



The Board of Directors and the Managing Director of

NCC Treasury AB (publ)

corporate registration number 556030-7091

hereby submit the

# Annual Report

for the fiscal year January 1 - December 31, 2023

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# Report of the Board of Directors

## General operations

NCC Treasury AB (publ) is a wholly-owned subsidiary of NCC AB (publ), corporate registration number 556034-5174, with headquarters in Solna.

The company is the NCC Group's inhouse bank for the investment and borrowing of liquid funds. The company also provides counseling services of financial risk management. NCC Treasury AB manages interest rate, exchange rate, credit, refinancing, counterparty and liquidity risks within stipulated risk limits, see Accounting policies and valuation principles. NCC Treasury AB also manages price risks associated with oil-based products.

However, the company does not conduct in activities governed by the Swedish Banking Act, Swedish Credit Companies Act or the Swedish Finance Companies Act.

During the 2023 financial year, NCC Treasury AB (publ) generated a profit after financial items of SEK 240 M (124,4).

## Multi-year review

	2023	2022	2021	2020	2019
Balance sheet in SEK thousands	Dec 31	Dec 31	Dec 31	Dec 31	Dec 31
Total assets	15,046,148	14,079,507	14,382,295	12,973,620	13,934,962
Total shareholders' equity	270,375	174,672	140,304	140,520	141,949
Total liabilities	14,775,773	13,904,836	14,241,991	12,833,100	13,793,013
Total shareholders' equity and liabilities	15,046,148	14,079,507	14,382,295	12,973,620	13,934,962
Equity/assets ratio, %	1.8	1.2	1.0	1.1	1.0

  

	2023	2022	2021	2020	2019
Income statement in SEK thousands	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
Net sales	-	-	-	-	-
Operating profit	-26,571	-24,657	-22,988	-21,093	-19,981
Profit after financial items	239,990	124,357	127,434	137,329	139,859
Net profit for the year	240,975	128,297	125,893	134,173	134,722

## Change among senior executives

During the year, a new CEO was appointed as the previous CEO has retired.

## Corporate governance

NCC Treasury AB (publ) has issued debt securities which are listed and thereby is required to prepare a Corporate Governance Report in accordance with the Annual Accounts Act.

NCC AB owns 100 % of the shares in NCC Treasury AB (publ) and therefore holds all the voting rights at the shareholder's General Meetings. According to the Articles of Association, a Board member is elected at the Annual General Meeting. Amendment to the Articles of Association is approved by the Annual General Meeting. The Annual General Meeting has not authorized the Board to decide on the subject to issue new shares or acquire own shares.

NCC Treasury AB's corporate governance guidelines are in line with the NCC Group's guidelines. NCC Treasury AB applies a risk-assessment and risk-management method for ensuring that the risk to which the company is exposed, and that can impact the internal control and financial statements, are addressed within the processes that have been established. The material risks that have to be taken into account include market risks, operating risks and the risks of errors in financial recognition. NCC Treasury AB's business operations as inhouse bank is regulated by a Group Treasury Policy that has been determined by the NCC AB's Board of Directors.

The Board has overall responsibility for the internal control of financial reporting. Each year, the Board establishes rules of procedure for the Board's work and an instruction concerning the division of work between the Board and the Managing Director. According to this instruction, the Managing Director is responsible for the internal control and for contributing to an efficient control environment.

At NCC Treasury AB, financial reporting and the management of risks are based on a number of control activities that are conducted in operations. The purpose of the control activities is to ensure the efficiency of the Group's processes and that the internal controls are adequate.

NCC Treasury AB complies with the internal policies, guidelines, manuals and codes to which the financial reporting is subject, and are found in the NCC Group's Financial Handbook.

Follow-ups to safeguard the quality of the internal controls are conducted in various ways within NCC Treasury AB. NCC Group has developed a system (framework) for documented self-evaluation of internal controls that NCC Treasury AB complies with. Self-assessments are performed regularly and comprise a component for the Board's assessment of the internal control.

The status of the internal control set-up is reported annually at a meeting of the NCC Treasury AB's Board.

## Sustainability report

NCC Treasury AB has not prepared its own sustainability report on the basis of chapter 6 § 10 part 2 of the Annual Accounts Act. The company is covered by the sustainability report which is included as a separate section in NCC AB's annual report. See further in the note on group information regarding corporate registration number and headquarters.

## Significant events during the financial year

No significant events have occurred during the year.

## Proposed distribution of earnings

Funds available for distribution by the Annual General Meeting:

Earnings brought forward	9,628,008
Net profit of the year	<u>240,974,982</u>
Amount in SEK	<u>250,602,990</u>

The Board of Directors and the Managing Director proposes that the funds should be distributed as follows:

To be distributed to shareholders	245,000,000
To be carried forward	<u>5,602,990</u>
Amount in SEK	<u>250,602,990</u>

The company has received Group contribution from NCC AB at the amount of SEK 4,779,900.

