

DRIVING **SUSTAINABILITY** IN ENERGY AND OCEANS



ABLGroup

ABL GROUP ANNUAL REPORT 2023

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ABLGroup



ABL Group is a leading independent global consultancy delivering energy, marine, engineering & digital solutions to drive safety and sustainability in energy and oceans.



ABL Group ASA – A global brand family combining the deepest pool of expertise across energy, marine, engineering and digital disciplines to drive safety and sustainability in energy and oceans throughout the life-cycle of a project of asset.



Global, independent energy, marine and engineering consultant working to de-risk and drive sustainability across projects and assets in Renewables, Maritime and Oil & Gas.

KEY SERVICES

- MARINE WARRANTY SURVEY (MWS) AND MARINE ASSURANCE & RISK
- ENERGY & MARINE OPERATIONS SUPPORT
- MARITIME SERVICES



Multi-disciplinary engineering consultancy and software provider specialising in wells and reservoirs.

KEY SERVICES

- WELLS & RESERVOIR CONSULTING
- RESOURCE SOLUTIONS
- SOFTWARE



Specialized engineering, technical advisory and consultant for the commercial development of offshore and onshore renewable energy.

KEY SERVICES

- RENEWABLES CONSULTING
- OWNER'S ENGINEERING
- TECHNICAL DUE DILIGENCE



Independent engineering, design and analysis consultants working across marine markets: Renewables, Oil & Gas, Maritime, Small Craft & Defence and Infrastructure.

KEY SERVICES

- MARINE OPS ENGINEERING
- VESSEL & FACILITY DESIGN
- ANALYSIS AND SIMULATIONS



KEY FINANCIAL FIGURES

Results		2023	2022
Total revenues	USD thousands	251,233	167,897
Adjusted EBITDA ¹	USD thousands	24,872	18,175
EBIT	USD thousands	16,530	12,514
Adjusted EBIT ¹	USD thousands	20,750	15,262
Profit after taxes	USD thousands	8,677	6,253
Adjusted profit after taxes ¹	USD thousands	12,897	7,113
Return on equity (ROE) ¹	%	15.2%	10.5%
Return on capital employed (ROCE) ¹	%	17.9%	16.2%

Balance sheet and cash flow

Cash and cash equivalent	USD thousands	28,157	30,974
Equity ratio	%	56.0%	53.9 %
Cash inflow from operating activities	USD thousands	11,533	19,825

Operations

Order backlog at 31 December ¹	USD thousands	72,233	72,115
Employees at 31 December ²	Full-time equivalents	1,613	1,027
Lost time injury per million man-hours	Per million man-hours	-	-
Billing ratio ²	%	76%	77%

Share data

Basic earnings per share	USD	0.07	0.06
Number of shares outstanding at 31 December	million	123.35	104.77
Number of options outstanding at 31 December	million	10.02	10.81
Number of warrants outstanding at 31 December	million	1	1
Share price at 31 December	NOK	13.10	15.25
Dividends paid per share	NOK	0.70	0.60

¹ Alternative Performance Measures

² Including subcontractors, full time equivalents

Financial calendar 2024

Event	Date
First quarter results	25/04/2024
Annual General Meeting	29/05/2024
Half-yearly results	22/08/2024
Third quarter results	31/10/2024

Ticker symbol

Oslo Børs	ABL
Reuters	ABL.OL
Bloomberg	ABL:NO

ISIN No	NO0010715394
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Share Register	DNB Bank ASA Verdipapirservice Postboks 1600 Sentrum 0021 Oslo
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GLEN RØDLAND
CHAIR OF THE BOARD

Dear fellow shareholders,

Albert Einstein is often attributed with saying, “the most powerful force in the Universe is compound interest”. The return on capital is a key focus area for company boards, measured through capital efficiency and capital allocation and this is the focus of my letter today.

Capital efficiency

Capital efficiency is about using the existing capital to the maximum. It is easy to understand that a hotel with 50% occupancy or a ship in layup is not an efficient use of invested capital. For an airline the difference in profitability between 8–10 flight hours and 10–12 flight hours a day is material. For physical assets the largest elements of the cost are fixed, and profitability is all about utilization.

ABL Group has two forms of capital we seek to optimize – human capital and working capital.

Human capital is our key capital. The billing ratio for our people measures how much of the available time our employees are working for our clients. The 2023 total billing ratio is 76% (including freelancers who by definition are nearly 100% utilized) and 66% for our own technical staff alone. Like the hotel, ship or aircraft, most of these costs are fixed, and an increase of utilisation of only 1-2% makes a big difference to profitability.

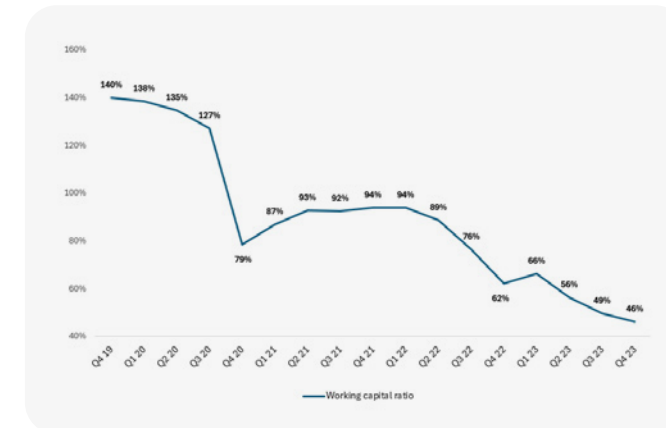
Billing ratio development



We are constantly working on the billing ratio and over the period from 2019 we have increased the total billing rate from about 70% at the end of 2019 to 76%. This is a slow process, but one with rich rewards.

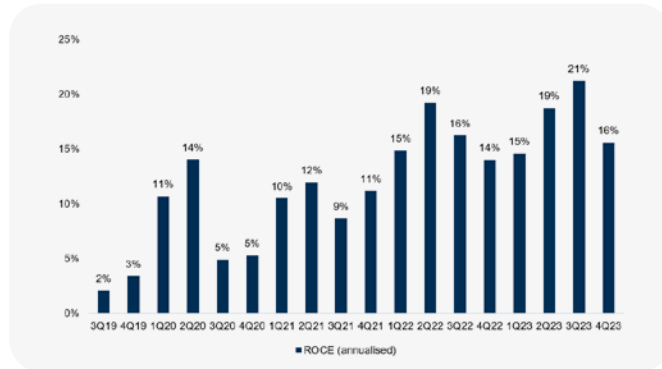
The second type of capital we use within the Group is working capital. In 2019, our net working capital was measured at 140% of quarterly revenue but at the end of 2023 our net working capital was down to 46% of quarterly revenue.

Working capital ratio development



The confluence of increased billing ratio and more efficient use of working capital has increased the ROCE from below 3% in 2019 to 18% in 2023. The target, over time (with some cyclical swings), is to be consistently above 20% ROCE. The acquisition of AGR in April 2023 lowered our average margin but increased our ROCE due to their higher capital efficiency. ROCE is a key criteria in our evaluation of M&A opportunities.

ROCE Development



Capital allocation

After improving your capital efficiency (achieve more with less), the second task to focus on is how to deploy free cashflow, which leads to decisions on capital allocation. Capital allocation is probably the most important activity for decision makers globally, from macro to micro. Getting the capital allocation right is key for the development of global economies and for the growth of individual country GDPs.

Capital allocation is a key area of focus for the Board within the Group. The main investment priorities for the Group are:

1. Our Employees

Our people are our biggest asset. At the end of 2023, we were around 1,700 (including around 500 freelancers) professionals in the Group. To prosper, we need to attract, develop and retain the best professionals. Capital allocation in the form of competitive remuneration, training and development are the single most important capital allocation decisions your Board is undertaking.

In 2023, 75% of the staff within the Group went through at least one internal professional course/training and about 60 employees attended worldclass external leadership and professional training and courses. In 2023, we employed 255 new professionals (mainly engineers and mariners), a large proportion of whom are graduates straight from university. A key selling point for young professionals is our global network, providing the ability to work overseas, and the opportunity to work across several sectors, vital in the early stage of a technical career. Investing in our people delivers low attrition rates and maintains knowledge within the Group.

The largest capital allocation to employees is the way they are rewarded.

Historically we have allocated a proportion of EBITA before incentives to our bonus programme for all employees and when we have made acquisitions, we have had ad-hoc stock option issues which has allowed employees to build an economic alignment with shareholders. In aggregate these schemes have accounted for approximately 23% of EBITA / 15% of pre-incentive EBITA for the bonus plan and approximately 8% on an equivalence basis for the option plans.

In the 2023 Remuneration Report to shareholders, we highlighted that as part of the professionalisation of the business we would look to introduce new short and long-term incentive plans. In 2024 we will commence these plans which, in aggregate, will target approximately 25% of pre-incentive EBITA on a combined basis. Both schemes will be performance assessed and, to increase the alignment of employees and shareholders to the economic returns of the Group, the short-term incentive will be paid partly in shares and the long-term incentive entirely in shares. As the schemes involve the use of shares, the programmes will be detailed ahead of the 2024 AGM where shareholder support will be requested.

2. Organic growth

In 2023 we grew our workforce organically by 255 persons with the largest growth in traditional marine and oil and gas sectors (+122 persons) followed by renewable energy (+76 persons). In non-mature businesses, as with renewables, we and our competitors can drive organic growth because we start from a low base, but this comes at an economic cost as new entrants are not immediately productive. This is, in our opinion, a good investment since expectations of renewable M&A opportunities come with a far higher capital commitment at present. In more mature markets like marine and oil and gas our preference is to buy established companies with a good team and an established business.

3. Inorganic growth

In 2023 we added 365 professionals to our business when we completed the acquisitions of AGR and DWP, the latest in a line of acquisitions now constituting the Group. This will remain our approach going forward – a programme of 2-4 small to medium sized acquisitions annually which McKinsey indicates provides higher returns over the longer term. We see that in the acquisitions we have added significant value – driving synergies through integration, expanding business footprints across our offices, and professionalising smaller organisations with the infrastructure we have built. We will maintain a disciplined M&A approach – focused on shareholder returns and detailed integration plans.

4. Research and development

The investment in research and development across the Group has historically been more ad-hoc – mainly investment into software for asset integrity and reservoir evaluation/ interpretation. During 2023, the Group has developed both a digital and an R&D strategy, and for 2024, we are planning on investing up

to 0.25% of our revenue in digitalization and development of software with the assistance of our newly hired Digital Transformation Director. The Group has a lot of data from more than 170 years of marine incidents, marine warranty cases, well logs, seismic data and much more. To misappropriate the words of Joseph Juran, we have significant 'gold in the mine'. The target is to improve our data collection, data analysis and thus improve our efficiency and relevance for our customers. In 2023, we sold software to external clients for a total of approximately USD 2.0 million mainly derived from products historically developed by AddEnergy and AGR. We expect to use our international network to expand these initiatives and further develop existing software both for internal and external use and effectiveness.

5. Return of capital to shareholders

The Group paid its first dividend in 2020 and we have distributed dividends subsequently to our shareholders twice per year. For 2024 the intention of the Board is to distribute NOK 0.40 in June and November, totalling NOK 0.8 per share.



At the same time as we distribute dividend, we have issued new shares mainly in connection with M&A transactions. We think it is therefore good practice to continue to pay a gradually increasing dividend to shareholders in line with increasing cash generation whilst at the same time seeking shareholder support for major acquisitions. The buyback of shares is an alternative if we have exhausted our pool of high return organic and inorganic growth, meaning an investment in the Group share provides a higher return compared to alternative projects.

In January 2024, the Group closed a new revolving credit facility of USD 30m with HSBC and we continue to establish operating cash pools to increase our capital efficiency. These tools not only improve our liquidity and efficiency but also provide tactical advantages in M&A negotiations. The combination of increased cash efficiency (cash pools) and the new credit facility will enable us to make acquisitions without simultaneously issuing equity. Additionally, the cash pool and credit facility will lower our overall cost of capital. The target for the Group remains to always be net cash positive.

Turning now to other areas beyond return on capital I wanted return to consistently important aspects for our business.

Overhead cost and professionalization

In my last two letters to the shareholders, I have argued that the combination of 5-6 medium-sized global consultancies (Aqualis, Braemar Technical Services, LOC, AddEnergy, OWC and AGR) is expected to lead to lower overhead cost relative to revenue in 2021 and 2022. However, at the same time, we have needed to allocate capital to state-of-the-art HR, training, mentoring and education of our staff, IT infrastructure, global ERP, upgraded BD structure and so on.

I am pleased to see that during 2023 overheads relative to revenue is finally decreasing. We are now progressing towards our aim of establishing a scalable infrastructure to which progressive acquisitions can be added without a commensurate increase in corporate costs.

Organization and Management

After 25 years working with different businesses and companies my conclusion is that success or lack of it is all about the companies' culture and the quality of the management and its people. During the last 2-3 years, 5 of the 6 individuals in the C-suite are new in their role. In my view it's a strength that 4 of the 5 new C-members have been recruited from within the Group. Similarly, the business line leaders and country heads are also mainly recruited internally in the Company.

The Group organization has always had a very good technical standard and culture. This is key for our business and our client relationships over time. We work with high-risk marine operations and our task is to minimize risk and avoid accidents, and if an accident happens to reduce the damage to a minimum. The clients trust us in this activity. It is very encouraging to observe that despite the growth in the number of employees and assignments, the number of incidents we are involved in continues to decline - relatively and in absolute numbers. This is an indication that our safety and operational culture is further strengthening. Hard work on the commercial culture over several years by the management has led to improving capital efficiency and improving operating margin leading to a turnaround in our ROCE as discussed earlier.

The market

My view over the last few years has been that we are heading into a "perfect storm" in energy markets.

The market itself will not be the problem and we will see significant investments across all energy sources for the next few years - renewables, transitional solutions and traditional sources of energy (with carbon capture use and storage and other greenhouse gas reduction measures) will be strong. Similarly, the maritime industry must invest in alternative fuels to reduce its greenhouse gas emissions, but there is still ongoing debate over which fuel technology or collection of fuel technologies will prevail.

Market development will not be a straight line. Energy and shipping are cyclical by nature, endure political influence and a high level of scrutiny. In 2023, even though we saw record renewable energy capacity constructed globally, the renewable energy market and especially the offshore wind market witnessed volatility with significant reductions in the stock market valuations for key players following delays and cancellations of some projects in the USA, EU and UK. This does not change the long-term trajectory nor the need for energy transition investments, as borne out by recent Government moves to support investment. Our view of the energy market medium term outlook has not changed. Volatility will continue but the trend of energy investments and energy transition is positive and therefore we will continue to grow and invest this development opportunity.

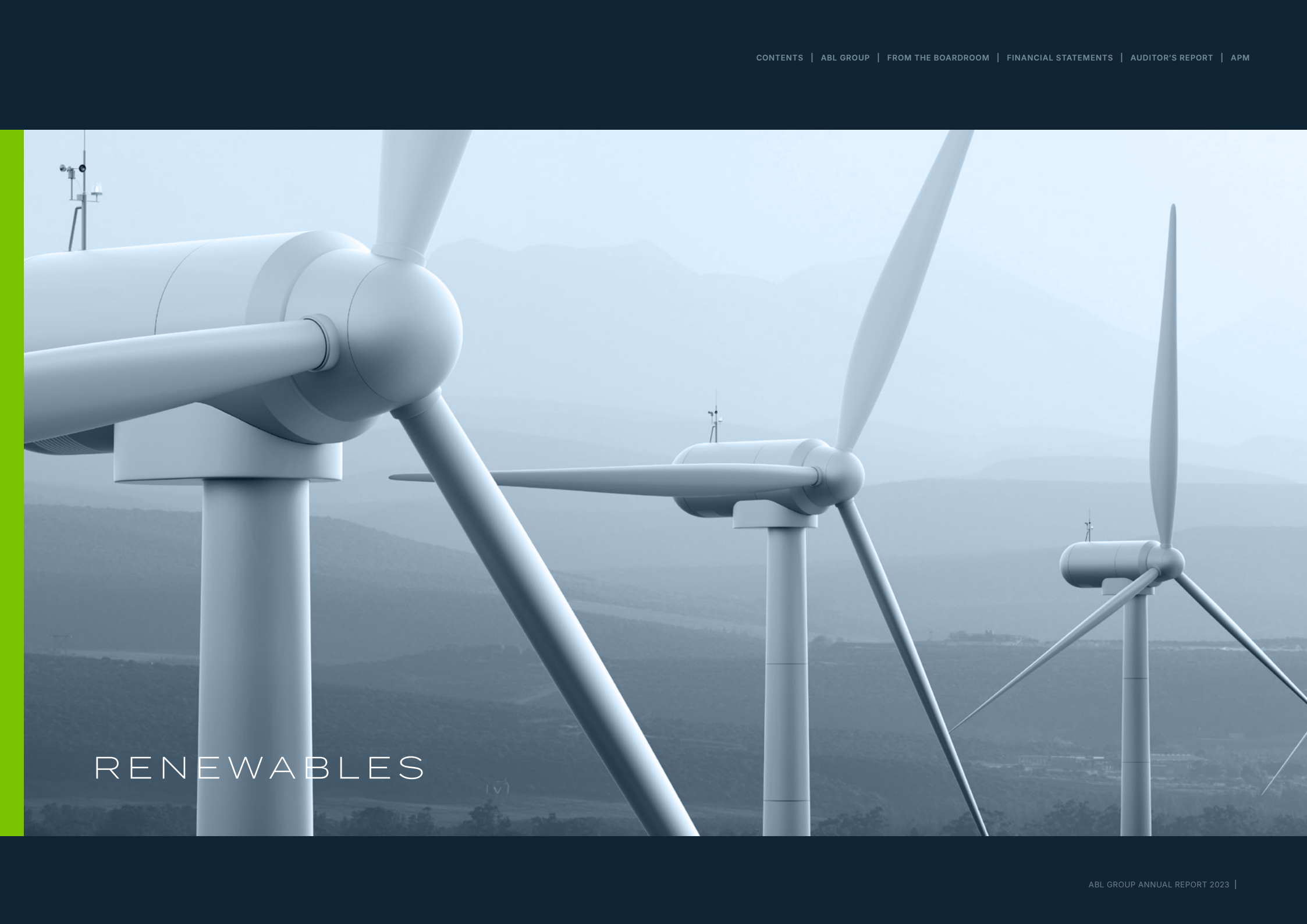
Within the current energy mix, less than 20% of the energy is consumed as electrons and the remaining 80% of energy is consumed as molecules. A key strategy to reduce greenhouse gas emissions is to electrify more of the energy consumption to reach 50% of energy consumption. I believe to both succeed with energy transition and to increase the living standards of the world's poor (i.e., a 'just transition'), we need more of most energy sources during this energy 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 while battery and other storage technologies are added at scale to our grids.

As we look ahead, we remain confident that the team led by Reuben Segal will continue the journey towards becoming a world leading marine and energy consultancy. We are dedicated to creating sustainable value for our stakeholders while maintaining our commitment to decarbonize the global energy system as we assist our clients to deliver affordable energy and marine transport to the 8 billion people of the world.

On behalf of the Board, I would like to thank all our employees and the management of the Group for their excellent work and outstanding results in 2023. The Group will strive to further enhance returns to shareholders in 2024 and beyond.



GLEN OLE RØDLAND
CHAIR OF THE BOARD



RENEWABLES



ABL Group offers expert technical and engineering consultancy across all renewable energy markets, offshore and onshore, providing tailored support to clients across the lifecycle of a project, from concept through to construction and operations.

Our track-record covers wind energy (onshore, fixed and floating), floating and ground-mount solar PV, battery energy storage systems (BESS), wave and tidal, hydrogen and power-to-x solutions. The Group is uniquely placed in the market to support clients in the optimised delivery of commercial-scale renewable energy projects, with service expertise to support 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 brands within the group portfolio, to support the delivery of projects across all technologies and markets.

ABL GROUP RENEWABLE BRANDS



Supporting renewable project developers and operators, with project development services, owner's engineering, technical due diligence and independent engineering, from R&D and feasibility to operations.



Supporting EPCI contractors with marine operations engineering, design and analysis, FEED and pre-FEED and supporting infrastructure and assets with vessel design through its specialised OSD-IMT vessel design bureau.



Supporting renewable energy insurers and operators in de-risking and driving sustainable solutions across the construction and operational stages of a project, with marine consultancy, marine assurance & risk, marine warranty survey, asset integrity and management services, and expert witness.

RENEWABLES IN NUMBERS



+330
Offshore Wind Projects



+50
Floating Wind Projects



+250
GW Wind Capacity



+70
Solar PV Projects



+15 GW
Battery Energy Storage Systems (BESS)



+40
Hydrogen Projects

Offshore Wind

Growth in offshore wind is accelerating and bringing new risks that investors, developers, insurers and EPCI companies must understand, eliminate, or mitigate. From new emerging markets to new technologies such as floating foundations and +15MW wind turbines, we 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. The Group has been an independent and impartial partner to many of the major developments in offshore wind development over the last two decades.

Onshore Wind

Onshore wind power is widely established around the world, with substantial growth from 2009 to 2020, when global capacity reached more than 600 GW. The Group provides a wide range of independent engineering and consultancy services to support onshore wind from planning, construction through to operations and maintenance. With a track record of supporting investors, lenders, developers and owners, we provide independent engineering, owner's engineering and performance services.

Via our extensive in-house geoscience expertise, we also support all aspects of terrain, subsurface and soil geoscience to support ground engineering projects for onshore wind. We also provide professional expert witness services.

Solar PV

Solar PV is recognised for its strong potential in reaching net-zero. One of the lowest cost green energy resources, and falling dramatically, solar PV produces electricity from our unlimited solar resources with zero greenhouse gas emissions in the process. Whether looking at monofacial or bifacial panels, ground-mounted PV or roof-top PV, we have expertise to support the planning, engineering and development of solar PV projects.

Floating Solar

We are a pioneer in the development of floating solar PV farms, offering a comprehensive package of front-end engineering, design and advisory services to support the innovation and construction of this growing technology. The Group has successfully evolved its service offering and in-house capabilities at pace with the rapidly developing floating solar PV sector and is involved in various multinational research and development (R&D) projects.

Energy Storage

As renewable energy development accelerates at pace across much of the world, energy storage solutions (ESS) are crucial to balancing supply and demand to mitigate against the variability of green energy production.

ESS is proven to be vital in shoring up the stability of electricity networks and the market is predicted to grow up to 350 GW / 1 TWh by 2030. The Group provides expertise in a range of ESS: battery energy storage systems (BESS), compressed air, pumped hydro and hydrogen for energy storage.

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.

A WORD FROM THE DIRECTOR

"2023 opened one year on from the heady days of the ScotWind announcement and closed celebrating the tremendous milestone of the world's deepest fixed bottom offshore wind project going operational – Seagreen Offshore Wind Farm. Despite some well reported turbulence in the offshore wind sector, the year saw a continued explosive growth in renewable energy capacity across all existing renewable energy resource and emerging technologies with the capacity installed in 2023 up 50% on that installed in 2022.

Whilst solar PV and wind power continued to grow globally, technologies like battery energy storage systems (BESS), hydrogen and power-to-x solutions reaped the rewards of increasing R&D and policies in more countries, adding further solutions as we head towards the COP28 commitment of tripling renewables by 2030. As always, ABL Group's own growth across renewables continued to match the pace of the market, with significant expansion in OWC, and ABL's continued market leading position as marine warranty surveyor for offshore renewable energy projects, notably in offshore wind and interconnectors.

OWC grew organically and were joined by offshore wind operations specialists and WTG consultants Delta Wind Partners (DWP), reinforcing our renewable energy consultancy expertise across the operational phases of wind power projects. We also further expanded our global footprint with the announcement of local consultants in Colombia, South Africa and Australia, as well as our new local hub in Denmark through DWP – the 'silicon valley' of offshore wind. The announcement of a strategic alliance with Portugal-based marine renewable energy specialists WavEc further signals our intent to grow our operations across the Iberian region.

Finally, we ended the year by transitioning our successful onshore renewables' team under the OWC brand, reinforcing our renewable energy portfolio across the full landscape onshore and offshore. All signalling exciting times ahead in 2024."

JOHN MACASKILL
GLOBAL MD
RENEWABLES



Hydrogen

Hydrogen is considered central to accelerating on global climate goals and ensuring energy security. With potential for production from renewable energy such as wind, solar and hydro, creating zero carbon-emission hydrogen, this fuel provides both a clean and flexible energy carrier that can potentially be used for long-term large-scale energy storage to enable a higher share of renewable energy and sector coupling, and for industries hardly decarbonised such as steel, chemical. Hydrogen can also be used as alternative fuel for heating and transportation especially heavy trucks and shipping. Our hydrogen experts are supporting clients all over the world and covering the whole hydrogen value chain from R&D, project strategy, planning and development, production, storage, transportation and application.

Climate Change Adaptation

Climate change is an unequivocal fact of our present day, threatening natural and human infrastructure, particularly in offshore and coastal areas.

Innosea – part of OWC – has developed a comprehensive and unique portfolio of services to support clients across energy and oceans in assessing climate change impact and risk to their assets and operations, and to identify related risk management and adaptation measures to achieve necessary climate resilience in infrastructure for future generations.

The approach includes a proprietary modelling software to assess reliability of future climate change projections and perform site-specific impact studies. Experience covers the offshore wind and maritime ports and harbours sectors.



⚡ 2C NOW R&D Project on Climate Change Impact to Offshore Wind



Innosea – part of OWC – is a partner to the 2C NOW research and development (R&D) project aiming to establish the impact of climate change on wind resources and metocean design conditions for the offshore wind industry.

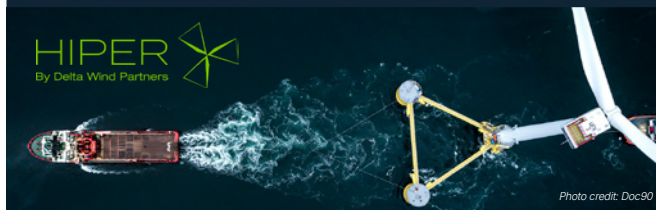
To run for 18 months and led by the leading French institute for energy transition development, France Energies Marines – the project studies the impact of climate change on offshore wind resource using updated regional climate models, assessing performance of climate models, impact of climate change on extreme wind, wave and water level events to support enhanced design solutions for various offshore wind assets, including subsea infrastructure.

⚡ OWC Supporting Equinor in Offshore Wind and Low-to-Zero Carbon Solutions



OWC was awarded a global master services agreement (MSA) with Equinor to provide owner's engineering, technical and advisory services to support the development of Equinor's offshore wind and low-to-zero carbon solutions. The MSA covers technical support across Equinor's green portfolio, including onshore and offshore wind, solar power, battery energy storage systems (BESS), carbon capture utilisation and storage (CCUS), and hydrogen, among other technologies.

⚡ Digital Sensor Box HIPER selected to TetraSpar Innovation Challenge



Delta Wind Partners' (DWP) HIPER digital sensor box for floating wind foundations was selected as one of the winners of the TetraSpar floating offshore wind demonstrator project's innovation challenge – a global innovation competition aimed at identifying and fast-tracking development of innovative solutions to support the growth of floating offshore wind technology.

DWP's HIPER – Heave, Inclination, Position, Elevation and Roll – is a proprietary digital sensory box that enables continuous verification, live monitoring and data storage of a floating wind structure's motions. This enables more accurate and pragmatic decision-making for improved safety and performance of the floating wind turbine, including during integration, towing and operation. DWP can now install and test HIPER on the TetraSpar Demonstrator Project – the world's first full-scale demonstration of an industrialised offshore floating wind foundation.

Spotlight on Delta Wind Partners

Denmark-based offshore wind operations specialists and WTG consultants, Delta Wind Partners (DWP) joined OWC, expanding its overall technical offering in wind turbines, and installation and operational phases of an offshore wind project. DWP also expands the group's geographical footprint to the birthplace of wind energy, Denmark.

"DWP's impressive expertise in WTG technology at the latter phases of an offshore wind project's lifecycle perfectly complements OWC's experience at the development phase, something that combined will add great value to our clients. As we also have a track-record of working together, this acquisition is not only a clear technical fit, but also a perfect cultural fit."

— WILL CLEVERLY, CEO OF OWC

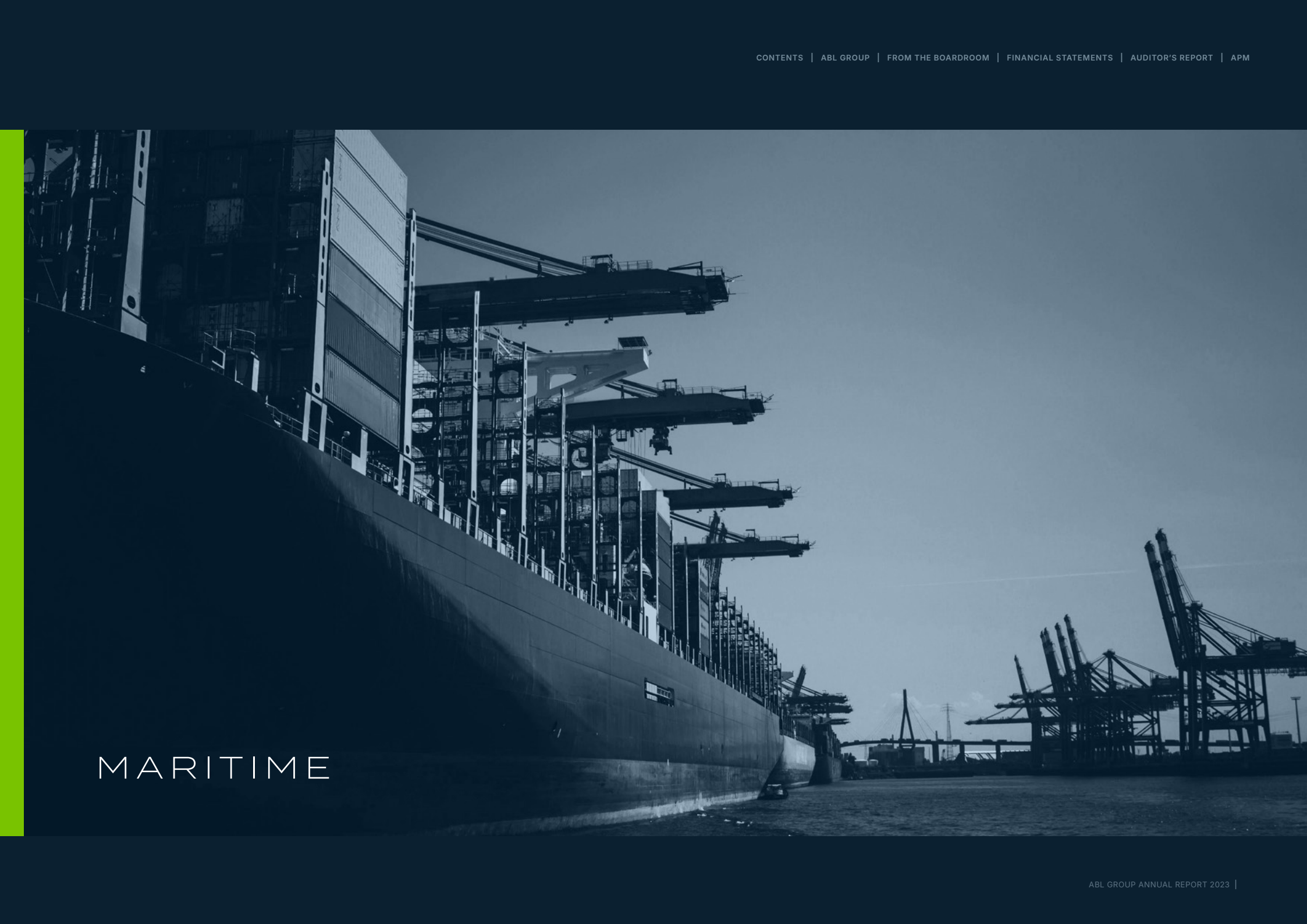
⚡ Marine Warranty Survey on Belgian Energy Island



ABL was appointed as marine warranty surveyor (MWS) to support the build-out of the Modular Offshore Grid 2 (MOG2) Energy Island project, in the Belgian North Sea. The contract was awarded by Belgian electric services company, Elia Group.

MOG2 aims to develop offshore grid infrastructure to connect new wind farms in the 3.5 GW Princess Elizabeth Zone, to the Belgian national grid via an energy hub located on an artificial island. By creating a new connection point for hybrid interconnectors, the island will help to optimise the cost of renewable energy production in the North Sea.



A black and white photograph of a large container ship docked at a port. The ship is viewed from a low angle, showing its massive hull and the stacks of containers. Several large gantry cranes are visible along the length of the ship. In the background, more port infrastructure and a bridge can be seen under a clear sky. A bright green vertical bar is on the left side of the image.

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.

In bringing together the trusted reputations and expertise of AqualisBraemar and LOC, the Group is the leading market provider of loss prevention, loss management and engineering and consulting services to the global maritime industry.

The Group combines expert knowledge, practical experience across maritime sectors, with multi-disciplined expertise, to deliver insights and solutions to support all types of stakeholders in navigating today's tides of change, from shipping, ports and harbours, defence to yachts.

ABL GROUP MARITIME BRANDS



ABL's legacy is rooted in maritime, dating back over 150 years to The Salvage Association. Since then, it has evolved to become a world-leading provider of marine and engineering consultancy services to the maritime industry supporting in pre and post-loss scenarios.



ABL Yachts specialises in super yacht surveying and consultancy, with experienced surveyors in all super yacht hubs worldwide.



Longitude provides independent engineering, design and analysis services to a variety of maritime sectors, most notably small craft, ports and harbours, shipping and defence sectors. It has a specialised in-house vessel design bureau, with a track record of over 100 vessels constructed to its designs, and is a leading provider of engineering services in alternative fuel applications for maritime decarbonisation.

MARITIME IN NUMBERS



+2400
Maritime Instructions



+1300
Hull & Machinery (H&M),
P&I Claims and Expert
Witness Projects



+1110
Engineering &
Consulting Projects



+900
Vessel Surveys,
Inspections and Audits

24 / 7 Marine Casualty Response Service

The Group has offices located in every major maritime and shipping hub around the world. On top of this, we have a network of experienced marine surveyors from a wide range of backgrounds in the maritime world, spanning over 300 locations globally. This expansive geographical footprint enables us to provide rapid 24/7 marine casualty response service, with the ability to dispatch the relevant surveyor closest to the marine casualty at a moment's notice. Many of ABL's surveyors come from a seafaring background, blending decades of practical experience with multi-disciplined marine and engineering expertise.

Our trusted reputation in marine casualty response has led to ABL being appointed to some of the world's largest and most complex marine casualty cases in a variety of capacities, including working on the Costa Concordia wreck removal.

Shipping

ABL's expert team supports international shipping with a full range of engineering and consulting, loss prevention and loss management services.

We bring together the deepest pool of multi-disciplinary marine and engineering expertise to support across the full life-cycle of an asset or project. From feasibility and technical due diligence, navigational planning, early engineering, vessel design and modifications including alternative fuel engineering. Through to supporting safe and optimised operations with vessel surveys, inspections and audits, market-leading marine warranty survey, and asset integrity management. And finally with our recognised legacy services in marine casualty management, salvage and wreck removal, and expert witness work.

Longitude provides a range of engineering, design and analysis services to support the shipping sector, from marine operations including mooring design and analysis and modular transportation, to vessel design, to maritime civil engineering and design to support ports and harbour infrastructure development.

Ports and Harbours

Ports are critical infrastructure not only to the global maritime community, but to the global transport ecosystem. The offshore energy industry also relies heavily on port infrastructure and availability for through-life support, from construction through to operations and production. The Group has a unique understanding of the challenges facing ports and harbours today and provides a wide range of technical and consultancy services to support ports worldwide in meeting the changes of tomorrow. Challenges include increasing infrastructure and capacity constraints in the face of ever-busier shipping and energy markets. Increasing demand from the ever-evolving offshore wind sector is also an ongoing challenge. Environmental regulations and calls for the development of green shipping corridors require ports to review their emissions and assess feasible solutions to decarbonise. The increasingly felt impact of climate change further poses a threat to ports, exposing the fragility of their infrastructure.

ABL's highly qualified and experienced ports and harbours consultants have a diverse track-record in providing technical solutions to all of the above challenges and more, providing engineering and consultancy to some of the world's biggest ports to support them in a range of capacities.

Services include but are not limited to: emissions audit assessment and abatement (AAA), navigational risk assessments (NRAs), marine operations risk assessments, business strategy development for marine facilities, technical due diligence and feasibility studies, renewable port infrastructure consultancy, electrical services and cold ironing, maritime civil engineering and geotechnical studies, climate change assessment and adaptation, fixed object damage and expert witness.

Defence

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

Services include naval architecture and engineering for vessel design, conversion and upgrades, advanced analysis and simulations, marine systems engineering and consulting, marine operations engineering, electrical design and alternative fuel engineering, marine assurance and risk, as well as marine casualty management and expert witness.

A WORD FROM THE DIRECTOR

"Maritime instructions accounted for +36% of total ABL Group activity in 2023. With just over 50% of these being post-casualty and >1000 in hull & machinery (H&M), these numbers reflect our recognized position as the consultant of choice to support in marine casualty work globally. Keeping in step with the market, last year we were also busy expanding our expertise and service offering across the engineering and consultancy space to support our clients in addressing the number of challenges that face them.

Notably our global ports and harbours team continues to expand, supporting ports around the world in a wide range of capacities both pre and post-loss. For instance, in assessing port suitability to support the growing offshore wind industry or in transitioning to net-0 emissions.

In the world of yachts, we continued to build up our global superyacht surveyor network under the sub-brand ABL Yachts. Our energy transition consultants gathered pace in developing our offering to support maritime decarbonisation with work in emissions AAA, climate change risk assessment and adaptation for ports, and alternative fuel engineering.

Looking into 2024, with ongoing geopolitical threats in the Black and Red Seas, and climate change impacts with the Panama Canal drought, we can see choppy waters ahead and new risks to navigation. As such, we remain committed to building our global surveyor footprint, to ensure we remain the best in our business at providing the most pragmatic, rapid response to any marine casualty worldwide."

MARK MCGURRAN
GLOBAL MD
MARITIME



Small Craft

We offer a wide range of marine and engineering consulting services to support small craft across maritime, oil and gas, defence and renewable energy sectors, providing technical support at any stage of an asset's life cycle. From passenger and research vessels to SOVs, Longitude developers design both independently, or by working alongside a 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.

**ABL GROUP COMMITMENT TO MARITIME DECARBONISATION****OUR SERVICES**

- Emissions audit, assessment & abatement (AAA)
- Alternative fuel and electrical engineering
- Energy storage & cold-ironing consulting
- Global surveyor footprint spanning +300 locations – minimising travel to site
- Shipboard carbon capture and storage (CCS) engineering & consulting

OUR EXPERIENCE

DESIGN OF EUROPE'S FIRST
EMISSION-FREE HYDROGEN
FUEL-CELL SEAGOING FERRY



PORTOS – PORTS TOWARDS
ENERGY SELF-SUFFICIENCY



7+ HYDROGEN AND ALTERNATIVE
FUEL APPLICATIONS



BATTERY & FUEL-CELL
TECHNOLOGY FOR SHIPS



COLD IRONING APPLICATIONS
FOR PORTS



BATTERY ENERGY STORAGE
SYSTEMS (BESS)

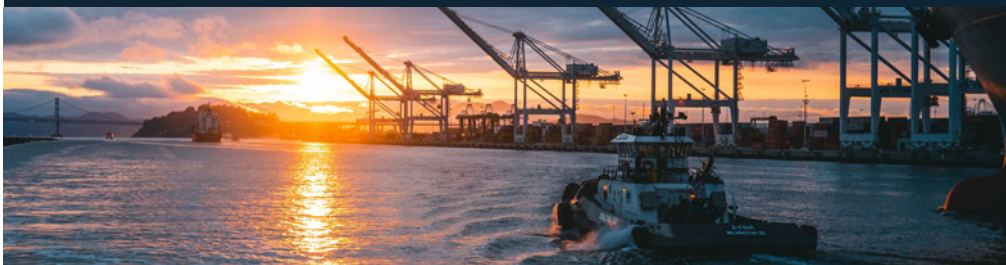
"2023 saw a radical review to the International Maritime Organization (IMO) strategy on greenhouse gas emissions (GHG) and increased GHG emission reduction ambition for international shipping, with a 50% emissions' reduction target by 2030, 80% by 2040, and net-zero by or around 2050. Among other revisions, it included a commitment to the uptake of alternative fuels by 2030, including wind propulsion to power maritime, with indicative check-points by 2030 and 2040. Welcome development... but do they go far enough?"

The Group has long been evolving its technical offering to support maritime stakeholders in meeting IMO2050's objectives. Our comprehensive service portfolio in energy transition reflects our commitment to safeguarding and driving sustainability across the sector, from pioneering projects in designing zero-emissions vessels, to our proprietary software solution for emissions AAA monitoring and abating in ports and harbours. We are the industry's trusted partner in decarbonisation."

STEFANO SCARPA
ASSOCIATE DIRECTOR,
MARITIME DECARBONISATION



⚡ NEOM Project



ABL Group brands ABL and Longitude undertook three separate scopes of work on the NEOM Project:

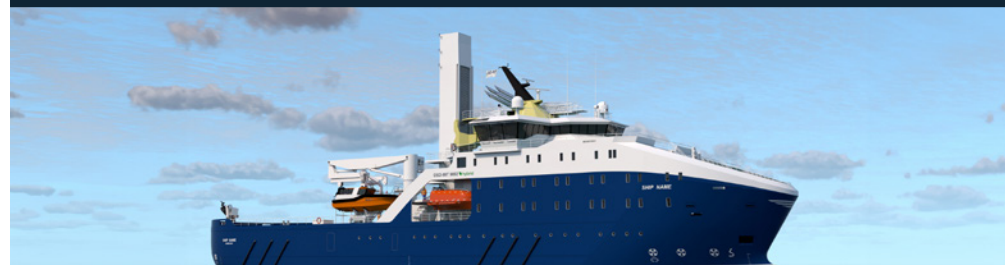
- **NEOM Green Hydrogen:** Longitude provided FEED design review, pre-EPIC, EPC tender support and review for the design and construction of a green ammonia port for loading and exporting ammonia
- **NEOM Duba Port:** ABL Ports and Harbours team provided a range of technical and consultancy services to support the development of the net-zero NEOM Duba Port, including existing port infrastructure assessment, future marine service requirements forecasting, analysis of alternative fuel propulsion options for port vessels, tender specification for port vessels, and more.
- **Tug Vessel 0-Emissions:** ABL supported with a review of 0-emissions tug vessels available on the market, and a comparison of vessel designs to determine the most suitable option.

⚡ Maritime Casualty Management: "OCEAN EXPLORER"



Specialised cruise vessel "Ocean Explorer" grounded after departing anchorage in a remote fjord in Greenland. ABL was instructed to the project to provide marine casualty management support including representing H&M, P&I and Loss of Hire. ABL undertook a physical assessment of the ship and systems, as well as engaging with crew, among other deliverables.

⚡ Design of world's 1st zero-emission electric Service Operation Vessel (eSOV)



Engineering consultancy and ship design experts Longitude Engineering have been selected to support a consortium led by vessel owner and operator Bibby Marine for the design of the world's first zero-emission electric Service Operation Vessel (eSOV), which will operate in the UK and European offshore renewables markets.

The vessel project has recently been awarded £20 million in UK government funding under the Zero Emission Vessel and Infrastructure (ZEV) competition. The ZEV project aims to accelerate the development of clean maritime solutions, and specifically of battery electric vessels and charging infrastructure.

⚡ Port of Limak Container Damage Inspection



ABL marine surveyors were appointed to inspect container damage at the Port of Limak, Turkey, following major earthquakes at the start of 2023. ABL surveyors underwent the joint-inspection of more than 3,500 containers, including the inspection of their de-stuffing / unpacking. ABL's scope of work began in the middle of February and was completed in September 2023.

An aerial photograph of an offshore oil rig and a supply vessel in the ocean. The rig is a large, complex structure with a helipad on top, marked with a white 'H'. It is connected to a smaller supply vessel by a cable. The ocean is dark blue with whitecaps. The rig is positioned in the upper left, and the supply vessel is in the lower right.

OIL & GAS



ABL Group has been providing technical and consultancy services to support every stage of a lifecycle of an oil & gas project since 1979.

The market-leader in marine warranty survey, and with a trusted reputation as a world-class provider of engineering and consultancy services to support rigs, wells and reservoirs, the Group's long track-record covers every type of offshore oil & gas project and asset.

The addition to the Group of engineering consultancy and software provider AGR, cements the Group as a leading technical authority in supporting rigs, wells and reservoirs all over the world, from engineering and development, through to construction and operations, and finally decommissioning and life extension.

Our comprehensive service offering is designed to support oil & gas markets in ensuring their projects and assets are delivered to the highest levels of safety, optimisation and efficiency, to support our energy security from the near to long-term.

ABL GROUP OIL & GAS BRANDS



The Energy and Marine Consultants – offering expert energy and marine consultancy services at construction and operational phases of an oil & gas project.

Specialising in rigs, marine assurance and risk, marine warranty survey and asset integrity management.



The engineering consultancy and software provider specialising in through-life support for wells and reservoirs.



The engineering consultants providing FEED services, marine operations engineering and design, marine design services for floating structures, and advanced simulations.

OIL & GAS IN NUMBERS



+1200
Rig Moves



+680
Marine Warranty Survey (MWS) Projects



+900
Marine Inspections, Surveys or Audits



+340
DP Trials



+49
CCUS Projects in total



+660
Wells Projects in total

Drilling and Wells Engineering and Management

ABL Group, via acquired companies Add Energy and AGR, which have now combined under the AGR brand – offers expert design, planning, engineering and management of all types of exploration, production, storage and disposal of 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.

The combined expertise of AGR with Add Energy, also includes a number of proprietary software solutions include:

- Relief Well Injection Spool (RWIS) equipment
- Software OLGA Well Kill
- Drilling software iQx™
- Velocity cube for depth conversion hiQbe™
- Cloud-based real-time asset evaluation for reserves and resources reStore™

AGR also offers an established and respected operations geologist service with over 25 years of experience in placing operations and wellsite geologists on projects all over the globe. On top of this AGR boasts a unique solution to the industry's ongoing challenge in resourcing, with an expert consultancy placing wells and reservoir professionals into secondments and client rep positions on petroleum projects worldwide.

Upstream

The Group provides 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 consultancy, MOU transportation MWS etc.

The 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.

Via our engineering consultancy and design house, Longitude, the Group has extensive experience in both design and conversion engineering of FPSOs and other floating structures, and marine operations engineering relating to floating structures. ABL's track record in floating structures also extends beyond T&I into asset integrity management and OPEX-services.

Midstream

ABL Group's oil & 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.

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 we are able to provide comprehensive risk-mitigation strategies. We also offer a range of other marine assurance and risk services, engineering and consulting, to support pipeline work at different project stages, including with removal operations at decommissioning.

Our engineering and consulting experts from Longitude, include expertise in marine operations engineering, metocean and coastal engineering, advanced analysis and simulation, as well as expertise in pipelay vessel design and conversion.

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 and LNG Canada.

A WORD FROM THE DIRECTOR

"With energy security ever-present in the past few years, 2023 saw a large number of significant oil & gas projects coming into FID, as well as growing momentum in emerging energy transition technologies in the sector – notably carbon capture utilisation and storage (CCUS) and interconnector power cables.

The Group maintained its position as the leading provider of marine warranty survey (MWS) services, engaged across over 600 projects, in both oil & gas and renewable energy sectors, last year. We maintained our position as the MWS of choice for the large capex, global T&I projects due to our global footprint and large technical team. Our portfolio of projects in the year included: deepwater SURF, FPSO construction and installation, Semi Sub production platform developments, large launch Jacket and float-over topsides projects, onshore and offshore LNG facilities, offshore wind projects, interconnector cable lay, pipelay and onshore power generation

and refining projects. These projects highlight the breadth of our expertise across marine operations for the whole energy industry.

We continued to be busy in the decommissioning space supporting with a complete technical offering from decommissioning studies to verification, assurance, engineering and marine warranty survey services across South America, North America, North Sea, South East Asia and Australia – bolstered further by our most recent acquisition of wells and reservoir consultants AGR, who demonstrate significant experience in well plug and abandonment (P&A) engineering and management.

The acquisition of AGR also increased the Group's expertise and track-record in decarbonisation technologies, including carbon capture utilisation and storage (CCUS) and geothermal."

ALEX HARRISON
GROUP MD
ENERGY SERVICES



A WORD FROM THE DIRECTOR

"With a busy offshore oil & gas landscape last year, at ABL Group we continued to grow our global footprint of expert marine surveyors across rig moving, rig inspection, dynamic positioning (DP) and critical systems as well as marine assurance surveys conducted on a wide range of marine assets of all types, sizes and purpose."

"We acted on over 1200 rig move operations and performed almost 1000 Marine assurance vessel and rig audits, together with a further 350 DP & critical system specific engagements."

"The acquisition of AGR further enhanced ABL Group's position as the technical authority for rigs and wells, providing critical marine, engineering and consultancy support to assets from early planning and development through to installation, operations and decommissioning. AGR's expertise brings our combined track-record across wells worldwide to over 600 well projects."

RODGER DICKSON
GROUP MD
OFFSHORE SERVICES



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 expansive global network of marine and engineering surveyors, and effective centralised project management systems, we are able to provide seamless MWS, marine assurance and risk, engineering and consulting services to support onshore projects with the most complex global supply chains.

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 to support the secure, optimised and sustainable development of onshore projects from initial concept right through to operations and decommissioning. Services include expertise in asset integrity management and OPEX-services, including the use of proprietary software solutions to support time and cost efficiencies throughout operations.

Spotlight on AGR Acquisition

ABL Group acquired leading multidisciplinary engineering consultancy and software company AGR in 2023, enhancing our global technical offering along the whole lifecycle of wells, reservoirs and drilling projects, from concept to construction to carbon capture.

AGR delivers its services through five business lines: consultancy, delivering energy consultancy and personnel resourcing to the oil and gas industry, wellsite and operations geology, reservoir management and asset evaluation, and software products to support wells and reservoir operational efficiency.

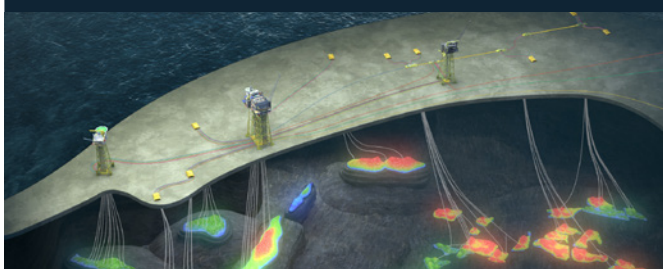
The company also adds to ABL Group's market-leading energy transition portfolio, with an established and growing track-record in carbon capture utilisation & storage (CCUS) and geothermal technology.

"AGR has a strong position within oil and gas but has during the past couple of years increasingly been asked by clients to support their energy transition projects. Tapping into ABL Group's huge global competence and resource pool will allow us to provide our customers with an even more comprehensive product and service offering. We will at the same time significantly strengthen ABL Group's well management offering."

— SVEIN SOLLUND, CEO OF AGR



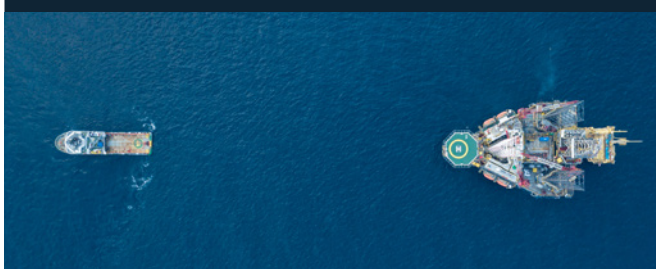
⚡ Warranty Survey (MWS) on Aker BP Yggdrasil and Valhall PWP-Fenris



ABL Norway is providing MWS for the T&I operations for both Yggdrasil and Valhall PWP-Fenris development projects.

This is a multi-field development located 160km offshore Norway in water depths of 110-120 metres. Valhall is an innovative redevelopment project enabling the lifetime extension of the Fenris field with a new unmanned central platform, PWP, and bridge to link to the existing platform.

⚡ Rig Moving Agreement with Velesto Drilling



ABL Malaysia secured a new contract by Velesto Drilling to provide marine warranty survey (MWS) services for rig moves offshore Malaysia.

The scope of work includes approximately 14-16 rig moves for Velesto Drilling's 6-rig fleet. It will include technical studies as well including leg penetration assessments (LPAs), site specific assessments (SSAs), leg punch-through assessments and leg extraction studies.

⚡ Marine Warranty Survey (MWS) on Australia's Jansz-Lo Compression Project



ABL in Australia was awarded the contract to provide marine warranty surveyor (MWS) services on the Jansz-Lo Compression Project, offshore western Australia, by Chevron Australia.

An extension to the Chevron-operated Gorgon project, Jansz-Lo involves the construction and installation of a 27,000 tonne floating field control station offshore western Australia, approx. 6,500 tonnes of subsea compression infrastructure, at 1,350 metres of water depth, and 135 km submarine power cable linked to Barrow Island.

⚡ Marine Warranty Survey (MWS) on L7 Decommissioning Project



ABL Scotland, based in Aberdeen, was appointed as MWS by TotalEnergies EQ Nederland to oversee decommissioning operations of the L7 field in the Dutch sector of the North Sea. This includes the decommissioning of 9 jackets, 10 topside modules, and bridge structures. Total weight to be removed is approx. 17,500 Tonnes.

⚡ Well Management Offshore Guinea Bissau



AGR secured the well management contract with Apus Energia Guinea-Bissau S.A. for a deepwater exploration well in the Sinapa License offshore Guinea-Bissau, with drilling set to commence in summer 2024.

The scope of work will include consultancy in well construction, drilling engineering, procurement, supply chain management, and operational supervision of the drilling.

ABL's scope of work covers the T&I operations across 3 work packages:

- Field control station T&I
- Marine transportation operations of project cargo
- Marine transportation operations of field control station and high-voltage power and comms transmission system

MEMBERS OF THE BOARD



GLEN OLE 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, Borgestad ASA 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 Næringseiendom AS. She has extensive experience in the Norwegian real estate industry and is the head of the board 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.



PAAL ESPEN JOHNSEN ⚡ BOARD MEMBER

Paal Espen Johnsen is currently the Investment Director of Akastor. His experience covers investment banking, management and board level in various companies within industry and finance. Paal holds an MSc in Economics and Business Administration from the Norwegian School of Economics.



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.



HEGE MARIE NORHEIM ⚡ BOARD MEMBER

Hege Marie Norheim currently serves as Executive Vice President, Corporate Public Affairs and Sustainability of FREYR. She previously served as FREYR Battery's Executive Vice President, Human Resources, Sustainability and Communications. Prior to joining FREYR, Ms. Norheim was with Spencer Stuart and also held executive roles at Norsk Hydro and Equinor, serving as Chief Sustainability Officer and SVP Reserves & Field Development. Ms. Norheim has also held the positions of Senior Advisor in the Office of the Prime Minister of Norway and State Secretary to the Prime Minister and the Minister of Finance. Ms. Norheim holds an M.Sc. in Economics and Business Administration from the Norwegian School of Economics and Hochschule St. Gallen in Switzerland.

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 ABL Group's Chief Operating Officer with more than 30 years of experience in the offshore energy industry. His experience includes 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.



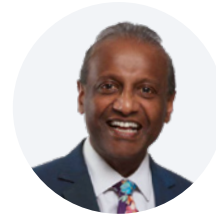
SVEIN O. STAALEN ⚡ GENERAL COUNSEL

Svein O. Staaen 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 Staaen 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.



KATHERINE PHILLIPS ⚡ CHIEF TRANSFORMATION OFFICER

Katherine Phillips is Chief Transformation Officer. Previously the Managing Director of OWC, she is interested in all aspects of renewables, energy transition, and how we can achieve net zero. With a long experience in leading teams delivering consultancy in the renewables industry, Katherine led a large multidisciplinary team at Atkins before joining OWC in 2018. Since joining OWC, she has been instrumental in the growth of OWC into the world-leading renewable energy consultancy it is today. Katherine's background is in offshore structures (oil & gas and offshore wind). She has an undergraduate degree from the University of Cambridge and is a chartered member of the ICE, and has completed an Executive MBA in London – coming top of the year.

A WORD FROM OUR CEO

2023 has been a year of record global temperatures but also another record high in global renewable energy installations. It is also a year where the UN has highlighted slow progress towards the UN Sustainable Development Goals (SDGs). As a Group, we signed up to the SDGs in 2019 and continue to work towards a fairer and more sustainable planet across all of the SDG categories.

As a knowledge based company without assets, we focus our attention on the work we carry out and how we deliver it.

This year we have focused on maturing our ESG approach and teams, allowing us to record and measure our performance much more efficiently and therefore take targeted action to reduce any negative impacts on the environment and society as well as celebrating and enhancing where we have a positive impact. We are proud that this culminated in being awarded an EcoVadis bronze medal at the end of 2023, putting us in the top 37% of companies assessed by EcoVadis globally. In 2024 we will continue to build on this success as we also prepare for CSRD reporting in 2025.

A key part of our sustainability journey remains supporting our clients on their renewables and other energy transition projects. We are pleased that our renewables and energy transition revenues have continued to increase year on year to 30% and that we have been able to support 230GW of renewable energy generation across 277 separate projects around the world.

The significant growth of our onshore business as well as our work with development banks has also allowed us to support the deployment of renewable energy to a wider range of developing economies.

We are also delighted that with the acquisition of AGR we have been able to expand our technical knowledge and expertise in other energy transition areas – specifically carbon capture and storage and geothermal energy. With a world leading team in reservoir storage for CCUS we now have a fantastic platform to lead the way in this area of global growth. We have also worked on a range of exciting projects decarbonizing shipping and port infrastructure.

In addition to our work on renewables and energy transition projects, we have worked on a number of key initiatives in 2023, to ensure that ESG is at the heart of our every day activities:

- Deployment of a group-wide training platform with bespoke content, to train the next generation of energy and maritime professionals.
- Launching a group-wide HR platform allowing us to better track and report on diversity
- Running our first group-wide diversity and inclusion survey
- Taking part in a number of external programmes aimed at improving our ESG performance
- Launching our emissions tracking programme
- Continued support for a wide range of charitable initiatives
- Continuous improvement of our HSE systems
- Continuous improvement of our supply chain engagement with respect to fair working practices

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

Sustainability departmental updates

2023 saw a great deal of growth within the ABL Group Sustainability Team. In April, we appointed a Sustainability Advisor to lead our Sustainability Team in collaborating with various stakeholders to develop and implement the company's sustainability strategy. They were also tasked with supporting the development of new initiatives to help ABL Group become a more sustainable business, along with supporting the management of existing programmes that have already been implemented, particularly the Environment, Social, Governance and Corporate Social Responsibility (CSR) Task Forces.

Our Sustainability Advisor's efforts are aided by our Environmental Analyst, also appointed this year. Our Environmental Analyst is responsible for developing and implementing ABL Group's environmental sustainability strategy, particularly by gathering and managing high quality data and analysis of our Scopes 1, 2, and 3 emissions (see pg. 37 for more on our Emissions Inventory Programme).

In August, Katherine Phillips, former Managing Director of OWC, was appointed as Chief Transformation Officer. Duties of the role include leading the Group's growth aspirations, championing our One Company Culture approach, and overseeing sustainability and ESG initiatives.

Sustainable Development Goals

In line with our commitment to sustainability in our ABL2030 guiding purpose, ABL Group is steadfast in aligning our own strategic objectives with those developed in the UN Sustainable Development Goals (SDGs), along with anchoring our ESG reporting in these principles. Though the Sustainable Development Goals we identified previously still remain relevant and material to us as a business, after the rapid growth we have experienced in the past several years, we deemed it a priority to revisit the goals we align with and through that exercise, we have identified the following goals as being material, or of significant importance, to our business:

-  CLEAN WATER & SANITATION
-  INDUSTRY, INNOVATION, INFRASTRUCTURE
-  REDUCED INEQUALITIES
-  RESPONSIBLE CONSUMPTION
-  LIFE ON LAND

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

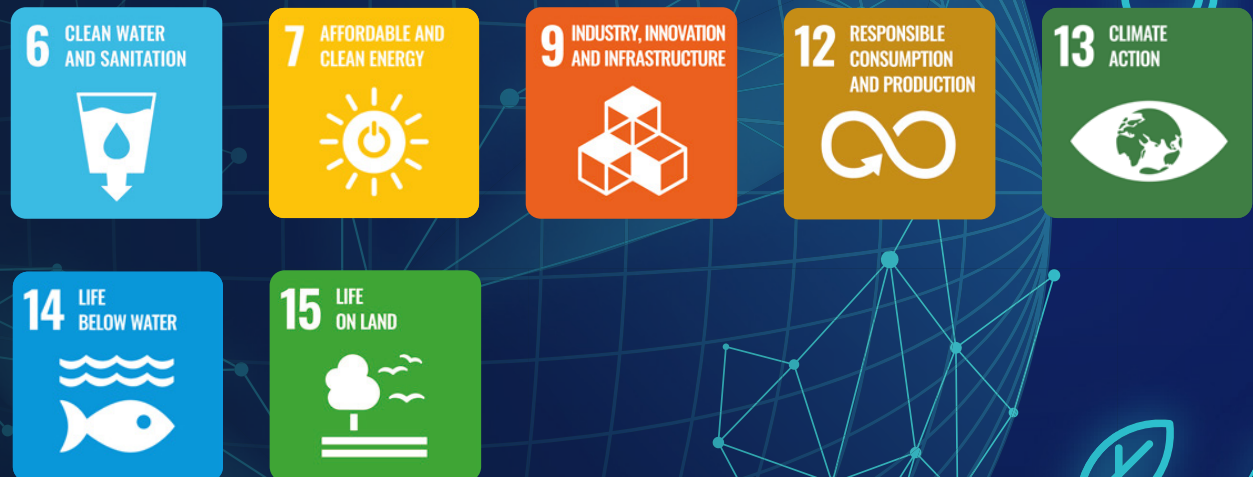
OUR EMPLOYEE FOCUS

How we do business



OUR BUSINESS FOCUS

Where we do business



Looking ahead

Throughout 2024, in preparation for the introduction of the Corporate Sustainability Reporting Directive (CSRD) by the European Commission, ABL Group will be developing our commitment to transparent sustainability reporting by conducting a double materiality analysis. This builds on the materiality analysis conducted in 2020 by introducing the concept of *impact materiality*.

We will move to ensure that in addition to analysing our financial materiality, or the impact of sustainability risks and opportunities on ABL Group, we are also examining ABL Group's impact on society and the environment.

EcoVadis Certification

During 2023 we were delighted to announce that ABL Group was awarded a bronze medal by EcoVadis – the world's most trusted provider of business sustainability ratings – following a comprehensive evaluation of our sustainability practices.



The EcoVadis assessment process assesses an organisation's ESG (environment, social, and governance) credentials, against 21 sustainability criteria across 4 core themes: environment, labour & human rights, ethics and sustainable procurement.

The process both validates a company's sustainability commitments and performance and identifies key actions for improvement year-on-year.

The bronze medal puts ABL Group in the top 37% of companies assessed globally, with its top performances identified in environment, and labour & human rights.

"We are really proud to receive this important award and acknowledgement of ABL Group's commitment to ESG principles. ESG and our commitment to drive sustainability in energy and oceans, sit at the very foundation of ABL Group and are paramount to our continued growth. This is an important milestone in confirming our commitment and in giving us the tools to further improve."



KATHERINE PHILLIPS
CHIEF TRANSFORMATION OFFICER,
ABL GROUP

Social

This past year has been a period of growth for our Social Task Force. In August, we defined our group charter, which outlined the scope and responsibilities to be managed by the Task Force. These responsibilities are grouped into three main categories: **employee wellbeing**; **diversity**; and **social impact**, or **CSR** (p. #), which all tie into our ABL2030 commitment to prioritise diversity and inclusion. All three categories are equally responsible for stakeholder engagement in the sense of focusing on open and transparent communication with all stakeholders, including employees, clients, suppliers, local communities, and shareholders.

Employee Wellbeing

In September 2023, 16 employees based in our London office from across ABL, ABL Group, Longitude and OWC, were trained as Mental Health First Aiders. This in-person training educated staff on how to identify the symptoms of mental health issues, along with developing confidence to support a colleague experiencing a mental health crisis.

In 2024, the Employee Wellbeing Task Force will work to support our Human Resources team to explore options for an Employee Assistance Programme and encourage employee health check assessments throughout ABL Group.

Diversity & Inclusion

Our Diversity & Inclusion Sub-Task Force is led by Adriana Vargas-Colwill, a Senior Consultant with OWC. The organisation of our D&I Sub-Task Force has been strongly influenced by the Royal Academy of Engineering Inclusive Leadership Programme (see p.# for more details). To efficiently accomplish the goals set out by the Social Task Force, we developed several Working Groups in 2023, all working toward specific themes within D&I:

Awareness: In 2023, Diversity & Inclusion training was made mandatory for all employees of ABL Group. 2024's focus areas will include further strengthening our D&I strategy to improve our communications and training offerings, with our next training due to take place in the London office in Q1.

Data: In May 2023, we launched our first D&I survey (results below). In 2024, we aim to make our data gathering and analyses processes more robust, which will be supported by the capabilities of our new HR information system, enABLE, which was rolled out throughout the second half of 2023.

Company Policies: This Working Group is a newly established initiative, which endeavours to support our HR department in reviewing company policies by determining guiding principles which can then be implemented to the legal requirements of each jurisdiction in which ABL Group operates.

Governance & Leadership: The role of this Working Group is to support the Inclusive Leadership Programme team in developing a D&I Policy which extends to all our offices globally. In seeking out regional advisors from all the regions in which ABL Group operates, our intent is to have input from a wide array of stakeholders.

Employee Resource Groups (ERGs): The fifth Working Group of the D&I Sub-Task Force focuses on setting up internal communities which are aligned with protected characteristics and which are a way for everyone at ABL Group to feel recognised and connected. In 2024, each ERG will set their objectives and develop a strategy, with the intention of having a positive impact on business culture and to influence progress.

Royal Academy of Engineering Programme



In June 2023, a team of leaders from ABL was selected to join the Royal Academy of Engineering (RAEng) Inclusive Leadership Programme alongside teams from 11 other engineering organisations. As part of this programme, the team has attended training sessions to better understand inclusion in the workplace, and received guidance on how to embed this understanding into practice. Members of the team are also taking part in both reciprocal mentoring and sponsorship programmes with guidance from the Royal Academy of Engineering.

As part of the programme, the team is currently at the start of a project to improve inclusivity in the workplace, supported by the D&I specialists at Included who provide the training for the programme. This project will align with the work being carried out by ABL's Social Task Force to ensure that it continues when the programme ends in late 2024.

D&I Survey

In 2023, ABL Group held our first Group-wide Diversity & Inclusion Survey. The survey posed questions on raising EDI issues in the workplace, feeling of belonging at ABL Group, peoples' ability to be themselves in the workplace, and perceived bias. Notable findings included:



For all age groups, there was agreement that employees can raise issues related to D&I with management



Around 70% of men and women feel that they can discuss D&I issues

Overall results from the survey showed areas for improvement, which the Social Task Force and RAEng Inclusive Leadership Programme team will collaborate on. We plan to continue monitoring and collecting data regularly in order to measure progress in these areas.

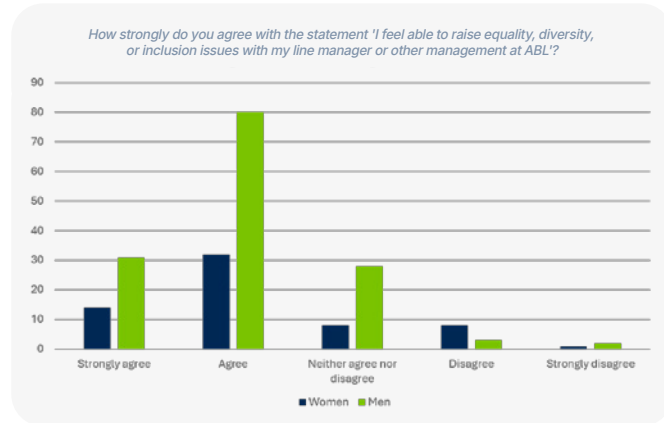


Figure 1

Engineer Development Programme

The ABL Group's annual International Engineer Development Programme, commencing each September (targeted at recent graduates), continues to be a pivotal initiative for cultivating engineering expertise across a spectrum of disciplines, including naval architecture, marine, offshore, civil, geotechnical, and electrical engineering. Accredited by prestigious bodies like RINA, IMarEST, and ICE, this four-year programme offers participants a chance to undertake four placements in different global ABL Group locations, currently involving 20 professionals across 12 locations.

It equips them with diverse skills ranging from design engineering to casualty investigation, enhancing adaptability and flexibility in a rapidly evolving field. Successful completion opens pathways to full professional membership and Chartered Engineer status, affirming ABL Group's commitment to nurturing future leaders in the energy and marine sectors.

Many alumni of the EDP are taking increasingly senior leadership roles across the ABL Group, underlining the value of the programme. As an example, Riccardo Felici, who participated in the EDP when he first joined the group, has recently been promoted to the role of APAC Director for OWC.

"The EDP has allowed me to travel the world and learn the ropes of the marine and energy industry. Through the ABL program I was exposed to a wide variety of sectors which allowed me to develop both my technical and managerial skills. During the program I have met great people and learned to appreciate different cultures and ways of thinking. This broad experience and training has paved the way for my recent promotion to director level within OWC."



RICCARDO FELICI
APAC DIRECTOR, OWC

Shadow Board

Throughout 2023, the ABL Group Shadow Board has initiated and driven a series of strategic initiatives aimed at improving the company. Serving as ambassadors for staff across the organisation, they have provided fresh input to senior leadership. The Shadow Board's primary task during Q1 and Q2 was to assess the existence of a One Company Culture (OCC) across the Group, including its various brands, service lines, and markets, and to formulate a strategy for improvement. Initially, the Shadow Board distributed a survey to all staff, receiving responses from over 50% of full-time employees. The overall results were positive, demonstrating respondents' commitment to strengthening our OCC. The results also identified areas where efforts were needed to further integrate smaller and newer subsidiaries for enhanced OCC. Subsequent to the analysis of themes and results, the Shadow Board presented a comprehensive OCC improvement strategy to senior management, unveiled at the ABL Management Meeting in May 2023.



Shadow board presenting at the Spring 2023 Management Meeting Istanbul, Turkey

"Being part of the Shadow Board's first cohort has been a very rewarding journey, enriching both personally and professionally. Our purpose is to contribute to major company issues, direction, wellbeing and generally just have a voice in initiatives that could impact all employees."

The Shadow Board is made up of 12 young professionals from the ABL Group, including professionals from all regions in the company. This has added value to our discussions as it amplifies the depth of our discussions, ensuring different points of view from a market perspective and cultural nuances are considered.

Personally, as the Chair, this role has been my gateway to leadership, providing me with invaluable insights into the intricate dynamics of our organization. From crafting strategies to define our company culture to spearheading initiatives on staff retention and succession planning, every project has been a key to a broader understanding of our company and its leadership."



ANA PIRRONE
CHAIR OF THE ABL
SHADOW BOARD

Since then, an OCC focus group has been established to follow up, refine, and implement the strategy, supported by the Shadow Board and led by our Chief Transformation Officer, Katherine Phillips.

In Q3, the Shadow Board's second task focused on staff retention and succession planning. After extensive internal and external data gathering, the Shadow Board proposed a set of group-wide solutions to improve staff retention, designed to seamlessly integrate with the upcoming upgrade to group HR systems. Furthermore, the Shadow Board developed a clear internal process for succession planning that is implementable, maintainable, and measurable for success. In line with the task-based approach, the ABL Shadow Board has had the opportunity to gain insight and add value to the management of the ABL Group. They will continue their 18-month tenure through June 2024.

enABLe



Our new Human Resource Information System (HRIS) is now being used to collect and analyze demographic data related to employees, providing insights into the composition of the workforce in terms of gender, ethnicity, age, and other relevant factors. By having a clear understanding of our data, we will be able to set realistic D&I goals and track progress over time. The system can also provide real-time analytics and dashboards, enabling HR professionals and leaders to monitor D&I metrics continuously. This allows for timely interventions and adjustments to D&I strategies.

The HRIS will also be used to support fair and unbiased performance evaluations by providing tools for setting clear and measurable performance criteria. This can in turn be used to identify high-potential employees from diverse backgrounds for leadership roles through succession planning and by building a pipeline of diverse talent for key positions - helping to ensure that recognition, promotions, and development opportunities are distributed equitably. The system will also be used to assist in analyzing compensation data to identify and rectify gender or ethnicity pay gaps - and to comply with upcoming reporting requirements in the EU and around the world.

Mentorship scheme

ABL Group's mentorship programme, known for its structured approach and commitment to professional growth, operates on a biannual application cycle, reflecting the organisation's dedication to continuous development and employee engagement. In its recent iteration, the programme successfully forged over 200 mentor-mentee relationships, a testament to its effectiveness and popularity within the company. This robust participation showcases ABL Group's ability to foster a nurturing environment that is conducive to both personal and professional advancement.

Additionally, the programme's growing appeal is evidenced by the surge in applications for the upcoming cycle, with more than 150 aspiring participants. This increasing interest underscores the value that both mentors and mentees derive from the programme. It not only facilitates the sharing of knowledge and experience but also strengthens internal networks and supports career progression within the ABL Group. The mentorship programme thus stands as a crucial pillar in the Group's strategy to cultivate a dynamic and skilled workforce, ready to meet the challenges of an evolving industry.

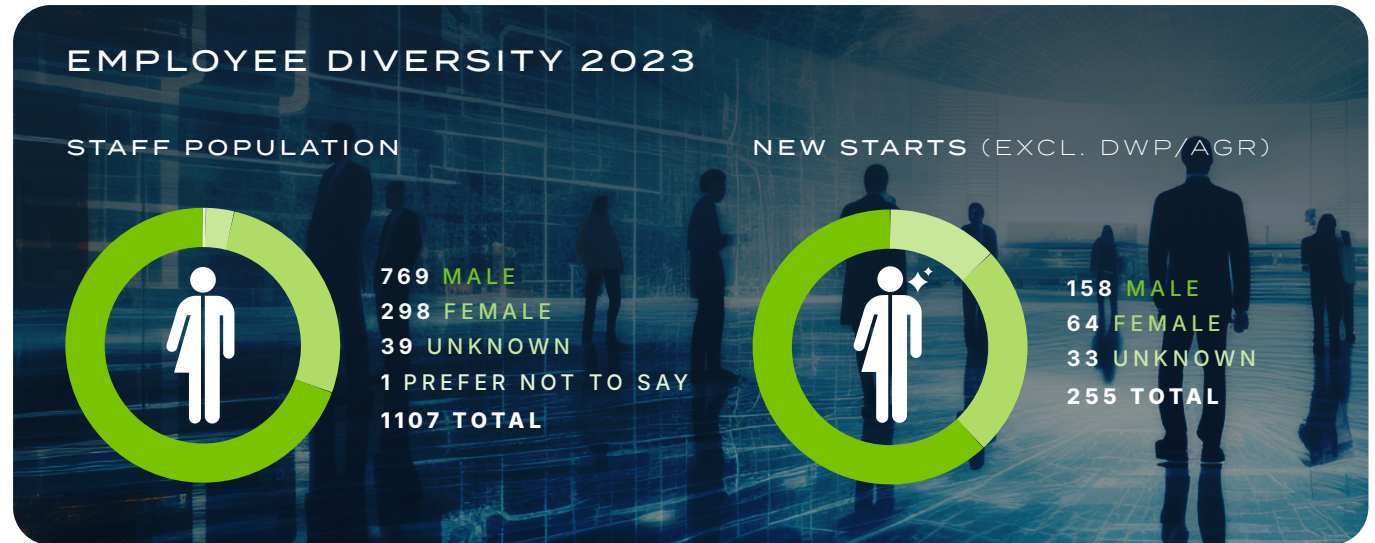


Figure 2

MENTEE EXPERIENCE

"The mentorship programme has been highly beneficial for me. Being partnered with an experienced colleague came at the perfect time as I had just begun a new role with ABL MWS. My mentor has offered a lot of great advice regarding the role of an MWS both in the office, but also how to conduct myself whilst on attendance for clients. Having someone to bounce questions and ideas off of in an informal setting, has given a new perspective to my development and training in the role and has helped to grow my confidence, particularly whilst offshore. There are a lot of highly skilled people to learn from in ABL, but having regular calls and building a rapport with my mentor is something unique."



CALUM MURDOCH
NAVAL ARCHITECT, ABL

MENTOR EXPERIENCE

"Mentoring is a key part of our training process, and it is good for our business. As a mentor, I find mentoring personally rewarding! The challenges for a mentee clearly haven't changed much over my career in the industry but how this looks depends on where one is on their career path. For me, mentoring provides a good opportunity to pass on my experience, but also to learn from our mentees."

I find our mentoring conversations very interesting, and I look forward to our meetings. These conversations are useful and provide me with an opportunity to see things from the mentee's perspective; I often see that our goals are well aligned despite the generation and experience gap. As a mentor, our suggestions and guidance can be a useful validation for a mentee and this brings value."



RODGER DICKSON
MD OFFSHORE
MARINE OPERATIONS

CSR Task Force

In 2023, our CSR Task Force made great strides in defining a future strategy and framework for corporate social responsibility (CSR). Led by Group Marketing Director Katie Tunkina, the Task Force agreed on a series of actions that will shape a future structure to facilitate consistent engagement with CSR activities on a Group-wide and global scale.

Our first action was to define what CSR means to our Group, breaking this down into three key pillars:



ENVIRONMENTAL

Looking within ourselves and our activities to reduce our carbon footprint and promote environmental responsibility



SOCIAL

Practice of giving back to the communities in which we live and work



ECONOMIC

Practice of firm backing its financial investment for improved social and environmental impact

Following a discovery process around the benefits to the Group of a robust CSR programme, and an audit into current activities, we invited all employees to have their say and play a role in shaping a future strategy relevant to the entire Group. For the next steps, the Task Force aims to summarise and communicate on the data received from the survey by Q2 2024, along with presenting a proposal for the way ahead to the Group leadership team.

CSR DATA SNAPSHOT



179
RESPONDENTS



EVEN REPRESENTATION ACROSS AGE
GROUPS (25-34, 35-44, 45-55)



>50%
SEE IMPORTANCE OF CSR
AT ABL GROUP



>90%
FEEL CSR IS NECESSARY
FOR GROUP SUSTAINABILITY

Early analysis of the data along with activities undertaken in 2023, has identified the following four key buckets of a future CSR programme:

1



VOLUNTEERING

2



FUNDRAISING

3



STEM OUTREACH

4



CHARITY ALIGNMENT

Volunteering

Coastal Clean-up

ABL's operations in Malaysia took part in a coastal clean-up activity, organized by the Energy Industries Council (EIC). The collaborative day took part at Port Dickson over the course of an afternoon and was a great activity in which to work together with other companies in the local energy industry, for a force of good.



"This event was a fantastic opportunity to foster a positive team spirit and create the awareness of environmental sustainability,"

— Delia Mansor, Document Controller, ABL Malaysia

Team Volunteering in London

OWC continued its collaboration with **Business Volunteers** – a professional partner in sourcing and managing CSR volunteer days for corporate partners. As a result, OWC teams in London took part in a number of team volunteering days, which were also extended out to ABL and Longitude colleagues.



Volunteer days included:

- Supporting Good Food Matters – a Croydon-based charity focused on farming and culinary education, as well as supplying to local food banks

"It was good to do something completely different for a day with colleagues from across the business. Fresh air, physical exercise and really good fun whilst knowing that you are doing something to help a good cause,"

—Amy Barker, Graduate Engineer, OWC.



- Volunteering day at Aldenham Country Park's Care Farm – a rural care hub providing work-related experience for people with learning disabilities and / or mental health needs.

Fundraising

Odyssea – Race Against Breast Cancer



Twenty colleagues from group companies Innosea, ABL, OWC and Longitude in France and the UK, took part in Paris' annual Odyssea race for research against breast cancer.

16,500 people in total took part in this race and collectively raised 151,000 EUR for three inspiring charities fighting against breast cancer.

Charity Pelotonathon for Cancer Research



Two ABL Group Graduates took part in a sponsored Peloton race to raise money for Cancer Research UK. Jasper Gaskin, Structural Engineer with Longitude, and Callum Murdoch, Naval Architect with ABL, raced 200 km in 8 hours, with a fundraising target of £1,500.

In true ABL Group style, they surpassed their target over twofold, raising £3,516!

STEM (Science, Technology, Engineering and Mathematics) Educational Outreach

A clear part of driving sustainability in our markets, is to drive the sustainability of our workforce. As the global skills shortage across STEM sectors continues to be keenly felt, ABL Group companies continue to show their commitment to supporting, engaging and inspiring STEM leaders of the future. As such, many of our offices are engaged in a variety of educational outreach activities, including the following:

Internship & Mentorship Programmes



A number of our geographical operations have built relationships with local technical institutions, be they engineering-focused, energy or maritime. Our teams offer annual internship programmes as well as mentorship to local students:

- ABL and Longitude Singapore run an annual internship scheme with the Singapore Institute of Technology (SIT). Between July 2023 and January 2024, we took on four students studying degrees in marine engineering, naval architecture and offshore engineering.
- ABL in Senegal and Mauritania have partnered with local naval institutes – The Naval Institute of Nouadhibou, Polytechnic School in Dakar, and the National Maritime University of Dakar. Our local team routinely offers technical presentations to students as well as training and mentorship to students on their Master's Degree.



Capital Filles Partnership

Innosea has partnered with Capital Filles – an association dedicated to fighting gender inequality from school age by opening new opportunities to girls, many of whom are from disadvantaged backgrounds.



In its first year of partnership, Innosea has committed four female colleagues to provide mentorship to high-school age girls, via the Capital Filles programme. The scheme opens mentorship opportunities to all female students, not only students of STEM subjects.

"I am really pleased to have the opportunity to be a part of a scheme like Capital Filles. The idea is to empower school-aged girls and give them the confidence and supply to apply to higher education and universities. And it's not only for science and engineering, but for everyone!"

—Clementine Girandier, Specialist Engineer, Innosea

Charity Alignment

Supporting Our Seafarers

With our legacy dating back to The Salvage Association and over 50% of our maritime team coming from a seafaring background, ABL Group's enduring commitment to supporting seafaring wellbeing, continues to run through our organization.

A global signatory to **The Neptune Declaration on Seafarer Wellbeing and Crew Change**, we regularly promote this important initiative among our clients in maritime markets.

ABL and Longitude operations in Singapore also showed their support by partaking in a **Blood Donation campaign to celebrate Day of the Seafarer**, organized by Singapore Nautical Institute and WISTA.



**The Neptune Declaration
on Seafarer Wellbeing
and Crew Change**

Environment

Climate and Risk

EU Taxonomy

ABL Group operates in three major sectors – Oil & Gas, Renewables and Maritime. We also provide services to many more sectors than these, but for convenience, we categorize all our activities under one of these three sectors. Sustainability and energy transition (S&ET) projects within the Group can be in any or multiple sectors. These two concepts are captured below:

SUSTAINABILITY & ENERGY TRANSITION		
OIL & GAS	MARITIME	RENEWABLES
Upstream	Shipping	Wind
Midstream	Defence	Solar
Refining & Petrochemicals	Ports & Harbours	Hydro
Power	Yachts	Interconnectors
Other eg: commercial property, nuclear, manufacturing, mining, heavy industry	Aquaculture	Wave & Tidal
		Hydrogen
		Energy Storage

Figure 3

S&ET projects within the Group can be in any of the sectors provided the services meet the following criteria:

1. Modern renewables projects that generate electricity.
2. Renewables projects which go beyond pure electricity generation.
3. Vessel designs and conversions undertaken for renewables projects.
4. Low carbon projects – e.g. nuclear.
5. Alternative fuels (that lower carbon), electric, battery projects in maritime.
6. Electrification projects – grid, interconnectors, platforms, ships, ports.
7. Emission audit, assessment and abatement projects.
8. Climate change adaptation and resilience projects.
9. Electricity storage projects.
10. Blue and green hydrogen/ammonia derivatives projects.
11. Marine and general pollution reduction (ocean cleanup, BWTS, IMO2020 requirement related work, such as scrubbers).
12. Projects driven by GHG (CO₂, CH₄, N₂O) reduction objectives.
13. Projects driven by the need for reduction in pollutive gases (SOx and NOx).
14. CCUS projects excluding those used in enhanced oil recovery.

Such projects during 2023 have been tracked and they constitute a total of 30.1% of the Group revenues. The charts below show the split:

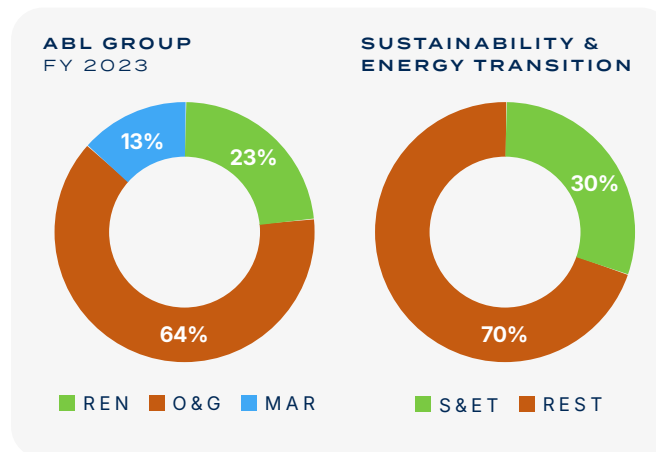


Figure 4

However, if the classification of our revenues is split into services we provide towards fossil fuel upstream, midstream, downstream and decommissioning activities and the rest, the non-fossil fuel activities as well as energy transition activities of fossil fuel sector, our technical services contribution to such activities rises to \$106 million or 42% of our revenue.

EU Taxonomy is a classification system to establish what is an environmentally **sustainable** economic activity. However, those that do not fall into that category are not necessarily polluting or **unsustainable**; the taxonomy merely identifies those economic activities that contribute substantially to environmental objectives.

It is also crucial to realise that activities facilitating the **transition** of polluting sectors are to be well and truly included within the EU Taxonomy for environmentally sustainable economic activity. This is illustrated below:



Figure 5

EU has clarified that “**Only activities that are themselves set out in the Climate Delegated Act can be Taxonomy-eligible**”.

As a consulting and engineering firm that also develops software inhouse, only the following activities fall within the EU taxonomy for environmentally sustainable economic activities for climate change mitigation **and** adaptation in the Climate Delegated Act dated 4th June 2021 and the Complementary Climate Delegated Act dated 9th March 2022:

Climate Change Mitigation (3 out of a total of 94 eligible activities):

- 8.2 Data-driven solutions for GHG emissions reductions
- 9.1 Close to market research, development and innovation
- 9.2 Research, development and innovation for direct air capture of CO₂

Climate Change Adaptation (2 out of a total of 101 eligible activities):

- 8.2 Computer programming, consultancy and related activities
- 9.1 Engineering activities and related technical consultancy dedicated to adaptation to climate change.

For example, any **services** we provide as technical consultants to an offshore wind farm developer, be it site identification, auction support, owner's engineering, engineering analysis, design services, marine warranty, operations support and/or decommissioning i.e. providing services throughout the lifecycle of an offshore wind energy project which is driven by the production of environmentally sustainable energy **cannot** be included as environmentally sustainable economic activities as defined by EU Taxonomy.

Based on this strict interpretation of the EU taxonomy, the amount of revenue generated that would qualify as environmentally sustainable activities is only \$2.45 million (comprising 0.98% of Group revenues, including adaptation activities). The turnover has been computed from revenues from research and development activities in renewables within the Group companies.

When a project is started, each project is coded to be in one of three sectors – Oil & Gas, Maritime and Renewables – and the Group's standard operating procedure SOP1 defines this, as well as, which of these projects are eligible to be defined as “Sustainability and Energy Transition projects as discussed earlier. Only those projects that are considered to meet the substantial contribution, DNSH and minimum safeguards criteria have then been extracted to be included as taxonomy eligible.

Table A on page 36 presents this data in the format recommended by the EU Taxonomy Calculator, but excludes \$12,400 of turnover generated from climate change adaptation professional services.

Table A

				SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA ('DOES NOT SIGNIFICANTLY HARM')										
ECONOMIC ACTIVITIES (1)	CODE (2)	ABSOLUTE TURNOVER (3)	PROPORTION OF TURNOVER (4)	CLIMATE CHANGE MITIGATION (5) *	CLIMATE CHANGE ADAPTATION (6)	WATER (7)	POLLUTION (8)	CIRCULAR ECONOMY (9)	BIODIVERSITY AND ECOSYSTEMS (10)	CLIMATE CHANGE MITIGATION (11)	CLIMATE CHANGE ADAPTATION (12)	WATER (13)	POLLUTION (14)	CIRCULAR ECONOMY (15)	BIODIVERSITY AND ECOSYSTEMS (16)	MINIMUM SAFEGUARDS (17)	TAXONOMY ALIGNED PROPORTION OF TOTAL TURNOVER, YEAR N (18)**	CATEGORY (ENABLING ACTIVITY) (20)	CATEGORY (TRANSITIONAL ACTIVITY) (21)	
Text		Millions, local CCY	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES	CCA9.1		1%																	
A-1. ENVIRONMENTLALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)																				
Close to market research, development and innovation		2.3	1%	100%	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y	Y	1%	E	
			0%	0%	0%	0%	0%	0%	0%									0%		
			0%	0%	0%	0%	0%	0%	0%									0%		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A-1)	CCA9.1	2.3	1%	1%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	Y	1%	1%	0%
A-2. TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED ACTIVITIES)																				
			0%																	
			0%																	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A-2)		-	0%																	
Total (A-1 + A-2)		2.3	1%																	
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non- eligible activities		230.3	99%																	
Total (A+B)		232.6	100%																	

*For the purposes of this illustrative template, this figure shows the: Taxonomy-aligned turnover for the activity / Total Taxonomy eligible turnover of the activity.

As a consulting firm with no material physical assets, the CapEx and OpEx report in this context of climate change mitigation and adaptation is negligibly small.

Based on this strict interpretation of the EU taxonomy, the amount of revenue generated that would qualify as environmentally sustainable activities is only \$1.7 million (comprising 0.7% of Group revenues).

The economic activities have been quantified using direct invoicing data linked to project revenues and therefore has no double counting in the numerator of turnover. This is the first year of reporting and therefore we will refine this further in future reports.

Virtual Business Cards

In June 2023, we introduced Virtual Business Cards (VBCs) through Zappify. We introduced VBCs for three main reasons:

15. They are more sustainable than paper business cards – water waste and deforestation can be significantly reduced by our uptake of digital business cards.
16. They are very easy to use – the digital cards consist of a unique QR code which can be scanned so that recipients can save the details and easily respond.
17. They are a great marketing tool – our cards are fully customisable with ABL Group branding and web/social links, which are managed centrally for consistency.

So far, nearly 400 of our colleagues have activated their VBCs with an equal amount of cards downloaded by contacts. In 2024, we hope to increase the number of ABL Group employees using the Virtual Business Cards and making connections with our contacts.

Emissions Tracking Programme

As ABL Group is listed on the Norwegian Stock Exchange we are required to report on our emissions to adhere to the Corporate Sustainability Reporting Directive (CSRD) from 2024. As such, in 2023 we implemented a pilot emissions tracking programme building on the successful work in this field from Innosea as reported in previous years. Following the 2023 pilot, this will be rolled out group wide at the beginning of 2024. Emissions tracking not only allows us to be compliant, but also to understand our emissions and put in place programmes to reduce them.

In our 2022 Sustainability Report, Innosea set a target of reducing their commute emissions per employee by 15% based on 2019 levels by 2023. Innosea have successfully reached their target and managed to reduce their commuting emissions per employee by 37.5% from 2019 levels.

We are collecting and reporting our emissions in line with the Greenhouse Gas Protocol. This includes Scope 2 emissions such as electricity and water, and also Scope 3 such as employee commuting, business travel and the purchasing of products.

As a consultancy, there are relatively few categories of emissions which we are responsible for and therefore need to track.

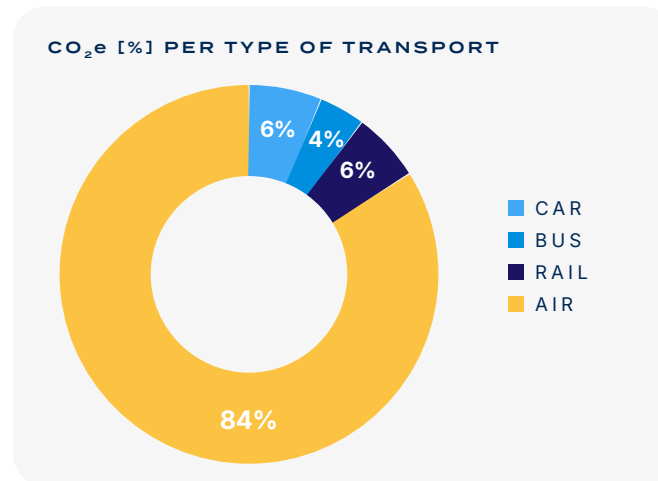


Figure 6

Based on the results from Innosea's previous emissions tracking (graph above) we see that in 2022, air travel contributed to 84% of their total emissions. Therefore, we have identified air travel as our most significant source of emissions and will be a group wide area of focus for 2024.

It is also of note that from our pilot programme, we can also see that Innosea have fewer flights on average per person, underlining the need to focus on air travel. Around 17% of the flights tracked in the 2023 pilot were for internal meetings – an area of emissions directly in our control.

Another interesting result from our pilot scheme showed that our offices have a wide range of emissions per person. We can see trends in our data that show us which offices use more air travel and which offices depend more on personal vehicles for their commute. For example, our Brighton office has the smallest proportion of emissions as most of the employees walk or cycle to the office and rarely travel by air. Houston has a high proportion of emissions as they mostly commute by car due to difficulties with public transport. We will use this data to target certain locations and make our emissions reduction strategies more specific and therefore more effective.

Feasibility study for CCS project in the APAC region



ABL Group works across the renewables sector, but we also recognize that to achieve net zero goals, carbon removal and storage is also a valuable technology. Our Well Control and Well Integrity teams in AGR have worked on a range of CCUS projects around the world.

Our team of experts were tasked to assess well control contingency of CO₂ injection wells to ensure capability of safe workover operations. Over the life of this CCS system, more than 100 million tonnes of CO₂ is expected to be mitigated, with more than 8 million tonnes having been injected to date.

The purpose of the study was to estimate the feasibility and requirements for performing bullheading operations on the injection wells. Bullheading – pumping fluid down the wellbore – is performed during workover operations (before replacing equipment, setting plugs, etc.) to bring the surface pressure down to zero. It can also be performed to re-establish a well barrier against the reservoir pressure as a part of a well kill operation before the final kill is achieved by setting cement plugs.

In connection with the study, we conducted data evaluation, prepared scenario definitions and shut-in simulations and evaluations. Our team also conducted bullheading down the tubing and provided recommendations with sensitivity on failing gas lift valve dummy.

"We have a highly experienced team of well integrity experts that worked to assess the well control contingency of the CO₂ injection wells. The same principles apply to all types of wells, producers or injectors. The operator's CCS system prevents millions of tonnes of greenhouse gases from being vented into the atmosphere, so we are proud to play a part in this project," says Morten Haug Emilsen, well control manager at AGR.

Drilling of the inaugural well at the Graben-Neudorf geothermal plant



Geothermal energy has vast potential to supply reliable green energy independent of weather conditions. Although this technology is in its infancy outside of geothermal hotspots (like Iceland), great progress has been made in recent years and this market is expected to grow.

AGR's iQX drilling engineering software was deployed during well design and completion of the initial well drilled at the Graben-Neudorf geothermal plant, Germany, concluded with remarkable success, exceeding expectations.

As a result, the Graben-Neudorf-1 borehole now stands as Germany's deepest borehole, reaching a temperature record of 4,000 meters. The temperature recorded exceeded 200°C from the geothermal water in the [Deutsche Erdwaerme](#) geothermal plant project borehole.

Implementing [iQx](#) Ex application, the immediate benefits of recording and analyzing experiences was the ability to identify what went well and what could have been improved during the drilling process. This self-assessment allowed Deutsche Erdwaerme to fine-tune their procedures, equipment, and ultimately enhance their capabilities for next drilling in the project.

Another crucial aspect was measuring performance against initial well time and cost estimates. The actual time and cost data collected in iQx CT was compared to the original projections modelled in iQx PLANS probabilistic time and cost application, enabling the Deutsche Erdwaerme drilling team to gauge the accuracy of their predictions. This performance evaluation was vital not only for internal purposes but also for keeping stakeholders informed about the project's progress.

Furthermore, the data gathered was valuable for refining time and cost estimates for future wells and ensured that resources were allocated optimally.

Technical advisor for Hexicon floating offshore wind financing



Credit: Doc90, courtesy of Principal Power

OWC has acted as lender's technical advisor to Glennmont Partners LLP in conjunction with a EUR 45 million debt financing package to fund Hexicon's floating wind development activities.

OWC's scope of work included technical due diligence of Hexicon's floating offshore wind project portfolio and the funding recipient's organisational set-up.

Glennmont Partners is one of Europe's largest fund managers focusing exclusively on investment in clean energy infrastructure. The company raises long-term capital to invest in alternative power generation projects, such as wind farms, biomass power stations, solar parks and small-scale hydro power plants.

Hexicon is an early project-developer in floating wind, opening new markets in deepwater areas, and a technology provider with a patented floating wind design – TwinWind™.

The EUR 45 million debt financing agreement is a solution which provides for the specific needs of Hexicon as a growing developer, while providing Glennmont's institutional investors with a foothold in the critical and rapidly growing floating offshore wind sector.

The majority of the funds will be utilised to further develop Hexicon's projects across the world, including:

- TwinHub, in the UK
- MunmuBaram, a project in South Korea under a JV with Shell
- AvenHexicon, a pipeline in Italy under a JV with Avapa Energy
- Freja Offshore, a pipeline in Sweden under a JV with Mainstream Renewable Power, including Mareld Green Energy AB

Wind condition review for future German offshore wind tendering sites



OWC has completed a project for the German Federal Maritime and Hydrographic Agency (Bundesamt für Seeschifffahrt und Hydrographie/BSH) to analyse and assess wind conditions for a future German offshore wind tendering site N-6.7.

OWC assembled a team of internal experts and external cooperation partners to assess the historic wind potential across the German Exclusive Economic Zone in the North Sea. The study's outcome has now been [published by BSH](#) within the scope of the site before the bid date on 1 August 2023. The data can be utilised by project developers, energy suppliers and banks in conjunction with the project financing of offshore wind farms.

"Leveraging our extensive expertise in offshore wind resource modelling, horizontal scanning lidar technology and data evaluation, our team of seasoned professionals collaborated effectively to overcome the project challenges and delivered the most robust solution for all stakeholders," says Okan Sargin, global head of wind & site at OWC, who headed up the work.

The German Offshore Wind Energy Act (Windenergie-auf-See-Gesetz) for offshore wind energy has set an adjusted target of 30 GW by 2030 and 70 GW by 2045. This goal is to be achieved through tenders in accordance with the German Renewable Energy Sources Act (Erneuerbare-Energien-Gesetz).

The BSH plays a central role in the tendering process as it draws up site development plans for the sites to be auctioned. Preliminary investigations are carried out for suitable sites and their results are published as part of the tenders. As part of the bid calculation, the bidder needs as detailed information as possible about the wind conditions in the target site to design a wind farm and create a yield forecast on this basis.

To support BSH, OWC has created the wind condition reports for target site N-6.7. The analysis was conducted via three work packages: The plausibility and consistency checks of the short-term (one year) measurement data, that was acquired in the framework of another project, were followed by corrections for the influence of neighbouring wind farms on the wind field and the establishment of a long-term relationship to the historic long-term data. Finally, a spatial analysis of the wind field was conducted, with a detailed reporting on statistical evaluation and description of the meteorological conditions.

"We are delighted to support the German federal government's goal of achieving 30 GW of offshore wind by 2030. I would like to express my appreciation to the project and BSH team for their dedication and collaboration throughout the project." adds Okan Sargin.

Onshore Energy Yield Assessment – South Africa



The energy landscape in South Africa is complex and volatile, with a huge disparity between power generation and demand. The country is also struggling with adequate funding and investment in renewable energies and regulatory support from the government has been slow.

- Load-shedding is critical due to unreliable primary energy sources and insufficient generation capacity
- Development and construction delays
- Governance and structural delays

We were contracted by Renewable Energy Independent Power Producer Procurement Programme ("REIPPPP") – a South African government initiative aimed at accelerating electricity generation via renewable energy sources to provide:

- Finance grade resource and energy yield assessment
- 240MWac HSAT bifacial n-type modules
- Site-specific soiling assessment
- Supporting project in round 6 of REIPPPP

The results of our work feed directly into more accurately projecting a site's profitability, providing assurance and early risk mitigation to financial and other project stakeholders.

Quality, Health, Safety, and Environment

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 fulfil 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 capitalize on opportunities. Our management system is updated regularly to ensure that we continue to act on lessons learned and follow current best practice.

Our executives, senior managers and project managers lead the QHSE improvement process by continuously demonstrating their commitment.

ABL Group's Management System was subject to a global external certification audit by LRQA in November 2023. The outcome was positive and ABL has been recertified to ISO 9001: 2015, ISO 14001: 2015, and ISO 45001: 2018.

HSE Statistics

ABL Group Combined Health, Safety and Environmental Statistics for 2023 can be seen in Figure 8.

We measure our safety performance with Total Recordable Injury Frequency Rate (TRIFR) and Lost Time Injury Frequency Rate (LTIFR). The TRIFR & LTIFR is a mathematical calculation used by IOGP & IMCA that describes the number of employees per 500 full-time employees who have been involved in a recordable injury/illness or lost time cases in any given time frame.

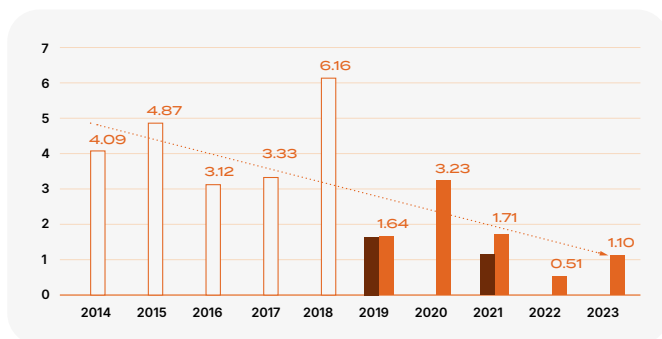


Figure 7

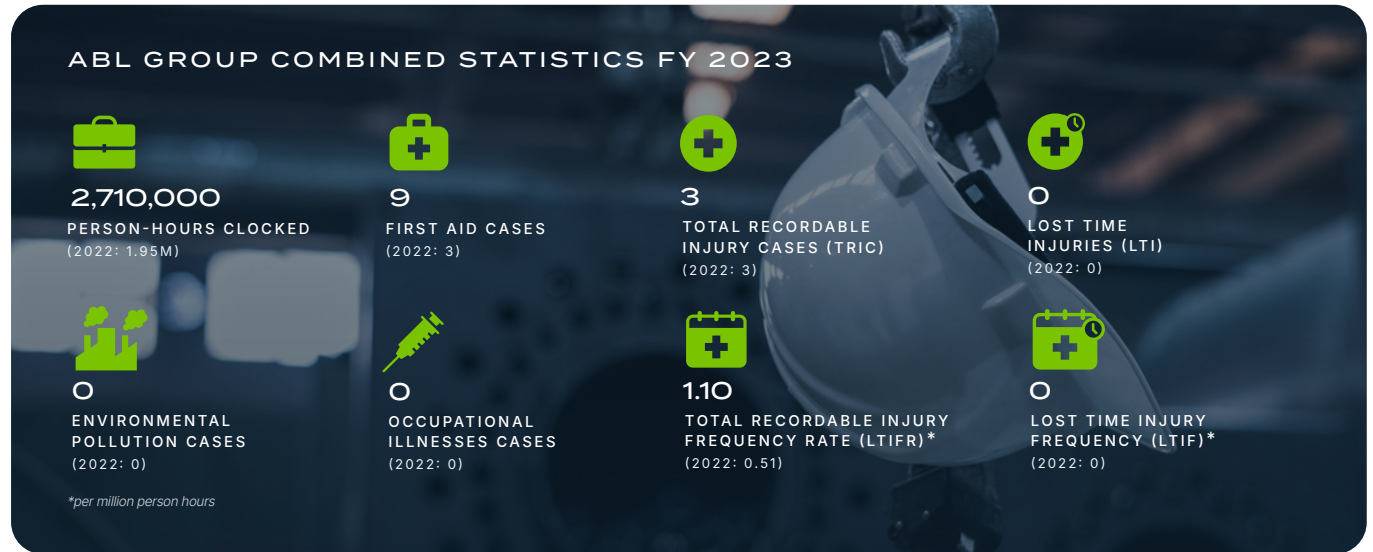


Figure 8

Overall, ABL Group reported no lost time to injuries and 3 recordable injury cases in 2023 and the total recordable case injury frequency rate (TRIFR) per million person-hours is at 1.10. TRIFR has worsened slightly since last year (1.10 from 0.51 last year). However, since FY18 we have decreased our TRIFR by 80%.

ABL is committed to the 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 team 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 team 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 QHSE management system.

We investigate all recordable incidents and serious near misses to identify contributing factors and root causes in order to prevent a recurrence. Lessons learned are identified, communicated and implemented. Our aim in 2024 is to further reduce the TRIFR through improved processes and internal training.

Safety Culture

Our people are actively engaged in our safety processes through committees, training, audits, observations and inspections. Our safety observation programme (Hazard Elimination & Learning Programme -HELP Card system) exceeded expectations with staff extensively using and contributing to the improvement of the system. There has been a continued increase of the leading indicator "Safety Observation Frequency Rate" (SOFR) which is a measure of the number of HELP cards submitted by ABL employees. This is an indicator of a healthy safety culture at ABL Group and should rise year on year.

Further, with the safety culture initiative, ABL has maintained a strong focus on the safety of our employees, increasing safety awareness and enhancing safety culture. In September 2023, ABL Germany was awarded the prestigious Safety Culture Ladder – Step 3 certification by LRQA. The aim is to obtain this certification for more parts of the company in the future, and to climb further up the ladder.

Measuring Customer Satisfaction at Group Level

We continue to measure customer satisfaction at the Group level by gathering feedback from all business areas on three core dimensions: overall customer satisfaction; repeat business; and their preference and willingness to recommend us. Our Net Promoter Score of 83% in 2023 (up from 69% in 2022) is considered very good according to industry standards.

Governance

Risk Policy

ABL Group's risk management policy is part of the QHSE management system and shall ensure that the risk management processes are integrated into everything the company does. The policy is aligned with the ISO 31000 framework.

ABL Group's Risk Management framework and methodology are aimed at identifying the principal risks that could:

- hinder the achievement of ABL Group's strategic objectives and financial targets;
- adversely impact the health and safety of the Group's employees, subcontractors, clients, client assets and the surrounding ecosystem;
- have a significant impact on the financial/operational performance of the Group; and/or
- negatively impacts the Group's reputation or stakeholder requirements.

We adopt a Group-wide approach to the identification, assessment and prioritization of risks, including how they are managed, monitored and reported. This process is outlined in our Management Systems in the 'Corporate Risk Governance' manual (ABL-MAN-002) and is overseen by the Risk Committee which includes our CEO, COO, CFO, General Counsel, and the Governance Task Force.

The management formally reviews the risks and opportunities, at least twice a year as part of the group management meetings.

Financial, health & safety, cyber security, political, legal & regulatory and compliance risks in the company represent key focus areas. Various risk mitigation measures have been established to minimize the likelihood of such risks materializing.

A summary of our principal risks and how these could affect our strategic objectives (along with countermeasures deployed) is included below.

Macroeconomic: Market conditions in many of the geographies where we operate can be challenging due to macroeconomic or geopolitical issues, which can potentially impact our growth and profitability. Inflationary pressures and rising costs will impact growth. (We have a well-diversified portfolio of services across the energy sectors with a global footprint. We aim to deliver high levels of service to meet our customers' expectations and continue to proactively manage costs.)

Financial: ABL Group is exposed to financial risks that affect our access to liquidity, availability of capital to achieve our growth objectives, foreign currency volatility and credit risks primarily related to trade receivables. (ABL is tightly managing its receivables; however, market and customer specific developments affect credit risk. Our strong balance sheet and continuing operational performance have helped manage this risk.)

Geopolitical: ABL Group operates across many jurisdictions, resulting in exposure to a broad spectrum of economies and political and social frameworks. This risk has increased due to the Russia and Ukraine conflict, as well as ongoing geopolitical tensions and escalations in the Middle East and Africa, Asia China/Taiwan, as well as civil unrest. (We have ongoing travel and security risk assessments, crisis management and continuous monitoring of geopolitical developments.)

Cyber Security: The number of attempted cyber-attacks on ABL has increased. The sophistication and frequency at which cyber-attacks and information security incidents are occurring within global organizations continue to increase. (We have established an IT governance framework based on ISO27001. Cyber security training is provided to all users. Our IT infrastructure is regularly monitored and updated or refreshed to keep pace with changing and growing threats.)

Health & Safety: The industry in which we operate exposes us to a range of health and safety hazards. The potential impacts include harm to our people, regulatory action, legal liability, increased costs and damage to our reputation. (Our goal is 'zero harm' to people. We maintain an up-to-date Health, Safety and Environment (HSE) management system, standards, guidelines and risk management programmes.)

Compliance: Compliance-related regulatory requirements are increasing in scope and complexity, specifically within areas such as trade sanctions and data privacy (e.g., GDPR), and we continue to grow our operations and expand into new areas. (ABL has a Code of Conduct and associated policies and procedures in place to address areas such as anti-bribery, data protection, modern slavery and human rights, and adopts a zero-tolerance approach to these areas of risk.)

Legal and Regulatory: This risk has remained stable as we continue to monitor and comply with our legal and regulatory incl. contractual requirements in the countries in which we operate. (Dedicated group legal & compliance function, policies, SOPs and training in place to oversee and promote compliance with laws and regulations.)

ESG and Climate change: ESG and Climate change continues to be a big focus area, from a legal and operational perspective. Further, ABL is exposed to clients with negative ESG profiles like oil & gas. (ABL is diversifying into more sustainable business segments. Improvements to environment and carbon emissions monitoring and reporting will continue to be a focus and priority for ABL.)

Mergers & Acquisitions: As M&A being part of our growth strategy, ABL is exposed to a range of risks like ineffective due diligence, post-merger integration processes, etc. (A dedicated, experienced team and processes will be established to manage future M&As.)

Our climate change risks remain consistent to those reported in our 2022 Annual Report. Our countermeasures to mitigate these risks are ongoing, with progress being made on our ABL2030 strategy, evidenced throughout this report. Additionally, 2023 saw the introduction of our Emissions Tracking Programme (see page 37), which will further aid our progress in fighting climate change.

ABL Group places a strong emphasis on Quality, Health, Safety and Environmental Assurance and has management systems implemented, in line with the requirements for its business operations. ABL's QHSE management system is continuously analysed to ensure that the company is managing these risks satisfactorily.

To limit the exposure of potential financial consequences of such risks, ABL has put in place insurance policies at global level with a level of insurance cover suited to ABL's operations and risk profile.

The Senior Management Team regularly analyses its operations and potential risk factors with a focus on the principal risks facing the Group and takes appropriate measures to reduce risk exposure.

Human Rights

ABL Group is a signatory to the United Nations Global Compact. We are committed to adhering to its principles in the areas of human rights, labour standards, environmental protection and anti-corruption in our business strategy, day-to-day operations, organizational culture and sphere of influence.

Human rights are fundamental to ABL Group's core values of truth, safety, and sustainability. ABL Group is committed to respecting the human rights of our employees, across our operations internationally and across our value chain as set out in the United Nations Guiding Principles on Business and Human Rights.

ABL Group expects that all employees, suppliers, and business partners respect human rights and decent working conditions as set forth in our group policies.

Human rights are embedded into our group policies, corporate QHSE & risk management frameworks and processes. The ABL Group Supplier Code of Conduct includes specific labour and human rights expectations for our suppliers and business partners. We expect our suppliers and business partners to uphold the same standard of business ethics as we do, and the Supplier Code of Conduct outlines our requirements.

Non-discrimination

Our Code of Conduct and Group Policies establishes our commitment to non-discrimination, equal opportunity, the right to join labour unions and fair employment. It provides a framework for expected behaviour at all levels in ABL and includes clear requirements related to responsibilities, behaviour, and decision making by employees, managers and directors. All employees are introduced to the company's policies during the onboarding process.

Modern Slavery

ABL's Statement on Modern Slavery and Human Trafficking has been issued further to section 54 (1) of the UK's Modern Slavery Act 2015 and constitutes the UK slavery and human trafficking statement for the financial year ending 31 December 2023. As part of this, we are committed to ensuring that there is no modern slavery or human trafficking taking place in any part of our business or our supply chains.

Freedom of association

Employees' right to freedom of association and collective bargaining is documented in the ABL Code of Conduct and Human Rights Statement and our commitment to the UN Global Compact.

Norwegian Transparency Act

In 2023, ABL Group published our first report on the [Norwegian Transparency Act](#). This legislation introduced more stringent regulations on human rights due diligence, decent working conditions, and an overall more detailed consideration of what are often very complex supply chains.

In preparation for our first Norwegian Transparency Act report, several key ABL Group employees participated in a series of workshops with our auditors at PwC, who provided advice in line with audit independence rules. These workshops allowed us to undertake a gap analysis of our governing documents, which we then prioritised updating, with the goal of reflecting our enhanced commitment to human rights and decent working conditions. These documents included our Equal Opportunities Policy, Modern Slavery Act Statement, Human Rights Statement, Harassment Policy, and Code of Conduct, all of which have now been updated to incorporate these principles.

Additionally, we analysed our supply chain using a Supplier Risk Assessment Tool, which enabled us to identify risks of human rights violations and decent work breaches. No adverse impacts were identified within our own operations during this process, but it laid the groundwork for us to establish and plan measures to cease, prevent, or mitigate any risks that could arise. In 2023, we introduced our Supplier Code of Conduct, which will be complemented by an accompanying SOP (Human Rights Due Diligence) and a Supplier Due Diligence Questionnaire. In 2024, we will continue work to progress and strengthen our policies on human rights and decent working conditions by further strengthening our whistleblowing mechanisms, procurement policies, and implementing training for all staff.

Whistleblowing

Our whistleblowing policy covers all employees, officers, consultants, freelancers, contractors, work experience/internship workers, volunteers, casual workers and agency workers engaged by the Group. The policy sets out basic information on the concept of whistleblowing and gives instructions on reporting suspected violations through our internal channel (directly emailing the Chair of the Group's Audit Committee).

In the past year, we have more actively promoted the whistleblowing process within our own operations in order to raise awareness with our employees regarding the process. We are currently investigating potential updates to this policy/procedure, with the possible engagement of an external whistleblower platform provider, but until such time as a decision is taken, the procedure set out above (with an internal channel for reporting directly to the Chair of the Audit Committee) will continue to apply.

Anti Bribery and Corruption

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 we operate.

The Group advocates high standards of honesty, integrity and ethical behaviour in its daily business and expects all representatives of ABL 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 by using the whistleblower channel.

Compliance Training

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 line with the Training Matrix, all new starters are signed up for Code of Conduct, Anti Bribery & Corruption Compliance and GDPR training with immediate effect and refreshers are conducted annually.

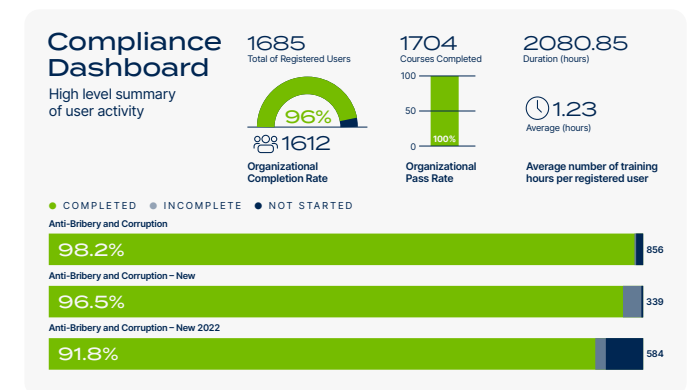


Figure 9

In 2023, each employee spent on average 1.23 hrs. on compliance training (up from 1.15 in 2022). Our anti-bribery and corruption training completion was at 96%, which is an improvement from 2022 (up from 85%).

Code of Conduct

Our Corporate Code of Ethics and Business Conduct (the ABL way of doing business) 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.

Our Code of Conduct has been restructured and the content has been updated, including new sections on human rights. To help our employees familiarize themselves with the new Code of Conduct, a new Groupwide mandatory training course has been rolled out.

Directors, managers, employees, freelancers and subcontractors are required to comply with the Code which prohibits giving anything of value, directly or indirectly to officials of foreign governments or political candidates or to any other person, to obtain or retain business. It is strictly prohibited to make illegal payment to government officials, or any other person of authority in any country.

The Code of Conduct is shared with our freelancers via the freelancer QHSE Package. Both staff and freelancers 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 and GDPR Guidelines in SOP22.

As part of our ongoing training to maintain awareness of topics in our Code of Conduct, we have also developed a new e-learning course on GDPR, which has to be completed by all employees by 1h2024.



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

The Company believes that good corporate governance is an important part 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 (the "Code"), the Board of Directors of the Company has prepared a Corporate Governance policy document. The Group aspires to follow the Code 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 on the Company's website.

2. Business

The Company is a Norwegian public company that offers services to the marine, energy, shipping and related 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 Group's consolidated shareholder's equity at 31 December 2023 was USD 101.1 million, representing an equity ratio of 56%. 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 2023, the Company had 123,350,367 ordinary shares outstanding with a par value of NOK 0.10 per share (see note 16 to the consolidated financial statements). The Company has one share class, and each share carries one vote. At 31 December 2023, the Company had 2,035 shareholders, and non-Norwegian registered shareholders held 12.9% 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 notice for General Meetings

The Company observes the minimum notice period set out in the Norwegian Public Limited Companies Act, i.e. providing 21 days' notice. The notice 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 notice 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 notice 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)**

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 seven 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 Ole Rødland, owns approx. 12.1% 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 43%.

The current composition of the Board, including Board members' shareholding in the Company at 31 December 2023 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 forecasts. In addition to ad-hoc email correspondence and calls, the Board has held 11 meetings during the period between 1 January 2023 and 31 December 2023.

Audit Committee

The Audit Committee's responsibilities follow from section 6-43 of the Norwegian Public Limited Liability Companies Act. Pursuant to section 6-43, the Audit Committee shall:

- prepare the Board of Directors' supervision of the group's financial reporting process,
- monitor the systems for internal control and risk management,
- have continuous contact with the Group's auditor regarding the audit of the annual accounts,
- review and monitor the independence of the Group's auditor, including in particular the extent to which services other than auditing provided by the auditor or the audit firm represent a threat to the independence of the auditor,
- be responsible for preparing the Group's election of auditor.

As part of these responsibilities, the Audit 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. Additionally, the Audit Committee monitors sustainability reporting as well as compliance with the Company's code of conduct and anti-corruption policies.

The Audit Committee is elected by the Board and currently consists of the following Board members:

- **Synne Syrrist, Chair**
- **Rune Eng**
- **Paal E. Johnsen**

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 employee share schemes. 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**
- **Hege Marie Norheim**

10. Risk management and internal control

The Board and the Executive Management shall at all times see to it that the Group has adequate systems and internal control routines to handle any risks relevant to the Group and its business, including that the Group'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 Group'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 Group offers marine, offshore, and renewables consultancy services to the marine, energy, shipping and insurance industries. These services are provided in compliance with relevant international and local laws and regulations governing these industries. The Group 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 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 22 to the Financial Statements.

Name	Position in the Board	Member since (year)	Up for election (year)	Committee membership	Shareholding in ABL Group ASA*
Glen Ole Rødland	Chair	2014	2024		14,890,351 ¹
Yvonne L. Sandvold	Member	2013	2025	Remuneration	-
Synne Syrrist	Member	2013	2025	Audit	-
Rune Eng	Member	2021	2025	Audit	198,407 ²
David Wells	Member	2022	2024	Remuneration	1,073,051
Hege Marie Norheim	Member	2023	2025	Remuneration	-
Paal E. Johnsen ³	Member	2023	2025	Audit	-

* At 31st of December 2023

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

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

³Paal E. Johnsen is chairperson of RGA Energy Holdings AS, which held 4.9% of the Company's issued share capital at 31 December 2023 (see note 26).



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 Group 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. All information is provided in accordance with the laws and regulations imposed by the Market Abuse Regulation (MAR), 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.

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 2018. 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 Group'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 7 to the consolidated financial statements.

The full Corporate Governance Policy is published on the Company's website: www.abl-group.com. It is also referred to the Company's Sustainability report for certain topics that are relevant also from a corporate governance perspective.

BOARD OF DIRECTORS' REPORT

Key figures and events in 2023

- Revenues of USD 251.2 million in 2023 compared to USD 167.9 million in 2022
- Operating profit (EBIT) of USD 16.5 million in 2023 compared to USD 12.5 million in 2022
- Adjusted EBIT¹ of USD 20.8 million in 2023 compared to USD 15.3 million in 2022
- Profit after taxes of USD 8.7 million in 2023 compared to USD 6.3 million in 2022
- Adjusted profit after taxes¹ of USD 12.9 million in 2023 compared to USD 7.1 million in 2022
- Total dividend of NOK 0.70 per share paid during 2023, corresponding to USD 8.1 million
- Completed acquisitions of AGR and Delta Wind Partners
- Solid financial position with a Net cash¹ balance of USD 17.2 million at 31 December 2023 compared to USD 17.6 million at 31 December 2022
- 1,613 full-time equivalent employees at 31 December 2023² vs 1,092 at 31 December 2022

¹ Alternative Performance Measures

² Including freelancers

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.

The 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 the broad spectrum of renewables technologies
- **Oil & Gas** – Engineering and consultancy services to the offshore oil and gas industry
- **Maritime** – Worldwide emergency incident response and surveys to support marine insurance industry and asset owners

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.

In April 2023, the Group acquired leading multidisciplinary engineering consultancy and software company AGR, enhancing our global technical offering along the whole lifecycle of wells, reservoirs and drilling projects.

The acquired businesses were a natural combination with the well services offered by Add Energy, which was acquired in 2022, and this combination now makes up the Group's AGR segment.

The Group remains focused on value creation for all our stakeholders; customers, employees, and shareholders, thus all M&A and other investments need to be value accretive.

Organisation

The Group is managed by four distinct business lines under the brands ABL ("The Energy and Marine Consultants"), OWC ("The Renewable Energy Consultants"), Longitude ("The Engineering Consultants") and AGR ("The Energy and Software Consultants"). These businesses also form the basis for the four reportable segments of the Group. The internal management reports provided by management to the Group's Board of Directors, which is the Group's decision maker, is in accordance with this structure.

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, and a separate global business head for the Group's Asset and Integrity Management offering.

In 2023, the Group opened or acquired new offices in Spain, Romania, Denmark and Norway, and continued to expand its renewables offering across the existing office network.

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 the Group are prepared in accordance with International Financial Reporting Standards as adapted by the European Union. A financial review of the Group for 2023 is provided below.

Profit and loss

Total operating revenues increased by 50% to USD 251.2 million in 2023 compared to USD 167.9 million in 2022. The increase in revenues was primarily driven by the acquisition of AGR, although all existing segments showed organic growth, led by OWC at 35%.

Staff costs and other operating expenses increased by 51% to USD 229.4 million in 2023 compared to USD 152.0 million in 2022. The increase is broadly in line with the increase in revenue.

EBIT amounted to USD 16.5 million in 2023 compared to USD 12.5 million in 2022. Adjusted EBIT was USD 20.8 million in 2023, up from USD 15.3 million in 2022.

Profit after taxes amounted to USD 8.7 million in 2023 compared to USD 6.3 million in 2022. Adjusted profit after tax was USD 12.9 million in 2023, up from USD 7.1 million in 2022.

Cash flow, liquidity and financial position

Net cash flow from operating activities was USD 11.6 million in 2023, down from USD 19.3 million in 2022. Net cash outflow from investing activities was USD 0.2 million in 2023. Net cash outflow from financing activities was USD 14.0 million in 2023, primarily caused by dividends and debt repayment. A total dividend of USD 8.1 million representing NOK 0.70 per share was paid to the shareholders in 2023. At 31 December 2023, cash balance amounted to USD 28.2 million compared with USD 31.0 million at 31 December 2022.

At 31 December 2023, total assets amounted to USD 180.5 million compared with USD 126.9 million as of 31 December 2022. The shareholders' equity was USD 101.1 million at 31 December 2023, corresponding to an equity ratio of 56%. The shareholders' equity was USD 68.4 million at 31 December 2022, corresponding to an equity ratio of 54%. The Group had USD 10.9 million of interest bearing bank debt as of 31 December 2023.

The Board of Directors proposes a dividend equal to 0.40 NOK per share to be paid during the first half of 2024, 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 2023 of NOK 13.3 million compared with profit after taxes of NOK 37.9 million in 2022. Total assets as of 31 December 2023 were NOK 1,042.4 million compared with NOK 746.9 million in 2022. The company's cash balance at 31 December 2023 was NOK 2.5 million compared to NOK 32.6 million at 31 December 2022. Net cash flow from operating activities was NOK 99.8 million in 2023. Net cash flow used in investing activities was NOK 8.6 million in 2023 and primarily related to acquisitions of AGR and Delta Wind Partners. Net cash outflow from financing activities was NOK 110.0 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 2023 was NOK 770.3 million. The Board proposes that the profit after tax of NOK 13.3 million is allocated to retained earnings.

ABL Group ASA has its headquarters in Oslo, Norway, with three permanent employees at the end of 2023. Sick leave was 5 days, equivalent to 0.5%, for 2023.

Going concern

The Group's financial position as of 31 December 2023, combined with the projected net cash flow for 2024, ensures sufficient resources to meet its commitments for the foreseeable future.

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

The 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.

The 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.

Executive Management is responsible for the day-to-day governance of risk. 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 in order to mitigate the risks.

Operational and legal risks

Operational and legal risks typically involves the risk of incidents and loss resulting from projects, processes, people and systems or from external events, such as political risks. 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, including through contract management and insurance.

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

In accordance with the Norwegian accounting act § 3-3a, the Board of Directors confirms that the Group has no significant impact on the environment.

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 10.9 million at 31 December 2023, 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 Group level. The Group has a solid cash position which exceeds the interest-bearing debt at year-end. The Group had cash and cash equivalents of USD 28.2 million, and USD 10.9 million of interest-bearing bank debt, at 31 December 2023. In January 2024, this interest-bearing bank debt has been replaced by a new revolving credit facility of USD 30 million maturing in 2027 (see note 27 to the consolidated financial statements). 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

The 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, the Group's net investments in foreign subsidiaries and its foreign currency denominated cash deposits. During the year 2023, the Group had a net foreign exchange loss of USD 2.8 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. The 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 44.

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 oceans are at the centre of our business; the sustainability of both is vital for the future of the Group and the world in which we operate and live. Based on the key principles of ABL2030, our Sustainability report on page 27 outlines how the Group assesses and mitigates climate risk to its business and markets, along with its impacts on the wider world. The Group's report addressing compliance with the Transparency Act will be available on the Company's website (www.abl-group.com) on 30th June 2024.

Insurance covering Board of Directors and Executive Management team

The Group holds a Directors and Officers Liability Insurance (D&O) covering the Board Members', CEO's and Executive Management's potential liabilities towards the Company and third parties.

Markets and Outlook

While overall global oil & gas CapEx spending is indicated to stabilise in 2024, we expect a larger share of spending to go into offshore in general, and the execution phase of investments in particular. This will benefit our greenfield and CapEx driven services. We have already seen significant improvements in brownfield and opex driven work during the last 24 months, and expect this market to remain strong over the next year.

The offshore wind industry, our core renewables market, has grown rapidly over the last years, and our dedicated renewables consultancy OWC delivered revenue 35% growth in 2023. However, in the second half of 2023, we saw some projects delayed or cancelled right before construction was due to start, as they had been entered into on low fixed offtake prices and were no longer economical given cost inflation and higher interest rates. This had a knock-on effect also on earlier stage projects, with developers taking a "wait and see" approach pending government support at new cost levels.

Heading into 2024, we expect rapid improvement in the market. In recent months, we have seen significantly improved sentiment in the industry after positive data points including:

- UK increased upper price limit for next CfD auction by 66% for fixed offshore wind and 52% for floating wind, beating industry estimates in response to cost increases; and
- In the US, states that suffered from developers pulling back from agreed offtake contracts during summer awarded multiple projects in October with much higher prices and improved inflation protection compared to previous contracts.

We continue to see developers aggressively invest in new strategic acreage and emerging markets in support of the long-term trend. 2024 looks set to be the busiest year for offshore wind auctions ever, with over 3x more capacity auctioned than in 2023. For the Group, the flexibility to work across various parts of the value chain and in support of early origination is expected to support continued high growth.

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.

The 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.

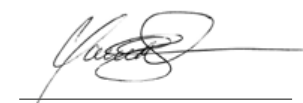
The Group will continue to be active in the consolidation and restructuring of our industry. We remain focused on value creation for all our stakeholders; customers, employees and shareholders. The active pursuit of strategic and value creating acquisitions allows us to make large strides in positioning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

Oslo, 24 April 2024



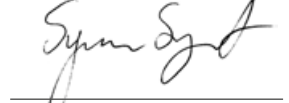
Glen Ole Rødland

Chair of the Board



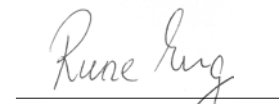
Yvonne L. Sandvold

Board Member



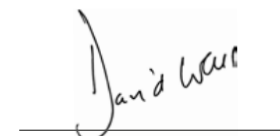
Synne Syrrist

Board Member



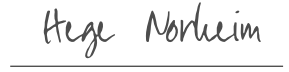
Rune Eng

Board Member



David Wells

Board Member



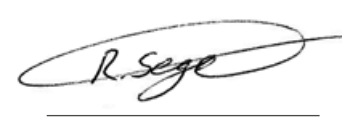
Hege Marie Norheim

Board Member



Paal E. Johnsen

Board Member



Reuben Segal

CEO

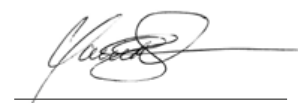
RESPONSIBILITY STATEMENT

We confirm that, to the best of our knowledge, the 2023 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.

