hedging of the Group's interest maturities and hedging of the price risk associated with bitumen and electricity. If the hedge no longer fulfills the criteria for hedge accounting or the hedging instrument is sold, matures, is settled or redeemed, hedge accounting ceases prospectively. When the hedge accounting of cash flow hedges has ceased, the amount that has been accumulated in the hedging reserve is kept in shareholders' equity until:

- it is included in the cost of the non-financial item at initial recognition (applies for hedging of a transaction that results in recognition of a non-financial item), or
- it is reclassified to profit or loss in the same period or periods that the hedged expected cash flow impacts profit/loss (applies for other cash flow hedges)

If the hedged cash flow is no longer expected to arise, the amount that has been accumulated in the hedging reserve is reclassified immediately to profit or loss.

Hedging of exchange rate risk in transaction flows
Currency exposure associated with future flows is hedged by using currency forward contracts. The currency forward contract that hedges this cash flow is measured at fair value in the balance sheet. When hedge accounting is applied, the change in fair value attributable to changes in the forward rate of currency forward contracts is recognized in other comprehensive income, after taking tax effects into account and being accumulated in the hedging reserve. Any ineffectiveness is recognized in profit or loss. Transfers of amounts from the hedging reserve to reflect the carrying amount of the purchase are effected so that this is recognized at the forward rate. The hedged flows can be both contracted and forecast transactions.

Hedging of the Group's interest maturities
Interest rate derivatives are used to manage the interest rate risk. Hedge accounting occurs where effective hedging relationships can be proved. Changes in value, after considering income tax effects, are recognized in other comprehensive income and accumulated in the hedging reserve. Any ineffectiveness is recognized in net financial items. By hedging interest rates, the variable interest rate on parts of NCC's financing becomes fixed.

Hedging of price risks associated with bitumen and electricity
By entering into oil forward contracts, NCC Industry hedges its price risk for bitumen when major contracts are to be performed later than two months following receipt of the order. These oil forward contracts are classified as cash flow hedges. Changes in effective hedges due to changed prices are recognized in other comprehensive income and accumulated in the hedging reserve, and any ineffectiveness is recognized in operating profit or loss.

To smooth out fluctuations in the Swedish electricity market, NCC has elected, using electricity derivatives entered into gradually over a period of four years, to accumulate the volume of electricity until the particular date of delivery. Changes in effective hedges are recognized in other comprehensive income and accumulated in the hedging reserve, and any ineffectiveness is recognized in operating profit or loss.

Receivables and liabilities in foreign currency
Receivables and liabilities in foreign currency are restated at the exchange rates prevailing on the balance sheet date. Exchange rate differences arising from the translation of operating receivables and liabilities are recognized in operating profit or loss, while exchange rate differences arising from the translation of financial assets and liabilities are recognized in net financial items.

Financial instruments in the Parent Company
Financial instruments in the Parent Company are recognized at cost less any impairment losses and taking into account the impact on earnings accrued up to fiscal year-end. In respect of the qualitative and quantitative risk information, reference is made to the disclosures made for the Group above, since Group-wide risk management is applied.

Important estimates and assessments
Measurement of receivables
NCC's accounts receivable, including receivables for sold property projects, are measured at amortized cost, meaning the amount expected to be received less an amount for doubtful receivables.

Note 37
Information about the Parent Company

NCC AB, Corporate Registration Number 556034-5174, is a limited liability company registered in Sweden, with its Head Office in Solna, Sweden. NCC AB's shares are listed on the Nasdaq Exchange Stockholm/Large Cap List.

The address of the Head Office is NCC AB, Herrjärva Torg 4, SE–170 80 Solna, Sweden. The consolidated financial statements relate to the Parent Company and its subsidiaries, jointly designated the Group. The Group also includes investments in associated companies, joint ventures and joint operations.

Note 38
Events after the balance sheet date

In February, NCC announced that it will conduct a strategic review of the NCC Industry business area in 2025. Various options will be evaluated, including a possible divestment of the business area.

Note 39
Appropriation of the company's profit

The Board of Directors proposes that the available funds	5,194,085,018
Be appropriated as follows:	
Ordinary dividend to the shareholders of SEK 9.00 per share[1)]	
Extra dividend to the shareholders of SEK 2.00 per share[1)]	
Total dividend	1,075,716,037
To be carried forward	4,118,368,981
Total, SEK	5,194,085,018

1) The total amount of the proposed dividend is calculated based on the number of shares outstanding as of December 31, 2024 and may change if the number of shares outstanding has changed on the payment date.

