



Recommendation for the election of auditor

AF Gruppen ASA has completed a tender process for the election of an auditor from the 2024 financial year. In accordance with Article 16 of the Audit Regulation, the Auditors Act and the Public Limited Liability Companies Act, the Audit Committee shall make a recommendation to AF Gruppen's General Meeting regarding the election of an auditor. The recommendation shall provide at least two alternatives for the election of auditor and shall provide a reasoned recommendation for one of these. The auditor chosen by the General Meeting will also be elected to certify the company's sustainability reporting in line with the EU Sustainability Directive (CSRD) from the 2024 financial year.

AF Gruppen's current auditor, PwC, will be the company's auditor for the 2023 financial year, and will continue to be the company's auditor until the election of a new auditor at the general meeting on 15 May 2024.

The audit firms PwC, KPMG, BDO, Deloitte and EY have submitted bids during the tender process. After the offer documents were received on 22 October, September 2023, management has conducted an extensive selection process, including individual meetings and presentations with bidders. Questions and clarifications have also been carried out along the way. All offers were evaluated according to a set of criteria:

- Understanding of the business and audit approach
- Quality, reputation and independence
- Expertise in financial reporting and auditing listed groups
- Expertise in sustainability reporting
- Industry expertise
- Availability and capacity
- Fee
- Transition plan for change of auditor, where applicable

All bidders scored high on the criteria. Based on an overall assessment of the selection criteria, PwC is recommended as the preferred auditor. The team possesses a high level of expertise in auditing listed companies and sustainability, has an effective audit approach and a predictable audit fee. Public-interest entities must change audit companies at least every ten years. The period can be extended to up to 20 years after a tender process. PwC has been the company's auditor for 7 years and after the completed tender has the opportunity to continue as the company's auditor in accordance with the Audit Regulation.

Based on the conclusion of the auditor tender process, the Audit Committee therefore recommends that PwC be re-elected as group auditor for AF Gruppen ASA from the 2024 financial year. PwC is also selected to certify the company's sustainability reporting from the same year.

In line with Article 16, second paragraph, of the Audit Regulation, the Audit Committee declares that its recommendation has not been influenced by a third party and that the committee is not aware that AF Gruppen has entered into any agreements with a third party containing clauses that limit selection options for the company's general meeting.

Oslo, 7 December 2023

Kristian Holth
Chairman of the Audit Committee