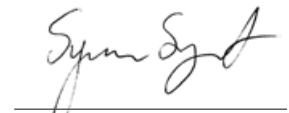
Oslo, 24 April 2024



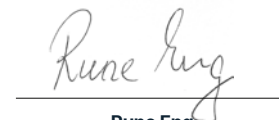
Glen Ole Rødland
Chair of the Board



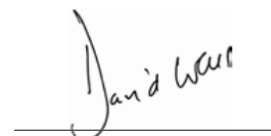
Yvonne L. Sandvold
Board Member



Synne Syrrist
Board Member



Rune Eng
Board Member



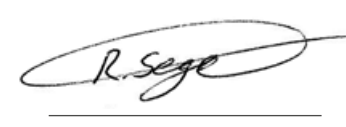
David Wells
Board Member



Hege Marie Norheim
Board Member



Paal E. Johnsen
Board Member



Reuben Segal
CEO

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Consolidated income statement and other comprehensive income

Amounts in USD thousands	Notes	2023	2022
Continuing operations			
Revenues	4	251,233	167,897
Total revenues		251,233	167,897
Staff costs	6	(125,373)	(88,126)
Other operating expenses	7	(104,029)	(63,915)
Depreciation, amortisation and impairment	12, 13	(5,301)	(3,342)
Operating profit (EBIT)		16,530	12,514
Gain on disposal of subsidiaries		-	1,889
Finance income	9	423	169
Finance expenses	9	(1,666)	(1,411)
Net foreign exchange loss	9	(2,842)	(2,507)
Profit before income tax from continuing operations		12,445	10,654
Income tax expense	10	(3,768)	(4,401)
Profit for the year from continuing operations		8,677	6,253
Other comprehensive income Items that may be reclassified to profit or loss			
Currency translation differences		2,115	(2,777)
Income tax effect	10	(793)	(729)
Other comprehensive income for the year, net of tax		1,322	(3,506)
Total comprehensive income for the year		9,999	2,746

Amounts in USD thousands	Notes	2023	2022
Profit after tax is attributable to:			
Equity holders of the parent company		8,400	6,195
Non-controlling interests		277	58
		8,677	6,253
Total comprehensive income for the year is attributable to:			
Equity holders of the parent company		9,722	2,689
Non-controlling interests		277	58
Total comprehensive income for the year		9,999	2,746
Earnings per share (USD): basic	11	0.07	0.06
Earnings per share (USD): diluted	11	0.07	0.06

Consolidated statement of financial position as at 31 December

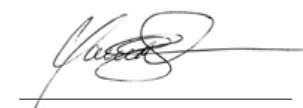
Amounts in USD thousands	Notes	2023	2022
ASSETS			
Non-current assets			
Goodwill and intangible assets	13	56,828	29,382
Property, plant and equipment	12	10,613	10,005
Investment in associates		32	29
Deferred tax assets	10	5,308	1,744
Total non-current assets		72,781	41,160
Current assets			
Trade and other receivables	14	57,392	41,400
Contract assets	4	22,185	13,394
Cash and cash equivalents	15	28,157	30,974
Total current assets		107,734	85,769
Total assets		180,515	126,928
EQUITY AND LIABILITIES			
Equity			
Total shareholder's equity	16	100,796	68,697
Non-controlling interests	8	263	(269)
Total equity		101,059	68,427
Non-current liabilities			
Deferred tax liabilities	10	4,687	2,516
Lease liabilities	17	6,801	6,922
Provisions	18	3,540	3,058
Other payables		3,926	2,935
Total non-current liabilities		18,954	15,432

Amounts in USD thousands	Notes	2023	2022
Current liabilities			
Trade and other payables	19	44,830	25,890
Contract liabilities	4	1,978	1,535
Short-term borrowings	17	10,946	13,337
Lease liabilities	17	1,818	1,869
Income tax payable	10	930	439
Total current liabilities		60,502	43,069
Total liabilities		79,456	58,501
Total equity and liabilities		180,515	126,928

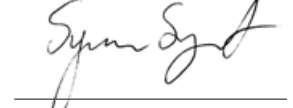
Oslo, 24 April 2024



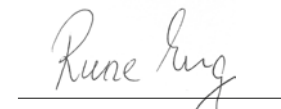
Glen Ole Rødland
Chair of the Board



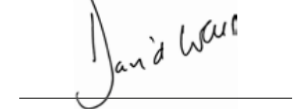
Yvonne L. Sandvold
Board Member



Synne Syrrist
Board Member



Rune Eng
Board Member



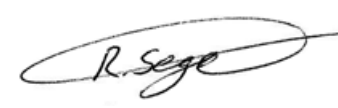
David Wells
Board Member



Hege Marie Norheim
Board Member



Paal E. Johnsen
Board Member



Reuben Segal
CEO

Consolidated statement of changes in equity

Amounts in USD thousands	Notes	Share capital	Share premium	Consideration shares	Share-based compensation reserve	Retained earnings	Foreign currency translation reserve	Total equity attributable to equity shareholders of the parent company	Non- controlling interests	Total equity
At 1 January 2022		1,323	64,912	1,890	2,372	8,557	(12,306)	66,749	114	66,863
Profit after tax		-	-	-	-	6,195	-	6,195	58	6,253
Other comprehensive income		-	-	-	-	-	(3,506)	(3,506)	-	(3,506)
Total comprehensive income for the year		-	-	-	-	6,195	(3,506)	2,689	58	2,746
Cash-settled capital increase (net of transaction costs)		53	1,694	-	-	-	-	1,746	-	1,746
Shares issued as consideration for business combination		26	2,680	(654)	-	-	-	2,052	-	2,052
Non-controlling interests on acquisition of subsidiary		-	-	-	-	-	-	-	(441)	(441)
Dividends paid		-	(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
At 1 January 2023		1,402	63,349	1,236	3,769	14,752	(15,812)	68,697	(269)	68,427
Profit after tax		-	-	-	-	8,400	-	8,400	277	8,677
Other comprehensive income		-	-	-	-	-	1,322	1,322	-	1,322
Total comprehensive income for the year		-	-	-	-	8,400	1,322	9,722	277	9,999
Shares issued as consideration for business combination	8	178	28,833	-	-	-	-	29,011	-	29,011
Non-controlling interests on acquisition of subsidiary	8	-	-	-	-	-	-	-	255	255
Dividends paid	16	-	(8,073)	-	-	-	-	(8,073)	-	(8,073)
Share-based payment expenses	16	-	-	-	1,439	-	-	1,439	-	1,439
At 31 December 2023		1,580	84,109	1,236	5,208	23,152	(14,490)	100,796	263	101,059

Consolidated statement of cash flows

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.

Amounts in USD thousands	Notes	2023	2022
Cash flow from operating activities			
Profit (loss) before income tax		12,445	10,654
Non-cash adjustments to reconcile profit before tax to cash flow:			
Depreciation, amortisation and impairment	12, 13	5,301	3,342
Non-cash employee benefits expense – share-based payments	6, 16	1,439	1,396
Gain on disposal of subsidiaries		-	(1,889)
Changes in working capital:			
Changes in trade and other receivables		(10,887)	12,558
Changes in trade and other payables		4,632	(2,853)
Interest costs - net	9	887	1,115
Income taxes paid		(1,788)	(2,894)
Net exchange differences		(476)	(2,144)
Cash inflow from operating activities		11,553	19,285
Cash flow from investing activities			
Payments for property, plant and equipment	12, 13	(2,422)	(1,862)
Interest received		167	81
Net cash acquired / (paid) on acquisition of subsidiaries	8	2,008	(583)
Cash outflow from investing activities		(247)	(2,364)

Amounts in USD thousands	Notes	2023	2022
Cash flow from financing activities			
Dividends paid	16	(8,073)	(5,936)
Lease payments	17	(2,808)	(1,765)
Proceeds from loans and borrowings	17	5,000	5,000
Repayment of borrowings	17	(7,391)	(3,333)
Proceeds from issuance of shares		(7)	1,746
Interest paid	9	(720)	(650)
Cash outflow from financing activities		(13,999)	(4,939)
Net change in cash and cash equivalents		(2,693)	11,982
Cash and cash equivalents at beginning of year		30,974	19,815
Effect of movements in exchange rates		(124)	(823)
Cash and cash equivalents at end of year		28,157	30,974

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 Karenslyst Allé 4, 0278 Oslo, Norway. The Company is listed on the 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 62 offices located across 5 continents in 38 countries.

For all periods up to and including the year ended 31 December 2023, 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. Basis of preparation

2.1 Statement of Compliance

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 2023. The financial statements comply with IFRS® as issued by the International Accounting Standards Board (IASB) and were approved for issue by the Company's Board of Directors on 24 April 2024.

2.2 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis unless stated otherwise. Income and expenses are accounted for on an accrual basis.

Reference is made to the material accounting policies as included in the relevant notes for more detailed information on the measurement basis. These policies have been applied consistently by the Group.

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS® 2, leasing transactions that are within the scope of IFRS® 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value-in-use in IAS 36.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2.3 Going concern

The financial statements of the Group and the Company have been prepared on a going concern basis. In reaching this conclusion, Management has reviewed detailed budgets, which reflect, where applicable, the current economic conditions, with regard to the level of demand for the Group's services and trading forecasts for at least the next twelve months.

2.4 Basis of consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries as listed in note 25.

Control

The Company controls an entity when it has power over the entity, is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to use its power to vary its returns. The Company reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. All relevant facts and circumstances are considered in assessing whether the Company's voting and share rights in an investee are sufficient to give it power.

Non-controlling interest

Non-controlling interests in subsidiaries are identified separately from the Company's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisitions, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Consolidation process

Consolidation of a subsidiary begins when control over the subsidiary is obtained and ceases when control over the subsidiary is lost. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss and other comprehensive income or loss ('OCI') from the date the Company gains control until the date when the Company ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the accounting policies of the Group. All intra-group assets and liabilities, equity, income and expenses, including any unrealised income and expenses, relating to transactions between members of the Group are eliminated in full upon consolidation.

Profit or loss and each component of OCI are attributed to the shareholders of the Company and to the non-controlling interests. Total comprehensive income or loss of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

2.5 Foreign currencies

Functional and presentation currency

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.

Foreign currency transactions

In preparing the financial statements of each subsidiary, transactions in currencies other than the subsidiary's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in OCI and reclassified from equity to profit or loss on repayment of the monetary items.

Foreign operations

The assets and liabilities of the Group's foreign operations, including goodwill and fair value adjustments arising on acquisitions, are translated into USD using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in OCI and accumulated in a foreign currency translation reserve as part of shareholders' equity.

2.6 New and amended standards

In the current period, the Group has mandatorily adopted several amendments to IFRS® issued by the IASB that are effective for the current accounting period.

The following standards and amendments were applied for the first time in 2023, resulting in changes to the accounting policies and the notes where applicable:

- IFRS® 17 Insurance contracts
- Amendments to IFRS® 17 Insurance contracts: Initial application of IFRS® 17 and IFRS® 9
- Amendments to IAS 1 Presentation of Financial Statements and IFRS® Practice Statements 2 disclosure accounting policies
- Amendments to IAS 8 Definition of accounting estimates
- Amendments to IAS 12 Income Taxes: Deferred tax related to assets and liabilities arising from a single transaction
- Amendments to IAS 12 Income Taxes: International Tax Reform – Pillar Two Model Rules

The above mentioned amendments do not have a material impact on the disclosures in the notes or on the amounts reported in these consolidated financial statements.

New and amended standards and interpretations not yet effective

Certain new accounting standards and interpretations have been issued but are not yet effective for the year ended 31 December 2023 and have not been early adopted:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of liabilities as current or non-current and non-current liabilities with covenants
- Amendments to IFRS® 16 Leases: Lease liability in a sale and leaseback
- Amendments to IAS 7 Statement of Cashflows and IFRS® 7 Financial Instruments Disclosures: Supplier finance arrangements
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of exchangeability

None of the accounting standards issued but not yet effective are expected to have a material impact on these consolidated financial statements.

Note 3. Significant accounting estimates and judgements

Material accounting policies are provided in the respective note throughout the consolidated financial statements. In applying the Group's accounting policies, which are described in more detail in the notes to the financial statements, 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 has 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.

Control over subsidiaries

Note 25 describes that certain subsidiaries in UAE, Qatar, Thailand and Malaysia are subsidiaries of the Group even though the Group has only a 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 the entity, 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.

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 requires the application of judgment as to the ultimate outcome, which can change over time depending on facts and circumstances. Judgments mainly relate to transfer pricing, including inter-company financing and expenditure deductible for tax purposes.

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.

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 three 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.

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.

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 into 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.

Note 4. Revenue from contracts with customers

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 Group has an enforceable right to receive payment for time performance completed to date. Completion 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.

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 5). It excludes dividends, interest income and intra-group transactions.

Amounts in USD thousands	2023	2022
Revenue from contracts with customers		
Consultancy services	240,967	159,239
Reimbursement of expenses	8,709	7,721
Other	1,557	937
Total revenue from contracts with customers	251,233	167,897

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	2023	2022
Contract assets		
Contract assets related to contracts with customers	22,238	13,537
Loss allowance	(53)	(143)
Total contract assets	22,185	13,394
Contract liabilities		
Contract liabilities related to contracts with customers	1,978	1,535

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 to 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. Segment information

As of 1st July 2023, the Group is managed by four distinct business lines under the brands ABL ("The Energy and Marine Consultants"), OWC ("The Renewable Energy Consultants"), Longitude ("The Engineering Consultants") and AGR ("The Energy and Software Consultants"). The internal restructuring was carried out to simplify the group structure and to improve clarity around service offerings, with each segment containing services of a similar nature, provided to customers of a similar nature. These business lines will also form the basis for the four reportable segments of the Group. The internal management reports provided by management to the Group's Board of Directors, which is the Group's Chief Operating Decision Maker ("CODM"), is in accordance with this structure. No operating segments have been aggregated to form the above four reporting segments.

Management has considered the organisational structure, service offerings of each business unit and performance of certain activities in determining the reportable segments as described above. The main measures of performance for each segment are revenue, operating profit and working capital metrics (trade debtor and unbilled revenue days outstanding).

The AGR segment includes the AGR business acquired in Q2 2023, as well as certain Add Energy entities acquired in Q3 2022, which now form part of the AGR segment. Financials for the AGR segment prior to Q2 2023 relates solely to these Add Energy entities. Eliminations reflects the eliminations of intra-segment revenue to the extent that these arise between the segments.

The segmental information, as provided to the CODM on a monthly basis, is as follows:

Amounts in USD thousands	ABL	AGR	OWC	Longitude	Eliminations / Corporate	Total
Year ended 31 December 2023						
Segmental revenue	138,786	66,224	41,615	12,385	(7,777)	251,233
Operating profit	31,896	3,119	4,200	3,014	(25,699)	16,530
Finance income						423
Finance expenses						(1,666)
Net foreign exchange loss						(2,842)
Profit before income tax						12,445
Income tax expenses						(3,768)
Profit after tax						8,677

Amounts in USD thousands	ABL	AGR	OWC	Longitude	Eliminations / Corporate	Total
Year ended 31 December 2022						
Segmental revenue	125,357	6,469	30,739	11,191	(5,859)	167,897
Operating profit	24,908	(845)	4,362	2,530	(18,439)	12,514
Gain on disposal of subsidiaries						1,889
Finance income						169
Finance expenses						(1,411)
Net foreign exchange loss						(2,507)
Profit before income tax						10,654
Income tax expenses						(4,401)
Profit after tax						6,253

The following segment asset information is provided to the Board of Directors for reportable segments:

Amounts in USD thousands	ABL	AGR	OWC	Longitude	Eliminations / Corporate	Total
Year ended 31 December 2023						
Trade receivables	28,290	11,749	5,904	1,532	-	47,475
Contract assets	11,402	6,028	3,645	1,110	-	22,185
Cash and cash equivalents	15,291	7,129	4,240	912	585	28,157

Amounts in USD thousands	ABL	AGR	OWC	Longitude	Eliminations / Corporate	Total
Year ended 31 December 2022						
Trade receivables	24,903	3,455	3,192	894	-	32,444
Contract assets	9,718	487	1,931	1,258	-	13,394
Cash	19,485	1,710	4,626	803	4,350	30,974

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

Note 6. Staff Costs

Employee Benefits

Pension obligations

The Group currently operates both defined contribution and defined benefit plans. 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 an 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.

The Group's pension obligations primarily relate to defined contribution plans. The Group meets the Norwegian requirements for mandatory occupational pension ("obligatorisk tjenestepensjon"). Refer to note 18 for further information regarding other employee's end of service benefits.

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.

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.

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.

Amounts in USD thousands	2023	2022
Staff Costs		
Salaries and wages	96,628	62,995
Payroll and social security costs	11,844	7,616
Employee's end of service and pension benefits	4,791	2,322
Share-based payments	1,439	1,397
Other personnel costs	10,671	13,796
Total staff costs	125,373	88,126
Average number of employees	1,089	797

Note 7. Other operating expenses

Amounts in USD thousands	2023	2022
Subcontractor costs	72,202	37,765
Office lease and maintenance expenses	2,603	1,963
Insurance costs	3,372	2,637
Cost of recharged expenses	7,267	6,781
Transaction costs related to acquisitions	720	357
Expenses relating to short-term or low value leases	1,541	1,412
General and administrative expenses	16,324	13,000
Total other operating expenses	104,029	63,915
Remuneration to auditors¹		
Audit fees	1,094	1,020
Other assurance services	114	48
Other services	158	278
Total remuneration to auditors	1,366	1,347

¹ All fees are exclusive of VAT

Note 8. Business combinations

The acquisition method of accounting is used to account for all business combinations in accordance with IFRS® 3, 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 are 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 acquiree 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.

Business combinations during 2023

AGR

On 18 April 2023, the Group acquired 100 percent of the shares in the multi-disciplinary engineering consultancy and software company AGR AS ("AGR"). The acquisition will bolster the 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 purchase price consideration amounted to USD 29.0 million consisting of USD 0.5 million in cash on completion and the issue of 18,166,667 ordinary ABL Group shares (the "AGR Consideration Shares"), representing 14.8% of outstanding shares post-issue, issued at NOK 16.4 per share, being the closing share price on the date of completion.

The provisional purchase price allocation is based on Management's best estimation of the fair value of the identifiable assets acquired and liabilities assumed.

Management considers that the assumptions used in the provisional purchase price allocation are appropriate as at 31 December 2023. The measurement period will end no later than 18 April 2024. Goodwill recorded in connection with the AGR acquisition represents future economic benefits specific to the Group arising from assets that do not qualify for separate recognition as intangible assets.

The fair value of acquired trade receivables on acquisition is USD 8.6 million. The gross contractual amount for trade receivables due is USD 8.8 million, with a loss allowance of USD 0.2 million. USD 0.5 million of acquisition costs were incurred in the AGR acquisition and were included in other operating expenses in the consolidated income statement.

If control had been obtained on 1 January 2023, the combined revenue and profit for the year of the Group and the acquired business would have amounted to USD 270.7 million and USD 9.9 million respectively.

Delta Wind Partners

On 23 August 2023, the Group acquired 100 percent of the shares in the Denmark-based offshore wind consultancy DWP Group ApS and its subsidiary Delta Wind Partners ApS. The acquisition expands OWC's technical offering in wind turbines and in consultancy at the installation and O&M phases of an offshore wind project. It also provides an opportunity to further grow DWP's unique approach to WTG optimisation both globally and in the floating offshore wind market.

The purchase price consideration amounted to USD 1.7 million consisting of USD 1.1 million (DKK 7.4 million) in cash on completion and the issue of 413,838 ordinary ABL Group shares (the "DWP Consideration Shares"), representing 0.3% of outstanding shares post-issue, issued at NOK 16.5 per share, being the closing share price on the date of completion. The DWP Consideration Shares are subject to a lock-up agreement and certain restrictions for 3-5 years.

The provisional purchase price allocation is based on Management's best estimation of the fair value of the identifiable assets acquired and liabilities assumed.

Management considers that the assumptions used in the provisional purchase price allocation are appropriate as at 31 December 2023. The measurement period will end no later than 23 August 2024. Goodwill recorded in connection with the DWP acquisition represents future economic benefits specific to the Group arising from assets that do not qualify for separate recognition as intangible assets.

USD 0.2 million of acquisition costs were incurred in the DWP acquisition. These costs have been included in other operating expenses in the consolidated income statement. If control had been obtained on 1 January 2023, the combined revenue and profit for the year of the Group and the acquired business would have amounted to USD 252.8 million and USD 8.8 million respectively.

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

Amounts in USD thousands	AGR	DWP
Provisional fair value of net assets acquired		
Property, plant and equipment	246	33
Intangible assets - proprietary software	2,478	-
Intangible assets - customer relations	10,020	-
Right-of-use assets	1,157	-
Financial assets (deposits)	-	12
Deferred tax assets	3,595	2
Trade and other receivables	9,352	399
Contract assets	5,143	72
Cash and cash equivalents	3,593	8
Trade and other payables	(15,581)	(228)
Income tax payable	-	(105)
Deferred tax liabilities	(2,410)	-
Long-term liabilities	(1,602)	-
Net identifiable assets acquired	15,991	193
Non-controlling interests	(255)	-
Goodwill	13,229	1,535
Net assets acquired	28,965	1,728

Amounts in USD thousands		
Purchase consideration		
Cash consideration	509	1,086
Consideration shares	28,456	642
Total purchase consideration	28,965	1,728

Amounts in USD thousands		
Net cash flow on acquisition of subsidiaries		
Cash acquired	3,593	8
Cash paid	(509)	(1,086)
Net cash flow - investing activities	3,084	(1,078)

Note 9. Financial items

Interest income

Interest income is recognized using the effective interest rate method.

Amounts in USD thousands	2023	2022
Finance income		
Interest income	167	100
Other finance income	256	69
Total finance income	423	169
Finance expenses		
Interest on obligations under finance leases	404	297
Interest expenses	888	1,077
Other finance expenses	374	37
Total finance expenses	1,666	1,411
Foreign exchange loss		
Net foreign exchange loss	2,842	2,507

Net foreign exchange loss includes foreign currency loss related to bank accounts in the Company and its subsidiaries, which have bank accounts in currencies other 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 comprehensive income.

Note 10. Taxes

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 neither 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.

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.

Amounts in USD thousands	2023	2022
Income tax expenses on ordinary pre-tax profit		
Income tax charge	2,447	2,572
Withholding taxes	1,388	1,359
Deferred tax (credit) / charge	(68)	470
Total income tax expenses on ordinary pre-tax profit	3,767	4,401
Income tax expenses on other comprehensive income elements	(793)	(729)
Total income tax on other comprehensive income	(793)	(729)
Deferred tax assets		
Deferred tax on temporary differences	5,308	1,744
Total deferred tax assets	5,308	1,744
Movement in deferred tax assets		
At 1 January	1,744	1,708
Income statement charge	(33)	(122)
Increase as a result of a business combination (see note 8)	3,593	159
Exchange differences	4	-
At 31 December	5,308	1,744
Deferred tax liabilities		
Deferred tax on temporary differences	4,687	2,516
Total deferred tax liabilities	4,687	2,516
Movement in the deferred tax liabilities		
At 1 January	2,516	1,259
Income statement (credit) / charge	(240)	1,259
Increase as a result of a business combination (see note 8)	2,410	-
Exchange differences	-	(2)
At 31 December	4,686	2,516

Amounts in USD thousands	2023	2022
Reconciliation of the effective tax rate:		
Profit before income tax	12,445	10,654
Income tax using the Group's domestic tax rate of 22% (2022: 22%)	2,738	2,344
Effect of non-deductible expenses or non-taxable income	86	2
Effect of tax incentives and exempt income	(48)	-
Effect of tax rates in other countries	(548)	(600)
Deferred tax assets not recognised	66	594
Withholding taxes	1,388	1,359
Utilisation or recognition of previously unrecognised tax losses	-	(79)
Income tax related to prior years	86	781
Income tax expense recognised in profit or loss	3,768	4,401

The Group has recognized deferred tax assets in respect of carry forward losses of its various subsidiaries as at 31 December 2023 and 2022. 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 66,000 at 31 December 2023 (31 December 2022: USD 594,000) stated above is mainly related to tax losses carried forward.

Deferred taxes on unrealised foreign exchange gain or loss relating to long-term 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.

Note 11. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Parent 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.

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.

Amounts in USD thousands	2023	2022
Earnings for the calculation of basic and diluted earnings per share		
Profit attributable to shareholders of the Parent Company	8,677	6,253
Number of shares		
Weighted average number of ordinary shares for the calculation of basic earnings per share	117,702	99,850
Effect of dilutive potential ordinary shares	7,716	8,097
Weighted average number of ordinary shares for the calculation of diluted earnings per share	125,418	107,947
Earnings per share (USD): basic		
	0.07	0.06
Earnings per share (USD): diluted		
	0.07	0.06

The following instruments could potentially dilute basic earnings per share in the future.

Number of instruments (in thousands)	2023	2022
Employee share options (note 16)		
	10,023	10,805
Conditional warrants		
	1,000	1,000
Consideration shares		
	664	664
Total number of options and warrants	11,687	12,469
Dilutive effect of the above instruments		
Employee share options (note 16)	6,063	6,444
Conditional warrants	993	993
Consideration shares	660	660
Dilutive number of options and warrants	7,716	8,097

Note 12. Property, plant and equipment

Property, plant and equipment is 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.

Depreciation is calculated using the straight-line method to allocate the asset's 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.

Right-of-use assets

The Group assesses, at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Rental contracts, typically for office premises, are often entered into for fixed periods of 6 months to several years and may have extension options.

A right-of-use asset and a lease liability are recognised at the lease commencement date.