Decisions regarding dividend proposals are made taking into account the company's future profits, financial position, capital needs and the macroeconomic conditions. NCC's Board has proposed a regular dividend of SEK 9.00 (8.00) per share and an extra dividend of SEK 2.00 per share to be paid on two occasions. The proposed record date for the first payment of SEK 6.50 per share, which includes an extra dividend of SEK 2.00 per share, is May 9, 2025 with payment occurring on May 14, 2025. For the second payment of SEK 4.50 per share, November 7, 2025 is the proposed record date with payment occurring on November 12, 2025.

Adoption

The Board of Directors and the CEO hereby give their assurance that the consolidated financial statements and the Annual Report have been compiled in compliance with international accounting standards, IFRS, as adopted by the EU, and with generally acceptable accounting practices and thus provide a fair and accurate impression of the financial position and earnings of the Group and the Parent Company. The Report of the Board of Directors for both the Group and the Parent Company accurately review the Group's and the Parent Company's operations, financial positions and earnings and describe the material risks and uncertainties facing the Parent Company and the companies included in the Group.

The Annual Report and the consolidated financial statements were approved for issue by the Board of Directors on April 9, 2025. The consolidated income statement and balance sheet and the Parent Company's income statement and balance sheet will be presented to the Annual General Meeting (AGM) for adoption on May 7, 2025.

Solna, April 9, 2025

Alf Göransson
Chairman of the Board

Ida Aall Gram
Board member

Simon de Château
Board member

Cecilia Fasth
Board member

Mats Jönsson
Board member

Daniel Kjørberg Siraj
Board member

Birgit Nørgaard
Board member

Karl-Johan Andersson
Board member
employee representative

Karl G Sivertsson
Board member
employee representative

Harald Stjernström
Board member
employee representative

Tomas Carlsson
President and CEO

Our audit report was submitted on April 10, 2025

Öhrlings PricewaterhouseCoopers AB

Patrik Adolfson
Authorized Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

Auditor's report

To the general meeting of the shareholders of NCC AB, corporate identity number 556034-5174

Report on the annual accounts and consolidated accounts

Opinions

We have performed an audit of the annual accounts and consolidated accounts of NCC AB for year 2024 except for the corporate governance statement on pages 69–79. The annual accounts and consolidated accounts of the company are included on pages 52–123 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act.

The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 69–79. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014/EU) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014/EU) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

Focus and scope of the audit

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Board of Directors and the Managing Director made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of the Board of Directors override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

In a business such as NCC's, our risk assessment is particularly influenced by the impact of the Board of Directors' and management's estimates and judgements on the financial statements. We have assessed the individually highest risk for misstatements in the financial statements to be the percentage-of-completion revenue recognition in some of the ongoing projects in NCC Building Sweden, NCC Building Nordics, NCC Infrastructure and Industry. In addition, we have identified a number of other risks that also reflect components of estimates and judgements, e.g., warranty provisions and disputes.

Based on the risk assessment the central audit team developed an audit strategy according to which the group audit mirrors NCC's organisation, and which starts in an audit of the five business areas. As a part of this strategy, the largest units within each business area has been audited. The central audit team is responsible for the audit of the parent company, the consolidated accounts and Treasury and issues, based on the audit strategy, instructions to the audit teams for each business area. We also perform a centralised audit of, e.g., selected controls in the financial processes handled by NCC's group common shared service centre as well as of relevant controls over NCC's group common information systems. The results of these examinations are then shared with component audit teams.

In addition to the examinations in Sweden, the auditor in charge and other audit staff, has visited four operations in Denmark, Finland and Norway during the year with the aim of creating an understanding of the operations in these countries, conducting a general review of important parts of the financial reporting based on the Group's accounting principles, and evaluating compliance with selected parts of NCC's internal control framework. We have also made project visits to NCC's Swedish operations.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–50 and 128–137. The Board of Directors and the

