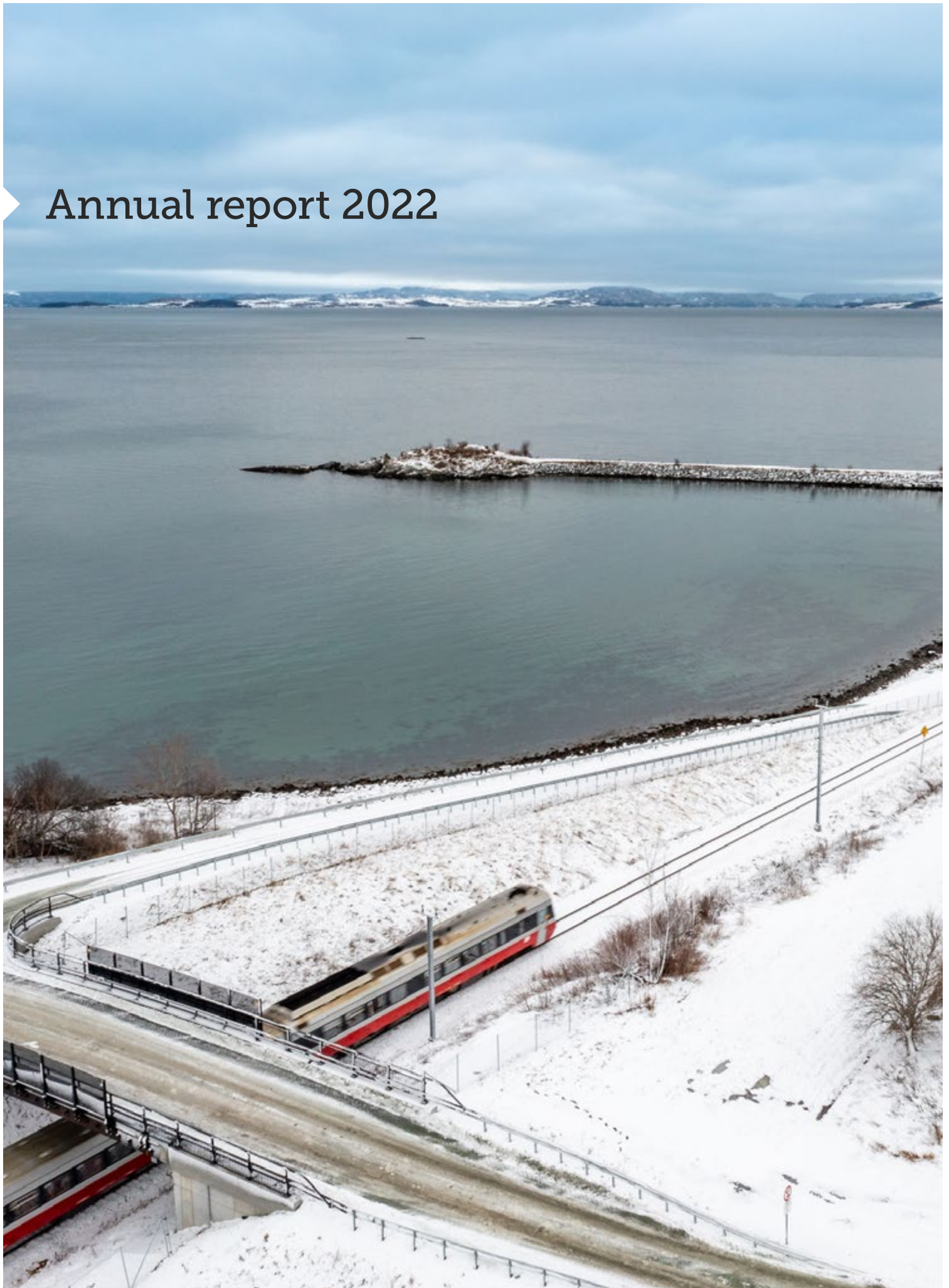
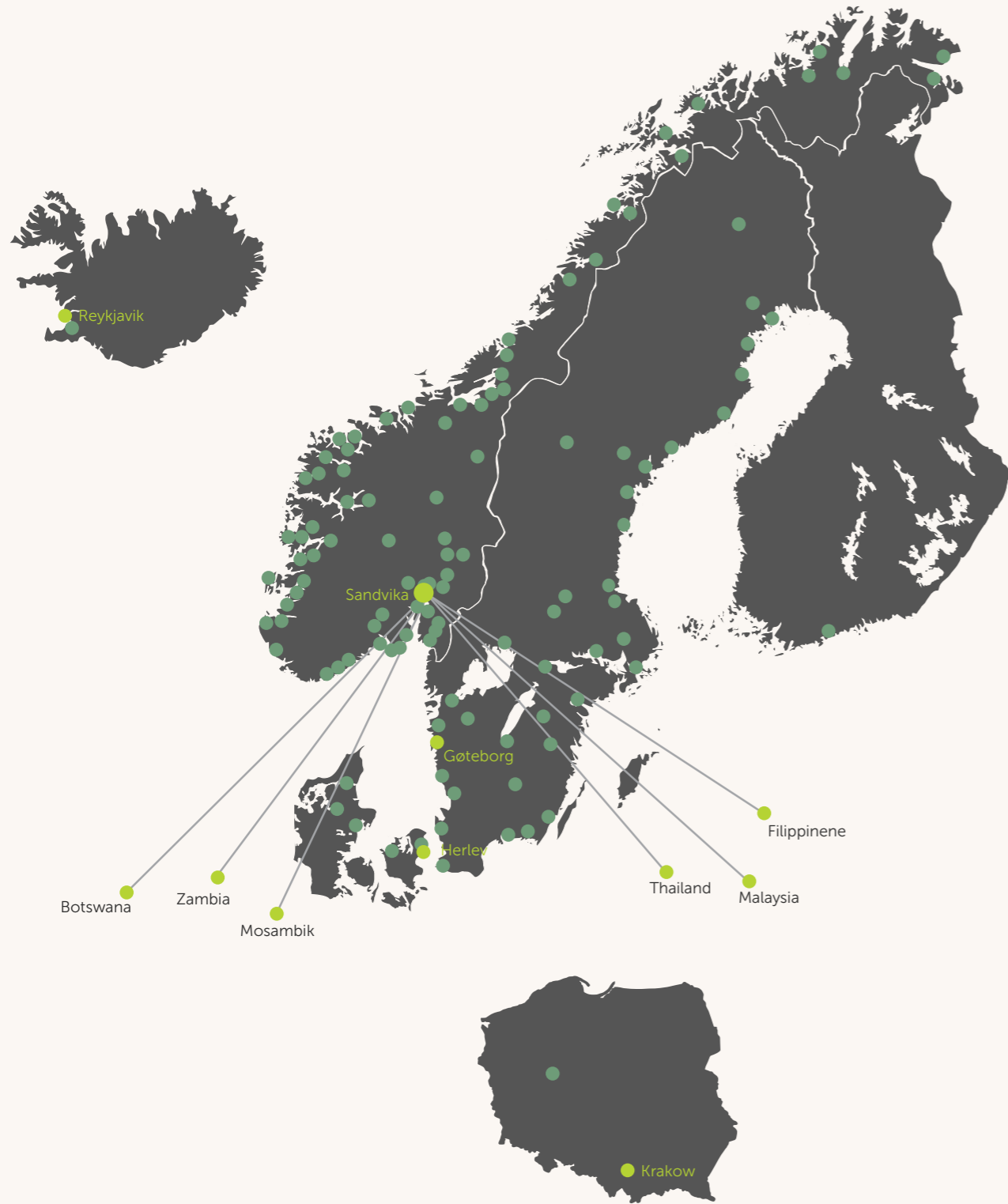


Annual report 2022



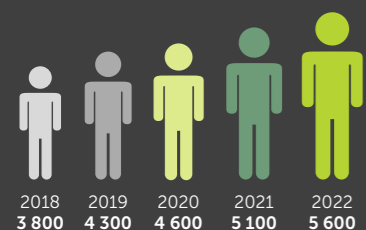


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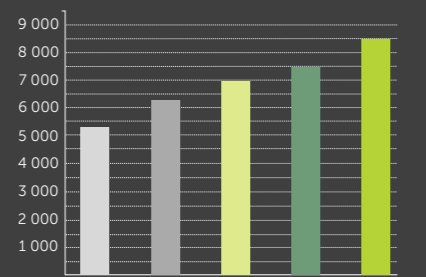
5,600

Employees



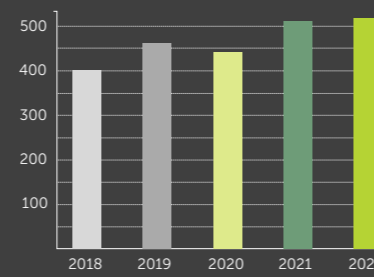
8,444

Operating revenues (MNOK)



513

Operating profit (MNOK)



Front page: Trønder and Meråker Lines was the winner in the Sustainability category in the Norconsult Awards. As early as the tender phase, it was decided that for sustainability, the tender should go far beyond the requirements set in the invitation to tender, and no stone was left unturned to facilitate the highest performance possible. We decided to offer BREEAM (Ceequal) and optimisation of foundations, saving 24 percent in concrete and 48 percent in CO₂ emissions, while optimisation of masts in selected areas halved the total number of masts required. Photo: Matthias Herzog

A word from the CEO

New ownership model, market turmoil and profitable growth

The year 2022, which started with a return to normal working routines following the pandemic, was dominated by high inflation and a war that affected the whole of Europe. Despite significant market unrest caused by higher energy and materials prices and a tight labour market, Norconsult increased its headcount from 5,100 to 5,600 and delivered another year of profitable growth.

2022 was dominated by high energy prices, triggered by a war in Ukraine in which energy is actively being used as a weapon, and inflation on a scale not seen in the western world for many years. While Norconsult resumed normal working routines following the pandemic, we did not escape the market unrest created by a sharp hike in the price of energy and materials and a tight labour market.

The market turmoil has initially resulted in a significant decrease in activities in our buildings market area. However, Norconsult's order books are fuller than ever and we have achieved growth in all nine of our market areas. Despite the market challenges, we experienced a sharp increase in demand in some market areas in 2022, in particular in the fields of green industry and energy. This demand is being driven by increasing energy production needs for the electrification of society in both Norway and the rest of Europe in the years ahead.

In early 2022, the Norwegian Tax Administration concluded in a statement of principle that employees may no longer acquire and sell shares in accordance with principles that deviate from the market value at the time of acquisition and realisation. This change affected Norconsult's ownership model, initiating a comprehensive and thorough analysis and discussion around the company's future ownership structure. With the

assistance of external consultants, Norconsult's board reviewed alternative ownership models. Two employee-ownership models and two types of public share listings were analysed and assessed during the summer and autumn. After a thorough, open and inclusive process, it was decided at an Extraordinary General Meeting in January 2023, with 96 percent of the votes cast and 88 percent support, that Norconsult should apply for a stock exchange listing. Preparations for a listing on Oslo Børs have started, and if market conditions permit, the goal is to complete the listing towards the end of 2023.

Having freely tradable shares will make it easier for Norconsult to generate further growth in the Nordic region, while diversifying both upside and downside risk with external investors. We believe that a share listing will create an even more competent and effective Norconsult for our clients. We are aware of the importance of our strong culture around employee ownership, and good share programmes for employees are also important as a listed company. Norconsult will continue to be a high-expertise company with a strong local presence that attracts, develops and retains leading talents who work every day to improve everyday life.

Norconsult completed a total of six acquisitions in 2022; however, most of the company's growth was organic. The acquisitions complement our



Group Chief Executive Officer Egil Hogna. Photo: Johnny Syversen

expertise and, to a lesser extent, our geographical presence. During 2022, Norconsult also acquired the remaining shares in the Nordic Office of Architecture, and now wholly owns the company. For the second year in a row, Norconsult received the *Career Company* award in Sweden, which means that the company is considered to offer the best career and development opportunities for young talents. In Denmark, we were designated a *gazelle* company for several years of strong and profitable growth.

In recent years, Norconsult has rapidly expanded, and in 2022 we recruited 500 new colleagues to bring our total headcount to 5,600. In a survey carried out by Universum, Norconsult was ranked Norway's most attractive employer for consulting engineers in 2022, both among students and young professionals.

Norconsult is continuing to invest heavily in digital tools in order to raise

productivity. PAM Integrated, an internal development project designed to improve Norconsult's competitiveness, is one example of such an initiative.

We aim to be number one in digital implementation, and we will search for new digital opportunities that provide client value in the form of efficiency, fewer errors and higher quality and flexibility, as well as digital solutions that improve the sustainability of our projects. In 2022, Norconsult delivered in line with our strategic goals for the period 2022–2024, which include ambitious aims for digitalisation and finances, and set high targets for employee and client satisfaction.

I would like to thank all Norconsult's employees for their unstinting efforts every day during a demanding but successful year. We will build on our down-to-earth and modest culture, but we share a burning ambition of which we will never tire:

Every day we improve everyday life.

“

Having freely tradable shares will make it easier for Norconsult to generate further growth in the Nordic region, while diversifying both upside and downside risk with external investors. We believe that share listing will create an even more competent and effective Norconsult for our clients.

This is Norconsult:

Improving everyday life

Norconsult develops the society of tomorrow by combining engineering, architecture, regional planning and digital expertise. We adopt a holistic approach based on a local presence, interdisciplinary expertise and collaboration. Through invention and innovation, and with the ambition *Every day we improve everyday life*, we search together with our clients for sustainable, efficient and socially beneficial solutions.



Foto: Herman Dreyer

Our 5,600 employees are spread over 135 offices, mainly in the Nordics, and every year Norconsult creates thousands of solutions of all sizes, for private and public clients. The company possesses leading expertise in several areas, such as transport, buildings, architecture, renewable energy, industry, water, planning, environment and digitalisation. We offer consultancy services in all phases of a project, and follow up our clients all the way from the development of ideas and concepts, through planning and engineering design to operation and monitoring.

New ownership model

Norconsult is wholly owned by its employees and our co-ownership model has helped shape our corporate culture. In early 2022, the Norwegian Tax Administration concluded in a statement of principle that employees may no longer acquire and sell shares according to principles that deviate from the market value at the time of acquisition and realisation. This change affected Norconsult's ownership model, initiating a comprehensive and thorough analysis and discussion around the company's future ownership structure.

At an Extraordinary General Meeting on 9 January 2023, 96 percent of those present voted for the company's shares to be listed on Oslo Børs. A share listing will strengthen Norconsult's position as Norway's largest, and one of the Nordic region's leading consultancy firms for engineers, architects and community planners. A public listing will also improve the company's ability to assess strategic opportunities that require financial flexibility, while safeguarding the interests of all our talented employees and the company's strong culture.

A share listing could potentially take place as early as 2023 if internal and external conditions permit.

Our ambition

The ambition we have adopted at Norconsult is *Every day we improve everyday life*. Our mission inspires us each day to challenge established truths and search for new solutions that can create an even more sustainable and productive society to live in for the future. This makes us stand out from our competitors, and helps us attract the right employees and exciting projects, and be attractive to our clients.

Strategy and Nordic ambitions

2022 was the first year of our current strategy period, which runs until 2024. Our most important goal in the current strategy period is to achieve a stronger and more balanced position in the Nordic region.

This essentially involves reinforcing Norconsult's number-one position in the Norwegian market, and generating growth in Denmark and Sweden, where Norconsult is a clear challenger. Other key areas of the strategy involve reinforcing international collaboration and strengthening our sustainability and renewable energy efforts, as well as further developing Norconsult Poland. Our three main focus areas in the current strategy period are sustainability, digitalisation and collaboration.

With regard to sustainability, it is about targeting sustainable development in everything we do – both in our projects and in our own operations. For digitalisation, it is a question of being at the forefront of digital implementation, where our innovation initiative The Edge will play a crucial role. With regard to collaboration *We are one Norconsult* will play a key role, and we aim to be the best in our industry when it comes to collaboration and sharing, both internally within the Group and externally with our clients and partners. Norconsult has identified further areas to help us stand out from the competition during the strategy period. Firstly, we must attract, develop and

retain the best employees. Norconsult must offer unrivalled expertise, a strong culture and a local presence that ensures proximity to our clients and makes us a more attractive employer. Selective growth in the early phase of projects is also important, including participation in development work that leverages the company's extensive service portfolio. Renewable energy is another key area of our strategy, where a strong, competent and attractive specialist group spanning Norway and Sweden will provide a platform for further profitable growth.

Norconsult's overall goal is to have satisfied clients, satisfied employees and satisfied owners. In 2022, employee surveys in each country revealed very high levels of employee satisfaction for engagement and well-being, and we also comfortably passed our client satisfaction targets.

A strong culture

One of the most important focus areas of Norconsult's strategy work is ensuring that we attract, retain and develop the best employees, since this is crucial for the company's success.

Our corporate culture is summarised in LiVE, which comprises our principles for Leadership, Values and Ethics. Our culture is based on diversity, transparency and mutual respect. Our approach to leadership, values and ethics characterises the entire Group, from how we collaborate with our colleagues to client dialogue and how we conduct our business ethically and profitably.

We conduct an annual employee survey to establish a framework for continuous improvement. The results of the 2022 employee survey confirm a strong corporate culture, with a high level of engagement and a view of Norconsult as an attractive workplace among both recent graduates and more experienced employees. Norconsult is an employee-owned consultancy firm, where a high proportion of the company's

employees own shares in the company. This helps secure the engagement and commitment of our consultants.

Attractive company with demanding clients

In close collaboration with our partners throughout the value chain, our ambition is to create a more socially beneficial and sustainable future. That is why we value clients who challenge us, so that together we can endeavour to make continuous improvements. We want to find more sustainable and efficient solutions to our clients' challenges. Through innovation, development and digitalisation, we will challenge established truths and create profitable growth and value for our clients and society.

Norconsult has developed the cultural platform LiVE PRO, which is a set of simple, practical and understandable principles for how we work to create increased value for our clients. LiVE PRO is about understanding our clients, building teams, taking control and creating a flow in our projects.

Risk management and internal control are regulated through the Group's management system NORMS (Norconsult Management System), which details all our processes and procedures for working in a smarter and more sustainable way.

The Edge

Major changes in society, rapid technological developments and a heightened focus on the green transition will require all businesses to innovate and find new solutions. Ambitious goals for business development, innovation and digitalisation will play an important role in enabling us each day to improve everyday life for the society around us through our projects.

That is why a cornerstone of Norconsult's strategy is the 80/20 principle: We must use 80 percent of our time to continue to build on what we already do well, and to continue to improve each day. In addition, 20 percent of our time should be used to challenge established truths and practice and to contribute to new ways of thinking and innovation. We believe that this 20 percent gives us *The Edge*.

Strengthened investment in digitalisation

Norconsult has long been a key driver of digitalisation, primarily through Norconsult Informasjonssystemer (NoIS) and the Swedish company Norconsult Astando, which develop, market and deliver end-to-end IT solutions for planning, engineering design, construction and management of infrastructure and property. In addition, Technogarden is a leading supplier of expertise in consulting engineering services, telecoms/digitalisation, IT and project

management. Both companies have operations in Norway and Sweden, and together have a total of 12 offices.

In 2022, we strengthened and further developed our investment in digitalisation, including through the acquisition of Pure Logic. Pure Logic is a company with cutting-edge expertise in estimation and decision theory. The methodology helps clients make good decisions by simplifying and prioritising large volumes of data, where a focus on environmentally related topics and social dimensions is an integral part of the decision-making basis.

In 2022, we also strengthened our investment in digitalisation by bundling several of our key resources in our Digital Transformation division. The division will leverage efficiency gains from client projects in the interface between people, process and technology. It will also strengthen our competitive edge in the interface between the developer expertise offered by NoIS and a solid Nordic specialist consultancy group.

Well positioned for profitable growth

In 2022, Norconsult employed 500 new colleagues, through both organic and structural growth.

Norconsult made five acquisitions during the year: Kristin Jarmund Arkitekter AS, Djerving AS, Moldskred AS and Areal og Eiendom AS. In addition, Norconsult acquired the business of

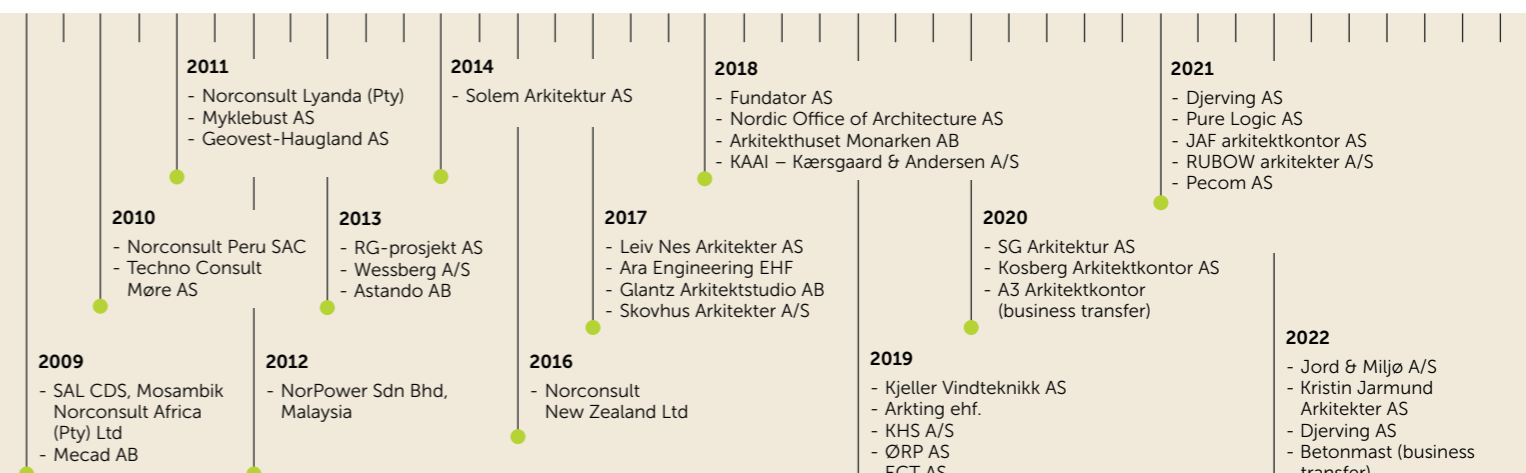
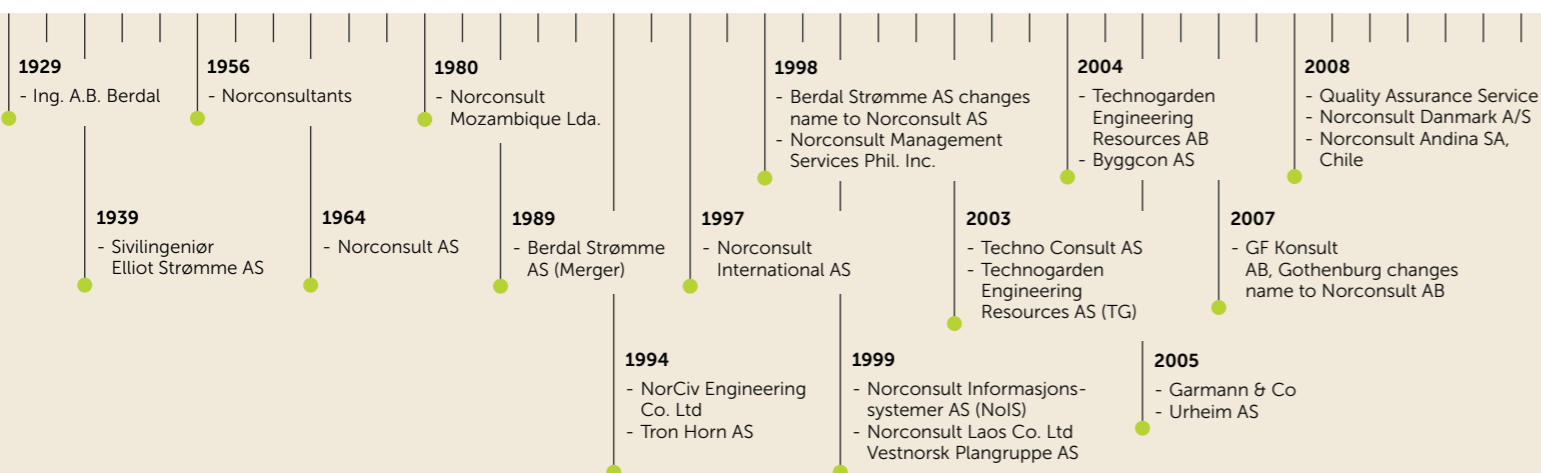
Betonmast Boligbygg's engineering design division, while in Denmark we acquired Jord & Miljø A/S.

Norconsult has a clearly defined strategy and ambition and a solid structure, along with an experienced and competent board and Group

management team, and 5,600 skilled employees. This means we are well placed to generate further profitable growth in the Nordic region in the coming years.



Norconsult's Group management team in 2022: Vegard Jacobsen, EVP Norway Regions, Egil Hogna, CEO, Sten-Ole Nilsen, EVP Renewable Energy, Kathrine Duun Moen, EVP Technogarden, Farah Al-Aieshy, EVP Sweden, Janicke Garmann, EVP Sustainability and Staff, Thomas Bolding Rasmussen, EVP Denmark, Ola Greiff Johnsen, EVP Digitalisation, Bård Hernes, EVP Norway Head Office and Dag Fladby, CFO. Photo: Johnny Syversen



The timeline shows selected acquisitions over the years, and a full list for 2022.

Market areas

The Group is led by CEO Egil Hogna and consists of the following market areas and Executive Vice Presidents:

Norway, Head Office

Norway Head Office, led by Executive Vice President Bård Hernes, consists of approximately 1,240 employees located in the Oslo region. The Head Office is located in Sandvika and supports the entire Group with expertise in the market areas of transport, buildings, industry, water, environment, architecture as well as society and urban planning. The Norway Head Office also has a dedicated unit that assists the Group with innovation, digital transformation and new business development. Nordic Office of Architecture is also organised under the business area Norway Head Office. Nordic Office of Architecture is one of the largest and leading architect practices in the Nordic region, specialising in complex projects and plans whose assignments range from the largest ongoing construction projects in Norway to single-family homes for private customers.

Norway Regions

Norway Regions, led by Executive Vice President Vegard Jacobsen, employs a team of more than 1,600 employees in 70 offices throughout Norway. A local and interdisciplinary presence ensures proximity, relationships and value for our clients while making Norconsult an attractive employer for potential recruits. All five regions are characterised by a strong collaborative culture in which the Group's special expertise and capacity are fully exploited: Interior Region, Western Region, South-Eastern Region, Central Region and Northern Region. Industry, and in particular renewable and green industry, is an important focus area for Norway Regions, while buildings as well as transport constitute the two largest market areas in the business area.

Renewable energy

Renewable Energy is led by Executive Vice President Sten-Ole Nilsen, and consists of operations in Norway, Poland and Iceland as well as the Group's international offices and activities.

Norconsult Renewable Energy supplies services to the entire renewable industry, and is now transferring many decades of experience from hydropower to solar power, wind power and energy storage. We have particular expertise in the environment and sustainability, machinery, electrical and power grids, dams and watercourses, construction engineering, and project execution and land acquisition. Kjeller Vindteknikk, which is the market leader in wind power and wind analysis, is also included in this business area. Renewable Energy works closely with all the company's other business areas, and is one of Norconsult's focus areas going forward.

Digitalisation

In 2022, Digitalisation was led by Executive Vice President Ola Greiff Johnsen, but in March 2023 Kathrine Duun Moen took over as Executive Vice President. Norconsult Informasjonssystemer (NoIS) and Norconsult Astando in Sweden are a key part of Digitalisation, developing, marketing and delivering comprehensive IT solutions for planning, engineering design, construction and management of infrastructure and property. The Digitalisation business area also includes Pure Logic, a company with cutting-edge expertise in estimation and decision theory, and since March 2023, Technogarden.

Technogarden

Technogarden, led by Executive Vice President Kathrine Duun Moen, is a consulting and recruitment company that supplies engineers, technical specialists and IT consultants within industry, energy, buildings, telecoms and transport. Technogarden is a leading supplier of expertise in both generic engineering disciplines and defined specialist areas such as telecoms, IT, project monitoring and project management. Both companies have operations in Norway and Sweden, with a total of 12 offices.

Sweden

Norconsult Sweden is led by Executive Vice President Farah Al-Aieshy. The Swedish business, which has its head office in Gothenburg and a large office in Stockholm, employs almost 1,100 staff spread over approximately 30 offices. Norconsult in Sweden is a major player in market areas such as transport, buildings and renewable energy. Norconsult's Swedish arm also attaches great importance to innovation and sustainability and has two patents relating to energy storage – ASES (Active Solar Energy Storage) and Solar House. For the second year in a row, Norconsult has also been named a Career Company in Sweden, which means that the company offers the best career and development opportunities for young talents.

Danmark

Norconsult in Denmark, led by Executive Vice President Thomas Bolding Rasmussen, has approximately 500 employees who mainly work in buildings, civil engineering, industry and Life Science. Norconsult's Danish operations are headquartered in Herlev, and the Group also has offices in Copenhagen, Kalundborg, Aarhus, Aalborg, Viborg, Ballerup, Kolding and Grenå. Norconsult Denmark offers a wide range of engineering services and services in other disciplines such as architecture. Around half of the employees in Denmark are engineers and the other half are architects. Since March 2023, the architects in Denmark have been brought together under the brand name Nordic Office of Architecture to provide advice to public and private clients in the construction industry. In 2022, the industry newspaper Børsen designated Norconsult a Gazelle company based on high growth and good results.

The Group management team also includes CFO Dag Fladby and Executive Vice President for Sustainability and Staff, Janicke Garmann.