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received, and any initial direct costs. It is subsequently measured at cost less accumulated depreciation and impairment losses. The useful life for a right-of-use asset is equal to the corresponding lease term. If there is evidence that the remaining useful life of the underlying asset is lower than the lease term, then the useful life is used.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group applies the short-term lease recognition exemption to its short-term leases. Lease payments on short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease terms.

The Group applies a single discount rate to a portfolio of leases with reasonably similar characteristics. Many leases contain extension and termination options which are included in the lease terms if the Group is reasonably certain that they will be exercised.

Amounts in USD thousands	Right-of-use offices	Fixtures and office equipment	Vehicles	Total
Cost at 1 January 2022	9,935	2,830	88	12,853
Additions	4,130	1,742	-	5,872
Acquired through business combinations	729	120	-	849
Disposals	(2,893)	(131)	-	(3,024)
Write-off/ transfers	-	221	-	221
Exchange differences	46	275	-	321
Cost at 31 December 2022	11,947	5,058	88	17,093

Accumulated depreciation at 1 January 2022	6,306	1,728	54	8,087
Charge for the year	1,790	1,104	18	2,912
Disposals	(3,609)	(87)	-	(3,696)
Write-off/ transfers	-	277	-	277
Exchange differences	(444)	(55)	7	(492)
Accumulated depreciation at 31 December 2022	4,043	2,967	78	7,088
Carrying amount at 31 December 2022	7,904	2,091	10	10,005

Cost at 1 January 2023	11,947	5,058	88	17,093
Additions	98	968	-	1,066
Acquired through business combinations	1,157	279	-	1,436
Disposals	(106)	(303)	(5)	(414)
Exchange differences	666	234	8	908
Cost at 31 December 2023	13,762	6,236	91	20,089

Amounts in USD thousands	Right-of-use offices	Fixtures and office equipment	Vehicles	Total
Accumulated depreciation at 1 January 2023	4,045	2,967	78	7,088
Charge for the year	2,390	944	7	3,341
Disposals	(106)	(301)	(22)	(429)
Exchange differences	(715)	166	25	(525)
Accumulated depreciation at 31 December 2023	5,614	3,776	88	9,476
Carrying value at 31 December 2023	8,149	2,460	3	10,613

See note 17 for further information on the lease liabilities relating to the above right-of-use assets.

Note 13. Goodwill and intangible assets

Goodwill

Goodwill is measured as described in note 8. Goodwill is not amortised but is reviewed for impairment at least annually, or more frequently when there is an indication that goodwill may be impaired. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units ("CGU's") expected to benefit from the synergies of the combination. If the recoverable amount of the CGU is less than the carrying amount of the CGU, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to that CGU and then to the other assets of the unit pro-rata, on the basis of the carrying amount of each asset in that CGU. An impairment loss recognised for goodwill is not reversed in a subsequent period.

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.

Amounts in USD thousands	Goodwill	Customer relations	Patents	Internally generated software	Total
Cost 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)
Cost at 31 December 2022	29,218	4,275	1,386	502	35,382
Accumulated amortisation and impairment at 1 January 2022	5,546	356	-	-	5,902
Charge for the year	-	384	46	66	495
Effect of movements in exchange rates	(405)	-	-	7	(398)
Accumulated amortisation and impairment at 31 December 2022	5,141	740	46	72	5,999
Carrying value at 31 December 2022	24,077	3,536	1,340	430	29,382
Cost at 1 January 2023	29,218	4,275	1,386	502	35,382
Acquired through business combinations	14,764	6,736	3,284	2,478	27,262
Additions	-	-	-	1,454	1,454
Effect of movements in exchange rates	290	126	66	48	529
Cost at 31 December 2023	44,272	11,137	4,736	4,483	64,627
Accumulated amortisation and impairment at 1 January 2023	5,141	740	46	72	5,999
Charge for the year	-	1,087	92	782	1,961
Effect of movements in exchange rates	(154)	(6)	-	-	(160)
Accumulated amortisation and impairment at 31 December 2023	4,987	1,820	139	854	7,800
Carrying value at 31 December 2023	39,284	9,317	4,597	3,629	56,828
Useful life	Tested for impairment	5 – 15 years	15 years	5 – 10 years	

All goodwill is allocated to CGUs. These CGUs 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 reporting date. The allocation of goodwill to cash-generating units is as follows:

Amounts in USD thousands	2023	2022
Cash Generating Units		
ABL	19,972	19,878
AGR	13,467	-
OWC	4,246	2,600
Longitude	1,599	1,599
Total goodwill	39,284	24,077

Goodwill arising from the acquisitions is attributable to workforce of the acquired businesses (refer note 8).

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 CGUs 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 CGU and a suitable discount rate in order to calculated present value. Where the actual future cash flows are less than expected, an impairment loss may arise.

The Group has completed an annual assessment of impairment indicators and performed an impairment test on assets and CGUs. The following assumptions were used:

Cash flow projections and assumptions:

A three year forecast of discounted cash flows plus a terminal value 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 2024 are based on budget. The estimated cash flows in the years 2025-2026 are based on current 3-year forecasts for each CGU. The projected cash flows are based on the expected development in the total overall market, the CGUs performance and that the 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, the 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 the Group's 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 weighted average cost of capital ("WACC") is determined based on a target capital structure of 80% equity (2022: 80%), where cost of equity is determined using a capital asset pricing model. The WACC is based on the post-tax cost of equity and cost of debt using CGU-specific inputs where possible for key inputs including risk-free interest rate, the beta factor, country risk premium, market risk premium, additional risk premium, and country specific tax rates.

Key inputs in determining the WACC:

- Risk free interest rate: 10-year government yield
- Asset beta: Based on a selected peer group consisting of companies with statistical data for the last 5 years: 0.94 (2022: 1.04)
- Capital structure: Equity ratio of 80%

The cash flows were discounted using WACC of 9.0% to 11.1%.

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 that exceeds the carrying amounts for all CGUs.

Note 14. Trade and other 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.

Amounts in USD thousands	2023	2022
Trade receivables	48,087	33,280
Loss allowance	(612)	(836)
Total trade receivables	47,475	32,444
Prepayments	4,465	3,427
Deposits	1,675	1,122
Other receivables	3,777	4,409
Total trade and other receivables	57,392	41,400

Trade receivables 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 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. 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.

Note 15. Cash and cash equivalents

For the purpose of the 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.

Amounts in USD thousands	2023	2022
Non restricted cash	28,048	30,815
Restricted cash	109	159
Total cash and cash equivalents	28,157	30,974

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.

Restricted cash is cash held in the bank accounts of certain entities where there is a 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

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.

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.

Amounts in USD thousands	Number of shares (thousands)	Share capital	Share premium	Total
At 1 January 2022	96,923	1,323	64,912	66,235
Cash-settled capital increase (net of transaction costs)	5,265	53	1,694	1,746
Shares issued as consideration for business combination	2,582	26	2,680	2,706
Dividends paid	-	-	(5,936)	(5,936)
At 31 December 2022	104,770	1,402	63,349	64,751
At 1 January 2023	104,770	1,402	63,349	64,751
Shares issued as consideration for business combination (see note 8)	18,580	178	28,833	29,011
Dividends paid	-	-	(8,073)	(8,073)
At 31 December 2023	123,350	1,580	84,109	85,689

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 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 2023, 18,580,505 ordinary shares (2022: 7,847,279 ordinary shares) were issued. The Company incurred USD 43,000 (2022: USD 24,000) 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.

Employee share option plan

Share options to staff for shares issued under the Group's share options scheme are set out below:

In thousands of options	2023		2022	
	Number of share options	Weighted average exercise price NOK	Number of share options	Weighted average exercise price NOK
At 1 January	10,805	6.17	17,765	4.80
Granted during the year	-	-	1,000	12.64
Exercised during the year	-	-	(5,265)	3.37
Adjusted during the year	-	-	90	3.57
Forfeited during the year	(782)	6.80	(2,785)	4.44
At 31 December	10,023	6.12	10,805	6.17

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

Grant date	Expiry date	Exercise price NOK	2023	2022
20/12/19	11/3/25	3.09	630	630
4/5/21	14/9/24	5.26	8,545	9,175
22/12/22	11/4/26	12.03	848	1,000
Options outstanding at year end (thousands)			10,023	10,805
Weighted average remaining contractual life (years) of options outstanding at end of period			0.81	2.06

During the year the Board of Directors extended the expiry date of the options granted on 20 December 2019 to 11 March 2025.

The Group recognised total share-based payment expenses of USD 1.4 million in 2023 (2022: USD 1.4 million).

Note 17. Borrowings

Borrowings are carried at fair value when the disbursement of the loan takes place, less transaction costs. In subsequent periods, borrowings are stated at amortized cost calculated using the effective interest rate. The difference between the disbursed loan amount (net of transaction costs) and the redemption value is recognized over the term of the loan. Fees related to the creation of drawing rights are recorded in anticipation of borrowing taking place if it is likely that the loan will be drawn up. The fee is then recognized as part of the cost of the loan. If it is not likely that all or part of the loan will be drawn up, the fee is capitalized as prepaid cash services and charged over the period the right applies to.

For the current borrowings, the fair values are the same as 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 costs of USD 0.9 million (2022: USD 0.7 million) on the current loans. These costs have been included in finance expenses in the income statement.

The Group's current term loan facility of USD 10.0 million originally lapsed in December 2023. Additionally the existing revolving credit facility of USD 5.0 million was rolled over and extended for another year in July 2023. In January 2024 the Group entered into a new financing facility, details of which are disclosed in note 27.

Amounts in USD thousands	2023	2022
Bank loans		
Current	10,946	13,337

Reconciliation of change in carrying amount of borrowings throughout the year:

Amounts in USD thousands	2023	2022
Carrying amount at 1 January	13,337	11,661
Change in capitalized fees and expenses	202	111
Draw down of borrowings	5,000	5,000
Repayment of borrowings	(7,592)	(3,435)
Carrying amount at 31 December	10,946	13,337

Amounts in USD thousands	2023	2022
Net debt		
Cash and cash equivalents	28,157	30,974
Borrowings - current	(10,946)	(13,337)
Lease liabilities - current	(1,818)	(1,869)
Lease liabilities - non-current	(6,801)	(6,922)
Net interest bearing debt	8,592	8,846

Net debt reconciliation

Amounts in USD thousands	Borrowings	Lease liabilities	Sub total	Cash and cash equivalents	Total
Net debt as at 1 January 2022	(11,661)	(3,830)	(15,491)	19,815	4,324
Cash flow from financing activities					
Net change in cash and cash equivalents	-	-	-	11,982	11,982
Principal elements of lease payments	-	1,765	1,765	-	1,765
Repayment of borrowings	3,333	-	3,333	-	3,333
Proceeds from loans and borrowings	(5,000)	-	(5,000)	-	(5,000)
Interest received (presented as investing cash flows)	-	-	-	(81)	(81)
Interest payments (presented as operating cash flows)	1,115	-	1,115	-	1,115
Non-cash movements					
New leases	-	(6,727)	(6,727)	-	(6,727)
Interest expense	(1,077)	-	(1,077)	100	(977)
Foreign exchange adjustments	-	-	-	(823)	(823)
Other changes	(46)	-	(46)	(19)	(65)
Net debt as at 31 December 2022	(13,337)	(8,792)	(22,128)	30,974	8,846
Net debt as at 1 January 2023	(13,337)	(8,792)	(22,128)	30,974	8,846
Cash flow from financing activities					
Net change in cash and cash equivalents	-	-	-	(2,693)	(2,693)
Principal elements of lease payments	-	2,808	2,808	-	2,808
Repayment of borrowings	7,391	-	7,391	-	7,391
Proceeds from loans and borrowings	(5,000)	-	(5,000)	-	(5,000)
Interest received (presented as investing cash flows)	-	-	-	(167)	(167)
Interest payments (presented as operating cash flows)	887	-	887	-	887
Non-cash movements					
New leases	-	(2,635)	(2,635)	-	(2,635)
Interest expense	(888)	-	(888)	167	(721)
Foreign exchange adjustments	-	-	-	(124)	(124)
Other changes	1	-	1	-	1
Net debt as at 31 December 2023	(10,946)	(8,619)	(19,564)	28,157	8,592

Note 18. 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.

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.

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 2023 and 2022, 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 6 for further information regarding pension schemes.

Amounts in USD thousands	2023	2022
Provision for employees' end of service benefits		
Non-current	3,540	3,058
Reconciliation of change in the provisions during the year		
At 1 January	3,058	2,714
Provisions made during the year	769	571
Payments made during the year	(287)	(227)
At 31 December	3,540	3,058

Defined benefit pension

A member of the Group operates a defined benefit scheme with a life insurance provider. As of 31 December 2023 the defined benefit plan covered 7 (31 December 2022: 7) active members and 2 retired members (31 December 2022: 2). The scheme is closed to new entrants.

The pension funds are placed in a portfolio of investments by the insurance provider which manages all transactions related to the pension scheme. The estimated return of the pension fund is based on market prices at the reporting date and projected development the period in which the pension scheme is valid.

The calculation of pension liabilities is based on assumptions in line with the actuarial valuation conducted at the reporting date. Actuarial gains and losses are presented as part of other comprehensive income.

Note 19. 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.

Amounts in USD thousands	2023	2022
Trade payables	12,577	5,651
Accrued employee benefits	10,186	6,424
Taxation and social security contributions	10,654	4,852
Other accrued expenses and payables	11,413	8,964
Total trade payables	44,830	25,890

Trade payables are non-interest bearing.

Note 20. Fair values of financial assets and financial liabilities

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.

Amounts in USD thousands	Valuation model	Carrying amount and Fair value	
		2023	2022
Financial assets			
Trade and other receivables	Amortised cost	55,717	37,973
Contract assets	Amortised cost	22,185	13,394
Cash and cash equivalents	Amortised cost	28,157	30,974
Total financial assets		106,059	82,341
Financial liabilities			
Trade and other payables	Amortised cost	44,830	25,890
Contract liabilities	Amortised cost	1,978	1,535
Bank borrowings	Amortised cost	10,946	13,337
Total financial liabilities		57,754	40,761

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 have been no significant transactions with related parties in 2023.

Compensation to Board of Directors

Amounts in USD thousands	2023	2022
Glen Rødland, Chairman	61	56
Yvonne Litsheim Sandvold	26	21
Synne Syrrist	28	26
Rune Eng	24	21
David Wells	24	-
Total	163	124

Compensation to Executive Management

2023					
Amounts in USD thousands	Salary	Bonus	Pension	Other	Total
Reuben Segal, Chief Executive Officer	359	18	30	128	535
Bader Diab, Chief Operating Officer	326	18	13	35	392
Stuart Jackson, Chief Financial Officer	317	363	19	110	809
RV Ahilan, Chief Energy Transition Officer	230	12	12	6	260
Svein Staaen, General Counsel	197	10	18	3	228
Katherine Philips, Chief Transformation Officer	86	-	9	-	95
Total	1,515	421	101	282	2,319

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

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 2023 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 2023

Name	Number of options	Number of shares
Board of Directors		
Glen Rødland, Chairman ¹	-	14,890,351
Rune Eng ²	-	198,407
Paal E. Johnsen ³	-	-
Hege Marie Norheim	-	-
Yvonne Litsheim Sandvold	-	-
Synne Syrrist	-	-
David Wells ⁴	135,000	1,073,051
Executive Management		
Reuben Segal, Chief Executive Officer ⁵	-	1,933,003
Bader Diab, Chief Operating Officer	-	1,652,695
Stuart Jackson, Chief Financial Officer	-	-
RV Ahilan, Chief Energy Transition Officer	260,000	737,705
Svein Staaen, General Counsel	135,000	202,864
Katherine Philips, Chief Transformation Officer	40,000	-
Total	570,000	20,688,076

¹ The shares are held through Gross Management AS.

² The shares are held through Eng Invest AS.

³ Paal E. Johnsen is chairperson of RGA Energy Holdings AS, which held 4.9% of the Company's issued share capital at 31 December 2023 (see note 26).

⁴ The shares are held through Banque Pictet & Cie SA

⁵ 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, COO and other executives who are employed at the same level in the organisation.

The Group's salary policy for executive management – main principles for 2023

Due to the international scope of its business, the 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, the Group is dependent on offering salaries making the Group able to recruit and keep skilled managers. In order to ensure the best possible leadership the Group must offer a satisfactory salary, which is internationally competitive. A remuneration report will be made available on www.abl-group.com.

Salaries and other remuneration

It is the Group's policy that management remuneration shall primarily 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 Group has a bonus plan in place for its employees and a long-term incentive plan (the "LTIP") for certain employees aimed to align the interests of those employees with those of the Group's shareholders. Under the LTIP, participating employees are granted options which give the holder the right to acquire an equivalent number of shares in the Company. 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 Group's employee incentive program.

Specific conditions and limits with regards to the bonus and the LTIP are regulated by the overall allocation parameters approved by the Board. During 2023, the Group has initiated work to replace the existing bonus plan and LTIP with new short-term and long-term employee incentive schemes.

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 permitted in special circumstances, for example, 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 to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's presentational 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. Changes in the USD exchange rate would have had the following effect on the profit and loss of the Group:

Amount in USD thousands	+5% changes in rates	-5% changes in rates
2023	423	(423)
2022	221	(221)

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 28.2 million at 31 December 2023 (2022: USD 31.0 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	Over 5 years
31 December 2023					
Trade and other payables	44,830	44,830	44,830	-	-
Bank borrowings	10,946	10,946	10,946	-	-
Lease liabilities	8,619	10,169	3,084	5,884	1,201
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	10,233	2,605	7,629	-

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 2023 and 2022 is as follows:

Amounts in USD thousands	2023	2022
Trade receivables		
Up to 3 months	40,043	25,113
3 to 6 months	4,716	2,903
6 to 12 months	1,867	2,807
Over 12 months	849	1,621
Total	47,475	32,444
Contract assets	22,185	13,394
Total	69,660	45,838

As at 31 December 2023 and 2022 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 2023							
Gross amount	40,243	4,797	1,948	1,098	48,087	22,238	70,325
Expected loss rate	0.5 %	1.7 %	4.2 %	22.7 %	-	0.2 %	0.9 %
Loss allowance	201	81	82	249	612	53	665
31 December 2022							
Gross 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

Reconciliation of loss allowance in respect of trade receivables and contract assets during the year

Amounts in USD thousands	Trade receivables		Contract assets	
	2023	2022	2023	2022
At 1 January	836	1,107	143	139
Net remeasurement of loss allowance	210	628	14	4
Write-back for the year	(435)	(899)	(67)	-
At 31 December	612	836	90	143

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 of cash deposits with banks of USD 28.2 million (2022: USD 31.0 million).

Capital management

The Group's objectives when managing capital are to:

- safeguard the 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 2023, the Group had issued bank guarantees amounting to USD 1.3 million (31 December 2022: USD 1.3 million) and had outstanding letters of credit issued amounting to USD 2.8 million (31 December 2022: USD 0.7 million).

Note 25. List of subsidiaries

The Group's principal subsidiaries at 31 December 2023 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		Voting power	
		2023	2022	2023	2022
A B L Marine Services LLC	United Arab Emirates (Abu Dhabi)	49%	49%	49%	49%
A B L Marine Services LLC ²	United Arab Emirates (Dubai)	49%	100%	49%	100%
ABL (Australasia) Pty Ltd	Australia	100%	100%	100%	100%
ABL Aberdeen Limited	United Kingdom	100%	100%	100%	100%
ABL Adjusting Limited	United Kingdom	100%	100%	100%	100%
ABL Consultants (Thailand) Co Ltd	Thailand	49%	51%	49%	51%
ABL Consultants Malaysia Sdn Bhd	Malaysia	49%	51%	49%	51%
ABL Energy & Marine Consultants (Canada) Ltd	Canada	100%	100%	100%	100%
ABL Energy & Marine Consultants Brasil Ltda	Brazil	100%	100%	100%	100%
ABL Energy & Marine Consultants India Private Limited	India	100%	100%	100%	100%
ABL Energy & Marine Consultants Pte Ltd	Singapore	100%	100%	100%	100%
ABL Energy & Marine Consultants RO SRL	Romania	100%	100%	-	-
ABL Energy & Marine Consultants South Africa (Pty) Ltd	South Africa	100%	100%	100%	100%
ABL Group Holding Limited ¹	United Kingdom	100%	100%	100%	100%
ABL Group Korea Ltd	Republic of Korea	100%	100%	100%	100%
ABL HK Limited	Hong Kong	100%	100%	100%	100%
ABL London Limited	United Kingdom	100%	100%	100%	100%
ABL Marine Services Co Limited	Saudi Arabia	60%	60%	60%	60%
ABL Marine Services LLC ²	Qatar	49%	100%	49%	100%
ABL Norway AS	Norway	100%	100%	100%	100%
ABL Shanghai Co Ltd	China	100%	100%	100%	100%
ABL Technical Services Holdings Limited ¹	United Kingdom	100%	100%	100%	100%
ABL Technical Services Pte Ltd	St. Kitts and Nevis	100%	100%	100%	100%
ABL Teknik Servis Denizcilik Limited Sirketi	Turkey	100%	100%	100%	100%
ABL Treasury AS ¹	Norway	100%	100%	-	-

Name of entity	Place of business/country of incorporation	Ownership interest		Voting power	
		2023	2022	2023	2022
ABL USA Inc.	United States	100%	100%	100%	100%
ABL Vietnam Company Ltd	Vietnam	100%	100%	100%	100%
Add Energy & Partners LLC	Oman	50%	50%	50%	50%
Add Energy Asia Pte Ltd	Singapore	100%	100%	100%	100%
Add Energy Australasia Pty Ltd	Australia	100%	100%	100%	100%
Add Energy Canada Ltd	Canada	100%	100%	100%	100%
Add Energy Group AS ¹	Norway	100%	100%	100%	100%
Add Energy LLC	United States	100%	100%	100%	100%
Add Energy North America Holding AS	Norway	100%	100%	100%	100%
Add Energy North America Holding LLC	United States	100%	100%	100%	100%
Add Energy Offshore LLC	United States	100%	100%	100%	100%
Add Energy Scotland Ltd	United Kingdom (Scotland)	100%	100%	100%	100%
Add IPS Pty Ltd	Australia	100%	100%	100%	100%
Add ISRM Pty Ltd	Australia	100%	100%	100%	100%
Add Latent Limited	United Kingdom (Scotland)	100%	100%	100%	100%
Add Lucid Pty Ltd	Australia	100%	100%	100%	100%
Add Wellflow AS	Norway	100%	100%	100%	100%
AGR (Australia) Pty Ltd	Australia	100%	100%	-	-
AGR AS ¹	Norway	100%	100%	-	-
AGR Consultancy Services AS	Norway	100%	100%	-	-
AGR Consultancy Solutions Ltd	United Kingdom (Scotland)	100%	100%	-	-
AGR Energy Services AS	Norway	100%	100%	-	-
AGR Group Americas Inc	United States	100%	100%	-	-
AGR Mexico Well Management S de RI de CV	Mexico	100%	100%	-	-
AGR Software AS	Norway	91%	91%	-	-
Aqualis Offshore UK Limited	United Kingdom	100%	100%	100%	100%
Delta Wind Partners ApS	Denmark	100%	100%	-	-
DWP Group ApS ¹	Denmark	100%	100%	-	-
East Point Geo Ltd. ¹	United Kingdom	100%	100%	100%	100%
Innosea Limited	United Kingdom (Scotland)	100%	100%	100%	100%
Innosea SAS	France	100%	100%	100%	100%
John LeBourhis & Associates	United States	100%	100%	100%	100%
LOC (Egypt) For Consultancy Service SAE	Egypt	60%	60%	60%	60%

Name of entity	Place of business/country of incorporation	Ownership interest		Voting power	
		2023	2022	2023	2022
LOC (Germany) GmbH	Germany	100%	100%	100%	100%
LOC (Kazakhstan) LLP	Kazakhstan	100%	100%	100%	100%
LOC (Laem Chabang) Co Ltd	Thailand	100%	100%	100%	100%
LOC (Netherlands) BV	Netherlands	100%	100%	100%	100%
LOC Senegal SAS	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 JLA Inc	United States	100%	100%	100%	100%
London Offshore Consultants (France) SARL	France	100%	100%	100%	100%
London Offshore Consultants (Guernsey) Limited	Guernsey	100%	100%	100%	100%
London Offshore Consultants (Holdings) Limited	United Kingdom	100%	100%	-	-
London Offshore Consultants (India) Pvt Ltd	India	100%	100%	100%	100%
London Offshore Consultants (Korea) Limited	Republic of Korea	100%	100%	100%	100%
London Offshore Consultants (Malaysia) Sdn Bhd ²	Malaysia	49%	49%	49%	49%
London Offshore Consultants (Mexico) SA de CV	Mexico	100%	100%	100%	100%
London Offshore Consultants (Nigeria) Limited	Nigeria	100%	100%	100%	100%
London Offshore Consultants Brasil Ltda.	Brazil	100%	100%	100%	100%
London Offshore Consultants Limited	United Kingdom	100%	100%	100%	100%
London Offshore Consultants Pte Ltd	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 Ltd	United Kingdom	100%	100%	100%	100%
Longitude Engineering de Mexico SA de CV	Mexico	100%	100%	100%	100%
Longitude Engineering Pte Ltd	Singapore	100%	100%	100%	100%
Lucid Unit Trust	Australia	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%

Name of entity	Place of business/country of incorporation	Ownership interest		Voting power	
		2023	2022	2023	2022
Offshore Wind Consultants Ireland Limited	Ireland	100%	100%	100%	100%
Offshore Wind Consultants Limited ¹	United Kingdom	100%	100%	100%	100%
Offshore Wind Consultants sp. z.o.o.	Poland	100%	100%	100%	100%
Offshore Wind Consultants Taiwan Co Ltd	Taiwan	100%	100%	100%	100%
Oracle Services Pty Ltd	Australia	100%	100%	100%	100%
OWC (Aqualis) GmbH	Germany	100%	100%	100%	100%
OWC Japan Ltd Tokyo	Japan	100%	100%	100%	100%
PT ABL Offshore Indonesia	Indonesia	100%	100%	100%	100%
SpotOn Well Management Ltd	United Kingdom (Scotland)	100%	100%	-	-
Total Service Partner AS	Norway	33%	33%	33%	33%
Transitory Pty Ltd	Australia	100%	100%	100%	100%

¹ Investments held directly by ABL Group ASA.

