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# Annual report 2022

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COWI

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Together with customers, partners and colleagues, we shape a future where people and societies grow and flourish. We do that by co-creating sustainable and beautiful solutions that improve the quality of life for people today and many generations ahead.

Our starting point is gaining a deep understanding of our customers, their aspirations, and concerns. This is what sets us apart and how we deliver long-term value.

Primarily located in Scandinavia, the UK, North America and India, we are currently 7,500 people in the COWI Group, who offer our expertise in engineering, architecture, energy and environment. In Norway, we have been active since 2003 and employ approximately 1,400 people who work on 3,700 projects.



**Together, we  
shape a sustainable  
and liveable world**



# Message from the CEO

## Celebrating a year of growth and success amidst global challenges

As the newly appointed CEO of COWI in Norway, I am thrilled to report that 2022 has been a year of growth and success for our company. I would like to acknowledge the significant challenges we have faced in recent times, not only with regard to the global pandemic, but also with the war in Ukraine, inflation and the power crisis. Despite these challenges, our company remains resilient and dedicated to finding solutions for our customers and society as a whole.

With our new strategy, FUTURE-NOW, launched in 2022 COWI was placed central in the green transition. We kickstarted the year with seven winning aspirations focusing on the four sectors sustainable energy, large infrastructure, large buildings, and climate adaptation and water. The strategy focuses on supporting our customers move towards a more sustainable tomorrow, and this was also expressed

in our 2022 results. We had the highest customer satisfaction ever which resulted in a record-high organic growth.

Our clear stand on sustainability, including saying no to fossil energy projects, had a positive impact on our brand. Despite an extremely volatile job market we managed to grow our workforce by 241 new colleagues. and in that context, I am pleased to see that we continue to improve our ranking in Universum's surveys as a preferred employer within our industry, particularly among women. Finally, I would like to thank our customers for trusting us with their projects and investing in co-creating solutions solving some tough challenges. Most of all, I would like to thank all my colleagues for their dedication and efforts in making a real difference for our customers, COWI and society at large.





# Management



**Birgit Farstad Larsen**  
(born in 1974)

Chief Executive Officer  
of COWI in Norway  
since 2023

Birgit held the position as Senior Vice President from 2018 to 2023. She has been with COWI for 24 years and has broad management experience, including as a project manager, international director and R&D director with responsibility for professional development and innovation.

From 2017, she entered line management with business performance responsibility, first as Head of Section of Buildings and then as Senior Vice President of Buildings.

Birgit is a member of the Board of the Norwegian Business and Industry Security Council (NSR). Other directorships: COWIfonden, buildingSMART, RIF and TEKNA.

Birgit holds an MSc in Civil and Environmental Engineering from the Norwegian University of Science and Technology (NTNU) (1999).



**Azib Banaras**  
(born in 1981)

Senior Vice President and  
Chief Financial Officer  
of COWI in Norway  
since 2021

Azib has broad experience in finance and analysis from international companies. Before joining COWI, he was Business Unit CFO at the Danish engineering company FLSmidth. He started his career in the Danish energy company Dong Energy (now Ørsted). In 2018, he joined COWI in Denmark as Head of Business Controlling in Business Line International.

Azib holds an MSc in Applied Economics and Finance from Copenhagen Business School (CBS).



**Kirsti Engebretsen  
Larssen**  
(born in 1967)

Regional Market Director  
since 2019

Kirsti has been employed at COWI since 2004 and has held various management positions over the past 15 years, including Senior Vice President of Buildings and Regional Director of Mid/North. She has several years of experience as Senior Project Engineer from Erichsen & Horgen AS.

Larssen holds several board positions in JV for major development projects such as the Oslo Government Quarter, Oslo Airport Gardermoen and Bergen Airport Flesland. She has previously held board positions in COWI Holding A/S and RIF.

Kirsti holds an BSc in Mechanical Engineering from Trondheim Ingeniørhøgskole (NTNU) 1991.



**Annette Dahl Franck**  
(born in 1972)

Head of  
People and Culture  
since 2019

Annette was Vice President of HR in COWI AS from 2013 to 2018. She has more than 13 years of leadership experience and held the position as General Manager of two collaborative architectural offices with around 60 employees, as well as Manager of the PR department in a communications agency. She has worked as a senior consultant in organisational and leadership development at Assessit for many years, held the position as HR Business Partner at Canon and has a background in communications from Telenor and TV3.

Annette holds an MA from NTNU, with additional executive management programs from BI Norwegian Business School and is a Certified Professional Co-Active Coach from the Coaches Training Institute (CTI).



**Ebbe Lind Kristensen**  
(born in 1976)

Senior Vice President  
of Buildings  
since 2023

Ebbe has gained solid international management experience from COWI's business in India, Qatar, Oman, Bahrain and Denmark before taking up the position as Senior Technical Director at COWI AS in January 2019, and from 2023 Ebbe was selected as interim Senior Vice President for Buildings. Ebbe has broad experience with the consulting industry in project, line and quality management and has worked at a strategic level for several years in multidisciplinary and international environments. He is currently a board member of Aquateam COWI AS.

Ebbe holds an MSc in Engineering (2002) from University of Aalborg with supplementary education from various management programmes from INSEAD and he finished his Executive Master of Management at BI Norwegian Business School in 2022.



**Jesper L. Asferg**  
(born in 1976)

Senior Vice President  
of Transport and  
Urban Planning  
since 2020

Jesper joined COWI in 2006 and has worked as a bridge designer in Business Line International in Denmark. He has since progressed through the ranks as a specialist via project management to line and strategic management. From 2015 to 2020, Jesper headed one of COWI's international bridge departments. He has extensive experience with large international infrastructure projects in South America, Africa, the Middle East, Asia and Europe.

Jesper holds an MSc in Engineering from the Technical University of Denmark (DTU) (2003) and has a PhD in Numerical Modelling from DTU (2006). In addition, he holds an Executive MBA from INSEAD in France (2021).



**Jørn Christen Johnsen**  
(born in 1966)

Senior Vice President of  
Water and Environment  
since 2021

Jørn Christen joined COWI AS in 2010. He has held the positions as Senior Vice President and Senior Market Director in Industry and Energy. Jørn has previously been the day-to-day head of Aquateam COWI AS. He has previously been CEO of FB Engineering AS (1999-2010) and held various management positions in the parent company, Flygfältsbyrå AB.

Jørn holds an MSc from the Norwegian University of Environmental and Life Sciences (NMBU) (1990) and an Executive MBA from the Norwegian School of Economics (NHH) (2005). He has also participated in the renowned Executive Board Programme at INSEAD in France (2019).

Johnsen has extensive management experience and board experience. He is Chairman of the Board of Aquateam COWI AS and sits on the boards of Norsus AS, LCA.no AS and the Norwegian Centre of Circular Economy (NCCCE).





# Profitable organic growth



2022 was characterized by global turmoil and disruptions in energy supply chains. Despite the geopolitical instability and rising inflation and costs, COWI navigated well through and delivered a significant profitable organic growth. Cash flow from operating activities is healthy, signalling customer satisfaction.

We have not only increased turnover but also the order backlog as our services are key enablers for solving complex infrastructure projects and transitioning towards the sustainability targets. We have seen an increase within the renewables energy services where we have won several agreements.





# Key financial performance

## Financial

Organic growth

**9.1%**

(3.3% in 2021)

EBIT margin

**6.9%**

(6.2% in 2021)

Net turnover

**2.208m**  
NOK

(2.023m NOK in 2021)

Cash flow from operating activities

**194m**  
NOK

(185m NOK in 2021)

## Non-financial

Number of employees

**1412**

(1316 in 2021)

Net Promoter Score (NPS)

**47**

(Customer satisfaction measured on a scale from -100 to 100. 44 in 2021)

Employee engagement score

**79%**

(out of a maximum of 100%. 82% in 2021)

Carbon footprint

**4.2**

tCO<sub>2</sub>e/DKK 1,000 net turnover  
(3.6 tCO<sub>2</sub>e/NOK 1,000 net turnover in 2021. Commitment to set science-based targets.)





# **FUTURE-NOW** **strategy and** **value steering**



# Our strategy where to play

In 2022, we formulated a vision and new values to inspire and guide us in the coming years. And to develop our company, seize the numerous market opportunities and create value with customers, we developed COWI's new strategy.

It is called FUTURE-NOW. If we, as a society and as a company, want to survive and thrive in the future, we must prepare for it today. Therefore, in our work with the strategy, our starting point was the future. What will it look like? What demands does this create among customers? What does it mean to us now? And how can we contribute to the solutions needed?





# Our winning aspiration

Our vision is our overall guiding star that sets a long-term direction for all our business. To propel us forward towards the vision and guide us in the mid term, we have formulated a winning aspiration for a horizon of three to five years in seven key areas. There is no fixed deadline for reaching them, but we believe that this is what an excellent performance for COWI looks like:

We are a top-quartile performer in our peer group. We deliver a total shareholder return of >15 per cent annually; >ten per cent EBITA; >five per cent annual organic growth; and >80 per cent cash conversion.

Together with our customers and partners, we drive innovation in an open and collaborative environment. We are leaders in digitalisation, and we explore new sustainable technologies and materials.

We always contribute to moving our customers towards sustainability. One hundred per cent of our turnover comes from projects which drive sustainability.

We are a customer-centric company with the most satisfied customers in our peer group. We are highly attractive to partners and understand how to create value together with customers.

We are a truly diverse company which attracts the best talent and has strongly engaged employees who constantly develop their personal and technical skills.

We are recognised by society as thought leaders who combine know-how, a holistic approach and a true commitment to sustainability.

In our core segments, we are market leaders in sustainable energy solutions, climate adaptation and water, large buildings and large infrastructure projects.



## Our playing field

To meet customer demands and move towards our aspiration, we have chosen where to focus our efforts. The choices are made based on our current and potential strengths and market positions:

- **We will work** with and for key customers with multiple projects, a long-term perspective and compatible ethics.
- **We deliver studies** and concept design, design development, planning/permitting, final and detailed design, construction management, project management consultancy (PMC) services and asset management.
- **We operate** in sustainable energy, large buildings, large infrastructure, and climate adaptation and water.
- **We focus on** Scandinavia (Norway, Denmark and Sweden), the UK and North America. For key customers, we will support projects outside these countries.
- **We will continue** to use a key-account approach and co-creation with partners when we complement each other's capabilities.

## Our strategy execution

To win in our chosen market segments, we will utilise and develop our core strengths together with our customers.

### Customer centricity:

The key factor for our competitiveness is to focus on our customers in all we do and communicate. It is also more engaging for employees to co-create with customers.

### Best people, best behaviour:

As we focus on projects that require special skill sets, we will continue to hire and develop the best people in the industry. We will cultivate a behaviour that sets us apart from the competition and creates a culture of continuous improvement and high-quality execution of projects.

### One COWI approach:

We win more projects, deliver better quality and improve our earnings when we collaborate. This means working across borders and bringing competencies into play, regardless of where the person is located. It means including our centres and colleagues in India, Lithuania and Poland. And it means further developing our successful COWI and Arkitema partnership.

### Sustainability:

Sustainability will remain at the core of our value offering and operations. This is crucial for the type of major, mature customers we want to build relationships with.

### Value steering:

To ensure that FUTURE-NOW becomes operational and that we make the right decisions to deliver on our strategy, we have created a value steering model that sets up metrics for our seven aspirations to understand if we are on track.

This value steering model is embedded into our performance management and annual wheel to ensure that we make the right decisions and execute towards FUTURE-NOW.



# Customer satisfaction at a record level

Data shows that there is a direct link between customer satisfaction (Net Promoter Score, NPS) and customer loyalty and, thereby, our profitability. In 2022, the Net Promoter Score increased to 47 from 44 in 2021. This development was primarily driven by two factors: consistent high quality in our project execution and continuous and close customer interaction.

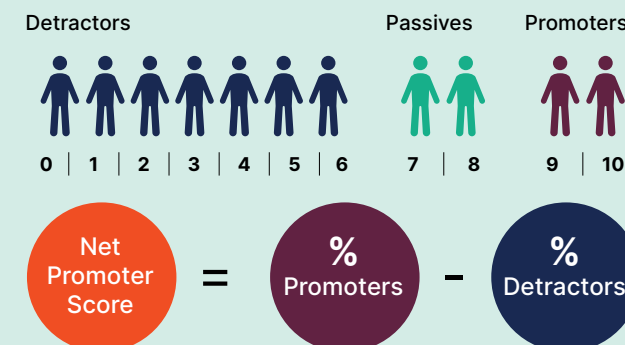
We strived to be close to our customers and understand their concerns and needs. In that way, we gained a better grasp of how best to support them in their projects. This paid off in terms of additional work and new contracts. As mentioned, the improved customer satisfaction was related to the quality of our project execution. In recent years, COWI has invested heavily in enhancing operational efficiency by embedding standard project management tools and processes. Solid project execution further enhanced the use of our resources in accordance with customer expectations.