Nye Købbyen School in Copenhagen was the winner in the Collaboration category in the Norconsult Awards 2023. Together with BAM Danmark, Nord Architects, BBP Arkitekter and BOGL, Norconsult is making a school, which with its sports hall and culinary school will benefit both the students and Copenhagen residents, who can use the school in their spare time. The outdoor areas have been designed to blend in with the neighbourhood, ensuring that the concept embraces the City of Copenhagen's vision of *the school in the city – the city in the school*. Illustration: Nord / BBP

Sustainability and social engagement

As Norway's largest and one of the Nordic countries' leading companies for consulting engineers, architects and community planners, Norconsult is a driving force behind the green transition. We aim to contribute to improvements and to slow down negative trends relating to reduced biodiversity and global warming. In close collaboration with our clients, we will realise sustainable and future-proof solutions that create value for our clients and society. We deliver quality in everything we do, in a sustainable way.

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Sustainability is a cornerstone of our consultancy activities. Through creative and innovative processes we give advice and develop solutions that take account of the environmental and climate protection, social eligibility and economic viability, and that are put to use to create value for our clients and society.

Norconsult will contribute to meeting the UN's sustainable development goals. We want to encourage our clients and partners to make sustainable choices, while reducing our own negative impact on nature and the environment.

Norconsult's strategy is sustainability in everything we do

Sustainability, together with digitalisation and collaboration, are the key focus areas of our strategy for the period 2022–2024.

Particular focus areas include:

- ▶ Carbon neutral in our own operations by 2030 and maintaining a good working environment for our employees
- ▶ Increased share of green turnover
- ▶ Management and reporting of the company's impact on the environment and social conditions
- ▶ Organisational and expertise development

Norconsult's sustainability strategy



Management and organisation of sustainability initiatives

Sustainable thinking is an integral part of Norconsult's strategy, organisation and management system.

Rapid development and changing needs require us to facilitate expertise development, networks and systematic transfer and sharing of experience through clear organisation, roles and responsibilities.

The board follows up sustainability efforts through reporting and the Audit Committee's risk management role.

Management are responsible for contributing to sustainable development in our operations and projects. While the Group's board has ultimate responsibility for sustainability, day-to-day responsibility is delegated to group management. In the group management team, the EVP Sustainability and Staff has overarching responsibility on behalf of the CEO. The business areas are responsible for implementing and following up measures designed to achieve the Group's sustainability goals. An operational director has been appointed in each business area, who is responsible for sustainability. The sustainability directors collaborate on group-wide initiatives through Norconsult's Strategic Council for Sustainability. The Council's mandate is to contribute to development, learning, exchange of experience and coordination of sustainability goals and initiatives across the Group.

In Norway, Sweden and Denmark, sustainability strategists have been appointed in each market area, and core groups have been established to ensure a systematic approach, collaboration, interdisciplinary focus and sharing of expertise between markets, disciplines and projects. At office and divisional level, sustainability teams are the main driver of measures in project execution.

At group level, ethical guidelines have been established in the Group's management system NORMS. These encompass relevant sustainability perspectives and themes for the business. The Group's ethical guidelines were updated in 2022 to clarify safeguarding requirements for human rights and working conditions in particular, in order to comply with requirements of the Norwegian Transparency Act, the UN Global Compact and upcoming regulations in the area of sustainability for EU member states.

Dialogue with stakeholders and Norconsult's most significant impacts

It is important that Norconsult understands our clients' needs and ensures that our employees enjoy their work and can leverage their engagement and expertise. The world around us is changing and we use feedback from stakeholders to manage and prioritise Norconsult's work on the environment, social conditions and governance (ESG).

In 2021, Norconsult AB in Sweden conducted an extensive stakeholder analysis with the management team based on client and employee surveys. Norconsult in Norway has carried out a similar survey as a table-top exercise. The analyses will be used to prioritise activities at group level and in the business areas.

The table below shows the company's most important stakeholders and relevant dialogue channels.

The materiality analysis is based on dialogue with key stakeholders



Stakeholder group	Communication channels and dialogue
Clients	<ul style="list-style-type: none"> - Follow-up meetings in projects - Collaboration meetings with major clients - Client surveys (Norway and Sweden) - Tender requests and procurement processes
Employees	<ul style="list-style-type: none"> - The Panorama intranet, providing information, tools etc. - Learning through projects - Courses and seminars for specialists, projects, markets and line - Staff meetings and divisional meetings - Development reviews - Employee satisfaction survey, group (LiVEing) and <i>pulse measurements</i> - Recruitment events at educational institutions and reputation surveys
Employees as owners	<ul style="list-style-type: none"> - Strategy and action plans - Staff meetings - Annual reporting - General Meeting
Suppliers	<ul style="list-style-type: none"> - Procurement processes - Norconsult's ethical guidelines and declaration of ethics for suppliers
Governmental authorities	<ul style="list-style-type: none"> - Legislation, regulations, guidelines and standards

In assessing what is essential for Norconsult to focus on with respect to sustainability, we identify how Norconsult affects its surroundings, how the surroundings affect the company and how important various teams are for the company's internal and external stakeholders.

Norconsult's most important sustainability topics



	Topics where we can exert significant influence
Environmental factors	<ul style="list-style-type: none"> - In projects: Impact on the environment, climate and nature of the solutions the company plans and designs for our clients. Create robust and durable solutions that are adapted to changes in climate and nature - In own operations: Greenhouse gas emissions from travel, office operations, purchasing
Social dimensions	<ul style="list-style-type: none"> - Health, safety and the working environment, for own employees and for those who build and use what we plan and design - Equality, diversity and integration - Recruitment and expertise development - Human rights and working conditions, in projects, our own operations and in the supply chain - Social engagement and support for local communities
Management/governance	<ul style="list-style-type: none"> - Influence and dialogue with clients, partners, decision-makers and regulatory authorities - Changes to laws, regulations and standards - Integrated management system for quality, working environment, environment





Norconsult exerts the greatest influence through the projects we carry out for our clients. Through fact-based and balanced advice, we will provide good decision-making support and design environmentally friendly solutions that take account of social dimensions and ensure efficient resource utilisation.

Employees' skills and attitudes influence how we address sustainability in our projects. To be able to attract, retain and develop the expertise and capacity we need to successfully execute our projects, it is important that our employees are happy in their work.

The advice we give as consultants and the company's operations result in direct greenhouse gas emissions from travel and office operations, as well as indirectly through purchases. We must keep our own house in order, comply with rules and official requirements and act in an ethical and environmentally friendly way, and reduce our own footprint in nature, the environment and the climate to ensure that we create decent results in a decent way.

Climate risk

Climate change and changes in nature and biodiversity pose a major challenge for the world

and society around us. These changes affect value chains and economies in our markets and create both risks and uncertainty. However, Norconsult is well positioned to address challenges facing society in this context. Our employees are passionate about sustainability and possess considerable expertise in climate and nature change and the risks these may present.

Climate and nature risks must be assessed across the entire Norconsult Group and in our clients' projects and in the solutions we create for them. In 2022, we carried out a review of requirements for reporting on climate risk in accordance with the *Task Force on Climate-Related Financial Disclosures (TCFD)*. Measures to integrate climate risk in internal processes and external reporting will be implemented in 2023. Similarly, in 2023, a review of nature risks will be carried out in accordance with the *Task Force on Nature-Related Financial Disclosures (TNFD)*.

It is important that our consultants understand climate and nature changes, as well as the related regulations and the potential risks these present for their own professional disciplines and projects. The company provides services in multiple professional disciplines.



Risk	Description	Risk topics relevant to Norconsult
Transition risk	Economic risk linked to the transition to a low-emission society Categories; policy and regulations, technology, market and reputation	The advice and solutions that we plan and design must comply with relevant changes in policy, technology, laws, regulations and standards. This requires a dynamic and adaptable management system and skilled employees. This will affect both our market and its players, creating a risk of the loss of services we currently provide, and opportunities to provide services in new professional disciplines.
Physical risk	Costs relating to physical damage attributable to climate change	Physical risk and acute physical risk are considered to be low since the company does not own assets or office premises or other physical production equipment that are vulnerable to climate change.
Liability risk	Claims for compensation relating to decisions or failure to make decisions that could be linked to climate policy or climate change	Potential risk areas include responsibility for integrating relevant requirements relating to climate change that results in warmer, wetter and wilder weather; for example, how the solutions that we plan and design for our clients handle storm water and floods.

Together with specific climate and nature knowledge, we build interdisciplinary groups that can give our clients better advice on climate and nature risks. For example, Norconsult in Norway has established a natural hazards group that has developed an interdisciplinary methodology to map climate risk for property portfolios.

Our employees are Norconsult's most important asset. Our dedicated team possess specialist expertise in the environment, nature and climate, and all professional disciplines are expected to have a general level of expertise in these areas. At the same time, our employees set high standards for the company's environmental, nature and climate awareness in their own operations and the solutions we create for our clients.

EU taxonomy

The EU's *Green Deal*, and in particular the establishment of a taxonomy for the classification of sustainable activities, will affect the entire value chain in the building and construction industry going forward.

The taxonomy and its related requirements for sustainable activities are an important topic for Norconsult. We believe that knowledge of and insight into the regulations and the related technical criteria will be important for our clients and their future projects. We are analysing how we can interpret and comply with the regulations in our projects and how we can provide good advice on our clients' taxonomy action plans and help them incorporate these in their strategic initiatives. This work spans large areas of the organisation, and in particular affects our sustainability strategists in the market areas. These collaborate with our specialists in Innovation and Digital Transformation, and with Pure Logic and Norconsult Digital on services, tools and methodology.

At the reporting date, Norconsult had not been listed on the stock exchange and therefore is not obliged to report in the same way as listed companies; however, the company wishes to ensure that we measure and report in line with EU regulations. The taxonomy is a useful driver for the green transition and the Group will start to map our own activities in line with the taxonomy in the first quarter of 2023. This assessment will be updated in 2023 in connection with the company's preparations for an IPO during the year.

Management system, obligations and collaboration

Every day Norconsult strives to ensure quality in everything we do, in a sustainable way. We achieve

this by complying with a documented management system, both as a group and in each subsidiary.

Management system, Group and subsidiaries

The Group's management system NORMS is designed to ensure that the enterprise prevents and detects corruption and other financial irregularities, complies with external requirements and expectations as established in official regulations and mitigates relevant risks. All Norconsult employees can access NORMS via the Group's intranet.

Both Norconsult AS's management system and Norconsult AB's QA system are documented on IT platforms that can be accessed from our intranet. The systems are based on the company's core activities, namely planning and executing projects of all scopes. Norconsult's employees can also find best practices, examples and other information that they need to perform their work in a consistent and efficient manner in NORMS.

The management systems of respectively Norconsult AS, Norconsult AB, Norconsult ehf, Norconsult Polen sp. z o.o. and Norconsult Management Service Phil. Inc are certified to ISO 9001:2015 Quality Management Systems. In addition, Norconsult AS, Norconsult AB and Norconsult Polen sp. z o.o.'s systems are certified to ISO 14001:2015 Environmental Management Systems. Norconsult AS is also certified to ISO 45001:2018 Occupational Health and Safety and under the Eco-Lighthouse scheme.

In total, 45 of Norconsult's offices are certified under the Eco-Lighthouse scheme in Norway. The system is also designed to meet the management system requirements of the Norwegian Planning and Building Act. Norconsult AS has received central approval for the right to accept responsibility for Project Class 3 in all relevant disciplines.

Norconsult AS has been pre-qualified through suppliers schemes such as Achilles, Utilities NCE, TransQ, Magnet JQS and Startbank. The company is registered in the Register of enterprises performing work relating to electrical installations or repairs to electrical equipment, is a member of the Insurance Approval Board (FG) and holds a number of other approvals, including as a drone operator. Norconsult has employees who are approved by the Norwegian Water Resources and Energy Directorate, as well as qualified BREEAM consultants, BREEAM auditors, surveyors and more.



Binding collaboration to contribute to meeting the sustainable development goals

As a major player in the building and construction sector, we want to be a part of the solution to global, national and local sustainability challenges. Norconsult aims to contribute actively to improvements in society, in collaboration with other players in the industry. This applies not only to climate and environmental issues, but also to important topics such as anti-corruption, human rights, diversity and responsible business conduct. We have a major influence on our clients through the advice we give them. By managing according to the sustainable development goals and principles for responsible business operations, we can contribute to a positive development of society. Norconsult has chosen to make this commitment visible by participating in organisations and schemes that promote sustainable development across companies and industries.

Norconsult AS in Norway and the Nordic Office of Architecture are members of the UN Global Compact, and leverage this platform to achieve the UN sustainable development goals. In Norway, we are a member of Skift – the business climate leaders, SAMMEN2030, the Green Building Alliance and the industry network Grønn anleggssektor ("Green Construction Sector"). Norconsult has also signed up to the Guide against Greenwashing.



Norconsult in Denmark is a member of the National Council for Sustainable Construction.

Norconsult in Sweden has provided input for the Federation of Swedish Innovation Companies' Sustainability Council, the Centre for Management of the Built Environment, the Construction and Civil Engineering Sector's Roadmap for a Fossil-Free Future, Fossil-free Sweden and Fighting Climate Change with Innovation.. Norconsult AB has also helped draw up the Malmö 2030 Local Roadmap (LFM30).

Sustainable architecture and consultancy

Norconsult's ambition is to think sustainability in everything we do, in every single project we execute for our clients. We will adopt a knowledge-based approach, search for projects where we can make a difference and clients who want genuine improvements, and we will provide our clients with good decision-making support. We will leverage our influence to contribute to good, socially beneficial solutions that take account of the climate, the environment and social dimensions.

Changing expectations and needs on the part of clients, society and our employees require us to innovate around our deliverables. This means that we are constantly developing new services to meet our clients' needs in areas such as sustainability advice, climate risk and security, digital transformation and innovation management.

Innovative solutions that create positive results for our clients and society

Innovation is vital to achieve sustainable results for our clients and society. Ambitious goals and changing requirements and expectations require us to continuously think outside the box and challenge established truths. By focusing on innovation and digitalisation, we strive to improve our sustainable practices and create positive results for our clients, society and the environment in a wide range of areas.

In 2022, we implemented measures to increase the use of digital technology that can optimise projects and reduce greenhouse gas emissions, including by deploying advanced technologies such as virtual modelling and simulation.

By developing and using new tools, methods and processes, we help our clients make better and more informed decisions. The development along with Pure Logic of ISY Decision Making, a digital tool for interdisciplinary collaboration and sustainable decision-making, is one such initiative we have taken in this area. The tool has been developed to make it easier to identify, compare and prioritise measures in projects, organisations and value chains involving several players.

We apply structured processes to identify innovation potential, create room for innovation in projects and – most importantly – to deliver projects that create value for our clients and the world around us. One such project is the development of future scenarios to plan sustainable mobility towards 2050, for use in transport planning by the Norwegian Public Roads Administration and in Norwegian cities.

Systematic improvement of how sustainability topics are assessed in our projects

We take various steps to ensure that we systematically assess sustainability issues in our projects.

This essentially involves understanding our clients' needs, expectations and goals for sustainability when planning our projects. If we feel this will create added value for our clients' projects, we are happy to include specific objectives for the environment and social dimensions. All disciplines and professional networks in the Group, regardless of location, strive to integrate sustainability thinking in the solutions we plan and design. We have established internal requirements, tools and aids, such as *Green Guides* for our various disciplines and incorporated checklists in the management system, as well as client satisfaction measurements to learn what we do well and what we can improve.

In 2022, we established procedures for sustainability assessments in projects, which are documented in Norconsult AS's management system NORMS. This includes a requirement for a sustainability coordinator in all major interdisciplinary projects to help us focus on and develop the expertise required to create more sustainable solutions. The company will examine further models for facilitating the role of sustainability coordinator. We have found that the need for a coordinator varies widely across the company's various projects.

Sustainability requires new and innovative solutions in the interface and collaboration between different specialist groups. To develop our expertise and methodology and to provide even better advice to our clients, in addition to the development that takes place within the individual professional disciplines and professional discipline networks, several specialist groups have been set up spanning different regions, organisations and disciplines. This includes groups for sustainable material handling, reuse of materials, sustainable energy production and transfer, refurbishment of buildings, emission-free building and construction sites, solid wood, solar energy and batteries, water in cities, biodiversity, BREEAM and BREEAM Infrastructure, greenhouse gas accounting and LCA.

Life cycle analyses of building and construction projects

Norconsult's specialists are experienced in preparing greenhouse gas budgets and accounts for buildings and various types of installations. Preparing greenhouse gas calculations and budgets that cover a building or installation's entire life cycle is a useful and important aid. This will assist us in identifying significant contributors to greenhouse gas emissions and determining and proposing the right measures for individual projects.

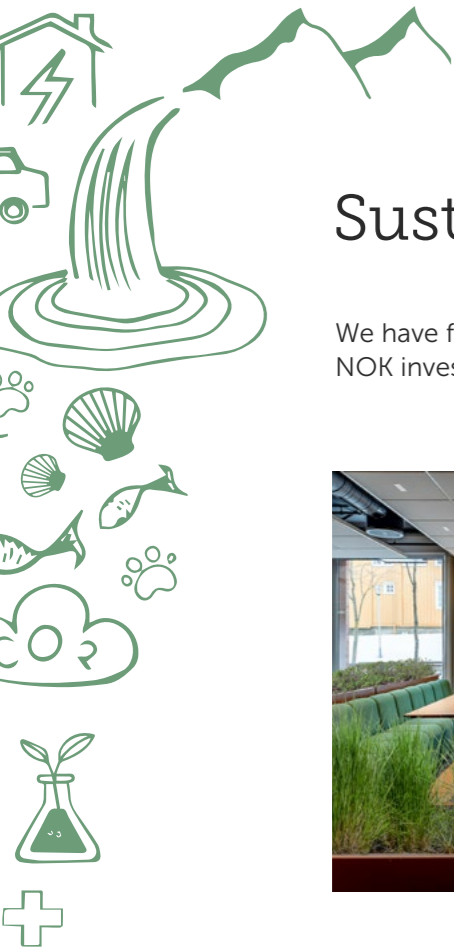
BREEAM and BREEAM Infrastructure (formerly CEEQUAL) are environmental certification schemes for building and construction projects respectively that have become more widespread. The schemes facilitate classification and certification of building and civil engineering projects based on the extent to which developers, engineering designers and/or contractors choose sustainable solutions.

Involving over 50 consultants and auditors, Norconsult has built up the largest specialist group in Norway within BREEAM Infrastructure, BREEAM-NOR for new and refurbished buildings and BREEAM In-use for existing buildings.

In Denmark, the building regulations have included requirements for life cycle analyses (LCA) for buildings since 1 January 2023. This will be followed up with phased-in requirements for maximum CO₂ emissions per square metre for new buildings, which must be documented through a building LCA. There is also increasing demand for the DGNB (German Sustainable Building Council) and Nordic Swan Ecolabel certification schemes. The organisation in Denmark has therefore significantly expanded its sustainability capacity to meet the growing demand for this type of service from our clients.

The Nordic Office of Architecture is introducing LCA accounting for greenhouse gas emissions for all new projects and a working group has started assessing the systems, methodology and training required to implement these. By using tools such as OneClick LCA, carbon drivers in buildings can be identified and adjustments made at an early stage in the development. By using analyses in the building information models (BIM) including integration tools, a baseline or reference building can easily be created in accordance with the requirements of BREEAM-NOR and Norwegian standards (NS 3720).





Sustainable solutions in practice

We have found that clear requirements and defined goals provide more sustainability per NOK invested. Below are some of the solutions we are working on:



Refurbishment and upgrading of Kongens gate 87 in Trondheim

The former police station in Kongens gate in Trondheim is an iconic building in the city centre with striking architecture and a clear visual expression. Entra has owned the building since 1973 and has recently carried out extensive refurbishment and upgrading work to equip the building for future use. Norconsult was awarded the assignment after an architectural competition in 2016, and has employed a group of consultants with extensive experience from other, demanding refurbishment projects.

The project has produced results in all areas of the concept of sustainability – socially, environmentally and economically. Norconsult has contributed to solutions that reduce climate emissions by almost 100,000 kilograms of CO₂, the developer's costs have been significantly reduced and some parts of the project are eligible for green financing. In addition, social sustainability aspects have been safeguarded and ensured by allowing an important and prominent building to remain in the cityscape. The project has also reactivated the neighbourhood, particularly at street level. Conservation of the existing building stock, reuse of building materials and the use of materials from donor buildings are some of the measures that have contributed to cost savings. The entire building has been converted from electric to water-borne heating supplied by the city's district heating network. Natural refrigerant (propane) has been used. A decentralised ventilation system allows the ventilation to be controlled locally, resulting in more flexible floor plans and more efficient systems.



Eriksboskolan, Gothenburg

In designing the new school in Eriksbo, the ambition was for sustainability to pervade the entire project and to highlight the consequences of making short-term or sustainable choices at an early stage. A sustainability workshop was therefore arranged in the early phase, and different types of materials were assessed on the basis of emissions.

The sustainability workshop was based on Gothenburg's climate goals and was implemented together with the developer and the working group. The workshop discussed how Eriksboskolan could become more sustainable based on factors such as biodiversity, climate change, climate footprint, energy consumption and a healthy living environment. After the workshop, all points of view were collated in a dedicated decision-making document to ensure that sustainability issues were incorporated in the proposal. Greenhouse gas accounts were prepared on the basis of using traditional materials, and then compared with more sustainable alternatives. Cost calculations were also carried out to identify which of the more sustainable alternatives provided the greatest emission reduction per NOK invested. The calculations were collated in informational material that was presented to the client to highlight climate-smart alternatives and the economic consequences in the early phase.



Parallel project Rosenholm, Oslo

Norconsult is one of five teams that has carried out a parallel project for the Norwegian house builder OBOS Nye Hjem.

The project has designed solutions and provided early input for the transformation of Rosenholm in the Søndre Nordstrand district of Oslo. Norconsult has developed a sustainability strategy for Rosenholm based on the EU's taxonomy for green financing, Kate Raworth's theory of doughnut economics and the City of Oslo's ambitions and goals for sustainability.

We want to further develop the OBOS Living Lab and use Rosenholm as a test area to create the sustainable neighbourhood of the future. Rosenholm is a unique development area where OBOS, together with residents, businesses and local stakeholders, can examine how various sustainability measures work in everyday life over an extended area.



Stubberud electric bus depot, Oslo

This is an interdisciplinary engineering project within the electrification of transport. Norconsult has provided engineering design and consultancy services from the start of the technical pre-study through to detail design and monitoring of the construction phase. The facility is preparing Oslo for fully electric bus operations in order to meet the goal of emission-free bus transport by 2028. With capacity for up to 150 electric buses, this will be the Nordic region's largest fully electric bus depot, with space for both ordinary articulated buses and bi-articulated high-capacity buses. The facility will be handed over to the bus operator Ruter, who aim to start operations early in 2023.

The area has been transformed into a fully fledged, but temporary, bus depot and expanded from 10,000 to approx. 48,000 square metres. The project has been nominated for the Construction Industry's Climate Award 2023.



Heads for Tomorrow:

Our employees are our most important resource

Our people are the cornerstone of our business. That is why we are passionate about attracting, retaining and developing the best employees. It is our collective forward-looking expertise and capabilities that allow us to make the little big differences that create value for our clients. Consequently, we attach major importance to the continuous development of managers, employees and a good working environment.

#headsforrecruitment

Every year, we hire many new employees so we can continue to be able to create solutions for the challenges facing our clients. In 2022, Norconsult welcomed 1,247 new employees to the company, consisting of 933 new recruits and 314 employees acquired through acquisitions.

At Norconsult, we are committed to spearheading technical developments and to understanding our clients' situation and needs. This requires that we attract qualified employees with curiosity and a positive outlook. We are especially interested in those who are motivated to take the initiative and accept responsibility and who will help establish a good dialogue with our clients. In our recruitment work, we focus a great deal on social and traditional media to attract and communicate with both new graduates and experienced candidates as potential new employees. To ensure our visibility, we make sure that we have a broad presence at educational institutions and in other relevant arenas where we meet our target groups. In 2022, we worked purposefully on communicating digitally and through social media what distinguishes Norconsult as a workplace.

Targeted recruitment events throughout the Group

Each year, the Norconsult Group recruits hundreds of recently qualified graduates. Although students in the Nordic countries are familiar with the consultancy industry and many consultancy firms, many do not have a clear idea of what consultants actually do or how they work. Therefore, the entire Group performs various activities to increase awareness of what everyday working life at Norconsult really entails. In 2022, Norconsult implemented a number of measures and held events in several countries with the aim of attracting and recruiting the right employees.

Below are a few examples:

Global Engineer Trainee programme: Our training programme for recently qualified renewable-energy graduates who work with the transmission grid. The programme attracted participants from Norway, Sweden, Iceland and Poland. In total, 12 participants attended in 2021/22 and eight in 2022/23.

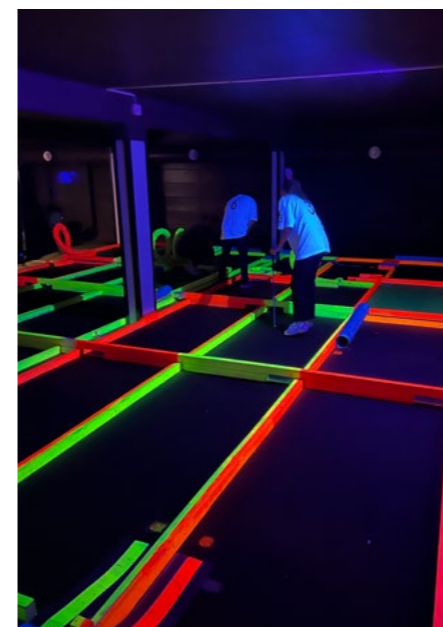
Season 2 of the reality TV series *Rådgiverne* (The Consultants): In 2022, we produced a second season of our successful TV series *Rådgiverne*, where we give students and anyone else considering a career in the consulting industry an exciting and honest insight into the everyday life of a consultant. In Season 2, we followed seven employees with varying professional backgrounds, ages, experience, jobs and places of work.

Bespoke student programme: Summer jobs, internships and student projects are important elements of Norconsult's student programme, and are vital for showcasing our good working environment and culture to potential employees.

Summer students: In 2022, we welcomed a record 131 summer students in Norway.

The Hunger Games: Two-day competition for a permanent job at Norconsult for students on various courses at the Norwegian University of Science and Technology in Trondheim. Following the event, which was held for the fourth year in a row, 12 outstanding candidates were rewarded with the chance to start their career at Norconsult.

Summer Student Day: In Norway, we bring together summer students from all over the country for an annual gathering. The purpose is to give students a chance to learn more about Norconsult and each other. In 2022, around 115 summer students from all over Norway participated in the event.



Above from the left: Guro Stokseth, Chair of the Youth Council, on Summer Student Day June 2022 | Students from Summer Student Day 2022 | The recruitment campaign *Rådgiverne* season two | Summer Student Day | Hunger Games 2022 in Trondheim | Group photo of Norconsulters at the Hunger Games



#headsforcareer

Our cultural platform as a framework for everything we do

LiVE stands for Leadership, Values and Ethics and is the foundation stone of the Norconsult Group's culture. LiVE is Norconsult's statement on how we work together with colleagues and clients, how we interact with society and how we succeed in our business. LiVE is designed to promote the attitudes we wish to define our corporate culture. The principles and values focus on challenges and help employees and managers to make good choices every day.

Together, the work we all carry out, our knowledge, our skills and the attitudes and values we stand for define our company. At Norconsult, we facilitate further development of our employees' qualifications in the best interests of our clients, the Group and individual employees.

We succeed because Norconsult is made up of employees with diverse knowledge and different career wishes and needs. Some want to specialise, while others want to gain wider experience. Some want to lead projects, some want to concentrate on their specialist discipline, while others are more interested in working in human resources. As a company, it is this diversity that enables us to create value for our clients.

A career with us is not necessarily about getting as high up the ladder or earning as much as possible, but about being able to enjoy a fulfilling working life where you can develop professionally and personally. At Norconsult, employees can pursue career paths within professional disciplines, projects, markets or in the line organisation. The desired career and expertise development path is mapped for each employee in an annual development review with the employee's line manager. The development review also provides an opportunity for managers to provide feedback on objectives and performance. The review lays the foundation for further learning, deliverables,

improvements and development. During 2022, all employees in the Group were offered development interviews.

Norconsult Academy

Our expertise development courses are administered by the Norconsult Academy. In 2022, we established four guiding principles for expertise development. These principles govern how we facilitate teaching and the content of our courses. One such principle is *the 70:20:10 model*, which stipulates that 70 percent of our learning should be acquired through experience gained in work assignments and 20 percent through guidance from experienced colleagues, sparring in projects or in professional networks. The final 10 percent of learning comes from formal courses and seminars.

Input from the Young Professionals' Council

Established in 2005, the Young Professionals' Council for Norconsult in Norway is an important arena and source of insight. In 2022, the Council held monthly meetings and workshops on issues of interest to the company's younger employees. At Norconsult, employees are considered to be "young" if they are under 36 years of age. Since 40 percent of our employees are regarded as young, we are keen to give this group the opportunity and necessary support to take on exciting challenges and real responsibility in projects as early as possible. The Council contributes young people's perspectives and opinions, and addresses various issues highlighted by both management and the young employees themselves.

The Young Professionals' Council reports twice a year to the management team in Norway. The Council provides input on how Norconsult can remain an attractive workplace for young employees, as well as on other relevant issues, to ensure that the company continues to develop in the right direction. During the year, the Council participated in recruitment events on campuses and organised events such as Young People's Day

and the annual lunch for new employees. The Council also delivered a comprehensive report commissioned by management on the recruitment and development of young project managers.