Auditor's report

Key audit matter	How our audit considered the key audit matter
Revenue and results recognition in construction projects Total revenue in NCC's construction and civil engineering operations in 2024 amounts to approximately SEK 45 (44) billion. In all material respects revenue is related to construction projects and is recognised over time, i.e., applying the percentage-of-completion method. This means that recognised revenue and costs in construction projects are based on assumptions and estimates on future outcome as documented in the projects' final forecasts. Where applicable, assessments of requirements presented to the customer for, for example, modification and additional work, target price adjustments and insufficient tender conditions are also included. The elements of assumptions and assessments mean that final results may deviate from those currently reported. Given the large element of estimates and assessments, this constitutes a key audit matter. *Refer to the sections "Revenue from construction and similar projects", "Critical estimates and assessments" (subsections "Percentage-of-completion profit recognition of projects", "Guarantee commitments" and "Guarantee obligations, legal disputes, etc") in note 2 Order stock and distribution of external net sales, note 28 Other provisions and note 34 Pledged assets, sureties, guarantees and contingent liabilities (subsection "Contingent liabilities etc").*	NCC reports revenue and results in construction projects in accordance with IFRS 15. The accounting for ongoing projects is based, in accordance with this standard, on assessment about the assumptions of the final outcome of the projects. Based on this, an important part of our audit is to discuss with NCC, management and the audit committee, NCC's assessments and the principles, methods and assumptions on which assessments are based. In addition, our audit is based on substantive procedures, various analyses and examination of controls. In the audit, we have, in order to ensure foremost the valuation, allocation over time and accuracy, performed the following audit procedures, among others: • We have evaluated and, on a sample basis, examined selected key controls in NCC's project process, from calculation to ongoing project reporting and forecasts for the projects. We have also evaluated processes, routines and methodology for finalisation of projects. • We have performed, among others, a computer-based analytical review of reported revenues and margins and evaluated management's procedures for monitoring the financial results of the projects and also discussed the latter with management. • On a sample basis, we have examined revenues and the reported project costs that form the basis for determining the degree of completion. We have also tested the mathematical accuracy of the calculation of the recognition of results over time. • For selected projects, we have performed in-depth audit procedures including, for example, reading contract excerpts, reviewing final forecasts and discussions with project managers and controllers regarding assessments, assumptions and estimates, including those that form the basis for warranty provisions for already completed projects. • For selected disputes, we have obtained statements from NCC's legal counsel. In addition to this, we have examined NCC's documentation, discussed assessments made with representatives of NCC, and the company's internal legal department at divisional and group level for some of the more significant matters. Based on this, we have evaluated the accounting treatment. It is our overall view that NCC's accounting and the assumptions and estimates applied are within an acceptable range. We have communicated to the audit committee that this often regards difficult judgmental matters. Final outcomes may deviate from the assumptions, estimates and assessments currently made.

Managing Director are responsible for this other information.

The other information also consists of the compensation report for 2024 that we obtained prior to the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The Board of Directors is also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors is responsible for the assessment of the company and group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors intends to liquidate the company, cease operations or has no realistic alternative to doing any of this.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements
The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss

Opinions
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors of NCC AB for year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the member of the Board of Directors be discharged from liability for the financial year.

Basis for Opinions
We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors
The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company and group's type of operations, size and risks place on the size of the parent company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the management of the company's affairs. This includes among other things continuous assessment of the company and group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

Auditor's responsibility
Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

The auditor's examination of the Esef report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for NCC AB (publ) for the year 2024.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of NCC AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor's examination of the corporate governance statement

It is the Board of Directors who is responsible for that the corporate governance statement on pages 69–79 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act/the Annual Accounts Act for Credit Institutions and Securities Companies/the Annual Accounts Act for Insurance Companies.

Öhrlings PricewaterhouseCoopers AB, 113 97 Stockholm, was appointed as NCC AB's auditor by the general meeting of shareholders on 9 April 2024 and has been the company's auditor since 5 April 2017.

Stockholm 10 April 2025
Öhrlings PricewaterhouseCoopers AB

Patrik Adolfson
Authorized Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

Other

Multi-year review

INCOME STATEMENT, SEK M	2020	2021	2022	2023	2024
Net sales	53,922	53,414	54,198	56,932	61,609
Production costs	−49,589	−48,894	−50,202	−52,245	−56,330
Gross profit	**4,333**	**4,520**	**3,996**	**4,687**	**5,280**
Selling and administrative costs	−2,967	−2,808	−2,981	−3,156	−3,223
Result from sales of owner-occupied properties	−3	165	22	19	5
Impairment losses on fixed assets	−24	−16	0	−2	−27
Result from sales of Group companies	9	−46	59	265	3
Result from participations in associated companies	12	10	262	−11	−6
Operating profit	**1,360**	**1,825**	**1,358**	**1,802**	**2,032**
Financial income	30	20	29	80	75
Financial expenses	−110	−80	−87	−79	−244
Net financial items	**−80**	**−60**	**−59**	**1**	**−169**
Profit after financial items	**1,281**	**1,765**	**1,299**	**1,803**	**1,863**
Tax	−22	−257	−230	−230	−292
Profit for the period	**1,259**	**1,508**	**1,069**	**1,573**	**1,571**
Attributable to:					
NCC’s shareholders	1,259	1,508	1,069	1,573	1,571
Non-controlling interests	–	–	–	–	–
Profit for the period	**1,259**	**1,508**	**1,069**	**1,573**	**1,571**

