

Statement by the Board pursuant to Chapter 18, Section 4 and Chapter 19, Section 22 of the Swedish Companies Act regarding the Board's proposed distribution of unappropriated earnings and repurchase of own shares

The Board of Directors hereby issues the following statement pursuant to Chapter 18, Section 4 and Chapter 19, Section 22 of the Swedish Companies Act. The Board of Directors' reasoned statement that the proposals regarding the dividend and the authorization for the Board of Directors to resolve to repurchase own shares are compliant with the provisions of Chapter 17, Section 3, paragraph 2 and 3, of the Swedish Companies Act are as follows:

Nature, scope and risks of the business

The nature and scope of the business are stipulated in the Articles of Association and the 2023 Annual Report. The activities conducted by the company do not entail any risks other than those that arise or can be anticipated to arise within the industry, or those risks that are generally associated with operating a business. For information on significant events during the year, refer to the Financial Report. After year-end, no events have occurred that affect the company's ability to pay a dividend or to repurchase its own shares.

The financial position of the company and the Group

The financial position of the company and the Group on December 31, 2023 is described in the 2023 Annual Report. The Annual Report also specifies the accounting policies that have been applied in valuing assets, provisions and liabilities. According to the proposed distribution of unappropriated earnings, the Board proposes that the Annual General Meeting (AGM) approve a dividend of SEK 8 per share, divided into two payments, whereby SEK 4 per share will be paid on the first date of payment in April and SEK 4 per share will be paid on the second date of payment in November.

The company's financial objective is to generate a healthy return to shareholders under retained financial stability. Consolidated profit after tax for the year was SEK 1,573 M. The Parent Company's shareholders' equity at December 31, 2023, an amount of SEK 5,079 M, entails an equity/assets ratio of 90 percent. During the year, net debt increased by SEK 1,310 M to SEK 4,310 M, which largely consists of financing of property projects, lease liabilities and pension debt. The company's net debt (excl. pension debt and lease liabilities) increased to SEK 2,374 M at December 31, 2023. Net debt/EBITDA was 0.98 at December 31, 2023. NCC's financial objective is that net debt/EBITDA shall be lower than 2.5. For definitions of key figures, see ncc.com/investor-relations/ncc-share/financial-definitions/.

The Board of Directors is of the opinion that the company has a solid foundation to satisfy its obligations in the short and long term.

Justification of the motions

In reference to the above and to other information that has been brought to the Board's attention, the Board is of the opinion that a comprehensive assessment of the company's and the Group's financial position leads to the conclusion that the proposals for dividend and the repurchase of own shares are justified in view of the demands that the nature, scope and risks in the business place upon the size of the company's and the Group's shareholders' equity and the funding requirements, liquidity and position in general of the company's and Group's operations.

Solna, March 2024

Board of Directors of NCC AB