New recruits

Our competence offerings for new employees comprise various courses designed to provide an overview of key topics and to enable participants to learn about our company, culture, organisation, ethics, HSE, IT security and project execution. All employees in Norway complete a mandatory e-learning course and attend an in-person day course: *Introduction to culture and attitudes in Norconsult – LiVE*, and a digital classroom-based course *Introduction to our management system NORMS*. In 2022, almost 500 new employees, comprising recent graduates, experienced professionals and colleagues from acquired companies, took part in the courses. On the courses, participants learned about Norconsult's cultural platform LiVE and were introduced to the feedback culture we wish to characterise the company. Participants gained an insight into the everyday life of a consultant and our key principles for ensuring quality and sustainability in project execution.

In Sweden, four digital induction courses are held each year where new employees have the opportunity during their first quarter at Norconsult to meet the management team and CEO and learn about our culture. In addition, half-day (BAS) courses are offered focusing on quality, the project process, roles and authorities. In 2022, 206 new employees attended these courses.

Gathering for recently graduated new employees

Each year Norway organises Heads for Tomorrow – GRADUATE, to introduce new recruits to Norconsult. The aim is to create a dedicated arena for learning, networking and inspiration in order to give new recruits the best possible start to their careers. In 2022, 100 recent graduates in Norway attended the meeting. The new employees were recruited from a wide range and mix of fields of study, educational backgrounds and office locations, from Alta in the north to Kristiansand in the south.

Assignment management

Our employees work every day on assignments of all sizes. To ensure the best possible quality in our clients' projects, we prioritise expertise development and course activities within project management and project execution.

Norconsult AS's internal training courses for assignment managers are designed to ensure that

employees execute and manage projects applying a uniform methodology and in accordance with LiVE PRO and our management system NORMS.

In 2022, we held 15 in-person courses for approximately 280 employees in project management in Norway. The courses are based on relevant topics and provide training on the skills and attitudes required to become a successful project manager. Prior to the in-person courses, participants complete a preparatory e-learning course.

Assignment management 1 Forum, which is a basic full-day course aimed at new project managers who lead smaller single-discipline projects, was held eight times in 2022. The course raises awareness of the role of the project manager and highlights the key issues for good project execution, and facilitates increased understanding of contracts and sound financial management.

Assignment Management 2 Forum, a two-day course aimed at more experienced interdisciplinary project managers, was held seven times in 2022. The course focuses on leading projects, and the main topics in 2022 were communication and start-up meetings.

In Sweden, six *Qualified Project Manager Training* courses were held in 2022, attracting a total of 86 participants. The two-day course aims to improve managers' confidence as leaders and ability to manage projects. There is a maximum of 16 participants per course.

In addition, we arranged the course *Qualified Project Manager Training Stage 2*, which attracted eight participants. This is an immersion course designed to reinforce and develop the project managers in their role by focusing on LiVE PRO, leadership, methodology and tools.

Systematic development of our professional expertise

Professional organisation and management through professional networks
Norconsult's professional resources are organised into national networks to ensure the best framework conditions for professional development, knowledge sharing and support. The networks also contribute to the development of specialised routines to ensure good and uniform quality in Norconsult's deliveries and services. The breadth in the professional communities' specialised knowledge in combination with cutting-edge expertise constitutes one of Norconsult's great competitive advantages.



Photo: Herman Dreyer

In Norway, the biggest specialist groups are organised into 24 professional discipline networks. In Sweden, the specialist groups are organised into 30 technology fields or subfields. Each network has a manager and a management group responsible for strategy and development of the discipline.

The members of a professional discipline network are assessed in terms of expertise, so that employees with the relevant expertise can be identified across the company's organisation and regions. The technical discipline networks identify elements and levels of expertise and evaluate common training requirements and current external courses on offer. The identification of required expertise and elements of expertise within each discipline provides a basis for continuous professional development, at both company and employee level. These analyses help define the themes covered by the various activities organised by the networks, like the annual professional meetings or the monthly "digital lunches". The activities provide valuable and useful opportunities for networking in addition to necessary sharing of experiences and professional development. Specialist information and news, descriptions of procedures, with related documents, and flagging up of activities inside the specialist groups are published on the networks' specialist portal (intranet). There are also various organised discussion forums there that function as a useful communications and networking tool.

Engaged and competent workers develop their expertise in sustainability.

Awareness of our own impact is important. It provides the necessary insights about how our own choices and actions affect nature, the environment and emissions. This also creates credibility with our clients, employees and society by ensuring that each day our own actions are consistent with the advice we give in our projects.

As a consultant and promoter of sustainable solutions, we strive every day to improve everyday life. We will make continuous improvements by ensuring that our project managers understand and take into account the essential matters at the same time they take into account the environmental and social considerations, in line with other objectives. We will persuade our clients to set ambitious targets. We hope to prioritise assignments where we can develop forward-looking and evidence-based solutions. Sustainability is therefore an important theme in our internal training programme and other expertise development efforts.

The Group's employees are committed to reducing the business's own climate footprint, as reflected, for example, in high scores for commitment to the environment in the company's employee survey, LiVEing.

The employees state that they are committed to their work and want to create sustainable solutions for the environment. Our employees' motivation and expertise, high levels of job satisfaction and a positive climate of collaboration will play a key role in enabling Norconsult to achieve its sustainability ambitions.

Sustainability skills are developed in many various ways and knowledge grows when it is shared. A few examples of what has been achieved in 2022 include:

- ▶ An important strategic skills development initiative is the annual Sustainability Week, which in 2022 was conducted with 44 webinars held in the first week of May. We had almost 4,000 participants from our own organisation (both Norway and Sweden), customers, competitors, students and others, and just as many has watched recordings of the webinars afterwards
- ▶ Internal sustainability groups and interdisciplinary professional networks have been established throughout the Group, to discuss sustainability-related topics and provide all employees with appropriate training.
- ▶ Sustainability themes were included in courses for new employees and project managers, as well as deep dives such as courses in sustainability and digitalisation for project managers in the transport, especially aimed at the kind of assignments they are working on. A total of 60 project managers took this course in 2022 and the initiative is being repeated in 2023 in order to reach all project managers in the market area.
- ▶ There are working groups for the Eco-Lighthouse environmental management certification scheme at all certified offices in Norway.
- ▶ In Sweden, training sessions on climate calculations have been conducted and the interdisciplinary sustainability groups have carried out over 20 meetings on various sustainability themes such as energy transition, social sustainability, physical planning and biodiversity.
- ▶ Through our participation in *Lokal färdplan Malmö 2030, LMF30*, a local initiative that has spread nationwide. we gain access to training programmes which, in 2022, dealt with such subjects as climate calculations, wood buildings and seminars on the use of concrete, all with a

with a focus on mitigating the effects of climate.

- ▶ Training is currently being carried out with staff in such certifications as BREEAM and DGNB, to deliver services linked to the schemes and as project resources across Norconsult as sustainability coordinators and technical specialists in environmental management and environmental documentation.

Innovation in leadership programme

Innovation is defined as *a new or significantly changed product, service or production method, or way of organising or marketing an activity* which has been put into use. It could be a major change in relation to the existing method or object, but more often it concerns incremental improvements in implementation models and contract forms, service areas or solution development for our customers. In an organisation like ours, we have to adapt to changes happening in our society, in our markets and to our customers. The capacity to understand and be able to lead innovation processes is crucial. That is why Norconsult has its own innovation leader programme where selected participants every year complete a nine-month training programme. The idea is that participants acquire relevant knowledge, experience and expertise in order to organise and lead innovation activities in their own work, but also for the Group's internal purposes, to help develop market areas, areas of expertise and the business generally. In the programme for 2022-2023, 16 engineers and architects from Norway and Sweden, from different professional disciplines, with different roles and different sets of clients, are taking part. The programme was developed by our own experts in innovation.

Training in digital project delivery

In 2022 Norconsult reaffirmed its commitment to Virtual Design and Construction (VDC) as an implementation model in interdisciplinary projects. In total, Norconsult has 43 VDC-certified employees and 360 employees who have completed the VDC Basic course. After a break in training due to the pandemic, we completed internal training in VDC for an additional 50 people in 2022, with a focus on training project organisations that would use VDC, including our customers.

In 2022 we participated, on behalf of the Norwegian Consulting Engineers' Association (RIF), in the development of a new industry guidance for VDC which the industry organisations will be publishing in 2023. It is a step in the direction of the increasing standardisation of VDC in Norway, and gives us a common language adapted to Norwegian industry.

Digital project management using VDC methods has been an important area of focus at a time when working from home and virtual digital collaboration are becoming increasingly popular. Norconsult Information systems runs the ISY Project, a tool for digital collaboration which supports all the elements of the VDC model. At a time of growing trends towards digitalisation, the ISY Project provides Norconsult with a unique advantage in creating flow in participatory planning in the design phase, by bringing together BIM-insights, digital follow-up and management in a package that facilitates communication between participants. In 2022, a new course in process management using VDC resources was twice held, with 17 people in all participating, with very positive feedback on its usefulness (5.7/6) and on whether the use of VDC should be continued. The programme is aimed at employees who will implement and manage interdisciplinary processes using VDC methods, and who have previously completed the VDC basic course or received VDC certification. The course is focused on increasing practical implementation skills and covers basic process management techniques. Important elements of the course include: Teaching good process management, good listening technique, the ability to ask good questions and build good teams, and good process design.

Line organisation and line management

We have more than 600 managers with personnel responsibility in the Norconsult Group who have the daily responsibility of achieving satisfactory results from their employees, both in financial and qualitative terms. Our managers with personnel responsibility are responsible for attracting, developing and keeping their employees while they implement changes that may be required while working to a strategy. Leadership is its own discipline and often comes on top of the education and experience our employees bring with them on their way to a leadership role. Like other disciplines, management skills need to be developed and kept up to scratch. Norconsult has a range of programmes both for leaders new to their role and for those with more experience.

Practical management

At Norconsult AS, all new line managers with personnel responsibility are given the opportunity to attend the *Practical Management* course. The topics for the course include role perception, recruitment, development reviews and probation period reviews, the Norwegian Working Environment Act and internal guidelines. In 2022, 51 managers at Norconsult AS participated digitally in this course.

At Norconsult AB, a similar introduction course is held for all new line managers in Sweden. In 2022, the course was held twice and trained 32 managers in total.

Leadership forum

All line managers in the Group are invited to the Leadership Forum, an annual leadership development course, where managers from different professional disciplines, regions and positions convene for a two-day meeting. The theme for the Leadership forum in 2022 was *How to manage and retain the best employees?* At these events, managers have been polishing and improving their own leadership skills with respect to the themes of commitment, development opportunities and balance.

A total of 17 leadership forums were held in 2022, and 400 managers participated. One of these events was held in Denmark, while Norwegian and Swedish managers had joint meetings in Oslo.

Heads for leadership

Effective and forward-looking leadership will play a key role in securing further success for Norconsult in the years to come. Heads for leadership is a leadership development programme for the company's top management talents designed to develop Norconsult's leaders of the future. In the autumn of 2022, the first group of managers completed the programme, which has consisted of eight sessions over two years, led by an external provider.

Every day we improve our own workday

A good working environment is important as our employees should have a workday they enjoy. At Norconsult, compliance with health, safety and work environment issues is guided by the Group's ethical guidelines and HR policy.

Working Environment

Satisfaction and commitment create a good work environment.

Norconsult measures satisfaction, engagement and compliance with LiVE, and we map our employees' perception of Norconsult in various areas in our annual employee survey LIVEing.

Norconsult has a target of scoring at least 80 percent on the *happy colleagues* scale in the employee survey. In 2022, we achieved a score of 84 out of a 100. The results of this survey form the basis for further development of the company and continuous improvement of the working environment. In 2022,

88 percent of the Group's employees in the Nordic region responded to the survey. The results reveal high levels of job satisfaction and engagement among Norconsult employees. As in previous years Norconsult got a high average managers' assessment with a score of 80.



It also emerges from the survey that there is a small increase in the number of employees calling for sustainable solutions. The score here is also 80% and that is a rise of three percentage points on the previous year's survey.

Further, the employee survey shows that, in all parts of the Group, Norconsult is seen as parent-friendly. In Norway, the organisation pays out a full salary for those taking parental leave. In 2022, 121 female and 152 male employees took parental leave. Female employees took out, on average, 20 weeks of parental leave, while male employees took 12.5 weeks off, on average.

Everyone should arrive home safely

The Group's stated aim is that no one should be injured or become ill through working for Norconsult. We share the industry motto that everyone has the right to arrive home safely, and that applies to both those working for Norconsult and those who use the solutions developed by the company. We have good arrangements for health and ergonomics at the workplace, supply adapted protective equipment for both men and women and host active sports teams at our offices. The company tries to encourage physical activity in people's daily lives. For example, a self-developed app is available in Norway called *Aktiv til jobben* (Active at work) where employees can keep a log of which active modes of transport they use to get to and from work. In Sweden there is a similar solution, *Smart Pendling* (Smart Commuting) which focuses on all the various modes of transport to and from work with the aim of changing habits.

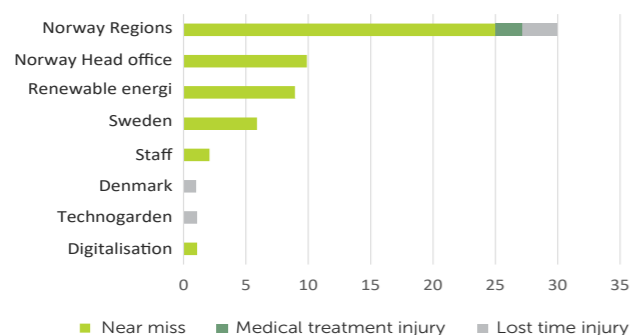
There are various initiatives taking place to strengthen the safety culture in the company and general groupwide definitions of indicators of injury and potentially dangerous situations have been drawn up. All company employees are responsible for ensuring that occupational risks related to

projects and work tasks are identified, evaluated and documented. Health and safety considerations are incorporated into the Group's systems for project execution. At Norconsult in Norway there are, depending on a risk assessment of each work situation, routines established for safe work performance when working outside the office in the NORMS management system, which all new employees are trained on.

A common IT system for the handling for all kinds of incidents is in place in Norway, which Sweden also started using in 2022. Such incidents include injuries and near-injuries, environmental harm, damage to property, non-conformances, observations, proposed improvements, findings from external inspections and external complaints. The system is an important element of the Group's work on continuous improvement, learning, transfer of experience and risk prevention.

A total of 94 HSE-related incidents were registered in the Group in 2022. These comprised five lost-time injuries, 53 non-lost-time injuries, two injuries that required medical treatment and 64 near misses.

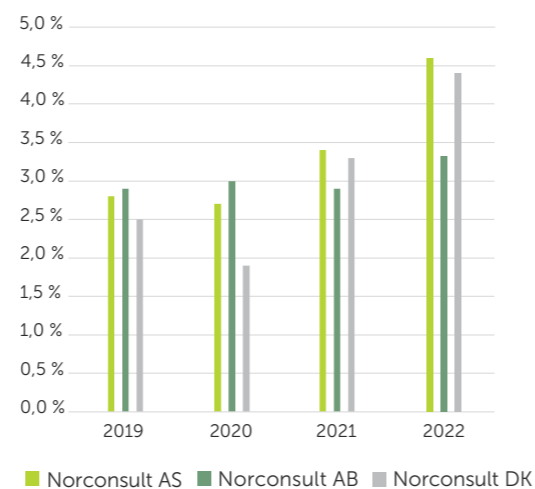
Injuries and near misses (number of incidents)



The year 2022 has been characterised by the after effects of the Corona-situation and has led to a rise of sick leave in Norway, Sweden and Denmark. At Norconsult AS in Norway there has been a rise in absence from 3.7 percent in 2021 to 4.6 percent in 2022, with short term sickness absence experiencing the largest rise. At Norconsult AB in Sweden, absence was 3.3 percent, which is an increase of 0.4 percent from 2021. At Norconsult A/S in Denmark, absence was 4.4 percent, a rise of 1.3 percentage points on 2021.

Norconsult keeps tabs on employee turnover figures for the whole Group, and in 2022 the turnover figure was 10.5 percent compared to 11 percent in 2021.

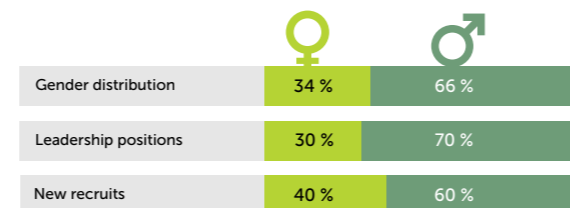
Sickness leave



Equality and diversity

Norconsult takes it as self-evident that all people have equal rights and equal worth. We believe in the power of diversity and the aim is that all employees shall reach their full potential regardless of who they are or how they identify themselves.

Gender distribution



We are making a focused effort to increase both diversity and the percentage of women in the company. The Norconsult Group has set a goal of having at least a 40/60 female/male gender distribution in all our units. The percentage of new female recruits in the Group was 40.4 percent in 2022. We are constantly striving for a better gender balance, both in operating units and in the recruitment of new managers. We are striving to increase the proportion of women in management positions, and our target is to have at least one female candidate in the final interview round in all recruitment processes for management positions.

For several years diversity and inclusion have been important focus areas for the Group. We have been working actively to increase awareness around diversity and equality, and to remove barriers that prevent an inclusive business culture. Norconsult marks International Women's Day, Pride, World Mental Health Day and the World Day for Cultural

Diversity. In addition, we are working to develop our procedures to favour diversity and inclusiveness over a long-term perspective. Recruitment free from bias and career paths open to all are also areas we prioritise going forward.

The average age of our employees is 42 and there is a balanced age distribution in the company. A third of our employees are under 35, and an equal proportion is over 50. The employee survey shows that the age distribution spread is smaller than it was in 2021.

Wages and working conditions

Norconsult practices individual salary determination and must have a competitive, motivating and enforceable salary policy that reflects position, performance and competence. Active efforts are made towards ensuring that women's salary level is on the same level as men's in the Group.

At Norconsult AS, women's income level is on average 91.6 percent of that of male employees. Adjusting for positions with similar responsibility and competence requirements, women's salaries are on average 97.7 percent of men's salaries.

At Norconsult AB, women's salaries were 90.1 percent of men's salaries for 2022. The main reasons for the pay differences are the responsibility and competence requirements but also because gender balance differs between professional disciplines, as market rates tend to be higher in disciplines where men dominate numerically.

If position and competence are not corrected for, women's salary levels are 95 percent of men's in Denmark. Since in management positions men predominate, it is estimated that women's salary levels are 98.9 percent of men's.

Facilitation

Norconsult wants to accommodate employees' different needs and life situations, and is keen to be a family-friendly employer. However, Norconsult does not wish employees to work part-time to an extensive extent, and the Group strives for employees to maintain full-time positions as far as possible. 9.0 percent of female employees in the Group worked in a part-time position and the end of 2022, compared to 3.3 percent the previous year. No employee works in a part-time position who does not wish to do so. Norconsult mainly employs people in full time positions. Of all the employees in the Group, 1.0 percent of women and 4.9 percent of men are on temporary employment contracts.

Norconsult believes in a work environment where employees make their health and safety a priority. In addition, we strive to be a workplace where we support and help one each other, and try make the work day better even in challenging situations. We offer e-learning courses in stress management and self-management and go by the principle of *dare to ask*. That means that we should have the courage to show concern and that we strive hard to break down the barriers that make it harder to share. We have various solutions to deal with the individual's needs, whether it is illness or family matters. The employee survey shows that our employees perceive Norconsult as a family-friendly workplace where we treat each other with respect regardless of gender, age or religion.

Carbon neutral by 2030

Norconsult's activities are primarily office-based, and therefore do not cause any significant discharges to water or emissions to the air. We want to keep our own house in order, and being aware of and reducing our own environmental and climate footprint is important to us.

The Group aspires to be carbon neutral by 2030 and works systematically to reduce the impact of its operations on the environment and on the climate and to engage its staff in improvement measures. We are working on definitions on what carbon neutrality means for the Group and where measures can be best targeted. Norconsult AB follows Sweden's climate policy framework with its target that requires that 85% of cuts should come from actual emissions reductions. The remaining emissions reductions (up to 15 percent) can be credited through so called *complementary measures*.

Last year saw a mapping of the issue to create a basis for planning concrete measures to achieve carbon neutrality in each of the Group's business areas. Mapping and reducing our own climate footprint and the way we manage our internal processes will provide tangible examples of how we can reduce our CO₂ emissions and energy consumption through our attitudes and actions. By increasing knowledge among management and employees about the effects of our own operations we strive to contribute to increased expertise and a strengthening of our ability to integrate thinking about sustainability into our various projects.

Norconsult AS greenhouse gas accounts

The Group's greenhouse gas accounts are an estimate of Norconsult's total emissions. In the future, more elements will be included in the accounts.

In 2021, work started on coordinating calculations of climate accounts between the various companies in the Group – led by Norconsult AS and Norconsult AB, with the aim of identifying all essential direct, and indirect emissions, with respect to the GHG (Greenhouse Gas Protocol). In 2022, the affiliates in Poland and Iceland started work on collecting data for their climate accounts. For 2022, we have established accounts with significant parts

of the Group, by including Norway and Sweden, as well as the most significant direct emissions from Iceland and Norway.

From 2023 onwards, we will have a common framework in place to be able to estimate GHG emissions for more parts of the Group according to a common template which will function as a necessary management tool to identify



GHG-protocol category	2022	2021*	2020*	
Description	tons of CO ₂ e			
Scope 1 – Direct emissions				
Fuel consumption of fossil-fuelled company cars	363	88	113	NOAS, NOAB
Scope 2- Indirect emissions from purchased energy				
Electricity (site-based)	115	141	933	NOAS, NOAB, Iceland, NoIS, Technogarden, Nordic
District heating/cooling	648	946	494	NOAS, NOAB, Nordic
Bio-energy	6	2	6	NOAS
Electricity consumption of electric company cars	1	1	3	NOAS
Energy consumption Poland	9			Only Poland
Scope 3 – other indirect emissions				
1. Goods and services purchased	6,775	4,462	4,162	NOAS, NOAB
2. Capital goods	477			Only NOAB
3. Fuel and energy-related emissions (not included in Scope 1 and 2)	96	18		NOAS, NOAB
4. Upstream transport and distribution	143			Only NOAB
5. Waste in operation	115	83	78	NOAS, NoIS, Technogarden, NOAB
6. Business Rule	1,987	738	827	NOAS, NOAB, Poland, Iceland
7. Employee travel to and from work	1,252	961	967	NOAS, NoIS, Technogarden, Island
8. Upstream leased assets	4,446	3,094	3,003	Only NOAS
Total emissions Norconsult Group	16,433			
Total emissions only NOAS (location-based) *	13,213	10,534	10,586	
Electricity market-based *	3,250	3,329	2,901	
Total emissions - market-based *	16,350	13,721	12,555	

Commentary on the climate accounts: Indirect emissions, purchased goods and services: IT equipment, canteen services and food, courses and seminars, safety equipment and insurance, etc. The category is based on costs. Business travel includes flights, hotel stays, trips by train, taxi, mileage claims, rental cars and business trips. Energy use in Poland is counted as a separate item as it includes emissions for energy, heating, water and waste based on rent. Norconsult AS includes in its climate account calculations the Head Office, Regions, Digitalisation/NOIS, parts of Technogarden and Renewable Energy's units in Norway. Norconsult AB is Norconsult's Swedish branch, and includes biotechnology in Norway and Sweden* 2020 and 2021 only NOAS

areas where measures need to be taken while monitoring progress towards carbon neutrality. In some countries, such as Poland, emissions from electricity is high compared to other countries due to the extensive use of coal.

Norconsult AB is working on a separate sustainability report, environment and social conditions based on requirements for sustainability reporting as per the Swedish Annual Reporting Act. In the Group's consolidated accounts, greenhouse gas emissions are listed: the rest of the report is not included here.

Norconsult AS collaborates with other consultancy companies through Skift (the business organisation for climate leadership) In 2021 a model was established which started listing which indirect emissions from the supply chain (Scope 3) that we report, and the work on definitions and reporting criteria continued in 2022.



GHG Protocol establishes comprehensive global standardized frameworks to measure and manage greenhouse gas (GHG) emissions from private and public sector operations, value chains and mitigation actions. Source: About Us | Greenhouse Gas Protocol (ghgprotocol.org)

Comments on the climate accounts for Norconsult AS in Norway

Norconsult AS's most significant emissions are linked to the procurement of goods and services, leased assets such as rented office space, and business trips. We will be focusing on taking emissions-reducing measures, within each category, both in the short- and the long term.

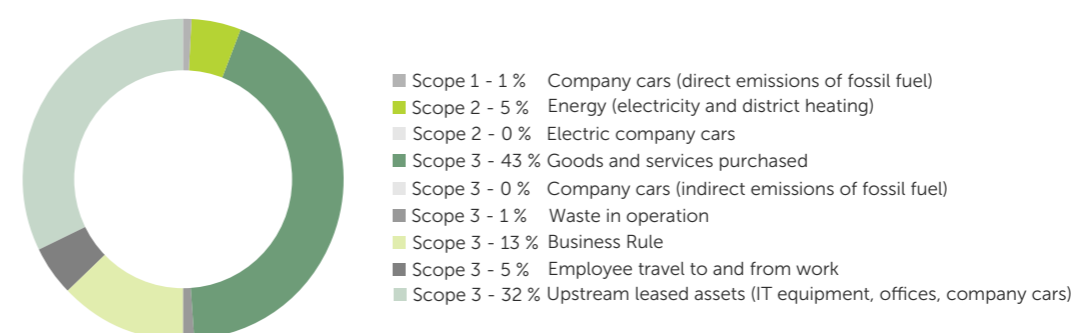
Emissions for Norconsult AS for 2022 are somewhat higher than in previous years, but emissions per employee are lower than before.

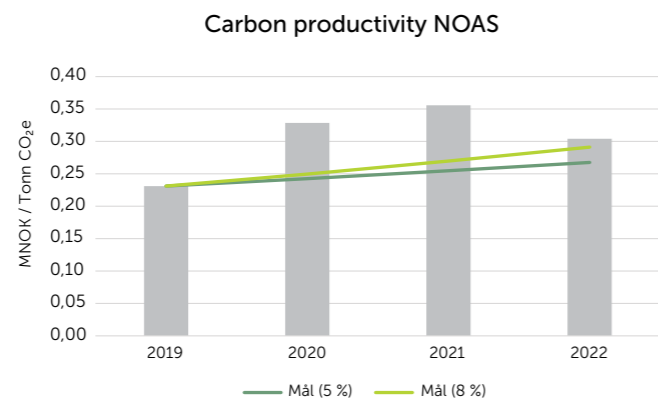
Our energy consumption has gone down, but we have included more emissions linked to procurement, and since the pandemic ended there have been more business trips compared to 2020 or 2021. Even so, emissions linked to travel was not higher in 2022 compared to the reference year of 2019. At the same time we see that changes in the way our emissions are measured, for instance by reporting district heating emissions by town rather than using the national figure, contributes to a more realistic picture of our emissions. For some categories of procurement, particularly for IT equipment, a new, revised factor is part of the reason for the higher reported emissions.

In the autumn of 2022, employees at our offices in Norway completed a travel survey (RVU). In addition to supplying concrete data for the climate accounts, the RVU has also helped us understand our employees' travel habits, which will help us work out measures that will encourage us to use more climate-friendly alternatives.

Norconsult AS has also set a goal for carbon productivity (CAPRO). Since 2021, this has been increased from an improvement of at least 5 percent per year to at least 8 percent to help achieve the 1.5-degree goal of the Paris Agreement. In 2022, that target was achieved. In 2021 and 2021, the carbon productivity figure exceeded the target, mainly because of reduced travel during the pandemic. There are reasons to believe that the results for 2022 will also be affected by changed habits as more and more meetings take place digitally and working from home becomes ever more common.

GHG emissions - NOAS 2022





Comment on the CAPRO figure: Development in carbon productivity in Norconsult AS in Norway for the years 2019-2022. In this one we have actual emissions in Scope 1 and 2, as well as emissions in Scope 3 based on procurement costs.

Norconsult AS has had offices certified by the Eco-Lighthouse environmental scheme since 2011, and since 2016 this has been under the head office. This is a scheme where the head office responds centrally to common criteria for the management system and company policies, and where each individual office works locally on measures to improve its carbon- and environmental footprint. A total of 45 offices had been certified at the end of 2022. In the Spring of 2022, the head office scheme (Sandvika) piloted new, revised criteria from the Eco-Lighthouse and was recertified in accordance with these. In the autumn of 2022, one new office location was certified and five others recertified as Eco-Lighthouses. Each office prepares an annual climate and environmental report documenting the status of the management system, working environment, purchasing, energy consumption, waste and transport. The reporting is recorded and forms the basis for Norconsult AS's greenhouse gas accounts.

Measures to reduce greenhouse gas emissions from own activities.

Travel is one of the greatest sources of emissions from business activity. The Group is implementing various measures to reduce this. For example, in 2021 Norconsult AB updated its travel policy to include measures to reduce unnecessary travel and to encourage car sharing and the use of public transport. In 2022, this was supplemented by a policy on the use of cars on company business travel to help achieve the climate targets.

Norconsult AB has also established a concept for internal pricing of CO₂ emissions to help reduce greenhouse gas emissions. Through this, all emissions are compensated for through an internal climate fund. Employees can use the climate fund to identify measures to reduce emissions from projects or from our own operations. The Swedish innovation *Solvatten* is a combined water purifier

and water heater. It is a simple, portable unit which utilises sunlight to purify drinking water, and Norconsult has been supporting its development through the climate fund. The scheme ensures that the results of projects and expertise development are not simply greenwashing, but actually help reduce greenhouse gas emissions.