Multi-year review

BALANCE SHEET, SEK M	2020	2021	2022	2023	2024
Assets					
Fixed assets					
Goodwill	1,800	1,852	1,943	1,913	1,942
Other intangible assets	342	335	326	545	731
Right-of-use assets	1,952	1,600	1,420	1,300	1,396
Owner-occupied properties	875	790	909	867	892
Machinery and equipment	2,306	2,296	2,504	2,310	2,158
Long-term holdings of securities	93	82	83	84	88
Long-term interest-bearing receivables	125	128	184	204	201
Pension receivable	–	–	68	–	94
Other long-term receivables	19	23	36	21	23
Deferred tax assets	587	609	564	583	557
Total fixed assets	**8,099**	**7,714**	**8,037**	**7,827**	**8,082**
Current assets					
Right-of-use assets	11	2	2	1	1
Properties held for future development	1,492	1,005	1,179	1,265	1,314
Ongoing property projects	4,610	5,370	7,171	3,794	749
Completed property projects	496	–	0	4,986	6,302
Participations in associated companies	295	431	74	201	238
Inventory	953	1,059	1,079	1,120	1,052
Tax receivables	58	70	118	43	42
Accounts receivable	7,084	7,748	8,205	8,696	8,322
Worked-up non-invoiced revenues	1,349	1,367	1,410	1,076	837
Prepaid expenses and accrued income	907	952	857	1,190	1,096
Current interest-bearing receivables	126	103	117	129	138
Other receivables	740	552	386	415	368
Short-term investments	174	487	394	501	576
Cash and cash equivalents	2,155	2,561	534	707	2,910
Total current assets	**20,450**	**21,707**	**21,528**	**24,124**	**23,945**
TOTAL ASSETS	**28,549**	**29,421**	**29,565**	**31,950**	**32,026**
Equity					
Shareholders' equity	3,972	5,844	7,183	7,324	8,663
Non-controlling interests	–	–	–	–	–
Total equity	**3,972**	**5,844**	**7,183**	**7,324**	**8,663**
Liabilities					
Long-term liabilities					
Long-term interest-bearing liabilities	3,965	2,038	3,286	3,006	3,314
Other long-term liabilities	60	47	60	13	17
Provisions for pensions and similar obligations	2,832	1,997	–	556	0
Deferred tax liabilities	196	464	943	889	1,165
Other provisions	2,586	2,608	2,481	2,218	2,448
Total long-term liabilities	**9,639**	**7,154**	**6,770**	**6,683**	**6,944**
Current liabilities					
Current interest-bearing liabilities	606	2,176	1,012	2,289	1,769
Accounts payable	4,487	4,567	5,165	6,105	4,841
Tax liabilities	66	22	14	–0	14
Invoiced revenues not worked up	4,104	4,830	4,754	5,058	5,226
Accrued expenses and deferred income	3,727	3,588	3,512	3,396	3,552
Provisions	19	13	7	–	2
Other current liabilities	1,930	1,227	1,148	1,096	1,016
Total current liabilities	**14,938**	**16,422**	**15,612**	**17,944**	**16,419**
Total liabilities	**24,577**	**23,577**	**22,382**	**24,627**	**23,363**
TOTAL EQUITY AND LIABILITIES	**28,549**	**29,421**	**29,565**	**31,950**	**32,026**