CEO of COWI in Norway, Birgit Farstad Larsen, says:

**We will continue the good work while at the same time focusing more on value-based design. We must ensure that we bring more value to our projects than just the hours we work on them. It requires us to be closer to our customers and work together with them.**

**NPS is a tool to measure customer satisfaction from a scale from 1-10. There is only one question being asked; how likely are you to recommend COWI to others within your sector?**

- A score of 10 is highly likely while a score of 1 is very unlikely.
- The score 9 and 10 are considered as promoters and are considered to recommend our services to other.
- The scores of 7 and 8 are regarded as passives and are omitted from the calculation.
- Scores of 6 or less are regarded as detractors and are seen as customers not recommending our services.
- The NPS is calculated as; promoters – detractors. If you as an example have 70% promoters, 20% passives and 10% detractors, your NPS score will be 60 (70-10).



“

Fast mobilisation of a competent team in most of the disciplines in demand. Generally, a good understanding of project implementation. Proactive and solution-oriented, easy to work with. Positive with a pool of resources in several subject areas, which have been linked into projects when necessary.

## Testimonies

“

COWI appears to be professionally competent and has delivered good results well within the agreed price. When there was a bit of a rush to deliver within the deadline, they notified us early on, and we agreed on a new deadline, which COWI complied with without the work being delayed.

“

COWI understands what we need in terms of expertise and delivers it.

“

Good response time. Proactive in terms of providing recommendations/advice and solutions. Good availability and deliveries according to the progress plan.

“

Professionally skilled and extremely solution-oriented. The project manager is good at keeping us up to date on finances and challenges in the project in monthly status meetings. Very good!

## Driving innovation together with our customers

Innovation and digitalization continue to support our growth in 2022. It drives our alignment of processes and tools across our Norwegian business units and groupwide sectors. The alignment helps us focus on the strategically important tasks to automate in our design process and how we can create new, robust digital services for our customers. In 2022 our in-house automation platform, COWI Tools, moved ownership from COWI Norway to COWI Group. It will now serve all our users in the group, help automate tasks across all design platforms and be the automation engine behind many of our new sustainability services and digital deliveries.

While automation is key to delivering faster and better in our projects, we have also had an increasing demand for digital consultancy services. Several of our key customers do now see the need to plan and structure how the digital information generated in projects should be used and reused in a sustainable manner in the years to come. In 2022 we have signed framework agreements with both Sykehusbygg HF and Ferd Eiendom AS to deliver both strategic consultancy, software development and digital project management services.

Throughout the year COWI Group has developed several digital tools to help manage embodied carbon in the design and construction process, and we are working actively to implement these tools in a Norwegian context. This combined with our local focus on buildings as material banks will pave the way for a set of new services that will be launched in the year to come.



# Four prioritised sectors

In prioritised sectors, we want to have a market-leading position, meaning that we get more invitations to participate in tenders, we can build and utilise economies of scale, we have the ability to create value with customers, and we are visible and attractive to talent.

## We define market leadership as:

1. being preferred by customers  
(measured on NPS and 'share of wallet')
2. being number one or two in the market  
measured on turnover
3. being a top brand in the market.

We have selected four prioritised sectors that are attractive, that are fit for our vision and competencies, and where we have the potential to be leaders with our sustainable solutions.

## Sustainable energy:

We will particularly focus on: offshore renewable energy; production of hydrogen and green fuels; energy efficiency; and carbon capture, utilisation and storage.

## Large infrastructure:

We will particularly focus on: roads, mass transit, urban transportation, fixed links, electrification, automation and digital solutions.

## Large buildings:

We will particularly focus on: large-scale urban development, transportation hubs, industry and data centres, and health.

## Climate adaptation and water:

We will particularly focus on: coastal protection and integrated urban solutions, utility and stormwater tunnels, wastewater as a resource, digitalisation of utilities and smart water (data-based operational optimisation of utilities).





# Sustainable energy – a growing market for COWI

COWI's business is growing rapidly in the energy sector, including in Norway. The Norwegian Energy and Industry team comprises specialists in renewable energy, power transmission, new industry, and carbon capture and storage.

In November 2022, Equinor awarded COWI a multi-year service agreement, focusing on support for offshore wind projects and low-carbon solutions. The agreement (a master service agreement, MSA), supports Equinor's ambitious goal of building a renewable portfolio of 12-16 GW by 2030. The agreement consists of three elements: making personnel available for Equinor projects, delivering independent studies, reviews and verifications, and engineering scopes of work.





## Energy solutions

The geopolitical situation has resulted in higher energy prices, especially in southern Norway. From a market perspective, this new energy situation has created an even greater demand for COWI's services in the energy sector. Throughout 2022, there was an increased interest in COWI's services within energy consultancy and security of supply. There has been an increasing demand for energy efficiency measures, often in combination with local renewable energy production, energy storage and interaction. The Government's electricity support scheme for businesses resulted in an increased demand for energy consultancy in Q4 in 2022.

The electrification market is also seeing growth, and the Government wants to support the area to reduce emissions from transport and the AEC/FM industry. The transition to electric operation of light and heavy vehicles and production machinery is essential to achieving the net-zero emissions targets. To achieve this, it is necessary to establish charging stations and flexible solutions that can be scaled up at short notice. During the year, Energy and Industry delivered several projects in this area, including establishing zero-emission construction sites, shore power facilities for ships and depot charging for buses in public transport. The Government's launch of a national charging strategy is a strong indicator of further growth in the market for charging infrastructure, which will help ensure the necessary pace in the development of charging stations and flexible energy solutions.



Equinor

**Equinor awarded COWI a multi-year service agreement in November 2022, focusing on support for offshore wind projects and low-carbon solutions.**

## Power grid and hydropower

COWI signed framework agreements with several leading companies in the electrical power and grid industry in 2022. We experienced an increase in turnover related to substations, high-voltage power transmission and concession processes. Our international expertise in pumped-storage power plants is becoming increasingly relevant, as power consumption will, to a greater extent, be covered by solar and wind power in the future. Based on our own analyses, we expect the positive market development to continue in the coming years and plan for further growth in the area.

## Green industry

We see an increasing demand for consultancy services and design of new and green industrial facilities, especially in fields producing green propellants, thermal energy solutions, and carbon capture and storage. Bioenergy, district heating and thermal energy solutions can help reduce the load on the power grid and ease the pressure on existing bottlenecks. We have observed that investments in thermal energy solutions are often more profitable.





## Smøla – combining wind park with solar power

COWI has carried out a socio-economic analysis describing regional impacts, environmental impacts, and other important aspects of establishing a large solar park.

Smøla Wind Farm was Europe's largest wind power site on land when it was started. COWI and the Institute for Energy Technology (IFE) were asked by the Møre and Romsdal county authority to research the possibility of combining the wind park at Smøla with solar power.

Hybrid power plants like these are particularly interesting because solar and wind power are generally produced at different times of day and seasons. Wind produces more power at night than during the day, and seasonally, it produces more during the winter months, which is the opposite of solar power. Therefore, areas already being used for power production can produce more energy without expanding the power grid. At the same time, roads and other infrastructure can be reused.





## Follum BCTMP (bleached chemi-thermomechanical pulp)

This project will be the largest investment in the timber industry in Norway in more than 30 years. COWI has been a key contributor to the project development, with the responsibility for carrying out regulatory tasks, including climate, environment and energy studies, as well as facilitating interdisciplinary collaborations. We have provided interdisciplinary expertise in several disciplines.

Viken Skog and Billerud have joined forces to develop this new leading pulp production plant in Treklyngen industrial park at Follum in Hønefoss. The project will

be a state-of-the-art and energy-efficient BCTMP and biogas plant.

The project has many positive climate and environmental impacts that will benefit both forest owners and society, and the goal of replacing oil-based products with paperboard will provide significant environmental benefits. Improved technology makes it possible to reduce material consumption in the production of paperboard and a low carbon footprint throughout the value chain.



An aerial photograph of a coastal road. A white car is driving on a two-lane asphalt road that curves along a grassy coastline. The ocean is visible in the upper half of the image, with a rocky shoreline in between. The sky is overcast.

# Sustainability in large infrastructure

In 2022, the transport sector in Norway was characterised by major projects in various market segments. A record-high turnover was made possible in close collaboration with our colleagues in the COWI Group.




We always strive to find solutions that increase the value of the projects for the parties involved and the end customer. These solutions can, for example, help reduce costs, increase profitability, streamline planning processes and make the projects and solutions more sustainable. Our task is to help ensure that emissions and encroachments on nature are minimised through the choice of materials, reuse of roads, mass management, transport choices etc. We offer services throughout the entire life cycle of a project – from analysis and investigations, through the planning phases pursuant to the Planning and Building Act, to detailed design, follow-up during the construction period, and the operation and maintenance period.

In recent years, the market has followed the development outlined in the National Transport Plan (NTP). Still, delivery challenges and price developments as a result of the COVID-19 pandemic raised concerns about a potential slowdown in the market.


Urbanisation also provides an opportunity for continued growth and investment in urban development projects in Norway. We experience that medium-sized municipalities, often in collaboration with private real estate companies, are eager to develop their cities and communities in a sustainable way.

All our customers have a sustainability perspective and, to varying degrees, sustainability plans and initiatives. Through 2022, COWI offered consultancy and support in this area, in relation to targets set for, for example, reduced carbon emissions in the projects and in relation to certification (Breeam Infrastructure).

Together with our customers, we will incorporate more sustainability into building projects.



# **A record-high turnover was made possible in close collaboration with our colleagues in the COWI Group.**



**The volume of concrete has been reduced by 14,000 m<sup>3</sup> (30 per cent), and combined with the introduction of low-carbon concrete, carbon emissions have been reduced by 50 per cent.**

## **Jåttåvågen – halving the greenhouse gas impact**

The project stands out from the crowd, partly because of the reduction in concrete use, which has halved the greenhouse gas impact. The volume of concrete has been reduced by 14,000 m<sup>3</sup> (30 per cent), and combined with the introduction of low-carbon concrete, carbon emissions have been reduced by 50 per cent.

The KSR partnership between Kruse Smith Anlegg and Risa AS with COWI as consultant has designed the forward-looking project Fv. 44 Bussveien, Stasjonsveien-Gauselvågen (Jåttåvågen) with Rogaland county authority as customers.

The area can be described as an urban development project rather than a bus route and provides three new urban spaces for recreational purposes. The three urban spaces include a bridge over the railway at Hinnavågen, an area that can be used as a square and Karusellkrysset (carousel junction), which will be used as a square and future mobility point. There are plans for a basketball court, outdoor fitness park (tuftepark) and play area in the available area under the bridge. The area will be sheltered from wind and weather, and by breathing new life into this area, the project also gives something back to the neighbourhood.





## E39 Stord-Os – promoting new ways of planning environmentally friendly

E39 Stord-Os is with its 55 km a major part of the Hordfast project connecting Stavanger and Bergen. The project will reduce travel time between the cities by 50%. The E39 Stord-Os crosses fjords with variable depths and widths, and both bridges and a subsea tunnel is part of the project. The Bjørnafjord

crossing with its innovative floating bridge concept is an important element of the E39 Stord-Os section. COWI was awarded the zoning plan project in 2021, and we are preparing the basis for a governmental approval. Based on important criteria like total project cost and sustainability we focus on optimizing the road alignment and minimizing the mass handling and the carbon emissions, in addition to avoiding impacting sensitive nature to the extent possible. During the progress of the project, the general focus on sustainability and reduction of carbon footprint has

been even more intensified. Hence our client, Statens Vegvesen, has emphasized even more on sustainable planning and construction of new roads and see this project as an important contributor in that respect. Subsequently Statens Vegvesen has engaged COWI to lead a BREEAM Infrastructure certification process for the project with the aim of achieving a certification as a “whole project” - from zoning plan level to “as built”. Furthermore, COWI contributes to the development of a complete sustainability strategy for the E39 section from Aksdal to Bergen.





## The joint Project Arna-Stanghelle (FAS) – Ensuring safer traffic between Bergen and Voss

Together with FAS, we will build a safe and predictable travel route for road users and businesses. Arna-Stanghelle-Voss is an important part of the main transport corridor between Bergen and Oslo, both by road and rail. The section is part of the Arna-Stanghelle-Voss rail project and the new E16, and the project is Norway's largest tunnel project, with a total of almost 80 km of road and rail tunnels.

Today, the road and railway section are characterised by low standards, tunnels in great need of maintenance and areas prone to ash and landslides. A new E16 and Vossebanen (the Voss Line) Arna-Stanghelle will, in addition to increasing traffic safety, provide increased capacity for goods on the track, predictable transport and reduced travel time between Bergen and Voss. It is a collaborative project between the Norwegian Public Roads Administration and Bane NOR.

COWI will prepare tender documentation for the preparatory work for Norway's largest tunnel project, upgrading the E16 Arna-Stanghelle. It is contracted according to the BVP methodology (best value proposition) and is carried out largely according to the BVA methodology (best value approach).





A photograph of a man and a young child looking out a window with rain on the glass. The man is in the foreground, seen from the side, wearing a dark jacket. The child is standing in front of him, wearing a green and white striped shirt, with their hands pressed against the rain-streaked window. The background is a blurred view of buildings outside.