## Income Statement

SEK thousands	Note	2023	2022
Selling and administrative expenses	1	-26,571	-24,657
<i>Result from financial items</i>			
Result from financial fixed assets	2, 3	106,791	-
Result from financial current assets	2, 4	731,077	333,021
Interest expense and similar items	5	-571,307	-184,008
<b>Profit after financial items</b>		<b>239,990</b>	<b>124,357</b>
Tax on net profit for the year	6	985	3,941
<b>Net profit for the year</b>		<b>240,975</b>	<b>128,297</b>

## Statement of comprehensive income

SEK thousands	Note	2023	2022
Net profit for the year		240,975	128,297
<i>Items that have been recycled or can be recycled to net profit for the year</i>			
Fair value changes for the year in cash flow hedges		-8,751	13,779
Year's fair value changes for cash flow hedges transferred to net profit for the year		-2,669	-74
Tax attributable to cash flow hedges		2,352	-2,823
Other comprehensive income		-9,067	10,882
<b>Total comprehensive income during the year</b>		<b>231,908</b>	<b>139,179</b>

# Balance Sheet

SEK thousands	Note	2023 Dec 31	2022 Dec 31
<b>ASSETS</b>			
<i>Fixed assets</i>			
Receivables from Group companies	7, 8	4,347,829	441
Long-term receivables		-	16,463
<b>Total fixed assets</b>		<b>4,347,829</b>	<b>16,904</b>
<i>Current assets</i>			
<i>Current receivables</i>			
Receivables from Group companies	8	9,888,281	13,548,673
Other current receivables		32,946	67,324
Prepaid expenses and accrued income		8,361	12,397
<i>Current receivables</i>		9,929,587	13,628,394
<i>Short-term investments</i>	9	450,420	373,899
<i>Cash and bank balances</i>		318,312	60,311
<b>Total current assets</b>		<b>10,698,319</b>	<b>14,062,604</b>
<b>TOTAL ASSETS</b>		<b>15,046,148</b>	<b>14,079,507</b>
<b>EQUITY AND LIABILITIES</b>			
<i>Equity</i>			
<i>Restricted shareholders' equity</i>			
Share capital (120,000 shares with a par value of SEK 100 each)		12,000	12,000
Revaluation reserve		1,150	1,150
Statutory reserve		2,400	2,400
<i>Restricted shareholders' equity</i>		15,550	15,550
<i>Unrestricted shareholders' equity</i>			
Earnings brought forward		9,628	17,535
Hedging reserve		4,222	13,289
Net profit for the year		240,975	128,297
<i>Unrestricted shareholders' equity</i>		254,825	159,122
<b>Total equity</b>		<b>270,375</b>	<b>174,672</b>
<i>Long-term liabilities</i>			
Bond loans	12, 13 10	2,100,000	2,250,000
Liabilities to Group companies	8	-	2,395
Other liabilities		2,411	441
<b>Total long-term liabilities</b>		<b>2,102,411</b>	<b>2,252,836</b>
<i>Current liabilities</i>			
Bond loans	11, 13 10	1,807,916	229,641
Liabilities to credit institutions		-	309,289
Liabilities to Group companies	8	10,746,286	11,086,898
Other liabilities		93,658	12,386
Accrued expenses and deferred income	14	25,501	13,786
<b>Total current liabilities</b>		<b>12,673,362</b>	<b>11,652,000</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>15,046,148</b>	<b>14,079,507</b>

## Changes in equity

SEK thousands	<i>Restricted shareholders' equity</i>			<i>Unrestricted shareholders' equity</i>		Total equity
	Share capital	Revaluation reserve	Statutory reserve	Hedging reserve	Earnings brought forward and profit for the year	
<b>Opening balance Jan 1, 2022</b>	<b>12,000</b>	<b>1,150</b>	<b>2,400</b>	<b>2,407</b>	<b>122,347</b>	<b>140,304</b>
Net profit for the year					128,297	128,297
Other comprehensive income				10,882	-	10,882
<b>Total comprehensive income</b>				<b>10,882</b>	<b>128,297</b>	<b>139,179</b>
Dividend					-120,000	-120,000
Group contribution					19,129	19,129
Tax on Group contribution					-3,941	-3,941
<b>Total transactions with shareholders</b>					<b>-104,811</b>	<b>-104,811</b>
<b>Closing balance Dec 31, 2022</b>	<b>12,000</b>	<b>1,150</b>	<b>2,400</b>	<b>13,289</b>	<b>145,833</b>	<b>174,672</b>
<b>Opening balance Jan 1, 2023</b>	<b>12,000</b>	<b>1,150</b>	<b>2,400</b>	<b>13,289</b>	<b>145,833</b>	<b>174,672</b>
Net profit for the year					240,975	240,975
Other comprehensive income				-9,067	-	-9,067
<b>Total comprehensive income</b>				<b>-9,067</b>	<b>240,975</b>	<b>231,908</b>
Dividend					-140,000	-140,000
Group contribution					4,780	4,780
Tax on Group contribution					-985	-985
<b>Total transactions with shareholders</b>					<b>-136,205</b>	<b>-136,205</b>
<b>Closing balance Dec 31, 2023</b>	<b>12,000</b>	<b>1,150</b>	<b>2,400</b>	<b>4,222</b>	<b>250,603</b>	<b>270,375</b>

# Cash flow statement

SEK thousands	Note	2023	2022
<b>Operating activities</b>			
Profit after financial items		239,990	124,357
Adjustments for items not included in cash-flow <sup>*)</sup>		-60,180	287,486
<b>Cash flow from operating activities before changes in working capital</b>		<b>179,810</b>	<b>411,842</b>
<b>Cash flow from changes in working capital</b>			
<i>Cash flow from changes in working capital</i>			
Increase(-)/Decrease(+) in receivables		-264,183	-108,595
Increase(+)/Decrease(-) in liabilities		71,600	-3,812
<b>Cash flow from the operating activities</b>		<b>-12,773</b>	<b>299,436</b>
<b>Financing activities</b>			
Raised external loans		1,468,987	1,938,930
Amortization of external loans		-350,000	-850,000
Increase (+)/Decrease (-) in interest-bearing liabilities to Group companies		-319,650	-1,422,301
Dividend paid		-140,000	-120,000
Group contribution		19,129	-7,450
Increase (-)/Decrease (+) in external interest-bearing receivables		-76,521	27,062
Increase (-)/Decrease (+) in interest-bearing receivables from Group companies		-451,597	-1,602,791
<b>Cash flow from financing activities</b>		<b>150,347</b>	<b>-2,036,550</b>
	16		
<b>Cash flow for the year</b>		<b>137,574</b>	<b>-1,737,113</b>
Cash and cash equivalents on January 1		60,311	2,160,271
Exchange-rate differences in cash and cash equivalents		120,426	-362,847
<b>Cash and cash equivalents on December 31</b>		<b>318,311</b>	<b>60,311</b>

