



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 976 802 357  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: WOOD GROUP NORWAY AS  
Forretningsadresse: Fokserødveien 12  
3241 SANDEFJORD

### Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

### Konsern

Morselskap i konsern: Nei

### Regnskapsregler

Regler for små foretak benyttet: Nei  
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Tom Johansson  
Dato for fastsettelse av årsregnskapet: 28.06.2023

### Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert  
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 11.07.2024



## Resultatregnskap

Beløp i: NOK	Note	2022	2021
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt	2, 3	3 314 139 000	1 653 532 000
Annen driftsinntekt		3 944 000	2 972 000
<b>Sum inntekter</b>	2	<b>3 318 083 000</b>	<b>1 656 504 000</b>
<b>Kostnader</b>			
Varekostnad	3	2 459 935 000	1 009 224 000
Lønnskostnad	4, 5	635 363 000	513 570 000
Avskrivning	9, 10	17 761 000	15 367 000
Annen driftskostnad	4, 6	81 387 000	59 768 000
<b>Sum kostnader</b>		<b>3 194 446 000</b>	<b>1 597 929 000</b>
<b>Driftsresultat</b>		<b>123 637 000</b>	<b>58 575 000</b>
<b>Finansinntekter og finanskostnader</b>			
Renteinntekt fra foretak i samme konsern		343 000	
Annen finansinntekt		3 034 000	29 000
<b>Sum finansinntekter</b>		<b>3 377 000</b>	<b>29 000</b>
Annen finanskostnad		4 640 000	1 537 000
<b>Sum finanskostnader</b>		<b>4 640 000</b>	<b>1 537 000</b>
<b>Netto finans</b>	7	<b>11 660 000</b>	<b>-1 816 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>135 297 000</b>	<b>56 759 000</b>
Skattekostnad på ordinært resultat	8	16 900 000	
<b>Ordinært resultat etter skattekostnad</b>		<b>118 397 000</b>	<b>56 759 000</b>
<b>Årsresultat</b>		<b>118 397 000</b>	<b>56 759 000</b>
<b>Overføringer og disponeringer</b>			
Overføringer annen egenkapital	12	118 397 000	56 759 000
<b>Sum overføringer og disponeringer</b>		<b>118 397 000</b>	<b>56 759 000</b>



## Balanse

Beløp i: NOK	Note	2022	2021
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Konsesjoner, patenter, lisenser, varemerker	9	2 243 000	744 000
Utsatt skattefordel	8		2 054 000
Goodwill	9	25 326 000	34 085 000
<b>Sum immaterielle eiendeler</b>		<b>27 569 000</b>	<b>36 882 000</b>
<b>Varige driftsmidler</b>			
Tomter, bygninger og annen fast eiendom	10	589 000	765 000
Driftsløsøre, inventar, verktøy, kontormaskiner ol	10	7 307 000	7 454 000
<b>Sum varige driftsmidler</b>	10	<b>7 896 000</b>	<b>8 219 000</b>
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap			0
Lån til foretak i samme konsern			0
Investeringer i aksjer og andeler		0	
Andre fordringer	5	833 000	1 155 000
<b>Sum finansielle anleggsmidler</b>		<b>834 000</b>	<b>1 155 000</b>
<b>Sum anleggsmidler</b>		<b>36 298 000</b>	<b>46 256 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Kundefordringer	3, 11	345 726 000	205 842 000
Andre fordringer	3	531 992 000	499 256 000
<b>Sum fordringer</b>		<b>877 718 000</b>	<b>705 099 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>297 685 000</b>	<b>48 882 000</b>
<b>Sum omløpsmidler</b>		<b>1 175 402 000</b>	<b>753 980 000</b>
<b>SUM EIENDELER</b>		<b>1 211 700 000</b>	<b>800 236 000</b>



## Balanse

Beløp i: NOK	Note	2022	2021
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Aksjekapital	12, 13	1 200 000	1 200 000
Overkurs	12	42 210 000	42 210 000
<b>Sum innskutt egenkapital</b>		<b>43 410 000</b>	<b>43 410 000</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital	12	175 156 000	56 759 000
<b>Sum opptjent egenkapital</b>		<b>175 156 000</b>	<b>56 759 000</b>
<b>Sum egenkapital</b>		<b>218 566 000</b>	<b>100 169 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	8	14 846 000	
<b>Sum avsetninger for forpliktelser</b>		<b>14 846 000</b>	
<b>Annen langsiktig gjeld</b>			
<b>Sum langsiktig gjeld</b>		<b>14 846 000</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	3	370 553 000	332 600 000
Skyldige offentlige avgifter	14	46 753 000	37 143 000
Annen kortsiktig gjeld	15	560 982 000	330 323 000
<b>Sum kortsiktig gjeld</b>		<b>978 288 000</b>	<b>700 067 000</b>
<b>Sum gjeld</b>		<b>993 134 000</b>	<b>700 067 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>1 211 700 000</b>	<b>800 236 000</b>



## Brønnøysundregistrene

### ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer: 2023 592642

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Brønnøysundregistrene, 19.07.2023



Organisasjonsnr: 976 802 357  
WOOD GROUP NORWAY AS

## RESULTATREGNSKAP

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Organisasjonsnr: 976 802 357  
WOOD GROUP NORWAY AS

**NOTEOPPLYSNINGER - SELSKAP** - alle poster oppgitt i hele tall

**Note**  
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**Antall aksjer og aksjeeiere**

<u>Aksjeklasse</u>	<u>Ant. aksjer</u>	<u>Pålydende</u>	<u>Bokført verdi</u>
Ordinary shares	10000000.00	0.12	1200000.00
<u>Aksjeeiere - fritekst</u>	<u>Antall</u>	<u>Eierandel</u>	<u>Aksjeklasse</u>
Wood Group Investments Limited	10000000.00	100.00%	Ordinary shares
<u>Sum</u>	<u>Sum antall</u>	<u>Sum eierandel</u>	
	10000000.00	100.00%	

The entity is part of the consolidated accounts for John Wood Group PLC, whose address is: 15 Justice Mill Lane, Aberdeen, AB11 6EQ Scotland, UK. The consolidated accounts can be obtained from: [www.woodplc.com](http://www.woodplc.com)

**Note**  
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**Lønn og ytelser**

<u>Lønn</u>	<u>Årets</u>	<u>Fjorårets</u>
	509323312000.00	410401317000.00
<u>Arbeidsgiveravgift</u>	<u>Årets</u>	<u>Fjorårets</u>
	78327857000.00	63303021000.00
<u>Pensjonskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	35914427000.00	27887260000.00
<u>Andre ytelser</u>	<u>Årets</u>	<u>Fjorårets</u>
	11797023000.00	11978686000.00
<u>Sum lønnskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	635362619000.00	513570284000.00

**Ytelser til daglig leder**

**Note**



## Ytelser til andre ledende personer

<u>Ledende person</u>	<u>Lønn</u>	<u>Pensj.forpl.</u>	<u>Andre godtgj.</u>
General Manager	2946906000.0	93576000.00	107478000.00
	0		
<u>Sum ytelse andre led.pers.</u>	<u>Lønn</u>	<u>Pensj.forpl.</u>	<u>Andre godtgj.</u>
	2946906000.0	93576000.00	107478000.00
	0		

Remuneration is not paid to the Board. All directors are employed in the Group and receive remuneration in the form of regular salary. The company is not obliged to pay the CEO or chairman of the board to give special consideration upon termination or change of employment / directorship. The company has signed Wood Group Annual Bonus Plan (ABP) and Long-Term Incentive Plan (LTIP) facing Senior Vice President up to 40% (ABP) and 59% (LTIP). The company has not adopted arrangements for share-based compensation, profit sharing, option programs or special bonus program to pay the CEO or chairman of the board.