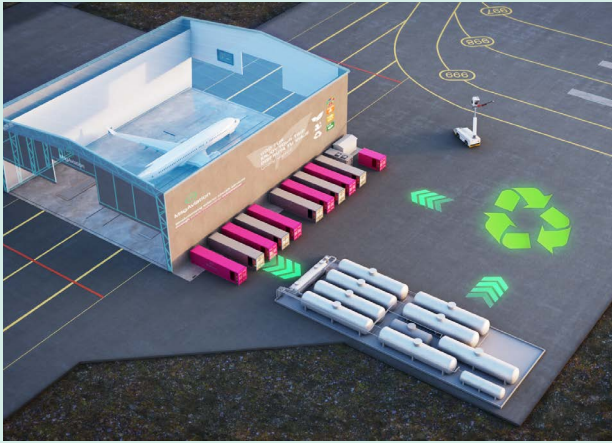
# Large buildings – smart and digital

Together with our customers, we contribute to spearheading the green transition in the industry. All parts of the value chain contribute to an accelerated focus on holistic and sustainable solutions. Digitalisation and industrialised processes have contributed to better quality and faster realisation. The digital collaboration is about to reach a new level where data streams are controlled and utilised far more efficiently than before. **Our various research communities work continuously together with our customers with issues to help them reduce their impact on the environment and climate.** Smart and sustainable buildings are an essential part of future urban development. What is a recipe for liveable and sustainable communities? Utilizing central built-up areas is important to gain socio-economic and environmental benefits. To achieve sustainable solutions in areas that are pleasant to live in and have the necessary services in reasonable proximity, the buildings must appear as integral parts of the new urban spaces and be seen in connection with transport infrastructure, above and below ground.

Our goal is to further develop a solid and competent interdisciplinary environment that delivers complete solutions with high value to the customer and the society. With a focus on developing our employees' skills, COWI will consolidate its position as one of the largest players in the industry – a holistic and highly competent engineering environment.

Collaboration across the COWI Group helps us gain unique global knowledge, which we combine with local presence and closeness to the customer.





## MSG Aviation with a robot that cuts costs and emissions

The Norwegian company MSG Aviation has built a ground-breaking robot at Oslo Airport. This robot can help airlines become more efficient and punctual while saving money on fuel and reducing greenhouse gas emissions.

The robot can eventually replace the current manual and time-consuming processes of removing ice and snow (de-icing) from aircraft, as well as washing, engine washing and technical inspection of aircraft. The process is fully automatic and based on MSG Aviation's proprietary artificial intelligence software.

The method of de-icing aircraft reduces the amount of de-icing fluid used and collects the de-icing effluents for recycling. The amount of glycol is reduced by 50 per cent using the system, resulting in a carbon reduction of approximately 40 per cent related to the actual process of de-icing the aircraft. The system can also be used for washing aircraft. A recently washed aircraft uses up to two per cent less fuel due to less drag.

## Boliden – upgrade increasing digitalization and automation

COWI plays a key role in Green Zinc Odda by preparing the scope for building automation and several electrical and HVAC contracts, including tender management, follow-up of contracts, work and commissioning. COWI is also contracted by Boliden Odda to conduct independent control of all relevant enterprises in the project in accordance with the Norwegian Planning and Building Act.

Boliden Odda, established by Compagnie Royale Asturienne des Mines in 1924, is renowned as one of the world's most cost-effective zinc producers. Along

with different by-products, it produces 200.000 ton of zinc annually. Through Project Green Zinc Odda 4.0, it is carrying out a comprehensive upgrade and expansion of its facilities and aims to increase its zinc production, as well as reduce carbon dioxide intensity from an already world-leading position. The upgrade will expand most of its facilities, and all processes will be modernised with increasing digitisation and automation. Also, their unique solution for waste handling will be expanded.

COWI is also contracted by Boliden Odda to conduct independent control of all relevant enterprises in the project in accordance with the Norwegian Planning and Building Act.







## Thermal energy solution – SNR

The new Nordmøre and Romsdal Hospital (SNR) at Hjelset outside Molde will be ready in spring 2025. The goal is to develop a green hospital, aiming for annual savings. As part of this, the hospital is establishing a world-class thermal energy system. When designing system solutions and regulation strategies as well as specifying technical equipment, the goal was to create the most sustainable thermal energy system possible. The thermal energy station also has a number of innovative solutions contributing to high energy efficiency. The design is fully digital, and COWI is responsible for all consulting disciplines in the detailed design phase



# Tailored solutions for climate adaptation and water

Water is fundamental for all life and must be used and re-used with care. Climate changes like heavy rains and increased urbanisation needs to be handled to shape a sustainable and liveable world. Our solutions must contribute to developing our society and protecting the environment, and we tailor our solutions to meet our customers' needs.

Within water and wastewater technology we deliver a broad spectre of services, and we have some of Norway's leading experts within their field. Our main focus is on stormwater solutions, water supply and wastewater treatment plants. Central to all phases of the design work is the green transition, environmentally friendly solutions, digitalisation as well as

energy-efficient and economically efficient water management. We strive to utilise the wastewater as a resource in our projects.

We actively promote the green transition to our customers and develop new services to meet their demands. Climate change, including increased precipitation and torrential rain, is creating a need for solutions for water management. To meet this demand, COWI has established its own Centre for Climate Adaptation. The centre works to prevent and reduce risks by providing climate adaptation solutions. Together with our customers, we deliver innovative solutions that create value for people and society.





## Skårersletta miljøgate (environmental street)

COWI is working with Lørenskog Municipality in transforming a central road in the city center of Lørenskog to a new main street with urban life and activity. The new street will have good accessibility for cyclists and pedestrians and an attractive public transport service.

Skårersletta is also the main route for the main water supply, stormwater, wastewater, district heating, high-voltage supply and waste suction system.

In this project, COWI uses BIM (building information modelling) already from the sketch phase through to the pre-project. In addition to the follow-up of the main street, the project has been expanded with several design projects.



## MOVAR, Fuglevik wastewater treatment plant – Sustainable pioneering project with Nitrogen removal.

MOVAR is acting in the major initiative for a cleaner Oslo fjord. Thus, MOVAR is the first of several developers who have received demands in the emission permit to remove nitrogen.

Parts of the plant are aiming to receive BREEAM excellence certificate as one of the first wastewater treatment plants in Norway. Assessed and selected solutions are all rooted in the UN Sustainable Development Goals.

The goal is to make the plant a learning facility for both employees and visitors. Therefore, the ambition is to make the plant as accessible as possible. Walking tracks close to some of the buildings and open sight into the diverse processes. Digital twin and possibility to access more data is another goal.

The administration building will be built in solid wood to reduce CO<sub>2</sub> footprint.

The main treatment process will be carried out as a partnering contract. Thus, it will be possible to work out the most favourable solutions based on the developer's criteria.



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# Our impact: environment, social and governance (ESG)

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All over the planet, climate changes are becoming unprecedented challenges to cities, infrastructure, biodiversity and landscapes.

Businesses play a crucial role in shaping a greener future, and we see engineers as key levers for the transition towards sustainability. COWI's extended expertise in sustainability gives us a special responsibility to support customers and societies at large in the transition to a greener and more sustainable future. Our strategy, Future-NOW, strongly exemplifies how we walk the talk. We have decided to allocate all resources to projects that support our customers in reaching their sustainability ambitions. This means deselecting all fossil energy projects going forward, and in three to five years, we aspire to have 100 per cent of our turnover come from projects that contribute to driving sustainability.

Our approach to corporate responsibility is reflected in how we run our own daily operations and in our aspiration to support our customers' journey towards sustainability. We call these impacts our footprint and our handprint, respectively.

For example, sustainability is integrated into our own operations, our policies and in the way we interact and co-create with our customers, partners and suppliers. We carefully select which customers and partners to work with and systematically integrate analyses of impacts on and benefits for nature and society.

While carbon reduction is already a vital part of many projects, we prioritise putting the latest knowledge and thought leadership into play to ensure that new infrastructure, energy plants or cities are planned with climate adaptation, biodiversity enhancement, air quality, reduced water consumption and responsible sourcing in mind.



**In three to five years, we aspire to have 100 per cent of our turnover come from projects that contribute to driving sustainability**

To steer our business for value, in 2022, we initiated the development of a framework for our handprint. Through the lens of the EU Taxonomy and the UN Sustainable Development Goals (SDGs), the framework will help us to systematically report on our progress towards our handprint aspiration of having 100 per cent of our projects contribute to driving sustainability. Until the new framework is fully developed, we will continue classifying projects according to the SDCs to which they contribute.

COWI is a company that is based on vision and values – with a clear COWI DNA in everything we do. This deeper meaning is important for our employees and a platform to create an attractive workplace where all employees can thrive and feel that they belong. As part of our sustainability work, we are investing heavily in building competencies, tools and insights to provide the needed support to our customers and the green transition. We are aiming to create a common approach to understanding

sustainability and are engaging employees in discussions and e-learning modules to ensure a structured and professional approach to how to incorporate sustainability in our projects.

To continuously ensure robustness in our reporting and prepare for the upcoming requirements of the EU Corporate Sustainability Reporting Directive (CSRD) and its related European Sustainability Reporting Standards (ESRS), which will apply to COWI from 2026 onwards, we have accelerated our efforts to report our environment, social and governance (ESG) performance in time for the future requirements.

To deliver on our sustainability ambitions all processes and decisions across our organization need to pull in the same direction. Sustainability and integrity need to be integrated in all aspects of our business model. We describe this governance model later on in this report.



# Environment

At COWI, we work with sustainability in two dimensions: reducing our own carbon footprint and through our customers' projects.

To drive sustainability through all our customers' projects, and we are developing a group-wide framework to assess our progress.

Our commitment to reducing the impact of our operations is reflected in continuous improvement of our environmental management system, which we aim to have certified in accordance with ISO 14001.

COWI in Norway already has the environmental certificate Eco-Lighthouse. Some of the offices have been certified since 2008. Since 2018, we have been certified according to the head office certification model. Being Eco-Lighthouse certified means fulfilling two sets of criteria: the general criteria and

the project designer's criteria. The general criteria require top management anchoring and control. It also requires an ambition to improve our most significant environmental aspects and impacts, and we must report the status of four mandatory aspects related to our energy use, procurement, waste and reuse, and transportation. In accordance with ISO 14001, a materiality assessment will be conducted and act as the basis for minimising negative impacts and increasing positive impacts on the environment.





## Carbon footprint report

Since joining the UN Global Compact in 2006, we have reported on the carbon footprint from our day-to-day operations. Our carbon footprint mostly stems from purchasing goods and services and business travels. Next comes energy consumption at our premises. Our carbon accounting follows the methodology of the Greenhouse Gas (GHG) Protocol.

In 2019, COWI set a 70-per-cent-reduction target for 2030, compared to 2008 levels. Additionally, the goal was to phase out carbon credits towards 2050 while continuing our reduction journey towards zero emissions. To demonstrate our commitment to sustainability, COWI committed to setting science-based targets through the Science Based Targets initiative (SBTi) in 2022, which will enable COWI to receive external validation of our targets for carbon emissions reductions. By committing to this recognised framework, we ensure that our targets are aligned with the goals of the Paris Agreement and that our ambitions are reviewed by a well-established external party, formalising our climate ambitions.

In 2023, we will set and submit to SBTi a near-term target for 2030 and a net-zero target to be reached by 2050, using 2022 as our new baseline year, replacing 2008. In preparation for setting science-based targets, we worked on improving the data foundation for our carbon accounting in 2022 to ensure more complete coverage. This has led to an expansion of the coverage of our indirect emissions (Scope 3) inventory by including external consultants on projects and financial services, among other categories<sup>[1]</sup>. This extended coverage is the main reason for the significant increase in emissions compared to last year's carbon accounting. The difference in coverage of Scope-3 activity is

shown as the 'expanded' and 'narrow' scenarios in this chapter. The emissions from these new categories are entirely based on expenditure data, meaning that their emission factors are less precise than would be the case if activity-based data were used. While this is currently the best available method, it will be matured on an ongoing basis. We acknowledge the general challenges in reporting on Scope 3. However, we expect that collaboration across supply chains on emissions data will accelerate in the coming years.

Other improvements in methodology impact emissions in 2022, slightly affecting comparability between years. These include an update of emission

factors, changes in how extrapolation is carried out, changes in data collection and the addition of upstream fuel and energy-related activities in Scope 3.

## 2022 results

As seen in Figure 2 total emissions were 9179 tCO<sub>2</sub>e in 2022, compared to 7314 tCO<sub>2</sub>e in 2021. Key factors include lifted COVID-19 restrictions, an increase in employees of 96 since 2021 and methodology improvements. Looking at emissions per headcount, these were 6.5 tCO<sub>2</sub>e in 2022, compared to 5.6 tCO<sub>2</sub>e in 2021. Considering the narrow coverage in Scope 3, emissions per headcount were 1.2 tCO<sub>2</sub>e in 2022, compared to 0.8 tCO<sub>2</sub>e in 2021. Emissions compared to net turnover<sup>1</sup> were 4.2 tCO<sub>2</sub>e/NOK 1,000 in 2022, compared to 3.6 tCO<sub>2</sub>e/NOK 1,000 in 2021. Looking at the narrow coverage, emissions were 0.8 tCO<sub>2</sub>e/NOK 1,000 in 2022, compared to 0.5 tCO<sub>2</sub>e/NOK 1,000 in 2021.