<sup>\*)</sup> consists primarily of unrealized exchange rate differences

## Addendum to cash flow statement

SEK thousands	2023	2022
<b>Paid and received interest**</b>		
Received interest	524,728	282,578
Paid interest	530,738	-163,914
** included in cash flow from the operating activities before changes in working capital		
<b>Cash and cash equivalents</b>		
<i>The following components are included in cash and cash equivalents</i>		
Cash and bank balances	318,311	60,311
	<b>318,311</b>	<b>60,311</b>

# Accounting policies and valuation principles

SEK thousands unless otherwise specified

## General accounting policies

NCC Treasury AB (publ) has prepared its Annual Report pursuant to the Swedish Annual Accounts Act (ÅRL) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities, which means that the International Financial Reporting Standards (IFRS) adopted by the EU and the interpretive statements issued by the International Financial Reporting Interpretations Committee (IFRIC) are applied in full with the exceptions and additions governed by RFR 2.

## New IFRS and amendments to IFRS to be applied

NCC Treasury AB applies the update to IAS 1 Presentation of Financial Statements. The accounting policies have not changed, although NCC Treasury AB has ensured that these have been updated to reflect the amendment.

## New IFRS and amendments to IFRS whose application has yet to commence

NCC is subject to the OECD's Pillar two model rules. The analysis of the Pillar Two regulations is ongoing within the NCC Group. The impact on NCC Treasury AB is assessed to be limited. NCC Treasury AB has evaluated the effects of future amendments and made the assessment that they are not expected to have a material impact on NCC Treasury AB. NCC Treasury AB has decided not to apply future amendments in advance.

• "Classification of Liabilities as Current or Non-current" and "Non-current Liabilities with Covenants" (amendments to IAS 1). Other amendments that come into effect on January 1, 2024 are not expected to have any material effect on the consolidated financial statements.

## Group companies

Those companies that are subsidiaries of NCC AB (publ) are referred to as Group companies.

## Interest income and interest expense

Result related to the securities is recognized net in "Result from financial current assets". Interest income on fixed assets is recognized as "Result from financial fixed assets". Interest earned on current assets is recognized as "Result from financial current assets". Interest payable on liabilities is recognized as "Interest expense and similar items". Interest pertaining to external interest rate swaps and currency forward swaps is offset under other interest expense. Interest on Group companies' currency forward swaps is recognized as interest income for the interest received, and interest expense for interest paid. Changes in fair value regarding internal and external oil derivatives and currency options are recognized among interest income in the event of a positive change in value and among interest expense in the event of a negative change in value.

## Taxes

Income taxes comprise current tax and deferred tax. Taxes are recognized in the income statement, except when the underlying transactions are recognized in other comprehensive income, provided that the relating tax effect is recognized in other comprehensive income. Current tax is defined as tax that is to be paid or received during the current fiscal year, which also includes adjusted tax attributable to previous periods.

Deferred tax is recognized in the hedging reserve. Deferred tax is calculated based on the tax rate applicable at the time of realization and this year's change in deferred tax due to changes in hedging reserve is recognized in other comprehensive income.

## Financial instruments

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 bank balances, short-term investments, other receivables, receivables from Group companies and accrued income. The liabilities side of the balance sheet includes bonds, liabilities to credit institutions, liabilities to Group companies, other liabilities and accrued expenses. 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. 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 a financial liability.

When entered for the first time, a financial asset is classified on the basis of NCC Treasury AB'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 that are measured at fair value.



## Measurement of financial instruments

Financial instruments are classified in one of the following measurement categories: Financial assets measured at fair value through profit or loss, Financial assets measured at amortized cost, Financial liabilities measured at fair value through profit or loss, Derivatives used in hedge accounting, or Other financial liabilities.

### Financial assets measured at fair value through profit or loss

This category includes derivatives with positive fair value and interest-bearing securities for which NCC Treasury AB's business model is to maximize the return on the asset within given risk limits. Changes in fair value are recognized in net financial items in the income statement. A derivative instrument that is an identified and effective hedging instrument is not included in this category. For the accounting 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 short-term investments (short term bank deposits) 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.

### Financial liabilities measured at fair value through profit or loss

This category includes derivatives with a negative fair value, with the exception of derivatives that are identified as effective hedging instruments, see Derivatives used in hedge accounting below. Changes in fair value are recognized in net financial items.

### Other financial liabilities

Loans and liabilities to Group companies are included in this category. Liabilities are measured at amortized cost. Any differences between the amount received and the repayment amount are recognized in the income statement distributed over the term of the loan using the effective interest method.

### Derivatives used in hedge accounting

Derivatives used in hedge accounting are recognized at fair value in the balance sheet. The change in value of an effective hedging instrument is recognized in the hedging reserve in shareholders' equity through other comprehensive income.

### Impairment

NCC Treasury AB assesses expected loan losses based on prospective information for those financial assets recognized at amortized cost. A loss reserve 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 entire life of the asset

A loss risk reserve for the entire life 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.