## Note

## Ytelser til revisjon

<u>Revisjon</u>	<u>Årets</u>	<u>Fjorårets</u>
	1131215000.0	613837000.00
	0	
<u>Sum godtgjørelse til revisor</u>	<u>Årets</u>	<u>Fjorårets</u>
	1131215000.0	613837000.00
	0	

## Note

## Antall årsverk i regnskapsåret

Virksomheten har hatt følgende antall årsverk:  
0.00

## Note

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## Konsern, tilknyttet selskap og datterselskap

### Tilknyttet selskap/datterselskap

Virksomheten inngår i konsolideringen til morselskapets konsernregnsk.: Nei

Datterselskap er utelatt fra konsolideringen: Nei





**Wood Group Norway AS**

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## **Annual report 2022**

**Board of directors' report**

**Annual accounts**

- **Income statement**

- **Balance sheet**

- **Cash flow statement**

- **Notes**

**Auditor's report**



## WOOD GROUP NORWAY AS

### ANNUAL REPORT 2022

#### **Business Operations and Locations**

Wood Group Norway AS (WGN) is a technical services provider with head office in Sandefjord, with branches in Oslo, Stavanger, and Bergen. The company is a wholly owned subsidiary of Wood Group Investments Limited. The directors regard John Wood Group PLC, a company registered in Scotland, as the ultimate parent company.

Company activity is oriented towards engineering, construction and modification of floating marine units, fixed installations, offshore, early-phase and concept studies, onshore process industry and renewable energy. The company offers EPCI deliveries with special requirements to engineering competencies, project management and procurement. Fabrication is performed by use of sub-suppliers/partners.

#### **Financial statements 2022**

The company's revenue was NOK 3 318.1 million in 2022, compared with NOK 1 656.5 million the previous year. Operating result was NOK 123.6 million in 2022, compared with NOK 58.6 million in 2021. Net Profit for 2022 was NOK 118.4 million. The increase in revenue is mainly related to the ongoing Breidablikk EPCI and KMU EPCI projects. In addition, The VEM contract is continuing at a high level. The increase in the Operating result is a consequence of the aforementioned projects.

On the asset side of the balance sheet, there was given a short-term intercompany loan of NOK 486,6 million to John Wood plc which increased other receivables. The transaction hence reduced the Cash and bank deposit. The large EPCI projects with high proportion of procurement has increased the accounts payable and other short-term liabilities on the balance sheet.

At the end of 2022, the company has an equity amounted to NOK 218.6 million. The profit for the year has been transferred to Equity. Cash flow from operating activities was positive in 2022 with NOK 155.4 million, compared with NOK 240.6 million in 2021. Cash reserves at the end of the year were NOK 297.7 million. The deviation in cash flow from operating activities and the operating result is due to the increased result and good cash management in projects meaning low time to bill.

The Board of Directors considers the submitted financial statements and balance sheet including accompanying notes as adequate information about the company's operation and situation at year end.

#### **Financial risk**

##### *Market risk:*

The company is exposed to changes in the oil and gas prices. Since most of the sales are delivered to end clients operating in Norway (mainland and Norwegian continental shelf), the company is sensitive to changes in the investment level on the Norwegian continental shelf.

The company has many ongoing projects. These projects vary in size and are in different phases of execution. The number of ongoing projects has stabilized from prior years due to current Oil and Gas market conditions. It is expected that projects will increase under the current market conditions. The company's projects have limited exposure to changes in the foreign exchange rates. The company's strategy is to secure all essential foreign exchange exposure through forward contracts.



## *Credit risk:*

The company has well established client relations with large, reputable companies. There have been only insignificant losses on trade receivables in the company's history. The board has ruled that a bank guarantee must be provided if there is uncertainty regarding a client's creditworthiness.

## *Liquidity/interest risk:*

The Board considered the liquidity as satisfactory. In addition, the liquidity risk is satisfactory covered by the Group Bank Account Scheme. The liquidity may vary as client payments are not always effectuated at the same time as payment for purchased goods and services. The group's finances have floating rates.

## **Covid-19**

### *General:*

The global Covid-19 outbreak in Q1 2020 caused global disruption with negative consequences on health, businesses, and the global economy in general. At the time of the outbreak, it was difficult to foresee the full consequences. Upon the virus outbreak in Norway March 2020, and the subsequent restrictions imposed by the Norwegian Government, there were some immediate impacts on the business. Onshore employees had to work from home. Clients shut down the normal maintenance and modifications offshore work, resulting in offshore employees were sent onshore.

The Company's IT infrastructure is good, and employees were up and running from day one on home office. Onshore employees have been able to perform their work from home, and there are no signs of a drop in productivity through 2022. Offshore employees have been able to perform the work as planned during 2022 as the Covid restrictions has been eased. The activity level has continued at a normal level during 2022. Wood Group Norway AS has had measures to limit the spread of the virus on all locations and minimize the risk of operational disruption. The financial impact has, despite the Covid-19, been limited. During 2022 the situation has been normalised to a pre covid level.

### *Market risk:*

On the outbreak of Covid-19 pandemic in combination with the low oil price the market volatility increased. Consequently, expected offshore project sanctioning were delayed. To boost the investment rate, the Norwegian Government introduced new tax measures to oil companies to give incentives for new investments on the Norwegian continental shelf.

As part of these measures, Wood Group Norway AS (WGN) were awarded the Bredablikk EPCI project by Equinor in September 2020. The volume in the MMO segment have been upheld. WGN were also awarded the Kollsnes KMU project in Q4 2020. The market has further increased in 2022 and there is high demand for our services.

### *Credit risk:*

Most clients are highly rated oil companies and companies within the petrochemical industry, where the credit risk is considered limited. The company have not experienced any major delays in payments from Clients during 2022 despite the Covid-19 outbreak. Credit risk assessments on Clients are performed and monitored closely.

## **Working Environment, Personnel, Equality, and Diversity**

The working environment in the company is considered as satisfactory. The total sick leave in 2022 was 4.7 %, compared with 3.6 % in 2021. The company had one lost time injury in 2022 that resulted in sick leave.

At year end, the company employed 633 people, of which 150 were women. Gender equality is a priority, and the company will strive to increase the proportion of women. The company has an integrated philosophy that aims that there shall be no diversity based on gender in matters of equal pay for equal work, recruitment, and promotion.



The company works actively, purposefully and systematically to prevent discrimination based on ethnicity, national origin, ancestry, color, language, religion, sexual orientation, or disability. The activities include recruitment, wages and working conditions, promotion, development and protection against harassment.

Statement of gender equality	
What	Comments
Gender balance in the company	Number of women 150 Number of men 483
Proportion of women and men employed in part-time positions * Voluntarily part-time	Number of women 2* Number of men 9*
Proportion of women and men temporarily employed/*hourly paid assistant.	Number of women 0/3* Number of men 2/2*
On average, the number of weeks of parental leave for women and men (who are entitled to such leave)	Women 32.1 weeks Men 13.7 weeks

Wood's objective for 2030 is 40% women in senior management positions.

Wood represents a great diversity of people worldwide. Wood in Norway reflects the same diversity by employing in total 34 nationalities including all continents, which represents 13% of our employees.

*Reporting of the activity duty:*

Wood in Norway works in several arenas to actively promote equality and diversity and prevent discrimination. By involving the management, employees' representatives, safety delegates and other resources, we have systems for investigating whether there is a risk for discrimination or other obstacles to equality. This is addressed for example in monthly meetings between the management and employees' representatives (IDF - Informasjon, Drøfting og Forhandling – Information, Discussion and Negotiation), in quarterly meetings between the management and safety delegates/safety delegate organisation (AMU – Working Environment Committees), and in the annual working environment survey, where both the employees' representatives and safety delegates are included in the finishing process, and finally, in employee surveys where relevant topics are presented. Diversity and inclusion with themes such as, equal rights, belonging, experienced discrimination and correct handling by the employer is a strategic area for Wood to secure culture of diversity.