Multi-year review

KEY FIGURES	2020	2021	2022	2023	2024
Financial statements, SEK M					
Net sales	53,922	53,414	54,198	56,932	61,609
Operating profit	1,360	1,825	1,358	1,802	2,032
Profit after financial items	1,281	1,765	1,299	1,803	1,863
Profit for the period	1,259	1,508	1,069	1,573	1,571
Investments in property projects	3,353	3,467	2,924	2,432	−1,672
Cash flow, SEK M					
Cash flow from operating activities	1,569	2,260	265	807	4,638
Cash flow from investing activities	−463	−363	−401	−446	−647
Cash flow before financing	1,106	1,896	−136	361	3,990
Cash flow from financing activities	−1,322	−1,492	−1,896	−187	−1,790
Change in cash and cash equivalents	−260	406	−2,027	173	2,203
Profitability ratios					
Return on equity, %	37	32	17	21	21
Return on capital employed, %	12	16	12	15	15
Financial ratios at year-end, SEK M					
EBITDA %	5.2	5.9	4.8	5.3	5.4
Interest coverage ratio, multiple	12.7	23.0	15.9	23.9	9
Equity/assets ratio, %	14	20	24	23	27
Interest-bearing liabilities/total assets, %	26	21	15	18	16
Net cash +/Net debt –	−4,823	−2,932	−3,000	−4,310	−1,164
Debt/equity ratio, multiple	1.2	0.5	0.4	0.6	0.1
Capital employed at year-end	11,375	12,055	11,480	13,175	13,746
Capital employed, average	10,983	11,430	11,766	12,776	13,818
Capital turnover rate, multiple	4.9	4.7	4.6	4.5	4.5
Closing date interest rate, %[1)]	1.1	1.1	4.1	5.1	4.9
Average interest rate maturity, years[1)]	1.0	0.5	1.0	0.7	0.8
Order status, SEK M					
Orders received	51,199	55,786	53,285	56,819	54,730
Order backlog	50,945	55,763	54,995	53,422	50,723
Per share data, SEK					
Profit after tax, before and after dilution	11.68	14.02	10.29	16.11	16.08
Cash flow from operating activities, after dilution	14.56	21.00	2.55	8.27	47.45
Cash flow before financing, after dilution	10.26	17.62	−1.30	3.70	40.83
P/E ratio, before dilution	13	12	9	8	10
Dividend, ordinary, SEK	5.00	6.00	6.00	8.00	9.00[2)]
Extra dividend, SEK					2.00[2)]
Dividend yield, %	3.3	3.6	6.2	6.4	6.8
Dividend yield excl. extra dividend, %	3.3	3.6	6.2	6.4	5.5
Equity, before and after dilution	36.89	54.32	73.60	74.99	88.59
Share price/equity, %	407	309	132	167	183
Share price at year-end, NCC B	150.00	167.70	97.25	125.60	162.40
Number of shares, millions					
Total number of issued shares[3)4)]	108.4	108.4	108.4	99.8	99.8
Treasury shares at year-end	0.8	0.8	10.8	2.1	2.0
Total number of shares outstanding before dilution at year-end	107.7	107.6	97.6	97.7	97.8
Average number of shares outstanding before dilution for the period	107.8	107.6	103.9	97.6	97.7
Market capitalization before dilution, SEK M	16,144	18,035	9,636	12,271	15,879
Personnel					
Average no. of employees	14,388	13,002	12,485	12,243	11,776

1) Pertains to interest-bearing liabilities excluding pension debt according to IAS 19 and leases according to IFRS 16.
2) Dividend for 2024 pertains to the Board of Directors' motion to the AGM.
3) All shares issued by NCC are common shares.
4) 8,674,866 Series B treasury shares were withdrawn during the second quarter of 2023.