### Hedge accounting

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 income tax considerations, are recognized in other comprehensive income and accumulated in the hedging reserve. Any ineffectiveness is recognized in net financial items. What NCC achieves by hedging interest rates is that the variable interest on parts of NCC's financing becomes fixed interest. 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 reclassified to net profit in the same period or periods where the hedged expected cash flow impacts the net profit. 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 net profit.

### Cash and cash equivalents

Cash and cash equivalents comprise cash funds and immediately available balances with banks and similar institutions, as well as short-term investments with a maturity of less than three months at the acquisition date, and exposed to only a slight risk of value fluctuation.

### **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 financial assets and liabilities are offset in net financial items under "Interest expense and similar items". A specification regarding exchange rate differences is found in Note 5 "Interest expense and similar items".

### **Equity**

Group contributions are recognized based on their economic significance, meaning that Group contributions granted are recognized in equity, net after tax.

### **Pledged assets**

The company has pledged a bond with a nominal value of SEK 10 M to SEB as collateral in order to conduct derivatives trading on NASDAQ Stockholm.

### **Cash flow statement**

The cash flow statement is prepared using the indirect method, in accordance with IAS 7, Statement of Cash Flows.

### **Important estimates and assessments**

The preparation of financial statements in agreement with RFR 2 often requires the use of a number of important accounting estimates. The company serves as an inhouse bank with responsibility for the investment and borrowing of cash and cash balances and, accordingly, the financial statements comprise primarily financial instruments. In NCC Treasury AB's balance sheet, it is mainly short-term investments and derivatives that are measured at fair value. Other financial instruments, such as receivables from and liabilities to Group companies and other receivables and liabilities, are recognized at amortized cost. The most significant assessments for NCC Treasury AB are presented in Note 17.

# Notes

## Note 1

### Selling and administrative expenses

The company had no employees during the year, instead it leased human resources from NCC AB (publ). No remuneration was paid to the Board of Directors or the Managing Director.

Audit assignments to PricewaterhouseCoopers AB amounted to SEK 388 thousands (365) and other audit costs apart from audit assignments amounted to SEK 70 thousands (70).

## Note 2

### Segment reporting

NCC Treasury AB has no separable assets that meet the definition of an operating segment. Instead, the company is an entirety and measured as a whole by the company's executive decision-makers. The company has only one function, treasury management.

Geographical distribution of interest income (note 3, 4)	2023	2022
Sweden	551,010	196,969
Norway	136,622	94,135
Denmark	29,223	11,865
Finland	91,986	23,034
Baltics and Poland	-	90
	808,841	326,093

## Note 3

### Result from financial fixed assets<sup>1)</sup>

	2023	2022
Interest income, other Group companies	106,791	-
	106,791	-

## Note 4

### Result from financial current assets<sup>1)</sup>

	2023	2022
Interest income, Parent company	9,317	5,947
Interest income, other Group companies	664,407	322,839
Interest income, external*	28,326	-2,693
Net profit on financial assets/liabilities held for trading purposes, Group companies**	-	6,928
Net profit on financial assets/liabilities held for trading purposes, external**	29,027	-
	731,077	333,021

\* Of which, changes in value SEK 22,100 thousands (-5,846).

\*\* Pertains to changes in value in oil forward contracts.

## Note 5

### Interest expense and similar items<sup>1)</sup>

	2023	2022
Interest expense, Parent company	-16,243	-1,343
Interest expense, other Group companies	-300,786	-59,479
Interest expense, external	-201,959	-101,307
Net loss on financial assets/liabilities held for trading purposes, Group companies**	-29,026	-
Net loss on financial assets/liabilities held for trading purposes, external**	-	-7,082
Net exchange rate differences*	-320	-879
Credit fees	-22,974	-13,917
	-571,307	-184,008
* of which		
Exchange rate differences on fixed assets, other Group companies	-49,721	-
Exchange rate differences on financial current assets, Parent company	4,991	-
Exchange rate differences on financial current assets, other Group companies	-185,872	172,365
Exchange rate differences on financial current assets, external	122,392	-362,847
Exchange rate differences on financial liabilities, Parent company	-	-177
Exchange rate differences on financial liabilities, other Group companies	-	11,710
Exchange rate differences on financial liabilities, external	107,891	178,069
Net exchange rate difference	-320	-879

<sup>1)</sup> Result in notes 3, 4 and 5 pertains mainly to the measurement category amortized cost.

\*\* Pertains to Changes in value of oil forward contracts.

## Note 6

### Tax on net profit for the year

	2023	2022
Current tax assignable to Group contribution	985	3,941
	985	3,941
Pretax Profit	239,990	124,357
Tax according to company's current tax rate (20,6 %)	49,438	25,617
Other non-tax-deductible costs	-	0
Tax effects resulting from limitation rule for interest deductions	-50,423	-29,558
Total recognized tax cost (+)/ tax income (-)	-985	-3,941

## Note 7

### Long-term receivables from Group companies

	2023 Dec 31	2022 Dec 31
<i>Accumulated acquisition value</i>		
Carrying amount on January 1	441	379,644
Reclassified to current receivables	-441	-379,617
Receivables added	4,397,550	441
Foreign exchange-rate differences during the year	-49,721	-28
Carrying amount at year-end	4,347,829	441

## Note 8\*

### Receivables and liabilities on Group companies

	2023 Dec 31	2022 Dec 31
Long-term receivables from Parent company	-	-
Long-term receivables from other Group companies	4,347,829	441,248
<i>Long-term receivables from Group companies</i>	4,347,829	441,248
Current receivables from Parent company	356,624	602,700
Current receivables from other Group companies	9,531,657	12,945,973
<i>Current receivables from Group companies</i>	9,888,281	13,548,673
Long-term liabilities to Parent company	-	-
Long-term liabilities to other Group companies	-	2,395
<i>Long-term liabilities to Group companies</i>	-	2,395
Current liabilities to Parent company	132,753	212,538
Current liabilities to other Group companies	10,613,533	10,874,360
<i>Current liabilities to Group companies</i>	10,746,286	11,086,898

\* Pertains to receivables and liabilities regarding currency forward contracts and oil forward contracts, and other receivables and liabilities within group companies. See note 17.