Wood in Norway has two networks as relevant measures to counteract discrimination and contribute to increased equality and diversity in the company: Kvinner til ledelse (Women for Management), and



Nettverk for nyutdannede (Network for Graduates). Network meetings are held every quarter with attendance across functions and locations.

Moreover, the focus on promoting equality and preventing discrimination at Wood is reflected by competence-enhancing measures, such as webinars and networks. In addition, campaigns are rolled out highlighting various themes, such as Pride and various religious holidays.

The activity duty at Wood is further ensured by several national and global policies, guidelines, and routines, e.g., Seniors' policy, Salary policy, appraisal interviews, Code of Conduct, speak up helpline, and Diversity & Inclusion embracing gender, ethnicity, religion and beliefs, sexual orientation, disability, and life phase (herein flexible working hours).

Normally, participants in the various processes will be involved in evaluating measures and implementation.

The company is certified in accordance with ISO 9001:2015 and ISO 45001:2018. The purpose of ISO 45001:2018 is to provide a tool to the organisation for managing the work environment and contributing to reach the goals set for the working environment and the finances.

There is regular monitoring of the physical environment - including ergonomics, indoor air quality, work lights, noise, etc. In addition to the ongoing prevention work in these areas, targeted campaigns are also conducted periodically. A healthy lifestyle is encouraged through healthy food in canteen, access to fresh fruits and encouragement of physical activity.

#### **External environment and sustainability**

The company's activities do not directly pollute the environment through delivery of engineering services.

At Wood, we recognise that achieving a sustainable future is one of the biggest challenges facing our generation.

The systemic change needed to turn the tide on sustainable development will require alignment and unprecedented levels of collaboration between all stakeholders, including government, investors, society, our employees, the business community, and indeed the communities where we live and work.

We strive for an entire organisation engaged in maintaining and strengthening Wood's position as a sustainable organisation, attaining ambitious sustainability goals as well as helping to deliver the sustainability solutions that the world needs.

We aim to reduce our carbon emissions by 40% by 2030 on our journey to "net zero". We are utilizing electrical vehicles only from 2022 and aim to be single use plastic free by 2025.

#### **Complying with the Transparency act:**

##### *Approach to Human Rights:*

Wood is committed to operating with ethics and integrity in all that we do. At Wood, we recognise that achieving a sustainable future is one of the biggest challenges facing our generation. Our vision - inspire with ingenuity, partner with agility and create new possibilities - is only sustainable when we embrace our values: care, commitment, and courage. These values are embodied in our code of conduct and our approach of doing the right thing. Regardless of business or location, we all are responsible for maintaining compliance with our Code and Wood policies and procedures. In this Code,



“we” or “our” refers to employees, including short-term workers and consultants working within Wood, officers and directors. We also expect our business partners, such as agents, suppliers, contractors, intermediaries, representatives and joint venture partners, to follow the principles set out in this Code and our Supply Chain Code of Conduct, and to share our commitment to our values.

Respecting human rights is fundamental to the sustainability of our business. Wood’s approach to human rights is aligned to the UN Declaration of Human Rights, the UN Guiding principles on Business, Human Rights and the UN Global Compact Principles and Voluntary Principles on Security and Human Rights. We are committed to operating our business in a transparent manner that aligns to global standards on human rights issues and the expectations of governments, investors and civil society.

Related Wood links:

- Human Rights Policy:  
[https://www.woodplc.com/\\_data/assets/pdf\\_file/0025/135565/HRM-POL-100016-external.pdf](https://www.woodplc.com/_data/assets/pdf_file/0025/135565/HRM-POL-100016-external.pdf)
- Code of Conduct:  
[https://www.woodplc.com/\\_data/assets/pdf\\_file/0030/48918/COP-PLD-100008.pdf](https://www.woodplc.com/_data/assets/pdf_file/0030/48918/COP-PLD-100008.pdf)
- Supplier Code of Conduct:  
[https://www.woodplc.com/\\_data/assets/pdf\\_file/0020/135551/SCM-POL-100001.pdf](https://www.woodplc.com/_data/assets/pdf_file/0020/135551/SCM-POL-100001.pdf)
- Modern Slavery and Human Trafficking Statement 2021:  
[https://www.woodplc.com/\\_data/assets/pdf\\_file/0025/198043/Modern-Slavery-Statement\\_2022.pdf](https://www.woodplc.com/_data/assets/pdf_file/0025/198043/Modern-Slavery-Statement_2022.pdf)
- Policies and documents:  
[https://www.woodplc.com/\\_data/assets/pdf\\_file/0025/198043/Modern-Slavery-Statement\\_2022.pdf](https://www.woodplc.com/_data/assets/pdf_file/0025/198043/Modern-Slavery-Statement_2022.pdf)

### *Modern slavery and human trafficking*

We accept our responsibility to ensure our people, as well as those in our value chain are not subject to any form of modern slavery, whether this is human trafficking or forced and bonded labour. Wood publishes an annual statement on modern slavery, which complies with the Modern Slavery Act 2015 (UK) and the Australian Modern Slavery Act 2018. Aligned to our approach to respect human rights, the annual review of our modern slavery statement forms the basis of our annual assessment of human rights risks and provides a transparent overview of how we assess, manage and mitigate the risk of modern slavery and human trafficking across our business. Our annual modern slavery statement details our performance and efforts to build capacity on human rights issues, to help protect against our involvement in modern slavery. Read more in our Modern slavery and human trafficking statement 2021.

Our Human Rights and Modern Slavery Oversight Committee helps connect our Supply Chain, Commercial, People & Organisation and Sustainability teams in our commitment to prevent, detect and remedy human rights issues within Wood and our supply chain. Activities to evolve and advance our approach on human rights are communicated through monthly sustainability, as well as functional reporting to provide ELT and Board oversight.

Related links:

- Modern slavery and human trafficking statement 2021:  
[https://www.woodplc.com/\\_data/assets/pdf\\_file/0025/198043/Modern-Slavery-Statement\\_2022.pdf](https://www.woodplc.com/_data/assets/pdf_file/0025/198043/Modern-Slavery-Statement_2022.pdf)

### *Our contribution to the industry:*

In addition to our internal policies and standards, Wood is a founding member of the industry led, business financed initiative Building Responsibly. Building Responsibly was born from a desire by businesses to connect in a non-competitive environment on the common challenges to protecting and promoting the rights and welfare of workers. Building Responsibly members are committed to promoting the rights and welfare of workers, specifically for those in the engineering and construction industry. Our involvement with the initiative has given us a platform to strengthen our approach to assuring basic human rights and welfare of those that work for, or on behalf of Wood.

Related external links:



- Building Responsibly Website  
<https://www.building-responsibly.org/>
- Building Responsibly Worker Welfare Principles  
<https://www.building-responsibly.org/worker-welfare-principles>

#### Woods goals on Human Rights

In 2021, Wood announced a series of sustainability targets. In support of Building Responsibly, we aim to:

- Ensure 100% of Wood's labour suppliers sign up and comply with the Building Responsibly Principles by 2025
- Ensure 100% of our suppliers have Building Responsibly Principles embedded into their supply chains by 2030.

#### Wood's influence on Human Rights:

In line with Wood's vision of putting sustainability at the heart of our business, we have created a governance approach which draws human rights into the mainstay of the way we manage our business every day. We have deliberately committed to upholding the Universal Declaration of Human Rights in our Human Rights Policy. Human Rights impacts on Wood can be categorised into 4 distinctive areas:

1. How we treat our people, refers to relationships which fall directly under Wood's own defined governance and the incorporation of human rights into those direct employment relationships.
2. Who we choose to work for, relates to our clients and how we consider the impact of a client on human rights in our decision to tender and undertake work.
3. What we choose to do in the services we provide relates to the considerations we take of the potential human rights impact that this service may have and how we consider them effectively
4. Who we choose to work with us relates to the impact of our direct and indirect contractor, supplier and partner impacts on human rights and how we manage those relationships.