98.8 per cent of our emissions are in Scope 3 – indirect emissions upstream and downstream that are not included in Scope 2.

Emission in Scope 1 include direct emissions from on-site energy production, supervision cars and company cars and make up 0.9 per cent of our total emissions, a decrease of 50 per cent from 2021. This is due to change from fossil cars to electrical cars.

Emissions in Scope 2 make up 0.26 per cent of our total emissions and consist of indirect emissions from upstream district energy consumption. Emissions from this decreased by 88 per cent in 2022, compared to 2021. The reason for this significant decrease is change of office locations.

**Figure 1 – Overview of emission scopes and categories**

<b>Scope 1</b> <b>Direct emissions</b> <ul style="list-style-type: none"> <li>On-site energy</li> <li>Supervision cars</li> <li>Company cars.</li> </ul>
<b>Scope 2</b> <b>Indirect emissions upstream</b> <ul style="list-style-type: none"> <li>District energy.</li> </ul>
<b>Scope 3</b> <b>Other indirect emissions upstream and downstream than contained in Scope 2</b> <ul style="list-style-type: none"> <li>Business travel (incl. air travel, road and rail travel, and hotels)</li> <li>Employee commuting</li> <li>Purchased goods and services (e.g., external services, IT, office supplies and canteens)</li> <li>Upstream fuel and energy-related activities</li> <li>Upstream transportation and distribution</li> <li>Upstream leased assets.</li> </ul>

<sup>1</sup> The added categories are external services and include building maintenance and service agreements; consulting, events, restaurants and entertainment; insurance, pension and healthcare; software and telecommunication; and training and recruitment.



We have focused on improving the certification level of the offices we lease and apply sustainability in the form of third-party certification as an evaluation criterion when considering new leases. Certifications include BREEAM, DGNB, LEED or their equivalents.

98.8 per cent of our emissions are indirect emissions within Scope 3. Comparing emissions levels with the expanded coverage, this corresponds to a 23 per cent increase since 2021. Looking at the narrow coverage, emissions in 2022 more than doubled compared to 2021 levels. The Scope-3 subcategory 'purchased goods and services' continued to be our largest emissions category. However, its relative influence increased significantly due to the addition of external services categories. 'Purchased goods and services' made up 81 per cent of our total emissions and 82 per cent of Scope 3. Most of the purchased goods and services' emissions stem from 'external services' (85 per cent), followed by 'food and beverages' and 'IT products'.

'Business travel' emissions comprise air, road, rail and sea travel, and hotel stays, excluding commuting. 'Air travel' emissions accounted for almost 83 per cent of our 'business travel' emissions in 2022. Following the opening of societies and an increase in employees, overall business travel emissions more than doubled compared to 2021 levels. However, they are still significantly below the pre-COVID year 2019 (30 per cent). Although travel activity increased during 2022, we continue to focus on reducing it by, e.g., including air travel emissions as a target and KPI for management in line with our upcoming science-based target commitment.





Figure 2 – Emissions in 2019-2022 (tCO<sub>2</sub>)

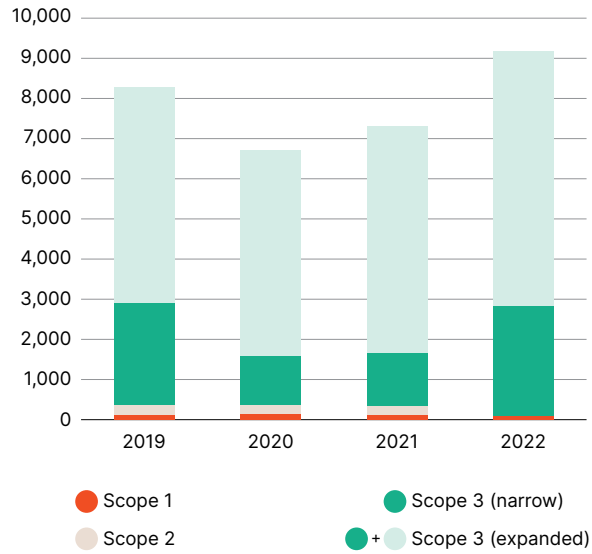


Figure 3 – Emissions in 2022 split by scopes and categories

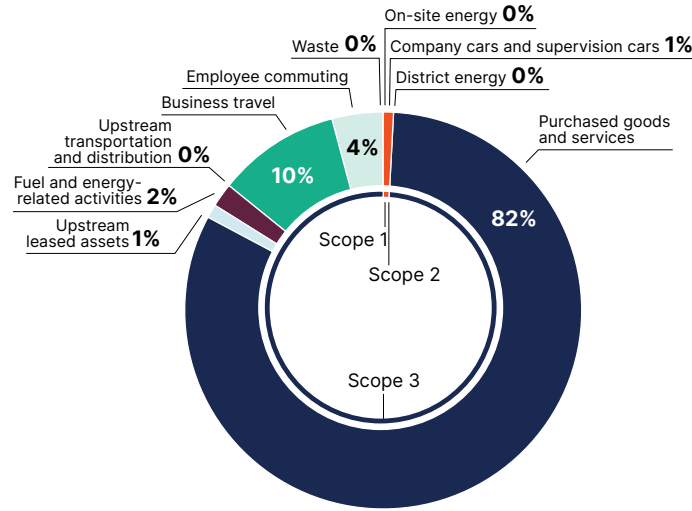


Figure 6 – Km and CO<sub>2</sub>e from air travel 2019-2022\*



\* Figure 6 – Emissions from air travel, excluding upstream fuel and energy-related activities related to air travel.

Figure 4 – Purchased goods and services

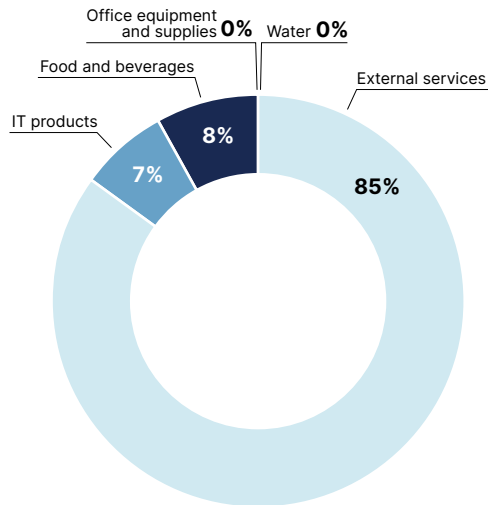
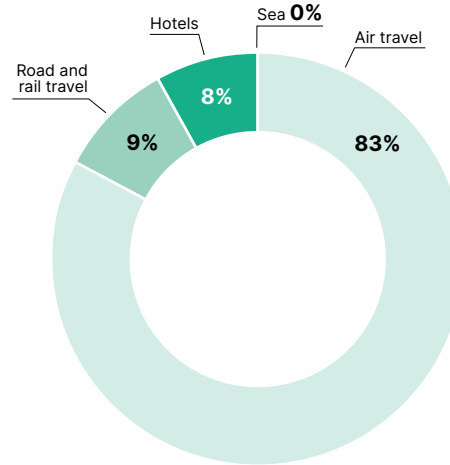


Figure 5 – Business travel





# Social

## An attractive place to work

Our higher purpose to create sustainable and liveable societies is important for our employees and way to attract many competent and diverse colleagues.

We are putting a record year behind us in recruitment. In 2022, we employed 241 new colleagues, which gave an organic growth of 96 colleagues in Norway.

Taking actions through our strategy on thought leadership and sustainability effects not only customers and employees but also our brand.

With a two-place promotion on Universum's list of attractive employers in 2022, COWI is back in a historic top position. Women, in particular, have increased interest in COWI as an employer in the Universum study, indicating that our vision and stand on sustainability have had an impact.

After the pandemic, there was a period of instability in the workforce in Norway, leading to a higher turnover of employees in the industry. COWI invested in social gatherings and communities, flexibility, well-being, and development activities to support an engaged workforce – something we believe influenced how we ended at an own resignation rate of 9.9 per cent in a very competitive market.





# An engaged and diverse workforce

## Highly engaged workforce

COWI conducts employee engagement surveys, full scale or pulse, every year through the Qualtrics platform. Our engagement scores have stayed close to the same level as before the pandemic, with 79 per cent who score favourably. 81 per cent would recommend others to start in COWI. 86 per cent show enthusiasm in their work, and 88 per cent are willing to give a little extra when new tasks need to be solved.

## Increased ambitions for diversity and inclusion

We aim to be a truly diverse company where employees can experience being themselves, have equal opportunities and where mutual tolerance and respect are central. Diversity is considered a value at COWI because different perspectives, experiences and

qualities contribute positively to our competency and opportunities to solve tomorrow's challenges.

We set clear targets for gender diversity and work in accordance with the activity and reporting duty (ARP) as stated in the Equality and Anti-Discrimination Act. In 2022, COWI increased the share of women in management positions from 27 per cent to 35 per cent. We have employed 44 per cent women and 56 per cent men and set concrete goals to further increase the female percentage across all career tracks, from line management to project management. To achieve this, we promote an inclusive culture and have increased management awareness and implemented several actions to accelerate workforce diversity, among others, in our recruitment processes, talent development and retention of employees.

More information on the status and COWI's activities related to diversity and inclusion is included in (reference to board of directors' report).





# Labour rights

## Human rights

We are committed to adhering to the principles of the UN Global Compact and the principles therein on human rights. Furthermore, employees are encouraged and expected to report concerns on human rights violations to their managers or top management, who in return are expected to act on such reports. COWI's main capital is our employees and naturally we take labour rights and the treatment of our employees seriously. We collaborate with the employee representatives on a general basis, with fixed meetings in our collaboration forum consisting of the employee representatives and COWI's management four times a year, in addition to several discussion meetings on specific matters.

As a result of new legislation, COWI has, in 2022, revised its guidelines/policy on hired workers and introduced new routines where we document the background for any part-time contracts. Our aim, which is to hire all employees on permanent full-time contracts, remains unchanged.

## Flexibility and work-life balance

In 2022, COWI saw the benefits for employees to work hybrid and increased flexibility as a way to attract talent from all over the country. However, knowledge sharing and a sense of belonging to the company are supported by being present at the office. This year, we implemented a home office policy where employees can choose to work from home

up to two days a week, and 400 employees signed a home office agreement.

COWI has a local collective agreement with the employee representatives of NITO and Tekna, which applies to all COWI employees. The agreement governs rights and obligations in the employment relationship, providing stability and predictability with respect to the working conditions and equal treatment of all employees. The agreement contains several employee rights and benefits exceeding the minimum rights according to law, such as extended rights to holiday and welfare leave.

The agreement also facilitates an arrangement for flexible working time with an average calculation of working hours, allowing for significant flexibility with respect to when and where the work is carried out.

## Transparency act

Our vision and values permeate everything we do, including our relationship with our subcontractors and partners. Based on this, COWI has for a long time had an active approach to our supply chain based on the OECD regulations, similar to the Transparency act. We execute due-diligence of suppliers - a process that is comparable to the risk assessments required by the Transparency act.

In connection with the introduction of the Transparency act, we are reviewing our routines and assessments to ensure that these meet the requirements of the new act. This work is based on the company's board resolution from June 2022, where the board gave instructions to the company's management to ensure compliance with the Transparency act. Our preliminary overall risk assessment is that the risk of potential negative



consequences for basic human rights and decent working conditions in our supply chain is limited. Renewed risk assessment of specific suppliers and collaboration partners is ongoing and will continue. As of now, we have not identified actual or potential breaches with any of our suppliers or partners.

In parallel with this work, we are in the process of preparing reporting in accordance with the requirements of §5 of the Transparency Act. This will be published by 30 June 2023.



# Certified in occupational health and safety

Being certified in occupational health and safety (OHS9 management such as ISO 45001) is a powerful way to develop and maintain a good working environment, and our health and safety policy is our overall guide to ensure a safe and healthy working environment.

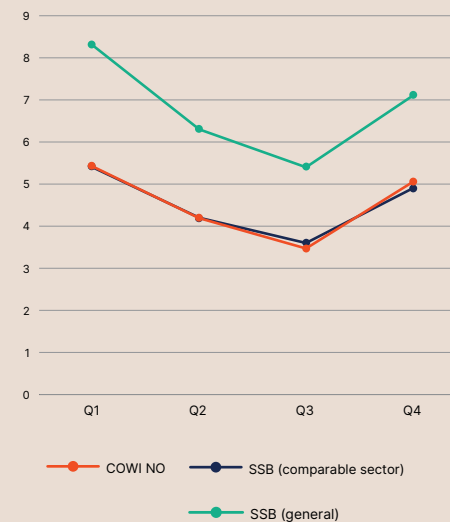
COWI works tirelessly and systematically to create healthy and safe workplace environments for our employees. We do this by setting yearly occupational health and safety objectives with clearly defined actions and methods of measuring success, followed up on throughout the year.

Our strong collaboration between management and occupational health and safety representatives is headed by the Work Environment Committee. We also have our own AKAN committee that facilitates our alcohol, drug and addiction policy at work. To safeguard our employees and workspace, all managers and occupational health and safety representatives complete role-specific occupational health and safety courses. 25 leaders and seven occupational health and safety representatives conducted an occupational health and safety course in 2022.

In addition to our preventative practices, risk reduction and protective gear/practice policies, we follow up on all risk-exposed employees with medical examinations to ensure their safety and health. We continuously assess and improve these processes, including workplace environment surveys and our workplace safety round.

We continuously monitor our sick leave, and work strategically based on these insights. Sick leave is measured comparable to official statistics in Norway (SSB) and ended up at a 4.51 per cent of total hours in 2022, an increase when compared to 2021 (3.41 per cent). In the first quarter of 2022, society came out from their home-offices after the pandemic, and sickness increased in the population. We also see the same increase in the curve for last quarter when the flu and new waves of COVID hit. There are also long-term effects after the pandemic, including psychological health issues, that are assumed to have a contributing cause in general.

Despite this increase, COWI has remained below or followed the industry average in Norway, and we continue to work systematically on decreasing the sick leave. A key part of this are our managers, who work proactively and closely follow up on sick employees supported by a specialised sick leave system. We also boost our work with well-being and stress prevention.



Sick leave compared to official statistics Norway. SSB values are of the industry sector within which COWI is: '68-75 Teknisk tjenesteyting' – private sector, for an accurate comparison. The numbers are published quarterly. The sickness absence percentage is defined by Statistics Norway as:  $\text{Sickness absence percentage} = (\text{sickness absence days} \times 100) / \text{agreed days' work}$



# Well-being promotes performance

## Well-being and health benefits

At COWI, we believe that well-being promotes performance, and performance promotes well-being. That is why we strive to be the most collaborative and friendly workplace among our peers and that our employees are happy coming to work, feel motivated and connected to others. 82 per cent answered highly favourably to questions about their well-being in our annual workplace environment survey. Various activities like the well-being week with different activities was held in August and it resonates well with our value "We care".

We had 326 employees who received flu vaccinations in 2022. Educating our managers on workplace-related stress through webinars and well-being workshops has been important, especially to prevent long term sick-leave. Our 50+ age employees are invited bi-annually to a medical health check, and 199 employees took advantage of this benefit in 2022. We also support our employees' well-being through our

occupational health service (BHT) and a wide range of offers through our health insurances, including ergonomically and physical support to medical and psychological care.

## Networking, social and sports events bring us together

We actively encourage and support having fun with colleagues and connecting through different communities at COWI. Coming out of the pandemic we clearly saw the benefits for all employees in having an increase in social activities and we had a lot of gatherings where employees could connect and increase their networks. We invest in and value many activities like a social onboarding environment for young people in COWI and corporate sports and activity teams are locally present in various COWI offices across the country. They have been truly active, focusing on physical meeting points and a breadth of offers from football and yoga to theatre and kiting.



# Leadership enables the future-now strategy

We made significant increase in investment in developing leaders, improving internal mobility and building our technical skills through formalised training in 2022.

We believe that leaders are key to attracting and holding on to talent, so we designed a leadership training model that defines desired leadership behaviours for each leadership level. These international leadership development courses help create traceability of how strong our leadership pipeline is. More than 60 of our leaders in Norway completed targeted training in 2022, such as the Leading Others course or Onboarding course for new leaders as well as Operational Excellence training for line managers or Recruitment training for hiring managers.

In addition to the more standardised programmes, we facilitated management development and skills enhancement according to current needs and focus. This was done via regular manager webinars, network gatherings for leaders and the development of tools for manager support, and we have also incorporated diversity and inclusion as a theme in our leadership development initiatives. Our top management teams have been through a process of effective leadership teams training this year, continuing in 2023.



## Continuous competency development

Systematic strategic competency planning is vital to operationalise our FUTURE-NOW strategy. Holding on to talents in a job market that is short on engineering candidates in years to come, developing our employees is core. Our career system is a dynamic and flexible setup that highlights career opportunities at COWI and shows the many paths employees can take to develop professionally and personally, moving between the career tracks Business development, Professional and specialists, Project management and Line management. We work according to a learning philosophy that most of the learning takes place at work in the many projects we have going on at any given time. In addition, our employees develop through our COWI Academy. COWI Academy is our

internal development platform offering a wide range of courses in areas such as project management (four levels), discipline management, personnel management, HSE, risk management, diversity and inclusion, digitalisation, customer centricity, specific courses for various subjects, immersion in English etc.

In 2022 a total of 1,308 employees took part in various e-learning courses, and of those, 369 took part in courses with an instructor.

At COWI, our global and exclusive talent programme ACCELERATOR brings together our most talented employees for an 18-month business-driven 'action learning' programme. In 2022, we also launched the mentoring programme COWI Connect for all employees regardless of career track, professional track, age or seniority.



# Governance

To execute our business strategy successfully, we continuously develop and strengthen our organisation and the way we work.

A cornerstone in our approach to sustainability and corporate responsibility is to maintain focus on where we do business and with whom.



We strongly believe and prove every day that it is possible to achieve success without accepting or engaging in any form of corruption. We have a business integrity policy to support this belief, which states that: "We will not in our services or in any other activity, directly or indirectly, accept bribery, extortion, fraud, collusion or any other undue business activity."

COWI is required to implement business integrity management. This should be done in accordance with the FIDIC Code of Ethics, COWI's business integrity policies and guidelines, and the laws applicable in Norway and the countries of operation. At COWI, we believe that adopting good governance, transparency and accountability into day-to-day business is the best way to prevent corruption.

## **Risk management and transparency**

As part of our risk management system, twice a year, COWI reviews an internal list of countries that we define as high-risk areas in terms of concerns related to personal security or business climate, the latter taking point of departure in the Transparency International Corruption Perceptions Index. We apply enhanced risk management if, exceptionally, a project is carried out in one of those places.

## **Whistle-blower scheme**

COWI's whistle-blower scheme invites employees and other stakeholders to report anonymously on several different matters, including violations of law and breach of our business integrity policy, code of ethics and internal policies. It is important that our employees have a joint understanding of our business integrity policy and are familiar with COWI's whistle-blower

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**At COWI, we believe that adopting good governance, transparency and accountability into day-to-day business is the best way to prevent corruption.**

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scheme, which can help the business and prevent future offences and unethical behaviour.

An updated whistle-blower guideline was published in January 2022, making the scope of the scheme even clearer, as well as emphasising that COWI's whistle-blower scheme invites its employees as well as partners and other stakeholders to report anonymously on matters within its scope, including violation of law and breach of our business integrity policy, FIDIC's Code of Ethics and internal policies.

In 2022, four cases were reported through the whistle-blower scheme in the COWI group. All reports are handled and investigated by the COWI Group Compliance Manager in a confidential manner to the

maximum extent consistent with a thorough and complete investigation. The type and severity of incidents reported through the whistle-blower scheme are assessed by the Executive Board and reported to the Board of Directors.

## Third-party due diligence

Our third-party due diligence tool is used for a mandatory screening and evaluation of all new customers and partners. This is to ensure a fact-based assessment of any legal and reputational risks. 2022 was the first full calendar year that COWI's third-party due diligence screening was mandatory for new customers and partners.

Third-party due diligence in COWI comprises continuous life-cycle tracking of our customers and project-related partners, from onboarding to termination, through perpetual electronic screenings and evaluations against a global regulatory information database provided by our screening tool vendor.

Screening parameters span a broad variety of business integrity-related matters and provide COWI with an effective basis for choosing whom to engage in collaboration with. Depending on database findings and individual evaluation of these by the Group Compliance Manager, each individual customer and project-related partner will be assigned a certain risk level, which is part of COWI's individual project risk screening.

## Aiming to increase awareness of anti-corruption in COWI even further, we will strengthen internal communication related to business integrity training during 2023.

### Business integrity training

Our triennial business integrity training, which comprises cases and dilemmas on various relevant subjects, including how to identify corruption attempts and handle conflicts of interest, was made mandatory in 2022. Aiming to increase awareness of anti-corruption in COWI even further, we will strengthen internal communication related to business integrity training during 2023.

### Cyber and information security

In recent years, several major cyberattacks have been launched against companies around the world, and there is an increase in attacks where ransomware and financial gain are the key drivers.

As a global company, we are exposed to several different threats: ransomware attacks, data exfiltration, social engineering and more. We mitigate threats through several initiatives, which are continuously assessed and prioritised with the aim of lowering our risk exposure.

Our security control environment is defined by policies, guidelines, internal processes and organisational structures, which provide the basis for carrying out internal controls across our organisation. Our information and communication systems are designed to meet the requirements of our customers and international standards such as ISO 27001.

Control activities include preventive and detective controls, general IT controls, IT application controls and information security controls, such as segregation of duties and physical security. Controls are tested on an ongoing basis for compliance and improvements where relevant.

To maintain a high level of security, we will continue to assess and invest in the information security area.

### Data ethics

At COWI, we commit to using and processing data in an ethically acceptable way in all aspects of our business. Our work with data ethics is governed by

our data ethics policy, as well as our internal policies and standard operating procedures.

Our current policy, approved by the Executive Board of COWI Holding A/S in January 2022, is available at [data-ethics-policy](#). Our data ethics policy is evaluated on an annual basis, and it was not assessed that an update was necessary during 2022.

The policy describes our four key principles that guide our work on data ethics:

- i. trust – between COWI and our customers, employees and other stakeholders
- ii. integrity – in our use and processing of data, which can never compromise the fundamental rights, freedom and safety of an individual
- iii. transparency – around the principles of storage, use and processing of data to our employees, customers and other stakeholders to ensure their continuing confidence in COWI and cooperation and disclosure of our data when needed
- iv. security – following the principles of ISO/IEC 27001, securing compliance with both information security and data protection requirements and minimising data breach risks by storing data securely.

Several policies support the data ethics policy, such as a personal data protection policy, a business integrity policy and an IT security policy.

In 2022, work to produce training material on data ethics began, and the work will continue in 2023 with the aim of incorporating this material into mandatory training for all employees.





# Financial statements 2022



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# The Board of Directors' Report





COWI AS is a subsidiary solely owned by COWI Holding A/S (Denmark) and a part of the COWI Group. The Norwegian sister company Arkitema Architects AS is also owned by COWI Holding A/S. COWI AS held 100 per cent of the shares in the subsidiary Aquateam COWI AS located in Norway. The main part of COWI's activity in Norway is carried out by COWI AS

In 2022, COWI AS achieved a profit before tax of NOK 156.7 million. Turnover ended at NOK 2,208 million. The company has maintained good momentum from 2021 and has had a strong focus on project execution and value creation with the customers. Organisational adjustments led to improved operations in 2022 as well.

## The company

COWI AS is a leading engineering and consultancy company. The solutions COWI provide will be based on integrated advice in the cross field of technology, environment and social planning. Through integrated consultancy, the company contributes to fulfilling the ambition of green solutions and increased value creation for customers, society and end consumers.

COWI AS emphasises active participation in the strategic focus areas of the COWI Group. This leads to better insight and makes the company more attractive as a partner for customers and, not least, as an employer in a tough labour market. An extensive collaboration between the more than 7,500 employees in the COWI Group strengthens the services provided to the Norwegian market by enabling the company to offer the right combination of expertise for the individual project at any time. Many projects have been won as a result of good cooperation across the COWI Group.

COWI AS offers consulting and engineering services through the following global market sectors:

- Sustainable energy
- Large buildings
- Climate adaptation and water
- Large infrastructure.

In addition to larger office locations in Oslo, Fredrikstad, Trondheim and Bergen, COWI AS has several smaller and medium-sized offices around the country. A decentralised presence with 21 offices creates proximity to the local markets while at the same time providing the overall capacity and expertise to cover the largest project tasks. Also, in 2022, the company has focused on the mobility of employees and that resources are used in projects in other geographical areas than where they are primarily based. This provides the desired flexibility and robustness. The company is also actively seeking a good local market basis to create profitability.

## Review of 2022

Through 2022, we have seen an increased normalisation of society after two years of pandemic and lockdowns. This has meant that we have focused on additional social gatherings and events to reignite the connection among our people.

The management team has also prioritised visiting the local offices to engage with the employees. Among the learnings from COVID-19 are, however, to reduce travel activities and choose carbon-friendly options when travelling. We have set targets for reducing our carbon footprint.

2022 has also been defined by global turmoil due to the war in Ukraine and disruptions in energy supply chains. We have navigated well through these

conditions and managed to handle the extraordinary inflationary pressure in good dialogue with our customers and partners.

We have increased our turnover in 2022 and, at the same time, increased the order backlog. Our focus on renewable energy over the past years culminated in the signing of a service agreement with Equinor on their transition towards decarbonisation. We have won several framework agreements within renewables and carbon capture projects.

The war for talent drives a higher attrition rate. In addition, our strategy requires us to lead our business differently alongside hybrid workplaces and newer generations entering the workforce. Leadership development has, therefore, been a core focus area in 2022, and a new leadership training programme has been developed. We already see an effect of this initiative through a lower attrition rate than the industry average.

COWI is back in its historic top position as an attractive employer among senior engineers. In Universum's survey for 2022, we move up two places – and as many as eight places among female senior engineers.

## Operation

In 2022, COWI AS achieved a total operating income of NOK 2,208 million (2021: NOK 2,024 million). The operating profit ended at NOK 151.9 million (2021: NOK 126.0 million). Profit before income taxes was NOK 156.7 million and NOK 120.4 million after tax.