Quarterly data

SEK M	Quarterly amounts, 2024 Q1	Q2	Q3	Q4	Full year 2024	Quarterly amounts, 2023 Q1	Q2	Q3	Q4	Full year 2023
Group										
Orders received	13,353	14,664	13,264	13,449	54,730	16,288	14,691	9,681	16,159	56,819
Order backlog	56,270	54,956	53,498	50,723	50,723	58,910	59,359	54,594	53,422	53,422
Net sales	11,561	15,448	14,277	20,323	61,609	12,464	14,854	14,022	15,592	56,932
Operating profit/loss	–100	623	665	844	2,032	152	503	789	358	1,802
Profit/loss after financial items	–117	589	612	779	1,863	185	493	771	354	1,803
Profit/loss after tax	–93	472	472	721	1,571	153	407	621	392	1,573
Earnings per share after dilution, SEK	–0.95	4.83	4.83	7.37	16.08	1.56	4.17	6.36	4.02	16.11
Cash flow before financing	42	–383	–309	4,640	3,990	19	–1,274	764	851	361
Equity/assets ratio, %	24	21	22	27	27	24	22	24	23	23
Net cash +/Net debt –	–4,530	–5,215	–5,948	–1,164	–1,164	–3,251	–4,472	–3,710	–4,310	–4,310
NCC Infrastructure										
Orders received	5,002	4,638	4,725	4,554	18,919	4,617	3,522	2,655	5,913	16,707
Order backlog	17,484	17,263	17,639	16,824	16,824	17,845	16,921	15,397	16,074	16,074
Net sales	3,690	4,740	4,250	5,425	18,105	3,935	4,602	4,114	5,017	17,667
Operating profit	68	145	151	172	535	67	140	333	182	723
Operating margin, %	1.8	3.1	3.6	3.2	3.0	1.7	3.0	8.1	3.6	4.1
NCC Building Nordics										
Orders received	1,818	3,824	2,075	3,676	11,392	5,098	4,731	2,461	4,363	16,654
Order backlog	17,880	17,951	16,637	16,720	16,720	18,545	20,306	18,747	18,684	18,684
Net sales	3,231	3,582	3,210	3,861	13,884	3,503	3,756	3,576	3,780	14,615
Operating profit	38	100	104	184	426	18	94	93	139	343
Operating margin, %	1.2	2.8	3.2	4.8	3.1	0.5	2.5	2.6	3.7	2.3
NCC Building Sweden										
Orders received	2,643	2,620	4,579	2,397	12,239	3,398	3,543	2,510	3,210	12,661
Order backlog	15,987	14,954	16,574	14,980	14,980	18,480	18,295	18,293	16,753	16,753
Net sales	3,409	3,653	2,959	3,991	14,012	3,490	3,743	2,970	4,272	14,475
Operating profit/loss	55	71	45	–142	30	60	73	59	80	272
Operating margin, %	1.6	2.0	1.5	–3.6	0.2	1.7	2.0	2.0	1.9	1.9
NCC Industry										
Orders received	4,018	3,778	2,137	2,951	12,884	3,307	3,089	2,218	2,846	11,459
Net sales	1,015	3,910	4,140	3,569	12,634	1,058	3,471	3,862	3,094	11,485
Operating profit/loss	–313	368	338	191	584	–261	281	281	99	400
Operating margin, %	–30.8	9.4	8.2	5.4	4.6	–24.7	8.1	7.3	3.2	3.5
Operating capital employed	4,162	4,855	4,580	3,844	3,844	4,411	5,378	4,820	4,090	4,090
NCC Property Development										
Net sales	637	124	104	3,988	4,853	1,146	61	69	100	1,376
Operating profit/loss	87	30	37	564	719	256	–37	–18	42	243
Operating margin, %	13.7	24.3	36.1	14.1	14.8	22.3	–59.6	–26.7	42.2	17.7
Operating capital employed	9,625	9,926	10,157	7,938	7,938	8,046	8,787	9,225	9,592	9,592

NCC Industry's operations and certain operations in NCC Building Sweden, NCC Building Nordics and NCC Infrastructure are impacted by seasonal variations due to weather conditions. Earnings in the first quarter are normally weaker than the rest of the year.

Definitions

Financial key figures

Average equity
Average of recognized equity at January 1, March 31, June 30, September 30 and December 31.

Average interest rate maturity
The remaining interest rate maturity weighted by interest-bearing liabilities outstanding.

Capital employed
Total assets less interest-free liabilities including deferred tax liabilities. Average capital employed is calculated as the average of the balances at January 1, March 31, June 30, September 30 and December 31.

Capital turnover rate
Net sales divided by average capital employed.

Closing date interest rate
Nominal interest weighted by interest-bearing liabilities outstanding on the balance sheet date.

Corporate net debt
Total net debt excluding lease liability and excluding pension debt.

Debt/equity ratio
Net debt divided by equity.

Dividend yield
Dividend as a percentage of the share price at year-end.

Earnings per share, after taxes
Net profit for the year attributable to NCC's shareholders divided by the weighted number of shares during the year in question.

EBITDA
Operating profit in accordance with the income statement with depreciation and impairment losses reversed (not construction-related projects) including impairment losses on properties classified as current assets and excluding depreciation of leases.

Equity/assets ratio
Equity as a percentage of total assets.

Equity per share before and after dilution
Closing equity, before and after dilution, in relation to the number of shares outstanding at the end of the period.

Exchange rate difference
Exchange rate changes attributable to movements in various exchange rates when receivables and liabilities in foreign currency are translated into SEK.

Exchange rate effect
Impact of changes in various exchange rates on current reporting in NCC's consolidated accounts on translation into SEK.

Interest-bearing corporate debt
Interest-bearing liabilities excluding lease liability and excluding pension debt.

Interest coverage ratio
Profit after net financial items following the reversal of financial expenses divided by financial expenses.

Net debt/EBITDA
Corporate net debt divided by EBITDA.

Net investments
Closing balance less opening balance plus depreciation and impairment losses less write-ups of fixed assets and properties classified as current assets.

Net sales
The net sales of construction operations are recognized in accordance with the percentage-of-completion profit recognition principle. These revenues are recognized in pace with the gradual completion of construction projects within the company. Property sales are recognized on the date when material risks and benefits are transferred to the buyer, which normally coincides with the transfer of ownership. In the Parent Company, net sales correspond to recognized sales from completed projects.