#### Human Rights to our employees:

Treating people with dignity and fairness is at the heart of our values, defined in the company Code of Conduct and codified in our mandatory People & Organisational policies. All Wood employees irrespective of local jurisdictional laws and norms, are subject to Wood's people policies and procedures covering Human Rights, Equal Opportunities, Diversity and Inclusion, Anti-harassment, training, recruitment and hiring. All are responsible for reading, understanding and remembering the information in our Code and must:

- Act in a manner that is safe, ethical and consistent with laws, regulations and Wood values and behaviours.
- Report concerns of any known, suspected or potential misconduct or Code violation, or ask questions about the right course of action using our Wood "Speak Up" resources.
- Complete all required Code training in a timely manner.
- Certify annually that you have acted in accordance with the Code.

#### Choosing our clients:

Our client relationships are central to the company's wellbeing and are of utmost importance. We undertake due diligence on our clients to make sure that these relationships offer value for our stakeholders. As a result, we identified the need to do more to highlight our position on human rights in this process and with our relationships with clients, in particular, in regard to our stance on worker welfare through our membership of Building Responsibly.

#### Choosing our partners and suppliers:

Supplier Selection When selecting suppliers for use, consideration should first be given to intercompany suppliers, where the work is suitable, and capacity is available. Where third parties are required, Category Contracts, Subcontracts and Frame Agreements are to be used in the first instance. If the requirement cannot be fulfilled by a current agreement holder, then reasonable endeavours



must be made to determine if an already qualified and onboarded supplier can be used for the intended purposes, with consideration given to the Supplier's capability and past performance. Appropriate due diligence should be carried out during supplier selection, with consideration given to the ethics and compliance of the onboarding entity. Some situations may require more in-depth due diligence, such commercial intermediaries or suppliers performing activities in higher risk countries. The Requestor must make reasonable endeavours to find out if the supplier exists already on an approved supplier list or ERP system, taking care regarding variations of the supplier name including abbreviations. If the supplier exists on another approved supplier list or ERP system, a review of the qualification documentation should be carried out in order to confirm that the supplier has the necessary competency, quality and HSSE requirements to safely and successfully carry out the scope of work. If supplier is not found on existing databases, it is the requestors responsibility to adhere to the relevant onboarding process. Forms (online or otherwise) shall be used to document all data attributes required for creation of the supplier and shall be retained for future reference/audit requirements. Care should be taken by the requestor to ensure the correct legal name of the supplier to be contracted with is used. Approval must be obtained from Supply Chain Managers or Category Management as part of the approval process.

Consideration shall be given to the criticality, complexity, and value of the activity the supplier will be carrying out to allow us to assess our risk exposure. The evaluation and qualification process applied may vary dependant on the risk level determined. If Supplier is found to be of a higher risk, then additional due diligence should be undertaken. Evaluation of supplier information should be conducted by the relevant functional responsibilities as defined on the local qualification process. This may include pre-approval audit or assessment.

All tenders are subject to review and approval in accordance with our Tender Governance procedure. With new relationships or contracts where the value of the purchase order exceeds 1MNOK, Wood conducts formal reviews which include screening for human rights. We will be reviewing our processes to ensure that we continue to have a comprehensive approach to considering the impact all projects may have on human rights and update our tender team's awareness. All Wood suppliers are subject to prequalification's and as part of this process must sign up to Wood's Supplier Code of Conduct. The Supplier Code of Conduct sets out Wood's comprehensive requirements and expectations for human rights. We will be reviewing this document in line with Wood's commitment to Building Responsibly.

### *Reporting Human rights*

In line with the Wood Code of Conduct and the Supplier Code of Conduct, we encourage all stakeholders to challenge situations which 'feel' outside of the Wood values, this includes human rights related issues. We urge employees, contractors, clients and the community to raise issues either directly or, if they feel more comfortable, through our Ethics Hotline. Our Wood Speak Up resources include: team leader or another team leader in our business, local P&O Business Partner, Wood Legal, Ethics & Compliance and The Ethics Helpline (<https://woodplc.ethicspoint.com>). Reports can be made confidentially via our Speak Up resources or anonymously via the Wood Ethics Helpline, which is operated by a third-party provider and is available 24 hours a day, 7 days a week online and telephonically.

Wood takes all concerns seriously and is committed to investigating all reports in a consistent manner, as further described in the Ethics Investigation Policy. Wood strives to resolve all matters internally but nothing stops an employee from reporting, at any time, suspected unlawful conduct to governmental authorities. Reports can be made anonymously, if preferred. Reported information is treated confidentially to the extent reasonably possible and allowable by local laws.

Actual negative consequences and significant risk of negative consequences that the business has uncovered through its due diligence assessments.

The evolving nature of our business brings significant challenge in managing human rights issues and we recognise the need for continual identification and mitigation of human rights risks. Annually, we assess our operations to ensure we continually evaluate our principal risks and the areas of our business with potential for the manifestation of human rights issues. In many locations, suppliers



operate with varied degree of management control. In this light we determine our greatest risks come from Wood's third-party relationships, in particular third-party labour where our contractors utilise recruitment agencies and labour brokers for the employment of low skilled personnel.

In 2022, recognising the importance of ESG matters, an increasing number of audits took place focused on sustainability and in particular our work on modern slavery and human rights. These audits help to focus the business on key actions that will evolve our approach and delivery of our goals. All manpower suppliers of offshore workers to Wood were audited in 2022. Actual negative findings or significant risk of negative consequences discovered through our assurance programme were:

- Example of not following equal payment principle
- Lack of systematic risk management
- Lack of union and employee participation during pandemic
- Poor competence and training management and development

Wood will continue to follow up all findings and ensure appropriate measures have effectively been implemented.

Information about measures that the business has implemented or plans to implement to stop actual negative consequences or limit significant risk of negative consequences, and the result or expected results of these measures.

Having strong and effective management processes in place not only mitigates potential litigation and reputational risk but provides significant opportunities and benefits for Wood. During 2022, Wood engaged with suppliers as part of a rationalisation programme aimed at streamlining Wood's relationships with suppliers to drive better value and stronger relationships. By rationalising the supply base, we set a strong foundation for the delivery of our target to ensure 100% of Wood's labour suppliers sign up to and comply with the Building Responsibly Principles. Our strategy towards reaching our goals, as mentioned earlier as part of our aim to protect, respect and enhance human rights, equality and inclusion, is evolving in line with the guidance of ISO 20400 on sustainable procurement, as we continue to develop our approach and embed sustainable practice in our procurement processes. Aligning our approach to recognised standards and frameworks, gives both credibility to our actions and assurance we are following globally recognised paths of best practice.

Engaging our employees on the importance of ethical conduct and compliance with our code, in 2022, we implemented an integrated training and communication plan comprised of a three-tiered engagement strategy. During the year, our Ethics and Compliance (E&C) team developed a library of Ethics Moments, which enable leaders to easily prompt discussions with their teams about ethics and compliance issues. More than fifty Ethics Moments were published and in addition, mandatory ethics and compliance training was deployed to all mid-level managers and principals, and 100% completion was attained.

To further strengthen the company's commitment to environmental, social and corporate governance, company appointed a new global role as President of Sustainability to drive Wood's sustainability strategy ensuring outcomes align with the UN SDGs, position and engage with stakeholders on a range of issues, and drive forward compliance and reporting and other key targets. Work fairly, transparently and ethically we will prioritize in 2023:

- Following up due diligence responses from our suppliers
- Process improvements based on user feedback
- Work to ensure Terms & Conditions compliance
- Review of modern slavery statement
- Create Handbook for Supplier Relationship Management (SRM) within supply chain leadership teams.
- 3rd party options for supplier risk management.



