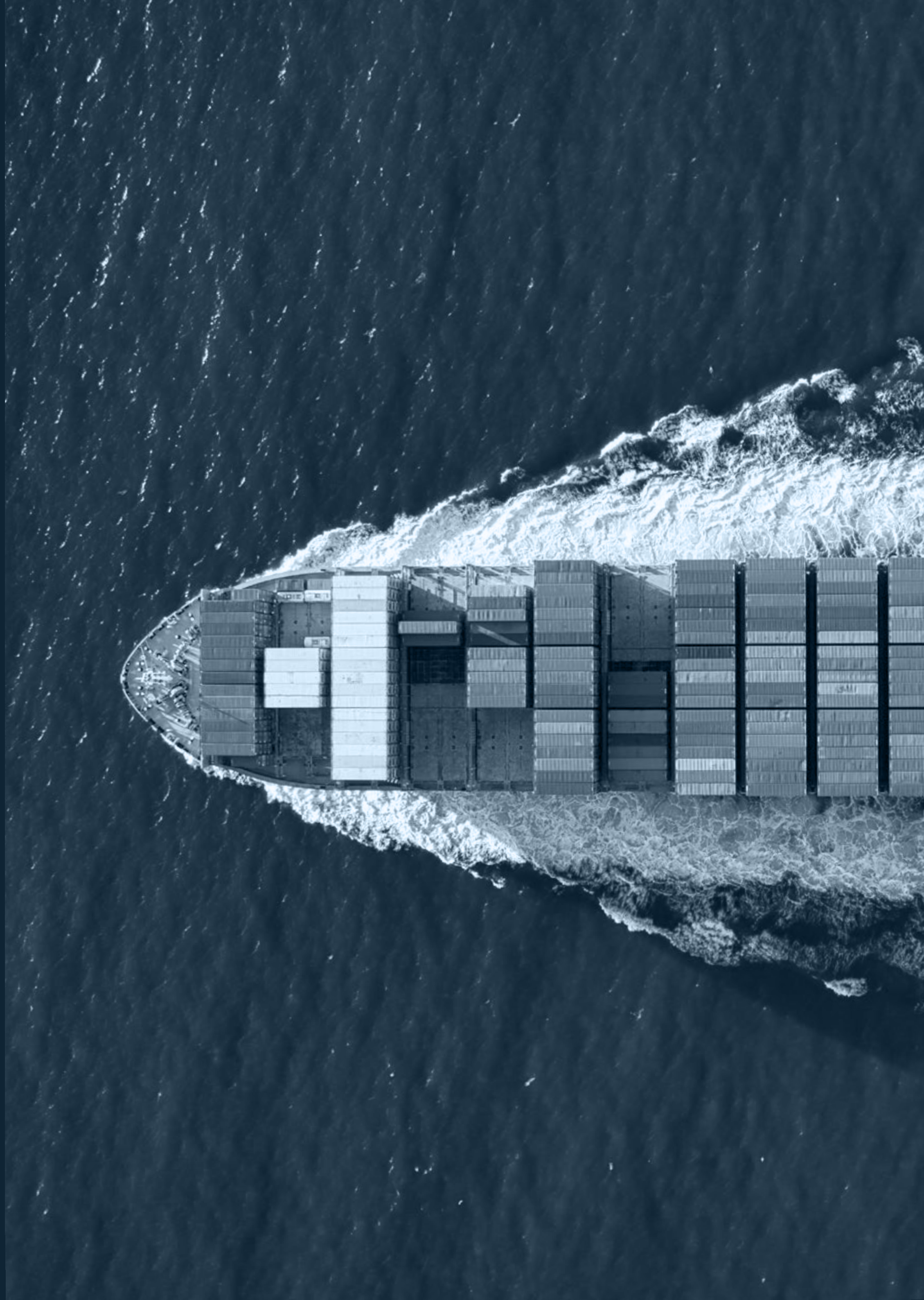
THE ENERGY AND MARINE CONSULTANTS

ABL GROUP ANNUAL REPORT 2022

WWW.ABL-GROUP.COM

TABLE OF CONTENTS



THE ENERGY AND MARINE CONSULTANTS.

ABL Group is the leading global independent energy and marine consultant, working in energy and oceans to de-risk and drive the transition across the renewables, maritime and oil and gas sectors, offering our customers the deepest pool of world-class expertise across marine, engineering and technical advisory disciplines from more than 300 locations worldwide.

THE ABL GROUP FAMILY

Through targeted acquisition and organic growth, ABL Group have built a comprehensive family of specialist and niche branded energy and marine consultancy companies, offering services that are both complementary and interconnected. This allows our business lines, branded service companies, and expertise to focus closely on delivering technical excellence in engineering and consultancy, loss prevention and loss management.

www.abl-group.com

ABL Group

ABL Group is a leading global independent energy and marine consultant working in energy and oceans to de-risk and drive the energy transition across renewables, maritime and oil and gas sectors.

Longitude Engineering

Independent engineering, design and analysis services for the marine, renewables, oil & gas, defence, and offshore infrastructure industries.

OWC

Project development services, owner's engineering and technical due diligence to the renewables industry.

OSD-IMT

Est. in 1989, specialist ship design house focused on offshore support vessels and clean shipping technology.

East Point Geo

Expert Geoconsulting organisation supporting all sectors; providing efficient client-focused deliverables including data assurance, ground models and quantitative risk assessment.

ABL Yachts

Superyacht surveyors and consultants.

INNOSEA

Engineering advisory, verification, research & development, concept development and consultancy for marine renewable energy.

Add Energy

Consultancy solutions and specialised engineering services enabling operations to be safe, compliant and efficient.

KEY FINANCIAL FIGURES

Results		2022	2021
Total revenues	USD thousands	167,897	150,748
Adjusted EBITDA[1]	USD thousands	18,175	13,078
EBIT	USD thousands	12,514	7,375
Adjusted EBIT[1]	USD thousands	15,262	9,645
Profit (loss) after taxes	USD thousands	6,253	3,218
Adjusted profit (loss) after taxes[1]	USD thousands	7,113	5,435
Return on equity (ROE)[1]	%	10.5%	8.2%
Return on capital employed (ROCE)[1]	%	16.2%	10.5%
Balance sheet and cash flow			
Cash and cash equivalent	USD thousands	30,974	19,815
Equity ratio	%	53.9 %	58.1 %
Cashflow from (used in) operating activities	USD thousands	19,285	293
Operations			
Order backlog at 31 December [1,3]	USD thousands	72,115	63,205
Employees at 31 December[2]	Full-time equivalents	1,027	954
Lost time injury per million man-hours	Per million man-hours	-	-
Billing ratio [2]	%	77%	75%
Share data			
Basic earnings per share	USD	0.06	0.03
Number of shares outstanding at 31 December	million	104.77	96.92
Number of options outstanding at 31 December	million	10.81	17.77
Number of warrants outstanding at 31 December	million	1.00	2.00
Share price at 31 December	NOK	15.25	10.40
Dividends paid per share	NOK	0.60	0.50

[1] Alternative Performance Measures
[2] Including subcontractors, full time equivalents (2021 figure excludes Add Energy group)
[3] Order backlog for 2021 excludes Add Energy Group

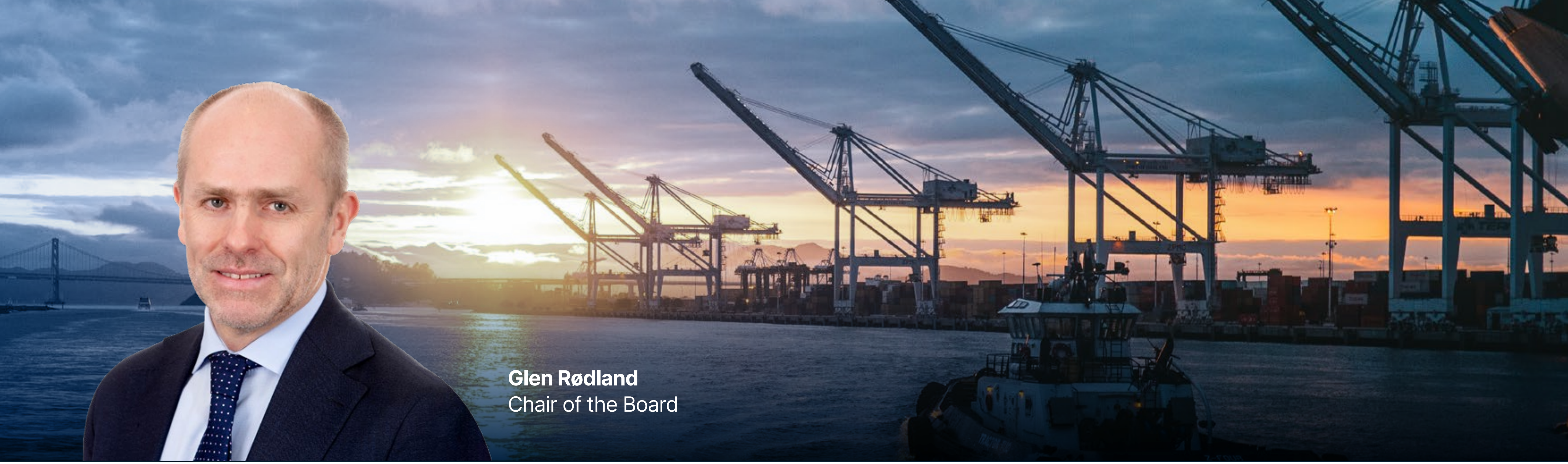
Financial calendar 2023

Event	Date
First quarter results	27/04/2023
Annual General Meeting	31/05/2023
Half-yearly results	31/08/2023
Third quarter results	26/10/2023

Ticker symbol

Oslo Børs	ABL
Reuters	ABL.OL
Bloomberg	ABL:NO

ISIN No	NO0010715394
Share Register	DNB Bank ASA Verdipapirservice Postboks 1600 Sentrum 0021 Oslo



"Energy won't end poverty, but we can't end poverty without energy,"
—Scott W. Tinker, Director of the Bureau of Economic Geology.

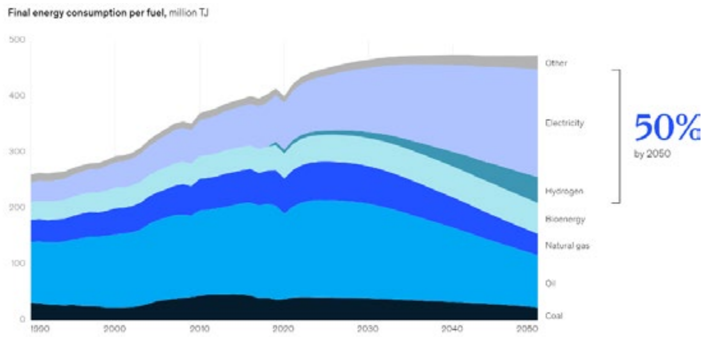
Dear fellow shareholders,

75% of the world's population live in Latin America, Africa, and Asia. It is estimated that about 6 billion people suffer from some form of energy poverty in the world. The challenge ahead is to both succeed with energy transition, while at the same time increase energy supply.

This will be complex and take time. A good starting point is to have a more balanced and less heated debate based on facts and numbers, following the four basic principles of 1) no one owns the truth, we can only seek it, 2) shaming is destructive, civil dialogue is vital, 3) we must balance energy, economics, and climate security, and finally 4) the energy sustainability challenge is not simple, but it is solvable.

Today, less than 20% of the energy is consumed as electricity (electrons) and the remaining energy is consumed as molecules. A key strategy to reduce GHG (Green House Gases) emission is to electrify more of the energy consumption to reach 50% of energy consumption. But it will be particularly demanding to electrify all energy consumption, as the heat needed to produce the four essential commodities, Ammonia, Cement, Steel and Plastic is challenging to electrify. I believe to both succeed with energy transition and increase the living standards of the world's poor (i.e., a 'just transition'), we need more of most energy sources during this transition. Further, given the low energy density of renewable power, we need these sources to be backed by other low carbon power from hydropower, geothermal sources, nuclear power and fossil fuels equipped with carbon capture technology. Energy security is key for the future and the most secure energy source is a mix.

McKinsey - Expected energy consumption:



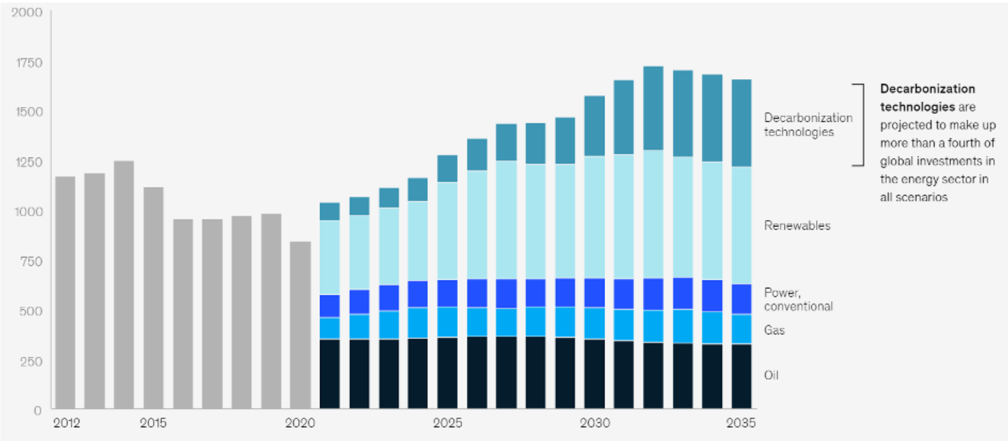
Source: McKinsey Energy Insights Global Energy Perspective 2022

Further, in my view, no energy source is 100% renewable or completely without environmental impacts. Batteries for the energy transition (electric vehicles and battery storage) alone demand more than 300 new mines by 2030 according to analysis by Benchmark. While I expect ESG drivers to make an impact on sustainable mining, this can be a dirty business, often in parts of the world with limited regard to safety and the environment.

A recent article in the Financial Times showed that many solar panels go directly to landfill. Until recently, wind turbine blades were also put into landfill, but rightly the industry has addressed this with new 100% recyclable blades.

If the transition is to be 'just', and not repeat many of the 'sins' of oil and gas, we need to do so responsibly. That means both in terms of sustainability and in terms of not leaving people behind in fuel poverty. A belief in the necessity of Carbon Capture, Utilisation and Storage (CCUS) to balance and complement wind and solar has been a key consideration for ABL Group during our acquisitions of Add Energy in 2022 and AGR in 2023. We are confident that these two acquisitions will give ABL Group a key position in an increasingly important market that according to McKinsey has the largest growth potential (see graph below) and could account for 25% of all energy investments in 2035.

McKinsey – Expected investments in the energy sector (analysis conducted before Ukraine war):



Source: McKinsey Energy Insights Global Energy Perspective 2022

Moreover, according to Shell's most optimistic of the latest Energy Security Scenarios (2023), we will likely miss the 1.5-degree Celsius target by 2050, and only by carbon storage can it be lowered again by the end of the century. So CCUS and other energy transition technologies are just as vital for the world and achieving Net Zero as it is for our business.

Last year I said that we are heading into a "perfect storm" in the energy market. The market itself will not be the problem – we will see significant investments across all energy sources for the next few years, renewables, transitional solutions, and traditional sources of energy with CCUS and other GHG reduction measures. Similarly, the maritime industry must invest in alternative fuels to reduce its GHG emissions, but there is still ongoing debate over which fuel technology (batteries, hydrogen, ammonia, LNG, or other) will prevail. It will be the success of ABL Group's strategy execution and management of the company – or lack of it – that ultimately will determine whether we can capitalise on the coming boom in the transition driving the energy and transport markets.

ABL Group's strategic thinking

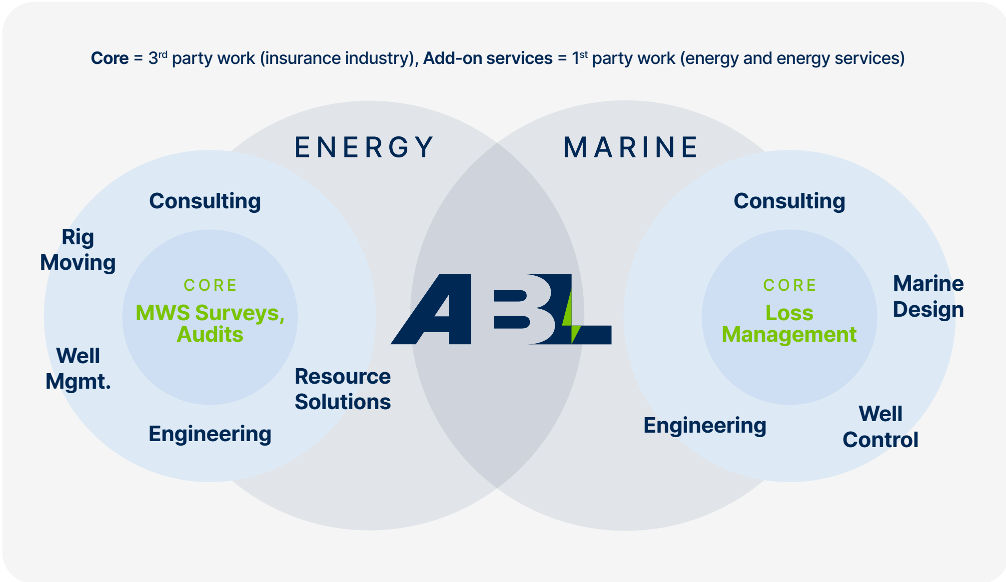
ABL Group's strategy in the marine energy and transportation market is to create a global technical powerhouse to accelerate renewable energy deployment and decarbonise the power and maritime sectors, mitigate and manage risk in energy and oceans and support the transition of hydrocarbon production into a Net Zero future. We also aim to help clients make better and more informed decisions that increase energy supply and promote sustainable production.

ABL Group operates in 39 countries, including all major maritime and offshore energy hubs. Every market and every country are different, and our competitive landscape varies greatly from Mexico to Singapore and from Norway to Taiwan. As such, our success relies heavily on the ability of local management to thrive and outperform. Research shows that in a company of 1,000+ employees, 3-4% drive 80%+ of the EBITDA. Hence, key to our continued success is our ability to attract, develop and retain new management talents that are execution focused, decision oriented, financially astute, motivated and able to make informed decisions quickly.

The primary responsibility of the senior management in ABL Group is to build and rebuild their team. This is an ongoing process, and a challenge further multiplied by several acquisitions and integration processes. So far, we have done okay, but we cannot afford to be complacent. You are never better than your last "game" or your last M&A.

In conclusion, I believe there are two key internal value drivers for ABL Group. Firstly, we must continue to consolidate our relatively fragmented industry by strategically pursuing value-added M&As opportunities. Secondly, we continue to acknowledge that our most valuable asset is our people, and that decisions made by our people, especially the key 3-4% of EBITDA drivers, are extremely important to create superior performance.

ABL's M&A and organic growth strategy



ABL Group has grown sevenfold over the last 5 years, from a revenue of USD 36 million in 2018 to a proforma revenue of about USD 260 million in 2022 (taking in a full year of both AGR and Add Energy). Our strategy is to build a leading position in our core energy and maritime markets: the Marine Warranty Service (MWS) market and the Hull and Machinery (H&M) market. Both MWS and H&M services are directly or indirectly related to requirements from the global shipping and energy insurance industry. ABL Group is a leading or the leading global supplier of MWS and H&M services after significant consolidation over the last few years.

The core markets are what I refer to as 3rd party work in the above illustration, where we approve work carried out by other parties. But like the big 4 audit companies, PWC, EY, Deloitte and KPMG, the primary source of growth is not in auditing (the equivalent of our MWS and H&M capabilities), but rather in other consultancy services offered to the client. I therefore see our strongest growth in 1st party work, where we are working directly for the energy company, rig owner and ship owner.

In 2018, ABL Group was only a significant player in Rig Moving with a strong presence in the Middle East. Today, we have not only maintained our leading position in Rig Moving but also established ourselves as a leading player within MWS and H&M markets. Through our combination with Add Energy and AGR, we have also built a significant presence in the well and reservoir management and services market.

ABL Group will continue to consolidate the still fragmented industry we operate in, but only if the consolidation clearly adds value to our stakeholders. The M&A strategy has therefore been to consolidate related niches of the marine and energy consultancy industry, both locally and globally, aiming for a leading position in all markets we operate in. A key synergy we seek when making acquisitions is the ability to leverage our global infrastructure and presence in renewables, maritime and offshore oil and gas. By sharing our support infrastructure, we expect significant synergies and scale, which will enable us to maintain a truly global office network. AGR, a global leading Well Management company 10 years ago, scaled back during the 7–8-year downturn from 2014 and currently operates in only three oil and gas locations in 2022. As part of ABL Group, we expect to reverse this trend, and expand AGR's operations going forward.

Energy transition – we invest in people not in hard assets

While there is a path forward on energy transition, it is not without a degree of uncertainty. There is uncertainty with respect to technological advancements, the economics of some energy sources, availability of raw material, energy security and so on. Therefore, some investments in fixed long lived assets this early in the energy transition cycle will carry some risks. The market is of course particularly worried about new fixed investments in traditional energy sources, leading to listed companies (both service providers and producers) experiencing relatively low multiples and assets valued below replacement cost.

The beauty of ABL Group's business model is that we do not invest in fixed assets, but in people - very skilled engineers and marine specialists who can tackle the technical challenges of marine energy production, regardless of whether it is floating or fixed wind, floating solar, floating oil and gas production, floating or fixed HVDC/AC substation, or an oil and gas installation. This means we have flexible assets (our people) who can deliver value to clients regardless of the future energy mix. I expect the market to gradually shift towards more renewable and zero-GHG emitting sources. While the transition needs both low carbon energy sources and generation, and hydrocarbons, but ideally decarbonised, it is important that ABL Group can support all our energy and maritime clients during this multiple decade transition.

ABL Group internal improvement strategy and targets

The challenge of delivering strong performance to all our stakeholders in a market characterised by volatility in energy prices, technological uncertainty, intense political pressure for near term results and significant noise both in the media and political circles, should not be overlooked. Increasing inflation, rising salaries, talent scarcity, and excessive project demands will further increase the pressure on management in ABL Group, our employees, and finally our customers. In some key ABL markets the hourly/daily rates in the oil and gas market have in real terms dropped by up to 30-40% from the peak in 2014. For the first time in 8 years, we now see meaningful rate increases in 2022 and I expect we will reach previous highs (in nominal terms) within 2-3 years. A long downturn resulting in redundancies and cuts to compensation have drained the energy industry of talent. Rate and wage/compensation inflation will go hand in hand over the next few years and at ABL Group we need to be cognisant of that fact as we try to attract talent and price our offering to clients.

The growth of ABL Group in the past 4 years make our efforts to professionalise the management and support functions of the company even more urgent. While we achieved a lot in 2022, we still have much to do also in the upcoming years. Our internal focus will centre on the following key factors:

1. **Professionalisation and specialisation of management and support functions.** Our internal investments and upgrades will primarily focus on IT, legal, recruitment, human resource, training, knowledge management, and strengthening of the financial and commercial competencies across all staff, but especially our 35-40 people in key management.

2. **Cost synergies, economy of scale.** Acquisitions often provide significant cost and scale synergies, but they also require investments in IT, management and service functions. The focus in 2021 was on integration and investments, especially in IT, to achieve cost reductions, although resulting in a flat development of overhead as percentage of revenue compared to 2020. Unfortunately, 2022 was a second year where overhead was relatively flat as percentage of revenue due to significant investments in education, training, HR, IT and finance. After two years of heavy investments in our support functions, I am convinced that 2023 will be the first year where ABL Group will see overhead gradually reduce as % of revenue.

3. **Capital efficiency.** ABL Group's business is normally classified as capital-light, with a low or moderate margin. The capital invested in ABL Group is mainly used for working capital and for keeping cash in our various offices worldwide. Despite increasing revenues from 2021, we achieved a positive net cash flow of USD 6.8m in 2022 from a reduction of working capital. The days outstanding (DSO) fell from 94% of trailing 2 quarters revenue to 62% of at the end of 2022. In addition, the use of cash in ABL Group remains high compared to our peers. Our structure, spanning across 38 countries, results in a less efficient use of cash. We will continue to professionalise the treasury function by establishing cash pooling systems and implementing new software to handle payments from our clients. However, capital efficiency is about organisational culture as much as about improving systems and contract payment terms. While somewhat delayed, our ambition to reduce the use of cash and improve capital efficiency remain key priority areas for ABL Group's management during 2023.

4. **Market reach and service offering.** In 2018, the former Aqualis had 19 offices. Today, after the mergers with BTS, LOC, Add Energy and AGR, ABL Group has offices in 63 locations. Our business is local and global. We are sharing talent and key competencies, but the interaction with customers is often local and the projects often need local presence and expertise. In 2018, 80% of our business came from offshore oil and gas. In 2022, offshore oil and gas accounted for 53% of ABL Group's revenue, 18% came from maritime and 29% from renewables and energy transition. In 2021, we organically established a new business unit focused on energy storage, onshore wind and solar, as well as hydrogen. We have already won significant new business within these areas, illustrating the quick results that can be achieved on the back of solid infrastructure, reputation and network.

5. **Alignment of incentives between employees and shareholders.** As ABL Group, we value our people and invest in them. They drive our business and remain our core focus. ABL Group has established a long-term share-based incentive system (for details see page 61 in the annual report). The employees of ABL Group currently own approximately 20% of the shares in the company (fully diluted including outstanding options). We also currently reserve up to 15% of our EBITA to employee bonuses. Hence, employees are party to about 30-35% of the profits and dividends paid in the company. As ABL Group grows and fights for scarce talent we will be reviewing our incentive arrangements to make sure that we remain competitive in our key markets. This is also an important consideration in our M&A transactions where we are not only looking to retain talent but also incentivise them to grow businesses within the broader ABL Group footprint.

Operating margin, Return on Capital Employed (ROCE) and returning capital to shareholders

Active capital allocation is the tool both management and the board are using to improve our return on capital. Reduction of the use of capital (or divestment) of businesses that are not meeting our required return on capital should also be expected. In 2022 we sold our Adjusting business to SteegeXP for example.

The normalised operating margin in ABL Group was 9% in 2022, an improvement from 6% on a pro-forma consolidated basis in 2020. The management team is diligently working to realise dynamic income synergies through further professionalisation of the back-office, actively managing capital efficiency and leveraging our expanded service offering and global network. While the acquisitions of AGR and Add Energy may reduce our operating margin in the short term, our medium-term target remains to achieve a sustainable operating margin of 10% (EBIT margin) and reduce the working capital and the cash requirements of the business. Our strategy of simultaneously increasing EBIT while reducing the capital used should lead to a significant improvement in ROCE. In 2022, our ROCE increased to 16%, from 11% in 2021. In the years ahead we aim to achieve a ROCE of over 20% on a sustainable basis, combined with organic growth of 5% annually. The acquisitions of both AGR and Add Energy should in the medium-term be positive or neutral on our ROCE, as both companies are more capital efficient than the legacy ABL Group business. To be clear, the ROCE target is of greater importance to us than the EBIT margin target. While we strive for a good EBIT margin, we are also open to considering acquisitions that may have an EBIT margin of less than 10%, as long as the capital efficiency of the business leads to an expected ROCE of over 20%.

In 2022 we paid a dividend of NOK 0.60 per share (paid in June and November). The board has proposed an ordinary dividend of NOK 0.35 to be paid after the AGM in 2023 and a similar dividend should be expected in November 2023, if performance remains strong. The strategy of the board is to gradually increase dividends as operations improve and the capital tied up is reduced to competitive levels.

Management

2022 was the first year for Reuben Segal as CEO of ABL Group. Having known Reuben since 2005, I had no doubt he was ready for the task. However, I must say that even I have been impressed by his execution focused, decision oriented and financially astute mode of working. Reuben finds motivation in traveling, meeting clients, keeping his employees focused and delivering presentations to diverse audiences. 2022 was a perfect start for Reuben as CEO, and the board is confident he will continue to meet and exceed the expectations of our stakeholders. We are also excited to have appointed Stuart Jackson as our new CFO. Stuart has over 20 years of experience as CFO and CEO of large organisations and will bring a wealth of knowledge and expertise to the ABL Group executive team.

On behalf of the board, I would like to thank all our employees and the management of ABL Group for their excellent work and outstanding results in 2022.

The management team of ABL Group has demonstrated exceptional skills and agility over the past few years, successfully navigating a recession in the oil and gas industry while also driving growth in the rapidly expanding energy transition market. Our management team's "growth skills" are inherent in their DNA, allowing them to lead the company through both challenging times and periods of rapid growth. As we look ahead to 2023, we remain confident that the team will continue this journey towards becoming the world's leading marine and engineering consultancy. We are dedicated to creating sustainable value for our stakeholders while maintaining our commitment to decarbonise the global energy system while also delivering affordable energy to the 8 billion people of the world.

Glen Ole Rødland

Glen Rødland | Chair of the Board

RENEWABLES

RENEWABLES

ABL Group offers expert technical and engineering consultancy across all renewable energy markets: offshore wind, onshore wind, solar, storage, wave and tidal.

ABL Group is uniquely placed in this market to support clients in the delivery of renewable energy projects at every stage of a project or asset's lifecycle. We combine the group's long-term legacy in de-risking marine operations and projects, with the specialised technical expertise of our four group companies in supporting clients to deliver renewable energy projects across all generating technologies and markets.

OWC An ABL Group Company

OWC

Supporting renewables project developers with project development services, owners' engineering and technical due diligence.

EAST POINT GEO An ABL Group Company

East Point Geo

Supporting offshore and onshore wind developers understand ground engineering risks.

INNOSEA An ABL Group Company

INNOSEA

Supporting technology providers with feasibility, advisory, analysis, engineering & design across all marine renewable sources.

LONGITUDE An ABL Group Company

Longitude Engineering

Supporting EPCI contractors with independent engineering, design and analysis of marine operations and supporting infrastructure and assets and SOV design through it's OSD-IMT specialist ship design unit.

ABL

ABL Group

Supporting the insurer and operator with marine assurance and warranty services and offering independent engineering for onshore wind, solar and energy storage.

Independent renewable energy consulting

ABL Group has been an independent leading technical advisor and engineering consultant to many of the major developments in offshore wind development over the last 20 years and we have expanded our expertise to support other generation technologies including onshore wind, solar, energy storage and wave and tidal.

Through our global network of 63 offices worldwide, we provide cutting-edge energy and marine technical expertise in all offshore wind energy locations globally. Often trailblazers in this industry, our group companies have contributed with loss prevention services and consulting and engineering on some of the very first offshore wind projects in the world.

Committed to the acceleration of integrated renewable energy sources decarbonising our electricity networks, our multi-disciplinary expertise supports at every project stage to ensure your operation's success – feasibility, development, engineering, construction, operations and maintenance, and end-of-life across all generation technologies.

Our markets

Offshore Wind

Growth in offshore wind is accelerating and bringing new risks that investors, developers, insurers and EPCI companies all have to understand, eliminate or mitigate. From new emerging markets to new technology such as floating foundations and +15MW wind turbines, the ABL Group can support from early site selection to decommissioning. We bring experience gained during more than three decades of consulting in the energy and marine sectors.

ABL Group has been an independent and impartial partner to many of the major developments in offshore wind development over the last two decades. We can support all forms of early desktop study in early development to owner's engineering fixed or floating projects and provide technical due diligence for some of the largest transactions in the sector. The ABL Group are also the leading provider of MWS in the sector, delivering engineering for EPCIs, and provides design, engineering and construction supervision for SOVs, cable lay vessels, and jack-up installation vessels, loss adjusting, and expert witness and litigation support.

Onshore Wind

The ABL Group delivers independent engineering (IE) services to developers, owners, and lenders in their evaluation of technologies and projects.

Our extensive global footprint also means we are able to easily deploy to support the development of onshore renewables projects in new emerging markets, as in already established markets.

Services include independent engineering and technical due diligence, feasibility studies and owner's engineering, yield, modelling and performance assessment, and strategic and regulatory advisory.

We also provide through a specialist group all aspects of terrain, subsurface and soil geoscience to support ground engineering projects for onshore wind.

Onshore Solar

The ABL Group delivers independent engineering (IE) services to developers, owners, and lenders in their evaluation of solar technologies and projects. Our experts cover ground-mounted PV, roof-top PV, floating PV (also see below) and CSP technologies.

Our extensive global footprint also means we are able to easily deploy to support the development of onshore renewables projects in new emerging markets, as in already established markets.

Services include independent engineering and technical due diligence, feasibility studies and owner's engineering, yield, modelling and performance assessment, and strategic and regulatory advisory.

Floating Solar

ABL Group is a pioneer in the development of floating solar PV (photovoltaic) farms, offering a comprehensive package of front-end engineering, design and advisory services to support innovation and construction of this growing technology.

The group has successfully evolved its service offering and inhouse capabilities at pace with the rapidly developing floating solar PV market and is involved in various multinational research and development (R&D) projects.

Energy Storage

Battery storage, or battery energy storage systems (BESS), are systems that enable energy from renewables, like solar and wind, to be stored and then released when electricity customers need power most. They are essential to speeding up energy transition.

The ABL Group has established a recognised position as a trusted technical consultant for BESS projects, offering independent engineering and technical due diligence, feasibility studies and owner's engineering, route to market, modelling and performance assessment, and strategic and regulatory advisory.

Wave & Tidal

Wave and tidal energy are vast untapped energy resources offshore. With technology still in its early days, our group companies provide a comprehensive range of technical, advisory, engineering and marine assurance services to support developers at every project stage.

Hydrogen

Hydrogen and its derivatives including ammonia are gradually considered a cornerstone of the global energy transition, climate change actions, and sustainable energy security. OWC services for green hydrogen and its derivatives include routes to markets, project development support, technical and commercial independent advisory, production design and electrical engineering.

MARITIME

MARITIME

When it comes to international maritime, experience counts. ABL Group has a maritime legacy spanning more than 150 years since the establishment of the Salvage Association, and in bringing together the trusted reputations and expertise of AqualisBraemar and LOC, we are the leading market provider of loss prevention, loss management and engineering & consulting services to the global maritime industry.

With our entrenched legacy in providing expert support to marine casualties of any type and size worldwide, ABL Group combines expert knowledge with strong collaboration and insight, to deliver a fast, effective response to even the most urgent shipping challenge.

Global Presence in all Maritime Hubs

We have offices located in all major maritime and shipping hubs around the world. We employ a wide range of experts with backgrounds in different areas of the shipping and maritime industry.

We have vast experience in all shipping and maritime-related matters including marine casualties, salvage and wreck removal, hull and machinery, P&I claims, fixed object damage, pollution, personal injury, and ports and harbours, marine accident investigation amongst other areas. Our reputation covers work in ports & harbours, small craft, global shipping, defence and yachts.

Shipping

Our teams of experts support international shipping with our full range of engineering and consulting, loss prevention and loss management services. We bring together the deepest pool of multi-disciplinary expertise to support all areas of shipping, from early advisory and technical due diligence, navigational planning, early engineering, vessel design and modifications, through to operations, with surveys, inspections and audits, as well as world-class marine warranty survey, to supporting in the minimising of losses with marine casualty management, salvage & wreck removal, and expert witness work. ABL Group is at the forefront of rapidly responding to marine casualties worldwide. We have worked on marine casualties of all scales, including some of the largest and most complex incidents in recent history. Our global network of offices enables us to provide a veritable 24/7 global emergency response service.

Global Marine Emergency Specialists

Our global maritime teams provide valuable technical support to the attending casualty specialists, with a range of services to manage the loss, support in any salvage and removal operations, and to conduct marine casualty investigations to understand the cause of the accident.

Ports and Harbours

ABL Group provides a comprehensive range of services necessary for port development, modification, and operation. Whether to develop the modern and efficient port infrastructure needed for the latest generation of cargo ships, to LNG and increasingly Hydrogen and other clean fuel terminals, to supporting ports for the needs of offshore wind construction, or assisting with ports reducing their carbon emissions, the ABL Group has the expertise and tools for our clients.

Our ports and harbours team offer marine studies, including technical due diligence, and engineering consulting services to assist in the development of new and existing port projects.

Defence

ABL Group is a well-known and trusted provider of marine and engineering consulting services to the maritime defence sector. Along with our group company Longitude Engineering, we are well equipped and experienced in managing highly confidential projects for the defence sector across the world.

Our services include naval architecture and engineering for vessel design, conversion and upgrades, advanced analysis and simulation services, marine systems engineering and consulting, marine operations engineering, marine assurance and risk services, as well as support in expert witness, claims and litigation.

Small Craft

We offer a wide range of marine and engineering consulting services to support small craft across the maritime, oil & gas, defence and renewable sectors, providing technical support at any stage of an asset's life-cycle. From Small Patrol, passenger, rescue and rigid inflatable boat design to small boat modifications, Longitude develops design both independently, or by working alongside the client's design team.

Superyachts

A trusted partner to the insurance industry, yacht brokers, management companies and owners worldwide, ABL Yachts offers clients the strength of a large multi-disciplinary superyacht survey team with a collective experience measured in hundreds of years, combined with the heritage and support of one of the marine industry's most respected brands.

Leading on decarbonising the maritime sector

The International Maritime Organisation (IMO) has made a commitment to cutting greenhouse gas emissions from international shipping by at least 50% by 2050 compared to 2008 levels.

ABL Group along with group company Longitude Engineering, have developed specialised in-house capabilities to provide comprehensive advice and technical support to clients in their transition to more sustainable shipping solutions. Our services cover support from early advisory and feasibility, through to design and build, and subsequent marine and risk assurance.

Clean shipping system design

Through expertise in electrical engineering, marine-based green technologies including hybrid-propulsion, fuel-cell and battery technology, combined with Longitude's IMT-OSD unit's long-term vessel design and engineering expertise, and group company Innosea's specialist capabilities in feasibility and analysis of marine renewables, we as a group are highly experienced in supporting with the detailed concept design, engineering, analysis and integration of clean shipping systems.

Marine emissions tracking

We bring an in-depth understanding of industry frameworks such as: The Poseidon Principles, The Sea Cargo Charter and Port Emissions Toolkit, combined with long-term expertise across different segments of the maritime industry.

We provide tailored consultancy and engineering solutions, which will aid clients in their understanding of their carbon and pollutant footprint, and help them in setting up a viable roadmap for future carbon-reduction and compliance with ESG commitments and industry frameworks.

emiTr

emiTr is an ABL group digital tool, an easy-to-use inventory of the complex web of a port's emissions, mapping their both direct and indirect sources, developed by ABL group in collaboration with Shoreham Port – a UK Trust Port. emiTr gives ports and harbours the power to track emissions, calculate the cost and risk of their emissions, and facilitates the necessary data and information to put down a roadmap to take action against your emissions footprint.

OIL & GAS

OIL & GAS

With energy specialists across our network of global offices and our wider global footprint of specialist consultants across more than 300 locations, ABL Group has the market-leading technical expertise to support clients regardless of the project size, type, complexity, and anywhere in the world covering upstream, midstream, onshore and refining and petrochemical projects.

Through-life marine and engineering consulting for Oil & Gas projects

ABL Group provides services at every stage in the lifecycle of an oil and gas project. Between our group companies, we have the knowledge and experience to support right from the start at feasibility, early development and engineering, right through to marine warranty survey, operations and maintenance and end of life support with either life extension support or decommissioning.

Our clients come to us for a full range of services from surveys, inspections and audits to marine and engineering consulting, and engineering and design. We are the world number one provider of marine warranty survey for oil and gas projects, and also provide a world-leading support package for rig operations on a global scale.

World-leading in Oil & Gas MWS

Over the years we have acted as MWS on more than 1000 large energy infrastructure projects of all types, as well as thousands of other smaller marine operations.

Our work has included the world's leading energy insurers and underwriters, as well as oil and gas majors. We are also experienced in providing tailored solutions to smaller energy operators, EPCI companies, oil and gas field service and equipment companies, vessel owners / charterers etc.

Upstream

We provide far-reaching multi-disciplinary expertise supporting rigs throughout the lifecycle of an asset. We offer market-leading services supporting rig moves and rig inspections for rigs of all types and sizes, both onshore and offshore, and anywhere in the world with services including geotechnical engineering support, engineering consulting, MOU transportation MWS etc.

The ABL Group is the market leader in marine warranty survey ('MWS') on offshore T&I operations for upstream infrastructure, with a long track-record in providing technical support to some of the world's most high-profile and complex production platforms and floating infrastructures.

Midstream

ABL Group's oil and gas specialists have been at the forefront of offshore midstream development for over 20 years. Our teams of marine and engineering consultants include specialists in subsea pipeline engineering and SURF technology, with project experience covering some of the world's most high-profile and complex subsea pipeline installation projects, including NordStream 2, Turkstream, Trans-Anatolian ('TANAP') amongst others.

World-leaders in marine warranty survey for pipeline installation, we have an in-depth practical and theoretical understanding of key challenges in pipeline projects and provide comprehensive risk-mitigation strategy, we also offer a range of other marine assurance and risk services, engineering and consulting, to support pipelay work at different projects stages, including with removal operations at decommissioning.

Our engineering and consulting experts from group company Longitude Engineering includes expertise in marine operations engineering, metocean and coastal engineering, advanced analysis and simulation, amongst other areas.

Natural gas is the fastest-growing fossil fuel at over 20% of the global energy mix, with the incentives it can offer as a 'transition' fuel as the lowest emitter of greenhouse gases compared to oil and coal. As a result, the demand for global LNG is projected to continue to grow.

ABL has stayed ahead of this market growth, by supporting as MWS on a number of the world's most significant LNG developments, including Ichthys, Gorgon, Yamal LNG and LNG Canada.

Drilling and Wells Engineering and Management

Add Energy, a group company, offers expert design, planning and management of all types of exploration, production, storage and disposal wells across the globe, as well as industry-leading well kill support and blowout contingency planning. Project experience includes the provision of dynamic simulations to the well kill of the Macondo Blowout in the Gulf of Mexico. Solutions include the patented Relief Well Injection Spool (RWIS) equipment, and our unique software OLGA® Well Kill.

Onshore

In recent years, very large construction projects are being executed with worldwide procurement strategies requiring significant marine transportation campaigns to bring high-value items such as modules, pre-assembled units (PAUs), vessels, equipment and other materials from their place of fabrication/supply to the final site location.

Such projects include multiple loadout, transportation and offloading operations occurring simultaneously in multiple locations. With our far-reaching global footprint and effective centralised global management systems, we have provided seamless MWS, marine assurance and risk, and engineering and consulting services to support onshore projects since the 1980s.

Whilst a significant number of recent projects have been for the construction of LNG export facilities, we have also provided our services to petrochemical, mining and power projects, and for major civil infrastructure projects such as bridges, ports and harbour complexes.

As well as MWS, the wider ABL group offers a broad range of specialised capabilities in engineering and consulting, and marine assurance and risk, to provide all-round third-party support to a cargo transportation by sea or ocean, from early planning of the operation, right through to successful, safe and optimum delivery of the operation.

Refining & Petrochemical

ABL Group has a world-leading track record and trusted reputation amongst the insurance and underwriting markets, as marine warranty surveyor (MWS) on large-scale onshore projects and for project cargo. The development of refining and petrochemical plants more often than not would require sea and ocean transportation of critical and high-value modular assets from different global locations. ABL is well-placed to support with MWS and marine and engineering consulting for the de-risking of critical marine operations.

Decarbonisation and Hydrogen

The energy transition is accelerating and the ABL Group are leading in a number of areas, from exploring how offshore wind can help reduce the carbon intensity of offshore oil and gas assets to working with clients on proving the hydrogen value chain across all our markets.

Through our OWC unit, we have authored feasibility studies for owners of offshore oil and gas assets in the North Sea and undertaken work in preparation for the Scottish INTOG (Innovation and Targeted Oil and Gas) leasing round, a round to apply for the rights to construct offshore wind farms specifically for the purpose of providing low carbon electricity to power oil and gas installations and help to decarbonise the sector.

We also have an active and sought-after Hydrogen team that work across a number of areas, examples are:

- Hydrogen strategies and road maps for public, semi-public bodies, and large corporates such as OWC's work for the Asian Development Bank and INNOSEA's for the Offshore Hydrogen Analysis and Road Map for France project
- Owner's engineering by including engineering FEED review for Air Product's NEOM Green Hydrogen project in Saudi Arabia
- Design of the hydrogen fuel cell powered seagoing ferry, the HYSEAS III project for CMAL
- The development and design of a green hydrogen production and bunkering barge for mid-sized ports for the DFT and InnovateUK

Glen Rødland

Chair of the Board

Glen Rødland is an independent investor and is the chairperson and board member in Prosafe SE, Pascal Technologies, Deep Value Driller and ATDL AS, as well as ABL. He was a senior partner at HitecVision for four years, and for ten years was a partner and co-investor of Direct Active Investments in Ferncliff TIH AS. Mr Rødland has worked for 15 years with portfolio management, financial analysis, and investment banking for DNB (Vital) and Swedbank (formerly First Securities and Elcon Securities). In addition, Mr Rødland has also worked in the shipping company Jebsens and as a management consultant in PWC. He has MBA and Post Graduate studies in Finance from NHH and UCLA. Mr Rødland is a Norwegian citizen and resides in Bærum, Norway.

David Wells

Board member

David Wells, a Master Mariner, was a founding member of Aqualis Offshore (now ABL Group) and held the position of CEO until the end of 2021 and his retirement. Mr Wells has more than 30 years' experience in the offshore consultancy sector with a particular focus on offshore operations, MWS and marine consultancy. He is a specialist on jack-up rig move operations, location approvals and all aspects of rig moving. Prior to joining Aqualis Offshore, Mr Wells was a specialist consultant to the offshore market and previously held senior Global and Regional MD roles for a major leading global oil and gas consultancy. Mr Wells resides in London, UK.

Yvonne L. Sandvold

Board member

Yvonne L. Sandvold is the founder and head of the board of YLS Næringseiemdom AS. She has extensive experience in the Norwegian real estate industry ans is the head of the board of of Sandvold Holding AS, Siesand Invest AS and Octopus Eiendom AS. Ms. Sandvold currently serves on the board of several public and private companies, including Self Storage Group ASA and ABL Group ASA. She holds a cand. psychol degree from the university of Oslo, Norway and is a licenced psychologist. Ms. Sandvold is a Norwegian citizen and resides in Wollerau, Switzerland.

Rune Eng

Board member

Rune Eng has significant experience from his many years in the energy sector. His last position was Executive Vice President International of the TGS. He was previously CEO and President of Spectrum Geo Limited (subsequently sold to the TGS Group), a position he held for almost nine years. Mr. Eng has also held various roles at PGS ASA over a period more than 13 years as well as roles in Fugro, Digital Equipment Corporation A/S and GeoTeam Group. Mr. Eng holds a Bachelor of Science in Geophysics from the University of Oslo and a Master of Science in Geophysics from the University of Gothenburg. Mr Eng is a Norwegian citizen and resides in Oslo, Norway.

Synne Syrrist

Board member

Synne Syrrist is an independent business consultant and has extensive experience as a non-executive director of both private and public companies. Ms Syrrist was previously a partner and financial analyst at First Securities. She currently serves on the board of several public companies, including Awilco LNG ASA, and Naxs AB. She holds an MSc from the Norwegian University of Science and Technology and is qualified as an authorised financial analyst at the Norwegian School of Economics and Business Administration. Ms Syrrist is a Norwegian citizen and resides in Oslo, Norway.

EXECUTIVE MANAGEMENT

Reuben Segal
Chief Executive Officer

Reuben Segal has over 20 years' experience in the offshore and shipping sectors, covering both engineering design and ship surveying. He is a naval architect and has extensive recent global business development experience with a focus on design and construction of offshore oil and gas assets, including MODU and MOPU units from FEED through to yard delivery. He has held many senior executive roles in the industry, most recently COO of ABL Group. He holds a Master's degree in Engineering from the University of Newcastle. Mr Segal resides in Dubai, UAE.

Bader Diab
Chief Operating Officer

Dr Bader Diab is one of the founding members of the ABL group and currently holds the position of Chief Operating Officer. He has worked in the offshore energy industry for more than 30 years including postings in the UK, Middle East and United States. Bader has held senior management positions in several offshore and marine consultancies including a recent position of Regional Managing Director – Americas with the ABL Group.

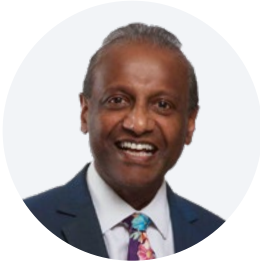
Bader is a Civil / Structural engineer with experience in the global performance of offshore structures, including transportation and installation, and the design of MOUs. He is a registered professional engineer in the states of Texas and Alaska.

Svein O. Staalen
General Counsel

Svein O. Staalen has over 20 years professional experience from law firms and in-house legal positions, with particular experience from maritime and energy industries. He holds a Master's of Law degree from the University of Oslo and a Diploma in English Commercial Law from the College of Law, London. Mr Staalen is a Norwegian citizen and resides in Bærum, Norway.

Stuart Jackson
Chief Financial Officer

Stuart Jackson has over 35 years' experience in the global energy sector, covering exploration & production, power generation and offshore drilling & services. He has extensive experience in start-up/growth businesses but has also completed four financial and operational restructurings. His experience extends across private equity, family wealth, as well as OSE, NYSE, LSE, NASDAQ and AIM, listed businesses. Mr Jackson holds a BSc in Accounting & Financial Management and is a Fellow at the ICMA. Mr Jackson is a British citizen and resides in Dubai, United Arab Emirates.

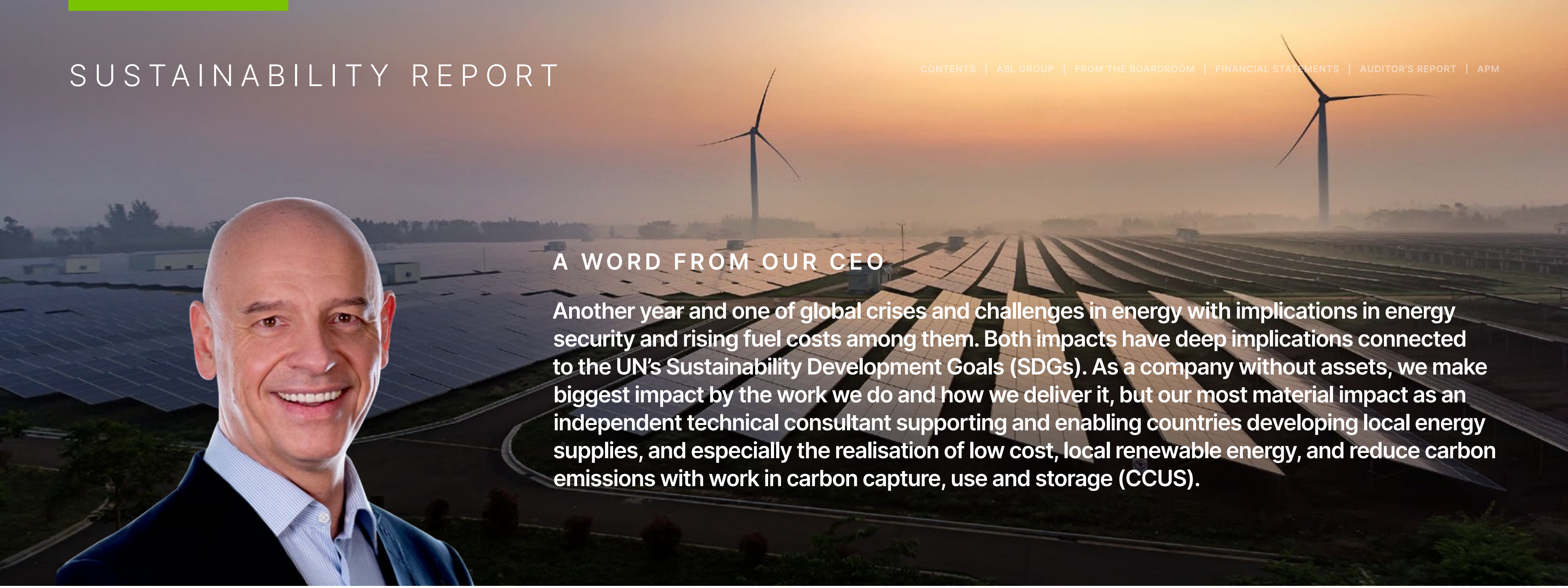


RV Ahilan
Chief Energy Transition Officer

Dr Ahilan is a Chartered Engineer with over 30 years' of industry experience, 25 years of which has been at board level. Previously he was CEO of LOC and has held leadership roles in DNV GL, GL Garrad Hassan and Noble Denton. With expertise in hydrodynamics, he has led projects which have set standards and safety factors in jack-up site assessment, mooring systems and marine transportation. He is an Advisory Board Member of WavEC Offshore Renewables and a Trustee of the charity Marine Technology Trust and was Non-Executive Director a vertical axis wind turbine company. He holds a BSc (Leeds) and MS (Caltech) in Civil Engineering, a PhD (Cantab) in Engineering Fluid Mechanics, an MBA (Imperial) and is a Fellow of the Royal Academy of Engineering.

Will Cleverly
Chief Executive Officer, OWC

William Cleverly is CEO of OWC where he has a focus on organic and inorganic growth and he also acts as an Observer to the ABL Board. Will has worked in the offshore wind industry since 2008, at various leading consultancies before joining OWC in 2013. His expertise spans early stage development through to construction and installation, with a particular focus on site suitability, foundation package management, and geoscience. He has worked across Europe, Asia and the Americas in various key roles in over 50GW of offshore wind projects. Will has an undergraduate degree from the University of Cambridge, is a chartered engineer with the ICE, and has completed an Executive MBA in London – coming top of the year.



A WORD FROM OUR CEO

Another year and one of global crises and challenges in energy with implications in energy security and rising fuel costs among them. Both impacts have deep implications connected to the UN's Sustainability Development Goals (SDGs). As a company without assets, we make biggest impact by the work we do and how we deliver it, but our most material impact as an independent technical consultant supporting and enabling countries developing local energy supplies, and especially the realisation of low cost, local renewable energy, and reduce carbon emissions with work in carbon capture, use and storage (CCUS).

We successfully increased our impact on reducing emissions in the power sector through our involvement in over 225GW of renewable energy projects during 2022, in doing so supporting over 25 countries in working towards their climate related goals in terms of low cost, emission free, renewable energy deployment.

We have also continued to increase our impact in terms of supporting the decarbonisation of the maritime sector and the oil and gas sector, though these two areas are less mature for us currently than our work in renewables, we have sought to develop and add to our capabilities. One example was the acquisition of Add Energy in 2022 who bring hydrogen and CCUS expertise in areas we did not have before. We will continue this trend in 2023, both organically and inorganic as the opportunity arises.

At ABL Group we continue to recognise that for our business to be successful in the age of climate crisis and energy transition, we must redefine what we do in a genuine way to put sustainability at the centre of all strategy and operations.

In our 2019 Annual Report we presented a clear sustainability statement and vision. This was a statement of intent with 5 key principles to guide and drive our journey.

This has guided many of our activities and goals over the last 12 months, among them being:

- Continuing to increase the renewables, sustainability and energy transition revenues
- Supported the development and realisation of over 225GW of renewable energy capacity across over 25 countries around the globe
- Broadening our services to help clients decarbonise other sectors such as maritime and oil and gas
- Working to improve diversity and put a number of foundational policies in place including initiatives such as our new Shadow Board giving 'voice' to our younger colleagues
- We have committed to a significant training budget (>$1m USD) and the necessary resources to streamline and make world class of our recruitment, onboarding, career development, and training processes.
- Supporting the community, focusing on aligned areas, consistent with our SDGs, with staff and company contribution and volunteering

This Sustainability Report will describe our actions to continually improve in areas related to Diversity, Equity and Inclusion (DE&I), the environment and governance. By including this in our Annual Report to shareholders, we also show our commitment to sharing this information with our stakeholders using our primary channels of communication as a key document in our Environmental, Social, and Governance ("ESG") reporting.

Reuben Segal | Chief Executive Officer

In accordance with best practice, we conducted a materiality assessment to identify issues around sustainability, economic, environmental and social conditions that are the most important to the company as an organisation, our staff and clients. The assessment provided the foundation for the group to decide which areas to prioritise, so identify areas where ABL Group could reduce its negative impact and make the greatest positive impact.

In 2020 we performed our first materiality assessment to explore our priorities on sustainability. We explored and evaluated the aspects of our business that have the biggest environmental, social and governance impact.

The seven materiality topics that we considered to have most impact on and the most importance to ABL Group and our stakeholders are:

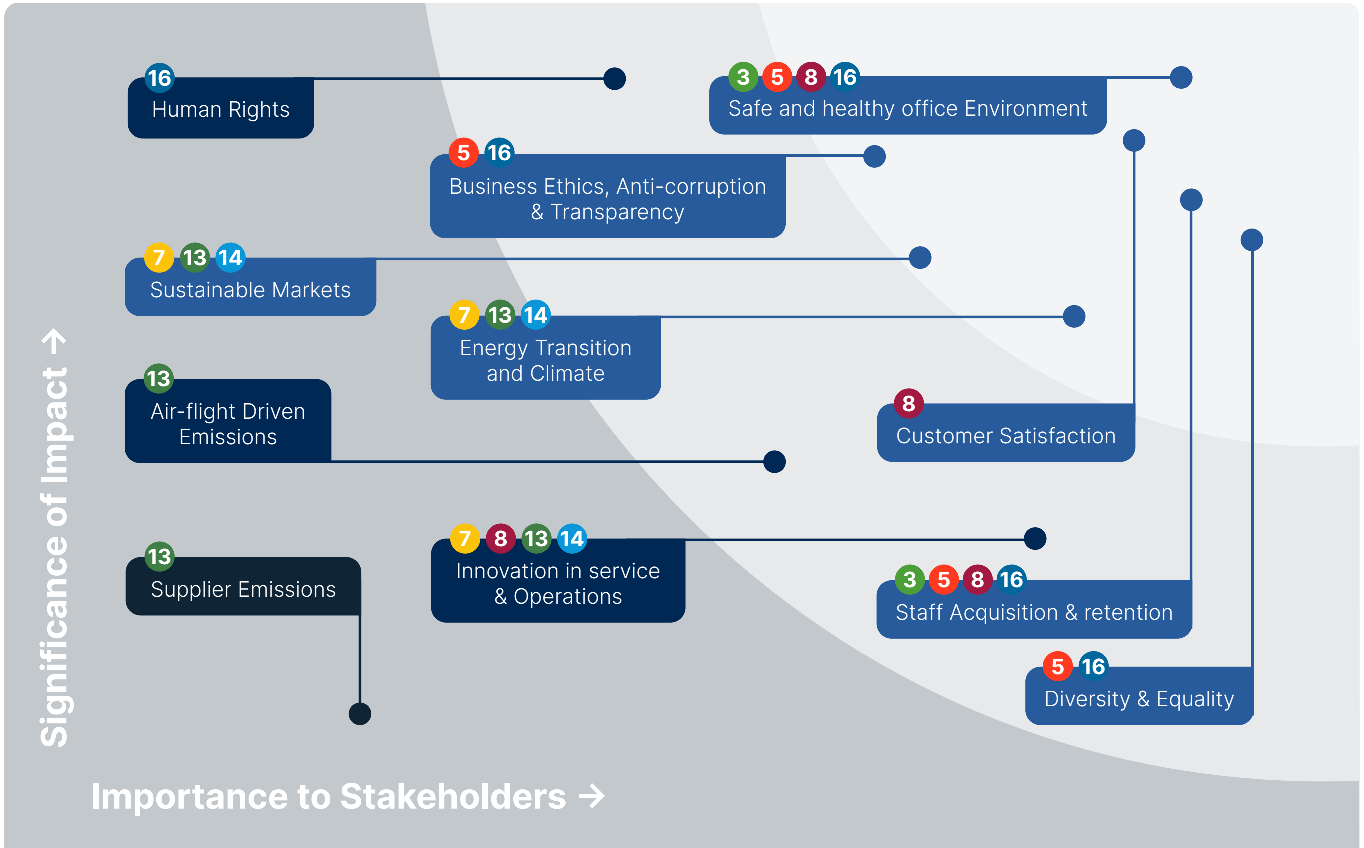
- Safe and healthy attendances
- Business ethics, anti-corruption, and transparency
- Staff acquisition and retention
- Customer satisfaction
- Diversity and equality
- Sustainable markets
- Energy Transition and climate

After our initial benchmarking materiality assessment, we consider these seven UN Social Development Goals (SDGs) have the highest importance to ABL Group and our stakeholders. We further grouped the SDGs we have key focus on into two groups:

- Employee focused, so **how we do business**
- Business focused, so **where we do business**

The Guiding purpose in this initiative is: *Energy and the oceans are at the centre of our business; the sustainability of both is vital for the future of our company and the world in which we operate and live.*

In 2022 we have further strengthened our internal ESG capabilities and maturity by formalising the ESG process. We have established a standalone ESG Department headed by ESG Director, reporting to CEO. This confirms the internal understanding of the ESG and its benefits by all key stakeholders and enables us to put in place set of processes and improvements. Understanding our ESG maturity was a key exercise to ensure that we are doing things in the right order. Furthermore, we have set up a number of ESG Committees with the aim to establish a unified view of ESG, increasing understanding of all three aspects, environmental, social and governance, and to promote robust standards of corporate governance that integrate all these aspects. This will help the ABL more effectively integrate ESG.



Our Employee Focus
How we do business

Our Business Focus
Where we do business

Diversity, Equity & Inclusion

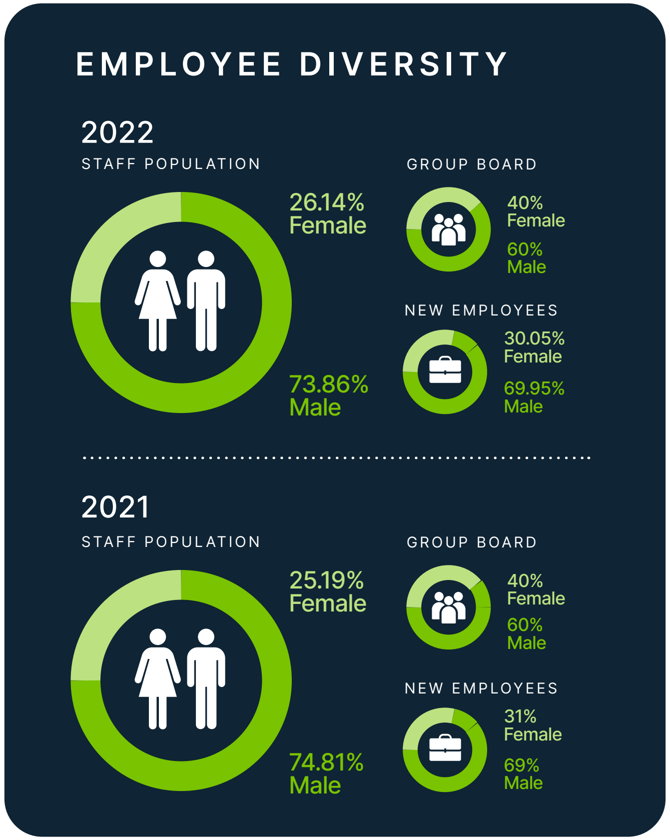
The diversity and inclusion of the people with whom we work with is at a heart of our operations. We are committed to equal opportunities and prohibit discrimination, harassment, forced, trafficked, and child labour. All of these policies form a part of our Code of Conduct, which is acknowledged and obeyed by our suppliers and subcontractors. We are committed to a workplace full of integrity, fostering and protecting a corporate environment that is inclusive, safe, and professional.

We do not limit people´s opportunity to contribute or advance based on age, childcare responsibilities, disability, ethnicity, gender, gender expression, sexual orientation, religion, pregnancy, or other protected personal characteristics. OWC, part of the ABL Group, partnered with STEM Returners - based in Hampshire, UK, an organisation that sources candidates for the programme, which aims to return or transfer experienced engineers back into industry following a career break. The fully paid placements act as a 'returnship', allowing candidates to be re-integrated into an inclusive environment upon their return to STEM. The STEM Returners' programme aims to eliminate barriers, by giving candidates real work experience and mentoring during their placement, as well as helping them to seamlessly adjust to life back in work. Two successful candidates were offered full-time positions at OWC upon the completion of their 12-week placement.

We set up a Diversity, Inclusion and Wellness Committee with some clear goals of establishing high- level corporate leadership for gender equality, promoting education, training and professional development and promote equality through community initiatives and advocacy. Forming an ESG committee is a crucial step to get started on our ESG journey. Bringing in more than one person or department will help to deliver on our ESG goals ensuring staff can directly influence and impact the direction of the business. Senior Management confirms that committee has the authority over the effective operation of a company's ESG policy and has delegated responsibility for overseeing its implementation. The committee reviews data from across the business and then filters and summarises it for the board. The ESG committee is responsible for writing the ESG content in the company's annual report and producing all information relating to ESG disclosures. The committee sits directly beneath executive level in terms of seniority.

2022 saw significant changes internally at ABL with the set-up of the Shared Services department and expansion of People and HR function. This further confirms ABL's commitment to drive recruitment, training, and development of our staff. One of the key hires was a group-wide Learning and Development Manager to deliver the initiatives and support our Engineering Development Programme. Our value is our people, so we value our people.

It is a stated aim, at group board level, that the ABL Group is a desirable employer where people want to come to both start and develop their careers. We have committed to a significant training budget (>$1m USD) and the necessary resources to streamline and make world class of our recruitment, onboarding, career development, and training processes. At the start of 2022, we agreed to deliver a number of leadership and management training programs with Hult/EF Business School which brings many exciting opportunities throughout the organisation, including an online learning and development portal for all employees covering a wide variety of on-demand courses and live online webinars customisable to all needs. Total number of 56 middle managers took part in the development training and 12 senior management team members have been enrolled on the leadership training.



Luany Dantas selected for the Women in Wind Global Leadership Program

Luany Dantas, Country Manager for OWC in Brazil, is one of the 15 women selected by Global Wind Energy Council (GWEC) and Global Women's Network for the Energy Transition (GWNET) to participate in the Women in Wind Global Leadership Program.

The Women in Wind Global Leadership Program is designer to accelerate the careers of women in the wind industry, support their pathway to leadership positions and foster a global network of mentorship, knowledge-sharing and empowerment.

"We are delighted that Luany, who leads our offshore wind engagement for OWC in Brazil, was selected to participate in the Women in Wind Global Leadership Program", says William Cleverly head of ABL's offshore wind group company OWC. "At the ABL group, we believe that gender diversity drives innovation and provides a richer pool of talent of talent for key and emerging industries, so we offer equal work and career development opportunities for all."

With the number of applications doubling compared to last year and as wind power continues to grow into new and existing markets, it is imperative that all key players combine their efforts for diversity and inclusion to shape the energy workforce of the future, that will drive innovation and accelerate the energy transition.

In 2022, ABL has launched a mentorship scheme. The aims of the mentoring are to share knowledge and skills, motivate staff and help them develop by identifying professional development opportunities. The mentors act as role models exemplifying the ABL ethos, providing career guidance and advice and helping them expand their network of connections. Mentees are encouraged to prepare for mentoring meetings, be attentive and open to advice, and put their learning into practise in their day-to-day working life. We have 60 employees that applied for the programme.

The Ian Bonnon award, set up by our late founder and Chairman of OWC, an ABL Group company, was introduced to celebrate and encourage emerging young talent within the renewable part of the organisation. The award is presented annually to a young engineer, following nomination by their peers, to celebrate their commitment, achievements, and growth during their time at OWC. The award, presented by the Bonnon family, includes a trophy and a financial award donated from the Bonnon Family.

ABL has a structured performance appraisal system meaning all new employees receive feedback on their 1st, 2nd and 3rd (or 6th) month with the company. Every employee has a probationary period and employees are not being let go without a valid reason. ABL always follows employment law best practises by following the five reasons for fair dismissal (capability, illness, redundancy, summary dismissal, a statutory restriction, and any other substantial reason).

Employees who have resigned or have been made redundant are free to apply for new roles with the company and are eligible for rehire.

ABL Group, is in the process of calculating group wide pay to determine gender pay gaps with the aim to measure and so improve. ABL pay all of its employees above the living wage salary; interns receive at least the living wage rate per hour. ABL does not offer zero-hour contracts; it offers full-time, part-time, temporary, or permanent contracts of employment.

ABL is a modern company with flexible working practice that ensure a great balance between work and family life from the first day of employment for all employees. ABL provides flexible working arrangements (earlier start or later start of the working day to accommodate family commitments); hybrid working, part time working, and enhanced maternity, paternity pay. Work phones are also supplied to provide separation between personal and private life.

Increased focus on human rights

In July 2022, the Norwegian Transparency Act entered into law, requiring companies to conduct human rights due diligence assessments across all of their operations, supply chains and business partners. ABL Group strongly supports this significant legislative move. Please visit the ABL Group website for our report on the Norwegian Transparency Act.

Climate and Risk

Under sections 3-3a and 3-3c of the Norwegian Accounting Act, ABL Group is required to report on its corporate responsibility. ABL Group recognise that Health, Safety, and Environmental (HSE) matters are an integral part of its business performance and exemplary performance in the areas of HSE is essential to fulfil our vision and meet the expectations of our stakeholders.

Our ABL2030 guiding purpose, created, and re-committed to in our 2021 Annual Report and this one, is that energy and the oceans are at the centre of our business; the sustainability of both is vital for the future of our company and the world in which we operate and live. Our purpose not only makes environmental sustainability a responsibility for us in the way we do business, but also recognises that our business impacts the wider world and that we need to take responsibility for that too.

Identification and assessment of climate related risks

Though ABL Group are without any operating assets, we take our corporate risk management responsibilities very seriously and our Integrated Management System (IMS), which is certified by LRQA, is a robust and well adopted corporate risk process.

Note that HS&E risks and opportunities are covered separately under ABL-SOP-013 and associated HS&E Risks and Opportunities Registers.

ABL Group considers it to be fundamental good business and management practice to be able to identify, understand and take appropriate action on material climate and other environmental risks and opportunities to the business, this is pursued via our corporate risk management program and is independently audited as part of its EN ISO 14001:2015 certificate.

This process is outlined in our Management Systems in the 'Corporate Risk Governance' manual (ABL-MAN-002) and is overseen by the Corporate Risk Committee which includes our CEO, COO, General Counsel, and other senior management.

The risk assessment provides a mechanism for identifying which risks represent opportunities and which represent potential pitfalls. Done right, a risk assessment gives ABL a clear view of variables to which the company may be exposed, whether internal or external, retrospective or forward-looking.

The robust process encompasses the following:

- Review the corporate risk management framework
- Ensure that risks facing the organisation are identified, evaluated, and adequately addressed
- Issue the corporate risk report on a quarterly basis and collate risks reported by regions and business lines.
- Drive and support the further improvement of the risk management process and provide business knowledge to the discussion of risks
- As part of the board oversight, in every board meeting there is an operational update from management, which includes an ESG update and so the related climate risks.

ABL GROUP CORPORATE RISK POLICY

ABL considers risk management to be fundamental to good management practice and a significant aspect of corporate governance.

The risk management process within ABL is vital to our ability to pursue our goals & objectives, commence and operate programs, perform duties in an efficient and professional manner and to the personal health and safety of employees.

The Executive Management of ABL has formed a risk management program to pursue our risk management goals and objectives. These goals and objectives include:

a) Avoiding exposure to accidental loss by NOT undertaking functions, contracts, programs or activities where the potential loss is greater than the potential benefit to be derived from these undertakings.

b) Preventing loss by identifying loss exposures and implementing policies and procedures to reduce the risk of these losses occurring.

c) Controlling losses that do occur by:
   - Assisting and supporting injured parties.
   - Developing contingency plans for possible loss scenarios.
   - Proper documentation and investigation of losses.

d) Determining cost effective solutions for managing the risks in order to balance cost and risks.

e) Raising the awareness of all directors, managers, employees and contractors concerning risk management within ABL

ABL will accomplish these goals and objectives by:

a) Establishing a Risk Committee with representatives from key functions, whose responsibilities will be to implement, monitor, evaluate and revise plans to achieve our goals and objectives

b) Nominate a Risk Coordinator to report to the risk committee.

c) Include risk management as an item for discussion at both annual senior management review meetings and at regional management meetings.

ABL will regularly review and monitor the implementation and effectiveness of the risk management process, including the development of an appropriate risk management culture within ABL

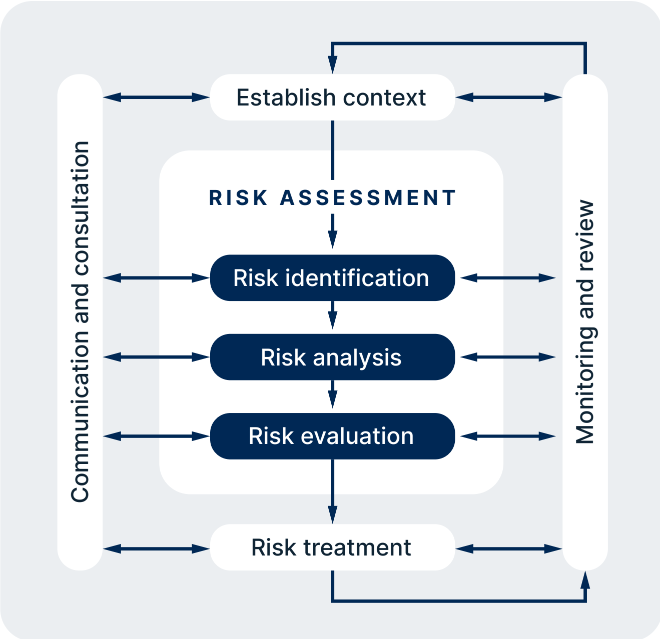


Figure 1: Risk management Process based on ISO 31000

Our Risk Management Process Flow is presented in Figure 1 above.

We identified 'Climate change and environmental sustainability' as a material business risk and this has resulted in a range of strategic and operational actions to reduce the this risk to ABL Group's business and to reduce any negative impact to climate change drivers, but also use our business activities to make a positive impact on UN Global Compact SDGs. A summary is presented in Table 1.

Our ABL2030 ESG strategy includes two guiding principles that put climate sustainability at the core of our business:

- Principle 4. Work towards a company-wide net zero carbon target to stay ahead of our markets & contribute to a net-zero world
- Principle 5. Continue to grow, innovate & develop new services to both accelerate & de-risk the energy transition & create business value

Being a relatively small business - with mainly staff in offices - our carbon footprint will not be material. Our biggest material positive impact will be by growing our support of the deployment of low-cost renewable energy across the globe and the continued support of our client's decarbonisation in the maritime and oil and gas sector. Our work identifies constructable projects and supports developers and investors in realising those projects.

In support to Principle 4, in 2022, we have completed the implementation and accreditation of a group-wide environmental management system according to EN ISO 14001:2015. Our environmental management system is designed and specifically structured to cover environmental aspects that ABL Group can control and directly manage, and those it does not control or directly manage but on which it can be expected to have an influence.

This did not move on as fast as we had hoped, but we do have a 'pilot', initiated by staff in our French renewable energy technical advisory business, so we can understand processes and decisions needed to be able to measure and track our carbon emissions. See Innosea case study on page 27.

Realising Principal 5 allows ABL Group to make two material impacts:

1. We increase our exposure as a business to the renewables and energy transition sector, and so less to the oil and gas sector, reducing a business risk incrementally as the transition progresses.
2. Our work on realising low cost renewable energy capacity around the globe, we positively impact the UN's SDG No 7 and 13.
   - Our achievements in increasing revenues from renewables and sustainability-driven services we accomplished:
   - Achieved 17% revenue growth (2021 v 2022) in renewables bringing renewables share from 27% to 29% (2021 v2022) of group revenues
   - Worked on over 131 wind projects, mainly offshore wind with a total potential capacity of 224 GW which would potentially displace 784 Mt CO2 of unabated coal, or 358 Mt CO2 of unabated gas depending on the electricity mix of the specific marke
   - Supported over renewable energy projects in 26 countries; including many developing countries
   - Working on numerous green hydrogen projects and work related to decarbonising the maritime sector which accounts for 6% of global emissions

CLIMATE CHANGE RISK

RISK / OPPORTUNITY ORIGIN	• Climate change and environmental sustainability	
RISK DESCRIPTION	• Reducing offshore oil and gas market over the medium to long-term due to the energy transition driven by Paris Climate Agreement	• Overexposure to clients with negative ESG profiles such as oil and gas • Market pressure to measure and improve our own ESG performance
POSSIBLE IMPACT	• Loss of investor confidence and so reduced share performance • Reduction of oil and gas opportunities over medium to long-term as market shrinks, with additional competitive pressures impacting pricing	• Reduce attractiveness as a place to work for younger more value driven staff
COUNTER MEASURES	• Establishment our ABL2030 ESG strategy • Diversification into more sustainable market segments such as offshore wind, onshore renewables and maritime sectors such as insurance, adjusting, shipping, expert witness, Yachts, and Ports and Harbours • Targeting 50% of our group revenues from renewables and other energy transition or sustainability-driven revenues by 2025	• Accreditation of our operations to BS EN ISO 140001:2015 • The creation of the position of Chief Energy Transition Officer on our executive team

Table 1: Climate Change Risk Excerpt from Corporate Risk Register

We are delighted to have worked on an ever-increasing number of renewable energy and other energy transition projects and initiatives. Our biggest positive impact to our chosen SDGs 17, 13, and 14 are delivered in the work we do. Below are some of our projects in 2022.

Lender's technical adviser to UK BESS portfolio

Battery storage technologies (BESS) are essential to speeding up the replacement of fossil fuels with renewable energy. They play an increasingly pivotal role between supply and demand as we scale renewables, the sector is forecast to grow 15 times by 2030*

We were appointed by Fotowatio Renewable Ventures (FRV) to provide lender's technical advisory services with respect to the debt financing by Natixis Corporate & Investment Banking, of a portfolio of BESS projects in the UK. Our scope is:

- Phase 1: a full technical due diligence incl. a desktop review of the sites, a review of plant designs, contracts, the operational concepts and route-to-market, as well as grid connections, planning approvals and a review of the financial model.
- Phase 2: incl. construction and operational monitoring, including the certification of key project milestones.

"ABL Group has strong expertise in the battery energy storage space, and we are delighted to support FRV and Natixis for these exciting projects. There have not been many debt finance deals in the BESS arena so far, and we see huge potential for this to increase in coming years as confidence levels around storage race forwards."

—Aimee Besant, Energy Storage Lead, ABL Group

Image credit: Dock90, Principal Power

Blue Gem Wind appoints OWC to Valorous floating wind project

In 2022 OWC, an ABL Group company, started work on Blue Gem Wind, the joint venture between TotalEnergies and Simply Blue Group as owner's engineer for the pre-FEED of the Valorous floating offshore wind project located in the Celtic Sea.

OWC's scope of work is to deliver owner's engineering services for the pre-lease engineering and consenting scope for the Valorous floating offshore wind project. The intent of this scope of work is to complete the required work packages and deliverables necessary for the project to submit a successful lease application to UK's The Crown Estate as part of the upcoming Celtic Sea leasing round and prepare the project for pre-FEED.

The Valorous project is a proposed early-commercial project, that follows the 100 MW demonstration project Erebus, which OWC has supported as owner's engineer for over two years.

Valorous is located approximately 47 kilometres southwest of the Pembrokeshire coastline, with approximate water depths of 70 – 84 metres at the offshore array area and is estimated to feature up to 27 wind turbine generators (WTGs), as well as the associated floating platforms and mooring infrastructure and a single offshore substation.

Following the UK government announcement in October 2020, there is now a target to deliver a total of 5 GW of floating offshore wind energy by 2030. To meet this target, sites previously considered less desirable by fixed projects due to water depths are now of interest for development to the floating market.

Assessment of 2 GW of renewable energy in South Africa

South Africa has endured power cuts for years, but 2022 saw more than twice as many blackouts as any other year, as aging coal-fired power plants broke down and state-owned power utility Eskom struggled to find the money to buy diesel for emergency generators. The consenting and construction of new renewable energy infrastructure is vital for the economy and to meet emission targets.

ABL Group was contracted by various developers in South Africa to provide energy yield assessment for more than 2 GW of potential solar and wind power plants.

- Over 1.5 GW of the energy yield assessment work is related to nine potential solar PV developments
- 0.5 GW for two potential onshore wind farms

Our services are being provided as part of technical due diligence into the proposed sites, to be submitted to the South African Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) .

If the bids are successful, they will proceed to financial close, followed by the construction phase.

Supporting the NEOM Green Hydrogen Company

Longitude Engineering, ABL Group's engineering, advisory, and design arm, has been awarded a contract to provide engineering support to Air Products on the NEOM green hydrogen project in Saudi Arabia.

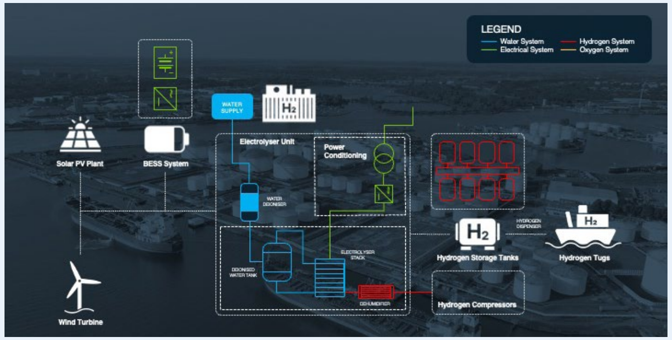
The NEOM Green Hydrogen Company (NGHC) aims to build the world's largest green hydrogen production facility from local onshore wind and solar power, which will then be exported globally by Air Products, one of the company's three shareholders, as green ammonia. The green ammonia will be converted back into green hydrogen to fuel the transport sector. The company is located in the NEOM region of Saudi Arabia.

Longitude was appointed by Air Products Ltd. – the primary EPC contractor – to provide engineering support on the export jetty and the interface between ammonia tankers and the jetty to ensure that the design meets project requirements.

The scope of work includes engineering review of FEED design, pre-EPC risk review to minimize cost, schedule, and safety risks, EPC tendering support, EPC tender review, and support during detailed design and construction of the export jetty.

"This project is at the cutting edge of the energy transition. It will harness the carbon-free energy generated from abundant local wind and solar resources to generate hydrogen via electrolysis, which will then be transformed into ammonia for global distribution. Green hydrogen is recognised as key to global decarbonisation efforts. The NEOM Green Hydrogen Company is truly the first to move into making green hydrogen generation at big scale a reality, and we are delighted to play a role in this pioneering undertaking."

—David Bignold, Managing Director at Longitude Engineering



Feasibility study for the decarbonisation of tugs in tanker operations

Egypt has committed to adopt an ambitious 2050 long-term strategy, with a view to explore a net-zero greenhouse gas emissions target and kick-start the development of green hydrogen. The government also has plans to enhance its Nationally Determined Contribution by quadrupling its installed #renewables capacity share to 42% by 2030.

ABL Group delivered a feasibility study on behalf of Egyptian General Petroleum Consortium on decarbonising Egypt's tug boats.

View the study here: https://youtu.be/zkX9O366GUI

The ABL Group have delivered on more energy transition projects, whether developing low-cost renewable energy projects, supporting the maritime sector to decarbonise, or supporting the decommissioning and decarbonisation of assets and operations respectively in the oil and gas sector in 2022 than ever before.

Owner's engineer for 400 MW SouthWest Phase II wind farm project in Korea

Saman Corp. contracted OWC, an ABL Group company for the Korea Offshore Wind Power SouthWest Phase II offshore wind farm project. The project is a 400MW project at Buan-gun, South Korea. This project is a follow-up project to the 60MW pilot project that has already been established in Buan-gun, and it will be completed in 2026. The construction cost is about 2.4trillion won (KRW). It is evaluated as the largest project in the Korean renewable energy industry along with the large-scale offshore wind power project in Sinan-gun, Jeollanom-do.

Under the contract, Saman and OWC will deliver owners' engineering services including review of site conditions; contract support for detail engineering, EPC contract, O&M, supervision, marine warranty services and other contracts; review and approval of engineering reports; support the license approval process; and provide broad technical advisory services.

Decommissioning oil and gas portfolio

Spirit Energy Production (UK) ltd. Engaged the ABL Group to provide marine warranty survey (MWS) and marine consultancy services for the operator's decommissioning portfolio in the southern North Sea and the Irish Sea.

Spirit Energy contracted ABL's Aberdeen operation on a three-year contract to provide the marine warranty scope for the operator's decommissioning campaigns.

Under the scope of work, ABL will provide MWS services for decommissioning operations involving the removal of topside, and jackets for the following three offshore oil and has platforms: Audrey A & B, and Ensign.

"ABL has considerable experience in supporting clients with the safe, efficient and optimised decommissioning of their oil and gas assets. Our long history in the sector, combined with our participation in a number of industry firsts within decommissioning, gives us unique insight into the range of challenges which can impact these complex marine operations."

—Ashley Perrett, ABL Scotland Country Manager

ABL's MWS scope of work includes technical document and procedural review, on-site attendance and marine consultancy support for offshore operations during the campaign. Suitability surveying of the proposed fleet for the campaign is also part of the scope.

Quality, Health, Safety, and Environmental

ABL Group provides broad consultancy services to the Energy and Maritime sectors. In the capacity of a consultancy firm, ABL Group members may provide advice and recommendations to the Client or the Site representatives about the technical environmental aspects or issue and /or the site-specific HSE implementation, however, the Client Management is responsible for directly managing and maintain the workplace. Our Environmental Manual describes roles and responsibilities that ABL places on all employees and subcontractors in order to minimise the impact and to ensure the best available practices are established and adopted. All new hires are given induction training that describes the environmental issues and risks applicable to their role, this is then reviewed annually and communicated to the staff via QHSE consultation and participation methods such as QHSE Committee, Staff Briefings, Team Meetings, Internal Bulletins, and Flashes and Internal SharePoint Site.

In 2022 we continued measuring out environmental impact in the offices – operating under one management system allowed us to establish a base line for future refrence.

ABL Group conducts its business in a manner that prevents harm to people, the environment, or assets. We are committed to creating a work culture where the prevention of harm is a priority for everyone.

In April 2021, we established a company-wide Integrated Quality, Health, Safety, and Environmental management system ensuring consistent processes and systems within the ABL group. Our Integrated Management System Manual is a comprehensive document establishing processes and policies required to fulfill our legal requirements, client expectations, and most importantly to ensure the health and wellbeing of our employees. Further, Rigorous procedures have been established to identify and manage HSSE risks, Business, Contractual and Legal risks and capitalise on opportunities.

Our Management System was subject to a Global external certification audit by LRQA in November 2022. The outcome was quite positive and ABL has been certified to ISO 9001: 2015, ISO 14001: 2015, and ISO 45001: 2018.

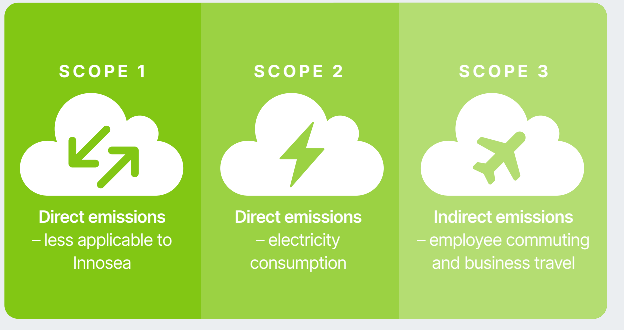
ABL Group Combined Health, Safety and Environmental Statistics for 2022 can be found in the Table on page 29.

INNOSEA'S CARBON INVENTORY INITIATIVE

Innosea is a marine energies engineering consultancy which is part of ABL Group company OWC. They are primarily based in France and the team started a project to measure, track and reduce their carbon footprint. It is the first of it's kind in the ABL Group and has learnt a number of lessons that will be important for a future group project.

Their ESG steering group and carbon inventory were set up in response to French legislation that requires companies of more than 500 people to report on their carbon footprint. Despite Innosea coming under the 500-employee threshold, the company took the decision to invest time and resource in taking its own climate action.

The carbon inventory was developed to measure greenhouse gas (GHG) emissions starting in 2019, split into 3 scopes:



INNOSEA's ESG Steering Committee

It gathers relevant data from Innosea offices pertaining to travel and electricity and calculates the offices' emissions footprint based on researched and defined emissions factors.

Once the data has been collected and calculations have been performed, the results can be collated and used for annual comparisons as well as to determine relevant key performance indicators (KPIs) on emissions reduction for the year ahead.

What we can see so far

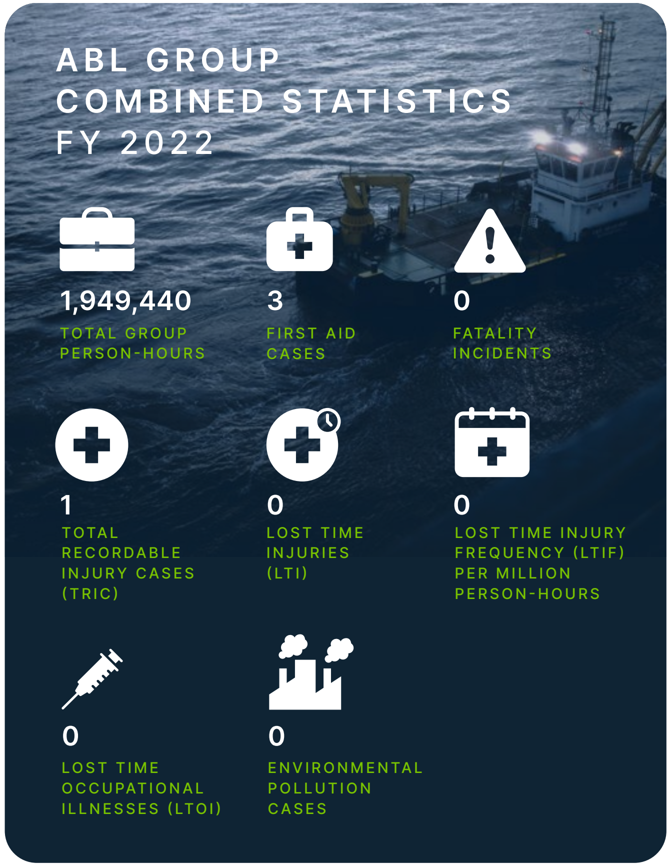
The following conclusions, among others, can be reached from the 3-year data collection so far:

- Commuting by car and business travel by airplane pose the biggest challenge to Innosea's carbon footprint
- Covid-19 would have significantly reduced business travel and commuting compared to 2021
- On a positive note, despite Innosea's workforce growing by almost 50% between 2019 and 2021, electricity consumption by employees decreased, reflecting an improved energy efficiency among colleagues

What's next?

Based on the results, Innosea has identified the following key targets for emissions reduction, which will be monitored, reviewed and are subject to change:

- Decrease total emissions produced by business travel by 30% by January 2024
- Decrease commute emissions per employee by 15% based on 2019 levels by January 2023, and 30 % by 2025
- Keep total electricity emissions constant based on 2019 levels until January 2023



ABL is committed to prevention of all types of incidents, protecting people, the environment and customer property and conducting its business legitimately, ethically and in a socially responsible manner. It is an expectation of ABL that all members maintain and continuously improve a positive Safety culture commensurate with the quality, health, safety, environment and security significance of company operations and the nature and complexity of their department and functions. ABL regards its moral, legal and financial responsibility for providing a safe, healthy and secure environment for its members, as its high priority. ABL is committed to maintaining the QHSE information system to collect, analyse and disseminate information from incidents and near misses, as well as regular internal and external audit/assessment on our safety management system.

ABL will also utilize industry wide information such as IMCA regular safety bulletins. In 2022 we have introduced a Safety Culture Initiative emphasising out culture of trust so that all member is encouraged and even praised to provide essential safety related information and to ensure that everyone within the ABL and our subcontractors understands what acceptable safety behaviour is. ABL is willing and maintains the competence required to draw the right conclusions from its QHSE system and prepared to implement change and reform when it is required whether through new policies and process, changes to operations and/or working arrangements.

Our HELP Card system rolled out end of 2021 exceeded the expectations with staff regularly using and contributing to the improvement of the system.

Anti-corruption

The Board of Directors has approved and implemented corporate governance principles endorsing and complying with the Norwegian Accounting Act (§ 3-3b) and the Norwegian Code of Practice for Corporate Governance (Code of Practice) issued by the Norwegian Corporate Governance Board.

ABL Group is committed to conducting its business in a manner that adheres to the highest industry standards and strictly in accordance with applicable laws and regulations in the regions and countries where were operate.

The Group advocates high standards of honesty, integrity, and ethical behaviour in its daily business and expects all representatives of ABL Group to conduct their daily business in a safe, fair, honest, respectful, and ethical manner.

ABL Group has a corporate compliance officer, employees are provided training on compliance and are instructed to report suspected violations of the Group's code.

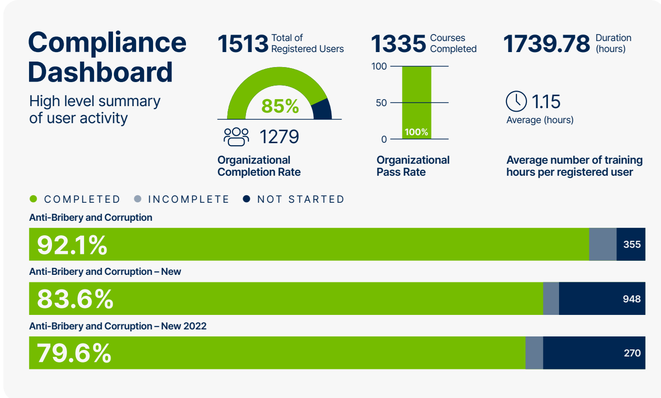
All staff must complete e-learning modules that support our policies. Our goal is continuous improvement, and we are focusing on improving anti-corruption monitoring and reporting.

In 2022, each employee spent on average 1.15 hrs on training. Our anti- bribery and corruption training completion was at 85%, which is an improvement from 2021.

In line with the ABL Group Training Matrix, all new starters are signed up for Anti Bribery & Corruption Compliance and Cyber Security training with immediate effect following the appointment, and refreshers are conducted every 3 years.

The ABL Way of Doing Business - Corporate Code of Ethics and Business Conduct sets out the basic rules and standards of behaviour expected on matters that are important to our company and to conduct our business in an ethical and compliant manner in accordance with our values. This handbook is also shared with our freelancers via the freelancer QHSE Package. Both staff and contractors must acknowledge the reading and understanding of the requirements. The Code of Conduct gives general instructions on employees' responsibilities in preventing bribery and corruption in business dealings, including reporting suspected Violations.

The Code of Conduct is further supported by our internal SOP18 on Regulatory Compliance. This focuses further on our compliance requirements with international laws, including sanction laws described in SOP15.



Our Code of Conduct states that our staff has the option to report to their Line Manager, our General Counsel or Group Operations Director. We have recently created and published a Whistleblowing Policy that supports all grievances or suspected wrongdoing instances. This includes bribery, fraud or other criminal activity, miscarriages of justice, health and safety risks, damage to the environment, issues in the workplace, and/or any breach of legal or professional obligations. This policy covers all employees, officers, consultants, freelancers, contractors, work experience or internship workers, volunteers, casual workers, and agency workers of ABL Group. We stress confidentiality will be protected where appropriate and that we will not penalise or discriminate against anyone who provides information to the company relating to what they believe is corrupt or unethical practices.

Regarding taxation, our policy is one of full compliance with all relevant domestic and international laws, rules, and regulations. Management of our tax affairs is also consistent with our ethics policy and code of business conduct, which are built around fairness, openness, and honesty. As a listed company we must also demonstrate full compliance in these areas.

DEVELOPMENT OF CSR INITIATIVES (CORPORATE SOCIAL RESPONSIBILITY)

In recognition that our guiding purpose is that the sustainability of the world in which we operate and live is vital for the future of the company, we report here in the continued development of our group-wide CRS programme. This programme encourages colleagues to take time out of their working day to engage in charitable and social initiatives.

Last year we selected initiatives, which each touched on a number of topics driven by the UNGC and that intertwine with the SDGs, namely human rights, health and safety on attendance, and energy transition & climate goals. Furthermore, they promoted our SDGs among individuals in the company and created a space for colleagues to engage in a positive way with the communities and sectors in which we work and live. The activities also brought teams closer together in a non-work environment, encouraging a positive and meaningful culture.

Here is a summary of some of our activity:

ABL Group becomes a signatory of the Neptune Declaration

ABL Group was proud to join more than 850 organisations as a signatory of the Global Maritime Forum's **Neptune Declaration on Seafarer Wellbeing.**

The initiative was set up in response to the pandemic's adverse impacts on seafarer safety and wellbeing, namely the crew change crisis and challenges in vaccinating seafarers. It calls for signatories to promote 4x main actions, as communicated in our graphic.

Recognising that many of our own staff come from seafaring backgrounds, as well as the risk to both human and operational safety at sea, posed by the crew change crisis, we felt compelled to become a signatory in April 2021. Since then...

- We continue to promote the Neptune Declaration and our support for this initiative, at all relevant maritime events incl. monthly maritime market briefings
- We report intermittent news as we receive it on the declaration, on our corporate Linkedin page

We hope that our vocal support for this initiative, has encouraged others in the industry to become signatories as well.

Support for The Mission to Seafarers

In connection to the above, we announced our group-wide support for the important work of the Mission to Seafarers (MtS) in May 2021.

The Mission to Seafarers is a global charity, which provides practical, emotional and pastoral support to seafarers and their families via a network of over 200 ports worldwide.

In promoting our support for MtS, Group CEO at the time, David Wells commented:

"This is a charity which resonates with us given a large portion of our staff come from seafaring backgrounds themselves. We recognise the vital role MtS plays in providing practical, emotional and pastoral care to men and women working at sea – particularly in these times following the vast impact of the pandemic on shipping communities."

Many of our colleagues across the group support MtS in their own ways as ambassadors, or in delivering supplies to ports, as well as engaging in various charitable functions across the regions (ref. picture above to MtS' annual Golf Tournament, Dubai).

OSCAR Dragon Boat Race

In September 2022, ABL took part in the OSCAR Dragon Boat Race on the River Thames, raising money for Great Ormond Street Hospital Children's Charity.

25 companies from the shipping industry too part, with the top six teams battling it out in a final.

ABL London raised a total of £2,328 for the OSCAR Campaign.

OWC engages with Business Volunteers

OWC engaged with a professional partner in sourcing and managing CSR volunteer days, called Business Volunteers.

Through this partnership, Business Volunteers paired the OWC London office up with a number of activity days over the course of last year, which were relevant to OWC's commitment to driving a more sustainable and cleaner environment. Some examples are:

- In July 2022, OWC donated a significant number of laptops to the CEO Charity, educating young people aged 13-25 on the diverse range of jobs available within the construction and engineering industry.
- OWC London sent volunteers to Dexter's Adventure Playground, a charity working with vulnerable young people in Brixton, to assist in transforming their space from a derelict park into a colourful picnic area for families.
- Staff spent day of their time at the Felix Project in East London, preparing 3500 meals for people suffering food poverty.

Some comments from colleagues who took part:

> *"Training and supporting the next generation of engineers is right at the heart of what we do at OWC. We look forward to hearing about the success of the CEO students in the years to come!"*
>
> **– Katherine Phillips**

> *"It was hugely rewarding to see the difference we all made to the site in a day by working together,"*
>
> **– Aimee Besant**

CSR in 2023

At ABL Group, we actively pursue a diverse CSR programme, supporting a number of initiatives in order to foster a happy, social and positive workplace culture for our colleagues, and to make a difference in our society and environment. We are committed to becoming a sustainable company not only in our business world, but also for the communities and countries in which we work and live.

CORPORATE GOVERNANCE

Corporate Governance regulates the relationship between the Group's management, its Board of Directors and the shareholders of ABL Group ASA (the "Company").

The Company believes that good corporate governance is an important component of sustainable business conduct and long-term value creation.

1. Implementation and reporting of Corporate Governance

In accordance with the Norwegian Code of Practice for Corporate Governance (NCPCG), the Board of Directors of the Company has prepared a Corporate Governance policy document. ABL Group ASA aspires to follow the NCPCG as closely as possible. Through its Board and management, the Company conducts a review and evaluation of its principles for corporate governance on an annual basis.

The Company's compliance with the Code is detailed in this report and section numbers refer to the Code's articles. The Company's Corporate Governance guidelines are published in full at the Company's website.

2. Business

The Company is a Norwegian public company that offers marine, offshore and renewables consultancy services to the energy, shipping and insurance industries.

The Group's strategy is to offer its specialist consultancy services through a growing network of global offices.

The scope of the Company's business is defined in its Articles of Association, published on the Company's website. The Company's objectives and strategies are presented in the Board of Directors' report.

3. Equity and dividends

Equity

The Company's consolidated shareholder's equity at 31 December 2022 was USD 68.4 millions, representing an equity ratio of 54%. The Board aims to maintain an equity ratio that remains satisfactory in light of the Company's goals, strategy and risk profile.

Shares and share capital

At the end of 2022 the Company had 104,769,862 ordinary shares outstanding with a par value of NOK 0.10 per share (see note [xx] to the Financial Statements). The Company has one share class, and each share carries one vote. At 31 December 2022, the Company had 2,009 shareholders, and foreign registered shareholders held 16.8% of the shares of the Company.

Increases in share capital

The Board will only propose increases in the share capital when this is beneficial over the long term for the shareholders of the Company.

The Board has authorisation to increase the share capital in the Company as approved by the shareholders and publicly registered in the Norwegian Register of Business Enterprises (Brønnøysund), both a general authorization and an authorization to be utilized in connection with the employee incentive program. The Company has further issued warrants as also registered in the Norwegian Register of Business Enterprises (Brønnøysund). The Board has authorisation to purchase the Company's own shares, limited to 10% of the total shares outstanding.

Dividend policy

The Company's intention is to pay a semi-annual dividend in support of its objective to maximise capital efficiency. The majority of the Company's free cash flow is intended to be distributed, subject to maintaining a robust cash buffer to satisfy commitments and support working capital requirements, planned capital expenditure, growth opportunities, and uncertain future market prospects.

In addition to paying a cash dividend, the Company may buy back its own shares as part of its plan to distribute capital to shareholders.

4. Equal treatment of shareholders and transactions with close associates

The Company has only one class of shares and there are no voting restrictions. Any potential purchase of own shares shall be carried out via a stock exchange at market prices.

Where the Board resolves to carry out an increase in share capital on the basis of an authority given to the Board, and waive the pre-emption rights of existing shareholders, the justification will be publicly disclosed in connection with the increase in share capital.

Transactions with related parties shall be at arm's length and at fair value which, in the absence of any other pertinent factors, shall be at market value. All material transactions with related parties shall be valued by an independent third party, unless assessed and resolved upon by the General Meeting. Transactions with related parties are described in note 21 to the Financial Statements.

5. Freely negotiable shares

There are no limitations on trading of shares and voting rights in the Company and each share gives the right to one vote at the Company's General Meeting.

6. General Meeting

The General Meeting is the Company's supreme body and elects the members of the Board.

The call for the General Meeting

The Company observes the minimum notice period set out in the Norwegian Public Limited Companies Act, i.e. providing 21 days' notice. The call for the General Meeting is issued in writing via mail, or electronically through VPS, to all shareholders with registered addresses. Transmitted with the summons are documents, which have sufficient detail for the shareholders to take a position on all the cases to be considered. However, documents relating to matters which shall be considered at a general meeting need not be sent to the shareholders if the documents have been made available to the shareholders on the Company's website. The summons also addresses the shareholder's right to propose resolutions to the matters to be resolved upon at the General Meeting, and gives information regarding the required steps necessary to exercise the shareholder's rights. The summons and the said documents are made available on the Company's website at least 21 days prior to the relevant General Meeting.

Voting at the General Meeting

Any shareholder is entitled to vote at the General Meeting, and to cast a vote, a shareholder must attend or give a proxy to someone who is attending. The proxy form will be distributed with the summons to the General Meeting. A proxy will only be accepted if submitted by mail, fax, or e-mail (provided the proxy is a scanned document with signature), or registered directly through VPS. For shareholders who cannot attend the General Meeting, the Board will nominate the Chair and/or the CEO to vote on behalf of shareholders as their proxy. To the extent possible, the Company uses a form for the appointment of a proxy, which allows separate voting instructions to be given for each matter to be considered by the meeting and for each of the candidates nominated for election.

The attendance at the General Meeting

The Board and the management of the Company seek to facilitate the largest possible attendance at the General Meeting. The Chair of the Board and the Company's Auditor will always attend the General Meeting. Other members of the Board and the Nomination Committee will also attend whenever practical.

Chair of the meeting and minutes

The Chair of the Board, or another person nominated by the Board, will declare the General Meeting open. Considering the Company's organisation and shareholder structure the Company considers it unnecessary to appoint an independent chair for the General Meeting, and this task will for practical purposes normally be performed by the Chair of the Board.

7. Nomination Committee

The Nomination Committee is elected by the General Meeting, including its Chair. The members of the Nomination Committee should be selected to ensure there is a broad representation of shareholders' interests.

The Nomination Committee's task is to propose candidates for election to the Board of Directors and to suggest remuneration for the Board. The recommendations shall be justified. The Nomination Committee currently consists of two members, who shall be shareholders or representatives of the shareholders, and no more than one member of the Nomination Committee shall be a member of the Board. Further information on the duties of the Nomination Committee can be found in the Instructions to the Nomination Committee, which has been approved by the General Meeting and made available on the Company's website.

The Company is not aware of the existence of any agreements or business partnerships between the Company and any third parties in which members of its Nomination Committee have direct or indirect interests. The Nomination Committee's composition is designed to maintain its independence from the Company's administration.

The Nomination Committee currently consists of the following members:

- **Bjørn Stray, Chair (up for election in 2024)**
- **Lars Løken (up for election in 2024)**

Further information on the membership is available on the Company's webpage.

8. The Board of Directors – composition and independence

The Chair and the other members of the Board are elected for a period of two years at a time and currently comprises five members. All members of the Board may be re-elected for periods of up to two years at a time.

The Chair of the Board, Glen Rødland, owns approx. 14.2% of shares in the Company, through Gross Management AS which is controlled by Mr Rødland.

In electing members to the Board, it is emphasised that the Board has the required competence to independently evaluate the cases presented by the Executive Management as well as the Company's operations. It is considered important that the Board functions well as a body of colleagues.

The female representation among Board members is 40%.

The current composition of the Board, including Board members' shareholding in the Company per 31 December 2022 is detailed below.

9. The work of the Board

The Board's work follows an annual plan and it conducts an annual self-evaluation of its performance and expertise, which is made available to the Nomination Committee. The annual plan is devised after each Annual General Meeting, and includes the number of meetings to be held and specific tasks to be handled at the meetings. Typical tasks that are handled by the Board during the year include an annual strategic review, review and approval of the following year's budget, evaluation of management and competence required, and continuous financial and risk reviews based on budget or prognosis. In addition to ad hoc email correspondence, the Board has held 10 meetings and calls during the period between 1 January 2022 and 31 December 2022.

Audit Committee

The Audit Committee's responsibilities follow from section 6-43 of the Norwegian Public Limited Liability Companies Act. The Committee performs a qualitative review of the quarterly and annual reports of the Company and participates in the quality assurance of guidelines, policies, and other governing instruments pertaining to the Company. The Audit Committee consists of Members of the Board and is elected by the Board. The Committee supports the Board in safeguarding that the Company has sound risk management and internal controls over financial reporting. The Audit Committee monitors compliance with the company's Code of Conduct as well as anti-corruption and third-party representative policies.

The Audit Committee currently consists of the following members:

- **Synne Syrrist, Chair**
- **Rune Eng**

Remuneration Committee

The Remuneration Committee, appointed by the Board, makes proposals to the Board on the employment terms and conditions and total remuneration of the CEO, and other members of the Executive Management, as well as the details of the employee share scheme. These proposals are also relevant for other management entitled to variable salary payments.

The Remuneration Committee currently consists of the following members:

- **David Wells, Chair**
- **Yvonne L. Sandvold**

Name	Position in the Board	Member since (year)	Up for election (year)	Committee membership	Shareholding in ABL Group ASA*
Glen Rødland	Chair	2014	2024		14,890,351 [1]
Yvonne L. Sandvold	Member	2013	2023	Remuneration	-
Synne Syrrist	Member	2013	2023	Audit	-
Rune Eng	Member	2021	2023	Audit	198,407 [2]
David Wells	Member	2022	2024	Remuneration	1,073,051

*** At 31st of December 2022**

[1] The shares are held through Gross Management AS, an entity controlled by Mr. Rødland.

[2] The shares are held through Eng Invest AS, an entity controlled by Mr. Eng.

10. Risk management and internal control

The Board and the Executive Management shall at all times see to it that the Company has adequate systems and internal control routines to handle any risks relevant to the Company and its business, including that the Company's ethical guidelines, corporate values, and guidelines for corporate social responsibility are maintained and safeguarded.

The Board carries out an annual detailed review of the Company's most important areas of exposure to risk and its internal control systems. The risk areas, changes in risk levels, and how the risk is being managed, are on the agenda at each regular Board meeting.

The Company offers marine, offshore, and renewables consultancy services to the energy, shipping, and insurance industries. These services are provided in compliance with relevant international and local laws and regulations governing this industry. The Company has adopted a Corporate Code of Conduct and a QHSE system governing daily business practices.

11. Remuneration of the Board of Directors

Remuneration of Board members shall be reasonable and based on the Board's responsibilities, work, time invested, and the complexity of the business. The remuneration needs to be sufficient to attract both Norwegian and foreign Board members with the right expertise and competence. The compensation shall be a fixed annual amount and shall be determined by the Annual General Meeting based on a proposal from the Nomination Committee.

For more information on the remuneration of the Board see note 21 to the Financial Statements.

12. Remuneration of the Executive Management

The Board decides the salary and other compensation of the CEO, pursuant to relevant laws and regulations, having references to the main principles for the compensation policy of the Company as well as market norms and performance of the individual.

For more information on the remuneration of the CEO and other members of Executive Management, see note 21 to the Financial Statements, as well as the guidelines and report related to remuneration to Executive Management attached to the notice to the AGM.

13. Information and communication

The Company is strongly committed to maintaining an open dialogue with its shareholders, potential investors, analysts, investment banks and the financial markets in general. Our goal is for the share price to reflect the underlying value of the Company by providing all price-relevant information to the market on a timely basis.

The Board of Directors and the Executive Management of the Company assign considerable importance to giving the shareholders and the financial market in general timely, relevant and current information about the Company and its activities, while maintaining sound commercial judgement in respect of any information, which, if revealed to competitors, could adversely influence the value of the Company.

The CEO and CFO are responsible for the Company's investor relations activities and all communication with the capital markets, and all information is provided in accordance with the laws and regulations imposed by the Norwegian Securities Trading Act and the Oslo Stock Exchange

Regular information is published in the form of Annual Reports and interim reports and presentations. the Company distributes all information relevant to the share price to the Oslo Stock Exchange in accordance with applicable regulations. Such information is distributed without delay and simultaneously to the capital market, the media and on the Company website.

The Company publishes all information concerning the General Meetings, quarterly reports and presentations and other presentations on the Company website, as soon as they are made publicly available.

The Executive Management holds regular meetings with shareholders and other investors, and presents at domestic and international investor conferences.

14. Take-overs

The Board shall not without specific reasons attempt to hinder or exacerbate any attempt to submit a takeover bid for the Company's activities or shares, hereunder make use of any proxy for the issue of new shares in the Company. In situations of takeover or restructuring, it is the Board's particular responsibility to ascertain that all shareholders' values and interests are protected. If a take-over offer is made, the Board will issue a statement making a recommendation as to whether shareholders should or should not accept the offer. The Board will arrange a valuation from an independent expert that shall be made public no later than the disclosure of the Board's recommendation.

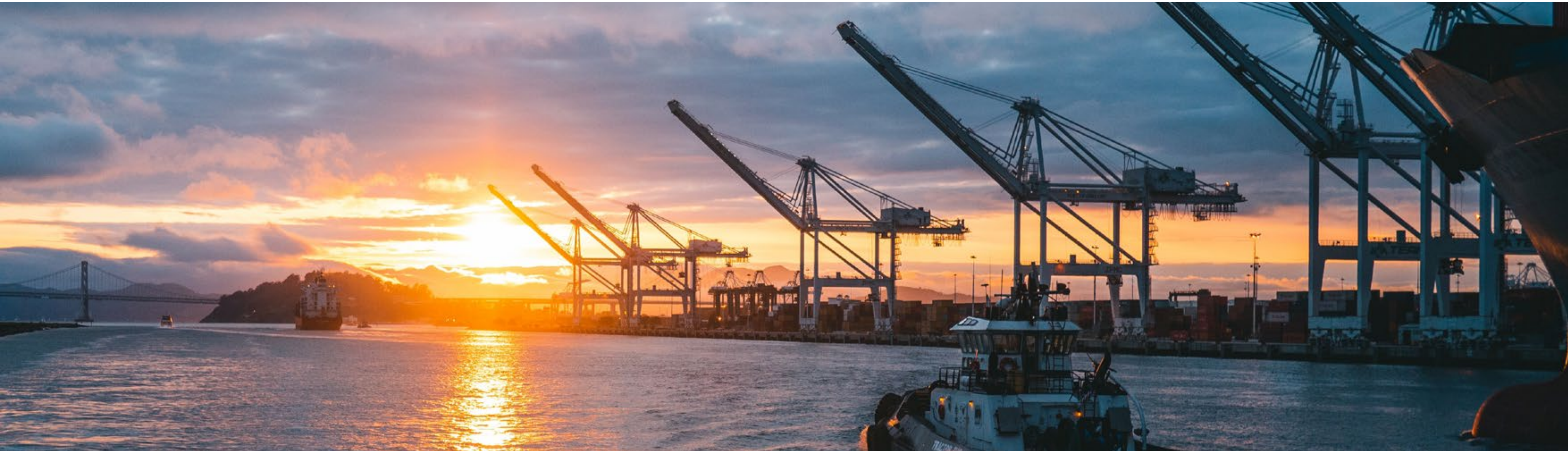
15. Auditor

PricewaterhouseCoopers AS was appointed as the Company's Auditor on 15 May 2017. The Auditor each year presents a plan for the implementation of the audit work, and following the annual statutory audit presents a review of the Company's internal control procedures, including identified weaknesses and proposals for improvement.

The Auditor participates in the Board meeting that approves the annual financial statements, and otherwise when required. The Auditor meets with the Board, without the Company's Executive Management being present, at least once a year.

Remuneration to the Auditor is disclosed in note 6 to the Financial Statements.

The full Corporate Governance Policy is published on the Company's home page: **www.abl-group.com**



BOARD OF DIRECTORS' REPORT

Key figures and events in 2022

- Revenues of USD 167.9m in 2022 compared to USD 150.7 million in 2021
- Operating profit (EBIT) of USD 12.5m in 2022 compared to USD 7.4 million in 2021
- Adjusted EBIT of USD 15.3m in 2022 compared to USD 9.6 million in 2021
- Profit after taxes of USD 6.3m in 2022 compared to USD 3.2 million in 2021
- Adjusted profit after taxes[1] of USD 7.1m in 2022 compared to USD 5.4 million in 2021
- Total dividend of NOK 0.6 per share paid during 2022, corresponding to USD 5.9 million
- Completed sale of Loss Adjusting business, now trading independently as SteegeXP
- Completed acquisition of Add Energy Group, adding wells consulting and asset integrity as business areas
- In June 2022, AqualisBraemar LOC ASA was formally changed to ABL Group ASA (ticker "ABL")
- Solid financial position with a net cash balance of USD 17.6m at 31 December 2022
- 1092 full-time equivalent employees[2] at 31 December 2022

[1] Alternative Performance Measures
[2] Including subcontractors

Strategy And Objectives

The Company's long-term objective is to consolidate the offshore energy and marine consulting space whilst maintaining a focus on organic growth.

ABL Group focuses on the provision of high end consultancy to the global energy, shipping and insurance industries. The services can be categorised across three market sectors:

- **Renewables** – Independent engineering and consultancy services to offshore wind industry
- **Oil & Gas** – Engineering and consultancy services to the offshore oil and gas industry
- **Maritime** – Worldwide emergency incident response and surveys to marine insurance industry

The Group's strategy is to offer its specialist marine and engineering consultancy services through a network of global offices. The Group has established a presence in most major marine and offshore energy centres. This global presence allows the business to provide local expertise and swift response times to client demands.

ABL Group remains focused on value creation for all our stakeholders; customers, employees, and shareholders, not on increasing the size of the company as such. All M&A and other investments need to be value accretive.

Organisation

The business is operated primarily through a regional structure, giving shorter reporting lines, improved local presence towards clients, and improved utilisation through flexible use of technical staff across business streams. OWC (comprising the activities of OWC, Innosea and East Point Geo entities) and Longitude are managed and reported as separate segments, as projects are more global in nature. Add Energy (acquired July 2022) was reported separately in 2022, but will be integrated to the regional reporting from 2023. Our seven reporting segments during 2022 were: Europe, Middle East, Asia Pacific, Americas, OWC, Longitude and Add Energy.

The business is secondarily organised across three market sectors, Renewables, Maritime and Oil & Gas – each with separate global managing directors ensuring consistency of delivery and access to global competency.

During 2022, the Group opened no new offices, but continued to expand its renewables offering across the existing office network.

The office and operations in Moscow, Russia were permanently shut down during the year. The Group will continue to grow its global office network in strategically placed locations to serve growth markets.

Financial Review

Financial statements

The consolidated financial statements of ABL Group are prepared in accordance with International Financial Reporting Standards as adapted by the European Union. A financial review of the Group for 2022 is provided below.

Profit and loss

Total operating revenues increased by 11% to USD 167.9 million in 2022 compared to USD 150.7 million in 2021. The increase in revenues was primarily driven by the OWC and Longitude segments, growing by 27% and 26% respectively compared to 2021, in addition to the acquisition of Add Energy.

Staff costs and other operating expenses increased by 9% to USD 152.0 million in 2022 compared to USD 139.6 million in 2021. The increase is broadly in line with the increase in revenue.

EBIT amounted to a profit of USD 12.5 million in 2022 compared to USD 7.4 million in 2021. Adjusted EBIT was USD 15.3 million in 2022 vs USD 9.6 million in 2021.

Profit after taxes amounted to USD 6.3 million in 2022 compared to USD 3.2 million in 2021. Adjusted profit after taxes was USD 7.1 million in 2022 vs USD 5.4 million in 2021.

Cash flow, liquidity and financial position

Net cash inflow from operating activities was USD 18.6 million in 2022, up from a net cash outflow of USD 0.2 million in 2021, driven by significant working capital improvements. Net cash outflow for investing activities was USD 2.4 million in 2022. Net cash outflow from financing activities was USD 4.3 million in 2022, primarily caused by dividends and debt repayment. A total dividend of USD 5.9 million representing NOK 0.60 per share was paid to the shareholders in 2022. At 31 December 2022, cash balance amounted to USD 31.0 million compared with USD 19.8 million at 31 December 2021.

At 31 December 2022, total assets amounted to USD 126.9 million compared with USD 115.1 million as of 31 December 2021. The shareholders' equity was USD 68.4 million at 31 December 2022, corresponding to an equity ratio of 54%. The shareholders' equity was USD 66.9 million at 31 December 2021, corresponding to an equity ratio of 58%. ABL Group had USD 13.3 million of interest bearing bank debt as of 31 December 2022.

The Board of Directors proposes a dividend equal to 0.35 NOK per share to be paid during the first half of 2023, and for dividends to remain on a semi-annual schedule.

ABL GROUP ASA (Parent)

ABL Group ASA prepares its financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway. ABL Group ASA is the ultimate holding company for the Group's operations.

ABL Group ASA reported profit after taxes in 2022 of NOK 37.9 million compared with profit after taxes of NOK 25.7 million in 2021. Total assets as of 31 December 2022 were NOK 746.9 million compared with NOK 594.7 million in 2021. The company's cash balance at 31 December 2022 was NOK 32.6 million compared to NOK 5.9 million at 31 December 2021. Net cash flow from operating activities was NOK 138.7 million in 2022. Net cash flow used in investing activities was NOK 96.8 million in 2022 and primarily related to loans given to group companies. Net cash outflow from financing activities was NOK 15.2 million, driven mainly by dividend payments. For tax purposes, the distribution of dividend was considered repayment of paid in capital.

ABL Group ASA is exposed to credit risk related to loans to subsidiaries. The loans to subsidiaries do not have a specific due date.

The total shareholder's equity at 31 December 2022 was NOK 524.9 million. The Board proposes that the profit after tax of NOK 37.9 million is mainly allocated to Group contributions.

ABL Group ASA has its headquarter in Oslo, Norway, with six permanent employees at the end of 2022. Sick leave was 12 days or 1.0% for 2022.

Going Concern

In accordance with the Norwegian accounting act § 3-3a, the Board of Directors confirms that the Financial Statements have been prepared under the assumption of going concern and that this assumption is valid.

Risk Factors

Risk exposure and Risk management

ABL Group's regular business activities routinely encounter and address various types of risks some of which may cause our future results to be different than we presently anticipate. A disciplined approach to risk is important and the Group proactively manages such risks.

ABL Group's Board is committed to effective risk management in pursuit of the Group's strategic objectives with the aim of growing shareholder value. Further, the Board realises that proactive risk management is both an essential element of good corporate governance and an enabler in realising opportunities.

The Executive Management is responsible for the governance of risk with support from members of the management team. They review and monitor the effectiveness of the risk management processes within the Group in accordance with corporate risk governance requirements.

Risk registers are tabled at Company and Board meetings under the categories of economic, financial, political, operational, strategic, legal and human resources risks. Action plans are monitored and discussed to reduce the risks to acceptable levels.

Operational risk

Operational Risk typically involves the risk of loss resulting from inadequate internal processes, people and systems or from external events, including political and legal risks. The Executive Management regularly analyses its operations and potential risk factors with a focus on the most significant risks facing the Group and takes appropriate measures to reduce risk exposure.

ABL Group places a strong emphasis on Quality, Health & Safety Assurance and has management systems implemented, in line with the requirements for its business operations.

Credit risk

Credit risk is primarily related to trade receivables. In trade receivables, credit risk includes geographic, industry and customer concentration and risks related to collection.

Interest rate risk

With gross interest bearing bank debt of USD 13.3 million at 31 December 2022, the Group is exposed to interest rate risk. The interest on the Group's bank debt is based on floating interest rates with a fixed margin on top.

Liquidity risk

The Group's policy is to maintain satisfactory liquidity at the corporate level. The Group has a solid cash position which exceeds the interesting-bearing debt at year-end. The Group had cash and cash equivalents of USD 31.0 million, and 13.3 million of interest bearing bank debt, at 31 December 2022. Based on the year-end cash balance, available liquidity resources and the current structure and terms of the Group's liabilities, it is the Board's opinion that the Group has adequate funding and liquidity to support its operations and investment program.

Foreign currency risk

ABL Group operates internationally and is exposed to currency risk primarily to fluctuations in USD, NOK, SGD, GBP and AED, arising from commercial transactions and assets and liabilities in currencies other than the entity's functional currency, ABL Group's net investments in foreign subsidiaries and its foreign currency denominated cash deposits. During the year 2022, the Group had a net foreign exchange loss of USD 2.5 million.

Further details on financial risk can be found in note 23 to the consolidated financial statements.

Corporate Governance

The statement of Corporate Governance is included as a separate document in the Annual Report. Corporate Governance is important to ensure that our business is operated in a way that protects the long-term interest of all stakeholders. The Board of Directors has approved and implemented corporate governance principles endorsing and complying with the Norwegian Accounting Act (§ 3-3b) and the Norwegian Code of Practice for Corporate Governance (Code of Practice) issued by the Norwegian Corporate Governance Board. ABL Group's compliance with the Code of Practice is described in detail in the report on Corporate Governance which is included in the Annual Report on page 31.

Social and Environmental Responsibility

In Q1 2020 we initiated a comprehensive process to establish best practice Environmental, Social and Governance ("ESG") reporting and to instil sustainability into the culture and forward strategy of the Group. We have called this project ABL2030, recognising that though the journey may be long, we must build the foundations this decade. Our ABL2030 guiding purpose is that energy and the oceans are at the centre of our business; the sustainability of both is vital for the future of our company and the world in which we operate and live. Based on the key principles for ABL2030, our Sustainability report on page [25] outlines how ABL Group assesses and mitigates climate risk to its business, markets and its impacts on the wider world.

Insurance covering Board of Directors and Executive Management team

ABL Group ASA holds a Directors and Officers Liability Insurance (D&O) covering the Board Members´, CEO's and the executive management's potential liabilities towards the company and third parties.

Markets and Outlook

Improving markets is expected to be a key driver for top line growth and improved profitability in ABL Group in 2023 and beyond.

The offshore wind industry, our core renewables market, is expected to continue to grow rapidly. We have seen progress towards opening new global markets to offshore wind, and with an increasing number of developers, new investors and new geographies, the consultancy market is expected to grow significantly in the short and long term. The early development work which represents OWC's core business continues to grow at pace, and the offshore installation activity which drives our offshore wind marine warranty survey work is expected to return to growth in 2023.

In our oil and gas market we have seen significant improvements in brownfield and opex driven work during 2022, and expect this to improve further in 2023. Greenfield and capex driven services have been slower to pick up, but we expect significant improvements through 2023 and towards a very active 2024.

We expect to retain our strong position in our maritime markets. These markets are long term stable and move in tandem with global shipping activity, but short-term development remains largely event driven and difficult to forecast.

ABL Group's current strategy remains unchanged being focused on widening and strengthening its global client portfolio and enhancing client loyalty to retain and obtain market leading positions across our services and geographies.

ABL Group will continue to be active in the consolidation and restructuring of our industry. ABL Group remains focused on value creation for all our stakeholders; customers, employees and shareholders. The active pursuit of strategic and value creating acquisitions allows us to make large strides in positioning the group in attractive markets, and to become the leading independent global energy and marine consultancy.

Oslo, 26 April 2023

Glen Rødland
Chair of the Board

Yvonne L. Sandvold
Board member

Synne Syrrist
Board member

Rune Eng
Board member

David Wells
Board Member

Reuben Segal
CEO

RESPONSIBILITY STATEMENT

We confirm that, to the best of our knowledge, the 2022 consolidated financial statements have been prepared in accordance with IFRS as adopted by EU, gives a true and fair view of the Company's assets, liabilities, financial position and results of operations, and that the management report includes a fair review of the information required under the Norwegian Securities Trading Act section 5-5.

Oslo, 26 April 2023

Glen Rødland
Chair of the Board

Yvonne L. Sandvold
Board member

Synne Syrrist
Board member

Rune Eng
Board member

David Wells
Board Member

Reuben Segal
CEO

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of income

Amounts in USD thousands	Notes	2022	2021
Revenue	4	167,897	150,748
Total revenue		**167,897**	**150,748**
Staff costs	5	(88,126)	(81,978)
Other operating expenses	6	(63,915)	(57,605)
Depreciation, amortisation and impairment	11, 12	(3,342)	(3,790)
Operating profit (loss) (EBIT)		**12,514**	**7,375**
Gain on bargain purchase / disposal of subsidiaries	7	1,889	54
Finance income	8	169	112
Finance expenses	8	(1,411)	(765)
Net foreign exchange gain (loss)	8	(2,507)	(592)
Profit (loss) before income tax		**10,654**	**6,184**
Income tax expenses	9	(4,401)	(2,965)
Profit (loss) after tax		**6,253**	**3,218**

Consolidated statement of other comprehensive income

Amounts in USD thousands	Notes	2022	2021
Profit (loss) after tax		**6,253**	**3,218**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Currency translation differences		(2,776)	(475)
Income tax effect	9	(729)	(343)
Other comprehensive income for the period, net of tax		**(3,506)**	**(818)**
Total comprehensive income for the period		**2,746**	**2,400**
Total comprehensive income for the period is attributable to:			
Equity holders of the parent company		2,689	2,325
Non-controlling interests		58	75
Total comprehensive income for the period		**2,746**	**2,400**
Earnings per share (USD): basic	10	**0.06**	**0.03**
Earnings per share (USD): diluted	10	**0.06**	**0.03**

Consolidated balance sheet

Amounts in USD thousands	Notes	31 December 2022	31 December 2021
ASSETS			
Non-current assets			
Property, plant and equipment	11	2,101	1,137
Right-of-use assets	12	7,904	3,629
Investment in associates		29	-
Goodwill and intangible assets	13	29,382	27,465
Deferred tax assets	9	1,744	1,708
Total non-current assets		**41,160**	**33,939**
Current assets			
Trade and other receivables	14	41,400	43,235
Contract assets	4	13,394	18,101
Cash and cash equivalents	15	30,974	19,815
Total current assets		**85,769**	**81,151**
Total assets		**126,928**	**115,090**
EQUITY AND LIABILITIES			
Equity			
Share capital	16	1,402	1,323
Share premium	16	63,349	64,913
Consideration shares	7	1,236	1,890
Share-based compensation reserve	16	3,769	2,373
Retained earnings		14,752	8,557
Foreign currency translation reserve		(15,812)	(12,306)
Total		**68,697**	**66,751**
Non-controlling interests	7	**(269)**	**114**
Total equity		**68,427**	**66,865**
Non-current liabilities			
Deferred tax liabilities	9	2,516	1,259
Long term borrowings	17	-	3,328
Lease liabilities	12	6,922	2,481
Provisions and other payables	18	3,058	2,714
Other payables		2,935	2,947
Total non-current liabilities		**15,432**	**12,729**

Amounts in USD thousands	Notes	31 December 2022	31 December 2021
Current liabilities			
Trade and other payables	19	25,890	24,467
Contract liabilities	4	1,535	949
Short term borrowings	17	13,337	8,333
Lease liabilities	12	1,869	1,349
Income tax payable	9	439	398
Total current liabilities		**43,069**	**35,496**
Total liabilities		**58,501**	**48,225**
Total equity and liabilities		**126,928**	**115,090**

Oslo, 26 April 2023

Glen Rødland
Chair of the Board

Yvonne L. Sandvold
Board member

Synne Syrrist
Board member

Rune Eng
Board member

David Wells
Board Member

Reuben Segal
CEO

Consolidated statement of changes in equity

Amounts in USD thousands	Notes	Share capital	Treasury shares	Share premium	Consideration shares	Share-based compensation reserve	Retained earnings	Foreign currency translation reserve	Total	Non- controlling interests	Total equity
At 1 January 2021		1,276	(41)	67,080	1,459	897	5,413	(11,487)	64,598	721	65,319
Profit after tax		-	-	-	-	-	3,144	-	3,144	75	3,218
Other comprehensive income		-	-	-	-	-	-	(818)	(818)	-	(818)
Cash-settled capital increase (net of transaction costs)		41	-	2,260	-	-	-	-	2,301	-	2,301
Shares to be issued as part of the consideration on a acquisition of subsidiary		-	-	-	431	-	-	-	431	-	431
Shares issued as consideration for business combination		6	-	1,048	-	-	-	-	1,054	-	1,054
Non-controlling interests on acquisition of subsidiary		-	-	-	-	-	-	-	-	(609)	(609)
Dividends paid		-	-	(5,476)	-	-	-	-	(5,476)	(73)	(5,548)
Share-based payment expenses	16	-	-	-	-	1,475	-	-	1,475	-	1,475
Employee share program issue		-	41	-	-	-	-	-	41	-	41
At 31 December 2021		**1,323**	**-**	**64,912**	**1,890**	**2,372**	**8,557**	**(12,306)**	**66,751**	**114**	**66,865**
At 1 January 2022		**1,323**	**-**	**64,912**	**1,890**	**2,372**	**8,557**	**(12,306)**	**66,751**	**114**	**66,865**
Profit after tax		-	-	-	-	-	6,195	-	6,195	58	6,253
Other comprehensive income		-	-	-	-	-	-	(3,506)	(3,506)	-	(3,506)
Cash-settled capital increase (net of transaction costs)	16	53	-	1,694	-	-	-	-	1,746	-	1,746
Shares issued as consideration for business combination	7	26	-	2,680	(654)	-	-	-	2,052	-	2,052
Non-controlling interests on acquisition of subsidiary		-	-	-	-	-	-	-	-	(441)	(441)
Dividends paid	16	-	-	(5,936)	-	-	-	-	(5,936)	-	(5,936)
Share-based payment expenses	16	-	-	-	-	1,397	-	-	1,397	-	1,397
At 31 December 2022		**1,402**	**-**	**63,349**	**1,236**	**3,769**	**14,752**	**(15,812)**	**68,697**	**(269)**	**68,427**

Consolidated statement of cash flows

Amounts in USD thousands	Notes	2022	2021
Cash flow from operating activities			
Profit (loss) before taxes		10,654	6,184
Non-cash adjustment to reconcile profit before tax to cash flow:			
Depreciation, amortisation and impairment	11, 13	3,342	3,790
Non-cash employee benefits expense – share-based payments	16	1,396	1,475
Gain on bargain purchase / disposal of subsidiaries	7	(1,889)	(54)
Changes in working capital:			
Changes in trade and other receivables		12,558	(6,923)
Changes in trade and other payables		(2,853)	(252)
Interest costs – net		1,115	488
Income taxes paid		(2,894)	(3,194)
Net exchange differences		(2,144)	(1,221)
Cash flow from (used in) operating activities		**19,285**	**293**
Cash flow from investing activities			
Payments for property, plant and equipment		(1,862)	(534)
Interest received		81	54
Net cash acquired (paid) on acquisition of subsidiaries		(583)	(554)
Cash flow from (used in) investing activities		**(2,364)**	**(1,035)**
Cash flow from financing activities			
Dividends paid to company's shareholders	16	(5,936)	(5,476)
Principal elements of lease payments		(1,765)	(2,601)
Proceeds from loans and borrowings	17	5,000	-
Repayment of borrowings	17	(3,333)	(3,422)
Proceeds from issuance of shares capital	16	1,746	2,301
Interest paid		(650)	(479)
Cash flow from (used in) financing activities		**(4,939)**	**(9,677)**
Net change in cash and cash equivalents		**11,982**	**(10,419)**
Cash and cash equivalents at the beginning of the period		19,815	30,642
Effect of movements in exchange rates		(823)	(407)
Cash and cash equivalents at the end of the period		**30,974**	**19,815**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Corporate information

ABL Group ASA ("the Company") is a limited liability company incorporated on 13 June 2014 and domiciled in Norway with its registered office at Haakon VIIs gate 6, 0161 Oslo. The Company is listed on Oslo Stock Exchange.

The principal activity of the Company and its subsidiaries (collectively the "ABL Group" or the "Group") is to offer adjusting, marine, offshore and renewables consultancy services to the energy, shipping and insurance industries globally. The group employs specialist engineers, naval architects, master mariners, loss adjusters and technical consultants in 63 offices located across 5 continents in 39 countries.

For all periods up to and including the year ended 31 December 2022, the consolidated financial statements of the Group are a continuation of the group values transferred from Weifa ASA in the spin-off of the marine and offshore business wherein all the shares in subsidiaries were transferred to Aqualis ASA on 24 July 2014. The ownership of the subsidiaries and the related excess values from the acquisitions are consequently continued in the consolidated financial statements of the Group.

Note 2. Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of ABL Group ASA and its subsidiaries.

2.1 Basis of preparation

(i) Compliance with IFRS

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the European Union, interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS and the additional requirements of the Norwegian Accounting Act as of 31 December 2022. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

These consolidated financial statements are presented in US Dollars (USD). All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand currency units unless otherwise stated.

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

2.2 Principles of consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

(ii) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized in a separate reserve within equity attributable to owners of ABL Group ASA.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Group's operating segments are established on the basis of those components that are evaluated regularly by the Board of Directors, considered to be the Group's Chief Operating Decision Maker. The Chief Operating Decision Maker monitors the operating results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenues, gross profit and a broad range of key performance indicators in addition to segment profitability.

2.4 Foreign currency translation

(i) Functional and presentation currency

Items included in the consolidated financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in US Dollars (USD). The functional currency of the parent company is Norwegian Krone (NOK). The parent company financial statements are presented in NOK.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognized in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses are presented in the consolidated statement of income on a net basis.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognized in other comprehensive income.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings are recognized in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate at the reporting date.

2.5 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability is subsequently remeasured to fair value, with changes in fair value recognized in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquire is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized as of that date.

The measurement period ends as soon as the Group receives the necessary information about the facts and circumstances that existed as of the acquisition date or learns that the information is not obtainable. However, the measurement period cannot exceed one year from the acquisition date.

2.6 Revenue recognition

(i) Rendering of services

Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously. This is determined based on the actual labour hours spent relative to the total expected labour hours.

Where the contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

(ii) Interest income

Interest income is recognized using the effective interest rate method.

2.7 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, based on amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

(i) Investment allowances and similar tax incentives

Companies within the group may be entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure (e.g. the Research and Development Tax Incentive regime or other investment allowances). The group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognized for unclaimed tax credits that are carried forward as deferred tax assets.

2.8 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the consolidated income statement in the period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the assets' cost to their residual values over their estimated useful lives as follows:

- Fixtures and office equipment: 2 – 5 years
- Vehicles: 5 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property, plant and equipment is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated income statement when the asset is derecognized.

2.9 Leases

The group leases various offices, equipment and vehicles. Rental contracts are typically made for fixed periods of 6 months to 5 years but may have extension options.

Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g., term, country, currency and security.

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

2.10 Intangible assets

(i) Goodwill

Goodwill is measured as described in note 2.5. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes (note 13).

(ii) Customer relations

The customer contracts were acquired as part of a business combination. They are recognized at their fair value at the date of acquisition and are subsequently amortized on a straight-line based on the timing of projected cash flows of the contracts over their estimated useful lives of 5-15 years.

(iii) Patents

The patents were acquired as part of a business combination. They are recognized at their fair value at the date of acquisition and are subsequently amortized on a straight-line based on the timing of projected cash flows of the contracts over their estimated useful lives of 15 years.

2.11 Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.12 Financial assets

The Group classifies its financial assets at amortized cost or fair value based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

2.13 Trade receivables

Trade receivables are amounts receivable from customers for billing in the ordinary course of business. Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment losses. The Group measures the loss allowance for trade receivables based on the expected credit loss model using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate. The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered bankruptcy proceedings. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

The carrying amount of the asset is reduced using an allowance account and the amount of the loss is recognized in the consolidated income statement within other operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against other operating expenses in the consolidated income statement.

2.14 Cash and cash equivalents

For the purpose of consolidated statement of cash flows, cash and cash equivalents comprise cash at banks and on hand and short-term deposits with original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.15 Balance sheet classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- The Group classifies all other liabilities as non-current.

2.16 Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

2.17 Provisions

Provisions for legal claims, service warranties and make good obligations are recognized when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are several similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

2.18 Employee benefits

(i) Pension obligations

The Group currently has defined contribution plans only. For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

(ii) Other employees' benefit obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. These liabilities are presented as a current liability and included in trade and other payables.

In some countries, the group also has liabilities for end of service benefits that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period, using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows.

Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss. The provision relating to end of service benefits is disclosed as a non-current liability.

(iii) Bonus plans

The group recognizes a liability and an expense for bonuses based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(iv) Share-based payments

Share-based compensation benefits are provided to employees via the employee option plan. Information relating to these schemes is set out in note 16.

Employee options

The fair value of options granted under the employee option plan is recognized as an employee benefits expense, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g., the requirement for employees to save or hold shares for a specific period).

The total expense is recognized over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non -market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

2.19 Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the company's equity instruments (treasury shares), for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Company.

2.20 Dividends

Provision is made for any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.21 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.22 Events after the balance sheet date

New information on the Group's positions at the balance sheet date is considered in the annual financial statements. Events after the balance sheet date that do not affect the Group's position at the balance sheet date, but which will affect the Group's position in the future, are stated if significant.

2.23 Prior-year information

The presentation of certain prior year information has been reclassified to conform to the current year presentation.

Note 3. Significant accounting estimates and judgements

In applying the Group's accounting policies, which are described in note 2, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Critical judgements in applying the Group's accounting policies

The following are the critical judgments, apart from those involving estimations (which are presented below separately), that management have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

(i) Control over subsidiaries

Note 26 describes that certain subsidiaries in UAE, Qatar and Malaysia are subsidiary of the Group even though the Group has only 49% ownership interest. The remaining ownership interests are held by local sponsors in accordance with statutory regulations of those countries.

The directors of the Company assessed whether the Group has control over those subsidiaries based on whether the Group has the practical ability to direct the relevant activities of subsidiaries unilaterally. In making their judgement, the directors considered the Group's absolute size of holding in those subsidiaries and the relative size of and dispersion of the shareholdings owned by the other shareholders.

Through trust agreements with the respective local sponsors, the Group controls 100% of the financial and ownership rights of those entities. The Group has ownership over all the assets of both entities, with all dividends, proceeds of sale etc. belonging solely to the Group.

After assessment, the directors concluded that the Group has full power of the investee, is fully exposed to variable returns from its involvement with the investee and could use its power over the investee to affect the amount of the investor's returns, those entities have been fully consolidated in the consolidated financial statements of the Group, and the 51% owned by the local sponsors have not been treated as a non-controlling interest.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(ii) Income taxes

The Group is subject to income tax in several jurisdictions and significant judgement is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Group recognizes tax liabilities based on estimates of whether additional taxes and interest will be due. The company believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including experience and interpretations of tax law. This assessment relies on estimates and assumptions and may involve a series of complex judgments about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(iii) Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset. The value in use for calculation is based on a discounted cash flow model. The cash flows are derived from the forecast for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash-generating unit being tested.

The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

Further details of the key assumptions applied in the impairment assessment of goodwill are given in Note 13 to the consolidated financial statements.

(iv) Employee compensation plans

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 16 to the consolidated financial statements.

(v) Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment.

Evidence of impairment may include indications that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments; the probability that they will enter bankruptcy or other financial reorganization, and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or general changes in the economic conditions that correlate with defaults.

The Group measures the loss allowance on amounts due from customer at an amount equal to lifetime expected credit losses (ECL). When measuring ECL, the group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Further details of the key assumptions applied in the impairment assessment are given in Note 23 to the consolidated financial statements.

(vi) Customer contracts and patents

The customer contracts and patents were acquired as part of a business combination. They are recognised at their fair value at the date of acquisition and are subsequently amortised on a straight-line over their estimated useful lives. Estimating fair value for customer contracts and patents requires determining the most appropriate valuation model. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of these assets, estimated future cash flow, growth rates, discount rates and making assumptions about them. Further details of the key assumptions for estimating fair value for customer contracts and patents are disclosed in Note 7 to the consolidated financial statements.

Note 4. Revenue from contracts with customers

The group derives revenue from contracts with customers for the consultancy services over time provided to the energy, shipping and insurance industries and includes reimbursement of expenses and related services. This is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 (note 25). It excludes dividends, interest income and intra-group transactions.

Amounts in USD thousands	2022	2021
Consultancy services	159,239	145,190
Reimbursement of expenses	7,721	5,291
Other	937	267
Total	**167,897**	**150,748**

Assets and liabilities related to contracts with customers

The Group has recognised the following assets and liabilities related to contracts with customers.

Amounts in USD thousands	31 December 2022	31 December 2021
Contract assets		
Contract assets related to contracts with customers	13,537	18,240
Loss allowance	(143)	(139)
Total	**13,394**	**18,101**
Contract liabilities		
Contract liabilities related to contracts with customers	**1,535**	**949**

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. The group also recognised a loss allowance for contract assets in accordance with IFRS 9, refer note 23 for further information. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

The contract liabilities primarily relate to the advance consideration received from customers, for which revenue is recognised over time.

The vast majority of the Group's consulting service contracts are billed based on the time incurred. As permitted under IFRS 15, the transaction price allocated to unsatisfied contracts is not disclosed, for which the practical expedient applies.

Whilst the Group incurs costs that are necessary to facilitate a sale, those costs would have been incurred even if the customer decided not to execute the contract and therefore have not been capitalised.

Note 5. Staff costs

Amounts in USD thousands	2022	2021
Salaries and wages	62,995	60,996
Payroll and social security costs	7,616	7,210
Employee's end of service and pension benefits	2,322	2,117
Share-based payments	1,397	1,475
Other personnel costs	13,796	10,180
Total	**88,126**	**81,978**
Average number of employees	**797**	**704**

The Group's pension obligations are limited to annual defined contribution plans, beside end of service benefits described in note 18. ABL Group meets the Norwegian requirements for mandatory occupational pension ("obligatorisk tjenestepensjon").

Note 6. Other operating expenses

Amounts in USD thousands	2022	2021
Subcontractors cost	37,765	35,372
Office lease and maintenance expenses	1,963	2,385
Insurance cost	2,637	2,688
Cost of recharged expenses	6,781	3,823
Transaction costs related to acquisition	357	76
General and administrative expenses	14,412	13,261
Total	**63,915**	**57,605**
Remuneration to auditors[1]		
Audit	1,020	796
Other assurance services	48	61
Other services	278	-
Total	**1,346**	**857**

[1] All fees are exclusive of VAT

Note 7. Business combinations

On 11 July 2022, ABL Group ASA acquired 100 percent of the shares of energy and engineering consultancy Add Energy. The acquisition broadens ABL Group's service offering, enhances recurring revenue services in the opex phase and gains entry into digital optimisation, carbon storage and energy efficiency services that are crucial to the energy transition.

Details of the purchase consideration, the net assets acquired and gain on bargain purchase are as follows:

Amounts in USD thousands	
Fair value of net assets acquired	
Property, plant and equipment	191
Intangible assets – internally generated softwares	337
Intangible assets – patents	1,386
Intangible assets – customer relations	678
Right of use assets	729
Investment in associates	29
Deferred tax	283
Trade and other receivables	6,551
Contract assets	1,103
Cash and cash equivalents	408
Trade and other payables	(6,436)
Deferred tax liabilities	(408)
Net identifiable assets acquired	**4,850**
Non-controlling interests	441
Goodwill	-
Net assets acquired	**5,290**

Amounts in USD thousands	
Purchase Consideration	
Cash consideration	153
Contingent cash consideration	1,229
Consideration shares	2,020
Total purchase consideration	**3,402**

Amounts in USD thousands	
Gain on bargain purchase	
Fair value of identifiable net assets acquired	5,290
Less: purchase consideration	(3,402)
Gain on bargain purchase	**1,888**

Amounts in USD thousands	
Net cash flow on acquisition of subsidiaries	
Cash acquired	408
Cash paid	(991)
Net cash outflow – investing activities	**(583)**

The purchase consideration consists of a combination of cash consideration, shares and conditional payments. The share purchase was settled through a NOK 1.75 million cash consideration to Add Energy's shareholders. ABL Group also acquired substantially all interest-bearing debt in Add Energy from its main lender DNB. The debt purchase was settled through issuance of NOK 20 million in ABL Group ASA shares to DNB. 1,582,279 new shares were issued, with the subscription price per new share set to NOK 12.64 based on the 15-day value-weighted average price of ABL Group ASA shares as of 8 July 2022.

At the transaction date Add Energy had a claim in the amount of approximately USD 1.6 million against a client which was significantly past due. As per the terms of sale and purchase agreement, if the amount is recovered from the client, the group has agreed to make payment of additional purchase consideration totalling up to 75% of the claim to DNB and Add Energy's former shareholders. Subsequent to the acquisition, the Company has received full settlement of the claim from the client. The full nominal value of the receivables has been used as an approximate to fair value, with a corresponding provision for the contingent payment as part of the transaction.

The Company identified USD 2.1 million in value which can be allocated to the patents and customer relations, offset by deferred tax of USD 0.4 million.

The Company has an US patent with duration of 20 years first granted in 2017 in Relief Well Injection Spool, a subsea well control device. The company receives cash from this patent from its US partner. The fair value of the patent was calculated by discounting projected cash flows in the years 2023 to 2037 which is based on the historical cash flow since the patent first granted and applying an annual growth rate of 2%. The cash flows were discounted using weighted average cost of capital of 21.1%.

The fair value of the customer relations within the business units – asset integrity, well operations and well control were calculated by discounting projected cash flows in the years 2023 to 2037 which is based on the historical cash flow in 2022 and applying a normal growth rate of 2%. The churn rate for business units – asset integrity, well operations and well control set to 10%, 6.7% and 20% respectively. The cash flows were discounted using weighted average cost of capital of 21.1%.

There were no other separately identifiable intangible assets or fair value adjustments recognised on the acquisition. The book value of acquired assets and liabilities has been considered the fair value.

If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

As the purchase consideration was lower than the fair value of the acquired net assets, the purchase price allocation resulted in gain from bargain purchase of USD 1.9 million recognised in the consolidated income statement. The acquisition of a consulting business primarily involved the acquisition of human capital with special skills and expected synergies to be achieved from integrating with the Group's existing business.

The purchase consideration was lower than the fair value of the acquired net assets as measured by accounting standards, of the acquired net assets. Add Energy had been loss making prior to the acquisition which constituted large parts of its equity capital. Add Energy was not able to achieve a sufficient return on its' equity capital. The purchase consideration was lower than the fair value of the acquired net assets, as measured by accounting standards, mainly due to low return on equity capital achieved by Add Energy.

The fair value of acquired trade receivables on acquisition is USD 3.8 million. The gross contractual amount for trade receivables due is USD 4.0 million, with a loss allowance of USD 0.2 million.

Impact of acquisitions on the results of the group

Add Energy was consolidated as of 11 July 2022. The Group incurred acquisition-related costs of USD 0.3 million on legal fees and due diligence. These costs have been included in other operating expenses in the consolidated income statement.

If the acquisition had occurred on 1 January 2022, consolidated pro-forma revenue and net profit after tax for the year ended 31 December 2022 would have been USD 179.2 million and USD 2.4 million respectively.

Note 8. Financial items

Amounts in USD thousands	2022	2021
Finance income		
Interest income	100	1
Other finance income	69	111
Total	**169**	**112**
Finance expenses		
Interest on obligations under finance leases	297	225
Interest expenses	1,077	479
Other finance expenses	37	61
Total	**1,411**	**765**
Net foreign exchange gain (loss)		
Net foreign exchange gain (loss)	(2,507)	(592)
Total	**(2,507)**	**(592)**

Net foreign exchange gain includes unrealised foreign currency gain related to bank accounts in the company and its subsidiaries, which have bank accounts in different currencies than their functional currencies.

Long term loans to subsidiaries have been assessed to be a part of the net investments in the subsidiaries. In compliance with IAS 21, the unrealised currency effects related to these loans have been recognised in foreign currency translation reserve in the consolidated statement of other comprehensive income.

Note 9. Taxes

Amounts in USD thousands	2022	2021
Income tax expenses on ordinary pre-tax profit		
Current year income tax expenses	2,572	1,404
Withholding taxes	1,359	1,280
Changes in deferred tax	470	281
Total	**4,401**	**2,965**
Income tax expenses on other comprehensive income elements	(729)	(343)
Total	**(729)**	**(343)**
Deferred tax assets		
Deferred tax on temporary differences	1,744	1,708
Total deferred tax assets	**1,744**	**1,708**
Movement in the deferred tax assets		
At 1 January	1,708	1,395
Movement to income statement	(122)	313
Increase as a result of a business combination	159	-
Exchange differences	-	(1)
At 31 December	**1,744**	**1,708**
Deferred tax liabilities		
Deferred tax on temporary differences	2,516	1,259
Total deferred tax liabilities	**2,516**	**1,259**
Movement in the deferred tax liabilities		
At 1 January	1,259	682
Movement to income statement	1,259	971
Movement to reserve	-	(396)
Exchange differences	(2)	2
At 31 December	**2,516**	**1,259**

Amounts in USD thousands	2022	2021
Reconciliation of the effective tax rate:		
Profit before income tax	**10,654**	**6,184**
Income tax using the Group's domestic tax rate of 22% (2021 - 22%)	**2,344**	**1,360**
Effect of non-deductible expenses or non-taxable income	2	924
Effect of tax rates in other countries	(600)	(907)
Deferred tax assets not recognised	594	274
Withholding taxes	1,359	1,280
Utilisation or recognition of previously unrecognised tax losses	(79)	(102)
Income tax related to prior years	781	136
Income tax expense recognised in profit or loss	**4,401**	**2,965**

The Group has recognized deferred tax assets in respect of carry forward losses of its various subsidiaries as at 31 December 2022 and 2021. Management's projections of future taxable income and tax optimization strategies support the assumption that it is probable that sufficient taxable income will be available to utilise these deferred tax assets.

Deferred tax assets on the tax losses relating to certain subsidiaries have not been recognized by the Group, due to uncertainty of its recoverability. The use of these tax losses is subject to the certain provisions of the tax legislation of the respective countries in which the companies operate. The deferred tax assets not recognised of USD 594 thousands stated above is mainly related to tax losses carry forward.

Deferred taxes on unrealised foreign exchange gain or loss relating to long terms loans considered as net investment in subsidiaries are recognised in other comprehensive income and presented within equity in the foreign currency translation reserve. Other than these, the change in deferred tax assets and liabilities is primarily recorded in the consolidated income statement.

Deferred tax asset and deferred tax liabilities are presented separately due to different tax regimes.

Withholding taxes are included in the income tax expenses, to the extent that a income tax credit is available. The effect of the tax credit is reflected in the tax expense when there is reasonable assurance that the tax credit will be approved, which in many cases will be in a subsequent period.

Goodwill is not deductible for tax purposes.

Note 10. Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to equity shareholders by the weighted average number of ordinary shares outstanding during the year, based on the following data:

Amounts in USD thousands	2022	2021
Profit (loss) after tax	6,253	3,218
Earnings per share (USD): basic	0.06	0.03
Earnings per share (USD): diluted	0.06	0.03
Weighted average number of shares (thousands)	99,850	95,075

The following instruments that could potentially dilute basic earnings per share in the future. Of the total, approximately 8,097,000 instruments have been included in the calculation of diluted earnings per share.

Number of instruments that might be dilutive in future periods (in thousands)	2022	2021
Employee share options (note 16)	10,805	17,765
Conditional warrants	1,000	2,000
Consideration shares	664	664
Total number of options and warrants	**12,469**	**20,429**

Note 11. Property, plant and equipment

Amounts in USD thousands	Fixtures and office equipment	Vehicle	Total
Cost			
At 1 January 2021	**2,291**	**88**	**2,379**
Additions	534	-	534
Disposals	(308)	-	(308)
Write-off/ transfers	192	-	192
Exchange differences	120	-	120
At 31 December 2021	**2,830**	**88**	**2,918**

Amounts in USD thousands	Fixtures and office equipment	Vehicle	Total
Additions	1,742	-	1,742
Acquisition of subsidiary	120		120
Disposals	(131)	-	(131)
Write-off/ transfers	221	-	221
Exchange differences	275	-	275
At 31 December 2022	**5,058**	**88**	**5,146**
Accumulated depreciation			
At 1 January 2021	**1,133**	**34**	**1,166**
Charge for the year	708	21	729
Disposals	(277)	-	(277)
Write-off/ transfers	220	-	220
Exchange differences	(56)	(1)	(57)
At 31 December 2021	**1,728**	**54**	**1,781**
Charge for the year	1,104	18	1,122
Disposals	(87)	-	(87)
Write-off/ transfers	277	-	277
Exchange differences	(55)	7	(48)
At 31 December 2022	**2,967**	**78**	**3,045**
Net book value at 31 December 2022	**2,091**	**10**	**2,101**
Net book value at 31 December 2021	**1,103**	**34**	**1,137**
Depreciation method	Straight line	Straight line	
Useful life	2–5 years	5 years	

Note 12. Leases

The balance sheet shows the following amounts relating to leases:

Amounts in USD thousands	31 December 2022	31 December 2021
Right-of-use assets		
Buildings	7,899	3,608
Office equipment	4	21
	7,904	**3,629**
Lease liabilities		
Current	1,869	1,349
Non-current	6,922	2,481
	8,792	**3,830**

Additions to the right-of-use assets during the 2022 financial year were USD 5.6 million.

The statement of profit or loss shows the following amounts relating to leases:

Amounts in USD thousands	2022	2021
Depreciation charge of right-of-use assets		
Buildings	1,781	2,703
Office equipment	9	1
	1,790	**2,704**
Interest expense (included in finance expenses)	**297**	**225**
Expense relating to short-term leases (included in other operating expenses)	**1,412**	**1,729**

Movement in the Right-of-use assets

Amounts in USD thousands	Buildings	Office equipment	Total
At 1 January 2021	4,685	22	4,707
Additions of right-of-use assets	1,277	-	1,277
Amortisation	(2,696)	(9)	(2,704)
Exchange differences	349	-	349
At 31 December 2021	**3,615**	**13**	**3,629**
Additions of right-of-use assets	5,556	-	5,556
Acquisition of subsidiary	1,524		1,524
Amortisation	(1,781)	(9)	(1,790)
Exchange differences	(1,014)	-	(1,014)
At 31 December 2022	**7,900**	**4**	**7,904**

Refer to note 23 for further information regarding contractural undiscounted payments of the Group's leases.

Note 13. Goodwill and intangible assets

Amounts in USD thousands	Goodwill	Customer relations	Patents	Internally generated softwares	Total
Cost					
At 1 January 2021	28,835	3,561	-	-	32,396
Acquired through business combinations	635	-	-	-	635
Acquired through business combinations (PPA adjustment)	689	-	-	-	689
Effect of movements in exchange rates	(353)	-	-	-	(353)
At 31 December 2021	**29,806**	**3,561**	**-**	**-**	**33,367**
At 1 January 2022	29,806	3,561	-	-	33,367
Acquired through business combinations	-	714	1,386	337	2,438
Additions	-	-	-	121	121
Effect of movements in exchange rates	(588)	-	-	44	(544)
At 31 December 2022	**29,218**	**4,275**	**1,386**	**502**	**35,381**
Amortisation and impairment					
At 1 January 2021	5,731	-	-	-	5,731
Amortisation charge		356	-	-	356
Effect of movements in exchange rates	(185)	-	-	-	(185)
At 31 December 2021	**5,546**	**356**	**-**	**-**	**5,902**
At 1 January 2022	5,546	356	-	-	5,902
Amortisation charge	-	384	46	66	495
Effect of movements in exchange rates	(405)	-	-	7	(398)
At 31 December 2022	**5,141**	**740**	**46**	**72**	**5,999**
Net book value at 31 December 2022	**24,077**	**3,536**	**1,340**	**430**	**29,382**
Net book value at 31 December 2021	**24,260**	**3,205**	**-**	**-**	**27,465**
Useful life	Tested for impairment	5 – 15 years	15 years	5 – 10 years	

All goodwill is allocated to cash-generating units. These cash-generating units represent the lowest level within the Group at which goodwill is monitored for internal management purposes. Goodwill denominated in foreign currencies is revalued at the balance sheet date. The allocation of goodwill to cash-generating units is as follows:

Amounts in USD thousands	31 December 2022	31 December 2021
Cash Generating Units (CGUs)		
Middle East	6,545	6,544
Asia Pacific	8,701	8,662
Europe	4,516	4,544
Americas	1,716	1,711
OWC	2,600	2,798
Total	**24,077**	**24,260**

Goodwill arising from the acquisitions is attributable to workforce of the acquired businesses (refer note 7). The goodwill amounts have been measured on a provisional basis. If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

Goodwill is tested for impairment at least annually, or when there are indications of impairment. Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculations requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculated present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

The company has completed an annual assessment of impairment indicators and performed an impairment test on assets and cash generating units (CGUs). The following assumptions were used:

Cash flow projections and assumptions

A 3 year forecast of discounted cash flows plus a terminal value (Gordon's growth model) was used to determine net present value of each CGU. Discounted cash flows were calculated before tax.

Estimated future cash flows for the different CGUs are estimated based on budgets and long-term estimates. The estimated cash flows for year 2023 is based on budget. The estimated cash flows in the years 2024-2025 are based on current 3-year forecasts for each CGUs. The projected cash flows are based on the expected development in the total overall market, the CGUs performance and that ABL Group over time will reach a margin level in line with what other businesses within the industry historically have achieved.

Cash flows have been used over a period of three years as management believes this reflects a reasonable time horizon for management to monitor the trends in the business. After three years a terminal growth rate has been set to 1.5% for the Oil & Gas and Maritime businesses and 1.7% for the Renewable businesses.

This is somewhat below OECD market forecasts for growth in energy demand and markets until 2040. While Oil & Gas activities are not assumed to have infinite lives, ABL Group's core competence is applicable across multiple energy markets, and it is assumed that in the long term Oil & Gas clients will be replaced by customers with similar demands from energy transition activities and other industries.The estimated terminal long-term growth is mainly dependent on overall market growth for demand for our services and the CGUs ability to recruit the right personnel and its ability to create revenue growth through then proper utilization of human resources.

Discount rate

The discount rate used is the weighted average cost of capital (WACC) using capital asset pricing model (CAPM). The discount rate for each CGU is derived as the WACC for a similar business in the same business environment. The input data is gathered from representative sources and this is used for management's best estimate of WACCs. All parameters were set to reflect the long term period of the assets and time horizon of the forecast period of the cash flows.

Key inputs in determining the WACC:

- Risk free interest rate: 10year government yield
- Asset beta: Based on selected peer group consisting of companies with statistical data for the last 5 years (1.04)
- Capital structure: Equity ratio of 80%

The cash flows were discounted using WACC of 12.3%.

Impairment test results and conclusion:

Overall the test performed indicated the value in use exceeds the carrying amounts for all CGUs. As a result of the above, no impairment has been recorded during the year.

Sensitivity to impairment

Sensitivity calculations are done for all CGUs that are tested for impairment. To test the sensitivity of the results of the impairment review, the calculations have been re-performed using the following assumptions:

- An increase in discount rate of 2.0% points
- A reduction in the EBITDA margin of 3.0% points in the terminal year
- A reduction in terminal growth rate to 0.5% points

The results indicated that a combined change in all the three assumptions in the sensitivity analysis would result in a value in use exceeds the carrying amounts for all CGUs.

Note 14. Trade and other receivables

Amounts in USD thousands	31 December 2022	31 December 2021
Trade receivables	33,280	34,738
Loss allowance	(836)	(1,107)
	32,444	**33,631**
Prepayments	3,427	3,652
Deposits	1,122	1,172
Other receivables	4,409	4,781
Total	**41,400**	**43,235**

Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within 30 to 90 days and are therefore all classified as current, terms associated with the settlement vary across the Group. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the group's impairment policies and the calculation of the loss allowance are provided in note 23.

Deposits includes USD 0.2 million (2021: USD 0.2 million) which are under lien marked as margin money deposits.

Note 15. Cash and cash equivalents

Amounts in USD thousands	31 December 2022	31 December 2021
Cash at bank and in hand	30,974	19,815
Total	**30,974**	**19,815**

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Cash and cash equivalents largely comprise bank balances denominated in US Dollars, Norwegian Krone, British Pound, and other currencies for the purpose of settling current liabilities.

The Group has restricted cash at banks of USD 159 thousands at 31 December 2022 (2021: USD 283 thousands) held in the bank accounts of certain entities where there is requirement to hold a certain amount of cash to cover future obligations and are therefore not available for general use by the other entities within the group.

Note 16. Equity

Amounts in USD thousands	Number of shares (thousands)	Share capital	Share premium	Total
At 1 January 2021	**92,548**	**1,276**	**67,080**	**68,355**
Cash-settled capital increase (net of transaction costs)	4,375	41	2,260	2,301
Shares isssued as consideration for business combination	-	6	1,048	1,054
Dividends paid	-	-	(5,476)	(5,476)
At 31 December 2021	**96,923**	**1,323**	**64,912**	**66,235**
Cash-settled capital increase (net of transaction costs)	7,847	53	1,694	1,746
Shares isssued as consideration for business combination	-	26	2,680	2,706
Dividends paid	-	-	(5,936)	(5,936)
At 31 December 2022	**104,770**	**1,402**	**63,349**	**64,751**

Each ordinary share has a par value of NOK 0.10 per share. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting, in person or by proxy, is entitled to one vote, and on a poll each share is entitled to one vote.

The company does not have a limited amount of authorized capital.

In 2022, 7,847,279 ordinary shares (2021: 4,375,000 ordinary shares) were issued. The Company incurred USD 24 thousand (2021: USD 0.3 million) in transaction costs that were directly attributable to the issuance of shares.

Share-based compensation reserve

The share-based compensation reserve arises on the grant of share options to employees under the employee share option plans. Further information about share-based payments to employees is set out below.

Employee share option plan

Under the 2022 Long Term Incentive Plan ("LTIP"), the Company has granted a total of 1,000,000 share options to selected employees, where each option will give the holder the right to acquire one share in ABL Group ASA. The options were granted without consideration. The grant of options was based on the authorization granted by the 2022 annual general meeting to issue new shares in connection with the Company's employee incentive program.

Subject to certain conditions, the option holders are obligated to reinvest 25 percent of the pre-tax net gain on the options in ABL Group ASA shares, and to hold these shares for up to three years following exercise. One third of these shares will be released from this obligation for every year following exercise.

The Board of Directors may choose to settle the options by way of cash settlement in lieu of issuing new shares. Exercise terms may be reasonably adjusted by the Board of Directors in the event of dividend payments, share splits or certain other events relating to the equity share capital of the Company.

Set out below are summaries of options granted under the plan:

	2022		2021	
In thousands of options	Number of share options	Weighted average exercise price NOK	Number of share options	Weighted average exercise price NOK
At 1 January	17,765	4.80	8,315	4.02
Granted during the year	1,000	12.64	11,255	5.80
Exercised during the year	(5,265)	3.37	(45)	3.57
Adjusted during the year	90	3.57	70	5.79
Expired during the year	-	-	(125)	4.82
Forfeited during the year	(2,785)	4.44	(1,705)	4.79
At 31 December	**10,805**	**6.17**	**17,765**	**4.80**

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant date	Expiry date	Exercise price NOK	31 December 2022	31 December 2021
20/12/19	11/3/23	3.57	630	7,335
4/5/21	14/9/24	5.79	9,175	10,430
22/12/22	11/7/25	12.64	1,000	-
			10,805	**17,765**

Weighted average remaining contractual life of options outstanding at end of period	2.06	1.95

These fair values for share options granted during the year were calculated using The Black-Scholes-Merton optionpricing model. The inputs into the model were as follows:

Amounts in NOK	2022	2021
Weighted average share price	14.35	8.32
Weighted average exercise price	12.64	6.10
Expected volatility	53.67%	58.37%
Expected life	3.30	3.36
Risk free rate	3.04%	0.73%
Expected dividend yield	0%	0%

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

The Group recognised total expenses of USD 1.4 million and USD 1.5 million arising from share-based payment in 2022 and 2021 respectively.

Note 17. Bank borrowings

	31 December 2022		31 December 2021	
Amounts in USD thousands	**Current**	**Non-current**	**Current**	**Non-current**
Bank loans	13,337	-	8,333	3,328
Total	**13,337**	**-**	**8,333**	**3,328**

To finance the acquisition of Add Energy (refer note 7), in August 2022, by amending the Original Facilities Agreement, the company obtained an additional term loan of USD 5 million which is repayable in December 2023.

The original facilities agreement consisted of two parts, (i) a term loan of USD 10 million, and (ii) a revolving credit facility of USD 5 million to be renewed annually, both with a maturity of three years and with the following financial covenants:

- Minimum EBITDA of USD 7 million on a rolling 12-month basis; and
- NIBD (Net Interest Bearing Debt) < 0 at all times.

The interest on above loans is the relevant LIBOR (1, 3 or 6 months at the borrower's discretion) plus a margin of 320 basis points. The term loan is to be repaid through 12 equal instalments on the last day of each financial quarter, the first time on 31 March 2021. For the majority of the borrowings, the fair values are not materially different from their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature. The group incurred total interest cost of USD 0.7 million (2021: USD 0.5 million) on above loans. These costs have been included in finance expenses in the consolidated income statement.

The Group's obligations under the Facility Agreement are guaranteed by the Company and certain material group companies.

The movement during the year was as follows:

Amounts in USD thousands	2022	2021
At 1 January	11,661	15,083
Additional borrowing	5,000	-
Payments during the year	(3,333)	(3,422)
Other movement	9	-
At 31 December	**13,337**	**11,661**

Note 18. Provisions

	31 December 2022		31 December 2021	
Amounts in USD thousands	**Current**	**Non-current**	**Current**	**Non-current**
Provision for employees' end of service benefits	-	3,058	-	2,714
Total	**-**	**3,058**	**-**	**2,714**

Provision for employees' end of service benefits

In accordance with the provisions of IAS 19, management has carried out an exercise to assess the present value of its obligations at 31 December 2022 and 2021, using the projected unit credit method, in respect of employees' end of service benefits payable under the Labour Laws of the countries in which the Group operates. Under this method, an assessment has been made of an employee's expected service life with the Group and the expected basic salary at the date of leaving the service. The obligation for end of service benefits is not funded. Refer to note 5 for further information regarding pension schemes.

The movement in the provisions during the year was as follows:

Amounts in USD thousands	2022	2021
At 1 January	2,714	2,224
Provisions made during the year	571	634
Payments during the year	(227)	(143)
At 31 December	**3,058**	**2,714**

Note 19. Trade and other payables

Amounts in USD thousands	31 December 2022	31 December 2021
Trade payables	5,651	7,689
Accrued employee benefits	6,424	4,826
Taxation and social security contributions	4,852	3,829
Other accrued expenses and payables	8,964	8,124
Total	**25,890**	**24,467**

Trade payables have an average term of three to six months. These amounts are non-interest bearing.

Note 20. Fair values of financial assets and financial liabilities

		Carrying amount		Fair value	
Amounts in USD thousands	Measurement category	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Financial assets					
Trade and other receivables	Amortised cost	37,973	39,584	37,973	39,584
Contract assets	Amortised cost	13,394	18,101	13,394	18,101
Cash and cash equivalents	Amortised cost	30,974	19,815	30,974	19,815
Total		**82,341**	**77,500**	**82,341**	**77,500**
Financial liabilities					
Trade and other payables	Amortised cost	25,890	24,467	25,890	24,467
Contract liabilities	Amortised cost	1,535	949	1,535	949
Bank borrowings	Amortised cost	13,337	11,661	13,538	11,974
Total		**40,761**	**37,077**	**40,963**	**37,390**

The financial assets principally consist of cash and cash equivalents and trade and other receivables arising directly from operations. The financial liabilities principally consist of a trade and other payables and bank borrowings arising directly from operations.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Cash and bank deposits, trade and other current receivables, trade and other current payables and bank borrowings approximate their carrying amounts due to the short-term maturities of these instruments.

Note 21. Related Party

Related party relationships are those involving control, joint control or significant influence. Related parties are in a position to enter into transactions with the company that would not be undertaken between unrelated parties. There has been no significant transactions with related parties in 2022.

Compensation to Board of Directors

Amounts in USD thousands	2022	2021
Glen Rødland, Chairman	56	43
Yvonne Litsheim Sandvold	21	21
Synne Syrrist	26	24
Rune Eng	21	-
Ronald Series	-	21
Total	**124**	**109**

Compensation to Executive Management

2022 Amounts in USD thousands	Salary	Bonus	Pension	Other	Total
Reuben Segal, CEO	299	4	-	158	461
Bader Diab, COO	310	5	12	126	453
Dean Zuzic, CFO	246	7	23	1	277
RV Ahilan, Chief Energy Transition Officer	215	3	-	11	229
Svein Staalen, General Counsel	206	6	22	3	237
Will Cleverly, CEO OWC	173	2	18	20	213
Total	**1,448**	**27**	**75**	**319**	**1,870**

2021 Amounts in USD thousands	Salary	Bonus	Pension	Other	Total
David Wells, CEO	295	7	57	62	422
Dean Zuzic, CFO	280	-	25	1	306
Reuben Segal, COO	238	7	-	130	374
RV Ahilan, Chief Energy Transition Officer	239	10	-	47	296
Svein Staalen, General Counsel	224	6	23	3	256
Total	**1,276**	**30**	**106**	**243**	**1,654**

According to the Norwegian Public Limited Companies Act (the "Act) section 6-16a, the Board of Directors have prepared a statement on the establishment of wages and other remuneration for the Managing Director and other senior employees (note 22).

At 31 December 2022 there are no loan or prepayments to Board of Directors, Executive Management or any other related parties.

There are no additional options issued, except for the options mentioned in note 16.

Shares and options owned by members of the Board of Directors and Executive Management at 31 December 2022

Name	Number of options	Number of shares
Board of Directors		
Glen Rødland, Chairman	-	14,890,351[1]
Yvonne Litsheim Sandvold	-	-
Synne Syrrist	-	-
Rune Eng	-	198,407 [2]
David Wells	135,000	1,073,051[3]
Executive Management		
Reuben Segal, CEO	-	1,933,000[4]
Bader Diab, COO	-	1,652,695
Dean Zuzic, CFO	135,000	0
RV Ahilan, Chief Energy Transition Officer	260,000	737,705
Svein Staalen, General Counsel	135,000	202,864
Will Cleverly, CEO OWC	100,000	178,931
Total	**765,000**	**20,867,004**

[1] The shares are held through Gross Management AS.
[2] The shares are held through Eng Invest AS.
[3] The shares are held through Banque Pictet & Cie SA
[4] The shares are held through Saxo Bank AS on behalf of AnAm Marine

Note 22. Statement regarding the determination of salary and other remuneration to executive management

In this statement, executive management means CEO, CFO and other executives who are employed at the same level in the organisation.

The Company's salary policy for executive management – main principles for 2022

Due to the international scope of its business, ABL Group has to compete on the international market when it comes to salaries for executive management. In order to reach the ambition of becoming one of the leading participants within its line of consultancy business, ABL Group is dependent on offering salaries making the Company able to recruit and keep skilled managers. In order to ensure the best possible leadership the Company must offer a satisfactory salary, which is internationally competitive. Remuneration report will be made available on **www.abl-group.com**.

Salaries and other remuneration

It is the Company's policy that management remuneration primarily shall take the form of a fixed monthly salary, reflecting the level of the position and experience of the person concerned. In principle pension plans, where offered, shall be on the same level for management as is generally agreed for other employees. The Company has a bonus plan in place for its employees.

In 2019 the Company implemented a long-term incentive plan (the "LTIP") aimed to align the interests of the participating employees with those of the Company's shareholders. Under the LTIP, the Company has granted share options to selected employees, where each option will give the holder the right to acquire one share in ABL Group ASA. The options are granted without consideration. The grant of options is subject to authorization as granted by the shareholders to issue new shares in connection with the Company's employee incentive program.

Specific conditions and limits with regards to the bonus and share purchase plan are regulated by the overall allocation parameters approved by the Board.

Termination payment agreements, where provided, will be seen in connection with confidentiality clauses and non-compete clauses in the employment contract of each employee, in such a way that they basically compensate for limitations in the employee's opportunities to seek new employment. When agreements extend beyond such limitations, other income shall normally be deducted from payments made under termination payment agreements.

Deviations from the above described principles may be done under special circumstances, i.e. in relation to employment in international competition.

Note 23. Financial instruments

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange and interest rate risk), liquidity risk and credit risk. These risks are evaluated by management on an ongoing basis to assess and manage critical exposures. The Group's liquidity and market risks are managed as part of the Group's treasury activities. Treasury operations are conducted within a framework of established policies and procedures.

Market risk – foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's presentation currency), the Group's net investments in foreign subsidiaries, and the Group's foreign currency denominated cash deposits. The operating revenue, and thus the trade receivables, of the Group is primarily denominated in USD, while operating expenses are generally denominated in the functional currency of the Group's entities.

The bank accounts in currencies other than the functional currencies will expose the group to foreign currency risk. The major part of foreign bank accounts is in ABL Group ASA. Changes in the USD exchange rate would have had the following effect on the profit and loss of the group:

Changes in currency exchange rates Amount in USD thousands	+5% changes in rates	-5% changes in rates
31 December 2022		
US Dollars (USD)	221	(221)
31 December 2021		
US Dollars (USD)	157	(157)

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's cash and cash equivalents and the bank borrowings. Both risks are considered to have limited effect on the Group's financial statements.

Liquidity risk

Liquidity risk is the potential loss arising from the Group's inability to meet its contractual obligations when due. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group monitors its risk to a shortage of funds using cash flow forecasts. The Group is in a build-up phase and currently the strategy is to fund the growth of the business through existing cash reserves and from shareholder's equity. The Group had cash and cash equivalents of USD 31.0 million at 31 December 2022 (2021: USD 19.8 million). Based on the current cash position, the Group assesses the liquidity risk to be low.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Amounts in USD thousands	Carrying amount	Contractual cash flow	Less than 1 year	Between 1 to 5 years
31 December 2022				
Trade and other payables	25,890	25,890	25,890	-
Bank borrowings	13,337	13,538	13,538	-
Lease liabilities	8,792	10,234	2,605	7,629
31 December 2021				
Trade and other payables	24,467	24,467	24,467	-
Bank borrowings	11,661	11,974	8,554	3,420
Lease liabilities	3,830	4,117	1,480	2,637

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables and contract assets) and from its financing activities, including deposits with banks. Credit risk is managed on a Group basis.

Credit risk with respect to trade receivables and contract assets is limited by the large base and geographic diversity of the customer base. Customer credit risk is managed by each subsidiary in the Group, subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed on an individual basis, considering its financial position, trading history with the group and existence of previous financial difficulties and outstanding customer receivables are regularly monitored.

The requirement for an impairment is analyzed at each reporting date on an individual basis for major customers. The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due with reference to past default experience of the debtor, an analysis of the debtor's current financial position and general current and forecast economic conditions of the industry in which the debtors operate. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

An impairment analyses is performed at each reporting date using a provision matrix to measure expected credit losses. The expected loss rates are based on the days past due for grouping of various customer segments and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward looking information including the default risk associated with the industry and country in which customers operate affecting the ability of the customers to settle the receivables.

Specific debts are provided for where recovery is deemed uncertain, which will be assessed on a case-by-case basis whenever debts are older than the due date, but always when debts are older than usual for the industry in which each business in the Group operates.

The ageing profile of trade receivables and contract assets balance as at 31 December 2022 is as follows:

Amounts in USD thousands	31 December 2022	31 December 2021
Trade receivables		
Up to 3 months	25,113	24,517
3 to 6 months	2,903	3,955
6 to 12 months	2,807	3,576
Over 12 months	1,621	1,584
Total	**32,444**	**33,632**
Contract assets	13,394	18,101
Total	**45,838**	**51,733**

As at 31 December 2022 and 2021 the lifetime expected loss provision for trade receivables and contract assets is as follows:

Amounts in USD thousands	Up to 3 months	3 to 6 months	6 to 12 months	Over 12 months	Total trade receivables	Contract assets	Total
31 December 2022							
Carrying amount	25,249	2,956	2,935	2,140	33,280	13,537	46,817
Expected loss rate	0.5%	1.8%	4.4%	24.2%		1.1%	2.1%
Loss allowance	136	53	128	519	836	143	979
31 December 2021							
Carrying amount	24,655	4,021	3,671	2,393	34,739	18,240	52,980
Expected loss rate	0.6%	1.6%	2.6%	33.8%		0.8%	2.4%
Loss allowance	138	66	95	808	1,107	139	1,246

Trade receivables and contract assets are written off when there is information indicating that the debtor is in severe financial difficulty and there is no reasonable expectation of recovery. Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

The movement in the loss allowance in respect of trade receivables and contract assets during the year was as follows:

Amounts in USD thousands	Trade receivables		Contract assets	
	2022	2021	2022	2021
At 1 January	1,107	931	139	146
Net remeasurement of loss allowance	628	249	4	(7)
Amounts written-off	(899)	(73)	-	-
At 31 December	**836**	**1,107**	**143**	**139**

The credit risk on deposits with banks is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. At the end of the reporting period, there were no significant concentrations of credit risk. The maximum exposure to credit risk at the reporting date is the carrying value cash deposits with bank of USD 31.0 million (2021: USD 19.8 million).

Capital management

The group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure so as to maintain investor and market confidence and to provide returns to shareholders that will support the future development of the business. In order to maintain or adjust the capital structure if required in response to changes in economic conditions, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group considers its capital as consisting of ordinary shares and retained earnings.

The Board monitors underlying business performance to determine the ongoing use of capital, namely executive and staff incentive schemes (and whether to fund this through cash or share incentives), acquisition appraisals ahead of potential business combinations, investment in property, plant and equipment, and the level of dividends.

Note 24. Contingencies

Bank guarantees

As at 31 December 2022, performance and financial bank guarantees amounting to USD 1.5 million (2021: USD 1.5 million) were issued by the Group's bankers in the ordinary course of business.

Note 25. Segment information

The Group's businesses are managed by four geographical regions aside from Offshore Wind Consultants ("OWC"), Longitude and Add Energy, performance of which is monitored separately. This is the basis for the seven reportable segments of the Group. The internal management reports provided by management to the Group's Board of Directors, which is the groups decision maker, is in accordance with this structure. These segments comprise of entities within the geographical regions and OWC, Longitude and Add Energy forms the basis for the segment reporting presented below.

The following is summary of revenues and operating profit (loss) (EBIT) for entities in four geographical regions and OWC, Longitude and Add Energy. Eliminations reflects the eliminations of intra-group revenue to the extent that these arise within the regions and OWC, Longitude and Add Energy.

Amounts in USD thousands	2022	2021
Revenue		
Middle East	30,214	28,473
Asia Pacific	37,717	39,275
Europe	40,663	40,586
Americas	25,799	26,320
OWC	30,739	24,110
Longitude	11,191	8,882
Add Energy[1]	10,653	-
Eliminations	(19,080)	(16,899)
Total	**167,897**	**150,748**
Operating profit (loss) (EBIT)		
Middle East	3,927	2,387
Asia Pacific	5,411	3,248
Europe	3,709	1,727
Americas	1,072	1,518
OWC	2,066	1,216
Longitude	1,498	617
Add Energy[1]	(845)	-
Corporate group costs	(4,324)	(3,338)
Total	**12,514**	**7,375**

[1] Add Energy consolidated from 11 July 2022 to 31 December 2022

The following segment assets information provided to the Board of Directors for reportable segment consist primarily of trade receivables, contract assets and cash and cash equivalents for entities in different geographical areas and OWC, Longitude and Add Energy.

	31 December 2022		31 December 2021	
Amounts in USD thousands	Trade receivables	Contract assets	Trade receivables	Contract assets
Middle East	5,226	1,576	6,363	1,449
Asia Pacific	6,691	2,744	7,611	6,196
Europe	7,799	2,300	8,274	3,990
Americas	5,186	2,639	6,494	2,945
OWC	3,192	1,931	3,004	2,490
Longitude	894	1,258	1,884	1,033
Add Energy	3,455	946	-	-
Total	**32,444**	**13,394**	**33,631**	**18,101**

Cash and cash equivalents	31 December 2022	31 December 2021
Middle East	3,872	2,402
Asia Pacific	5,729	4,707
Europe	4,971	3,398
Americas	4,913	2,781
OWC	4,626	3,356
Longitude	803	1,139
Add Energy	1,710	-
Corporate group	4,350	2,032
Total	**30,974**	**19,815**

Information about other segment assets and liabilities is not reported to or used by the Board of Directors and, accordingly, no measures of other segment assets and liabilities are reported.

Note 26. List of subsidiaries

The group's principal subsidiaries at 31 December 2022 are set out below providing Marine, offshore and renewables consultancy services to the energy, shipping and insurance industries. Unless otherwise indicated, all shareholdings owned directly or indirectly by the Company represent 100% of the issued share capital of the subsidiary and the share capital is comprised of ordinary shares. All entities primarily operate in their country of incorporation.

Name of entity	Place of business / country of incorporation	Ownership interest 2022	Ownership interest 2021	Voting power 2022	Voting power 2021
ABL (Australasia) Pty Ltd	Australia	100%	100%	100%	100%
ABL Energy & Marine Consultants Pte Ltd	Singapore	100%	100%	100%	100%
ABL Group Korea Ltd	Republic of Korea	100%	100%	100%	100%
ABL Shanghai CO Ltd	China	100%	100%	100%	100%
ABL USA Inc	United States	100%	100%	100%	100%
Aqualis Offshore Serviços Ltda	Brazil	100%	100%	100%	100%
ABL Energy & Marine Consultants (Canada) Ltd	Canada	100%	100%	100%	100%
ABL Group Holding Limited[1]	United Kingdom	100%	100%	100%	100%
ABL Marine Services LLC[2]	Qatar	49%	49%	100%	100%
A B L Marine Services LLC[2]	United Arab Emirates	49%	49%	100%	100%
Aqualis Offshore UK Ltd	United Kingdom	100%	100%	100%	100%
ABL Adjusting Limited	United Kingdom	100%	100%	100%	100%
ABL Energy & Marine Consultants South Africa (Pty) Ltd	South Africa	100%	100%	100%	100%
ABL Teknik Servis Denizcilik Limited Sirketi	Turkey	100%	100%	100%	100%
ABL London Limited	United Kingdom	100%	100%	100%	100%
AB (Residual) Pty Ltd	Australia	100%	100%	100%	100%
ABL Energy & Marine Consultants India Pvt Ltd	India	100%	100%	100%	100%
PT ABL Offshore Indonesia	Indonesia	100%	100%	100%	100%
ABL Consultants Malaysia Sdn Bhd	Malaysia	49%	49%	51%	51%
ABL Technical Services Pte Ltd	Nevis	100%	100%	100%	100%
ABL Consultants (Thailand) Co Ltd	Thailand	49%	49%	51%	51%
ABL Vietnam Company Ltd	Vietnam	100%	100%	100%	100%
ABL Technical Services Holdings Ltd[1]	United Kingdom	100%	100%	100%	100%
OWC (Aqualis) GmbH	Germany	100%	100%	100%	100%
Offshore Wind Consultants Ireland Limited	Ireland	100%	100%	100%	100%
Offshore Wind Consultants Taiwan Co. Limited	Taiwan	100%	100%	100%	100%
Offshore Wind Consultants Limited[1]	United Kingdom	100%	100%	100%	100%

Name of entity	Place of business / country of incorporation	Ownership interest 2022	Ownership interest 2021	Voting power 2022	Voting power 2021
OWC Japan Ltd.	Japan	100%	100%	100%	100%
Offshore Wind Consultants sp. z o.o	Poland	100%	100%	100%	100%
Innosea Limited	United Kingdom	100%	100%	100%	100%
Innosea SAS	France	100%	100%	100%	100%
East Point Geo Ltd. (UK)[1]	United Kingdom	100%	100%	100%	100%
LOC (Egypt) for Consultancy Service SAE[2]	Egypt	60%	60%	60%	60%
LOC (Germany) GmBH	Germany	100%	100%	100%	100%
LOC (Guernsey) Limited	Guernsey	100%	100%	100%	100%
LOC (Kazakhstan) LLP	Kazakhstan	100%	100%	100%	100%
LOC (Netherlands) BV	Netherlands	100%	100%	100%	100%
LOC Senegal	Senegal	100%%	100%%	100%%	100%%
LOC (Tianjin) Co. Ltd.	China	100%	100%	100%	100%
LOC (Tianjin) Risk Technology Service Co. Ltd.	China	100%	100%	100%	100%
LOC Group Limited	United Kingdom	100%	100%	100%	100%
LOC (Laem Chabang) Co. Ltd.	Thailand	100%	100%	100%	100%
ABL Aberdeen Limited	United Kingdom	100%	100%	100%	100%
London Offshore Consultants (France) SARL	France	100%	100%	100%	100%
London Offshore Consultants (Guernsey) Limited	Guernsey	99%	99%	99%	99%
London Offshore Consultants Holdings Ltd.	United Kingdom	100%	100%	100%	100%
London Offshore Consultants (India) Private Limited	India	100%	100%	100%	100%
London Offshore Consultants (Malaysia) SDN BHD[2]	Malaysia	49%	49%	49%	49%
London Offshore Consultants (Nigeria) Limited	Nigeria	100%	100%	100%	100%
London Offshore Consultants (Qatar) LLC[2]	Qatar	49%	49%	49%	49%
London Offshore Consultants (Korea) Ltd.	Republic of Korea	100%	100%	100%	100%
London Offshore Consultants Limited	United Kingdom	100%	100%	100%	100%
London Offshore Consultants (Mexico) SA de CV	Mexico	100%	100%	100%	100%
ABL Norway AS	Norway	100%	100%	100%	100%
London Offshore Consultants Pte Limited	Singapore	100%	100%	100%	100%
London Offshore Consultants WLL[2]	United Arab Emirates	49%	49%	49%	49%
Longitude Consultancy Holdings Limited	United Kingdom	100%	100%	100%	100%
Longitude Consultants Inc.	United States	100%	100%	100%	100%
Longitude Consulting Engineers Limited	United Kingdom	100%	100%	100%	100%
Longitude Engineering de Mexico SA de CV	Mexico	100%	100%	100%	100%

Name of entity	Place of business / country of incorporation	Ownership interest 2022	Ownership interest 2021	Voting power 2022	Voting power 2021
Longitude Engineers PTE Limited	Singapore	100%	100%	100%	100%
Neptune Bidco Limited	United Kingdom	100%	100%	100%	100%
Neptune Midco 1 Limited[1]	United Kingdom	100%	100%	100%	100%
Neptune Midco 2 Limited	United Kingdom	100%	100%	100%	100%
London Offshore Consultants Brasil Ltda.	Brazil	100%	100%	100%	100%
ABL HK Limited	Hong Kong	100%	100%	100%	100%
LOC JLA Inc.	United States	100%	100%	100%	100%
John LeBourhis & Associates	United States	100%	100%	100%	100%
Add Energy Group AS[1]	Norway	100%	0%	100%	0%
Add Latent Limited	United Kingdom (Scotland)	100%	0%	100%	0%
Add Energy Scotland Limited	United Kingdom (Scotland)	100%	0%	100%	0%
Add Energy & Partners LLC	Oman	50%	0%	50%	0%
Add Energy North America Holding AS	Norway	100%	0%	100%	0%
Add Energy North America Holding LLC	United States	100%	0%	100%	0%
Add Energy LLC	United States	100%	0%	100%	0%
Add Energy Offshore LLC	United States	100%	0%	100%	0%
Add Energy Canada Ltd	Canada	100%	0%	100%	0%
Add Energy Australasia Pty Ltd	Australia	100%	0%	100%	0%
Add Lucid Pty Ltd	Australia	100%	0%	100%	0%
Transitory Pty Ltd	Australia	100%	0%	100%	0%
Oracle Services Pty Ltd	Australia	100%	0%	100%	0%
Add IPS Pty Ltd	Australia	100%	0%	100%	0%
Lucid Unit Trust	Australia	100%	0%	100%	0%
Add Energy Asia Pte Ltd	Singapore	100%	0%	100%	0%
Add ISRM Pty Ltd	Australia	100%	0%	100%	0%
Add Wellflow AS	Norway	100%	0%	100%	0%
TSP / Total Service Partner AS	Norway	32.5 %	0%	32.5 %	0%
ABL Marine Services Limited	Saudi Arabia	60.0 %	0%	60.0 %	0%

[1] Investments held directly by ABL Group ASA

[2] The remaining legal ownership in each case is registered in the name of a local sponsors in accordance with statutory regulations of those countries, who has assigned all the economic benefits attached to their shareholdings to the Group entity. The Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity via management agreements and, accordingly, these entities are consolidated as wholly owned subsidiaries in these consolidated financial statements (Note 3).

Note 27. Shareholder information

The list of top 20 shareholders below is based on the shareholder register as per 31 December 2022. Actual shareholding may deviate due to the use of nominee accounts.

Name of shareholder	No. of shares	% ownership
Gross Management AS	14,890,351	14.2 %
Holmen Spesialfond	10,450,000	10.0 %
Bjørn Stray	6,017,743	5.7 %
Melesio Invest AS	4,811,016	4.6 %
Sober AS	3,500,000	3.3 %
Hausta Investor AS	2,725,852	2.6 %
KRB Capital AS	2,539,065	2.4 %
Valorem AS	2,400,000	2.3 %
MP Pensjon PK	2,151,128	2.1 %
Saxo Bank AS	2,022,893	1.9 %
Mustang Capital AS	2,000,000	1.9 %
Trapesa AS	1,708,485	1.6 %
Catilina Invest AS	1,685,339	1.6 %
Badreddin Diab	1,652,695	1.6 %
Amphytron Invest AS	1,600,339	1.5 %
DNB BANK ASA	1,582,279	1.5 %
Ginko AS	1,428,480	1.4 %
Carnegie Investment Bank AB	1,363,000	1.3 %
CARUCEL FINANCE AS	1,300,000	1.2 %
The Bank of New York Mellon	1,261,662	1.2 %
Total	**67,090,327**	**64.0%**

At 31 December 2022, the Company had 2,009 shareholders (2021: 2,090), and 16.8% (2021: 16.1%) of the shares of the Company were held by foreign registered shareholders.

Note 28. Events after the reporting period

Subsequent to balance sheet date, on 18 April 2023, the Company has completed the acquisition of 100 percent of the shares in multi-disciplinary engineering consultancy and software company AGR AS ("AGR").

The acquisition will bolster ABL Group's offering within well and reservoir consultancy, enhances the group's position supporting operators' digitalisation and decarbonisation plans, and expand its opex-driven offshore energy exposure.

The company is headquartered in Oslo, Norway, with additional offices in Stavanger, Bergen and Tromsø in Norway; Perth, Western Australia; and Aberdeen, UK. AGR consists of 377 personnel, of which 196 are AGR employees, and 181 are associates/independent consultants.

The transaction values AGR at NOK 262.5 million (equivalent to USD 25.1 million at current FX rates) on a cash and debt free basis. The equity purchase price of NOK 277.8 million (USD 26.5 million), which includes a NOK 15.3 million (USD 1.5 million) adjustment for net cash and normalised net working capital in AGR, is based on a "locked box" balance sheet as of 31 December 2022, and further adjusted for leakage inter alia from carve-out transactions and excess cash distribution.

Details of the preliminary purchase consideration, the net assets acquired and goodwill are as follows:

The following table summarises fair value of purchase consideration:

Amounts in USD thousands	
Purchase consideration	
Cash consideration	509
Consideration shares	28,456
Total purchase consideration	**28,964**

The purchase price consideration consists of a combination of cash consideration and consideration shares in the Company as follows:

- NOK 272.5 million settled through issuance of 18,166,667 ordinary ABL Group shares (the "Consideration Shares"), representing 14.8% of outstanding shares post-issue. The fair value of the consideration shares of USD 28.5 million, is based on the share price of the Company on 18 April 2023 of NOK 16.4 per share, which was the closing share price on the completion day of the acquisition.
- NOK 5.3 million (USD 0.5 million) (the "Cash Consideration"), settled in cash on completion

The following table summarises fair value of net assets acquired:

Amounts in USD thousands	
Fair value of net assets acquired	
Property, plant and equipment	266
Right of use assets	1,236
Intangible assets - internally generated softwares	2,418
Intangible assets - brand and customer relations	8,110
Deferred tax assets	3,535
Trade and other receivables	10,702
Contract assets	5,201
Cash and cash equivalents	5,902
Trade and other payables	(14,663)
Deferred tax liabilities	(1,992)
Long term liabilities	(1,545)
Net identifiable assets acquired	**19,170**
Leakage adjustment	(6,909)
Non-controlling interests	(3,489)
Goodwill	20,193
Net assets acquired	**28,964**
Net cash flow on acquisition	
Cash acquired	5,902
Cash paid	(509)
Net cash flow	**5,393**

PARENT COMPANY FINANCIAL STATEMENTS AND NOTES

Income statement

Amounts in NOK thousands	Notes	2022	2021
Revenues	2	13,235	12,335
Total revenue		**13,235**	**12,335**
Staff costs	3	(15,041)	(11,122)
Other operating expenses	4	(9,978)	(10,331)
Depreciation		(6)	(6)
Operating profit (loss) (EBIT)		**(11,791)**	**(9,124)**
Finance income	5	34,923	35,340
Finance expenses	5	(6,404)	(4,109)
Net foreign exchange gain (loss)	5	31,230	9,945
Profit (loss) before income tax		**47,958**	**32,052**
Income tax expense	6	(10,065)	(6,371)
Profit (loss) after tax		**37,893**	**25,681**

Balance Sheet

Amounts in NOK thousands	Notes	31 December 2022	31 December 2021
ASSETS			
Non-current assets			
Property, plant and equipments	15	15	22
Investment in subsidiaries	7	257,132	232,402
Non-current portion of receivables	8	423,427	329,424
Total non-current assets		**680,574**	**561,847**
Current assets			
Trade and other receivables	9	33,718	26,944
Cash and cash equivalents	10	32,601	5,869
Total current assets		**66,319**	**32,813**
Total assets		**746,893**	**594,660**
EQUITY AND LIABILITIES			
Equity			
Share capital	11, 12	10,477	9,692
Consideration shares	12	9,892	16,396
Other paid-up capital	12	504,528	454,805
Total equity		**524,897**	**480,894**
Non-current liabilities			
Deferred tax liabilities	6	9,688	6,803
Bank borrowings	14	-	28,593
Total non-current liabilities		**9,688**	**35,396**

Amounts in NOK thousands	Notes	31 December 2022	31 December 2021
Current liabilities			
Trade and other payables	13	84,243	6,888
Bank borrowings	14	128,065	71,482
Total current liabilities		**212,308**	**78,370**
Total liabilities		**221,996**	**113,766**
Total equity and liabilities		**746,893**	**594,660**

Oslo, 26 April 2023

Glen Rødland
Chair of the Board

Yvonne L. Sandvold
Board member

Synne Syrrist
Board member

Rune Eng
Board member

David Wells
Board Member

Reuben Segal
CEO

Statement of Cash Flows

Amounts in NOK thousands	Notes	2022	2021
Cash flow from operating activities			
Profit (loss) before income tax		47,958	32,052
Non-cash adjustment to reconcile profit before tax to cash flow:			
Depreciation		6	6
Dividend income		(1,962)	(1,704)
Reversal of impairment		-	(1,528)
Changes in working capital:			
Changes in trade and other receivables		22,518	(13,883)
Changes in trade and other payables		70,175	(11,698)
Interest expenses		6,404	4,108
Cash flow from (used in) operating activities		**145,099**	**7,353**
Cash flow from investing activities			
Repayments of loans by group companies		(94,003)	30,554
Investment in subsidiary	7	(4,730)	(5,629)
Dividend received from subsidiary		1,962	1,704
Cash flow from (used in) investing activities		**(96,771)**	**26,629**
Cash flow from financing activities			
Proceeds from issuance of shares (net of transaction costs)	12	17,326	17,808
Repayments of bank borrowings		27,991	(24,815)
Dividends paid		(60,508)	(48,211)
Interest paid		(6,404)	(4,108)
Cash flow used in from (used in) financing activities		**(21,596)**	**(59,326)**
Net change in cash and cash equivalents		**26,732**	**(25,344)**
Cash and cash equivalents at beginning of year		5,869	31,213
Cash and cash equivalents at end of year		**32,601**	**5,869**

Note 1. Accounting principles

ABL Group ASA ("the Company") is a limited liability company incorporated on 13 June 2014 and domiciled in Norway with its registered office at Haakon VIIs gate 6, 0161, Oslo, Norway. The Company is listed on Oslo Stock Exchange.

The Company is principally an investment holding company. Its other activities include provision of management services to related companies.

The principal activities of the subsidiaries are disclosed in Note 26 to the ABL Group's consolidated financial statements.

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

Foreign currency translation
Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into Norwegian Krone ("NOK") using the exchange rate applicable on the balance sheet date. Non-monetary items that are measured at their historical price expressed in a foreign currency are translated into NOK using the exchange rate applicable on the transaction date. Non-monetary items that are measured at their fair value expressed in a foreign currency are translated at the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognized in the income statement as they occur during the accounting period.

Income tax
The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated at applicable rate of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilized. Taxes payable and deferred taxes are recognized directly in equity to the extent that they relate to equity transactions.

Revenue recognition
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, considering contractually defined terms of payment and excluding taxes or duty.

Borrowings
Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of arrangement fees) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

Contingent consideration
Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability is subsequently remeasured to fair value, with changes in fair value recognized in income statement.

Property, plant and equipment
Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the income statement in the period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the assets' cost to their residual values over their estimated useful lives as follows:

- Office equipment: 5 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property, plant and equipment is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

Balance sheet classification
Current assets and short term liabilities consist of receivables and payables due within one year, and items related to the normal operating cycle. Other balance sheet items are classified as non-current.

Current assets are valued at the lower of cost and fair value. Short term liabilities are recognized at nominal value.

Investment in subsidiaries
Investment in subsidiaries is valued at cost of the shares in the subsidiary less any impairment losses. An impairment loss is recognized if the impairment is not considered temporary. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Dividends, group contributions and other distributions from subsidiaries are recognized in the same year as they are recognized in the financial statement of the provider. If dividends / group contribution exceeds withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the carrying value of the investment.

Other receivables
Other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the receivables.

Cash flow statement
The cash flow statement is presented using the indirect method. Cash and cash equivalents include cash, bank deposits and other short term, highly liquid investments with maturities of three months or less. Deposits held by the bank against guarantees provided to the customers are classified and accounted for in other current assets.

Note 2. Revenues

Amounts in NOK thousands	2022	2021
Corporate group management fees	13,235	12,335
Total	**13,235**	**12,335**

Note 3. Staff costs

Amounts in NOK thousands	2022	2021
Salaries	11,285	8,842
Payroll and social security	2,769	2,192
Other personnel costs	987	88
Total	**15,041**	**11,122**

At 31 December 2022 the Company had 6 employees (2021: 5 employees). Salaries includes compensation to the board members. ABL Group ASA meets the Norwegian requirements for mandatory occupational pension ("obligatorisk tjenestepensjon"). Please refer to note 21 and 22 in ABL Group consolidated financial statements for further information regarding the remuneration to board members and executive management.

Note 4. Other operating expenses

Amounts in NOK thousands	2022	2021
Professional fees	3,885	4,486
Share of central costs	-	520
Office rental cost	1,202	603
Other costs	4,891	4,721
Total other operating expenses	**9,978**	**10,331**

Remuneration to the Auditors[1]

Amounts in NOK thousands	2022	2021
Audit	2,512	1,117
Other assurance services	137	528
Other services	10	-
Total	**2,659**	**1,645**

All fees are exclusive of VAT.

Note 5. Financial items

Amounts in NOK thousands	2022	2021
Finance income		
Interest income on loans to related parties	32,575	32,107
Interest income from bank deposits	386	1
Dividend from subsidiaries	1,962	1,704
Reversal of write down on long-term financial assets	-	1,528
Total	**34,923**	**35,340**
Finance expenses		
Interest expenses	6,404	4,108
Other finance expenses	-	1
Total	**6,404**	**4,109**
Net foreign exchange gain (loss)		
Net foreign exchange gain (loss)	31,230	9,945
Total net foreign exchange gain (loss)	**31,230**	**9,945**

Net foreign exchange gain includes unrealised foreign currency effect related to bank accounts other than NOK and unrealised foreign currency gain on long term loans to subsidiaries in the Company.

Loans to subsidiaries have been assessed to be a part of the net investments in the subsidiaries as these are long term in nature and settlement is neighter planned nor likely in the foreseeable future. These are eliminated upon consolidation and exchange differences arising from the translation are recognised in other comprehensive income. Refer to note 8 in ABL Group consolidated financial statements for further information.

Note 6. Taxes

Amounts in NOK thousands	31 December 2022	31 December 2021
Income tax expense recognised in profit or loss		
Tax payable	7,180	-
Deferred tax expense	2,884	6,371
Total income tax expense (income)	**10,065**	**6,371**
Tax base calculation		
Profit before income tax	47,958	32,052
Permanent differences	(2,209)	(4,580)
Changes in temporary differences	(12,411)	(16,849)
Intra-group contribution	(32,638)	-
Allocation of loss brought forward	(700)	(10,623)
Total tax base	**-**	**-**
Temporary differences		
Short term receivables	(11,762)	(3,566)
Long term receivables in foreign currency	69,400	35,189
Provisions	(13,601)	-
Property, plant and equipment	(1)	1
Total	**44,036**	**31,624**
Accumulated losses carried forward	-	(700)
Base for deferred tax liability	**44,036**	**30,924**
Deferred tax liabilities	9,688	6,803
Total deferred tax liabilities	**9,688**	**6,803**

Norway corporation tax rate for 2022 was 22% (2021: 22%). For 2022, there is no change in corporation tax rate. Deferred tax liability as of 31 December 2022 has been calculated based on this rate.

Reconciliation of the effective tax rate:

Amounts in NOK thousands	2022	2021
Profit (loss) before income tax	**47,958**	**32,052**
Income tax using the Company's domestic tax rate of 22% (2019 - 22%)	10,551	7,051
Effect of permanent difference	(486)	(1,008)
Effect of changes in tax rate	-	-
Income tax (income) expense recognised in profit or loss	**10,065**	**6,044**
Effective tax rate	**21.0%**	**18.9%**

Note 7. Investments in subsidiaries

The subsidiaries directly owned by the Company at 31 December 2022 are set out below. Unless otherwise indicated, all shareholdings owned by the Company represent 100% of the issued share capital of the subsidiary and the share capital is comprised of ordinary shares. Figures presented below in functional currency thousands.

Name of subsidiaries	Registered office	Functional currency	Share capital	Equity as of 31.12.2022	Net profit for the year	Net carrying value NOK '000
ABL Group Holding Ltd	UK	GBP	4,462	21	(1,726)	118,678
Offshore Wind Consultants Limited (OWC)	UK	GBP	0.1	1,036	414	8,668
ABL Technical Services Holdings Ltd	UK	GBP	-	9,510	(146)	60,720
Neptune Midco 1 Limited (LOC Group)	UK	GBP	42,641	31,182	5,555	23,475
East Point Geo Ltd (EPG)	UK	GBP	-	571	108	11,109
Add Energy Group AS	Norway	NOK	91,126	21,698	(2,112)	34,482
Total						**257,132**

On 11 July 2022, the Company acquired 100% of the shares in energy and engineering consultancy Add Energy. The acquisition broadens ABL Group´s service offering adding 140 skilled consultants to the group´s global team. It will allow ABL Group to expand its service offering in asset integrity management and OPEX services within both offshore renewables and oil and gas. The purchase is settled trough a minor cash consideration to Add Energy´s shareholders. ABL Group also entered into an agreement to acquire all interest- bearing debt in Add Energy through consideration of NOK 20 million in ABL Group ASA shares issued to Add Energy´s main lender.

Note 8. Related party

For the purposes of the Company's financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

In addition to the related party information disclosed elsewhere in the group consolidated financial statements, the Company's balances with the related parties included in the balance sheet are as follows:

Amounts in NOK thousands	31 December 2022	31 December 2021
Loans to group companies		
Neptune Midco 1 Limited (LOC Group)	334,294	277,111
ABL Group Holding Limited	-	18,661
Aqualis Offshore UK Limited	12,854	10,779
ABL Technical Services Holdings Ltd	-	2,666
ABL USA Inc.	10,858	9,107
Aqualis Offshore Serviços Ltda	3,511	2,944
OWC Japan Ltd.	2,007	2,948
ABL Group Korea Ltd	1,617	1,355
ABL Norway AS	2,750	2,296
London Offshore Consultants (Mexico) SA de CV	1,188	994
OWC (Aqualis) GmbH	672	563
Offshore Wind Consultants Ireland Ltd	1,284	-
Add Energy Group AS	52,393	-
Total	**423,427**	**329,424**
Non-current portion	423,427	329,424
Current portion	-	-
Total	**423,427**	**329,424**

The loans to Group companies carry an annual interest rate of 10%. Loans to subsidiaries have a long term perspective and does not have a specific repayment date.

Amounts in NOK thousands	31 December 2022	31 December 2021
Due from related parties		
ABL Group Holding Limited	-	23,495
Total	**-**	**23,495**
Due to related parties		
ABL Technical Services Holdings Limited	4,307	-
ABL Group Holding Limited	18,702	-
Neptune Midco 1 Limited (LOC Group)	9,120	-
Add Energy Group AS	32,638	-
Total	**64,768**	**-**

Amount due from and due to group companies are unsecured, non-interest bearing and are repayable on demand and are included in trade and other receivables (note 9) and trade and other payables respectively (note 13).

Transactions with related parties are made at terms agreed between the parties. For the year ended 31 December 2022, transactions with related parties included in profit and loss are as follows:

Amounts in NOK thousands	2022	2021
Corporate group management services (note 2)	13,235	12,335
Interest income on loans (note 5)	32,575	32,107
Share of central costs (note 4)	-	520

Note 9. Trade and other receivables

Amounts in NOK thousands	31 December 2022	31 December 2021
Due from related parties (note 8)	-	23,495
Other receivables	33,718	3,449
Total	**33,718**	**26,944**

Other receivables are non-interest bearing and are generally on terms of 30 to 45 days.

Note 10. Cash and cash equivalents

Amounts in NOK thousands	31 December 2022	31 December 2021
Cash and bank balances	32,601	5,869
Total	**32,601**	**5,869**

Amounts in thousands	31 December 2021		31 December 2020	
Distributed in following currencies:	Currency	NOK	Currency	NOK
US Dollars	2,824	27,841	219	1,935
Norwegian Krone	3,903	3,903	3,001	3,001
Euro	82	857	93	933
Total		**32,601**		**5,869**

The Company has restricted cash at banks of NOK 566 thousand at 31 December 2022 (2021: NOK 487 thousand). These are subject to regulatory restrictions and are therefore not available for general use by the other entities within the group.

Note 11. Share capital

Amounts in NOK thousands	Number of shares	Share capital
At 1 January 2021	92,547,583	9,255
Cash-settled capital increase (net of transaction costs)	4,375,000	438
At 31 December 2021	**96,922,583**	**9,692**
At 1 January 2022	96,922,583	9,692
Cash-settled capital increase (net of transaction costs)	7,847,279	785
At 31 December 2022	**104,769,862**	**10,477**

Each share has a par value of NOK 0.10 per share.

Share-based payments

The company has established share option plan that entitle employees to purchase share in the company. Under these plan, holders of vested options are entitled to purchase shares at the market price of the shares at grant date. Each employee share option converts into one ordinary share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry. Refer note 16 in ABL Group consolidated financial statements for more information.

Refer to note 27 in ABL Group consolidated financial statements for further information regarding the company's largest shareholders.

Note 12. Equity

Amounts in NOK thousands	Share capital	Treasury shares	Consideration shares	Other paid-up capital	Total equity
At 1 January 2021	9,255	(372)	12,769	448,950	470,602
Cash-settled capital increase (net of transaction costs)	338	-	-	17,371	17,708
Shares isssued as consideration for business combination	100	-	-	10,620	10,720
Shares to be issued as part of the consideration on a acquisition of subsidiary	-	-	3,626	-	3,626
Employee share program issue	-	372	-	396	768
Dividends			-	(48,211)	(48,211)
Profit after taxes	-	-	-	25,681	25,681
At 31 December 2021	**9,692**	**-**	**16,396**	**454,807**	**480,894**
At 1 January 2022	9,692	-	16,396	454,807	480,894
Cash settled capital increase (net of transaction costs)	100	-	(6,503)	6,503	100
Shares issued as consideration for business combination	158	-	-	19,842	20,000
Employee share program issue	527		-	45,991	46,518
Dividends			-	(60,508)	(60,508)
Profit after taxes	-	-	-	37,893	37,893
At 31 December 2022	**10,477**	**-**	**9,892**	**504,528**	**524,897**

Total dividend paid in 2022 was NOK 0.60 per share. For tax purposes, the distribution of dividend was considered repayment of paid in capital. ABL Group has implemented a semi-annual dividend schedule.

The Company incurred NOK 254 thousands (2021: NOK 2,879 thousands) in transaction costs that were directly attributable to the issuance of shares.

Refer to notes 7 and 16 in ABL Group consolidated financial statements for further information regarding the issurance of new shares on acquisition.

Note 13. Trade and other payables

Amounts in NOK thousands	31 December 2022	31 December 2021
Trade payables	258	2,014
Due to related parties (note 8)	64,768	-
Accruals and other payables	19,217	4,874
Total	**84,243**	**6,888**

Trade payables are non- interest bearing and are normally settled on 30 days term.

Note 14. Bank Borrowings

Amounts in NOK thousands	31 December 2022		31 December 2021	
	Current	Non-current	Current	Non-current
Bank loans	128,065	-	71,482	28,593
Total	**128,065**	**-**	**71,482**	**28,593**

To finance the acquisition of Add Energy (refer to note 7), in August 2022 and by amending the Original Facilities Agreement, the company obtained an additional term loan of USD 5 million which is repayable in December 2023.

The Original Facilities Agreement consisted of two parts, (i) a term loan of USD 10 million, and (ii) a revolving credit facility of USD 5 million to be renewed annually, both with a maturity of three years and with the following financial covenants:

- Minimum EBITDA of USD 7 million on a rolling 12-month basis; and
- NIBD (Net Interest Bearing Debt) < 0 at all times.

Financial covenants were measured first time with respect to the financial quarter ending 30 June 2021, and thereafter on the last day of each financial quarter.

The interest on above loans is the relevant LIBOR (1, 3 or 6 months at the borrower's discretion) plus a margin of 320 basis points. The term loan is to be repaid through 12 equal instalments on the last day of each financial quarter, the first time on 31 March 2021. For the majority of the borrowings, the fair values are not materially different from their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature. The company incurred total interest cost of NOK 6.4 million (2021: NOK 4.1 million) on above loans. These costs have been included in finance expenses in the income statement.

The Group's obligations under the Original Facilities Agreement are guaranteed by the Company and certain material group companies.

Note 15. Property, plant and equipments

Amounts in NOK thousands	Office equipment	Total
Cost		
As at 1 January 2022	32	32
Additions	-	-
As at 31 December 2022	**32**	**32**
Depreciation		
As at 1 January 2022	10	10
Depreciation charge for the year	6	6
As at 31 December 2022	**17**	**17**
Net book value at 31 December 2022	**15**	**15**
Useful life	**5 years**	
Depreciation method	Straight line	

Note 16. Events after the reporting period

Subsequent to balance sheet date, on 18 April 2023, the Company has completed the acquisition of 100 percent of the shares in multi-disciplinary engineering consultancy and software company AGR AS ("AGR"). The acquisition will bolster ABL Group's offering within well and reservoir consultancy, enhances the group's position supporting operators' digitalisation and decarbonisation plans, and expand its opex-driven offshore energy exposure. The company is headquartered in Oslo, Norway, with additional offices in Stavanger, Bergen and Tromsø in Norway; Perth, Western Australia; and Aberdeen, UK. AGR consists of 377 personnel, of which 196 are AGR employees, and 181 are associates/independent consultants. The transaction values AGR at NOK 262.5 million (equivalent to USD 25.1 million at current FX rates) on a cash and debt free basis. The equity purchase price of NOK 277.8 million (USD 26.5 million), which includes a NOK 15.3 million (USD 1.5 million) adjustment for net cash and normalised net working capital in AGR, is based on a "locked box" balance sheet as of 31 December 2022, and further adjusted for leakage inter alia from carve-out transactions and excess cash distribution.

- NOK 272.5 million settled through issuance of 18,166,667 ordinary ABL Group shares (the "Consideration Shares") at a subscription price of NOK 15 per ABL Group share, representing 14.8% of outstanding shares post-issue; and
- NOK 5.3 million (the "Cash Consideration"), settled in cash on completion

Refer to note 28 in ABL Group consolidated financial statements for further information.

To the General Meeting of ABL Group ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ABL Group ASA, which comprise:

- the financial statements of the parent company ABL Group ASA (the Company), which comprise the balance sheet as at 31 December 2022, the income statement and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of ABL Group ASA and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2022, the statement of income, statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements,
- 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 Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group 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.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 6 years from the election by the general meeting of the shareholders on 15 May 2017 for the accounting year 2017.

PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Group's business operations, which continue to evolve due to ongoing improvement projects, are largely the same as last year. *Impairment assessment of goodwill* carries the same characteristics and risks as in the prior year, and therefore continues to be an area of focus this year.

Key Audit Matters	How our audit addressed the Key Audit Matter
Impairment assessment of goodwill	
The carrying value of goodwill amounted to USD 24,077 thousand on 31 December 2022, which is about 19% of total assets. Goodwill is tested for impairment annually, or when there are indicators of impairment. An impairment test of goodwill was performed at year end 2022. No impairment charge was recognised based on the impairment test. We focused on impairment assessment of goodwill because it requires application of significant management judgement, specifically as it relates to estimating future cash flows and the discount rate. Furthermore, a potential impairment loss may have material impact on the carrying value of the Group's assets. See note 13 (Intangible assets) to the consolidated financial statements where management explains the impairment model and key assumptions applied.	We evaluated and challenged management's impairment model. We corroborated the elements in the model to the requirements in IFRS and found no material inconsistencies. We also tested the mathematical accuracy of the impairment model. We challenged management's use of assumptions in the future cash flow estimates. We found that future cash flow estimates were based on budgets approved by the Board of Directors. We tested managements' budgeting accuracy by performing look-back analyses of budgeted growth rate and EBITDA margin against actuals. When we found deviations, we assessed management's explanations and corroborated with other evidence available to us. To challenge the assumptions in the impairment model, we also held discussions with management. In addition, we assessed the sensitivity of the assumptions and found that the future cash flow estimates were sensitive to the applied growth rate and EBITDA margin. Based on our testing and discussions with management, we found management's budgeting for the purpose of this impairment test, to be reliable. To evaluate the assumptions used to build the discount rate, we used external market data and observable data from comparable companies. We found the assumptions to be reasonable based on our knowledge and available evidence. Finally, we considered disclosures in note 13 to the consolidated financial statements and found them appropriate.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. 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 nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. 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.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

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 the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of ABL Group ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name ABL-ESEF2022, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

Oslo, 26 April 2023
PricewaterhouseCoopers AS

Anders Ellefsen
Anders Ellefsen
State Authorised Public Accountant (Norway)

5 / 5

ALTERNATIVE PERFORMANCE MEASURES (APM)

The European Securities and Markets Authority (ESMA) issued guidelines on Alternative Performance Measures ("APMs") that came into force on 3 July 2016. Alternative performance measures are meant to provide an enhanced insight into the operations, financing and future prospects of the company. The Company has defined and explained the purpose of the following APMs:

Adjusted EBITDA

Adjusted EBITDA which excludes depreciation, amortisation and impairments, share of net profit (loss) from associates, transaction costs related to acquisitions, restructuring and integration costs is a useful measure because it provides useful information regarding the Company's ability to fund capital expenditures and provides a helpful measure for comparing its operating performance with that of other companies. EBITDA may not be comparable to other similarly titled measures from other companies. A reconciliation between reported operating profit/(loss) and EBITDA is shown below.

Amounts in USD thousands	2022	2021
Operating profit (loss) (EBIT)	**12,514**	**7,375**
Depreciation, amortisation and impairment	3,342	3,790
Restructuring and integration costs	189	362
Other special items (incl. share-based expenses)	1,773	1,475
Transaction costs related to M&A	357	76
Adjusted EBITDA	**18,175**	**13,078**

Adjusted EBIT

Adjusted EBIT which excludes amortisation and impairments, share of net profit (loss) from associates, transaction costs related to acquisitions, restructuring and integration costs is a useful measure because it provides an indication of the profitability of the Company's operating activities for the period without regard to significant events and/ or decisions in the period that are expected to occur less frequently.

A reconciliation between reported operating profit/(loss) and EBIT adjusted is shown below.

Amounts in USD thousands	2022	2021
Operating profit (loss) (EBIT)	**12,514**	**7,375**
Amortisation and impairment	430	356
Restructuring and integration costs	189	362
Other special items (incl. share-based expenses)	1,773	1,475
Transaction costs related to M&A	357	76
Adjusted EBIT	**15,262**	**9,645**

Adjusted profit (loss) after taxes

Adjusted profit (loss) after taxes which excludes amortisation and impairments, share of net profit (loss) from associates, transaction costs related to acquisitions, restructuring and integration costs and certain finance income is a useful measure because it provides an indication of the profitability of the Company's operating activities for the period without regard to significant events and/or decisions in the period that are expected to occur less frequently. A reconciliation between adjusted profit (loss) after taxes and profit (loss) after taxes is shown below.

Amounts in USD thousands	2022	2021
Profit (loss) after taxes	**6,253**	**3,218**
Amortisation and impairment	430	356
Restructuring and integration costs	189	362
Other special items (incl. share-based expenses)	1,773	1,475
Transaction costs related to M&A	357	76
Gain on bargain purchase / disposal of subsidiaries	(1,889)	(54)
Adjusted profit (loss) after taxes	**7,113**	**5,435**

Return on equity (ROE)

ROE is calculated as the adjusted profit (loss) for the period attributable to equity holders of the parent, divided by average total equity for the period. The adjusted profit (loss) is annualised for interim period reporting. This measure indicates the return generated by the management of the business based on the total equity. The calculation of ROE is shown below.

Amounts in USD thousands	2022	2021
Adjusted profit (loss) after taxes	**7,113**	**5,435**
Average total equity	67,646	66,092
ROE	**10.5%**	**8.2%**

Return on capital employed (ROCE)

ROCE is calculated as the adjusted EBIT for the period, divided by average capital employed for the period. Capital employed is defined as total assets less non-interest bearing current liabilities. The adjusted EBIT is annualised for interim period reporting. This measure indicates the return generated by the management of the business based on the capital employed. The calculation of ROCE is shown below.

Amounts in USD thousands	2022	2021
Adjusted EBIT	**15,262**	**9,645**
Total assets	126,928	115,090
Less: Non-interest bearing current liabilities	(27,863)	(25,814)
Capital employed	99,065	89,276
Average capital employed	**94,170**	**90,200**
ROCE	**16.2%**	**10.7%**

Order backlog

Order backlog is defined as the aggregate value of future work on signed customer contracts or letters of award. ABL's services are shifting towards "call-out contracts" which are driven by day-to-day operational requirements. An estimate for backlog on "call-out contracts" are only included in the order backlog when reliable estimates are available. Management believes that the order backlog is a useful measure in that it provides an indication of the amount of customer backlog and committed activity in the coming periods.

Working capital and working capital ratio

Working capital is a measure of the current capital tied up in operations. The amount of working capital will normally be dependent on the revenues earned over the past quarters. Working capital includes trade receivables, contact assets and other current assets, trade payables, current tax payable, contract liabilities and other current liabilities. Working capital may not be comparable to other similarly titled measures from other companies. Working capital ratio provides an indication of the working capital tied up relative to the average quarterly revenue over the past two quarters.

Amounts in USD thousands	31 December 2022	31 December 2021
Working capital		
Trade and other receivables	41,400	43,235
Contract assets	13,394	18,101
Trade and other payables	(25,890)	(24,467)
Contract liabilities	(1,535)	(949)
Income tax payable	(439)	(398)
Net working capital	**26,931**	**35,523**
Average revenue for last 2 quarters	43,444	37,892
Working capital ratio	**62%**	**94%**

LONDON ϟ HEAD OFFICE

Northern & Shell Building
1st Floor, 10 Lower Thames Street
London, EC3R 6EN

T +44 20 7264 3250
E enquiries@abl-group.com

OSLO ϟ INVESTOR RELATIONS

Haakon VIIs gate 6
0161 Oslo Norway

E investorrelations@abl-group.com

www.abl-group.com