Operating capital employed
Total assets less interest-free liabilities (including current and deferred tax liabilities), financial fixed assets, current tax assets, interest-bearing current receivables and cash and bank balances. Average operating capital employed is calculated as the average of the balances at January 1, March 31, June 30, September 30 and December 31.

Operating margin
Operating profit as a percentage of net sales.

Operating net
Profit from property management before depreciation.

Order backlog
Year-end value of the remaining project revenues not worked up for projects received, including proprietary projects for sale that have not been completed.

Orders received
Value of received projects and changes in existing projects during the period concerned. Proprietary projects for sale are also included among assignments received, assuming that a decision to initiate the assignment has been taken, as well as sold completed residential units from inventory.

P/E ratio
Year-end share price divided by earnings per share after taxes.

Repurchase of company shares (treasury shares) in share data
Treasury shares have been excluded from calculations of key figures based on the number of shares outstanding.

Return on capital employed
Profit after net financial items including results from participations in associated companies following the reversal of interest expense as a percentage of average capital employed. Return on capital employed is used to optimize the Group's capital allocation and value generation.

Return on equity
Net profit for the year according to the income statement excluding non-controlling interests, as a percentage of average equity.

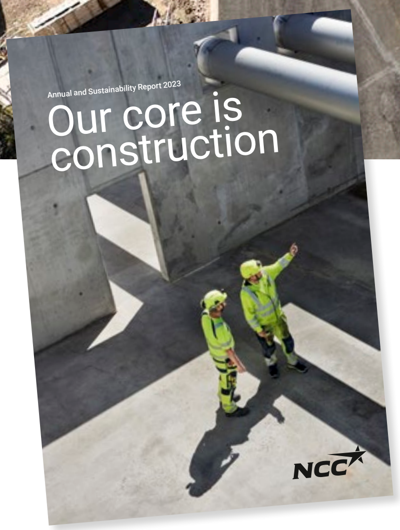
Return on operating capital employed
Profit after net financial items including results from participations in associated companies following the reversal of interest expense as a percentage of average operating capital employed.

Total return
Share-price performance during the year plus dividend paid divided by share price at the beginning of the year.

Total net debt
Interest-bearing liabilities and provisions for pensions and similar obligations less cash and cash equivalents, short-term investments and interest-bearing receivables.

The central treatment plant in Kristianstad was on the cover of the 2023 Annual Report

This has happened during 2024 at the central treatment plant in Kristianstad



Central treatment plant in Kristianstad, Sweden. In 2024, Kristianstad's new state-of-the-art treatment plant, built by NCC in collaboration with Kristianstad Municipality, was commissioned. The project was complex, which is why the partnering form of collaboration was successful. The parties were able to jointly identify solutions that were feasible and cost-effective early in the planning process.

The new plant features the latest process technology. For example, it is one of the first treatment plants in Sweden to be equipped with a membrane bioreactor (MBR), which removes even very small particles such as microplastics. It has also been prepared for the removal of pharmaceutical residues.

The new treatment plant is an important piece of the puzzle to drive development in the municipality forward, increase capacity and meet more stringent environmental standards.

At the commissioning ceremony in October 2024, the ribbon was cut by Camilla Palm and Pia Dahlin from Kristianstad Municipality, accompanied by NCC Project Manager Sonja Högvall and Jimmy Källström, Head of Department, Kristianstad Municipality.

The facility is an extremely efficient wastewater treatment plant – ultra-modern, featuring the latest technology and cost-effective, and serves as a blueprint for other treatment plants to be built in the future.

Financial information

NCC will publish financial information regarding the 2025 fiscal year on the following dates:

April 29	**Interim report Q1 2025**
July 15	**Interim report Q2 and Jan–Jun 2025**
October 23	**Interim report Q3 and Jan–Sep 2025**

NCC's interim reports are downloadable from the NCC Group's website, ncc.com, where all information regarding the NCC Group is organized in English and Swedish versions. The website also includes an archive of interim reports dating back to 2011 and annual reports dating back to 1996. NCC does not print or distribute its interim reports or Annual Report. However, it is possible to order a copy by contacting the company.

The share price performance of NCC's Series A and B shares, updated every 15th minute of each day of trading, is presented under the "Investor Relations" tab, as are relevant key figures.

NCC normally publishes press releases in English and Swedish for all orders and contracts exceeding an amount of SEK 150 M. A list of communicated orders exceeding SEK 150 M is available on NCC's website. Minor orders may be announced only in the local language. All press releases are available on NCC's website.