## **Directors' and officers' insurance**

The company has a directors' and officers' insurance. The following is covered: Claims brought against insured persons alleging a wrongful act such as actual or alleged breach of duty, breach of trust, neglect, error, misstatement, misleading statement, omission, breach of warranty of authority.

Claims include: -

- Written demands for monetary or non-monetary relief or injunctive relief
- Criminal proceedings
- Civil and regulatory proceedings
- Pre-claim inquiry costs (of employees called to interview in connection with investigation into the Company)
- Mediation, arbitration, or other Alternative Dispute Resolution proceedings

The policy covers the following costs if they arise out of a claim: -

- Defence and prosecution costs
- Extradition expenses
- US Regulatory Clawback (Dodd-Frank 954 Costs and Sox 304 Costs)
- Reputation expenses

## **Subsequent events**

We have continued to consider possible consequences to contracts due to the invasion of Ukraine. On a company level we have not identified any direct consequences yet. Neither have we had any challenges related to availability of personnel internally or from identified suppliers. On a project level, there is a trend related to increased purchase cost and delays in delivery of new equipment in general. As we have reimbursable compensation mechanisms in our contracts, the potential increased cost will be forwarded to the clients and hence no risk to Wood. For potentially delayed equipment, we will be able to claim force majeure. However, if required this is also mitigated with agreed new planning dates with the clients. The company do not have any assets that are impacted due to the war and sanctions. In the supply chain, the potential markets most likely to be influenced are the suppliers for piping, metal, bolts, valves, electric cables & bulk, transportation, and equipment manufacturing.

The core market for Wood Group Norway AS is to provide services to companies within the energy sector. Under the current geopolitical climate, there is high focus to secure and strengthen the energy supply within western Europe. Our core clients are mainly operating within these markets and the need for our services are in high demand going forward.

The global financial situation has changed lately with high inflation and increased interest rates. Global growth are projected to slow down the coming years. However, the demand for energy supplies is high, and in the short-term and middle-term, the demand for our services is projected to be high.

## **Continued Operations/Outlook**

Wood Group Norway's financial performance depends primarily on the investments in the oil and gas market on the Norwegian continental shelf. However, the company is also diversifying the project portfolio into the new energy segments like wind, biofuel, and hydrogen. The business is already well positioned in the onshore industry within petrochemical, fertilizer, fish oil and hydrogen.

The awards of Altera FPSO , Gassco BIR-GAP, onshore industry projects and continued high activity within the MMO segment, contributes highly to secure the operational and financial targets for the company in 2023 and beyond. The company has also won studies which is considered a leading indicator of investment activity. The measures introduced by the Government is expected to contribute to maintain the level of activity and investment going forward.

The Board is of the opinion that the prerequisites for continued operations are present and the financial statements for 2022 have been prepared on a going concern assumption.



Sandefjord, 28 June 2023

Lars Fredrik Bakke  
General Manager/  
Board Member

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Ellis Steven Renforth  
Chairman of the  
Board

James Anthony  
Shaughnessy  
Board Member

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Andrew James  
Findlay  
Board Member

Mari Kristin Stenvik  
Kruge  
Board Member  
(Employee  
representative)

Henning Halvorsen  
Board Member  
(Employee  
representative)

Hans Sannes  
Board Member  
(Employee  
representative)



Sandefjord, 28 June 2023

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(Employee  
representative)

Hans Sannes  
Board Member  
(Employee  
representative)



### Wood Group Norway AS

#### Income statement

Amounts in NOK thousands	Note	2022	2021
<b>Revenue</b>			
Sales revenue	2, 3	3 314 139	1 653 532
Other operating income		3 944	2 972
Total revenue	2	<u>3 318 083</u>	<u>1 656 504</u>
<b>Operating expenses</b>			
Cost of goods sold	3	2 459 935	1 009 224
Payroll expenses	4, 5	635 363	513 570
Depreciation and amortization	9, 10	17 761	15 367
Other operating expenses	4, 6	81 387	59 768
Total operating expenses		<u>3 194 446</u>	<u>1 597 929</u>
Operating result		<u>123 637</u>	<u>58 575</u>
<b>Financial income and expenses</b>			
Income from investments	7	11 992	0
Interest income from group companies		343	0
Other financial income		3 034	29
Net currency gain(-)/loss(+)		-931	309
Other financial expenses		4 640	1 537
Net financial items		<u>11 660</u>	<u>-1 816</u>
Result before tax		<u>135 297</u>	<u>56 759</u>
Tax on ordinary result	8	<u>16 900</u>	<u>0</u>
Net profit for the year		<u>118 397</u>	<u>56 759</u>
<b>Allocated as follows</b>			
Transferred to other equity	12	<u>118 397</u>	<u>56 759</u>



## Wood Group Norway AS

### Balance sheet 31 December

Amounts in NOK thousands	Note	2022	2021
<b>Fixed assets</b>			
<i>Intangible assets</i>			
Patents, licences	9	2 243	744
Deferred tax asset	8	0	2 054
Goodwill	9	25 326	34 085
Total intangible assets		<u>27 569</u>	<u>36 882</u>
<i>Tangible assets</i>			
Land, buildings and other real property	10	589	765
Fixtures and fittings, tools, office machinery etc.	10	7 307	7 454
Total tangible assets	10	<u>7 896</u>	<u>8 219</u>
<i>Financial assets</i>			
Other long-term receivables	5	833	1 155
Total financial assets		<u>834</u>	<u>1 155</u>
Total fixed assets		<u>36 298</u>	<u>46 256</u>
<b>Current assets</b>			
<i>Receivables</i>			
Accounts receivable	3, 11	345 726	205 842
Other receivables	3	531 992	499 256
Total receivables		<u>877 718</u>	<u>705 099</u>
Cash and cash equivalents		<u>297 685</u>	<u>48 882</u>
Total current assets		<u>1 175 402</u>	<u>753 980</u>
Total assets		<u>1 211 700</u>	<u>800 236</u>



### Wood Group Norway AS

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#### Balance sheet 31 December

Amounts in NOK thousands	Note	2022	2021
<b>Equity</b>			
<i>Paid-in capital</i>			
Share capital	12, 13	1 200	1 200
Share premium	12	42 210	42 210
Total paid-in capital		43 410	43 410
<i>Retained earnings</i>			
Other equity	12	175 156	56 759
Total retained earnings		175 156	56 759
Total equity		218 566	100 169
<b>Liabilities</b>			
<i>Provisions</i>			
Deferred tax liability	8	14 846	0
Total provisions		14 846	0
<i>Current liabilities</i>			
Accounts payable	3	370 553	332 600
Public duties payable	14	46 753	37 143
Other short-term liabilities	15	560 982	330 323
Total current liabilities		978 288	700 067
Total liabilities		993 134	700 067
Total equity and liabilities		1 211 700	800 236



**Wood Group Norway AS**

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**Balance sheet 31 December**

Amounts in NOK thousands

Note

2022

2021

31 December 2022  
Sandefjord, 28 June 2023

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Ellis Steven Renforth

Chairman

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Lars Fredrik Bakke  
General Manager / Board  
Member

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James Anthony Shaughnessy

Board Member

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Mari Kristin Stenvik Kruge  
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Hans Sannes  
Board Member

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Henning Hålvorsen  
Board Member

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Andrew James Findlay  
Board Member



**Wood Group Norway AS**

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**Balance sheet 31 December**

Amounts in NOK thousands

Note

2022

2021

31 December 2022  
Sandefjord, 28 June 2023

Ellis Steven Renforth

Chairman

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General Manager /Board  
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Henning Hålvorsen  
Board Member