## Note 9

### Short-term investments

	2023 Dec 31	2022 Dec 31
<i>Carrying amount</i>		
Interest-bearing securities	450,420	373,899
	450,420	373,899
<i>Market value</i>		
Interest-bearing securities	450,420	373,899
	450,420	373,899

## Note 10

### Bond loans

	2023	2022
	Dec 31	Dec 31
<i>Long-term</i>		
Bond loans, unlisted	1,100,000	500,000
Bond loans, listed on NASDAQ Stockholm	1,000,000	1,750,000
	2,100,000	2,250,000
<i>Current</i>		
Bond loans, unlisted	-	100,000
Bond loans, listed on NASDAQ Stockholm	750,000	-
Commerical paper	1,057,916	129,641
	1,807,916	229,641
Total bond loans	3,907,916	2,479,641

The bond loans have remaining maturities ranging from 1 to 43 months with an average tied-up capital of 18 months (31) and with an average closing interest rate of 5.14 % (4.43 %).

## Note 11

### Liabilities to credit institutions

	2023	2022
	Dec 31	Dec 31
<i>Committed credit line</i>		
Granted credit line	260,734	261,381
Unutilized part	-260,734	-202,092
Utilized credit amount	-	59,289
<i>Liabilities to credit institutions</i>	-	250,000
Total liabilities to credit institutions	-	309,289

## Note 12

### Maturity of long-term liabilities after year-end

Maturities exceeding 5 years accounts for SEK 0 thousands (0).

Other long-term liabilities have maturities ranging from 1.0 (0.8) to 3.5 (4.5) years (see Analysis of maturities in note 15).

## Note 13

### Pledged assets and contingent liabilities

	2023	2022
	Dec 31	Dec 31
Assets pledged	9,192	9,147
Contingent liabilities	None	None
Pledged assets for own liabilities	None	None

The company has pledged a bond with a nominal value of SEK 10 M to SEB as collateral in order to conduct derivatives trading on NASDAQ Stockholm.

The company had no pledged collateral for liabilities at year-end.

The external financial commitments of the company are guaranteed by the parent company.

## Note 14

### Accrued expenses and deferred income

	2023	2022
	Dec 31	Dec 31
Accrued financial expenses	25,501	13,786
Total	25,501	13,786

The financial expenses consists of accrued interest expenses and credit fees.

## Note 15 Financial instruments and financial risk management

### Group Treasury Policy

NCC Treasury AB's task is to be the inhouse bank for the entire NCC Group. The business areas of the NCC Group and its subsidiaries manage their financial risks through NCC Treasury AB. The company's receivables and liabilities consist of loan liabilities and receivables and liabilities relating to derivatives.

NCC's financial flows and accompanying risks: interest rate, exchange rate, liquidity, refinancing and credit risks as well as price risks associated with oil-based products, are coordinated and managed by NCC Treasury AB.

The company shall act as an active business support to the NCC Group in the above mentioned risks and is responsible for the overall management of NCC's borrowing.

Operations are conducted within the framework of the NCC Group's Treasury Policy.

### Contractual conditions

NCC Group is subject to a net debt/equity ratio financial covenant associated with committed lines of credit in EUR and SEK, totaling 5,101 MSEK. NCC Group meets the requirements for the financial ratio restriction.

### Reference rate reform

NCC Group 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 Treasury AB will not be able to obtain financing at a given time or that creditors will have difficulty in fulfilling their commitments thus precluding the possibility of the company meeting its undertakings to Group companies. The company strives to spread its risk among various sources of financing (market-financing programs, bank loans and other loan structures) in order to secure the NCC Group's long-term access to borrowed capital. The NCC Group's policy for its refinancing risk is to ensure that NCC Group's interest-bearing corporate debt will have a maturity structure that minimizes the Group's exposure from the refinancing risk perspective. The maturity periods must be well diversified over time. The distribution norm is that the capital maturity period must be at least 18 months.

At year-end, NCC Treasury AB's interest-bearing gross debt amounted to SEK 14,647 M (13,848), of which external SEK 3,908 M (2,789), Parent company SEK 133 M (213) and other Group companies SEK 10,607 M (10,846). At December 31st, NCC Treasury AB's capital maturity period in terms of total interest-bearing liabilities was 5 months (6), of which external 18 months (28), Parent company 0.03 month (0.03) and other Group companies 0.04 month (0.03).

NCC Treasury AB 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	1,075
Medium Term Note (MTN) in Sweden*	SEK 5,000 M	2,850
<b>TOTAL</b>		<b>3,925</b>

\* Green bonds 2,850 (2,350), of which a nominal amount of SEK 1,750 (1,750) M is listed on NASDAQ Stockholm.

### Liquidity risks

The liquidity risk refers to the risk that the NCC Group 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 the NCC Group's 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 credit facilities. 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 year-end, the volume of unutilized committed credit facilities amounted to SEK 5,361 M (5,071), with an average remaining maturity of 2.0 years (2.4). Available cash and cash equivalents are invested in banks or in interest-bearing instruments with good creditworthiness and a liquid secondary market. In line with the Group's credit policy, NCC Treasury AB ensured during 2023 that the NCC Group's payment capacity corresponded to a minimum of 7 percent of annual consolidated sales, with at least 5 percent of this in the form of unutilized committed credit facilities.

