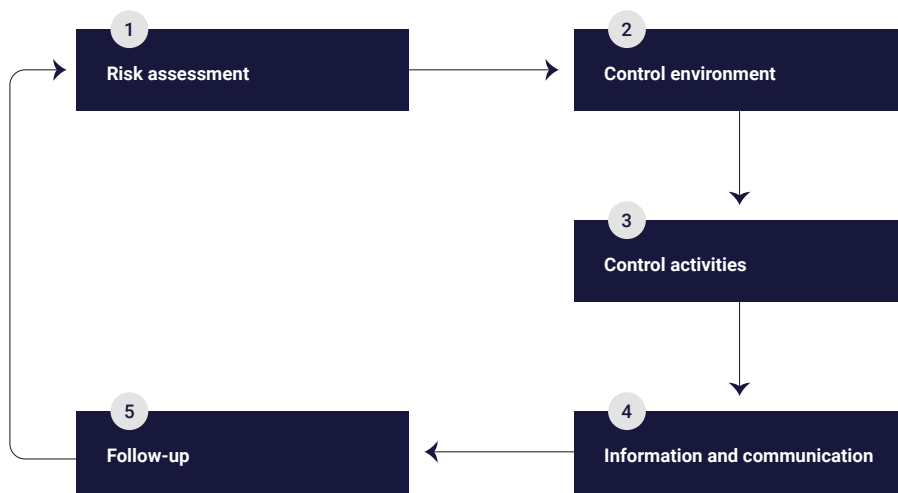


Board of Directors’ report on internal control

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 on-going 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.

Corporate governance – Corporate Governance Report

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 activated 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 evidence exists that the control has been carried out as planned.

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 over 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.

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 reports directly to the Board of Directors through the Audit Committee.

Corporate governance – Corporate Governance Report

PwC participated in all of the Audit Committee's meetings in 2025. The duties of the Audit Committee is, among other things, to monitor the effectiveness of the Company's internal control and internal auditing with regard to financial reporting.

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 includes, among other things, such documents as the Articles of Association and the Code of Conduct.

Sustainability work

Responsibilities of the Board and the Audit Committee

In accordance with the Swedish Code of Corporate Governance, the Board of Directors is responsible for ensuring adequate and effective internal control over both financial reporting and sustainability reporting. In 2025, the Board of Directors and the Audit Committee specifically monitored and followed up on work relating to alignment with the new regulatory frameworks, including the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standard (ESRS). A key tool in these efforts was the double materiality assessment, which evaluates both the company's external impact and the financial effects for the company. The assessment forms the basis for the appropriate prioritization and management of sustainability reporting.

Sustainability reporting organization and roles

NCC has assigned ownership of the material topics identified in the double materiality assessment to ensure systematic and appropriate sustainability reporting activities. A topic owner has been appointed for each area. A topic owner is the individual responsible for a specific sustainability topic and leads the development, implementation and monitoring of relevant processes. These individuals work in close collaboration with other personnel from business areas and support functions, including experts, controllers and lawyers. The CFO has overall responsibility for the risk management and control framework.

Data collection and quality assurance processes

In 2025, extensive work was performed to develop and formalize processes for the governance, collection and quality assurance of sustainability data in the material topics. These processes include data collection, review and quality assurance, as well as oversight controls, including the application of the four-eyes principle. According to the four-eyes principle, at least two independent individuals review and approve crucial information before it is reported onward. The purpose is to improve quality and reduce the risk of errors. One specific example is the validation of sustainability data from suppliers by two independent individuals before reporting. The reported sustainability data is based on activity data, purchasing data and extrapolations, and data quality and management-related controls are integrated into the overall framework. In addition, continuous efforts are made to identify and implement more efficient methods, processes and systems to further improve data quality and mitigate manual and resource-intensive steps.

Knowledge sharing between financial and sustainability reporting

Experience gained from internal control over financial reporting serves as an ongoing reference and basis for the development and improvement of internal control over sustainability reporting. Leveraging synergies and knowledge sharing between these two areas strengthens risk management, data quality and efficiency in the reporting process. At an overall level, the Board of Directors and the Audit Committee have reviewed and evaluated the internal control system designed for sustainability reporting.