Andrew James Findlay  
Board Member



## Wood Group Norway AS

### Cash flow statement

Amounts in NOK thousands	Note	2022	2021
<b>Cash flow from operating activities</b>			
Result before tax		135 297	56 759
Depreciation and amortization	8, 9	17 761	15 367
Write-down of fixed assets	9	0	80
Income from investment	7	-11 992	0
Gain of fixed assets	9	-147	0
Changes in pension scheme		321	0
Changes in inventories, accounts receivable and accounts payable		-105 966	116 399
Changes in other current balance sheet items		120 159	52 029
Net cash flow from operating activities		155 433	240 634
<b>Cash flow from investing activities</b>			
Purchase of fixed assets	8, 9	-10 032	-6 873
Repayment of capital from subsidiary	7	11 992	0
Change in deposit in group company		-16 720	-469 852
Net cash flow from investing activities		-14 760	-476 725
<b>Cash flow from financing activities</b>			
Payment financial lease		0	-1 287
Proceeds from issuance of short-term debt	6	108 130	40 115
Repayment of long-term loans		0	-67
Net cash flow from financing activities		108 130	38 761
Net change in cash and cash equivalents		248 803	-197 330
Cash and cash equivalents as of 01.01		48 882	246 212
Cash and cash equivalents as of 31.12		297 685	48 882



## Wood Group Norway AS

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### Notes to the accounts for 2022

Amounts in NOK thousands

#### Note - 1 Accounting Principles

The annual report is prepared according to the Norwegian Accounting Act 1998 and generally accepted accounting principles.

The company does not prepare its own consolidated accounts. The company is included in the consolidated financial statements of John Wood Group PLC, UK. The consolidated financial statements can be downloaded at [www.woodplc.com](http://www.woodplc.com).

#### *Subsidiaries*

Subsidiaries are valued at cost in the company accounts. The investment is valued at acquisition cost for the shares unless write-down has been necessary. It is written down to fair value when the impairment is not believed to be temporary and it is deemed necessary under the generally accepted accounting principles. Impairments are reversed when the loss no longer exists.

If dividend / group contribution exceeds withheld profits after acquisition, the excess represents repayment of invested capital, and the distributions are deducted from the investment value in the balance sheet of the parent company.

#### *Sales revenue*

Wood Norway's revenue is generated from manhour- and norm-based contracts within the oil and gas industry, process and petrochemical industry and renewable energy sector. Contracts typically consist of studies, engineering, procurement, construction, and installation services both onshore and offshore.

#### *Time and material method*

Sales revenues are recognized at the time of realisation of hours and goods delivered to the client based on approved client contracts, change orders and incentive schemes. This is reflecting the transfer of ownership and control of the services, equipment, and material to the client. This method is normally used for contracts with less firm scope of work.

#### *Construction contracts*

The company has some construction contracts. These are contracts where the scope of work is firm and normally last two to three years. These contracts could be fixed price, reimbursable, norm based or a combination. The contracts are treated in accordance with the percentage of completion method. Recognition of profit is made in line with the progress of the contract. The progress is measured according to physical progress on documents, milestones, and installation of components. Where the actual cost is less than the progress-based cost, accruals are accounted for. Contract revenues are agreed. Total anticipated production costs are based on calculated rates for personnel, estimation procedures, monitoring of efficiency and best judgment based on historical experience from similar projects.

Payments on account and advances received from customers in connection with a project are presented as advanced payments from customers.



## Wood Group Norway AS

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### Notes to the accounts for 2022

Amounts in NOK thousands

#### *Balance sheet classification*

Net current assets comprise creditors due within one year, and entries related to goods circulation. Other entries are classified as fixed assets and/or long-term creditors.

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

Fixed assets are valued by the cost of acquisition, in the case of non incidental reduction in value the asset will be written down to the fair value amount. Long-term creditors are recognized at nominal value.

#### *Accounts receivable and other receivables*

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated on the basis of individual assessments. In addition, for the remainder of accounts receivables outstanding balances, a general provision is carried out based on expected loss.

#### *Foreign currency translation*

Transactions in foreign currencies are translated at the exchange rate on the transaction date. Monetary items in foreign currencies are translated into Norwegian kroner at the balance sheet date. Currency fluctuations are recorded in the accounting period.

#### *Property, plant and equipment*

Property, plant and equipment is capitalized and depreciated over the estimated useful economic life. Direct maintenance costs are expensed as incurred, whereas improvements and upgrading are assigned to the acquisition cost and depreciated along with the asset. If carrying value of a non current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value.

#### *Operating leases*

Leases are classified as operating leases where all the substantial risks and rewards associated with ownership of the assets revert to the lessor. Lease payments are classified as operating costs and recognized over the contract period.

#### *Intangible assets*

Intangible assets are recognized when it is probable that the expected future economic benefits attributable to the asset will flow to the company; and its cost can be measured reliably.

The company's intangible assets have limited useful life and are carried at cost less accumulated depreciation. Depreciation is calculated on a straight line basis over the estimated useful life. The depreciation period and method are assessed annually.



## Wood Group Norway AS

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### Notes to the accounts for 2022

Amounts in NOK thousands

#### *Pensions*

The company has various pension schemes. The company has both defined contribution plans and defined benefit plans.

#### *Defined pension contribution plans*

The Company is obligated to follow the Act on mandatory occupational pensions (OTP) for its employees. The company has introduced defined contribution plans that are consistent with this Act. For defined contribution plans, contributions are paid to pension schemes. Once the contributions are paid, there are no further payment obligations. Contributions to defined contribution plans are charged to the income statement for the period in which the contributions relate. The contribution is recognized as payroll expenses. Prepaid contributions are reflected as an asset (pension fund) to the degree the contribution can be refunded or will reduce future payments.

#### *Defined pension benefit plans*

The company recognize pension liability in accordance with NRS 6 for the defined plan for one employee. Pension costs and pension liabilities are estimated on the basis of linear earnings and future salary. The calculation is based on assumptions of discount rate, future wage adjustments, pension and other payments from the national insurance fund, future return on pension funds and actuarial assumptions for deaths, voluntary resignation etc. Pension funds are valued at fair value and deducted from net pension liabilities in the balance sheet. Changes in the pension obligations due to changes in pension plans are recognized over the estimated average remaining service period. When the accumulated effect of changes in estimates, changes in assumptions and deviations from actuarial assumptions exceed 10 percent of the higher of pension obligations and pension plan assets, the excess amount is recognized over the estimated average remaining service periode.

#### *Defined pension benefit plans entitled to AFP*

All employees are covered by LO / NHO scheme and therefore entitled to AFP from the age of 62 years. The pension scheme is financed entirely by current contributions. These grants are recognized immediately as there are no calculations that show whether the scheme as a whole is over- or under-funded per date.

#### *Income tax*

Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at 22 percent on the basis of existing temporary differences between accounting profit and taxable profit together with tax deductible deficits at the year end. Temporary differences both positive and negative, are balance out within the same period. Deferred tax assets are recorded in the balance sheet to the extent it is more likely than not that the tax assets will be utilized.

#### *Cash flow statement*

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short-term highly liquid placement with original maturities of three months or less.

#### *Use of estimates*

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts in the profit and loss statement, the measurement of assets and liabilities and the disclosure of contingent assets and liabilities on the balance sheet date. Actual results can differ from these estimates.

Contingent losses that are probable and quantifiable is expenced as occurred.



## Wood Group Norway AS

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### Notes to the accounts for 2022

Amounts in NOK thousands

#### Note 2 - Sales revenue

	2022	2021
<i>Geographical distribution</i>		
Norway	3 291 174	1 633 733
Other countries	26 909	22 771
Total sales revenue	<u>3 318 083</u>	<u>1 656 504</u>

The company has all its revenue reported in the Business Unit EMEA.