² The remaining legal ownership in each case is registered in the name of local sponsors in accordance with statutory regulations of those countries, who have 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 26. Shareholder information

The list of top 20 shareholders below is based on the shareholder register as per 31 December 2023. Actual shareholding may deviate due to the use of nominee accounts.

Name of shareholder	No. of shares	% ownership
Gross Management AS	14,890,351	12.1 %
Holmen Spesialfond	10,450,000	8.5 %
DNB Bank ASA	7,637,835	6.2 %
Bjørn Stray	6,217,743	5.0 %
RGA Energy Holdings AS	6,055,556	4.9 %
Nordea Bank ABP	6,055,555	4.9 %
Melesio Invest AS	4,811,016	3.9 %
Sober AS	3,500,000	2.8 %
Saxo Bank AS	3,364,921	2.7 %
Hausta Investor AS	3,200,000	2.6 %
KRB Capital AS	2,539,065	2.1 %
Valorem AS	2,360,000	1.9 %
MP Pensjon PK	2,251,128	1.8 %
Trapesa AS	2,192,529	1.8 %
Catilina Invest AS	1,685,339	1.4 %
Badreddin Diab	1,652,695	1.3 %
Amphytron Invest AS	1,600,339	1.3 %
Ginko AS	1,428,480	1.2 %
Carucel Finance AS	1,300,000	1.1 %
Carnegie Investment Bank AB	1,280,883	1.0 %

Note 27. Events after the reporting date

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

Subsequent to the reporting date the following material events have occurred:

New financing

The Group entered into an agreement for a new borrowing facility with a financial institution in January 2024. The previous loan facility which originally lapsed in December 2023 was extended for one month to arrange for a smooth transition to the new facility.

The new facility consists of two parts, (i) a revolving credit facility of USD 30 million and (ii) an accordion facility of USD 20 million. The facility terminates three years from the date of the agreement with a one plus one year extension option. The agreement has the following covenants:

- Interest cover not less than 4.00:1
- Leverage not to exceed 2.50:1

Financial covenants will be measured on a quarterly basis.

The interest on the above facility is the relevant LIBOR for USD loans or similar rates for other loan currencies (SOFR, SONIA, ESTR, NIBOR - 1, 3 or 6 months at the borrower's discretion) plus a margin based on a ratchet of between 250 and 310 basis points dependent on the prevailing adjusted leverage ranging from less than 1.00:1 to greater than 2.00:1

Debt issuance costs of USD1.1 million were incurred in the completion of the new facility. These costs have been capitalised and are being amortised over the term of the facility agreement.

Exercise of share options and warrants

On 14 December 2023 a total number of 9,175,000 employee share options vested. Following an exercise window that closed on 8 January 2024, a total of 4,127,500 options were exercised on that date resulting in an increase the share capital of the parent company of NOK 412,750.

On 22 January 2024, Bridgepoint Advisers II Limited exercised its last remaining tranche consisting of 1,000,000 warrants issued following the acquisition of the LOC Group.

Following the above option and warrant exercises there were 128,477,867 ordinary shares in issue.

PARENT COMPANY FINANCIAL STATEMENTS AND NOTES

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Income statement

Amounts in NOK thousands	Notes	2023	2022
Revenues	2	14,366	13,235
Total revenues		14,366	13,235
Staff costs	3	(13,579)	(15,041)
Other operating expenses	4	(16,870)	(9,978)
Depreciation	5	(21)	(6)
Operating loss (EBIT)		(16,104)	(11,791)
Finance income	6	37,235	34,923
Finance expenses	6	(22,836)	(6,404)
Net foreign exchange gain (loss)	6	18,610	31,230
Profit before income tax		16,905	47,958
Income tax expense	7	(3,622)	(10,065)
Profit for the year		13,283	37,893

Balance Sheet as at 31 December

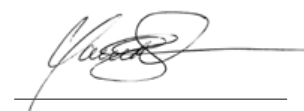
Amounts in NOK thousands	Notes	2023	2022
ASSETS			
Non-current assets			
Property, plant and equipment	5	184	15
Investment in subsidiaries	8	600,684	257,132
Non-current portion of receivables	9	409,432	423,427
Total non-current assets		1,010,300	680,574
Current assets			
Trade and other receivables	10	29,651	33,718
Cash and cash equivalents	11	2,475	32,601
Total current assets		32,126	66,319
Total assets		1,042,426	746,893
EQUITY AND LIABILITIES			
Equity			
Share capital	12, 13	12,335	10,477
Consideration shares	13	9,892	9,892
Other paid-up capital	13	748,076	504,528
Total equity		770,303	524,897
Non-current liabilities			
Deferred tax liabilities	7	8,553	9,688
Bank borrowings	15	-	-
Total non-current liabilities		8,553	9,688

Amounts in NOK thousands	Notes	2023	2022
Current liabilities			
Trade and other payables	14	152,363	84,243
Bank borrowings	15	111,206	128,065
Total current liabilities		263,570	212,308
Total liabilities		272,123	221,996
Total equity and liabilities		1,042,426	746,893

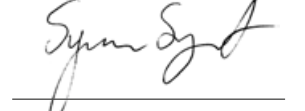
Oslo, 24 April 2024



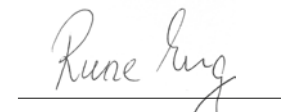
Glen Ole Rødland
Chair of the Board



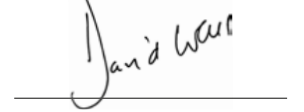
Yvonne L. Sandvold
Board Member



Synne Syrrist
Board Member



Rune Eng
Board Member



David Wells
Board Member



Hege Marie Norheim
Board Member



Paal E. Johnsen
Board Member



Reuben Segal
CEO

Statement of cash flows

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.

Amounts in NOK thousands	Notes	2023	2022
Cash flow from operating activities			
Profit before income tax		16,905	47,958
Non-cash adjustment to reconcile profit before tax to cash flow:			
Depreciation	5	21	6
Dividend income	6	-	(1,962)
Impairment of loan to subsidiary	6	12,146	-
Changes in working capital:			
Changes in trade and other receivables		4,067	22,518
Changes in trade and other payables		68,575	70,175
Cash flow from operating activities		101,713	138,694
Cash flow from investing activities			
Property, plant and equipment	5	25	-
Repayments of loans by group companies		1,849	-
New loans to group companies		(3,716)	(94,003)
Investment in subsidiaries	8	(16,929)	(4,730)
Dividend received from subsidiary	6	-	1,962
Cash flow from investing activities		(18,770)	(96,771)
Cash flow from financing activities			
Proceeds from issuance of shares (net of transaction costs)	13	-	17,326
Repayments of bank borrowings		(26,869)	27,991
Dividends paid	13	(86,200)	(60,508)
Cash flow from financing activities		(113,070)	(15,191)
Net change in cash and cash equivalents		(30,126)	26,732
Cash and cash equivalents at beginning of year		32,601	5,869
Cash and cash equivalents at end of year		2,475	32,601

Notes to the financial statements

Note 1. Accounting principles

General 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 Karenslyst Allé 4, 0278 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 25 to the consolidated financial statements.

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

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.

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.

Other accounting principles

Other relevant accounting principles are presented in the individual notes for consistency and easy reference.

Note 2. Revenues

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.

Amounts in NOK thousands	2023	2022
Corporate group management fees	14,336	13,235
Other revenue	30	-
Total revenues	14,366	13,235

Note 3. Staff costs

Amounts in NOK thousands	2023	2022
Salaries	10,478	11,285
Payroll and social security	2,579	2,769
Other personnel costs	522	987
Total staff costs	13,579	15,041

At 31 December 2023 the Company had 3 employees (2022: 6 employees). Salaries includes compensation to the Members of the Board, Audit- and Remuneration committees. ABL Group ASA meets the Norwegian requirements for mandatory occupational pension schemes ("OTP" or "Obligatorisk tjenestepensjon"). Please refer to note 21 and 22 to the consolidated financial statements for further information regarding the remuneration to Board members and Executive management.

Note 4. Other operating expenses

Amounts in NOK thousands	2023	2022
Professional fees	9,767	3,885
Office rental cost	908	1,202
Other costs	6,195	4,891
Total other operating expenses	16,870	9,978

Remuneration to the Auditors¹

Amounts in NOK thousands	2023	2022
Audit	4,368	2,512
Other assurance services	1,200	137
Other services	1,672	10
Total remuneration to the Auditors	7,240	2,659

¹ All fees are exclusive of VAT.

Note 5. 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, i.e. depreciation rate 20%

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.

Amounts in NOK thousands	Office equipment	Total
Cost		
As at 1 January 2023	32	32
Additions	203	203
Disposals	(32)	(32)
As at 31 December 2023	203	203
Depreciation		
As at 1 January 2023	17	17
Depreciation charge for the year	21	21
Disposals	(19)	(19)
As at 31 December 2023	19	19
Net book value at 31 December 2023	184	184

Note 6. Financial items

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.

Amounts in NOK thousands	2023	2022
Finance income		
Interest income on loans to related parties	36,422	32,575
Interest income from bank deposits	813	386
Dividend from subsidiaries	-	1,962
Total finance income	37,235	34,923
Finance expenses		
Interest expenses	10,686	6,404
Other finance expenses	4	-
Write down on long-term financial assets	12,146	-
Total finance expenses	22,836	6,404
Net foreign exchange gain (loss)		
Net foreign exchange gain (loss)	18,610	31,230
Total net foreign exchange gain (loss)	18,610	31,230

Net foreign exchange gain includes unrealised foreign currency effect related to bank accounts other than NOK and unrealised foreign currency 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 neither 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 9 to the consolidated financial statements for further information.

Note 7. Taxes

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.

Amounts in NOK thousands	31 December 2023	31 December 2022
Income tax expense recognised in profit or loss		
Tax payable	4,756	7,180
Deferred tax expense	(1,135)	2,884
Total income tax expense (income)	3,622	10,065
Taxable income		
Profit before income tax	16,905	47,958
Permanent differences	(443)	(2,209)
Changes in temporary differences	5,158	(12,411)
Intra-group contribution	(21,620)	(32,638)
Allocation of loss brought forward	-	(700)
Total taxable income	-	-
Tax payable in the balance sheet		
Tax payable on this year's profit	4,756	7,180
Tax payable on intra-group contribution	(4,756)	(7,180)
Total tax payable in the balance sheet	-	-
Temporary differences		
Short term receivables	(24,318)	(11,762)
Long term receivables in foreign currency	80,468	69,400
Provisions	(17,292)	(13,601)
Property, plant and equipment	19	(1)
Total	38,878	44,036
Accumulated tax losses carried forward	-	-
Basis for deferred tax liability	38,878	44,036

Amounts in NOK thousands	31 December 2023	31 December 2022
Deferred tax liabilities	8,553	9,688
Total deferred tax liabilities	8,553	9,688

The Norwegian corporation tax rate for 2023 was 22% (2022: 22%). Deferred tax liability as of 31 December 2023 has been calculated based on this rate.

Reconciliation of the effective tax rate:

Amounts in NOK thousands	2023	2022
Profit (loss) before income tax	16,905	47,958
Income tax using the Company's domestic tax rate	3,719	10,551
Effect of permanent differences	(97)	(486)
Income tax (income) expense recognised in the income statement	3,622	10,065
Effective tax rate	21.4 %	21.0 %

Note 8. Investments 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.

The subsidiaries directly owned by the Company at 31 December 2023 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 are in functional currency thousands.

Name of subsidiaries	Registered office	Functional currency	Share capital	Equity as of 31.12.2023	Net profit for the year	Net carrying value NOK '000
ABL Group Holding Ltd.	UK	GBP	4,462	(4,462)	1,534	118,678
ABL Technical Services Holdings Ltd.	UK	GBP	-	9,019	(281)	60,720
ABL Treasury AS	Norway	USD	3	(27)	(26)	273
Add Energy Group AS	Norway	NOK	91,126	38,849	4,520	51,109
AGR AS	Norway	NOK	25,075	174,940	50,431	308,751
DWP Group ApS	Denmark	DKK	45	1,321	-	17,902
East Point Geo Ltd	UK	GBP	0	822	144	11,109
Neptune Midco 1 Ltd.	UK	GBP	42,641	24,898	(729)	23,475
Offshore Wind Consultants Ltd.	UK	GBP	0	1,553	(113)	8,668
Total book value of subsidiaries						600,684

Acquisitions during 2023

AGR

On 18 April 2023, the Company acquired 100 percent of the shares in the multi-disciplinary engineering consultancy and software company AGR AS ("AGR"). The acquisition will bolster the 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 purchase price consideration amounted to NOK 262.5 million consisting of NOK 5.3 million in cash on completion and the issue of 18,166,667 ordinary shares in the Company.

Delta Wind Partners ("DWP")

On 23 August 2023, the Company acquired 100 percent of the shares in the Denmark-based offshore wind consultancy DWP Group ApS and its subsidiary Delta Wind Partners ApS. The acquisition expands OWC's technical offering in wind turbines and in consultancy at the installation and O&M phases of an offshore wind project. It also provides an opportunity to further grow DWP's unique approach to WTG optimisation both globally and in the floating offshore wind market.

The purchase price consideration amounted to NOK 17.9 million consisting of NOK 11.6 million (DKK 7.4 million) in cash on completion and the issue of 413,838 ordinary shares in the Company.

Incorporations during 2023

On 20 September, the Company incorporated ABL Treasury AS as part of its long-term target to streamline and centralize the treasury function within the Group.

The entity's primary focus will be to optimise the cash- and liquidity management within the Group as well as funding, financial risk mitigation and other associated tasks.

Note 9. 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 consolidated financial statements, the Company's balances with the related parties included in the balance sheet are as follows:

Amounts in NOK thousands	2023	2022
NON-CURRENT ASSETS/LIABILITIES		
Loans to group companies		
ABL Energy & Marine Consultants Brazil Ltda	3,244	3,511
ABL Energy & Marine Consultants South Africa (Pty) Ltd	547	-
ABL Group Korea Ltd	1,825	1,617
ABL Norway AS	3,116	2,750
ABL USA Inc	12,252	10,858
Add Energy Group AS	22,467	52,393
Aqualis Offshore UK Ltd	-	12,854
London Offshore Consultants (Mexico) SA de CV	1,342	1,188
Neptune Midco 1 Ltd	361,171	334,294
Offshore Wind Consultants Ireland Ltd	1,475	1,284
OWC (Aqualis) GmbH	758	672
OWC Japan Ltd	1,235	2,007
Total loans to group companies	409,432	423,427

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 hence all loans are considered non-current.

Amounts in NOK thousands	2023	2022
CURRENT ASSETS/LIABILITIES		
Due from related parties		
A B L Marine Services LLC	547	-
ABL Aberdeen Ltd	597	-
ABL Energy & Marine Consultants Pte Ltd	531	-
ABL London Ltd	574	-
ABL USA Inc	6,767	-

Amounts in NOK thousands	2023	2022
Add Latent Ltd	739	-
Innosea SAS	938	-
LOC Group Ltd	556	-
London Offshore Consultants (Mexico) SA de CV	884	-
London Offshore Consultants Ltd	1,418	-
Longitude Consulting Engineers Ltd	797	-
Offshore Wind Consultants Ltd	6,931	-
Other Group entities	4,942	-
Total due from related parties	26,220	-

Due to related parties

ABL Group Holding Ltd	85,181	18,702
ABL Technical Services Holdings Ltd	4,534	4,307
ABL Treasury AS	315	-
Add Energy Group AS	21,316	32,638
AGR AS	5,000	-
Neptune Midco 1 Ltd	9,600	9,120
Total due to related parties	125,946	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 10) and Trade and other payables respectively (note 14).

Amounts in NOK thousands	Notes	2023	2022
Transactions with related parties included in the income statement			
Corporate group management services	2	14,336	13,235
Interest income on loans	6	36,422	32,575
Total transactions with related parties		50,758	45,810

Transactions with related parties are made at terms agreed between the parties.

Note 10. Trade and 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.

Amounts in NOK thousands	Notes	2023	2022
Due from related parties	9	26,220	0
Other receivables		3,432	33,718
Total trade and other receivables		29,651	33,718

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

Note 11. Cash and cash equivalents

Amounts in NOK thousands	2023	2022
Cash and bank balances	2,475	32,601
Total cash and cash equivalents	2,475	32,601

Amounts in thousands	2023		2022	
Distributed in the following currencies:	Currency	NOK	Currency	NOK
Euro	0	1	82	857
Norwegian Krone	2,372	2,372	3,903	3,903
US Dollars	10	103	2,824	27,841
Total		2,475		32,601

The Company has restricted cash at banks of NOK 366 thousand at 31 December 2023 (2022: NOK 566 thousand). These are subject to regulatory restrictions and are therefore not available for general use by the other entities within the group.

Note 12. Share capital

Amounts in NOK thousands	Number of shares	Share capital
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
At 1 January 2023	104,769,862	10,477
Cash-settled capital increase (net of transaction costs)	18,580,505	1,858
At 31 December 2023	123,350,367	12,335

Each share has a par value of NOK 0.10.

Share-based payments

The company has established share option plans that entitle employees to purchase shares in the company. Under these plans, 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 to note 16 in the consolidated financial statements for more information.

In the consolidated financial statements, the transaction is treated as an equity-settled share-based payment; this is because the Group has received services in consideration for the Group's equity instruments. An expense is recognized in the Group income statement for the grant date fair value of the share-based payment over the vesting period, and a credit is recognized in equity. 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.

For shares granted to employees of subsidiaries, the Company recharges subsidiaries for the transaction. The Company recognized a receivable from the subsidiary, with a corresponding increase in equity. In the subsidiaries' accounts, an expense for the grant date fair value of the award is recognized over the vesting period, with a corresponding increase in liabilities towards the Company. Refer to note 16 to the consolidated financial statements for more information.

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

Note 13. Equity

Amounts in NOK thousands	Share capital	Treasury shares	Consideration shares	Other paid-up capital	Total equity
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 paid	-	-	-	(60,508)	(60,508)
Profit after taxes	-	-	-	37,893	37,893
At 31 December 2022	10,477	-	9,893	504,527	524,897
At 1 January 2023	10,477	-	9,893	504,527	524,897
Shares issued as consideration for business combination	1,858	-	-	301,960	303,818
Employee share program issue	-	-	-	14,505	14,505
Dividends paid	-	-	-	(86,200)	(86,200)
Profit after taxes	-	-	-	13,283	13,283
At 31 December 2023	12,335	-	9,893	748,075	770,303

Total dividend paid in 2023 was NOK 0.70 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 443 thousands (2022: NOK 254 thousands) in transaction costs that were directly attributable to the issuance of shares.

Refer to note 8 and 16 in the consolidated financial statements for further information regarding the issuance of new shares on acquisition.

Note 14. Trade and other payables

Amounts in NOK thousands	Notes	2023	2022
Trade payables		4,198	258
Due to related parties	9	125,946	64,768
Accruals and other payables		22,220	19,217
Total trade and other payables		152,363	84,243

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

Note 15. 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.

Amounts in NOK thousands	31 December 2023	31 December 2022
Bank borrowings		
Current	111,206	128,065
Total Bank borrowings	111,206	128,065

The Company's current term loan facility of USD 10.0 million originally lapsed during December 2023. Additionally a revolving credit facility of USD 5.0 million was rolled over and extended for another year in July 2023.

The Company incurred total interest cost of NOK 10.7 million (2022: NOK 6.4 million) on above loans. These costs have been included in finance expenses in the income statement.

In January 2024 the Company entered into a new financing facility, details of which are disclosed in note 16.

Note 16. Subsequent events

Subsequent to the balance sheet date the following material events have occurred.

New financing

The Company entered into an agreement for a new borrowing facility with a financial institution in January 2024. The previous loan facility which originally lapsed in December 2023 was extended for one month to arrange for a smooth transition to the new facility.

The new facility consists of two parts, (i) a revolving credit facility of USD 30 million and (ii) an accordion facility of USD 20 million. The facility terminates three years from the date of the agreement with a one plus one year extension option.

The agreement has the following covenants:

- Interest cover not less than 4.00:1
- Leverage not to exceed 2.50:1

Financial covenants will be measured on a quarterly basis.

The interest on the above facility is the relevant LIBOR for USD loans or similar rates for other loan currencies (SOFR, SONIA, ESTR, NIBOR - 1, 3 or 6 months at the borrower's discretion) plus a margin based on a ratchet of between 250 and 310 basis points dependent on the prevailing adjusted leverage ranging from less than 1.00:1 to greater than 2.00:1

Debt issuance costs of NOK 11.6 million were incurred in the completion of the new facility. These costs have been capitalised and are being amortised over the term of the facility agreement.

For practical reasons the subsidiary ABL Treasury AS is the borrower in fact of the new facility whilst the Company and certain material group companies are guarantors to the facility.

Vesting and exercise of share options

On 14 December 2023 a total number of 9,175,000 employee share options vested. Following an exercise window that closed on 8 January 2024, a total of 4,127,500 options were exercised on that date resulting in an increase in the share capital of NOK 412,750.

On 22 January 2024, Bridgepoint Advisers II Limited exercised its last remaining tranche consisting of 1,000,000 warrants issued following the acquisition of the LOC Group. Following the above option and warrant exercises there were 128,477,867 ordinary shares in issue.



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 2023, 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 statement of financial position as at 31 December 2023, the income statement and 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 material accounting policy information.

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 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting 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 7 years from the election by the general meeting of the shareholders on 15 May 2017 for the accounting year 2017.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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.

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Due to the Group's acquisition of AGR AS, *Business Combinations* was identified as a new key audit matter this year. Further, *Impairment Assessment of Goodwill* carries the same characteristics and risks as in the prior year, and continues to be an area of focus.

Key Audit Matters	How our audit addressed the Key Audit Matter
Business Combinations	
In April 2023, the Group purchased 100 percent of the shares in AGR AS ("AGR"). The acquired assets accounted for approximately 27% of the Group's total assets at 31 December 2023.	We evaluated and challenged management's purchase price allocation ("PPA") and the process by which this was performed. Management engaged an external valuation firm to assist with the PPA. We assessed the third party's competence, capacity and objectivity. Our procedures included inquiry of the third party and performing the procedures described below related to the PPA report issued to management.
The business combination led to a recognition of goodwill of USD 13,229 thousand. The allocation of the purchase price involves application of management judgement, which may have a material impact on the carrying value of the Group's assets and liabilities and future earnings.	We assessed management's accounting policy against requirements in the IFRS Accounting Standards and obtained explanations from management as to how the specific requirements of the standards were met.
See note 8 <i>Business combinations</i> to the consolidated financial statements where management explains the business combination and key assumptions applied.	We evaluated management's estimates by challenging the underlying assumptions, especially related to the fair value of customer relations, proprietary software, trade receivables and other current assets. Our procedures included:
	- Assessing the reliability of data, models and formulas used in the calculation of customer relations and proprietary software. - Testing the valuation of trade receivables and contract assets by reviewing the subledgers as well as management's assumptions in determining the collectability of the balances. - Testing the completeness of accruals and other liabilities. - Assessing other evidence collected by performing audit procedures on subsequent periods.
	No significant deviations were identified as a result of our procedures.
	Finally, we considered the appropriateness of the disclosures in note 8 to the consolidated financial statements and found them appropriate.



Impairment Assessment of Goodwill

The carrying value of goodwill amounted to USD 39,284 thousand on 31 December 2023, which is about 22% of the Group's total assets. Goodwill is tested for impairment annually, or when there are indicators of impairment. An impairment test of goodwill was performed at the balance sheet date. 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 a material impact on the carrying value of the Group's assets.

See note 13 *Goodwill and 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 the IFRS Accounting Standards 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 the reliability of management's budgets by performing look-back analyses of prior year 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 appears 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 Directors' 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 of the Company 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 of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible 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, actions taken to eliminate threats or safeguards applied.

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_Group_ASA_2023-12-31-en.zip, 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/revisionsberetninger>

Oslo, 24 April 2024

PricewaterhouseCoopers AS

Anders Ellefsen

State Authorised Public Accountant (Norway)

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	2023	2022
Operating profit (EBIT)	16,530	12,514
Depreciation, amortisation and impairment	5,301	3,342
Restructuring and integration costs	393	189
Other special items (incl. share-based expenses)	1,928	1,773
Transaction costs related to M&A	720	357
Adjusted EBITDA	24,872	18,175

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 and adjusted EBIT is shown below.

Amounts in USD thousands	2023	2022
Operating profit (EBIT)	16,530	12,514
Amortisation and impairment	1,179	430
Restructuring and integration costs	393	189
Other special items (incl. share-based expenses)	1,928	1,773
Transaction costs related to M&A	720	357
Adjusted EBIT	20,750	15,262

Adjusted profit after taxes

Adjusted profit 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 after taxes and profit after taxes is shown below.

Amounts in USD thousands	2023	2022
Profit after taxes	8,677	6,253
Amortisation and impairment	1,179	430
Restructuring and integration costs	393	189
Other special items (incl. share-based expenses)	1,928	1,773
Transaction costs related to M&A	720	357
Gain on disposal of subsidiaries	-	(1,889)
Adjusted profit (loss) after taxes	12,897	7,113

Return on equity (ROE)

ROE is calculated as the adjusted profit for the period attributable to equity holders of the parent, divided by average total equity for the period. The adjusted profit 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	2023	2022
Adjusted profit after taxes	12,897	7,113
Average total equity	84,743	67,646
ROE	15.2%	10.5%

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	2023	2022
Adjusted EBIT	20,570	15,262
Total assets	180,515	126,928
Less: Non-interest bearing current liabilities	(47,738)	(27,863)
Capital employed	132,777	99,065
Average capital employed	115,921	94,170
ROCE	17.9%	16.2%

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, contract 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	2023	2022
Working capital		
Trade and other receivables	57,392	41,400
Contract assets	22,185	13,394
Trade and other payables	(44,830)	(25,890)
Contract liabilities	(1,978)	(1,535)
Income tax payable	(930)	(439)
Net working capital	31,839	26,931
Average revenue for last 2 quarters	69,059	43,444
Working capital ratio	41.1%	62.0%

Net cash

Net cash is the measure of the Group's cash and cash equivalents less interest bearing debt. Management believes that net cash is a useful measure of the Group's liquidity position. The Net cash calculation is shown below.

Amounts in USD thousands	2023	2022
Cash and cash equivalents	28,157	30,974
Interest bearing debt (note 17)	(10,946)	(13,337)
Net cash	17,211	17,637

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