### Analysis of maturities (amounts including interest)

The table below shows NCC Treasury AB's financial liabilities (including interest payments) and net settled derivative instruments classified as financial liabilities. For financial instruments carrying variable interest rates, the interest rate pertaining on the balance sheet date has been used for 2022 and for 2023 variable interest rates are based on forward rates derived from observable yield curves. Amounts in foreign currency have been translated to SEK, based on the exchange rate applying on the balance sheet date. All amounts in the table are the contractual undiscounted cash flows.

Dec 31, 2023 in SEK M	Total	<3 months	3 months- 1 year	1-3 years	>3 years
External interest-bearing liabilities	4,225	1,007	963	1,745	511
Parent company interest-bearing liabilities	133	133			
Other Group interest-bearing liabilities	10,607	10,607			
External oil forward contracts	4	0	4	0	
Other Group oil forward contracts	0		0		
External interest rate swaps	1	0	0	1	
<b>Total</b>	<b>14,970</b>	<b>11,746</b>	<b>967</b>	<b>1,746</b>	<b>511</b>

Dec 31, 2022, in SEK M	Total	<3 months	3 months- 1 year	1-3 years	>3 years
External interest-bearing liabilities	3,044	402	189	1,918	535
Parent company interest-bearing liabilities	213	213			
Other Group interest-bearing liabilities	11,059	11,059			
External oil forward contracts	2	1	2		
Other Group oil forward contracts	0		0	0	
External interest rate swaps					
<b>Total</b>	<b>14,319</b>	<b>11,675</b>	<b>191</b>	<b>1,918</b>	<b>535</b>

The table below shows the company's gross settled derivative instruments. All amounts in the table are the contractual undiscounted cash flows.

Dec 31, 2023, in SEK M	Total	<3 months	3 months- 1 year	1-3 years	>3 years
External currency forward contracts					
- outflow	-4,860	-3,983	-836	-40	
- inflow	4,791	3,938	813	39	
Parent company currency forward contracts					
- outflow	0				
- inflow	0				
Other Group currency forward contracts					
- outflow	-1,282	-405	-837	-39	
- inflow	1,313	412	860	40	
<b>Net flow from gross settled instruments</b>	<b>-37</b>	<b>-37</b>	<b>0</b>		

Dec 31, 2022, in SEK M	Total	<3 months	3 months- 1 year	1-3 years	>3 years
External currency forward contracts					
- outflow	-3,929	-3,262	-586	-81	
- inflow	3,987	3,303	601	83	
Parent company currency forward contracts					
- outflow	0				
- inflow	0				
Other Group currency forward contracts					
- outflow	-1,065	-381	-601	-83	
- inflow	1,035	368	586	81	
<b>Net flow from gross settled instruments</b>	<b>28</b>	<b>28</b>		<b>0</b>	

### Interest rate risks

The interest rate risk is the risk that changes in market rates will adversely affect NCC Treasury AB's cash flow or the fair value of financial assets and liabilities. The company's main financing sources are shareholder's equity, cash flow from the operating activities and borrowing within the NCC Group. Interest-bearing borrowing exposes the Group to an interest rate risk. The company is tasked with ensuring compliance with NCC Group's interest risk policy, namely, that the weighted average remaining period of fixed interest for NCC Group's interest-bearing corporate debt, when exposure is reduced by the period of fixed interest on cash and cash equivalents 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 debt portfolio, interest rate swaps are the main instruments used to adapt the structure. At year-end the fixed interest maturity period was 10 months (13), including interest rate swaps linked to the corporate debt.

In the financial statements, hedge accounting is applied when there is an effective connection between the hedged loan and interest rate swaps. When assessing effectiveness, NCC Treasury AB 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 quote 1-for-1). NCC Treasury AB applies hedge accounting for a nominal amount of SEK 575 M (475), 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 2023. At year-end, interest rate swaps outstanding with Group companies amounted to a nominal value of SEK 0 M (0) and such swaps to external parties to a nominal value of SEK 575 M (475). The interest rate swaps had a fair value of SEK 5 M (17) net, comprising long-term receivables of SEK 0 M (14), short-term receivables of SEK 7 M (3) and long-term liabilities of SEK 2 M (0). The interest rate swaps have due dates ranging from 0.8 (0.8) to 3.5 (1.8) years with an average fixed interest rate of 2.0 percent (1.0). 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 (5) in other comprehensive income resulting from a change in fair value of the interest rate swaps.

At year-end, NCC Treasury AB's interest-bearing gross debt amounted to SEK 14,647 M (13,848), of which external SEK 3,908 M (2,789), Parent company SEK 133 M (213) and other Group companies SEK 10,607 M (10,846). The fixed interest maturity of for gross debt was 2 months (2), of which external 8 months (12), Parent company 0.03 months (0.03) and other Group companies 0.04 months (0.03). At year-end, NCC Treasury AB's interest-bearing gross receivables amounted to SEK 14,601 M (13,899), of which external SEK 769 M (434), Parent company SEK 355 M (619) and other Group companies SEK 13,478 M (12,845). The fixed interest maturity period for gross receivable was 10 months (4), of which external 8 months (7), Parent company 6 months (4) and other Group companies 11 months (4).

An increase in interest rate by one percentage point would impact NCC Treasury AB's annual earnings after tax as well as equity by SEK -55 M (-30), based on the interest-bearing assets and liabilities, including interest rate swaps, existing on the balance sheet date.

### Exchange rate risks

The exchange rate risk is the risk that changes in exchange rates will adversely affect the company's income statement, balance sheet or cash flow statement. The NCC Group's business areas are responsible for eliminating transaction exposure as soon as it becomes known. When performing currency hedges, Group companies must engage NCC Treasury AB, who then carries out external hedges to match the internal currency forward contracts. On the balance sheet date, the company had net sales of currency forward contracts outstanding to Group companies in a nominal amount of SEK 960 M (884), of which SEK 0 M (0) are outstanding to Parent company and the nominal amount of net purchases of currency forward contracts outstanding to external parties was SEK 960 M (884).

Currency swaps are used to achieve that assets and liabilities match in the same currency. Net purchased currency swap agreements for financing amounted to a nominal SEK 1,638 M (2,261). NCC Treasury AB has assets and liabilities with both Group Companies and external entities in DKK, EUR, NOK and SEK.

NCC Treasury AB does not take any exchange rate risks but is subject to an exchange rate risk limit whereby the company's earnings are not permitted to be negatively impacted by more than SEK -10 M in the event of a 5-percent exchange rate change, defined as the sum of the exchange rate risk per currency in absolute terms. At December 31st, a 5-percent change in exchange rates would have resulted in a negative impact on NCC Treasury AB's profit after tax as well as equity of SEK -2.3 M (-3.9).

### Credit risks/counterparty risks

NCC's investment regulations for financial credit risks are revised continuously and 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. The framework agreement on netting issued by the ISDA (International Swaps and Derivatives Association) is used with all counterparties with respect to derivative trading. The investment regulation specifies maximum credit exposure and maturity for various external counterparties.



Total counterparty exposure with respect to derivatives, calculated as the net receivable per counterparty, amounted to SEK 45 M (125) at the end of 2023. The net receivable per counterparty is calculated in accordance with the market-to-market approach, i.e the market value of the derivative plus a supplement for the change in risk (1% on the nominal amount). Calculated gross exposure to counterparty risks pertaining to external cash and bank balances and short-term investments amounted to SEK 758 M (441).

The credit risk of NCC Treasury AB's counterparties is assessed to be low, as all lending is intra-group, in a Group with a financially strong parent company with good payment history, joint governance and control. If the ability of a subsidiary to pay would deteriorate, this is normally handled through capital contribution from the parent company.

NCC Treasury AB has no past-due receivables from Group companies. The company has not set aside any reserves for doubtful receivables as the uncertainty in the receivables has been assessed as very low.

### Price risks

The price risk associated with purchasing bitumen is managed by NCC Treasury AB via oil forward contracts. NCC Industry:s policy is to hedge larger fixed price customer contracts when the work is to be performed later than two months from the ordering date. NCC Treasury AB ensures that oil derivatives are priced using the same underlying index as that which applies to suppliers and that the number of purchased tons of bitumen per month exceeds the number of hedged tons of bitumen per month. As of the balance sheet date, the company had outstanding oil forward contracts to Group Companies amounting to 7,498 (3,161) tons, with counter-value SEK 35 M (15), as well as an equivalent volume of external derivatives, see fair value in note 17.

## Note 16

### Non-cash changes in financing activities

SEK M	CB 2022	Cash flow	NON-CASH ITEMS	
			Exchange rate differences	CB 2023
Interest-bearing liabilities	13,847,837	799,337		14,647,174
Interest-bearing receivables	-13,838,508	-528,119	83,662	-14,282,965
<b>Total liabilities, financing activities</b>	<b>9,329</b>	<b>271,218</b>	<b>83,662</b>	<b>364,209</b>
Group contribution		19,129		
Dividend		-140,000		
<b>Cash flow from financing activities</b>		<b>150,347</b>		

## Note 17

### Carrying amount and fair value of financial instruments

The carrying amount and fair value of financial instruments are presented in the following table. In NCC Treasury AB's balance sheet, it is mainly short-term investments and derivatives that are measured at fair value. Short-term investments are measured according to prices quoted on a well-functioning secondary market for the same instrument.

The measurement to fair value on currency forward contracts, currency options and oil forward contracts is based on customary models with observable input data (level 2) such as interest rates, exchange rates and commodity prices. The measurement to fair value of interest rate swaps is based on forward interest rates based on observable yield curves. The discount has no significant impact on the measurement of derivatives.

For financial instruments recognized at amortized cost - long-term and current interest-bearing assets and liabilities to Group companies, cash and bank balances, bank deposits and other interest-free assets and liabilities - the fair value does not materially deviate from the carrying amount.

For bond loans listed on Nasdaq Stockholm, the fair value was calculated according to prices listed in a well-functioning secondary market. It has been deemed that the fair value of other external long-term and short-term 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.

SEK thousands	Dec 31, 2023		Dec 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets statutorily measured at fair value through profit or loss</b>				
External currency forward contracts <sup>1)</sup>	25,379	25,379	65,830	65,830
External oil forward contracts <sup>1)</sup>	6	6	314	314
Group currency forward contracts <sup>2)</sup>	34,243	34,243	1,371	1,371
Group oil forward contracts <sup>2)</sup>	4,344	4,344	2,507	2,507
Short-term investments	450,420	450,420	373,899	373,899
<b>Derivatives used in hedge accounting</b>				
External interest rate swaps <sup>1)</sup>	6,782	6,782	16,737	16,737
<b>Financial assets measured at amortized cost</b>				
Long-term receivables from Group companies	4,346,882	4,346,882	-	-
Current receivables from Group companies	9,850,640	9,850,640	13,545,236	13,545,236
Prepaid expenses and accrued income	554	554	1	1
Cash and cash balances	318,311	318,311	60,311	60,311
<b>Total financial assets</b>	<b>15,037,561</b>	<b>15,037,561</b>	<b>14,066,205</b>	<b>14,066,205</b>
<b>Financial liabilities statutorily measured at fair value through profit or loss</b>				
External currency forward contracts <sup>3)</sup>	89,167	89,167	6,873	6,873
External oil forward contracts <sup>3)</sup>	4,299	4,299	2,507	2,507
Group currency forward contracts <sup>4)</sup>	6,828	6,828	30,071	30,071
Group oil forward contracts <sup>4)</sup>	190	190	314	314
<b>Derivatives used in hedge accounting</b>				
External interest rate swaps <sup>3)</sup>	1,465	1,465	-	-
<b>Other financial liabilities</b>				
Long-term listed green bond loans	1,000,000	1,001,124	1,750,000	1,723,573
Long-term unlisted green bond loans	1,100,000	1,076,439	500,000	475,204
Current listed bond loans	750,000	746,370	-	-
Current unlisted bond loans and commercial paper	1,057,916	1,057,916	229,641	229,641
Current interest-bearing liabilities to credit institutions	-	-	309,289	309,289
Current liabilities to Group companies	10,739,268	10,739,268	11,058,908	11,058,908
Accrued expenses and deferred income	23,727	23,727	12,644	12,644
<b>Total financial liabilities</b>	<b>14,772,860</b>	<b>14,746,793</b>	<b>13,900,246</b>	<b>13,849,023</b>

<sup>1)</sup> The carrying amount for external currency forward contracts, interest rate swaps and oil forward contracts is included in long-term receivables amounting to SEK 0 M (16) and in other current receivables SEK 32 M (66).

<sup>2)</sup> The carrying amount for Group currency forward contracts and oil forward contracts is included in long-term receivables from Group companies amounting to SEK 1 M (0) and in current receivables from Group companies amounting to SEK 38 M (4).

<sup>3)</sup> The carrying amount for external interest-rate swaps, currency forward contracts and oil forward contracts is included in long-term other liabilities amounting to SEK 2 M (0) and in current other liabilities amounting to SEK 93 M (9).

<sup>4)</sup> The carrying amount for Group currency forward contracts and oil forward contracts is included in long-term liabilities to Group companies amounting to SEK 0 M (2) and in current liabilities to Group companies amounting to SEK 7 M (28).

In the following table, disclosures are made concerning how fair value was determined for financial instruments. When determining fair value, assets were divided into the following 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 instrument.

Level 2: on the basis of directly or indirectly observable market data that is not included in Level 1.

Level 3: on the basis of input data that is not observable in the market (which is not applicable for NCC Treasury AB).

SEK thousands	Dec 31, 2023			Dec 31, 2022		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Derivative instruments *		70,754	70,754		86,759	86,759
Short-term investments	450,420		450,420	373,899		373,899
<b>Total financial assets</b>	<b>450,420</b>	<b>70,754</b>	<b>521,174</b>	<b>373,899</b>	<b>86,759</b>	<b>460,658</b>
Derivative instruments *		101,949	101,949		39,765	39,765
Listed bond loans	1,001,124		1,001,124	1,723,573		1,723,573
Unlisted bond loans and commercial paper		2,134,355	2,134,355		704,845	704,845
Other interest-bearing liabilities to credit institutions		-			309,289	309,289
<b>Total financial liabilities</b>	<b>1,001,124</b>	<b>2,236,304</b>	<b>3,237,428</b>	<b>1,723,573</b>	<b>1,053,899</b>	<b>2,777,471</b>

\* Total of Group and external derivative instruments.

### Offsetting financial instruments

NCC has binding framework agreements on netting (ISDA agreements) with all external 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.

SEK thousands	Dec 31, 2023		Dec 31, 2022	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Recognized gross amount	32,167	94,931	83,263	9,380
Amounts included in the netting agreement	-28,765	-28,765	-7,262	-7,262
<b>Net amount after netting agreement</b>	<b>3,402</b>	<b>66,166</b>	<b>76,001</b>	<b>2,117</b>

## Note 18

### Events after the balance sheet date

No significant events have occurred after the balance sheet date.

## Note 19

### Proposed distribution of earnings

Funds available for distribution by the Annual General Meeting:

Earnings brought forward		9,628,008
Net profit of the year		240,974,982
	Amount in SEK	<u>250,602,990</u>

The Board of Directors and the Managing Director proposes that the funds should be distributed as follows:

To be distributed to shareholders		245,000,000
To be carried forward		5,602,990
	Amount in SEK	<u>250,602,990</u>

The company has received Group contribution from NCC AB at the amount of SEK 4,779,900.

# Adoption

The Board of Directors and the Managing Director hereby give their assurance that the Annual Report has been compiled in compliance with the 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 company. The Report of the Board of Directors accurately review the company's operations, financial position and earnings and describe the material risks and uncertainties facing the company.

The Annual Report was approved for issue by the Board of Directors on March 13, 2024. The income statement and balance sheet will be presented to the Annual General Meeting for adoption on March 31, 2024.

Solna, March 18, 2024

Charlotte Z Lindstedt  
Chairman of the Board

Ann-Marie Hedbeck  
Member of the Board

Susanne Lithander  
Member of the Board

Anneli Bedman  
Managing Director

Our audit report was submitted on March 18, 2024

PricewaterhouseCooper AB

Anders Carlsson  
Authorized Public Accountant