NCC's financial information can be ordered either by using the order form available on the ncc.com website, by e-mailing ir@ncc.se, writing to NCC AB, SE-170 80 Solna, Sweden, or calling NCC AB at +46 8 585 510 00. The person at the NCC Group responsible for shareholder-related issues and financial information is Andreas Koch, tel: +46 70 509 77 61, e-mail: ir@ncc.se.

Annual General Meeting

The Annual General Meeting will be held on May 7 at 3:30 p.m. at Hotel At Six, Brunkebergstorg 6, Stockholm. For more information concerning registration, refer to the official notification of the AGM.

Notice of the AGM is available on the NCC Group's website, ncc.com, and was published in Post- och Inrikes Tidningar on April 3, 2025. Confirmation that the official notification had been issued was announced in Dagens Nyheter and Svenska Dagbladet.

NCC AB (publ), Corp. Reg. No. 556034-5174, Registered Head Office: Solna. Addresses to the companies in the NCC Group are available at ncc.com.

Shareholder information on ncc.com

All financial information concerning the NCC Group and everything that concerns you as an NCC shareholder is available on NCC's website under the Investor Relations tab. Here you can also find a list of the analysts who continuously monitor NCC.

For information on the current ownership structure, refer to our website, ncc.com/investor-relations/ncc-share/distribution-of-shareholding.

NCC's ten largest shareholders at Dec. 31, 2024

Name	NCC A	NCC B	Share capital	Voting rights
OBOS BBL	4,000,000	6,028,116	10.05%	28.60%
Första AP-fonden (AP1)		4,979,374	4.99%	3.09%
Carnegie Fonder		4,793,527	4.81%	2.98%
Handelsbanken Fonder		3,894,628	3.90%	2.42%
Nordea Funds		3,756,961	3.77%	2.33%
Vanguard	136,321	3,203,284	3.35%	2.84%
ODIN Fonder		2,917,681	2.92%	1.81%
Lannebo Kapitalförvaltning		2,785,518	2.79%	1.73%
Unionen		2,590,000	2.60%	1.61%
Dimensional Fund Advisors		2,532,075	2.54%	1.57%
Total, ten largest shareholders	4,136,321	37,481,164	41.73%	48.99%
Other	2,661,346	55,482,125	58.29%	51.01%

Subscription service
Via our subscription service, you can subscribe to receive NCC's financial reports and press releases.

NCC share and financial key figures
Share-price information with a 15-minute delay is available and you can also see the total return (including reinvested dividends) and compare NCC's share performance with that of Nordic competitors.

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Please read our virtual Annual Report: ncc.com/annualreport2024

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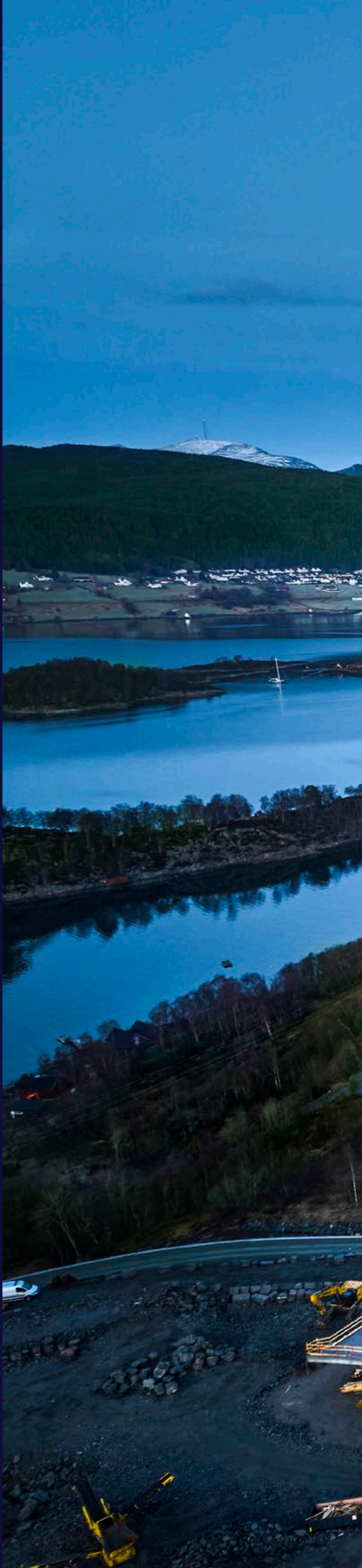
NCC is one of the leading construction companies in the Nordics. Based on its expertise in managing complex construction processes, NCC contributes to the positive impact of construction for its customers and society. Operations include building and infrastructure project contracting, asphalt and stone materials production, and commercial property development.

In 2024, NCC had sales of about SEK 62 bn and approximately 11,800 employees.



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