



## Report from the Audit Committee 2023/2024

The company's Audit Committee is made up of three shareholder-elected Board members:

Kristian Holth (Chairman)  
Hege Bømark  
Hilde Kristin Herud

The CFO Anny Øen participates at all Committee meetings.

The company's auditor, Thomas Whyte Gaardsø, has attended all meetings.

AF Gruppen's Board of Directors appoints the Audit Committee, which shall consist of at least three shareholder-elected members elected for one year at a time. The Audit Committee shall collectively possess the expertise necessary to fulfil the committee's tasks based on AF Gruppen's organisation and activities. At least one of the members of the audit committee must be independent of the company and have qualifications in accounting or auditing.

The committee shall act as a preparatory and advisory body for the Board in matters relating to:

- i. the financial reporting process, including monitoring systems for internal control and risk management
- ii. the sustainability reporting process
- iii. the statutory audit

The Board determines the mandate of the Audit Committee and is described in the "Mandate for the Audit Committee". The following duties are included in the Audit Committee's mandate:

Tasks related to the financial reporting process:

- Preparing the Board's quality assurance of the quarterly and annual financial reports, including the ESEF-labelled annual report. This includes assessing:
  - assessment items and significant events
  - the importance of climate risk
  - impairment tests and assessments related to goodwill and other assets.
- Processing management's plan and summary of risk management and internal control over financial reporting. This includes assessing:
  - asset management and liquidity management
- Processing a summary from management of changes in rules relevant to financial reporting.
- Assessing expertise and capacity related to economic and financial reporting and control in the Group.

Tasks related to the sustainability reporting process

- Preparing the Board's quality assurance of sustainability reporting.

Tasks related to the statutory audit:

- Preparing and recommending the election of an external auditor.
- Maintaining ongoing contact with the company's elected auditor about the audit of the annual accounts, including in particular monitoring audit performance in light of matters pointed out by the Financial Supervisory Authority of Norway
- Assessing and monitoring the auditor's independence, including approving additional services and following up the amount of the auditor's fee for additional services.

- Processing the auditor's plan for audit implementation, including the auditor's quantitative materiality assessments.
- Processing summaries from the auditor and ensure that orders or recommendations from the auditor are followed up by management.
- Processing the supplementary report from the auditor when preparing the annual accounts.

The Audit Committee has held seven meetings since the last General Meeting. The Audit Committee has reviewed the following matters:

- Account reporting:
  - Review of quarterly reports
  - Preliminary result for 2023 and proposed dividend for 2023
  - Annual accounts and annual report for 2023
  - Evaluation of annual report
  - Impairment test of intangible assets
  - Tax – the year's income tax expense and current tax payable
  - EU taxonomy – taxonomy-eligible and taxonomy-adapted activities
  - New rules and regulations that AF and the audit committee must comply with, including the introduction of the EU's Sustainability Directive (CSRD)
  - ESEF reporting
- Auditing
  - Audit Plan 2023, including quantitative materiality limitation for the audit
  - Summary of the 2023 interim audit, including project understanding, accounting management and internal control
  - Review summary of the 2023 audit
  - Assessment of the auditor's fee and the independence of the auditor
  - Review of supervisory matters by the elected auditor
  - Auditor's services beyond statutory audit
  - The auditor's supplementary report to the Audit Committee
  - Preparing and recommending to the Board of Directors for the election of the auditor in accordance with the tender process for auditing; this will be dealt with in a separate case at the General Meeting
- Internal control
  - Transactions with related parties
  - IT environment and IT security
  - Due diligence and the Transparency Act
  - GDPR and the Group's management and governance system

During this period, the audit committee conducted a self-evaluation.

Where the Audit Committee has had matters for preparatory consideration, the committee has made its recommendation before adoption by the Board.

Oslo, 10 April 2024  
Kristian Holth