In the opinion of the board and the administration, the presented profit and loss account and balance sheet with notes provide true and fair information about the operation and the company's position at the end of

the year. The board is not aware of conditions that could affect the assessment of the company beyond what appears in the accounts.

Apart from the subsidiary Aquateam COWI AS, no significant own research and development are carried out according to the accounting definition. There is, however, ongoing innovation work in the day-to-day operations through the projects, and the company is continuously working on smarter and more efficient solutions for its customers.

The COWI Group has lease agreements for all premises in Norway and therefore does not tie up any capital in real estate in Norway.

## Cash flow

Cash flow from operating activities was net positive with NOK 194.3 million (2021: NOK 185.2 million).

Cash flow from investment activities amounted to a net negative NOK 126.2 million (2021: a negative NOK 80.6 million). The change towards 2021 was primarily related to increased receivables from the parent company because of increased balances in the group cash pool account. Total investments in operating assets and intangible assets amounted to NOK 34.9 million. The amount mainly consists of investments linked to computer equipment (hardware and software), inventory and building adaptations.

COWI AS has NOK 401.0 million on account in a Norwegian bank linked to a group cash pool arrangement with COWI Holding A/S (DK) as the main owner.

COWI AS has no long-term interest-bearing debt. As usual, provisions have been made for risks related to complaints and customers.

COWI AS is, to a lesser extent, exposed to interest rate, currency or other financial risks. The board and management are concerned with improving the company's liquidity and work continuously with this and ongoing risk control. The group's total liquidity and financial preparedness are taken care of by COWI Holding A/S.

## Equity

COWI AS's equity share was per 31.12.2022 of 20.1 per cent (31.12.2021: 20.0 per cent). We comply with all obligations towards the Group's bank connection.

## Continued operation

In accordance with the Accounting Act, the Board of Directors confirms that the assumption of continued operation has been taken as a basis for the preparation of the annual accounts. The assumption is based on a healthy economic and financial position, the budget for 2023 and previously mentioned long-term strategic plans and targets. Through 2022, COWI AS also managed well through the COVID-19 pandemic. Challenges related to the pandemic and production were handled well.

## Organisation and work environment

As of 31 December 2022, COWI AS has 1,412 employees, including those on leave, and a total of 1,371 full-time employees.

During 2022, 241 people were employed, while 145 left. The corresponding figure for 2021 was the employment of 150 people, while 163 left.

Sickness absence was 4.5 per cent in 2022 (2021: 3.4 per cent), of which 2.1 per cent (2021: 1.8 per cent) constituted long-term sickness absence for the company.

In 2022, COWI AS had a total of 23 accidents or almost accidents, with 5 and 18, respectively. These incidents are reported as deviations and followed up as HSE incidents with corrective and preventive actions.

COWI AS conducts its business on modern premises with contemporary aids. Throughout the year, there has been good cooperation with the employees and their organisations. Based on this and ongoing feedback from systematic employee surveys, the working environment is considered as good.

## Transparency act

COWI AS will publish a statement in line with the requirements of the Transparency Act. The report will be updated annually and be available to the public on our website, [www.cowi.com](http://www.cowi.com)

## Environmental report

COWI AS does not have any production that pollutes the external environment but is aware that our type of knowledge-based company also indirectly affects the environment and, therefore, closely monitors matters related to internal environmental work. COWI works dedicatedly towards becoming carbon neutral. In 2021, this was achieved through quota purchases, while the ambition for 2030 is to reduce the carbon footprint by 70 per cent compared to the 2008 level and to be climate neutral by 2050. Almost half of the reduction will be realised through less travel activity.



COWI offers many services within innovative energy solutions for buildings and complex functional buildings. Climate accounting from a life-cycle perspective and reuse discussions characterise the industry. We work closely with our own architects in Arkitema and others to investigate how, for example, we can reuse larger construction elements. Within sustainability, we also provide advice for customers who are increasingly requesting this.

In other professional areas, COWI's contribution to an improved energy mix in society is paramount. We have special expertise in carbon capture and storage, offshore wind turbines and green mobility. COWI's international business has worked on projects that are considered world leaders in offshore wind.

## Certifications

COWI AS is certified according to ISO 9001:2015 Management system for quality and ISO 45001:2018 Management system for working environment. Our integrated management system COWI Gateway undergoes annual external audits from DNV and is part of a common COWI Group certificate.

In addition to ISO 9001:2015, COWI AS has central approval for the professional disciplines that are relevant. Central approval is a voluntary quality scheme that describes professional competency, routines for quality assurance and seriousness. The approval scheme sets requirements for quality assurance routines for all the professional disciplines to which it applies and seriousness through, among others, the payment of taxes and fees.

COWI AS is certified according to the Norwegian scheme Eco-Lighthouse. In 2022, the criteria were updated, and COWI AS participated in a pilot project

## COWI sees diversity in the organisation as a value, considering that different perspectives, experiences and characteristics contribute positively to our competency and opportunities to solve tomorrow's projects.

for their introduction. Eco-Lighthouse requires continuous measurement of the parameters of carbon emissions, energy consumption and waste. Being certified by Eco-Lighthouse means that the business works systematically with the external environment and working environment and identifies and handles the most important environmental aspects of the business. In addition, each project must appoint an HSE manager. The new criteria for Eco-Lighthouse coincide to a greater extent than previously with requirements in ISO 14001:2015 Management system for the environment. The Eco-Lighthouse certificate is only available to Norwegian businesses. Regarding cooperation across the COWI Group, ISO 14001:2001 is the right certificate for COWI AS going forward. Based on this, the goal is for COWI AS to be certified according to ISO 14001:2015 in 2023.

## Diversity and equality

COWI AS strives to be a diverse and attractive workplace where employees can experience being themselves and where mutual tolerance and respect are central. We are concerned that our employees should have equal opportunities for employment,

promotion and development regardless of gender, ethnicity, religion, spirituality, functional ability, sexual orientation, gender identity, gender expression, age and any combination of these. COWI sees diversity in the organisation as a value, considering that different perspectives, experiences and characteristics contribute positively to our competency and opportunities to solve tomorrow's projects. In this way, COWI AS believes that we can best relate to and serve a market with different projects, customers and customer interests.

The work with diversity, equality and non-discrimination is rooted in the company's various strategies, tools and guidelines. The work to determine ambitions, targets and measures was reviewed by the company's Board of Directors at the beginning and end of the year. Targets and measures in the diversity and equality work are informed about in the Working Environment Committee (Arbeidsmiljøutvalget) and the Cooperation Committee (Samarbeidsutvalget). COWI's internal guidelines on diversity, equality and non-discrimination are included in our staff handbooks. In 2022, COWI implemented updated guidelines on protection against harassment and discrimination ("Group Policy Harassment").

## Gender distribution in the business

As of 31 December 2022, the percentage distribution of female and male employees in the company was 33 per cent women and 67 per cent men. The proportion of females in management positions is 35 per cent, a proportion that has increased a great deal in the past year. Specific targets are set to further increase the proportion of females across all career tracks, from line management to project management. Of the company's management team, 43 per cent are female.

Year	Share of females in the company		Share of males in the company		Total
2020	406	30%	933	70%	1,339
2021	407	31%	922	69%	1,329
2022	459	33%	953	67%	1,412

Year	Share of females in management positions		Share of males in management positions		Total
2020	26	25%	79	75%	105
2021	30	27%	82	73%	112
2022	42	35%	77	65%	119

\*Definition of management positions is head of sections with personnel responsibility (including support functions)

Below is a detailed overview of the gender balance from our career system as of 31 December 2022:

Career level	Share of females		Share of males		Female share in mgmt 8-10
10:	3	15.8%	16	84.2%	27%
9:	18	24.7%	55	75.3%	
8:	42	29.0%	103	71%	
7:	32	25.0%	96	75%	
6:	69	23.9%	220	76.1%	
5:	101	34.8%	189	65.2%	
4:	111	40.7%	162	59.3%	
3:	73	40.6%	107	59.4%	
2:	10	71.4%	4	28.6%	

\* Share of females in management positions across career tracks. The share comprises project directors, market directors and other similar roles in the company.

## Recruitment, promotions and gender distribution in management

The overall ambition of COWI AS is to have a 40 per cent proportion of women in the company. At the same time, we are working towards a target of having as high a proportion of women in management positions (across career tracks) as in the rest of the company. This proportion of females was 27 per cent at the end of the year compared to 24 per cent in 2021.

To succeed with a higher proportion of women both at management level and in the company in general, we have focused on attracting more female employees. We have increased awareness at management

level and challenged each other to spend time in the recruitment processes to ensure a wide spectrum of candidates. Going forward, we are continuing the work with further measures and specific targets for the organisation. In 2022, we employed 44 per cent women and 56 per cent men, compared to 30 per cent women and 70 per cent men in 2021. This shows that the work effort is yielding positive results. To continue the good trend, we must take further measures, such as focusing on recruitment processes, talent development and retention of employees.

Some of the measures we have continued from previous years or implemented in 2022 are:

- HR and recruitment functions work continuously to raise awareness of unconscious bias and preferences in recruitment and promotion processes.
- A balanced candidate list is prepared to focus on gender balance and profiles that bring diversity to the recruitment process.
- Conscious work with job advertisements to ensure gender-neutral wording, use of images and explicitly highlight the focus on diversity in the advertisements.

Other analyses and measures that have been continued or implemented to promote equality and prevent discrimination in 2022:

In COWI's annual employee survey (Puls), 89 per cent of respondents believed that all COWI employees have the same opportunities for career development regardless of gender and ethnicity. We work actively to promote equality in connection with development opportunities and promotions, including through measures such as:





- A strong focus on diversity in career and succession plans
- Separate mapping of women and balanced representation in our career and talent development programmes
- In our start-up programme for new employees (COWI Start), there has been a focus on having both female and male presenters with different international backgrounds.

Diversity and inclusion were high on the management's agenda in 2022 as well, with a focus on unconscious bias and preferences, targets and measures:

- Including targets on gender diversity in the template for a personal development plan for managers.
- Diversity and inclusion have been the subject of various management webinars and other management information to increase competency and continuously raise awareness.
- Prepared revised guidelines for internal dining in the company with a particular focus on the importance of inclusion via the food and beverages offered on various occasions.
- In the employee survey, several questions about diversity and inclusion were implemented.
- Prepared handbook for inclusive language, launched in connection with the celebration of Pride 2022.

## Parental leaves, temporary employment and part-time

	Females	Males	Total
Temporary employees	0.14%	0.21%	0.35%
Actual part-time	3.3%	4.0%	7.3%
Involuntarily part-time	-	-	-
Average number of weeks of parental leave	24 weeks	14 weeks	

\*As a main rule, we only hire employees in 100 per cent positions and focus on the needs our employees have throughout their working life. Hence, we facilitate reduced positions in the transition to age retirement, during periods with small children or other needs the employees may have. This is also part of our senior employees' policy, where we focus on keeping the seniors' participation in the workforce. From 2023, in line with new legislation, we have introduced new routines where we document the reason for signing part-time contracts.

COWI wants to actively promote diversity, avoid unconscious discrimination and retain employees through periods in their lives when they have small children. We facilitate for employees of both genders to be able to take the desired parental leave. As a part of this, we pay full salary during the absence in connection with childbirth (two weeks). COWI also pays full salary during parental leave. In 2022, we removed the condition of six months' previous employment linked to this privilege. In 2022, we implemented a guide for managers, including information about facilitation possibilities for pregnant women and follow-up of employees on leave, focusing on ensuring a successful transition back to work.

### Facilitation of work-life balance

In addition to decent arrangements relating to leave, pregnancy, doctor consultations etc., COWI has, by agreement with the employee representatives, arranged a flexible working time arrangement with an average calculation of the working time. This gives the employees flexibility to decide when the work is carried out and take time off for any additional work. In 2022, COWI also introduced a fixed arrangement for home offices where employees can choose to work from home offices up to two days a week in accordance with individual agreements. The arrangement eases the logistics and everyday stress for many and thus makes it easier to combine work with family life.

### Equal pay for equal work

It is the individual employee's position, level of competency, level of experience, effort and achievements that determine the salary level at COWI. The criteria used to assess salary level are based on the work of a salary committee with participants from management and employee representatives. All employees, including employees on parental leave, are included in the assessment at the annual salary adjustments. Prior to salary adjustment, an analysis of the salary level in the company is made internally, which is compared with industry statistics (RIF). The company negotiates salary frameworks with the local trade unions Tekna and NITO. In collaboration with employee representatives, COWI decided that for the salary settlement in 2022, a separate pot should be set aside to adjust any gender-related salary biases. All personnel managers then had to assess their own unit about equal pay related to gender to adjust.

Year	Female fixed salary vs average fixed salary	Male fixed salary vs average fixed salary
2020	93%	103%
2021	93%	103%
2022	94%	103%

The next table shows the average fixed salary for women and men at various existing job levels at COWI in 2022. The grouping is determined according to a reasonable division in relation to which positions are included in the various groups so that we measure equal work and work of equal value. The gender differences have been equalised to a somewhat greater extent, but women are still somewhat behind men in salary. Women have, on average, a somewhat lower age and seniority in the company, which may help to explain the differences in salary level.