#### Note 3 - Intercompany balances with group and associated companies

<i>Receivables</i>	2022	2021
Accounts receivable Wood Group UK Ltd (E469)	427	838
Accounts receivable Wood Group PSN	271	538
Accounts receivable Wood Group USA, Inc	0	2 301
Accounts receivable Wood Group Kenny Ltd Abu Dhabi	76	193
Accounts receivable Wood Group UK Ltd (H151)	0	265
Accounts receivable Wood Group Canada Inc	0	9
Other receivables John Wood Group	486 572	469 852
Total intercompany receivables	<u>487 345</u>	<u>473 995</u>

<i>Payables</i>	2022	2021
Accounts payable - Amec	1 382	1 690
Accounts payable Mustang Engineering Ltd.	98	0
Accounts payable John Wood Group PLC	810	6 492
Accounts payable Grenland Group China	77	77
Accounts payable Wood Group PSN	16 082	12 780
Accounts payable Wood Group UK Ltd	6 282	19 580
Revaluation of IC Payables (gl2498)	-96	277
Accounts payable Wood Group Kenny Ireland Ltd	21	110
Accounts payable Wood Italiana S.r.l	225	22
Accounts payable Wood Group UK Ltd, Capital Projects	177	3 716
Accounts payable Wood Group, Australia	148	0
Accounts payable Wood Group France SAS	101	0
Total intercompany payables	<u>25 306</u>	<u>44 744</u>



## Wood Group Norway AS

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### Notes to the accounts for 2022

Amounts in NOK thousands

#### *Sales*

Wood Group Kenny Ireland Ltd	153	0
PSN Sakhalin	387	231
Mustang Engineering Ltd.	-1	394
Wood Group PSN	4 270	4 332
Wood Group USA, Inc	7 830	369
Wood Group Kenny Ltd Abu Dhabi	37	282
Wood Group UK Ltd, Capital Projects	0	38
Wood Group UK Ltd	23	-176
Amec International Limited	0	132
Wood Group Canada Inc	20	9
Wood E&IS GmbH	0	18
Wood Engineering, Doha	1 063	0
Total intercompany sales	<u>13 781</u>	<u>5 628</u>

#### *Cost of goods sold*

Mustang Engineering Ltd.	98	0
Wood Group France SAS	153	0
Wood Group USA Inc - STS	125	1 636
Wood Group UK Ltd	33 116	27 947
AMEC Foster Wheeler India Private Ltd	11 266	8 428
Wood Group PSN	61 438	24 482
Wood Group UK Ltd, Capital Projects	15 932	3 846
Wood Italiana S.r.l	731	22
Wood E&IS GmbH	0	46
Wood Group Kenny Ireland Ltd	1 566	472
Wood Group Kenny Sdh Bhd	199	0
Wood Australia Pty Ltd	215	0
Total intercompany cost of sales	<u>124 839</u>	<u>66 879</u>



## Wood Group Norway AS

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### Notes to the accounts for 2022

Amounts in NOK thousands

#### Note 4 - Payroll expenses, number of employees, loans to employees and auditor's fee

<i>Payroll expenses</i>	<b>2022</b>	<b>2021</b>
Salaries	509 323	410 401
Payroll tax	78 328	63 303
Pension costs	35 914	27 887
Other payments	11 797	11 979
Total payroll expenses	<u>635 363</u>	<u>513 570</u>
Average number of full-time equivalents	577	512

#### Management remuneration 2022

	Salary	Pension expenses	Other remuneration
General Manager	2 947	94	107

Remuneration is not paid to the Board. All directors are employed in the Group and receive remuneration in the form of regular salary. The company is not obliged to pay the CEO or chairman of the board to give special consideration upon termination or change of employment / directorship. The company has signed Wood Group Annual Bonus Plan (ABP) and Long-Term Incentive Plan (LTIP) facing Senior Vice President up to 40% (ABP) and 59% (LTIP). The company has not adopted arrangements for share-based compensation, profit sharing, option programs or special bonus program to pay the CEO or chairman of the board.

<i>Auditor fee has been divided as follows</i>	<b>2022</b>	<b>2021</b>
Audit fee	1 131	614
Total	<u>1 131</u>	<u>614</u>

VAT is not included in the auditor fees.



## Wood Group Norway AS

### Notes to the accounts for 2022

Amounts in NOK thousands

#### Note 5 - Pensions

Amounts in NOK thousands

The AFP pension scheme is not an early retirement scheme, but a scheme that provides a lifelong supplement to the ordinary pension. The employees can choose to join the new pension scheme from the age of 62, also in addition to continue to work, and it provides additional earnings from work up to 67 years. All employees are covered by the scheme. The pension scheme is a defined benefit multi-employer pension plan, funded through premiums determined as a percentage of salary. Currently, there is no reliable measurement and allocation of liabilities and assets in the scheme. The accounting scheme is treated as a defined contribution plan with premium payments expensed as incurred and no provisions are made in the accounts.

#### Mandatory occupational pension scheme(OTP)

The company is required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension (lov om obligatorisk tjenestepensjon). The company's pension schemes meets the requirements of that law.

Pension premium below includes both occupational pension and defined benefit pension. The defined benefit pension originate from Wood Group Kenny AS and includes 1 individual. This pension scheme gives the right to define future benefits.

	2022	2021
Pension cost AFP	8 030	6 763
Pension premium	27 884	21 124
Net benefit obligations	35 914	27 887

	2022	2021
Estimated pension obligation	6 832	6 520
Plan assets end of year	-6 357	-5 762
Net estimated pension obligation	475	758
Unrecognized effects of estimate deviations	-1 309	-1 912
Net benefit obligations	-833	-1 155

Principal assumptions:	2022	2021
Discount rate	3,00%	1,90%
Expected compensation increase	3,50%	2,75%
Annual pension payment increase	3,25%	2,50%
Annual National Insurance Base Amount increase	3,25%	2,50%
Expected return on pension plan assets	4,70%	3,10%

The actuarial assumptions are based on assumptions of demographic factors normally used within the insurance industry.



## Wood Group Norway AS

### Notes to the accounts for 2022

Amounts in NOK thousands

#### Note 6 - Leasing contracts

	2022	2021
<i>Main leasing agreements</i>		
Rent housing	27 760	27 245
Rent vehicles	43	9
Rent office machinery and other equipment	889	854
Total	<u>28 692</u>	<u>28 108</u>

Location	Yearly rent cost	Expiry date	Option
Oslo	961	31.12.2023	2 years
Bergen	2 124	31.08.2023	31.08.23- (New 30.07.27)
Sandefjord - Torp	94	31.05.2024	12 months notice
Sandefjord - Fokserødveien	18 912	01.12.2024	5+5 years
Herøya	402	30.04.2023	3 months notice
Sofa - Kanalsletta	4 098	30.06.2024	1 year

#### Note 7 - Income from investment

Repayment of capital from Grenland Group (China) Ltd of NOK 11 992 in connection with termination of the company in 2022. The shares has previously been written down in the accounts.