Norconsult will create decent results in a decent way

Rule of thumb for ethics

Our rule of thumb for ethics states that all our behaviour must be able to withstand public scrutiny.

Norconsult works actively to ensure that we do not breach internationally recognised principles and guidelines relating to corruption and human and employee rights. In 2022, the code of conduct for the Group and for business partners were revised to make sustainability themes more prominent. Thus, they now ensure compliance with the requirements of the UN Global Compact, the Norwegian Transparency Act and issues related to human rights and labour conditions.

Our code of ethics spells out expectations and requirements of our employees, customers and business partners. All Norconsult employees complete an annual e-learning course addressing relevant ethical dilemmas that they could encounter in their work. That training in handling everyday dilemmas leaves us well equipped to act in compliance with Norconsult's code of ethics. The Group has had a whistleblowing channel since as long ago as 2013, through which any employee can report censurable matters and breaches of ethical guidelines. From February 2023, the whistleblowing channel *Norconsult Speak Up* will replace the current communications channel.

Employees who report concerns about, or breaches of, rules and regulations in good faith will not be subjected to penalties. Through Norconsult Speak Up it is possible to report concerns about, or suspicions of, breaches of laws, regulations or Norconsult's Code of Conduct Through the digital submissions system, whistleblowing can be anonymous, and it is managed by an external supplier which accepts submissions in Norwegian, English, Swedish and Danish. The channel is available to both internal and external whistleblowers.

Employees at Norconsult are also able to report whistleblowing matters to their line managers, project managers, safety representatives, shop stewards and to the subsidiary's HR-department. The annual employee survey shows that a great majority of the respondents in the Group are aware of the whistleblowing channel's existence: the question is scored at 84 out of 100 points.

Ethics in the supply chain, including human rights and labour conditions

We are committed to ensuring that our suppliers, as well as our collaborators and business partners, also have high ethical standards. Here we follow up our business relations through various processes. Among other things, it is a requirement for business partners to sign an ethics declaration where they confirm that they are operating within the parameters of our own code of conduct as well as internationally recognised regulations in the area. On occasions where we demand further background information and more thorough evaluations before we embark on a business relationship, we carry out an in depth and systematic ethical background check using external tools for this purpose, as well as open sources. In 2022, the Group changed its tool for carrying out ethical background checks. The decision to initiate ethical background checks is based on diligence assessments where we identify existing as well as potential negative consequences linked to violations of human rights, decent work conditions, corruption and the environment.

Due diligence assessments indicate that Norconsult's activities in the Nordic region and Norway in particular have a low risk of breaching these ethical standards and legislation. This risk increases slightly based on geography, but certain industries also appear to be at higher risk of infringing the regulations. A full report will be published on Norconsult's website in June 2023.

Innovation, research and development create value for customers and society

Innovation plays an important role in achieving sustainable results for our clients and society. Ambitious goals, new requirements and expectations require us to continuously think new things and challenge the status quo. By focusing on innovation and digitalisation, we strive to improve our sustainable practices and create positive results for our clients, society and the environment in many ways.

As a company providing competence services, we work on tasks that demand new knowledge and skills. We are committed to creating fruitful arenas of collaboration right across the scientific and business communities. That is why we have chosen to strengthen the focus on both sustainability and commercial relevance in our Research and Development (R&D) investments. That means that we have prioritised projects where there is both a high level of research and clear current needs from our customers, or likely applications in the near future. A good example of this is the work we have conducted on climate data sets and on the future of the climate. The research is trail-blazing and the tools offer unique possibilities for our customers to make more accurate assessments of future risks and opportunities based on better and more up-to-date data and modelling.

Many of our employees are passionate about a more sustainable society and can see the important role that Norconsult can play. Therefore we continue to collaborate with the leading academic environments in Norway, and offer opportunities to employees who wish to further develop both their own skills and our common knowledge base through business PhD programmes and other research projects. We are grateful for the rewarding collaboration with the Research Council of Norway and with the academic environments at the Norwegian University of Science and Technology, the University of Oslo, the Norwegian University of Life Sciences, Oslo Metropolitan University, the University of Stavanger, BI Norwegian Business School, the KTH Royal Institute of Technology in Sweden and many others.

In 2022 five Norconsult employees were working on their doctorates while one completed their PhD work.

Community engagement as part of our culture

Social engagement is an integral part of Norconsult's culture. We are committed to taking account of both social and environmental considerations in order to create increased client value and contribute to society. Our strategy for social measures was launched in 2013 and consists of the four pillars of expertise, children and young people, local supporters as well as gender equality and diversity.

We are aware of our social responsibility and have entered into several co-operation agreements that support our social engagement at the Group level.

In 2022, Norconsult worked with, among others, Team Norconsult (a sports organisation), MOT Norge (A youth organisation for life skills), Kreftkompasset (The Cancer Compass) and Ingeniører uten grenser (Engineers without Borders). We also have a collaboration with Norway's Realfagsgymnas, the country's only approved high school specialising in mathematics, the natural sciences and technology. We have organised several project assignments for students where our employees have worked as clients and mentors. The themes have mostly concerned sustainability, solar energy and architecture. The completed assignments were presented to Norconsult's employees and families by the students at the school.

Norconsult AS also had, in 2022, a collaboration with Gi Gavere Vide, ("Pass on the Gift"), a non-profit start-up offering gift cards. Employees received a gift card worth NOK 200 as a Christmas present, which could be donated to a charitable organisation of the employee's choice.

#SammenForUkraina

Following Russia's invasion of Ukraine in 2022, Norconsult rallied the consultancy industry to make a concerted effort for Ukraine. To help meet the urgent need for health care, food, water and warm clothes, Norconsult decided to donate NOK 2 million to the Red Cross. We promoted the collaboration on social media under the hashtag #SammenForUkraina to engage as many industry colleagues as possible.

We have also hired refugees and arranged for them to do meaningful work while learning Norwegian.

Norconsult in Sweden donated a Christmas gift to Musikhjälpen, a Swedish celebrity charity show, on the theme *For a safer childhood on the run from war* Norconsult in Denmark supported in 2022 Danmarksinsamlingen, a fundraiser for people in some of the world's poorest countries to help reach the UN's sustainability targets, and have also organised internships for school pupils and university students.

Our subsidiary, the Nordic Office of Architecture, collaborated in 2022 with Architects Without Borders and their work with helping women in shelters get their own housing.

Norconsult Information Systems every year carries out lecture tours at different colleges, such as NTNU (the Norwegian University of Science and Technology) or OsloMet (Oslo Metropolitan University). Students receive an insight into how our ISY solutions are used in project implementation in today's market. In addition, we have agreements with a total of 12 universities, high schools and specialist schools about using our ISY solutions. The students thereby receive experience in using the leading solutions on the market and are thus better equipped to enter the labour market.



Top, from left: Team Norconsult roller ski training before season start | SammenForUkraina - photo: Red Cross | Danmarksinsamlingen - photo: ©UNICEF Anmar_Mosul (Lebanon) | Some of our employees had the pleasure of attending the MOT-how to lead a group which took place in Trondheim | Architects Without Borders, Nordic branch - Pilaga's craft house for women in Taiwan, completed in 2022 | Spaghetti sculptures with Norway's Realfagsgymnas high school

Selected projects:

Norconsult Awards

Each year we are engaged in thousands of projects that require expertise in sustainability, digitalisation and collaboration. In all our projects, we take pride in delivering the little big differences – those that increase value for our clients and contribute to sustainable development. On the following pages, we present the winners of our own internal competition for the best projects, the Norconsult Awards.



Music room at the new Borkenes school. Photo: Smilehullet



Photo: Mathias Herzog

Winner, Sustainability category:

Electrification of the Trønder and Meråker Lines

Bane NOR's electrification of the Trønder and Meråker Lines will make it possible to run more modern, environmentally friendly trains and to increase passenger comfort and capacity for passenger and goods traffic.

The Trønder and Meråker Lines are being electrified, and many sections require the design and construction of overhead contact systems with automatic transformers. The longest such section is the 35-kilometre stretch between Trondheim and Stjørdal. The lines are being electrified to make it possible to run more modern, environmentally friendly trains, and to improve passenger comfort and capacity for both passenger and goods traffic.

The EPC contract for the Trønder and Meråker Lines covered all stages through to execution, so much of the development work and sustainability planning took place early on, in the tender phase.

Importantly, a dedicated team was set up for environmental monitoring, which

gave Norconsult full score on expertise. A decision was made to exceed the sustainability requirements set in the invitation to tender. Together with the EPC contractor, NRC Group, it was decided to offer BREEAM (CEEQUAL) in the project, although it was not a requirement, and to propose optimised utilisation of equipment. Furthermore, changes were made to foundation designs, which overall resulted in a 24 percent saving on concrete and a 48 percent reduction in CO₂ emissions on the approximately 2,500 foundations required for the project.

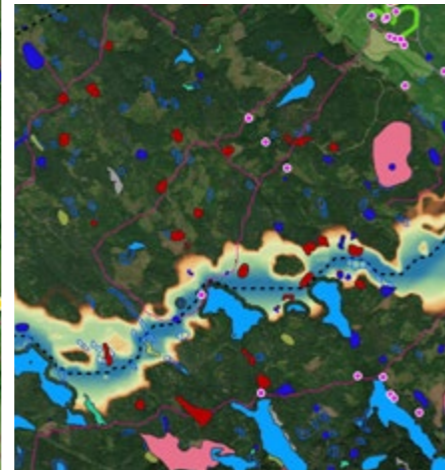
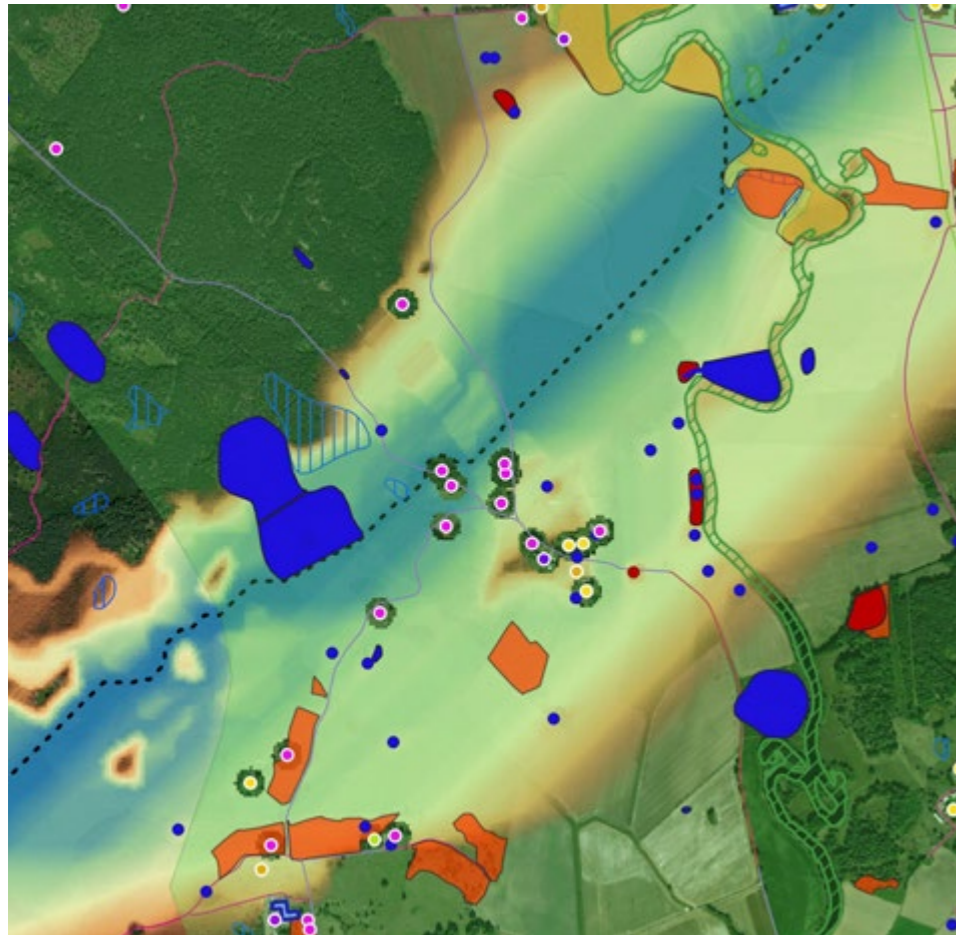
The number of masts required was also optimised. Thorough wind analyses were carried out on the relevant sections of line, as a result of which the dimensioned load from wind was significantly reduced. In addition, a

number of overpasses were designed with a lower contact wire height, instead of raising and lowering the contact wire height. As a result, the masts for these areas could be 0.5 metres shorter, saving substantial amounts of steel.

Overall, this project has demonstrated that a great deal of effort is required in the tender phase to achieve a sustainable project during execution.

Electrification of the Trønder and Meråker Lines

Location: Trøndelag, Norway
Client: NRC Group
Project period: 2021–2024
Norconsult's deliverables: Engineering design of overhead contact system with automatic transformers



Winner, Digitalisation category:

RAPTOR – the tool for maximising navigability

RAPTOR stands for Route Analysis Planning Tool and Representation. This tool, which has been developed in Sweden, analyses large volumes of geographical data in GIS to find the path with best navigability between two points on a map.

RAPTOR was developed in 2020, since when it has been used in about 30 projects. Right from the start, the objective has been to digitalise and increase the quality of working and decision-making processes by means of experience-based qualitative evaluation.

RAPTOR uses a technique called the Analytic Hierarchy Process (AHP). This structured method is based on gathering information on various criteria that contribute to addressing the challenges we face – to ensure that our solutions do not unnecessarily affect vulnerable natural areas, for instance. This knowledge and all the geodata is then processed in a model that generates a cost raster, paths and alternative paths.

One of the major advantages of RAPTOR is that it makes it possible to reason objectively as to why one solution is more appropriate than another. In addition, it includes all relevant data from the start. Ultimately, this leads to substantial improvements in efficiency in the projects where RAPTOR has been used, which in turn has resulted in cost reductions and being awarded more power-transfer assignments. Its use has also led to further interest, such as from Norconsult's Water market area, which wishes to create a standardised working method in projects by using RAPTOR.

RAPTOR – the tool for maximising navigability

Location: Sweden
 Developed in 2020. Used on about 30 projects
Project period: 2020–
Norconsult's deliverables:
 Analysis of geographical data



Illustration: Nord/BBP

Winner, Collaboration category:

Kødbyen School – a school for the future

Kødbyen School will be built in the centre of Copenhagen's former meatpacking district. Norconsult has been engaged by the City of Copenhagen as consultant for all engineering disciplines in this project.

The new school in Kødbyen will be a primary and lower-secondary school. Its location brings together the former industrial aspects of the area with modern active life and a cutting-edge teaching environment. Healthy eating and exercise will be an integral part of everyday life at the school. The school will house everything from a production kitchen with associated training facilities to a large sports hall, chemistry and physics laboratories, a music room and an auditorium.

The school is being constructed on a brownfield site where the former industrial use has polluted the ground. This has affected the choice of technical solutions, both underground and at ground level. In addition, the location is right next to Copenhagen's busiest railway station

and a road junction, which has provided challenges in terms of noise-reduction measures.

The project team consists of consultants within all the relevant engineering disciplines, which has required close internal collaboration. Mutual trust and respect, as well as interest in each other's disciplines and expertise, have been vital. There has been a high level of engagement within the team with a focus on deliverables, and all challenges have been met by means of close, constructive dialogue in the weekly meetings. Collaboration with the contractor and architect has continued smoothly throughout the project, focusing also on creating mutual trust and respect in each other's expertise.

Kødbyen School

Location: Copenhagen, Denmark
Client: City of Copenhagen
Project period: 2021–2024
Norconsult's deliverables:
 Consultancy on all engineering disciplines

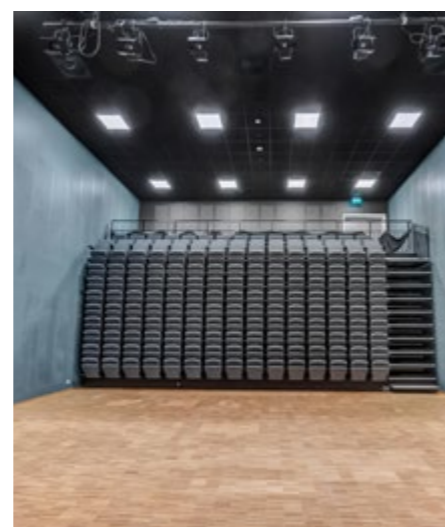


Photo: Smiljehullet

Winner, LiVE PRO category:

Borkenes school – outstanding project execution

The new Borkenes school in Kvæfjord municipality, in the county of Troms og Finnmark, is a primary and lower-secondary school for Years 1 to 10. The project has a gross area of about 3,000 square metres, and construction of the extension took place while the existing school remained in operation.

The new Borkenes school opened in August 2022. This was a project in which Norconsult's principles for good execution of assignments have been delivered in accordance with LiVE PRO. This execution model has been central to the entire project, with particular emphasis being placed on shared understanding of the goal, and the tools have supported positive collaboration throughout. The four elements of LiVE PRO are embedded in the execution model: understand the client, build teams, take control and create flow. The principles of LiVE PRO are simple and understandable, and encode fundamental preconditions for how we work in the best possible way to assist clients to reach their goals. The principles contribute to learning and exchange of experience, and promote our ability to complete assignments in the client's best interests.

The project has involved managing great complexity through multiple phases and with many interested parties. For example, excellent deliverables were made in programming and plot studies, regulation and the preliminary project for the construction phase and completion.

We assembled teams involving staff from our offices across Norway to involve all relevant specialist disciplines, and the collaboration was further strengthened by means of relevant methods and tools. The client also participated in the zoning planning group, and as the developer the municipality reported excellent collaboration in client surveys. Feedback from pupils and teachers also shows that the project has succeeded in understanding the client and the client's client.

During the project, conscious and structured use has been made of various methods for project execution by means of VDC, BIM, a project hotel, Mural, meeting structures and a live project plan. There has been high awareness and good dialogue around how projects at Norconsult should be executed.

Borkenes school

Location: Kvæfjord municipality, Norway
Client: Kvæfjord municipality
Project period: 2017–2023
Norconsult's deliverables: School project executed by Norconsult in all phases

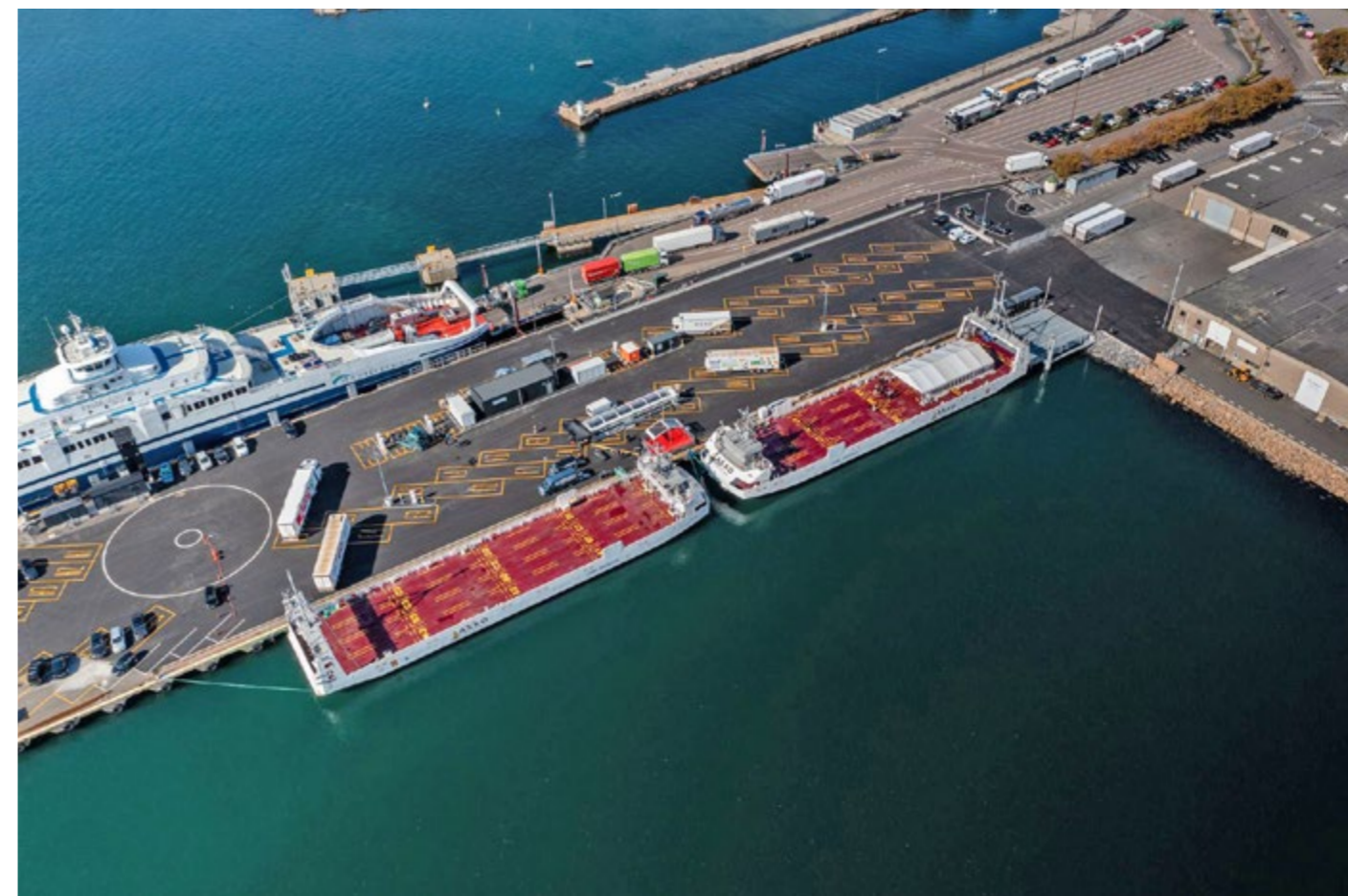


Photo: Moss Harbour

Winner, New insights category

ASKO drone harbours – insight into autonomy

Working on ASKO's drone harbours has given Norconsult new insight into technologies within logistics, automation, charging and ship design, as well as what is needed to ensure successful consideration of the interfaces when building and operating autonomous transport and terminals.

The grocery wholesaler ASKO has a goal of achieving 100 percent climate-neutral transport by 2026. The company is therefore establishing an emission-free transport link between its central warehouse in Vestby and its regional warehouse in Sandebukta. Instead of using the extremely busy and hazardous Oslofjord Tunnel, battery-driven sea drones – autonomous freight ferries – will run between Horten and Moss, and the transport between the warehouses and the harbours will be replaced in 2023 with battery-electric lorries.

This is an important climate project, the goal of which is to gain knowledge and provide scalable climate measures. ASKO has estimated that the project will replace 2 million driven kilometres per year and reduce CO₂ emissions by 5,000 tonnes per year, while also reducing rush-hour

traffic on heavily overloaded roads such as the Oslofjord Tunnel.

By means of this project, Norconsult has developed new insight into good collaboration between our employees and external parties. This insight relates to many different stakeholders and disciplines, technologies, applications, market approach and project execution. This knowledge will make Norconsult more competitive in an area where growth is expected, and findings can be transferred to many other areas.

The project is well anchored in a strategically important area for Norconsult. In this project, Norconsult has learnt a great deal about technologies within logistics, automation, charging and ship design, as well as what is needed to ensure successful consideration of the

interfaces when building and operating autonomous transport and terminals. This is important knowledge and experience for our clients when they are looking to phase in battery-electric vessels and autonomy in their own transport routes and harbours.

ASKO drone harbours

Location: Horten and Moss, Norway
Client: ASKO
Project period: 2020–2023
Norconsult's deliverables: Detail design of all disciplines for the two drone harbours in Horten and Moss, along with project management and contract negotiations, coordination of engineering and execution in accordance with the Construction Client Regulations and independent inspection of the execution of concrete structures and geotechnology.

Our market areas:

Services and specialist expertise

Every year we create solutions for thousands of projects of all sizes, for private and public clients. Norconsult offers services and specialist expertise within the market areas of transport, buildings, architecture, renewable energy, industry, water, planning, environment and digitalisation. On the following pages, we provide a brief summary of our market areas.



The tired, old-fashioned building of Domus in Oppdal has been converted into a modern, bright and attractive shopping centre. Photo: Matthias Herzog



Transport



Norconsult is one of Norway's biggest consultancy firms within transport, helping to create efficient and environmentally friendly transport of people and goods. Our employees possess unique expertise and a high level of capacity in all relevant disciplines for planning, investigation and analysis, and engineering design of good transport systems.

Our expertise is built up around four focus areas: roads and streets, railways and trams, airports, and harbours and sea lanes. We assist throughout the process, from the early phase and assessments, through construction plans and EPC contracts to management, operation and maintenance (MOM). Through our many assignments of all sizes, we work every day to improve everyday life for everyone travelling in Norway.

Our employees are in the forefront of the development of innovative solutions for the transport and mobility of the future. Fully digital transport projects are our preferred deliverable, where Virtual Design and Construction are key. For us, the digitalisation of the industry is all about using the right tools as well as good processes and execution models.

By solving the technical problems and meeting society's project needs, we show every day that good consultancy provides a societal benefit that far exceeds the costs involved. The demands we set of ourselves for sustainability and quality constitute an important competitive advantage.

Image above: The North Bothnia Line will make it quicker, safer and more sustainable to travel and move goods around the whole of Sweden. We won the assignment of project management, and will be reinforcing the organisation of the Swedish Transport Administration in its work. Photo: Patrick Degerman



Buildings



Our buildings market area provides complete consultancy services for the planning and engineering design of construction and property projects, where architects and engineers collaborate to produce functional, sustainable buildings.

Our portfolio consists of all types of buildings, such as residential, office and industrial buildings; hospitals, healthcare buildings and care homes; schools and educational buildings; sports facilities; cultural buildings; and buildings with complex functions, such as research and laboratory buildings, fire and police stations, terminal buildings for airports and railway stations, plus buildings for the construction industry and energy production.

We have expertise within all disciplines, and specialists who are leaders within their fields and market areas. We are accustomed to working across disciplines, and we offer all services within planning and engineering design for the development of buildings and property.

A good building is inviting, encouraging activity around it. Therefore, our urban planners, landscape architects and architects always work by seeing the building's function and form in its urban context. Our employees in geosciences and construction find economic, buildable solutions for foundations and load-bearing structures. Our technical engineers work together to ensure sustainable energy supplies and a comfortable indoor climate with the lowest possible energy consumption throughout the building's lifetime. We put together trained interdisciplinary teams who plan construction, ventilation systems, electrical installations and sanitary installations together to achieve space-efficient, integrated, economic, robust solutions.

Image above: The new district of Valby has an attractive location close to the centre of Copenhagen, with as many as three S-train stations within a radius of 600 metres. The special character of the district is reinforced by the existing old industrial buildings, which will help to anchor the area in Valby's industrial history. Norconsult has taken responsibility for construction, ventilation and electrics.



Water



Norconsult possesses Norway's biggest consultancy team within water and sewage, and is working on major projects in construction, roads and airports as well as processing plants of varying sizes, and with urban development and property development. Although our employees primarily work on transfer systems of all sizes for water and wastewater, they are also happy to help individual householders.

The experience and expertise that we have built up over the decades is also valuable to society as a whole and for the water security of our country. Norconsult's hydro engineers understand the infrastructure and the installations involved, which represents vital continuity for the entire water industry.

Our activities within this field encompass the entire water industry, stretching beyond water and sewage alone. We collaborate between our offices.

Our design process is efficient. We communicate well with both clients and contractors, and ensure that everything is well documented when we have finished. We are industry leaders within digital project execution. Within both processing plants and water systems, we have established sound systematics for fully digital project execution.

Image above: Norconsult has been engaged by the water utility company Glitrevannverket to establish a parallel waterway between Landfall VBA and Øvre Åssiden valve chamber, pressurised for the production of energy. Norconsult has provided consultancy in all disciplines throughout the conceptual design and preliminary project and the ongoing detail design. Photo: Sara Elisabeth Røstad Lockertsen



Renewable energy

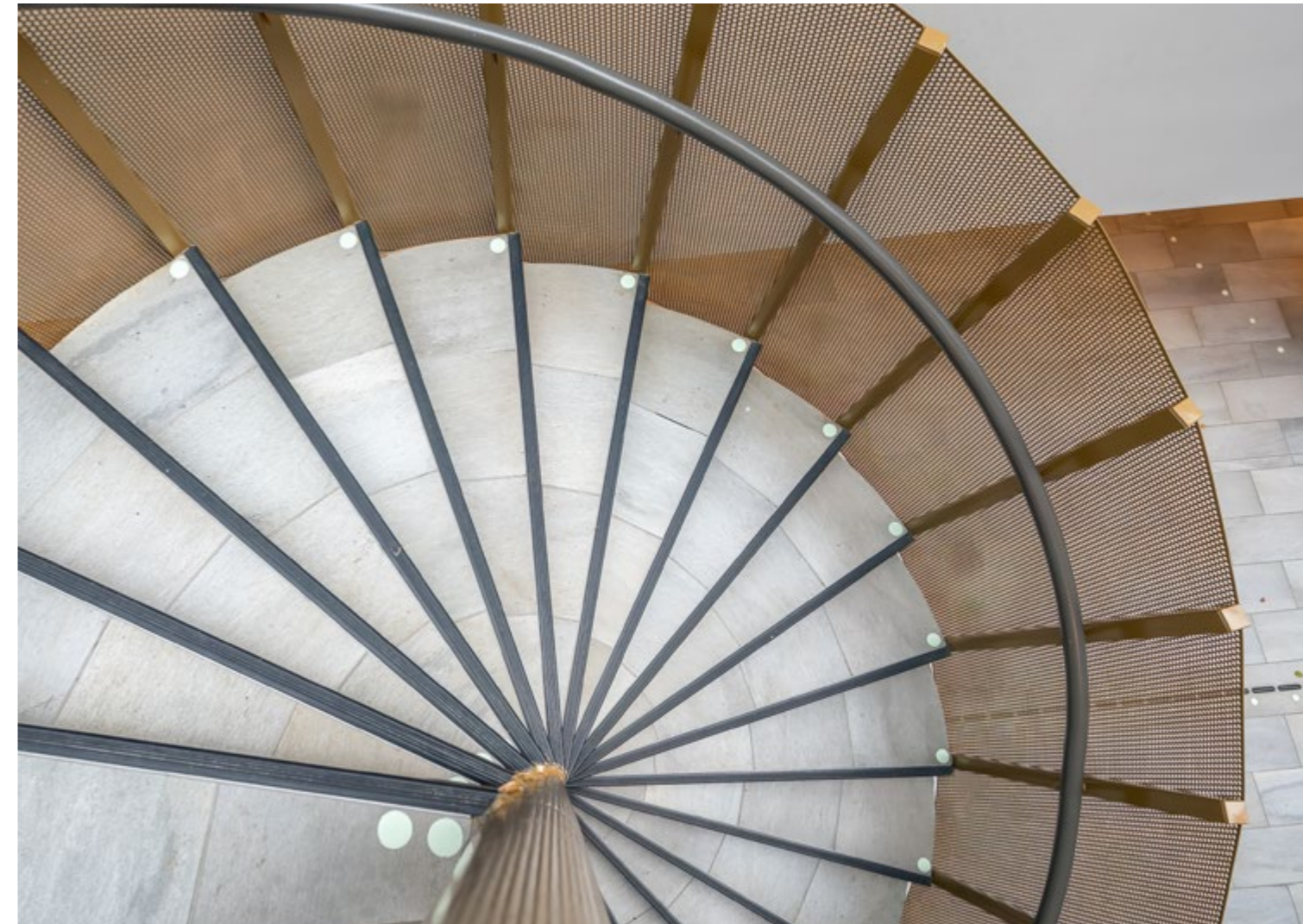


Norconsult has played a key role in the development of Norwegian hydropower and the Norwegian power grid for many decades. Throughout, the objective has been to contribute with our expertise to providing clean, reliable electrical power to the community. Our role as a central player in the development of the power system means that we understand our clients' facilities well and ensure continuity in the industry. We have been involved in the development and construction of a large number of hydropower plants in recent years, and we have gained much experience that we have been able to apply in new fields such as solar power, wind power and energy storage. We execute our projects in the best way possible according to your needs, and we consider production, quality, economics and environment.

Our operations now cover the entire renewable-energy industry, and we collaborate across all of our offices and market areas. We bring together the correct experience and expertise for each project. The majority of our employees are based in Norway and Sweden, but we are also present in other countries.

We possess specialist expertise in environment and sustainability, machinery, electrical and grids, dams and waterways, construction engineering, and project execution and land acquisition. This range of services allows us to cover all of our clients' needs. The development of Norwegian offshore wind power is a strategic focus area for Norconsult, and we wish to take a leading role in consultancy here. We can help significantly strengthen the Norwegian power balance by expanding Norwegian offshore wind farms, and we can help suppliers develop and take up important positions in the value chain, both nationally and internationally.

Image above: Norconsult is responsible for the engineering design of a large-scale fish ladder to bypass Sollefteå power plant, which is the lowest power plant on the Ångerman River. The fish ladder is being directed through Sollefteå city park to allow fish to migrate upstream, while also providing the aesthetic benefits of running water.



Architecture



Norconsult Arkitektur is one of the leading architecture firms in the Nordic region, possessing both local knowledge and broad interdisciplinary expertise. At Norconsult, architects, landscape architects and interior architects work in a coordinated fashion, and together with engineers and urban planners, to provide the correct expertise.

Long-term architecture is key for Norconsult. It is a matter of developing a sustainable society of lasting value, and we create durable buildings and outdoor areas robust enough to face climate challenges, as well as interiors designed to inspire and delight for many years. In short, long-term quality. For us, this is long-term architecture – an approach that we like to talk about, demonstrate and have as our ambition, every day. Long-term is solid and beautiful, while also being functional, universal and forward-looking.

We win prizes, and we are proud of what we achieve. By collaborating with our engineering colleagues, we simplify our clients' working day and ensure seamless execution of our projects. Our projects are complex, but also simple. Large, but also small. We can immerse ourselves in beautiful details or solve complex logistical problems.

Image above: Domus in Oppdal was a tired, old-fashioned building, but it has now been converted into a modern, bright and attractive shopping centre. Norconsult has been responsible for the upgrading and extension of the business premises/shops, as well as acting as architect, responsible applicant, developer representative, BIM coordinator and for RIBfy, RIG and RIM. Photo: Matthias C. Herzog



Planning



Norconsult works on behalf of future generations and plans for society as a whole. We strive to deliver development – and a society – based on sustainable principles and forward-thinking design.

A wide range of considerations, requirements and expectations need to be met as we plan the society of the future and meet the challenges we face. We contribute to building sustainable communities through holistic planning of cities, sites and infrastructure. In our projects, we are committed to finding sustainable, location-appropriate solutions – solutions that are good for people and good for the climate. In this way, we create solutions that are in the best interests of our clients, the environment and society. To contribute to the green transition, we are working to understand causal connections and driving forces within the development of society. At Norconsult, we have established an interdisciplinary arena that will help you to identify and choose robust mobility solutions that will shape and improve both today's society and that of the future.

The planning market area at Norconsult is made up of planners, architects, lawyers, real estate specialists, social scientists, social economists and engineers. We prioritise seeing the bigger picture in all our assessments and recommendations, and our solutions must be viable. So it is a great advantage for us to be part of a large interdisciplinary team. We work at an international, national and municipal level, and for public and private bodies. We offer strategic consultancy, project development and the execution of all processes at an early phase within a wide range of sectors. Our interdisciplinary nature and geographical reach ensure flexibility for you as a client in terms of the type of assignment, its scope and geographic location. We provide one of the country's leading and preferred specialist groups in regional planning and urban development.

Image above: In collaboration with Halogen, experts in service design, Norconsult has delivered a proposal for the development of Rosenholm that gives a central place to sustainable choices in everyday life. OBOS has ambitions to convert the Rosenholm industrial area in the Oslo district of Søndre Nordstrand into a completely new neighbourhood with new workplaces, attractive outdoor areas, services and cultural offerings, and a hub for the entire district.



Industry



Over many decades, we have established a solid foundation for supporting our clients with the development of their products, processes, projects and installations. By combining our strong technical expertise and capacity and our clients' and our knowledge of industrial processes, we create successful projects and forward-looking solutions. We offer targeted specialist expertise and interdisciplinary services for the development, construction and execution of industrial projects.

Through our assignments, we have built up valuable experience in how to organise and execute various industrial projects. Norconsult is an end-to-end supplier of industrial consultancy services: sound specialist knowledge, good leadership, project management and the development of cost-effective solutions are central to everything we do. We often contribute through all the phases of a project, such as early-phase or feasibility studies including location analyses, financial analyses and calculations.

The range of disciplines and services we offer covers consultancy, project development, engineering design and execution of various types of construction, renovation or modification projects on industrial installations with associated infrastructure. We also support the development of products, processes, projects and operating models. Our delivery model covers all central disciplines within industry, from planning, design and technical security via construction, infrastructure, power supply and support systems to environment, sustainability, installations and follow-up. This expertise is available through our network, which provides important local presence.

Image above: On assignment from a client, Norconsult has carried out an initial impact assessment and mapped the permits required to establish a hydrogen plant with carbon capture in Aukra. An impact assessment must be carried out to assess the impact of the hydrogen plant and associated pipelines (hydrogen, CO₂ and natural gas) on the environment and local residents.



Environment



Norconsult covers all phases of consultancy and design within geotechnics and the external environment, from feasibility studies and impact assessments to detail design and follow-up during the construction period. We show you how to utilise the opportunities of the green transition, with creative processes being a natural part of our working method.

Our engineers are in the forefront of developments in sustainability and the external environment. The client's needs are always our focus, and we are among the best in class in modelling and visualisation tools. In addition to providing interdisciplinary analyses of everything from BAT requirements to climate risk, we also supply a combined data-based decision-making basis.

Norconsult has one of the leading specialist teams in geotechnical engineering design and consultancy in Norway. Our services cover all geotechnical issues, and with our geotechnical expertise embedded at many of our regional offices, we also possess knowledge of local conditions and requirements. Our specialist team in complex calculations (FEM analyses) is one of the foremost in Norway, and this, together with our expertise in programming and modelling (BIM, PIM) of ground conditions, enables us to tackle the most complex assignments.

Norconsult offers end-to-end services within engineering geology, rock mechanics and landslide calculations, from feasibility studies and engineering design to follow-up during construction. The engineering design of underground facilities is one of our main fields of expertise, and we are renowned for engineering design and consultancy of mountain facilities and the utilisation of underground areas, both in Norway and abroad.

Image above: The effect of fighter-jet noise on reindeer. Photo: Royal Norwegian Air Force



Digitalisation



Norconsult's digital services are primarily delivered by Norconsult Informasjonssystemer (NoIS) in Norway and Norconsult Astando in Sweden. In addition, Pure Logic, a company with specialist expertise in estimation and decision theory, is part of NoIS.

NoIS and Astando develop, market and supply holistic ICT solutions for planning, engineering design, construction and management of infrastructure and property. The digitalisation market area also has a significant level of activities related to the delivery of consultancy services for IT project management, IT consulting, IT architecture, systems development, system integration, RPA, machine learning and AI within all industries. In addition, the company also possesses a depth of expertise within information security and cyber security, with dedicated consultants working specifically within this field.

The digitalisation market area is now a leading supplier of software for geographical information systems (GIS), net information systems (NIS), management, operation and maintenance (MOM), along with solutions for project administration, project management, cost analysis, structural engineering, CAD, property fee administration and system deliverables. The solutions are bundled under a common brand: ISY. The solutions have more than 3,000 customers and more than 30,000 users in Norway.

Image above: Team members working on a BIM model. Photo: Herman Dreyer

Corporate governance

Norconsult's Code of Ethics, our corporate culture summarised in LiVE and our principles for good corporate governance guide the Group. Every day we improve everyday life with this as the foundation and framework.

1 Report on corporate governance

Norconsult's corporate governance shall comply with the Norwegian Limited Liability Companies Act, the Norwegian Accounting Act and the *Norwegian Code of Practice for Corporate Governance* (NUES), to the extent that the recommendations are deemed relevant for Norconsult's business, which is wholly owned by its employees.

Principles for corporate governance are described in a Group policy adopted by the Group Board of Directors.

Norconsult is wholly owned by its employees. Co-ownership influences our culture and can be seen in the effort and drive that our clients experience.

In 2022, Norconsult conducted a thorough process regarding the choice of a future ownership model. At the extraordinary general meeting on January 9, 2023, the company's shareholders decided that the company should apply for a stock exchange listing. A listing will strengthen Norconsult's position as Norway's largest and one of the leading consulting companies within engineering design, architecture and community planning consulting in the Nordic region.

A listing on the Oslo Stock Exchange also opens the possibility for the company to consider strategic opportunities that require financial flexibility, while also taking care of the interests of all our skilled employees and the company's strong culture. Preparations for a listing on Oslo Børs have begun, a share listing can potentially be completed at the end of 2023, if market conditions allow this.

2. Business

Norconsult comprises the parent company Norconsult Holding AS, which owns all the shares in Norconsult AS. Norconsult Holding AS is entirely owned by the Group's employees. Most of the Group's interdisciplinary consultancy services are performed through the company Norconsult AS and its subsidiaries in Norway, Sweden and Denmark. The Group's operations are organised in seven business areas. As established in our Articles

of Association, Norconsult's purpose is to provide consulting engineering services and other business connected thereto including the purchase and sale of real estate, research and development and acquiring interests in other companies through purchase of shares or in other manner. The Group contributes with defined goals, strategy and risk management to a sustainable society through innovative and targeted consultancy services.

The Board of Directors adopted a new strategy for 2022–24 and regularly monitors the status of the strategy vis-à-vis the business area action plans and an annual assessment of strategic risk. Through the strategy, Norconsult strengthens its ambition for the three strategic themes of sustainability, digitalisation and collaboration. Strategic objectives are established for employees, clients and owners.

3. Equity and dividends

The financing of Norconsult is based to a significant degree on retained earned income over several years. Norconsult had a solid capital structure as of 31 December 2022 with no interest-bearing long-term debt. The Group's equity ratio as of 31 December 2022 was 39 percent. To ensure robust financing in the event of substantial market-related and operational fluctuations, Norconsult has established a drawdown facility of NOK 350 million at Nordea. Norconsult's objective is to pay a dividend equivalent to 50–70 percent of the net profit for the year. However, there will be several matters that will affect the Board's recommendation regarding the dividend for a particular year. Circumstances that are considered may include expected future cash flows, financing requirements, investments and financial flexibility. Payment of dividends normally occurs after Norconsult has held its Annual General Meeting.

The General Meeting decided in 2022 to pay an ordinary dividend of NOK 22 per share for the 2021 financial year. In 2021, the General Meeting decided to pay an ordinary dividend of NOK 20 per share for the 2020 financial year. For 2022, the Board of Directors will propose to the General Meeting a dividend of NOK 24 per share, which is

76 percent of the net profit for the year.

The Board is authorised to issue shares subject to the restrictions imposed by the General Meeting. There is no authorisation for the current period. The Board is also authorised to acquire treasury shares on behalf of the parent company.

4. Equal treatment of shareholders

All shares have identical voting rights, with the exception of shares owned by the Group. The shares are not freely tradable and must be sold back to the company when employees leave or retire on grounds of age. All shares are traded through the Group in accordance with the current shareholders' agreement. Norconsult has only one class of share.

All shareholders are simultaneously informed through the Group's intranet, by email and in the share portal *Norconsult Stocks*.

5. Shares and negotiability

At the end of 2022, around 3,145 employees owned shares in the parent company Norconsult Holding AS. No employee owns more than one (1) percent of the shares. 91 percent of the shares are owned by Norconsult AS employees, 6 percent by Norconsult AB employees and the remaining shares by employees in other subsidiaries.

Under Norconsult's ownership model, trading of the company's shares is limited by the Articles of Association, and shares can only be transferred between the Group and employees.

6. General Meeting

The owners exercise the highest authority in the Group through the General Meeting of Norconsult Holding AS. The Board shall make it possible for as many shareholders as possible to participate in the General Meeting, and ensure that the General Meeting is an effective meeting place between the Board and shareholders.

Invitations with documents to be considered by the meeting are distributed to all shareholders in a dedicated portal *Norconsult Stocks* 14 days in advance of the General Meeting. Shareholder may vote in advance or grant proxies. Voting at the General Meeting is electronic in *Norconsult Stocks*. The chair of the General Meeting is normally

the Board Chair. The Board of Directors and the senior executives are required to attend the General Meeting. The Nomination Committee itself, though its Chair, submits recommendations for shareholder-elected Board members and fees for Board members and committee meetings. The Group's external auditor attends the General Meeting and presents the auditor's report.

Minutes from the General Meeting are published on the Group's intranet and in the shareholders' portal *Norconsult Stocks*.

7. Nomination Committee

Nomination Committee, shareholder-elected board members

The Nomination Committee for Norconsult Holding AS is the Group's Nomination Committee and consists of four members who are elected for four years at a time. Normally a new member is elected each year. This is authorised by the Article of Association. Members of the Nomination Committee of Norconsult AS shall at all times be the same as those of Norconsult Holding AS and be decided by the General Meeting.

Members of the Nomination Committee are employees of Norconsult AS. None are senior executives or incoming or outgoing Board members. Gender balance shall be sought and was achieved in 2022.

The work of the Nomination Committee is described in a guideline. The Nomination Committee is required each year to propose shareholder-elected candidates for the Board, fees to the Board members for Board meetings and committee meetings as well as candidates for the Nomination Committee. Members of the Nomination Committee are not paid any separate fee.

Candidates for the Board who are proposed to the General Meeting are required as a collective to provide the Group with a qualified, committed and insightful Board for the best possible operation and development of the Group. The candidates must have expertise in matters concerning the Group's strategic, marketing, business and operational challenges and meet formal requirements for expertise and composition.



The Nomination Committee provides information on the Norconsult intranet about its composition and encourages shareholders there to propose candidates for the Board. Final recommendation is based on interviews with the Board, the management and a selection of the shareholders.

Election Committee, employee-elected Board members

The Election Committee for Norconsult Holding AS administers the election of three employee-elected board members every other year, in accordance with the Norwegian Limited Liability Companies Act and as described in a guideline. The Election Committee consists of four members.

8. Board of Directors, composition and independence

Corporate assembly

Norconsult does not have a corporate assembly. The reason is the employees' broad participation in the Board, with three employee-elected representatives.

Composition of the Board of Directors

The Board of Directors of Norconsult Holding AS is the Board of Directors for the Group. The Group's Board shall comply with the requirements of the Norwegian Limited Liability Companies Act to manage assets in the subsidiaries on behalf of the owners and to supervise the day-to-day management delegated to the CEO. Members of the Group's executive management may not serve on the Board of Directors.

The composition of the Board and terms of office for various board members are described in the Articles of Association. The shareholder-elected Board members are elected for one year at a time, and the employee-elected members are elected for two years at a time. Information about the Board is available on the external website and the Group's intranet.

In 2022, the Board consisted of nine members, including three external shareholder-elected Board members, three internal shareholder-elected Board members and three Board members elected by the employees.

The Board Chair and the Deputy Chair are elected from the external shareholder-elected Board members. In 2022, Nils Morten Huseby was elected as Board Chair and Vibecke Hverven was elected as Deputy Chair. Mari Thjømøe was elected as an external shareholder-elected Board member. The internal shareholder-

-elected members were Michelle S. Wright, Lars-Petter Nesvåg and Anni Ulfendahl. The internal employee-elected members were Harald Trosvik, Kjell Selfors Nilsen and Isaak Elias Skjeseth Bashevkin.

None of the employee-elected Board members are women, and four of the shareholder-elected members are women. The Board Chair is a man and the Deputy Chair is a woman.

Board Independence

None of the external Board members has held an executive position in the Group, and they are independent of the largest shareholders in Norconsult. The Board Chair is the CEO of the Institute for Energy Technology (IFE), which is a client of minor importance for Norconsult. The Board Deputy Chair has carried out a minor consultancy assignment for Norconsult AS. The three internal shareholder-elected Board members are employees of Norconsult AS and receive salaries from the company. Michelle Wright reports as Head of the Architecture Market Area to the Executive Vice President Norway/Regions. The other two are independent of Group management.

9. The work of the Board of Directors

There is a clear delineation of duties between the Board of Directors and top management. In accordance with the Norwegian Limited Liability Companies Act, the CEO is responsible for day-to-day management of the Group and follows guidelines and instructions issued by the Board.

The primary responsibilities of the Board and the frameworks governing the Board's work are documented in the instructions for the Board of Directors. Matters for the Board are prepared by the Group CEO and the administration in consultation with the Board Chair.

The Board of Directors of Norconsult AS held 10 Board meetings in 2022, and the Board of Directors of Norconsult Holding AS held 11 Board meetings. Committee meetings were also held. The top management and Board are also in contact between the board meetings as required. The Board annually conducts a self-evaluation to consider improvements in the work of the Board. This is communicated to the Nomination Committee.

Board committees

The Board may establish the committees it deems necessary. During the reporting period, the Board had a Shareholder's Committee, a Compensation

Committee and an Audit Committee. Tasks for the Compensation Committee and the Audit Committee are described in specific instructions.

The Audit Committee is required to conduct checks on the Group's financial reporting and control systems and maintains a continuous dialogue with the internal and external auditor. The Committee is also required to supervise the Group's internal control, compliance and risk management, and it is a preparatory and advisory working committee for the Board. External shareholder-elected member Mari Thjømøe has been the Chair of the Audit Committee.

The Compensation Committee evaluates remuneration paid to senior executives and provides advice on establishing general principles and a strategy for remuneration of key managers in the Norconsult Group. Board Chair Nils Morten Huseby has been the Chair of the Compensation Committee.

The Shareholder's Committee was established in connection with the 2022 General Meeting. The Committee assist the Board with assessments and recommendations in important questions concerning share ownership and assisted the Board in the last year in the process of evaluating ownership model. Board Chair Nils Morten Huseby has been the Chair of the Shareholder Committee.

Directors' liability insurance

Norconsult Holding AS has established a Board of directors' liability insurance which covers possible liability towards the Group or a third party. The insurance covers the CEO, top management and the members of the Board and covers all companies that are part of the Norconsult Group.

CEO and the Group management team

The general manager of Norconsult Holding AS is the Group CEO. The Group CEO is also the CEO of Norconsult AS. The Group's Board appoints the CEO. Instructions established by the Board provide framework conditions for the CEO.

The CEO determines which roles will be represented in the Group's management team. The Group management team is collectively responsible for looking after Norconsult's interests and ensuring that the CEO has the best possible basis for preparing a strategy, making decisions and ensuring the execution and monitoring of the business. The Group management team consisted in 2022 of managers for the seven operational business areas and two staff areas.

Changes in the Board composition and the Group management team

All three external shareholder-elected Board members were re-elected by the General Meeting in May 2022. Anni Ulfendahl (employed by Norconsult AB in Sweden) became a new internal shareholder-elected Board member. All shareholder-elected Board members were elected for one year.

There were no changes in employee-elected Board members in 2022.

Dag Fladby joined the Group management as the new CFO on 1 February 2022.

10 Risk management and internal control

The purpose of work on risk at Norconsult is to manage risk and ensure that the business areas reach the strategic objectives and though this the ambition of sustainable and profitable development. The Board and the senior executives have the overall responsibility for risk management activities at Norconsult.

Risk management at Norconsult will contribute to identifying, assessing and dealing with risks that may lead to violations of laws and regulations, harm the Group's reputation or impair the quality of the Group's services. Appropriate measures shall be taken to ensure that the business and assignments meet the requirements and expectations of clients, owners, employees and society in general. Risk management is an important tool for ensuring that the Norconsult Group complies with the requirements of the Group's management system. The Group's authority matrix has been established to reduce risk and assign authority within the most important matters in the Group's management system.

Norconsult is exposed to risk through all the Group's activities. The most significant risks relate to assignment execution, operating activities, acquisitions, breaches of ethical guidelines, political changes and/or changes in other framework conditions, as well as unintended or intended serious incidents in the countries where Norconsult operates.

The Group's Internal Audit Department facilitates an annual process for strategic risk management with the management in the business areas. Results from processes and monitoring of measures are reported and conducted by the Board's Audit Committee.



The Group's whistleblower channel for infringements or suspected infringements of laws, regulations or the Norconsult Code of Ethics was improved during the period. External parties and the Group's own employees can now report in an electronic portal administered by an external party.

11. Remuneration to the Board of Directors

Remuneration of the Board of Directors is described under Note no. 3 on page 89. The Board members' remuneration is decided by the General Meeting after a recommendation from the Nomination Committee.

Considium Consulting Group, through the work of Board member Vibecke Hverven, has carried out a minor consultancy assignment for Norconsult AS.

12. Remuneration of executive personnel

The Board's Compensation Committee assists the Board in its work on the terms of employment for Norconsult's CEO and dealing with and determining fundamental questions and guidelines with respect to salary level, bonus and incentive schemes, pension terms and other employment agreements and terms for the Group management team at Norconsult. Recommendations from the Compensation Committee are dealt with and decided by the General Meeting.

13. Information and communication

The shareholders of Norconsult are the Group's own employees. All reporting of financial and other information is based on transparency and equal treatment of the shareholders. Shareholders at Norconsult receive information on the Group's intranet, in the shareholders' portal *Norconsult Stocks* and via email.

All employees receive information on the Group's intranet about annual and quarterly reports, quarterly presentations and dividends. The Board ensures that the quarterly and annual reports from Norconsult provide a true and complete picture of the financial and business position, as well as how the Group is working to achieve operational and strategic goals. Key value drivers and risk factors are also reported.

Norconsult communicates with the outside world on our external website. Press announcements are published when necessary. The Group's Communications Department coordinates this information, while the Group CEO and CFO are responsible for communicating with the shareholders.

The information is available to employees in both Norwegian and English.

14. Take-overs

Norconsult's shareholder agreement specifies main principles for the shareholders' handling of enquiries regarding offers for the Group. More detailed guidelines have not been established for how the Board will act in the event of any take-over offer.

Enquiries from external parties regarding the take-over of Norconsult will be evaluated by the Board and the Group management. The practice has been that if a bidder and proposal are regarded as serious, it will be clarified with the shareholders whether the Board has a mandate to consider the enquiry further. A binding offer must be submitted to the General Meeting for decision.

15. Auditor

Norconsult's external auditor has been Ernst & Young AS since 2019. The auditor annually submits its plan for conducting the audit work to the Audit Committee.

During 2022, the auditor participated in one Board meeting and seven meetings of the Audit Committee. The following have been dealt with in the meetings:

- ▶ Annual financial statements
- ▶ Significant changes in accounting principles, key matters for the audit, assessment of accounting estimates and other significant matters
- ▶ The Group's internal control including measures
- ▶ The Group governing principles provides guidelines for the day-to-day management's opportunity to use the auditor for services other than auditing.
- ▶ Fees to the auditor are reported by the Board to the General Meeting, allocated to auditor services and other services. The General Meeting approves the auditor's fee.



Arna Stasjonsbygg has been adapted to a modern station area according to today's functional requirements and universal design requirements. The building contains much of its original expression with extensive interior renovation including connections to subways and ramps. Photo: Thor Brødreskift

Board of Directors' Report 2022

Norconsult delivered strong profitable growth in 2022. We continuously seek to renew our services to meet future customer needs. Our ambitions related to sustainability, digitalisation, and collaboration are being strengthened. Through this, we will also attract the industry's best minds in the future. As we say in Norconsult – Every day we improve everyday life.





The Board of Norconsult in 2022: Kjell Selfors Nilsen, Anni Ulfendahl, Harald Trosvik, Michelle Wright, new Deputy Chair Vibecke Hverven, new Chair of the Board Nils Morten Huseby, Lars-Petter Nesvåg, Mari Thjømøe and Isaak Elias Skjeseth Bashevkin. Photo by Johnny Syversen

Norconsult is Norway's largest and one of the leading multidisciplinary consulting firms in community planning, engineering design and architecture in the Nordic region. With 135 offices and approximately 5,600 employees at the end of 2022, the company is a major Nordic player.

The headquarter is located in Sandvika, outside Oslo. Norconsult has a strong local presence with customers in its strategic core markets, with permanent offices in Norway, Sweden, Denmark, Iceland, Finland, and Poland. In addition, the company is present with some smaller offices in Africa and Asia. Norconsult's defined purpose is *Every day we improve everyday life*. This purpose reflects who the company is, what it strives for and how it constantly seeks better solutions for the benefit of society.

Through assignments in Transport, Environment, Buildings, Architecture, Renewable Energy, Industry, Water and Digitalisation, Norconsult contributes to a more valuable society.

The Norconsult Group carries out around 30,000 large and small assignments annually for public and private customers.

The services include planning, engineering design and follow-up in various project phases, from architect solutions and functional specifications to pilot studies and preparation of specifications and tender documents, operation and maintenance routines, as well as project management and quality assurance. The Board is satisfied with the Group's performance in a highly competitive market and the fact that the Group delivered a solid financial result in the past year.

The business

The structure of the organisation

Norconsult Holding AS is the parent company of the Group and is wholly owned by the employees.

Most of the Group's interdisciplinary consulting services are provided by the company Norconsult AS and its subsidiaries in Norway, Sweden and Denmark. In addition, IT consulting and solutions for project management, infrastructure and property are delivered by the wholly owned subsidiary Norconsult Informasjonssystemer AS (NoIS), while the wholly owned Technogarden specialise in hiring out expertise within the fields of engineering, project management and IT in Norway and Sweden. The subsidiary Nordic Office of Architecture AS (Nordic) is one of Norway's leading architectural firms, and combined with the rest of the Group's architectural enterprises, it constitutes one of the strongest architectural environments in the Nordic region.

In 2022, the Group's business was organised in seven business areas:

- ▶ Norway Head Office
- ▶ Norway Regions
- ▶ Digitalisation
- ▶ Renewable Energy
- ▶ Sweden
- ▶ Denmark
- ▶ Technogarden

In total, the Group acquired six companies throughout 2022. In Denmark Jord Miljø A/S and Jord Teknik A/S was acquired. In Norway, Kristin Jarmund Arkitekter AS, the engineering design unit of Betonmast Boligbygg, Moldskred AS and Areal og Eiendom AS became a part of the Group. Norconsult also bought the remaining shares in Nordic Office of Architecture AS during 2022.

Strategi

The purpose of the strategic period 2022-2024 is *Every day we improve everyday life*.

The Group has the following strategic focus areas that will contribute to continued profitable growth and development:

- ▶ Attract, develop and retain the best people
- ▶ Striving for the best competence, a strong culture and local presence
- ▶ Develop Norconsult Poland
- ▶ Selective growth in early phase of projects
- ▶ Renewable industry as a focus area across Norway and Sweden

Our strategy is based on our platform for company culture, LiVE, our best practices for assignments LiVE PRO, our management system NORMS and The Edge, which sets an ambition that 20 percent of our activities should be based on innovation. The Group have set the following goals for the strategy: Happy colleagues + Happy customers = Happy owners. It is all about achieving further growth and profitability, while having fun at work.



In 2022, Norconsult has met the goals for the period, which in addition to ambitious goals for satisfied employees, clients and owners, also have high ambitions related to digitalisation, sustainability and collaboration.



The Group aims to achieve 80 percent in customer and employee satisfaction. In 2022, Norconsult has met the goals for the period, which in addition to ambitious goals for satisfied employees, clients and owners, also have high ambitions related to digitalisation, sustainability and collaboration.

Norconsult's success, both to date and in the years to come, is a result of our employees' expertise, dedication, and good collaboration both internally and with our partners.

New ownership model

In 2022, Norconsult conducted a thorough process regarding the choice of a future ownership model. At the extraordinary general meeting on January 9, 2023, the

company's shareholders decided that the company should apply for a stock exchange listing. A listing will strengthen Norconsult's position as Norway's largest and one of the leading consulting companies within engineering design, architecture and community planning consulting in the Nordic region.

A listing on the Oslo Stock Exchange also opens the possibility for the company to consider strategic opportunities that require financial flexibility, while also taking care of the interests of all our skilled employees and the company's strong culture. Preparations for a listing on Oslo Børs have begun, a share listing can potentially be completed at the end of 2023, if market conditions allow this.

Development within the core business of the Group

The Group delivered strong growth in revenue and operating profit for 2022. Net revenue and other revenue after external project costs for the Group ended at NOK 7,512 million, which is an increase of NOK 920 million from NOK 6,593 million in 2021, where the business areas Norway Regions and Norway Head Office contributed significantly to the growth measured in NOK. Net organic revenue growth was 11.5 percent.

The operating profit for the Group increased from NOK 509 million in 2021 to NOK 513 million in 2022. The operating margin was 6.8 percent in 2022 (7.7 percent). The operating profit for 2022 is charged with NOK 95 million in estimated income benefit including employer's national insurance contributions for employees who have acquired the right to purchase shares in Norconsult Holding AS at a discounted price during the year. Operating profit adjusted for estimated income benefit therefore amounts to NOK 608 million in 2022, with a corresponding net operating margin of 8.1 percent (7.7 percent). The Group is satisfied with the underlying operating margin for the year.

Solid revenue growth for the entire Group

In 2022, the Norway Head Office had gross revenue of NOK 2,534 million (compared to NOK 2,212 million in 2021). The solid growth is mainly explained by an increase in billing rates, high billing ratio and an increase in number of employees.

The Norway Regions business area had gross revenue of NOK 2,444 million in 2022, compared to NOK 2,171 million in 2021, representing an increase of 12.6 percent. The growth is mainly attributed to strong organic growth with a good rate development, high billing ratio and an increase in number of employees. Gross revenue ended at NOK 732 million for Renewable Energy in 2022, a

strong increase of NOK 90 million from NOK 642 million in 2021. The increase is mainly due to an increase in rates and appreciation related to completed fixed price projects.

The Digitalisation business area had a gross revenue of NOK 374 million in 2022, which was at the same level as last year, NOK 367 million. The modest growth is mainly explained by the fact that a lot of time has been spent on development projects.

Gross revenue in Sweden increased by NOK 127 million, from NOK 1,201 million in 2021 to NOK 1,328 million in 2022. The increase in revenue is mainly due to organic growth, which was 13.8 percent for the year. The growth is primarily explained by an increase in number of employees, increased billing ratio, and a slight increase in billing rates.

In Denmark, gross revenue amounted to NOK 627 million in 2022, a significant increase from NOK 460 million in 2021. The revenue growth was strongly driven by acquisitions. Organic growth was 7 percent for the year.

Business area Technogarden increased its gross revenue by NOK 89 million, from NOK 599 million in 2021 to NOK 688 million in 2022. The growth is entirely organic and mainly explained by an increase in the number of consultants.

Market outlook

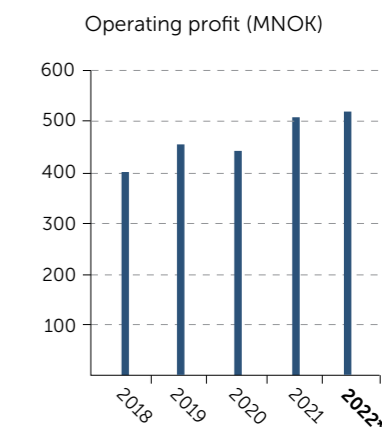
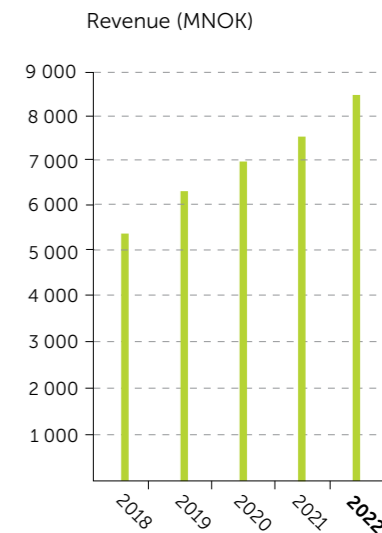
There is increased uncertainty in the global market due to the war in Ukraine, high inflation, rising interest rates, and continued challenges in supply chains. This naturally also affects the Nordic economy. We have seen signals of this through a slightly weaker market for businesses early in the value chain, especially in architecture, but also partially in construction and real estate.

At an overall level, there is still good activity in both the public and

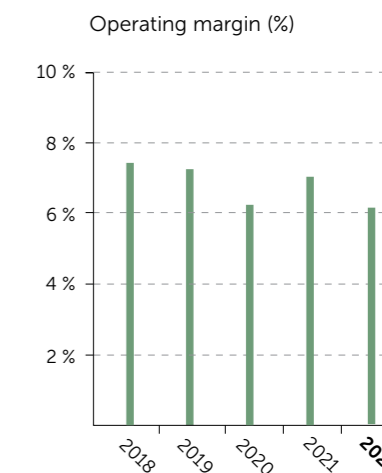
private sectors, where investments in infrastructure are still expected to be at a moderate level, but the uncertainty about which projects will be prioritised is greater than before. This could lead to cancellations of larger projects and could have negative consequences if it affects us. However, Norconsult is well positioned to handle market changes, based on the competence of our employees and the fact that the company has a presence in several market segments and geographies.

At the same time, there is strong growth in investments that contribute to a greener and more sustainable society, with increased demand for efficient and climate-smart solutions in buildings, mobility and energy. Norconsult is well positioned to contribute in these areas.

Consolidation within the Nordic market continues. Norconsult closely monitors both small and large acquisition candidates, which are assessed based on compatibility with the Group's strategy and corporate culture as such. The Group has a goal of further growth in the Nordic region, both organically and through acquisitions in the years to come.

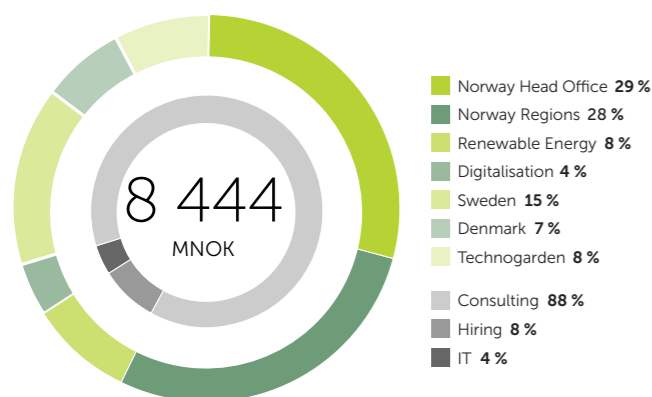


*Due to the estimated income benefit (including employer's national insurance contributions) associated with earned rights related to the Group's share purchase program in 2022, the operating result has been reduced by NOK 95 million.

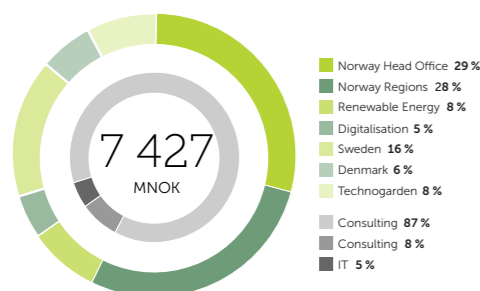


*Due to the estimated income benefit booked under IFRS 2, the operating margin is reduced. Taking into account the estimated income benefit, there is an underlying improvement in the operating margin of approximately 0.3% in 2022.

Gross revenue 2022



Gross revenue 2021



Corporate Governance

As Norway's leading consulting company, Norconsult is a driving force for the green transition. Sustainability is one of the strategic topics in Norconsult's strategy for 2022-2024, with the ambition of sustainable development in everything we do. Sustainability is one of the pillars of the Group's consulting, and it is important to maintain the overall concept, including all three pillars of sustainable development – economic, social and environmental. The following describes the Group's work on social responsibility and the environment. For a more comprehensive description of Norconsult's work on sustainability, please see the Sustainability section in the 2022 annual report.

The Group's ethical guidelines were updated in 2022 to clarify the management of requirements related to human rights and working conditions, among other things, to comply with the requirements of the Transparency Act (Åpenhetsloven), the UN Global Compact and upcoming sustainability regulations for EU member states. Due diligence assessments suggest that Norconsult's operations in the Nordic region, and Norway in particular, have a low risk of violating these ethical standards and laws. The risk increases somewhat based on geography, but certain industries also show an increased risk of violations. A comprehensive report according to the Transparency Act will be made available on Norconsult's website in June 2023.

Equal opportunities and rights

Everyone shall have equal opportunities and rights in Norconsult, regardless of gender, ethnicity, sexual orientation, or other personal matters. Our goal is to increase diversity and the proportion of

women both in operational units and at management level.

Compared to last year, the gender balance in the Group has remained stable, with women making up 34 percent of the workforce. The percentage of women in management positions is 30 percent for the Group, an increase of 0.8 percentage points from last year. The percentage of women on the Group's Board of Directors at the end of 2022 is 44 percent. Among the employee-elected representatives, there are only men.



Norconsult practices individual salary determination, and is committed to having a competitive, motivating and transparent salary policy that reflects position, performance and expertise.

The working environment committee in the Group's subsidiary Norconsult AS consists of 66.6 percent women. Measures have been implemented to increase the proportion of women in management positions within professional disciplines, projects and in the line organisation. In Norconsult, it is a goal to always have at least one female candidate in the final round of interviews for leadership positions.

Norconsult practices individual salary determination, and is committed to having a competitive, motivating and transparent salary policy that reflects position, performance and expertise. We work actively to ensure that women's salary levels are at the same level as the male salary level in the Group. In the largest subsidiary in Norway, Norconsult AS, women's average salary is 91.6 percent of male employees' salary levels, which is an improvement of 1.9 percentage points from 2021. When adjusting for positions where responsibility and expertise are equivalent, women's average salary level is 97.7 percent of male employees' salary levels. In Norconsult AB, women's salary level is 90.1 percent of men's salary level for 2022. The main reason for the difference is the requirements for responsibility and expertise, but also the distribution within which discipline most women or men work. In Denmark, when adjusted for competency and position, women's salary is 98.9 percent.

Norconsult wishes to provide for employees' differing needs and living situation and is committed to being a family-friendly employer. However, it is not desirable for Norconsult that employees work part-time to an extensive degree, and the company strives for employees to maintain a full-time position. Compared to 2021, Norconsult has seen a decrease in the proportion of part-time employees and the use of temporary contracts. At the end of 2022, 9.0 percent of female employees in the company worked part-time, compared to 11.7 percent the last year. There was also a decrease of 0.8 percent to 3.3 percent for male employees in part-time positions. Norconsult mainly recruits for permanent full-time positions, and

there are no employees who work involuntarily in part-time positions. Of all employees in the company, 1.0 percent of women and 4.9 percent of men have a temporary employment contract, which is a total decrease of 2.4 percent.

Norconsult takes whistleblowing cases seriously and encourages everyone to report any misconduct. A new independent digital whistleblowing channel, *Norconsult Speak Up*, was established in 2022. Here, all employees and external parties can report misconduct anonymously, safely, and easily.

Working environment

Norconsult aims to ensure the safety and health of all its employees. The goal is that no one should become ill or injured because of their work at Norconsult or with solutions that we plan and design. Ensuring compliance with safety, health, and environmental requirements is anchored in the Group's ethical guidelines and HR policy. Norconsult measures the well-being, engagement and observance of the culture platform LiVE and maps the employee perception of Norconsult in various areas in the annual employee survey LiVEing. The results from the survey form the foundation for further development of the business and the continuous improvement of the working environment.

Injuries and sick leave

The Group's goal is that no one should be harmed or become ill in connection with their work. Ensuring the safety and health of people is an integral part of the Group's routines for project execution.

In 2022, a total of 94 HSE-related incidents were reported for the entire Group. That includes five injuries with absence from work, two injuries requiring medical treatment and 53 near-miss incidents.

Absence due to sick leave in Norconsult AS has had a positive development in recent years. The year 2022 was affected by the aftermath of the corona pandemic, leading to an increase in total sick leave from 3.7% in 2021 to 4.6%, with the greatest increase in short-term sick leave. In Norconsult Sweden, the sick leave was 3.3%, an increase of 0.4% from 2021. In Norconsult Denmark, the sick leave was 4.4%, an increase of 1.3% from 2021.

Environment

Norconsult works systematically to assess risks and opportunities in the advice that is given and the solutions that are planned and designed, to avoid harm to people, the environment or material. The principle that environmental impact associated with assignments should be evaluated and sustainable solutions recommended, is anchored in the company's ethical guidelines.

Norconsult's most significant impact is through the assignments carried out for our clients. Employee behaviour and company operations result in direct greenhouse gas emissions from travel, office operations and indirectly through procurement. Stakeholder and materiality assessments are documented in the company's annual report.

The internal improvements in Norconsult AS is primarily organised through the company's commitment and certification as an Eco-Lighthouse (Miljøfyrtårn) company. A total of 45 office locations are certified. In 2022, the Head Office (Sandvika) was a pilot for new and revised criteria from the Eco-Lighthouse Scheme and, together with six other offices, was recertified according to these criteria. Through the Eco-Lighthouse Scheme, office locations report annually on working environment, waste, energy use, procurement and transport.

As part of the 2022-2024 strategy, the Group set a target of climate neutrality in its own operations by 2030. From 2021, the Group has worked with calculations for climate accounting in accordance with the Greenhouse Gas Protocol for companies in the Group, with Norconsult in Norway and Sweden in the lead. In 2022, Poland and Iceland also began working on data collection and systematics for climate accounts. The company's climate accounts, explanation of changes and calculation of carbon productivity (CAPRO) for Norconsult AS are described under the Sustainability section in the 2022 annual report.

Based on the climate accounts, efforts are being made to define carbon neutrality and implement measures to achieve this in Norconsult's own operations in each of its business areas. Norconsult's own operations are primarily office-related, and the Group's operations therefore do not cause emissions to water or air. The Group's energy needs in the offices are mainly covered by electricity and by water-borne district heating and district cooling.

The Board of Directors, Corporate governance and Risk management

The Board of Directors

The Board of Directors shall comply with requirement to the Norwegian Limited Liability Companies Act to manage net assets of the Group on behalf of the owners. The Board shall also monitor the day-to-day management, which is delegated to the CEO and the Group's conduct of business in general.

The articles of associations specify that the Board shall consist of six to nine members, it also specifies the composition of the Board and the duration of the membership. The Board of Directors in Norconsult consists of nine Board members; three elected by employees and six elected by shareholders, of which three are external and three are internal. None of the Board members are part of Norconsult's Group management team. In 2022, Nils Morten Huseby was elected Chairman of the Board and Vibecke Hverven was elected new Board member and Deputy Chair. Both are external Board members elected by the shareholders.

The Group's Nomination Committee annually proposes shareholder-elected board members and the remuneration to the members of the board at the Annual General Meeting. The Nomination Committee is responsible for ensuring that members of the board have the appropriate expertise and experience. The Nomination Committee consists of four members, all elected by the Annual General Meeting.

The Group's Election Board administers the election of the three employee-elected board members every other year. The Election Board consists of four members.

Under Norconsult's current ownership model, trading of the company's shares is limited by the company's Articles of Association and shares can only be transferred between the company and its employees. The Board is authorised to issue shares subject to the restrictions imposed by the General Meeting. The Board also has the authority for the company to acquire its own shares.

The Board may appoint committees as it deems necessary. During the reporting period, the Board had an Audit Committee, a Compensation Committee and a Shareholder Committee. See Corporate governance for a further description of the committee's tasks. In 2022, the Board held 11 board meetings. In addition, there has been committee meetings.

Board insurance

Norconsult Holding AS has a Board liability insurance that covers possible liability to the company or a third party. The insurance covers the general manager, management and board members and covers all companies that are part of the Norconsult Group.

Corporate governance

The Board has the overall responsibility for ensuring that the management system is efficient and well-functioning. The Group's policy for corporate governance is part of the Group's management system. Norconsult complies with the structure adopted by the Norwegian Corporate Governance Board (NUES) to the extent that the recommendations are deemed relevant to a company that is 100 percent owned by its employees. This topic is described in more detail under the section on Corporate Governance in the 2022 annual report.

The Group has established governing policies covering project execution, internal control, emergency management, IT, HR and risk management. The Group's management system NORMS (Norconsult Management System) ensures that the company prevents, if relevant, detects and stops corruption and other financial irregularities, compliance of external requirements and expectations as expressed in key external regulations and adequate risk management. The management system is available on the Group's intranet.

The management systems of the subsidiaries Norconsult AS, Norconsult AB, Norconsult ehf, Norconsult Polen sp. z. o. o., and Norconsult Management Service Phil. Inc. are certified according to ISO 9001:2015 Quality management systems. The management systems for Norconsult AS, Norconsult AB and Norconsult Polen sp. z. o. o. are also certified according to ISO 14001:2015 Environment management. In addition, Norconsult AS is certified according to ISO 45001:2018 Occupational Health and Safety and the Eco-Lighthouse scheme. The system is also designed to meet the requirements for management systems in the Norwegian Planning and Building Act.

Risk management

Risk management in Norconsult aims to identify, assess and manage risks that may result in violations of laws and regulations, damage the company's reputation or reduce the quality of the company's deliveries. Relevant measures should be implemented so that the business and assignments meet the requirements and expectations from clients, owners, employees and society in general, and are prepared

for the possibility of external factors beyond their control. The Board, audit committee, Group management and business area management regularly receive updates on the status of risk assessments and risk management within the Group.

The Board has established an audit committee that meets the requirements for independence and financial expertise. The committee is responsible for monitoring the Group's financial reporting, working with internal control and risk management, sustainability, and exercising a control function on behalf of the Board. The Audit Committee contributes to risk management by receiving and processing reporting on the quality of internal controls and risk management prepared by internal audit, external auditors, and others responsible for this, forwarding this to the Board. The CEO is responsible for facilitating risk management that contributes to achieving the goals set by the Board for the Group's business, including effective management systems and internal controls, and continuously contributing to improvements in risk management. Risk management is an important tool for ensuring that the Norconsult Group complies with the requirements of the management system. Risk management on a daily basis is part of the line management's and project management's responsibility.

Norconsult is exposed to risk through all the Group's activities. The most critical risks are related to the project execution, operational activities, acquisitions, breaches of ethical guidelines, political changes and/or changes in other framework conditions,

as well as unintended or intentional serious incidents in the countries where Norconsult operates.

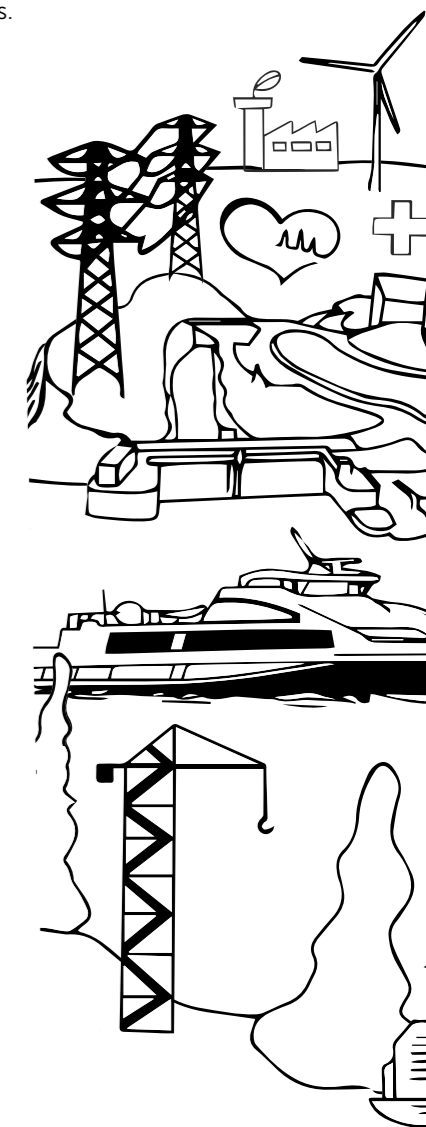
Strategic risk management is carried out annually with the Group management and management teams in all business areas. The purpose is to identify risks that may prevent the Group from reaching its strategic targets. Identified risks are followed up with measures at the Group and the business areas. Status and progress are reported and followed up, among other things, in semi-annual management reviews.

Climate change and changes in nature and biological diversity represent a major challenge for the world and society around us. These changes affect value chains and economies within Norconsult's markets and represent both risk and uncertainty, while the challenges that society must address in this context are also tasks that Norconsult is well positioned to solve. Employees are concerned about sustainability and possess significant expertise about climate and environmental changes and the risks associated with them. Physical risk is considered low because the company does not own assets or office space that are vulnerable to climate change.

Norconsult provides services within planning and engineering design that affect the probability and consequences of adverse events. Ongoing assessments of risks and the company's preparedness ability are made to meet requirements and expectations from authorities, clients and employees. An overall risk picture related to preparedness is developed for the Group management and the

Board. The company's emergency response organisation has updated its framework based on experiences from actual events during the year.

Norconsult is committed to ensuring safety and health for all its employees and providing a work environment where all employees are aware of risks, which are reflected in the ethical guidelines.



Research, development and innovation

Norconsult invests in research, development and innovation to be a leading and attractive player in the market and to ensure new growth and profitability.

The investments are made both in projects and in the organisation. Norconsult continuously seeks renewal of its services to meet future customer needs and to ensure that the Group delivers forward-looking and attractive services in the market. The Group is continuously updated on trends and technologies, while working closely with our customers to understand their needs and desires for the future.

The Group actively works to adapt to current and future requirements and opportunities, to ensure good solutions, work processes and relevant use of technology in assignments. Norconsult works in structured processes to identify innovation potential, create room for innovation, and – most importantly – to deliver assignments that create value for clients and society. This ensures tailored and innovative solutions that are adapted to the customer's needs and challenges.

In 2022, 16 innovation leaders were educated through Norconsult, and the Group now has over 60 employees with this expertise. In addition, systematic work is being done to improve processes and build innovation expertise to deliver in assignments. In 2022, a team for digital transformation was established in the department for Innovation and new growth. With this, Norconsult mobilised further for innovation and digitalisation.



The department Wind and Energy Systems was established to strengthen the research environment at DTU – Risø Campus, the National Laboratory for Sustainable Energy in Denmark. The department now has new modern laboratory and workshop facilities, as well as modernised office buildings and improved study and work environment. Norconsult has contributed to the engineering design of building physics and advanced technical installations that meet the assignments' high requirements for indoor climate, ventilation and energy conditions, and which have been supported by a commissioning process and carried out as a EPC contractor. Photo: Niels Nygaard

Annual financial statements

Income statement, balance sheet and statement of cash flows in Norconsult Holding AS Group

In 2022, the Group achieved operating revenues and other revenues after expenses for sub-contractors of NOK 7,512 million (NOK 6,592 million). The operating profit for 2022 amounted to NOK 513 million (NOK 509 million). The operating profit in 2022 is reduced by NOK 95 million due to the estimated income benefit, including employer's national insurance contributions, for employees who have earned the right to purchase shares in Norconsult Holding AS at a discounted price during the year. Adjusted operating profit amounts to NOK 608 million, with a corresponding net operating margin of 8.1 percent (7.7 percent).

At the end of 2022, the Group's total cash and cash equivalents, including investments in short-term money market funds, amounted to NOK 1,342 million (NOK 1,340 million). The cash balance at year-end was NOK 971 million (NOK 972 million). Parts of the cash surplus are invested in market-based financial instruments that can be converted into cash equivalents at short notice (2022: NOK 371 million, 2021: NOK 367 million). The cash flow from operating activities is considered satisfactory. Deviations between cash flow from operating activities and operating profit are primarily due to accruals, as well as amortisation and impairment of goodwill in the Group.

The Group's equity was NOK 1,789 million at the end of 2022 (NOK 1,729 million), which gives an equity ratio of 39.1 percent at the end of 2022 (41.1 percent). The Board considers the Group's capital structure and equity ratio to be robust.

Profit, balance sheet and cash flow for Norconsult Holding AS

There is no operational activity in the parent company Norconsult Holding AS. The operating profit was NOK -0.6 million (NOK -1.4 million). Profit before tax amounted to NOK 519 million (2021: NOK 264 million). Total cash balance at the end of the year ended at NOK 706 million (NOK 786 million). Norconsult Holding AS had a

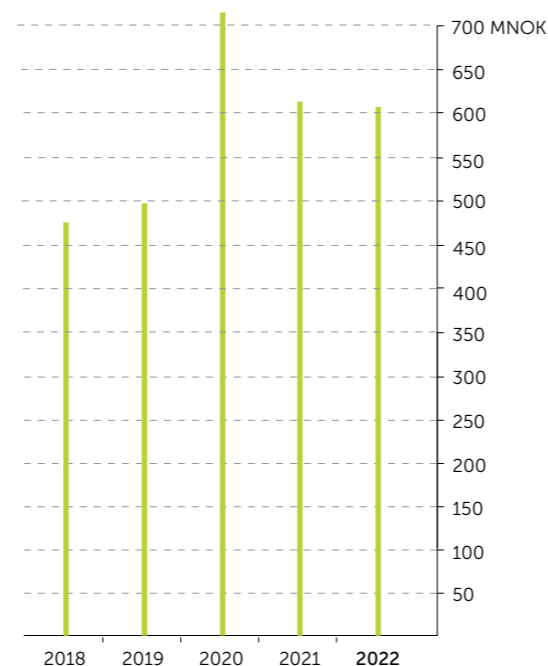
decrease in net cash of NOK 80 million in 2022 (an increase of NOK 176 million), mainly due to dividend payments and share buybacks.

Cash surplus of NOK 371 million (NOK 367 million) is invested in market-based financial instruments that can be converted into cash equivalents at short notice. The company's equity was NOK 607 million at the end of 2022 (NOK 374 million), which gives an equity ratio of 33 percent in 2022 (22.3 percent).

Financial risk

The risk of clients not being able to meet their financial obligations has historically been low. At all levels, the Group has focused on invoicing outstanding balances as soon as possible and closely monitoring customer receivables.

Cash flow from operations

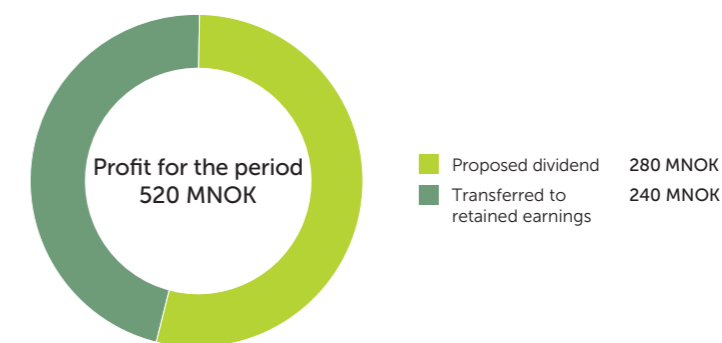


The liquidity of Norconsult is considered satisfactory. Excess cash is applied for payment of dividends, investments in operating activities and acquisitions, as well as temporary conservative investments in financial instruments.

The Group has the possibility to reduce all these elements if the level of the cash balance as such should indicate this. All acquisitions are subject to a due diligence process and the Group focuses on identifying companies with high profitability, good prospects and qualities that complement other parts of the Group's business.

Norconsult is to a limited extent exposed to currency fluctuations related to the company's activities across borders. The Group's largest units outside of Norway report in SEK and DKK. The currency exposure is considered low as the Danish and Swedish units are currency neutral in their local markets. The current currency strategy suggests that the company should hedge currency risks where appropriate or aim for contract terms that limit currency exposure. In addition, changes in exchange rates affect the net book value of the Group's investments.

Norconsult's business is growing both organically as well as through strategic acquisitions. In recent years, several acquisitions have been made of companies where surplus values in addition to book equity have been identified. These added values are largely related to employees and their expertise and are therefore



accounted for as goodwill. Goodwill is amortized on a straight-line basis over its expected useful life and in line with generally accepted accounting principles.

The Board and the Group management regularly assess the value and useful life of the capitalised goodwill, as well as any need for write-downs. The method utilised is by evaluating the respective units' historical profits and expectations for future profits.

Events after fiscal year-end and the assumption of going concern

There have been no events of significance to Norconsult's position and profit after the end of the fiscal year. In accordance with Norwegian Accounting Act, Norconsult confirms that the financial statement has been prepared under the assumption of going concern.

Profit distribution

The Board has considered the overall financial status for the Group, including level of equity and prospects as part of the basis for proposed dividends based on the profit for the period of 2022. This year's profit for Norconsult Holding AS

amounts to NOK 280 million. The Board proposes that the profit is distributed of as following:

Proposed dividend:	280 MNOK
Transferred to retained earnings:	240 MNOK
Profit for the period:	520 MNOK

Future prospects

Norconsult has wide expertise, is well diversified and has strengthened its position within the key business areas, forming a solid starting point for the future. The Group pays close attention to risk management, daily operations are sound and the Group's solvency and cash balance are considered strong. The Group has significant attention on risk management, and its day-to-day operations are solid, with strong solvency and liquidity.

There is increased uncertainty in the global market going forward due to the war in Ukraine, high inflation, and rising interest rates as well as some continuing challenges in global supply chains. This naturally also affects the Nordic economies going forward.

We have seen signs of this during the last quarter of 2022 and into 2023, with a slightly weaker market for businesses early in the value chain, especially within architecture, but also partly within construction and real estate. At an overall level, there is still good activity both in the public and private sectors, where investments in infrastructure are expected to be at a moderate level, but the uncertainty related to which projects will be prioritised is greater than before. This may lead to significant cancellations of projects and could have negative consequences. However, Norconsult is well-equipped to handle market changes, based on the expertise of our employees and the fact that the company has a presence in several market segments and geographies. At the same time, there is strong growth in investments that contribute to a greener and more sustainable society, with increased demand for efficient and climate-smart solutions in construction, mobility and

energy. Norconsult is well-positioned to contribute in these areas.

The consolidation within the Scandinavian market continues. Norconsult monitors potential acquisition targets closely, both small and large, which are assessed based on compatibility with the Group's strategy and corporate culture. The Group aims for further growth, both organic and through acquisitions in the coming years.

At the extraordinary General Meeting on 9 January 2023 the company's shareholders decided that the company will apply for a stock exchange listing. A stock exchange listing will increase the attention given to the Group and highlight the Group's expertise and importance for the development of society throughout the Nordic region. The Board considers that this will strengthen Norconsult's position

as Norway's largest and one of the leading consulting companies within engineering design, architecture and community planning in the Nordic region. A listing on Oslo Børs also opens for the possibility of the Group to consider strategic opportunities that require financial flexibility, while safeguarding the interests of all our talented employees and the Group's strong culture. Preparations for a listing on Oslo Børs have begun, and a share listing can potentially be completed at the end of 2023, if market conditions permit this.

The Board's opinion is that Norconsult, through its leading position in Norway and the Nordic region, good geographical and market diversification, strong financial position, and high expertise of its employees, is well-positioned for the future.

Sandvika, April 18 2023

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Photo by Herman Dreyer

Consolidated financial statements 2022

Norconsult consists of the parent company Norconsult Holding AS, which owns all the shares in Norconsult AS. Most of the Group's interdisciplinary consulting services are performed through the company Norconsult AS and its subsidiaries outside Norway. The Group has a significant architecture business both within the Norconsult Group and in its subsidiary Nordic Office of Architecture. In addition, IT consulting services and solutions for project management, infrastructure, and property are provided by the wholly owned subsidiary Norconsult Informasjonssystemer AS (NoIS), while the company Technogarden is specialised in recruitment and staffing of engineering expertise, project management expertise, and IT expertise in Norway and Sweden.

The consolidated financial statements present the income statement for 2022 and the associated balance sheet as of 31 December 2022 for the Norconsult Holding Group.

Income statement ▼

Amounts in NOK thousand

PARENT COMPANY		GROUP				
2021	2022	Amounts in NOK thousand	Notes	2022	2021	
		Operating revenues and expenses				
0	0	Operating revenues and other revenues	2	8 443 956	7 426 822	
0	0	Expenses for sub-contractors	1	931 229	833 909	
0	0	Operating revenues and other revenues after expenses for sub-contractors		7 512 727	6 592 913	
0	0	Employee benefit expenses	3,4	5 684 672	5 006 211	
0	0	Depreciation and amortisation	5,6	191 559	174 294	
0	0	Impairment of non-current assets / intangible assets	5,6	4 753	0	
1 412	638	Other operating expenses	3	1 118 785	903 073	
1 412	638	Operating expenses		6 999 769	6 083 578	
(1 412)	(638)	OPERATING PROFIT		512 959	509 335	
		Financial income and expenses				
260 500	520 000	Income from subsidiaries and associated companies	7,8	582	(578)	
1 071	1 829	Interest income from group companies	8	0	0	
1 640	9 530	Other interest income		11 796	2 950	
5 123	4 001	Other financial income	9	18 339	16 159	
0	0	Write-down of financial assets		(28)	(1 858)	
(1 908)	(13 941)	Interest expenses from group companies	8	0	0	
(116)	(408)	Other interest expenses		(2 135)	(1 764)	
(314)	(787)	Other interest expenses	9	(11 801)	(12 888)	
265 996	520 224	Net financial items		16 753	2 020	
264 585	519 585	PROFIT BEFORE INCOME TAXES		529 712	511 355	
899	(91)	Income tax expenses	10	161 359	141 331	
263 686	519 676	PROFIT FOR THE PERIOD		368 353	370 024	
		Attributable to non-controlling interests		302	728	
		Attributable to controlling interests		368 051	369 297	
		ATTRIBUTABLE TO				
260 500	280 000	Proposed dividend				
3 186	239 676	Transferred to retained earnings				
263 686	519 676	Total profit for the period				

Balance Sheet Assets ▼

Amounts in NOK thousand

PARENT COMPANY		GROUP			
2021	2022	Amounts in NOK thousand	Notes	2022	2021
		ASSETS			
		Intangible assets			
0	0	Deferred tax assets	10	4 329	1 242
0	0	Licenses and software	5	45 473	28 370
0	0	Goodwill	5	749 239	668 652
0	0	Total intangible assets		799 040	698 264
		Property, plant and equipment			
0	0	Land, buildings and other property	6	2 840	6 073
0	0	Machinery and equipment	6	156 042	144 653
0	0	Total property, plant and equipment		158 883	150 727
		Non-current financial assets			
160 504	242 961	Investments in subsidiaries	11	0	0
0	0	Investments in associated companies	7	2 956	4 257
0	0	Other non-current financial assets		9 484	7 740
0	0	Pension assets	4	16 117	12 635
160 504	242 961	Total non-current financial assets		28 557	24 631
160 504	242 962	TOTAL NON-CURRENT ASSETS		986 480	873 622
		RECEIVABLES			
		Receivables			
0	0	Work in progress	1	598 844	440 359
0	0	Trade receivables	12, 17	1 393 151	1 280 359
299 597	650 306	Current receivables Group companies	8	0	0
65 021	4 239	Other current receivables		202 194	275 602
364 618	654 545	Total receivables and prepaid expenses		2 194 189	1 996 320
		Investments			
367 901	371 453	Financial assets at market value	20	371 453	367 901
367 901	371 453	Total investments		371 453	367 901
		Cash and cash equivalents			
785 976	706 073	Cash and cash equivalents	13	971 047	972 265
785 976	706 073	Total cash and cash equivalents		971 047	972 265
1 518 496	1 732 070	TOTAL CURRENT ASSETS		3 536 689	3 336 486
1 679 000	1 975 032	TOTAL ASSETS		4 523 169	4 210 108

Balance Sheet Equity and Liabilities ▼

Amounts in NOK thousand

PARENT COMPANY		GROUP			
2021	2022	Amounts in NOK thousand	Notes	2022	2021
		EQUITY			
		Paid-in capital			
6 210	6 210	Share capital	14, 15	6 210	6 210
(282)	(630)	Treasury shares	15	(630)	(282)
221 415	221 415	Share premium	15	221 415	221 415
-	82 457	Other paid-in capital	15	82 458	0
227 343	309 452	Total paid-in capital		309 452	227 343
		Retained earnings			
147 568	298 328	Retained earnings	15	1 479 847	1 496 841
147 568	298 328	Total retained earnings		1 479 847	1 496 841
0	0	Non-controlling interests	15	8	5 457
374 911	607 780	TOTAL EQUITY	15	1 789 307	1 729 641
		LIABILITIES			
		Provisions			
0	0	Pension obligations	4	56 115	52 491
905	1 549	Deferred tax	10	32 795	11 443
0	0	Other provisions		454	535
905	1 549	Total non-current provisions		89 364	64 468
		Other non-current liabilities			
0	0	Other non-current liabilities	16	25 355	83 765
0	0	Total non-current liabilities		25 355	83 765
		Current liabilities			
509	35	Trade payables		234 078	208 131
0	0	Advance payments from clients		178 199	174 687
1 033 552	1 082 016	Current liabilities Group companies	8	0	0
899	0	Taxes payable	10	164 993	137 963
0	0	Public duties payable		794 368	687 828
260 500	280 000	Dividends payable	15	280 000	261 776
7 723	3 652	Other current liabilities	17	967 505	861 849
1 303 183	1 365 703	Total current liabilities		2 619 143	2 332 233
1 304 087	1 367 251	TOTAL LIABILITIES		2 733 861	2 480 466
1 679 000	1 975 032	TOTAL EQUITY AND LIABILITIES		4 523 169	4 210 108

Sandvika, April 18 2023

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Oppvekstsenter Vest in Innerøy municipality co-locates the primary schools in Mosvik, Lyngstad, and Utøy. Good choices regarding climate, energy, and the environment are reflected in the use of natural surface materials with good infiltration capacity, local infiltration of stormwater, preservation of existing natural areas, and reuse of existing playground equipment. Norconsult has been responsible for the engineering design in all phases, from sketch project to finished building. Photo: Matthias Herzog.

Statement of cash flows

Amounts in NOK thousand

PARENT COMPANY			GROUP		
2021	2022	Amounts in NOK thousand	Notes	2022	2021
		CASH FLOWS FROM OPERATING ACTIVITIES			
264 585	519 585	Profit before income taxes		529 712	511 355
(406)	(164)	Income taxes paid during the period	10	(136 123)	(152 025)
(260 500)	(520 000)	Income from investment in subsidiaries		0	0
0	0	Gain/loss on disposals of property, plant and equipment		(6 910)	(4 343)
0	0	Depreciation and amortisation	5, 6	196 312	174 294
(4 387)	(3 552)	Other non-cash profit and loss items		76 790	(9 666)
0	0	Changes in work in progress		(155 685)	(74 154)
206	0	Changes in trade receivables and other receivables		(37 649)	7 238
(1 394)	0	Changes in current liabilities		141 947	148 607
0	0	Changes in net pension obligations	4	143	13 588
(1 896)	(4 130)	NET CASH FLOWS FROM OPERATING ACTIVITIES		608 539	614 895
		Cash flows from investing activities			
0	0	Investments in intangible assets	5	(40 324)	(29 104)
0	0	Investments in property, plant and equipment	6	(69 033)	(41 396)
0	0	Payments from sale of property, plant and equipment		12 353	8 541
0	0	Net cash effect on business combinations ¹⁾	19	(185 576)	(151 091)
0	0	Purchase of minority interests	11	(29 866)	0
0	0	Impairment of financial assets		0	1 858
0	0	Net change in loans		(1 409)	2 023
145 000	260 500	Dividend received		1 842	0
145 000	260 500	NET CASH FLOWS FROM INVESTING ACTIVITIES		(312 013)	(209 684)
		Cash flows from financing activities			
360 080	(47 359)	Change in balance of the Group cash pool		0	0
0	0	New borrowings		0	29 581
0	0	Debt repayments		(13 293)	0
(40 247)	60 784	Change in current receivables sale/purchase of treasury shares		60 784	(40 247)
10 742	0	Capital increase		0	10 742
(54 111)	(97 043)	Sale/purchase of treasury shares		(97 043)	(56 317)
(243 197)	(252 656)	Dividends paid (incl. minority interests)		(253 939)	(261 743)
33 267	(336 274)	NET CASH FLOWS FROM FINANCING ACTIVITIES		(303 491)	(317 984)
0	0	Currency conversion of bank deposits		5 747	(10 474)
176 371	(79 904)	NET CHANGE IN CASH AND CASH EQUIVALENTS		(1 218)	76 753
609 604	785 976	Cash and cash equivalents 1 January		972 265	895 512
785 976	706 073	CASH AND CASH EQUIVALENTS 31 DECEMBER		971 048	972 265

¹⁾ Purchase of subsidiaries are presented net, with cash and cash equivalents in the acquired company on the acquisition date deducted from the purchase price. Cash and cash equivalents in the acquired companies are TNOK 23,791 (TNOK 21,219). Therefore, the gross purchase price is TNOK 209,367. Goodwill from the acquisition of the engineering design unit of Betonmast Boligbygg is presented as an investment in intangible assets. The purchase of the subsidiaries also includes an additional purchase price for Djerving AS, TNOK 3,591.

Currency conversion effects are included in changes in work in progress, changes in trade receivables and other receivables and changes in short term liabilities under cash flow from operating activities, and under new borrowings under cash flows from financing activities.

Notes to the financial statements 2022

Note 1 - General information and basis for the preparation of the financial statements ▼

The Group prepares the consolidated financial statements in accordance with the Norwegian Accounting Act of 1998 and General Accepted Accounting Principles in Norway.

Assessment and classification of assets and liabilities

Assets intended for permanent ownership or use are classified as non-current assets. Other assets are classified as current assets. Receivables that are to be repaid within one year are classified as current assets. Similar criterias are used as a basis when classifying current and non-current liabilities.

First-year repayment on long-term debt are not classified as current liabilities.

Current assets are valued at the lower of acquisition cost and fair value.

Non-current assets are valued at acquisition cost, but are written down to fair value in the event that the non-current assets are assessed to be impaired given that the impairment is not considered to be temporary. Non-current assets with a finite economic life are depreciated according to plan. Other non-current liabilities and current liabilities are valued at cost.

Money market funds are classified as current assets and are valued at fair value.

Intangible assets, including goodwill

Expenses for development of intangible assets, including expenses related to internal development projects, are capitalized when it is probable that the assets' expected future economic benefits will accrue to the company, given that the acquisition cost can be measured reliably and future earnings are expected to more than match the accrued expenses. Expenditure on research is normally expensed.

Intangible assets purchased individually are capitalized at acquisition cost. Intangible assets acquired through business combinations are capitalized at acquisition cost when the criteria for capitalization are met.

Intangible assets with a finite economic life are amortized according to plan, but are written down in the event that the expected future earnings do not cover the current net book value.

Goodwill is amortized on a straight-line basis over 3-10 years. Where the depreciation period is longer than 5 years, this is due to a specific assessment of the acquisition and the economic life expectancy of the conditions that have resulted in capitalized goodwill, including synergies, market position, expected future earnings, strategic position and the like.

Investments in subsidiaries, associated companies and other long-term investments

Investments in subsidiaries are recognised at acquisition cost in the accounts of the parent company. The investments are written down to fair value if impairment is not considered temporary. Dividends received and group contributions are recognised as financial income.

This applies for other long-term investments accordingly.

Receivables and work in progress (WIP)

Accounts receivables and other receivables are recognised in the balance sheet at nominal value less provision for doubtful accounts. Work in progress from construction contracts consists of accrued costs less prepayments from customers. If advance payments from customers exceed work in progress, the excess is presented as current liabilities.

Provisions for losses are made on the basis of individual assessments of the individual receivables. In addition to individual assessment, a standard provision is made for losses on receivables that are older than 30 days and which are not included in the individual assessment. A similar assessment of doubtful accounts is made on work in progress.

Group cash pool

Norconsult AS and several of the subsidiaries are part of a group cash pool scheme, where Norconsult Holding AS is the contractual counterpart towards the bank. From a legal point of view, deposits and withdrawals from the cash pool scheme are therefore to be regarded as intercompany balances towards Norconsult Holding AS.

All companies included in the scheme are jointly and severally liable towards the bank.

Warranty and claims

Estimated cost of complaints for warranty work / complaints related to ongoing and completed projects is assessed at estimated cost. The estimate is calculated on the basis of historical figures for warranty work corrected for expected deviations due to i.e. changes in quality assurance routines and changes in product range. The provision is included under Other current liabilities.

Pensions

Subsidiaries in the Group are obliged to have an occupational pension plan in accordance with the Act on Mandatory Occupational Pensions. The Group's collective pension plan is defined contribution plan, which means that the companies pays contributions to an insurance company. Under this plan, the companies have no further payment obligation after the deposits have been paid, and the deposits are recognized in the income statement as salary costs as they accrue.

A separate pension plan has been established for the management team, which is financed through operations and is considered funded.

In addition, the company has a benefit plan for a former employee, where the obligation is estimated annually and estimate gains and losses are recognized in the income statement.

Estimates

Preparation of annual accounts in accordance with the Norwegian Accounting Act requires estimates to be prepared. This requires management to exercise discretion. Areas that to a large extent contain such discretionary assessments, a high degree of complexity, or areas where assumptions and estimates are significant for the annual accounts, are described in the notes.

Consolidation principles

The consolidated financial statements comprise of Norconsult Holding AS with subsidiaries in which Norconsult Holding AS has a controlling influence as a result of legal or actual control. Controlling influence is usually achieved when the group controls more than 50% of the shares in the company, and the Group is able to exercise actual control. Minority interests are included in the Group's equity. The consolidated financial statements have been prepared in accordance with group accounting principles for equal transactions in all companies included in the consolidated financial statements.

Shares in subsidiaries are eliminated in the consolidated financial statements according to the acquisition method. This means that the acquired company's assets and liabilities are valued at fair value at the time of purchase, and any additional price beyond this is classified as goodwill. For not fully owned subsidiaries, only Norconsult's share of goodwill is included in the balance sheet.

Associated companies are entities in which the Group has significant (but not controlling) influence over the financial and operational management (normally with an ownership interest between 20% and 50%). The consolidated financial statements include the Group's share of profit from associated companies accounted for using the equity method from the time significant influence is achieved and until such influence ceases.

When the Group's share of net loss exceeds the value of the investment in an associated company, the Group's book value is reduced to zero and further losses are not recognized unless the Group has an obligation to cover this loss.

All significant transactions and balances between companies in the Group have been eliminated.



Continue Note 1 - General information and basis for the preparation of the financial statements ▼

Currency

Norwegian kroner (NOK) is the parent company's functional currency and presentation currency in the consolidated financial statements. Bank deposits in foreign currency recognised in the parent company are converted into Norwegian kroner (NOK) by using the closing rate at the balance sheet date.

Transactions in foreign currency are converted into the functional currency by utilizing the exchange rate at the of date of the transaction. Currency translation effects are recognised and presented under net financial items.

Subsidiaries with functional currency in other currencies than NOK are recognised as following:

- ▶ The balance sheet is converted at the exchange rate at the balance sheet date
- ▶ The income statement is converted at the average exchange rate during the period

The following exchange rates have been utilised in the consolidated group accounts:

Currency code	Currency	Average exchange rate	Closing rate at year end
BWP	Botswana pula	0,7774	0,7611
DKK	Danish kroner	1,3579	1,4138
EUR	Euro	10,1021	10,5138
GBP	British pound	11,8471	11,8541
ISK	Icelandic krona	0,0711	0,0694
MYR	Malaysian ringgit	2,1831	2,2377
MZN	Mozambique metical	0,1504	0,1529
NZD	New Zealand dollar	6,0912	6,2590
PHP	Philippine peso	0,1763	0,1772
PLN	Polish zloty	2,1568	2,2462
SEK	Swedish kroner	0,9506	0,9453
USD	US dollar	9,6137	9,8573
ZAR	South African rand	0,5873	0,5809
ZMW	Zambian kwacha	0,5702	0,5443

Translation differences arising from the conversion of net investments in foreign currency are recognised directly in the equity.

Revenue

Revenue from consulting services and hire is recognised when consulting services are delivered, that is, when the Group has an enforceable right to payment. This happens when the service is provided, as the work is performed. Revenues are recognised at the value of the compensation at the time of the transaction. Revenue recognition for the sale of goods occurs at the time of delivery.

Projects under construction related to fixed-price contracts with long production times are assessed using the stage of completion method. The completion percentage is calculated as incurred costs as a percentage of expected total cost. For projects expected to result in a loss, the entire calculated loss is expensed immediately.

Construction contracts

Construction contracts, including projects in progress and fixed-price contracts with a long production time, are assessed according to the stage of completion method. Consequently, income and expenses are distributed over the accounting periods the contract covers. The degree of completion is calculated as accrued costs as a percentage of the expected total cost. The total cost is reassessed on an ongoing basis. For projects that are expected to result in losses, the entire estimated loss is expensed through provisions.

External project costs

External project costs are generally recognised in the same period as the associated revenue. External project costs are incurred costs in connection with the execution of a project. External project costs mainly consist of costs for customer consultants, travel expenses and other project-related expenses.

Lease agreements

Leasing agreements are recognised as operational or financial leases based on a specific assessment of the individual agreements. The Group does not currently have financial leases, and thus all leases are expensed.

Income tax

The income tax expense is recognised in the income statement for the period in question. Items related to equity transactions are recognised directly into the equity. The income tax expense consists of taxes payable and changes in net deferred tax liabilities/assets. Deferred tax assets and liabilities are calculated based on the liability method, including all temporary differences between the carrying amounts and tax bases of assets and liabilities in the consolidated financial assets, including tax losses carried forward.

Deferred tax assets are recognised net to the extent that the tax is expected to be utilized against future profits.

Government grants

Government grants for research and development projects is recognised as a reduction in the costs that the grant is intended to cover. Such costs are mainly personnel expenses and purchases of services from other institutions.

Share-based compensation

The calculated income benefit associated with employees' purchase of shares in Norconsult Holding AS is recognised as salaries in the period the rights are earned. The benefit is calculated as the difference between the fair value and the cost price of the shares. The benefit is settled in shares and is therefore recognised as other paid-in capital. The estimated employer's social security contributions are also recognised in the same period.

Statement of cash flows

The statement of cash flows has been prepared in accordance with the indirect method.

Note 2 Revenues

The Group's operations were reorganised from three to seven market areas from May 2021. Sweden, Denmark and Technogarden were previously part of market area Nordic, but from May 2021 they were organised as separate market areas. Furthermore, Renewable energy and Digitalisation, which previously part were part of market area Norway Head Office, are organised as separate market areas.

GROUP

2022

Revenues per market area	Norway Head Office	Norway Regions	Renewable energy	Digitalisation	Sweden	Denmark	Technogarden	Other	Eliminations	Total
Renewable energy	84 783	93 662	600 084	350	407 752	0	0	200	-65 863	1 120 969
Buildings	1 049 202	1 060 204	11 783	323	334 894	555 214	0	1 404	-25 851	2 987 173
Transport	834 455	540 798	40 049	3 750	387 258	0	0	3 625	-27 210	1 782 725
Water	192 519	222 715	17 408	105	122 740	0	0	1 056	-1 244	555 298
Industry	275 280	382 717	31 291	3 096	0	51 702	0	444	-2 702	741 829
Hiring of personnel	0	0	0	0	0	0	676 547	0	-67 292	609 254
Digitalisation	26	34	36	365 173	0	0	0	12 065	-29 814	347 519
Other	97 266	144 279	31 482	1 005	75 568	19 703	11 359	42 267	-123 730	299 199
Total	2 533 531	2 444 409	732 133	373 802	1 328 212	626 619	687 906	61 062	-343 707	8 443 956

Revenues per geographical area	Norway Head Office	Norway Regions	Renewable energy	Digitalisation	Sweden	Denmark	Technogarden	Other	Eliminations	Total
Norway	2 392 981	2 441 079	522 261	331 073	103 432	1 411	452 979	21 248	-263 118	6 003 346
Sweden	11 316	3 097	23 377	38 656	1 221 442	17	234 773	30 352	-62 581	1 500 450
Denmark	8 959	-	1 692	391	98	625 190	-	8 594	-11 062	633 862
Iceland	108 043	-	11 194	486	-	-	-	193	-886	119 029
Africa	531	-	61 567	221	27	-	-	69	-1 620	60 795
Asia	8 072	205	67 376	689	1 344	-	-	326	-2 654	75 358
Other	3 629	27	44 665	2 287	1 868	-	154	281	-1 785	51 126
Total	2 533 531	2 444 409	732 133	373 803	1 328 212	626 619	687 906	61 062	-343 707	8 443 956

Revenue has been distributed geographically based on the client's location.

2021

Revenues per market area	Norway Head Office	Norway Regions	Renewable energy	Digitalisation	Sweden	Denmark	Technogarden	Other	Eliminations	Total
Renewable energy	81 256	117 756	530 562	345	323 949	0	0	339	-56 536	997 671
Buildings	945 675	996 421	9 604	359	201 218	418 878	0	4 032	-30 792	2 545 394
Transport	741 178	469 890	32 005	2 520	400 613	0	0	5 253	-26 070	1 625 391
Water	192 962	201 732	21 266	116	198 786	0	0	467	-6 086	609 243
Industry	167 026	260 847	18 852	2 299	0	40 652	0	689	-4 414	485 950
Hiring of personnel	0	0	0	0	0	0	587 644	0	-43 616	544 028
Digitalisation	5	0	547	361 710	0	0	0	7 851	-28 715	341 398
Other	84 087	123 875	29 278	484	76 587	0	11 752	40 409	-88 726	277 746
Total	2 212 190	2 170 521	642 115	367 832	1 201 153	459 530	599 397	59 040	-284 956	7 426 822

Revenues per geographical area	Norway Head Office	Norway Regions	Renewable energy	Digitalisation	Sweden	Denmark	Technogarden	Other	Eliminations	Total
Norway	2 026 420	2 118 609	439 509	322 413	80 649	1 688	384 370	24 205	-222 567	5 175 296
Sweden	20 840	44 962	26 692	42 073	1 118 556	253	213 570	24 376	-46 577	1 444 746
Denmark	18 859	447	1 788	199	633	457 588	-	6 390	-6 235	479 669
Iceland	57 879	-	9 896	254	-	-	-	466	-1 045	67 451
Africa	1 818	-	54 063	52	-	-	-	62	-1 139	54 856
Asia	56 997	141	73 049	586	-	-	-	410	-3 666	127 517
Other	29 377	6 361	37 117	2 255	1 316	-	1 456	3 132	-3 728	77 286
Total	2 212 190	2 170 521	642 115	367 832	1 201 154	459 530	599 397	59 040	-284 956	7 426 822

Revenue has been distributed geographically based on the client's location.

Note 3 - Employee benefit expenses, number of employees, remuneration, loans to employees etc.

PARENT COMPANY		Employee benefit expenses	GROUP	
2021	2022	Amounts in NOK thousand	2022	2021
0	0	Salaries	4 486 565	3 976 398
0	0	Social security tax	699 017	621 421
0	0	Pension expenses (see note 4)	329 327	306 080
0	0	Other employee benefits	169 764	102 311
0	0	Total	5 684 672	5 006 211
0	0	Average number of employees	5 263	4 885
0	0	Number of man-years employed as of 31.12.	5 550	4 975

Norconsult has an annual share purchase program where employees, based on certain criteria, are offered the opportunity to purchase shares in the parent company Norconsult Holding AS. Employees of subsidiary companies have earned the right to acquire 309,107 shares in 2022. The cost is calculated as the difference between the fair value of the share and the price paid by the employee. The fair value is determined by an external advisor specialising in generally accepted valuation methods. The valuation model used determines the estimated market price per share based on future expected returns reduced by the limitations imposed by the shareholder agreement and the articles of association.

The company has assumed a 95% acceptance rate in the calculation. The calculated salaries of TNOK 82,457 have

been directly booked against other contributed equity and is included in the employee benefit expenses above. For tax purposes, the calculated employer's social security contributions of TNOK 12,593 have been treated as a temporary difference and are included in the employer's social security contributions in the note specification above.

Estimated fair value per share	420
Cost per share	139
Calculated benefit per share	281
Number of shares	309 107
Total calculated benefit with a 95% acceptance rate	82 457
Estimated social security tax	12 593
Total estimated expense share-based payment	95 050

Remuneration to the CEO

Amounts in NOK thousand	2022	2021
Salary	3 807	3 243
Bonus	1 670	144
Pension expense	492	507
Other employee benefits	191	169
Remuneration to the CEO	6 158	4 062

The CEO has a notice period of 6 months from the end of the calendar month. If the Board takes the initiative for the CEO to resign his position before reaching retirement age, but continues in another position in the Norconsult Group, the CEO has a right to severance pay corresponding to six months' full basic salary after the expiry of the notice period. This currently corresponds to NOK 3.5 million, including ordinary salary during the notice period. If the board takes the initiative to have the CEO resign from his position before reaching retirement age and leave the company, the CEO is entitled to severance pay corresponding to full basic salary for 12 months. This corresponds to NOK 5.25 million including ordinary salary during the notice period.

Severance pay does not provide a basis for holiday pay or pension accrual.

The CEO has acquired 60,000 shares in Norconsult Holding AS, 40,000 shares upon joining the Norconsult Group in December 2020 and additional 20,000 shares 12 months thereafter in accordance with his contract of employment. Furthermore, the CEO has the right to buy shares in Norconsult Holding AS for up to 50% of his bonus at the time of ordinary bonus payment, the first time in 2022 based on his bonus for 2021, and up to ownership of a maximum of 80,000 shares. The CEO has earned the right to acquire 6,250 shares in 2022.

Remuneration to the Board

Amounts in NOK thousand		2022	2021
External elected Member of the Board - Chairman of the Board 01-05.22*	Roar Engeland	246	495
External elected Member of the Board - Chairman of the Board 05-12.22*	Nils Morten Huseby	440	
External elected Member of the Board - Deputy Chair 01-05.22*	Nils Morten Huseby	198	342
External elected Member of the Board*	Vibecke Hverven	277	
External elected Member of the Board*	Mari Thjømøe	468	327
Member of the Board	Michelle S. Wright	96	76
Member of the Board	Lars-Petter Nesvåg	96	39
Member of the Board	Vegard Jacobsen		34
Member of the Board 05-12.22	Anni Ulfendahl	54	
Member of the Board 01-12.22	Ole Fossen	43	76
Member of the Board (list 1)	Harald Trosvik	96	76
Member of the Board (list 1)	Isaak Elias Skjeseth Bashevkin	96	76
Member of the Board (list 1)	Kjell Selfors Nilsen	96	76
First deputy member internal board member	Erlend Haugland Næs	22	11
First deputy member internal board member	Tore Lie Falkenberg		13
First deputy member (list 1) employee-elected	Birgitte H.Lunde	22	11
First deputy member (list 1) employee-elected	Anna Bolneset		10
Second deputy member (list 1) employee-elected	Stein S. Hovden	22	21
Third deputy member (list 1) employee-elected	Sverre Eide Holst	22	21
Fourth deputy member (list 1) employee-elected	Svend Haugen	22	21
Fifth deputy member (list 1) employee-elected	Ali Yasar Øzbal	22	11
Fifth deputy member (list 1) employee-elected	Henning Thauland		10
Total remuneration		2 337	1 745

The board remuneration includes duties for both Norconsult Holding AS and Norconsult AS and is paid by Norconsult AS. Board members are compensated for their participation per meeting.

*Remuneration includes duties for the Audit Committee, the Compensation Committee and the Shareholder Committee.

Loans

The CEO does not have loans from the company. The interest rate on loans to employees/shareholders varies between the norm interest rate set by the government and the norm interest rate + 2%.

Employees and shareholders have loans from the company totaling to TNOK 485 as of 31.12.2022 (TNOK 793 as of 31.12.2021).

PARENT COMPANY		Auditor compensation	Group	
2021	2022	Alle tall i 1.000 kroner	2022	2021
150	351	Statutory audit	4 883	4 234
0	0	Statutory audit fee to other auditors than the group auditor	327	167
23	0	Fee for other assurance services	120	413
0	0	Fee for tax services	806	500
0	0	Fee for other services	792	375
173	351	Total	6 927	5 689

Note 4 - Pension ▼

The parent company has no employees and is therefore not obliged to have a pension scheme under the Mandatory Pension Act.

The Group meets the requirements of the local rules regarding pension schemes for other companies in the Group. The former CEO of Norconsult AS has a defined benefit plan that is unfunded. The plan is actuarially calculated annually.

In 2020, the pension scheme for the management group was changed from unfunded to a funded plan. Payments have been made to an insurance company throughout the year.

PARENT COMPANY		Specification of pension expenses	GROUP	
2021	2022	Amounts in NOK thousand	2022	2021
0	0	Pension expenses, defined benefit plan	326 399	303 100
0	0	Pension expenses, defined contribution plan (funded)	2 509	2 775
0	0	Pension expenses (unfunded)	419	205
0	0	Total pension expenses	329 327	306 080

PARENT COMPANY		Number of persons covered by the plans	GROUP	
2021	2022	Amounts in NOK thousand	2022	2021
0	0	Employees, defined contribution plan	5 550	4 975
0	0	Employees, defined contribution plan (funded from 2020)	24	26
0	0	Retirees, defined benefit plan	1	1

PARENT COMPANY		Specification of pension assets and pension liabilities in the balance sheet (secured and unsecured)	GROUP	
2021	2022	Amounts in NOK thousand	2022	2021
0	0	Pension assets	16 117	12 635
0	0	Estimated pension obligations	50 803	46 605

PARENT COMPANY		Specification of unfunded pension obligation (unfunded)	GROUP	
2021	2022	Amounts in NOK thousand	2022	2021
0	0	Estimated pension obligations	5 312	5 674
		Basis for the defined benefit plan	2022	2021
		Return on funds	4,70 %	2,90 %
		Discount rate	3,00 %	1,50 %
		Salary growth	3,50 %	2,50 %
		G-regulation	3,25 %	2,25 %
		Adjustment of pension	3,25 %	2,25 %

Note 5 - Intangible assets ▼

GROUP

Amounts in NOK thousand	Licences and software	Goodwill	Total
Acquisition cost 01.01.2022	88 409	1 543 138	1 631 547
Additions	30 279	193 509	223 788
Additions from acquisitions	0	1 790	1 790
Other changes	0	3 659	3 659
Currency translation differences	(1 408)	11 293	9 886
Accumulated acquisition cost 31.12.2022	117 280	1 753 390	1 870 670
Accumulated depreciation and write-downs 01.01.2022	(60 039)	(874 486)	(934 525)
Depreciation for the year	(7 972)	(125 097)	(133 070)
Write-downs for the year	(4 753)	0	(4 753)
Additions accumulated depreciation on acquisitions	0	(1 555)	(1 555)
Currency translation differences	957	(3 012)	(2 055)
Accumulated depreciation and write-downs 31.12.2022	(71 807)	(1 004 151)	(1 075 958)
Carrying amount 31.12.2021	45 473	749 239	794 712
Useful life	5-10 years	1-10 years	

Costs related to research and development during the year amount to NOK 33,000. The amount charged in 2021 was NOK 10,300.

Changes in any contingent consideration as part of acquisitions are recognised in the income statement unless this occurs within one year from the time of purchase and it relates to conditions that existed at the time of acquisition.

Capitalized goodwill is tested annually for impairment. Goodwill is tested on the basis of estimated future cash flows for the defined cash generating unit (CGUs). The relevant cash generating unit is either the relevant legal entity or division/regional level. The latter is applicable if the business in the acquired company has been transferred internally. Write downs are made if the impairment is not considered to be temporary.

Note 6 - Tangible assets ▼

GROUP

Amounts in NOK thousand	Land, buildings and other property	Machinery and equipment	Total
Acquisition cost 01.01.2022	8 931	603 834	612 764
Additions	0	69 033	69 033
Additions from business combinations	0	6 633	6 633
Disposals	(3 195)	(5 079)	(8 274)
Currency translation differences	0	1 318	1 318
Accumulated acquisition cost 31.12.2022	5 735	675 739	681 474
Accumulated depreciations 01.01.2022	(2 858)	(459 179)	(462 037)
Depreciation for the year	(38)	(58 452)	(58 489)
Addition accumulated depreciation upon acquisition	0	(2 772)	(2 772)
Disposals accumulated depreciation on sale	0	2 830	2 830
Currency translation differences	0	(2 123)	(2 123)
Accumulated depreciation 31.12.2022	(2 896)	(519 696)	(522 592)
Carrying amount 31.12.2022	2 841	156 042	158 884
Depreciation plan	Linear	Linear	
Useful life	No depreciation/ 30 years	3-10 years	

Capitalised costs for leased buildings have been reclassified from other non-current financial assets to property, plant and equipment. The balance consists of capitalised costs for the company's premises. Costs related to leasehold improvements are depreciated in accordance with the duration of the lease, which varies between 3 and 10 years. Depreciation for 2021 on recognised costs for leased buildings amounts to NOK 9,612 thousand and has been reclassified from other operating expenses to depreciation for 2021.

Annual lease payments for operating leases machinery and office equipment	TNOK 56,789
Average remaining duration (number of years)	2 - 5

*The lease amount applies to leasing of cars as well as rental of PCs, multifunction machines etc.

Yearly rental of buildings and property	TNOK 340,710
Remaining duration of off-balance sheet rental agreements (number of years)	2 - 10

Note 7 - Investments in associated companies ▼

GROUP

Amounts in NOK thousand

	Office	Ownership	Ownership	Book verdi	Market value
Team-T AS	Oslo	47,6 %	510	(0)	(0)
NAA AS	Sandvika	33,3 %	309	(0)	(0)
NorCiv Engineering Co. Ltd (Thailand)	Bangkok	33,1 %	365	267	267
Team-T3 AS	Oslo	30,0 %	306	(0)	(0)
Team Urbis AS	Oslo	22,5 %	225	1 828	1 828
Team Major AS	Oslo	50,0 %	515	708	708
Other small investments in subsidiaries			2 094	155	155
Total investments in associated companies			4 324	2 956	2 956

Team-T AS, Team-3T AS, and NAA AS have been discontinued during the year.

Associated companies, share of profit

Amounts in NOK thousand

	Team Major	Team - T AS	NAA AS	NorCiv Eng. Co	Team - T3 AS	Team Urbis AS	Other small investm.	Total ass. comp.
Acquisition cost	515	510	309	365	306	225	2 094	3 809
Opening balance 01.01.2022	515	767	707	267	496	1 350	155	4 257
Share of profit for the year included in financial items	193	(53)	(38)	0	(39)	479	0	542
Liquidation	0	(714)	(670)	0	(457)	0	0	(1 842)
Closing balance 31.12.2022	708	(0)	(0)	267	(0)	1 828	155	2 956

Note 8 - Transactions and balances with related parties ▼

PARENT COMPANY		Specification of inter-company financial items	GROUP	
2021	2022		2022	2021
Amounts in NOK thousand				
260 500	520 000	Dividend from subsidiaries	0	0
1 071	1 829	Interest income from subsidiaries (group cash pool)	0	0
(1 908)	(13 941)	Interest expense from subsidiaries (group cash pool)	0	0

Loans and balances between companies within the Norconsult Group holds interest rates at market rates for similar loans with the corresponding risk.

PARENT COMPANY		Inter-company short-term receivables	GROUP	
2021	2022		2022	2021
Amounts in NOK thousand				
260 500	520 000	Dividend	0	0
39 097	130 306	Inter-company receivables (group cash pool)	0	0
785 976	706 073	Group cash pool	0	0

PARENT COMPANY		Inter-company short term debt	GROUP	
2021	2022		2022	2021
Amounts in NOK thousand				
0	0	Inter-company trade payables	0	0
1 033 552	1 082 016	Inter-company short term debt (group cash pool)	0	0

Transactions and loans towards employees and shareholders are disclosed in note 3.

Note 9 - Specification of other financial income and expense ▼

PARENT COMPANY		Other financial income	GROUP	
2021	2022		2022	2021
Amounts in NOK thousand				
736	449	Foreign currency gains	16 467	10 116
4 387	3 552	Other financial income	1 872	6 043
5 124	4 001	Total	18 339	16 159

PARENT COMPANY		Other financial expense	GROUP	
2021	2022		2022	2021
Amounts in NOK thousand				
(314)	(782)	Foreign currency losses	(10 090)	(7 695)
0	(6)	Other financial expense	(1 711)	(5 194)
(314)	(787)	Total	(11 801)	(12 888)

Note 10 - Taxes ▼

PARENT COMPANY			GROUP	
2021	2022	Amounts in NOK thousand	2022	2021
899	0	Tax payable for the period	160 904	135 389
0	(735)	Adjustment of tax from previous years	(15 525)	1 903
0	644	Changes in deferred tax	15 980	4 040
899	(91)	Income tax expense	161 358	141 332

PARENT COMPANY			GROUP	
2021	2022	Specification of taxes payable Amounts in NOK thousand	2022	2021
899	0	Tax payable	160 904	135 389
0	0	Prepaid taxes	(32 277)	(26 019)
0	0	Tax payable from previous years	(14 088)	(4 397)
0	0	Tax payable from business combinations	4 337	733
0	0	Foreign currency translation differences	154	(15)
899	0	Tax payable recognised in the balance sheet	119 030	105 691

Tax payable in the balance sheet includes prepaid taxes of NOK 45 million, which are included in other receivables in the balance sheet.

The Group has had projects approved by the Research Council of Norway (Norges Forskningsråd) and received in 2022 financial support in the form of reduced tax payable of TNOK 1,574 (2021: TNOK 1,670).

PARENT COMPANY			GROUP	
2021	2022	Specification of the tax effect of temporary differences Amounts in NOK thousand	2022	2021
0	0	Goodwill and fixed assets	112 190	103 584
0	0	Profit and loss account	(85 230)	(72 979)
0	0	Work in progress	(71 490)	(66 493)
0	0	Receivables	12 059	6 594
0	0	Guarantee provisions	(14)	104
0	0	Net pension assets/liabilities	2 278	1 524
0	0	Unearned revenue	2 792	3 354
0	0	Loss carry-forward	13 718	31 760
(905)	(1 549)	Other temporary differences	(8 779)	(8 118)
0	0	Deferred tax assets not recognised in the balance sheet	(5 992)	(9 532)
(905)	(1 549)	Net deferred tax asset	(28 467)	(10 202)
(905)	(1 549)	Deferred tax asset in the balance sheet	4 329	1 242
0	0	Deferred tax in the balance sheet	(32 795)	(11 443)
(905)	(1 549)	Net deferred tax asset	(28 467)	(10 201)

Deferred taxes are presented net in the balance sheet for tax positions within the same tax regime.

PARENT COMPANY		Reconciliation of changes in deferred tax	GROUP	
2021	2022	Amounts in NOK thousand	2022	2021
(905)	(905)	Net deferred tax asset in the balance sheet as of 01.01	(10 202)	5 547
0	(644)	Changes in deferred taxes in the income statement	(390)	(7 528)
0	0	Adjustment of previous years' deferred tax	(15 471)	3 544
0	0	Changes through business combinations	(244)	(13 559)
0	0	Foreign currency translation differences	(2 160)	1 794
(905)	(1 549)	Net deferred tax asset in the balance sheet as of 31.12	(28 467)	(10 202)

PARENT COMPANY		Reconciliation of effective tax rate	GROUP	
2021	2022	Amounts in NOK thousand	2022	2021
264 585	519 585	Profit before tax	529 712	511 355
58 209	114 309	Expected tax expense based on nominal tax rate (22%)	116 537	112 498
0	0	Amortization and impairment of goodwill	26 571	25 405
0	0	Non-deductible expenses	3 853	3 124
(57 310)	(114 400)	Non-taxable income	(3 006)	(761)
0	0	Effect of other tax rates for foreign subsidiaries	(1 102)	(2 013)
0	0	Effect of changed tax rates and previous years' tax	224	231
0	0	Change in uncapitalised deferred tax asset	(84)	43
0	0	Other permanent differences	18 366	2 806
899	(91)	Tax expense in the income statement	161 358	141 332

Note 11 - Subsidiaries ▼

Subsidiaries of Norconsult Holding AS per 31.12.2022

Amounts in NOK thousand

	Office	Ownership 2021	Ownership 2022	Result 2022	Equity 2022	Book value
Norconsult AS	Sandvika	100 %	100 %	264 957	1 018 418	242 961

1) The book value of the shares has increased by TNOK 82,457 as a result of share programs in the subsidiary companies.

Subsidiaries of Norconsult AS 31.12.2022

Amounts in NOK thousand

	Office	Ownership 2021	Ownership 2022	Result 2022	Equity 2022	Book value
Norconsult International AS	Sandvika	100 %	100 %	8	48 351	28 684
Norfin AS	Sandvika	100 %	100 %	2 752	7 422	8 589
Technogarden AS	Sandvika	100 %	100 %	296	74 574	4 793
Norconsult Informasjonssystemer AS	Sandvika	100 %	100 %	469	74 206	1 164
Nordic Office of Architecture AS	Oslo	91,3 %	100 %	(774)	98 866	214 805
Norconsult AB	Gøteborg	100 %	100 %	884	177 762	88 071
Norconsult Danmark A/S	København	100 %	100 %	260	296 820	218 893
Norconsult Engineering Polska z.o.o	Warszawa	100 %	100 %	0	12 497	3 885
Norconsult ehf	Reykjavik	100 %	100 %	153	8 711	19 207
Norconsult Africa (PtY) Ltd	Johannesburg	100 %	100 %	0	4 268	0
Norconsult Mozambique Ltd.	Maputo	100 %	100 %	0	1 297	0
Norconsult Botswana (Pty) Ltd	Gaborone	100 %	100 %	0	(567)	0
Norpower Sdn Bhd	Kuching	100 %	100 %	0	7 465	3 900
Norconsult Man. Serv. Phil Ltd.	Manila	100 %	100 %	0	11 720	127
Norconsult New Zealand Ltd.	Auckland	100 %	100 %	0	(1 602)	0
Kjeller Vindteknikk AB	Stockholm	100 %	100 %	4	2 489	1 358
Kjeller Vindteknikk OY	Espoo	100 %	100 %	0	4 993	771
Proptech City AS	Bergen	92 %	92 %	0	100	2 020
Total						596 266

1) Norfin AS has completed a parent-subsiary merger with SG Arkitektur AS and Kosbergs Arkitektkontor AS.

2) Norconsult AS bought out minority shareholders in 2022 for TNOK 29,866 and now owns 100% of the shares in Nordic Office of Architecture AS. The shares in Nordic Office of Architecture were written down by TNOK 64,000 in 2022.

The fully owned subsidiaries Norconsult Zambia Ltd and Norconsult Tanzania Ltd have not been consolidated into the Group accounts. This is based on a specific assessment related to the fact that the companies have not had operations in recent years and that the balance sheet items of the subsidiaries in question do not have a significant impact on the group accounts.

The Norconsult AS Group is a subgroup of Norconsult Holding AS and does not prepare its own consolidated financial statements in accordance with the exception in the Accounting Act.

Datterselskap i Norconsult AB pr 31.12.2022

Amounts in NOK thousand

	Office	Ownership 2021	Ownership 2022	Result 2022	Equity 2022	Book value
Norconsult Fältgeoteknik AB	Gøteborg	100 %	100 %	364	24 068	277
Svenskt Klimaneutralt Boende AB	Gøteborg	100 %	100 %	(49)	113	182
Arkitekthuset Monarken AB	Luleå	100 %	100 %	33	3 827	4 907
KMV Forum AB	Nacka	100 %	100 %	(116)	3 577	3 659
NOCA Teknik AB	Gøteborg	100 %	100 %	(462)	1 581	1 968
Total						10 994

Datterselskap i Norconsult Fältgeoteknik AB pr 31.12.22

Amounts in NOK thousand

	Office	Ownership 2021	Ownership 2022	Result 2022	Equity 2022	Book value
Norconsult Boretteknikk AS	Fredrikstad	100 %	100 %	3 543	21 843	14 563
Total						14 563

Datterselskap i Norconsult A/S Danmark pr 31.12.2022

Amounts in NOK thousand

	Office	Ownership 2021	Ownership 2022	Result 2022	Equity 2022	Book value
Skovhus Arkitekter A/S	Aarhus	100 %	100 %	(18)	17 835	17 817
KAAI A/S	Aarhus og Aalborg	100 %	100 %	202	45 973	41 003
KHS Arkitekter A/S	Kongens Lyngby	100 %	100 %	75	70 422	74 891
Rubow Arkitekter A/S	København og Aarhus	100 %	100 %	(13 404)	20 424	92 934
Jord & Miljø A/S *	Ballerup	0 %	100 %	8 451	10 120	60 711
Total						287 356

* Profit in Norconsult's ownership period (from 01.02.2022)

Continue Note 11 - Subsidiaries ▼

Subsidiaries of Norconsult Informasjonssystemer AS per 31.12.2022

Amounts in NOK thousand

	Office	Ownership 2021	Ownership 2022	Result 2022	Equity 2022	Book value
Norconsult Astando AB*	Stockholm	100 %	100 %	(6 904)	2 548	15 866
Pure Logic AS	Oslo	100 %	100 %	(3 074)	5 559	27 703
Total						43 569

* Original acquisition cost for the shares in Norconsult Astando AB was TNOK 19,866. The shares were written down by TNOK 4,000 in 2019. In 2020, loans previously granted to Norconsult Astando AB of TNOK 8,390 was converted into share contributions. The loan had been fully written off. Further, the increase in share value because of the capital increase was written down in its entirety.

Subsidiaries of Nordic Office of Architecture AS per 31.12.2022

Amounts in NOK thousand

	Office	Ownership 2021	Ownership 2022	Result 2022	Equity 2022	Book value
Nordic Office of Architecture Danmark A/S	København	85 %	100 %	(792)	3 528	3 394
Nordic Office of Architecture Ltd	London	100 %	0 %	(40)	0	0
Arkthing ehf	Reykjavik	100 %	100 %	8 264	12 570	30 133
Kristin Jarmund Arkitekter AS	Oslo	0 %	100 %	50 868	55 566	52 998
Total						86 525

Subsidiaries of Technogarden AS per 31.12.2022

Amounts in NOK thousand

	Office	Ownership 2021	Ownership 2022	Result 2022	Equity 2022	Book value
Technogarden Albatross Prosjektledelse AS	Sandvika	100 %	100 %	3 683	13 516	21 000
Technogarden AB	Gøteborg	100 %	100 %	6 584	23 757	1 889
Technogarden Human Resources AS	Sandvika	100 %	100 %	(266)	2 133	897
Total						23 786

Note 12 - Short term receivables ▼

PARENT COMPANY		Specification of trade receivables	GROUP	
2021	2022	Amounts in NOK thousand	2022	2021
0	0	Trade receivables	1 456 656	1 321 163
0	0	Allowance for losses	(63 505)	(40 804)
0	0	Total trade receivables	1 393 151	1 280 359

Note 13 - Cash and cash equivalents ▼

PARENT COMPANY		Specification of restricted cash	GROUP	
2020	2021	Amounts in NOK thousand	2021	2020
0	0	Restricted cash in tax deduction account	11 179	9 694

Some of the companies in the Norconsult Group have a separate bank account for taxes withheld. The other companies are covered by bank guarantees.

Note 14 - Share capital and shareholder information ▼

The share capital in Norconsult Holding AS as of 31.12.2022 consists of ordinary shares.

	Number of shares	Price per share	Book value
Ordinary shares	12 419 875	0,50	6 209 938
Total shares 31.12.2022	12 419 875		6 209 938

All shares have equal voting rights.

Norconsult Holding AS doesn't have any shareholders owning more than 1 %.

Shares owned by members of the Board and CEO:

	Position	Total number of shares
Nils Morten Huseby	Chairman of the Board	0
Vibecke Hverven	Deputy chair	0
Mari Thjømmø	Board member	0
Lars-Petter Nesvåg	Board member	37 065
Anni Ulfendahl	Board member	1 000
Michelle S. Wright	Board member	6 906
Harald Trosvik	Board member	13 549
Kjell Selfors Nilsen	Board member	5 674
Isaak Elias Skjeseth Bashevkin	Board member	1 292
Erlend Haugland Næs	Board member (deputy member)	7 293
Birgitte L. Hartmann	Board member (deputy member)	2 996
Stein S. Hovden	Board member (deputy member)	17 275
Sverre Eide Holst	Board member (deputy member)	6 789
Svend Haugen	Board member (deputy member)	8 588
Ali Yasar Øzbal	Board member (deputy member)	555
Egil Olav Hogna	CEO	60 000

Note 15 - Equity ▼

PARENT COMPANY

Amounts in NOK thousand

	Share capital	Treasury shares	Share premium	Other contributed capital	Retained earnings	Total equity
Equity per 01.01.2022	6 210	(282)	221 415	0	147 568	374 911
Profit for the period (2022)	0	0	0	0	519 676	519 676
Dividends payable	0	0	0	0	(280 000)	(280 000)
Share-based payment benefits to employees	0	0	0	82 457	0	82 457
Capital increase	0	0	0	0	0	0
Share buy-backs/sales	0	(348)	0	0	(96 695)	(97 043)
Other changes	0	0	0	0	7 778	7 778
Equity per 31.12.2022	6 210	(630)	221 415	82 457	298 327	607 780

GROUP

Amounts in NOK thousand

	Share capital	Treasury shares	Share premium	Other contributed capital	Retained earnings	Non-controlling interests	Total
Equity per 01.01.2022	6 210	(282)	221 415	0	1 496 841	5 457	1 729 641
Profit for the period (2022)	0	0	0	0	368 353	302	368 656
Dividends payable	0	0	0	0	(280 000)	0	(280 000)
Share-based payment benefits to employees	0	0	0	82 457	0	0	82 457
Purchase/sales of non-controlling interests	0	0	0	0	(24 115)	(6 347)	(30 462)
Capital increase	0	0	0	0	0	0	0
Share buy-backs/sales	0	(348)	0	0	(96 695)	0	(97 043)
Other changes	0	0	0	0	7 778	496	8 273
Foreign currency translation differences	0	0	0	0	7 684	100	7 784
Equity per 31.12.2022	6 210	(630)	221 415	82 457	1 479 847	8	1 789 307

As a result of the Norconsult Holding AS shareholder model, the equity has increased by TNOK 82,457. See also references in notes 3 and 11.

As part of exercising the Norconsult shareholder model, the company has acquired and sold treasury shares as employees have left and new employees have joined the group.

In 2022, the company acquired 724,824 A-shares (2021: 573,517 shares) for a total of NOK 101 million (2021: NOK 85 million).

During the same period, the company sold 28,053 shares (2021: 190,462 shares) for a total of NOK 4 million (2021: NOK 31 million).

The total number of treasury shares held by the company 31 December 2022 is 1,244,507 shares (31 December 2021: 563,877 shares).

Note 16 - Non-current liabilities ▼

PARENT COMPANY		Specification of non-current liabilities	GROUP	
2021	2022		2022	2021
		Amounts in NOK thousand		
0	0	Other non-current liabilities	6 034	6 662
0	0	Contingent consideration as part of business combinations	5 000	53 581
0	0	Deposits	14 321	23 522
0	0	Total non-current liabilities	25 355	83 765

Contingent part of the purchase price of shares and deposits are due within 1-3 years.

Note 17 - Other current liabilities ▼

PARENT COMPANY		Specification of other current liabilities	GROUP	
2021	2022		2022	2021
		Amounts in NOK thousand		
0	0	Accrued expenses	57 508	47 008
0	0	Payroll liabilities (bonus, vacation pay, overtime)	894 994	801 464
7 723	3 652	Other current liabilities	15 004	13 377
7 723	3 652	Total current liabilities	967 505	861 849

PARENT COMPANY		Book value, mortgaged assets	GROUP	
2021	2022		2021	2022
		Amounts in NOK thousand		
0	0	Accounts receivable	868 717	791 381
0	0	Total mortgaged assets	868 717	791 381

Nordea Bank AB (publ) has a 1st priority factoring mortgage with a nominal value of NOK 700 million in Norconsult AS as security for the guarantees that Nordea has provided for Norconsult Holding AS.

Note 18 - Off balance sheet liabilities ▼

PARENT COMPANY		Guarantee obligation not recognised in the balance sheet	KONSERN	
2021	2022		2022	2021
		Amounts in NOK thousand		
0	0	Guarantee for employee tax deductions	218 000	214 000
0	0	Guarantees towards clients	82 491	73 972
0	0	Total guarantees not recognised in the balance sheet	300 491	287 972

Note 19 - Business combinations during the year ▼

GROUP

Amounts in NOK thousand

	Date	Acquired shareholding	Acquisition cost	Goodwill	Useful life
Jord & Miljø A/S	01.02.2022	100 %	58 378	49 717	10
Kristin Jarmund Arkitekter AS	01.03.2022	100 %	52 998	48 300	10
Betonmast (project engineering dept)	13.06.2022	0 %	10 080	10 080	5
Moldskred AS	01.10.2022	100 %	41 714	37 490	10
Areal og Eiendom AS	01.11.2022	100 %	52 686	47 922	10
Total			215 856	193 509	

Considerations for acquisition of shares and businesses are paid in cash.

	Acquisition cost paid in cash	Net identified assets and liabilities at the time of acquisition	Calculated goodwill
Jord & Miljø A/S	58 378	8 662	49 717
Kristin Jarmund Arkitekter AS	52 998	4 698	48 300
Betonmast (project engineering dept)	10 080	-	10 080
Moldskred AS	41 714	4 224	37 490
Areal og Eiendom AS	52 686	4 764	47 922
Total	215 856	22 347	193 509

There are no identified excess values related to identifiable assets in the acquired companies. Therefore, all additional values have been allocated to goodwill.

Note 20 - Financial instruments ▼

PARENT COMPANY AND GROUP

Amounts in NOK thousand

2021

	Acquisition cost	Book value	Market value	Recognised change in value
Money market fund	357 710	367 901	367 901	4 387
Total market-based financial instruments per 31.12.2021	357 710	367 901	367 901	4 387

Financial instruments are valued at fair value determined in accordance with the value observable in the market on the balance sheet date.

PARENT COMPANY AND GROUP

Amounts in NOK thousand

2022

	Acquisition cost	Book value	Market value	Recognised change in value
Money market fund	357 710	371 453	371 453	3 552
Total market-based financial instruments per 31.12.2022	357 710	371 453	371 453	3 552

Financial instruments are valued at fair value determined in accordance with the value observable in the market on the balance sheet date.

Note 21 - Events after the reporting period ▼

After the reporting period ended, no significant events have been identified that that would impact the financial statements submitted.



At Kongens gt. 87, the former police station in Trondheim, Norconsult has contributed to saving the environment from almost 100,000 kg of CO₂. The costs are significantly reduced for the client, and social sustainability is ensured by preserving a significant and important building in the city. Photo by Matthias Herzog

Auditor's report



Statsautoriserede revisorer
Ernst & Young AS

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Norconsult Holding AS

Opinion

We have audited the financial statements of Norconsult Holding AS (the Company), which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company and the Group comprise the balance sheet as at 31 December 2022, the income statement and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company and the Group as at 31 December 2022 and their financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other 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 opinion.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the Chief Executive Officer) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report contains the information required by legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contains the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, or to cease operations, or has no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Oslo, 18 April 2023
ERNST & YOUNG AS

Petter Frode Larsen
State Authorised Public Accountant (Norway)

(This translation from Norwegian has been prepared for information purposes only.)

About Norconsult



Norconsult develops the society of tomorrow by combining engineering, architecture and digital expertise. Our approach is based on local presence, interdisciplinary expertise and collaboration. Through invention and innovation, and with the purpose *Every day we improve everyday life*, we constantly search for more sustainable, effective and socially beneficial solutions.

We are an employee-owned consulting company and our 5,600 employees are spread over 135 offices, mainly in the Nordic region. Every year we create solutions for thousands of projects of all sizes, for private and public clients, in areas such as buildings, transport, renewable energy, water, industry, environment, architecture, planning and IT.

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