Career level	Fixed salary for females vs average fixed salary for this career level	Fixed salary for males vs average fixed salary for this career level
LEVELS 9-11	94%	102%
LEVELS 5-8	96%	101%
LEVELS 2-4	99%	101%



## Board of directors

The work and tasks of the Board of Directors follow from the Companies Act, the articles of association, board instructions and the at all times agreed working arrangements between the board members. Among others, the Board of Directors' task is to determine overall targets and strategies, approve budget and authority frameworks, process and approve annual and interim accounts and approve major investments and changes in COWI AS's organisation and operations. Standard board liability insurance has been issued for the board members and the CEO to cover their possible liability towards the company and third parties. The insurance is part of a joint agreement for the COWI Group.

## CEO

The day-to-day administration is handled by the Chief Executive Officer in accordance with the Board's decisions and instructions. The CEO works closely with the Chairman of the Board of Directors and keeps the Board continuously informed about COWI AS's operations and development. The CEO and the rest of the management have regular joint meetings to set measures and decisions about daily operations and to decide the frameworks and plans for the business going forward.

## Management

At the end of 2022, the following people have formed the management of COWI AS:

- Chief Executive officer Marius Weydahl Berg
- Chief Financial Officer Azib Banaras

- Senior Vice President Birgit Farstad Larsen
- Senior Vice President Jørn Christen Johnsen
- Senior Vice President Jesper Asferg
- Technical Director Ebbe Lind Kristensen
- Market Director Kirsti Engebretsen Larssen
- People and Communication Manager Annette Dahl Franck

With effect from January 2023, Birgit Farstad Larsen was appointed CEO as the successor for Marius Weydahl Berg, who joined the COWI Group's Executive Board.

## Subsidiary

COWI AS has the following subsidiary with 100 per cent of the shares:

- Aquateam COWI AS

## Outlook for 2023

The market outlook at the start of 2023 is positive. Competition remains fierce, and market consolidation is expected to continue. Many of our customers have clear climate ambitions to support the national targets in the Paris Agreement. The green transition provides market opportunities, which are expected to offset price pressure in other areas. Despite uncertainties around the global economy and energy disruptions, the Board of Directors expects a further improvement in the results for COWI AS in 2023. With the outset in an excellent order backlog, we foresee profitable growth with a focus on increased customer value proposition, sustainability and digitalisation.

## Allocation of the annual result

COWI AS's annual result for 2022 is a profit of NOK 120,403,299, which the Board of Directors proposes to allocate as follows:

To dividend	107,000,000
Transfer to other equity	13,403,299
<b>Total allocated</b>	<b>120,403,299</b>

Oslo, 16 February 2023  
Board of Directors - COWI AS

  
**Jens Højgaard Christoffersen**  
Chairman of the Board

  
**Natalie G. Shaverdian Riise-Knudsen**  
Board member

  
**Rasmus Ødum**  
Board member

  
**Birgit Farstad Larsen**  
Chief Executive Officer

  
**Kristine Borgersen**  
Board member

  
**Lars H. Hamre**  
Board member

  
**Bjørn R. Lindholt**  
Board member



# **Financial accounts**





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## Profit and loss account

NOK '000	COWI AS		
	Note	2022	2021
Net sales	1, 2	2 207 522	2 023 806
Other operating income	1	529	0
Total operating income	1, 2	2 208 051	2 023 806
Expenses for sub-contractors and disbursements	2	297 985	256 882
Personnel costs	3, 4	1 446 919	1 346 488
Amortisation/depreciation	5, 6	21 936	25 130
Other external expenses	2, 3, 6, 7	289 355	269 326
Total operating expenses		2 056 195	1 897 826
<b>Operating profit (EBIT)</b>		<b>151 856</b>	<b>125 980</b>
Net financial items	8	4 859	(873)
<b>Profit before income taxes</b>		<b>156 714</b>	<b>125 107</b>
Tax on profit for the year	9	36 311	30 132
<b>Profit for the year</b>		<b>120 403</b>	<b>94 975</b>
<b>Allocation of profit for the year</b>			
Transferred to other equity		13 403	9 975
Dividend		107 000	85 000
<b>Total allocated</b>		<b>120 403</b>	<b>94 975</b>

## Balance sheet

at 31 December

NOK '000	COWI AS		
Assets		2022	2021
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Software	5	621	1 323
Software under construction	5	14 274	5 643
Goodwill	5	9 404	17 830
Deferred tax assets	9	5 507	5 743
<b>Total intangible assets</b>		<b>29 806</b>	<b>30 539</b>
<b>Tangible fixed assets</b>	<b>6</b>	<b>39 152</b>	<b>26 544</b>
<b>Financial assets</b>			
Investment in subsidiaries	10	200	1 704
Investment in associates and joint ventures	10	225	786
Other non-current financial assets		217	262
<b>Total financial assets</b>		<b>642</b>	<b>2 752</b>
<b>Total non-current assets</b>		<b>69 600</b>	<b>59 835</b>
<b>Current assets</b>			
<b>Contract work in progress</b>	<b>11</b>	<b>112 983</b>	<b>45 728</b>
Accounts receivable	12	242 635	344 250
Receivables group companies	12	415 436	320 770
Other current receivables		29 828	33 545
<b>Total receivables</b>	<b>13</b>	<b>687 900</b>	<b>698 565</b>
<b>Total current assets</b>		<b>800 882</b>	<b>744 293</b>
<b>Total assets</b>		<b>870 482</b>	<b>804 129</b>

## Balance sheet

at 31 December

NOK '000	COWI AS		
Equity and liabilities		2022	2021
<b>Equity</b>			
Share capital	14, 15	23 200	23 200
Share premium account	15	2 694	2 694
Other equity	15	148 678	135 275
<b>Total equity</b>	<b>15</b>	<b>174 572</b>	<b>161 169</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Other provisions		2 078	1 358
<b>Total non-current liabilities</b>		<b>2 078</b>	<b>1 358</b>
<b>Current liabilities</b>			
Contract work in progress, advance invoicing	11	37 956	44 244
Accounts payable, suppliers	12	59 342	63 247
Payable company tax	9	36 057	28 719
Public duties payable	16	222 162	222 628
Dividends payable	15	107 000	85 000
Current liabilities group companies	12	31 740	14 812
Project-related provisions	11	4 884	1 810
Other current liabilities	17	194 691	181 142
<b>Total current liabilities</b>	<b>13</b>	<b>693 832</b>	<b>641 601</b>
<b>Total liabilities</b>		<b>695 910</b>	<b>642 960</b>
<b>Total equity and liabilities</b>		<b>870 482</b>	<b>804 129</b>

Oslo, 16 February 2023  
Board of Directors - COWI AS

  
Natalie G. Shaverdian  
Riise-Knudsen  
Board member

  
Jens Højgaard  
Christoffersen  
Chairman of the Board

  
Rasmus Odum  
Board member

  
Kristine Borgersen  
Board member

  
Lars H. Hamre  
Board member

  
Bjørn R. Lindholt  
Board member

  
Birgit Farstad Larsen  
Chief Executive Officer



## Cash flow statement

NOK '000	COWI AS	
	2022	2021
Profit before income taxes	156 714	125 107
Income taxes paid during the period	(28 737)	(35 154)
Profit(-)/loss(+) at disposal of fixed assets	(343)	61
Depreciations	21 936	25 130
Changes in contract work in progress	(67 255)	53 375
Change in accounts receivable, services	95 327	(33 333)
Change in accounts payable, suppliers	(3 630)	15 128
Other non-cash profit and loss items	20 318	34 485
Write-down investment in subsidiaries	0	433
<b>Cash flow from operating activities</b>	<b>194 333</b>	<b>185 231</b>
Change in deposits, group cash pool account	(93 325)	(58 915)
Payment from sale of tangible fixed assets	570	696
Payments on aquisition of tangible fixed assets	(25 725)	(12 577)
Payment on aquisition of intangible fixed assets	(8 824)	(3 973)
Net payment on receivables, group companies	(1 342)	(5 781)
Payment from sale of shares	2 383	0
<b>Cash flow from investing activities</b>	<b>(126 261)</b>	<b>(80 550)</b>
Payment debts to group companies	16 928	(15 234)
Distributed dividend to COWI Holding A/S	(85 000)	(90 000)
<b>Cash flow from financing activities</b>	<b>(68 072)</b>	<b>(105 234)</b>
<b>Cash flow for the year</b>	<b>0</b>	<b>(553)</b>
Cash, beginning of year	0	553
<b>Cash, end of year</b>	<b>0</b>	<b>0</b>
Other available liquidity:		
Deposits, group cash pool account	401 037	307 713

The cash flow statement cannot be directly derived from the balance sheet and the profit and loss account.

## Notes

### General accounting policies

The annual report has been prepared in accordance with the provisions of the Norwegian Accounting Act and the generally accepted accounting principles, including the Norwegian Accounting Standards.

#### Estimates

Preparation of financial statements in accordance with the Norwegian Accounting Act requires the use of estimates.

#### Investments in subsidiaries and associated companies

Subsidiaries are enterprises where the parent company exercises a controlling interest in the financial and operational strategy, normally by owning more than half of the voting rights. Enterprises in which the Group holds 20 to 50 per cent of the voting rights and exercises a significant but not controlling interest are treated as associates. The listed enterprises are part of the Group at 31 December:

	Share of ownership	Acquired
Parent and subsidiary companies: COWI AS (parent) Aquateam COWI AS	100%	2016
Associated companies: Team Urbis AS	22.5%	2017

Consolidated accounts have not been prepared for 2022, ref. Norwegian Accounting Act §3-7, since COWI AS is a subsidiary of COWI Holding A/S. The consolidated accounts will be available at [www.cowi.com](http://www.cowi.com) or by contacting COWI Holding A/S, Parallelvej 2, 2800 Kongens Lyngby, Denmark.

#### Accounting policy for investments in subsidiaries and associated companies

Shares in subsidiaries and shares in associated companies are measured according to the cost method. The acquisition cost is adjusted when the parent company adds equity to the subsidiary through capital expansions or when a group contribution is made from the parent company to the subsidiary. Dividends/group contributions received are initially recognised as income, but only to the extent that the contributions do not exceed the share of earned equity in the ownership period. Dividends/group contributions received that exceed this amount entail a reduction in the acquisition cost. The parent company accounts for received dividends/group contributions in the same year that the subsidiary allocates the amount.

### Recognition of income, contract work in progress and guarantee responsibilities

The majority of the company's projects are remunerated as time and material projects, i.e. the income is taken into account in the same period the work is carried out. For projects based on a fixed price contract, the income is measured based on the stage of completion method. The stage of completion is measured by reference to the proportion that project expenses (cost) incurred for work performed to date bear to the estimated total project expenses (cost). The total cost is continuously reassessed. Where total project expenses are likely to exceed the total turnover from a project, the expected loss is recognised as an expense in the profit and loss account as soon as recognised. Based on the company's historical figures for warranty work, provision is made for the expected costs for future warranty work on completed projects.

### Recognition of balance sheet items

Assets intended for permanent ownership or use are recognised as fixed assets. Receivables are recognised as current assets if they are expected to be paid within one year. Analogous criteria are used for debt.

### Acquisition cost

Acquisition cost for assets includes the purchase price for the asset, with deductions for bonuses, discounts etc. and with deductions for purchase expenses.

### Impairment of fixed assets

If there is an indication that the balance sheet value of a fixed asset is higher than its fair value, a test for impairment is carried out. The test is carried out for the lowest level of fixed asset that can be identified as a cash-generating unit. If the balance sheet value is higher than both the sales value and recoverable amount (present value in case of continued use/ownership), a write-down is made to the higher of the sales value and recoverable amount. Previous write-downs are reversed if the prerequisites for the write-down are no longer present (except for previous write-downs of goodwill).

### Other investments in shares

Investment shares, where COWI AS does not have significant influence, are measured at the lower of historical acquisition cost and assumed fair value. Dividends received and other profit distributions are recognised as other financial income.

### Receivables

Accounts receivable and other receivables are measured at face value after deduction for provisions for expected losses. Specific provision for loss is made based on individual assessments of the single receivable. In addition, a general provision is made for the remaining accounts receivable to cover other potential risks of loss.

### Debt

Debts are measured at the nominal debt amount.

### Currency

Monetary items in foreign currency are converted into Norwegian kroner using exchange rates at the end of the financial year.

### Intangible assets and goodwill

COWI AS have activities related to own developed software for resale. The asset has been recognised in the balance sheet in accordance with the rules of own research and development.

Costs for other intangible assets are recognised in the balance sheet to the extent that the criteria for such registration are met. This means that such costs are registered in the balance sheet when and from the time it is considered probable that the future financial benefits associated with the asset will flow to the company, and the acquisition cost can be reliably measured. Intangible assets entered into the balance sheet are depreciated on a linear basis over their expected economic life.

Goodwill arises from the acquisition of an enterprise/subsidiary and will be amortised over its estimated economic life.

### Fixed assets

Fixed assets are measured at cost less accumulated depreciation and impairment losses if the expected life duration is more than three years and the acquisition cost exceeds NOK 15,000. Fixed assets are depreciated on a linear basis according to expected economic life. Maintenance of fixed assets is recognised as operating expenses in the profit and loss statement. Upgrades are added to the asset's cost price and written off in line with the asset. To determine whether a cost is to be considered as maintenance or upgrade, the condition of the equipment at the time of purchase must be assessed. The company's leasing agreements are assessed as operational. Annual leasing costs are recognised in the income statement.

### Pensions

The company's pension scheme is a contribution scheme where the company pays contributions to a privately administrated pension insurance plan on a contractual basis. COWI AS has no further payment obligations after the deposits have been paid. The deposits are recognised as salary cost, including employer's tax, when due. Deposits paid in advance are recognised as an asset (deposit fund) to the extent that the deposit can be refunded or reduce future payments. Accrued, unpaid premiums are accrued as liabilities at the end of the year.

### Tax

Tax in the income statement includes both the period's payable tax and changes in deferred tax assets. Deferred tax benefit is calculated at 22 per cent based on the temporary differences that exist between accounting and tax values, as well as any loss to be carried forward at the end of the accounting year. Tax-increasing and tax-reducing temporary differences that reverse or may reverse in the same period are reconciled. Entry of deferred tax benefits on net tax-reducing differences that have not been reconciled and losses to be carried forward is justified by assumed future earnings. Deferred tax and tax benefits that can be entered in the balance sheet are entered net in the balance sheet. Deferred tax benefit is calculated at nominal value.

### Cash flow statement

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term, liquid investments that can be converted immediately and with insignificant exchange rate risk into known cash amounts and with a maturity date shorter than three months from the date of acquisition.



## Note 1 Net sales and other operating income

COWI AS is operating within the business area engineering consultancy. The main geographical market is Norway. Other operating income relates to sales of fixed assets.

## Note 2 Related party transactions

Benefits to senior staff is specified in note 3 and group intercompany balances in note 12.

Significant transactions with related parties		2022	2021
<i>Sale of services</i>	<i>Related party</i>		
Engineering consultancy	COWI A/S (sister company DK)	29 088	26 870
Group services, administrative	COWI A/S (sister company DK)	23 604	19 785
Engineering consultancy	Other companies in the COWI Group	32 363	28 185
Group services, administrative	Other companies in the COWI Group	3 664	3 906
Engineering consultancy	Associated companies	70 482	66 956
<b>Total sale of services</b>		<b>159 199</b>	<b>145 701</b>

Services to related parties are sold at prices and terms that comply with the arm's length principle.

<i>Purchase of services</i>	<i>Related party</i>		
Engineering consultancy	COWI A/S (sister company DK)	65 185	58 673
Group services, administrative	COWI A/S (sister company DK)	120 673	138 497
Group services, administrative	COWI Holding A/S (parent company)	14 738	13 520
Engineering consultancy	Other companies in the COWI Group	38 511	26 547
Group services, administrative	Other companies in the COWI Group	13 554	3 710
<b>Total purchase of services</b>		<b>252 662</b>	<b>240 947</b>

Group administrative services consist of IT, HR, property administration, communication, courses, legal assistance, accounting, payroll and financial services as well as charging for the company's share of the group's cost for insurance, auditing and group administration. Services are purchased from related parties at prices and terms that comply with the arm's length principle.

## Note 3 Personnel costs, headcounts, remunerations etc.

Personnel costs	2022	2021
Salary	1 156 222	1 082 181
Employer's tax	162 605	151 565
Pension costs	91 715	86 210
Other benefits	36 377	26 532
<b>Total</b>	<b>1 446 919</b>	<b>1 346 488</b>

Headcounts employed	1 370,8	1 296,6
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Remuneration to senior staff	Chief executive officer	Board members
Salary and other benefits paid in 2022	4 110	0
Paid pension premium collective scheme	131	0
Board members' fee	0	120

In January 2023, Birgit Farstad Larsen took over as new CEO. If the CEO is dismissed by the company, she has an agreement for full salary for the first six months (notice period), then severance pay for the next six months. The company has a bonus scheme for senior staff. The bonus scheme also applies to the company's CEO. No loans/collateral have been given to the CEO, Chairman of the Board or other related parties.

Fees to auditor (excl. VAT)		
Fee, statutory audit	1 016	1 069
Fee, other services	228	136
<b>Total</b>	<b>1 244</b>	<b>1 205</b>

## Note 4 Pensions

COWI AS's pension scheme is a contribution scheme. The scheme meets the requirements of the Mandatory Occupational Pensions Act.

<b>Net pension costs</b>	<b>2022</b>	<b>2021</b>
Premium to contribution pension scheme, incl. employer's tax	91 715	86 210
Pension cost included in personnel costs	91 715	86 210

## Note 5 Intangible assets

	<b>Software</b>	<b>Own developed software</b>	<b>Goodwill</b>	<b>Total</b>
Cost at 31 December 2021	20 571	5 643	89 784	115 998
Additions	192	8 632		8 824
Disposals	(287)			(287)
Cost at 31 December 2022	20 476	14 274	89 784	124 534
Amortisation at 31 December 2021	19 248	0	71 954	91 202
Disposals	(274)			(274)
Amortisations of the year	882		8 426	9 308
Amortisations at 31 December 2022	19 855	0	80 380	100 235
Carrying amount at 31 December 2022	621	14 274	9 404	24 299
Economic life time	3 years	5 years	5-10 years	
Amortisation method	Linear	Linear	Linear	

Own developed software has expected total earnings that correspond to total expenses incurred.

### Goodwill specified per company acquired:

Skansen Consult Tromsø AS	merged into COWI AS	116
Skansen Consult AS	merged into COWI AS	3 641
Aquateam AS	merged into COWI AS	1 203
TDA Engineering AS	business transferred to COWI AS	3 248
AnkoNova AS	merged into COWI AS	1 196
Carrying amount goodwill at 31 December 2022		9 404

All goodwill items have an amortisation period longer than five years. This is justified by the fact that the company's historic experience indicates that the value of goodwill when taking over a business has an effect that extends beyond five years.

## Note 6 Tangible assets

<b>Cost at 31 December 2021</b>	<b>104 790</b>
Additions	26 054
Disposals	(13 688)
Cost at 31 December 2022	117 156
Depreciations at 31 December 2021	78 245
Disposals	(12 871)
Depreciations of the year	12 629
Depreciations at 31 December 2022	78 003
<b>Carrying amount at 31 December 2022</b>	<b>39 152</b>

Economic life time	3-10 years
Depreciation method	Linear

<b>Operational leasing/rental commitments split by period of termination:</b>	<b>Office equipment and vehicles</b>	<b>Premises</b>	<b>Total</b>
Commitment due < 1 year	3 608	64 573	68 180
Commitment due 1-5 years	4 167	181 952	186 118
Commitment due > 5 years	0	5 114	5 114



## Note 7 Other external expenses

	2022	2021
Rent, premises	84 203	81 525
Consultancy services, incl. services from group companies	10 929	21 389
IT costs	18 174	14 665
Allocated group costs, management and business support services	117 999	115 296
Travel costs	13 182	3 679
Guarantee and insurance costs	9 387	8 483
Other external costs	35 481	24 288
<b>Total</b>	<b>289 355</b>	<b>269 326</b>

## Note 8 Net financial items

	2022	2021
Other interest income	14	0
Interest, group companies	2 509	106
Other financial income	4 845	1 829
Dividend from subsidiary	-	400
<b>Total financial income</b>	<b>7 368</b>	<b>2 335</b>
Write-down, investment in subsidiary	35	433
Interest, group companies	7	2
Other interest expenses	38	27
Other financial expenses	2 430	2 747
<b>Total financial expenses</b>	<b>2 509</b>	<b>3 209</b>
<b>Total net financial items</b>	<b>4 859</b>	<b>(873)</b>

## Note 9 Tax

### Deferred tax assets and change in deferred tax assets

	2022	2021
<b>Temporary differences</b>		
Tangible assets and goodwill	(16 651)	(21 856)
Receivables	(7 410)	(8 589)
Account for deferred taxation of profit and loss	5 989	7 507
Provisions	(6 962)	(3 169)
<b>Base amount, deferred tax asset</b>	<b>(25 034)</b>	<b>(26 106)</b>
<b>Deferred tax asset, balance sheet</b>	<b>(5 507)</b>	<b>(5 743)</b>

### Basis for tax on profit for the year, change in deferred tax assets and payable company tax

Profit before tax	156 714	125 107
Change in differences that does not affect deferred tax	7 343	8 397
Permanent differences	910	3 445
<b>Base amount for tax on profit for the year</b>	<b>164 967</b>	<b>136 949</b>
<b>Change in temporary differences</b>	<b>(1 073)</b>	<b>(6 410)</b>
<b>Taxable income (basis for payable company tax, balance sheet)</b>	<b>163 895</b>	<b>130 539</b>

### Tax on profit for the year, profit and loss account

Payable company tax	36 057	28 719
Withholding tax abroad	18	3
<b>Change in deferred tax asset</b>	<b>236</b>	<b>1 410</b>
<b>Total tax cost, profit and loss account</b>	<b>36 311</b>	<b>30 132</b>
<b>Payable company tax, balance sheet</b>	<b>36 057</b>	<b>28 719</b>

## Note 10 Subsidiaries and associated companies

	Acquired	Business office	Share of ownership	Equity (100%)	Profit of the year (100%)	Carrying amount 31.12.2022
<b>Subsidiary:</b>						
Aquateam COWI AS	2016	Oslo	100%	577	813	200
Carrying amount 31.12.2022						200

Subsidiary TDA COWI AS was closed down in 2022.

### Associated company:

Team Urbis AS	2017	Oslo	22,5 %			225
Carrying amount 31.12.2022						225

Associated companies Team-T AS og Team T3 AS were closed down in 2022.

## Note 11 Contract work in progress, advance invoicing and project-related provisions

	2022	2021
Contract work in progress, fixed price	19 784	17 021
Contract work in progress, time and material	93 199	28 707
Total contract work in progress	112 983	45 728
Contract work in progress, advance invoicing	37 956	44 244
Project-related provisions	4 884	1 810

Project-related provisions apply to provisions for specific financial risk and include legal obligations in cases where COWI AS has received a claim related to the complaint.

## Note 12 Related parties, open balances

	2022	2021
<b>Accounts receivable</b>		
Accounts receivable, associated companies	771	14 933
Accounts receivable, other	241 864	329 318
Total	242 635	344 250
<b>Receivables group companies</b>		
Accounts receivable, COWI group companies	10 399	9 057
Loan to Aquateam COWI AS	4 000	4 000
Deposits, group pool account	401 037	307 713
Total	415 436	320 770
<b>Accounts payable, suppliers</b>		
Accounts payable, other	59 342	63 247
Total	59 342	63 247
<b>Current liabilities, group companies</b>		
Accounts payable, COWI Group companies	31 740	14 812
Total	31 740	14 812



## Note 13 Receivables and debts

COWI AS has no receivables that are due later than one year.

COWI AS has no long-term debts that are due later than five years.

## Note 14 Share capital and share owners

<b>The share capital consists of:</b>	<b>Number of shares</b>	<b>Face value NOK</b>	<b>Carrying amount</b>
Shares	2 320 000	10	23 200

All shares are owned by COWI Holding A/S (Denmark) as of 31 December 2022. All shares have equal rights.

Neither the management nor members of the Board of Directors have ownership interests in COWI AS. COWI AS (Norway) is included in the consolidated accounts of COWI Holding A/S (Denmark).

## Note 15 Equity

	<b>Share capital</b>	<b>Share premium account</b>	<b>Other equity</b>	<b>Total</b>
Equity at 31 December 2021	23 200	2 694	135 275	161 169
Profit for the year			120 403	120 403
Proposed dividend			(107 000)	(107 000)
Equity at 31 December 2022	23 200	2 694	148 678	174 572

## Note 16 Obligations not included in the balance sheet

None of the company's or Group's assets are pledged as collateral for debts.

<b>Bank guarantees, not included in the balance sheet</b>	<b>2022</b>	<b>2021</b>
Guarantees related to projects in progress	4 333	3 769
Guarantees for rental of premises	56 985	41 643
Guarantee for employee's tax (Nordea Danmark)	80 000	70 000
Employee's taxes payable at 31 December	56 622	51 161

When establishing the associated company Team Urbis AS, COWI AS has provided a guarantee to Statsbygg of up to NOK 25.3 million with pro-rata liability, where COWI AS's share is 22.5 per cent. Team Urbis AS has the overall project responsibility for the new Government Quarter in Oslo.

## Note 17 Other current liabilities

	<b>2022</b>	<b>2021</b>
Accrued holiday allowance	133 938	124 488
Other accrued expenses	60 752	56 653
Total	194 691	181 142



# Auditors' Report







To the General Meeting of COWI AS

## Independent Auditor's Report

### Opinion

We have audited the financial statements of COWI AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement and cash flow statement 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 statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its 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 as required by 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

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

### Responsibilities of Management for the Financial Statements

PricewaterhouseCoopers AS, Kalnesveien 5, 1712 Grålum

T: 02316, org. no.: 987 009 713 MVA, [www.pwc.no](http://www.pwc.no)

Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Management is responsible for the preparation of financial statements that give a true and fair view 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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

### 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Sarpsborg, 16 February 2023

### PricewaterhouseCoopers AS

Linda K. Arvesen  
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.