**Wood Group Norway AS**

**Notes to the accounts for 2022**

Amounts in NOK thousands

**Note 8 - Income taxes**

Amounts in NOK thousands

<i>Income tax expenses</i>	<b>2022</b>	<b>2021</b>
Change in deferred tax	16 900	0
Total income tax expense	16 900	0
<i>Tax base estimation</i>	<b>2022</b>	<b>2021</b>
Result before tax	135 297	56 759
Permanent differences	-2 850	8 764
Change in temporary differences	-57 543	-38 084
General income	74 904	27 439
Limitation of deduction for interest between related parties	-214	-143
(Utilization of) loss carried forward	-74 690	-27 296
Tax base	0	0
<i>Temporary differences outlined</i>	<b>2022</b>	<b>2021</b>
Fixed assets	1 601	-477
Receivables	-338	-338
Net pension obligation	833	1 155
Construction contracts	97 892	41 931
Other temporary differences	-220	-45
Total temporary differences	99 768	42 225
Accumulated loss carried forward	-32 284	-106 974
Interest deductibility carry forward	-197 735	-197 949
Net temporary differences	-130 252	-262 699
Deferred income tax asset (22%)	-28 655	-57 794
Deferred income tax asset not recognized	43 502	55 740
Recognized deferred tax liability/(-asset) (22%)	14 846	-2 054



**Wood Group Norway AS**

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**Notes to the accounts for 2022**

Amounts in NOK thousands

<i>Effective tax rate</i>	<b>2022</b>
Expected income taxes, statutory tax rate 22%	29 765
Change in deferred tax asset not recognized	-12 238
Permanent differences (22%)	<u>-627</u>
Income tax expense	<u>16 900</u>
 Effective tax rate *)	 12,5 %

\*) Tax expense divided by pre-tax income

The Company has a tax benefit of NOK 43 502 that is not recognized in the balance sheet. The Company has a history of interest expense carried forward and there is limited evidence that the tax benefit will be fully utilized in the future.



## Wood Group Norway AS

### Notes to the accounts for 2022

Amounts in NOK thousands

#### Note 9 - Intangible assets

Amounts in NOK thousands

	Software	Goodwill	Total
Acquisition cost at 01.01.	14 675	87 587	102 262
Additions	9 758	0	9 758
Acquisition cost 31.12.	24 432	87 587	112 019
Acc.amortization at 31.12.	-22 189	-62 261	-84 451
Net carrying amount at 31.12.	2 243	25 326	27 569
Amortization for the year	8 259	8 759	17 017
Useful economic life	3-5 years	10 years	
Amortization plan	Linear	Linear	

Goodwill is amortized on a linear basis over the expected economic life of 10 years, based on the period the effects of synergies achieved through the acquisitions are expected to be realized.

#### Note 10 - Tangible assets

Amounts in NOK thousands

	Art	Land, buildings and other property	Machinery and plant etc	Small tools and inventory	Total
Acquisition cost 01.01.	407	4 371	27 979	5 217	37 973
Additions	0	0	275	147	421
Disposals	0	0	-2 026	0	-2 026
Acquisition cost 31.12.	407	4 371	26 228	5 364	36 368
Acc.depreciation 31.12.	0	-3 782	-24 691	0	-28 472
Net carrying amount at 31.12.	407	589	1 537	5 364	7 896
Depreciation for the year	0	176	568	0	744
Useful economic life		5-10 years	5-10 years		
Depreciation plan		Linear	Linear		

Inventory of small tools are classified as small assets.

The company has fixed assets consisting of various tools used in connection with the company's production. These shall consist of tools with a cost of less than NOK 15,000 and lifetime of 2 years.



## Wood Group Norway AS

### Notes to the accounts for 2022

Amounts in NOK thousands

#### Note 11 - Long-term construction contracts

	2022	2021
<i>Specification of projects in process</i>		
Total recognized revenue	2 227 089	708 269
Total remaining contract value	763 789	1 265 521
Total value of contracts	<u>2 990 878</u>	<u>1 973 789</u>
Income from ongoing projects 31.12.	2 227 089	708 269
Costs of current projects pr. 31.12.	-2 129 198	-666 338
Results from projects 31.12.	<u>97 892</u>	<u>41 931</u>

#### Note 12 - Equity

Amounts in NOK thousands

	Share capital	Share premium	Other equity	Total
Equity 01.01.	1 200	42 210	56 759	100 169
Net profit for the year	0	0	118 397	118 397
Equity 31.12.	<u>1 200</u>	<u>42 210</u>	<u>175 156</u>	<u>218 566</u>

#### Note 13 - Share capital and shareholder information

Share capital:

	Number of shares	Face value	Book value
Ordinary shares	10 000 000	0,12	1 200

Shareholders per 31.12:

	Ordinary shares	Ownership share	Voting rights
Wood Group Investments Limited	10 000 000	100 %	100 %

The entity is part of the consolidated accounts for John Wood Group PLC, whose address is:  
15 Justice Mill Lane, Aberdeen, AB11 6EQ Scotland, UK.

The consolidated accounts can be obtained from: [www.woodplc.com](http://www.woodplc.com)



## Wood Group Norway AS

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### Notes to the accounts for 2022

Amounts in NOK thousands

#### Note 14 - Bank guarantees

<i>The Company has the following warranties and guarantees:</i>	<b>2022</b>	<b>2021</b>
Bank guarantees related to projects	194 224	194 224
Bank guarantees related to rent	22 062	21 292
Bank guarantees related to tax withholding, SEB	28 000	28 000

#### Note 15 - BNP Receivable financing

The company has a receivable financing facility via BNP, the amount as pr 31.12.2022 is NOK 250 752, reported as other short-term liabilities.



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To the General Meeting of Wood Group Norway AS

## Independent Auditor's Report

### Opinion

We have audited the financial statements of Wood Group Norway AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

### In our opinion

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

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

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

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

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

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

### Offices in:

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Statsautoriserede revisorer - medlemmer av Den norske Revisorforening

Oslo	Elverum	Mo i Rana	Tromsø
Alta	Finnsnes	Molde	Trondheim
Arendal	Hamar	Sandefjord	Tynset
Bergen	Haugesund	Stavanger	Ulsteinvik
Bode	Knarvik	Stord	Ålesund
Drammen	Kristiansand	Straume	

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## Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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 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 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 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.

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.

Sandefjord, 29 June 2023  
KPMG AS

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Thomas Alheim  
*State Authorised Public Accountant*  
(This document is signed electronically)

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"By my signature I confirm all dates and content in this document."

## Thomas Alfheim

Statsautorisert revisor

On behalf of: KPMG AS

Serial number: 9578-5999-4-1282395

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**Skattedirektoratet**

Saksbehandler  
Torstein Kinden Helleland

Deres dato  
07.06.2016

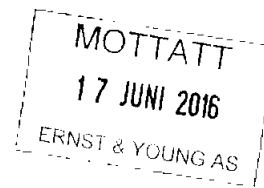
Vår dato  
13.06.2016

Telefon  
22078139

Deres referanse  
Henrik Mollerin

Vår referanse  
2016/570509

ERNST & YOUNG AS  
Postboks 20 Oslo Atrium  
0051 OSLO



**Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk**

Vi viser til deres brev mottatt 7. juni 2016 2016 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for;

<b>Wood Group Norway Holding AS</b>	<b>org. nr. 913 871 057</b>
<b>Wood Group Mustang Norway AS</b>	<b>org. nr. 976 802 357</b>
<b>Wood Group Mustang Norway Operations AS</b>	<b>org. nr. 943 103 801</b>
<b>Erbus AS</b>	<b>org. nr. 975 351 777</b>

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

**Bakgrunn**

Wood Group Norway Holding AS er morselskap i det norske underkonsernet. Wood Group Norway Holding AS er eiet av det britiske selskapet Wood Group Investment Ltd. Konsernets morselskap er det britiske selskapet John Wood Group PLC. Konsernet driver virksomhet innen oljeservice. Dette er en internasjonal bransje og alle sentrale aktører og samarbeidspartnere behersker og benytter engelsk. Arbeidsspråket er engelsk. Styret har utenlandske medlemmer. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

**Skattedirektoratets vurdering**

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

Postadresse  
Postboks 9200 Grønland

Besøksadresse:  
Se [www.skatteetaten.no](http://www.skatteetaten.no)

Sentralbord  
800 80 000



*”Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”*

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “informative regnskaper for ulike grupper av regnskapsbrukere”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapene er eiet av et utenlandsk selskap. Eierkretsen er begrenset. Arbeidsspråket er engelsk. Styret har utenlandske medlemmer. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle aktører behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad  
*seniorrådgiver*  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

Torstein Kinden Helleland

*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer*