Interim report

Q2 AND FIRST HALF YEAR 2024

Hovinbekken in Oslo, Norway, was awarded Oslo City's architecture prize for 2024 | Photo: Bård Gudim

Norconsult

CEO comment

Norconsult's positive development continued in the second quarter, and the Group delivered another quarter with solid growth and stable profitability. The organic growth is mainly driven by a higher number of employees and increased average billing rates.

The market for Norconsult's services in the second quarter of 2024 was, at large, in line with previous years, at the same time we note that uncertainty continues to impact the overall market.

In line with the industry, we observe that there is still a weak and uncertain market for Buildings & Architecture, primarily in the private sector. Overall, we are satisfied given the current market situation, and we see that activity in the public sector is compensating some of the decline in the private sector. As an example, Norconsult was part of the team awarded the contract to design and construct the buildings at the new airport in Bodø.

Demand in the Infrastructure market remains stable, with public focus on transportation and water infrastructure. Norconsult was awarded a number of new railway-related projects. One of these is the assignment to modernise the Gråkallbanen railway in Trondheim. Gråkallbanen, the world's northernmost tram line, is set for modernisation, and our experts will provide guidance on procuring new equipment and upgrading the infrastructure.

In the Energy & Industry market, high activity and healthy demand continued. There continues to be a balanced mix between different sub-segments, such as new industrial buildings and infrastructure, *green industry* projects, hydropower production as well as power transmission systems.

In the quarter we announced the acquisition of the infrastructure consulting company Wermlands Infrakonsult (WIKON), with 11 experts within water and sewage, land, traffic, roads and streets with both public and private customers. This acquisition strengthens Norconsult's position in the western part of Sweden.

The ranking of Norway's most attractive employers among students was announced during the Universum Awards in the second quarter. Approximately 11,000 students expressed their opinion and named Norconsult the industry's most attractive employer in the category *Engineering Consulting* for the third year in a row. At the same time, we retained our position as one of the most attractive employers overall when 2,500 engineering students were asked *Who is your ideal employer?*.

Every year, we recruit several hundred new employees to Norconsult, and the results of the survey is a good confirmation that the way we work with innovative technology and sustainability in our projects, combined with our great work environment, is attractive to the students. It is also particularly gratifying that this year we are ranked as the country's second most attractive employer among female engineering students, as we have a desire to constantly improve gender balance in the company.


Egil Hogna, CEO Norconsult (Herman Dreyer)

It is important to tell colleagues and clients about what we do at Norconsult, and in April we organised *Sustainability Week 2024* (Bærekraftsuken 2024). *Knowledge grows when it is shared* is the fundamental belief behind this event which was organised for the fourth time. More than 50 webinars were held on topics related to social, environmental and economic sustainability. Most speakers are our in-house professionals, but also clients are invited to share their experiences. This is an event that supports Norconsult's purpose of *everyday improving everyday life* and increases awareness of what we do and offer. This year we had webinars from our experts in all Scandinavian countries.

I would like to thank all our clients and our employees who work hard to improve local societies and everyday life through thousands of projects. Their effort was the reason why Norconsult achieved another quarter of growth and stable profitability, and we will continue to seek to attract, develop and retain the best talents in Norconsult.

Highlights Q2 2024

Highlights Q2 2024
- Income after external project costs was NOK 2 399 million (2 097)
- Significant positive calendar effects of NOK 144 million as a result of four working days more in the quarter compared with last year
- Organic growth of 7 percent adjusted for calendar effects
- Adj. EBITA was NOK 263 million (112) with an adj. EBITA margin of 11.0 percent (5.3)
- Adj. EBITA margin was 5.3 percent, adjusted for calendar effects
- Expenses for the employee share program 2023 of NOK 87 million (-2) is excluded from adj. EBITA
- Net profit of NOK 138 million (79)
- Net cash flow from operating activities was NOK 501 million (192)
- Earnings per share NOK 0.48 (0.28)

Highlights H1 2024
- Solid growth in income after external project costs of 7 percent to NOK 4 760 million (4 456)
- Negative calendar effects of NOK 34 million due to one less working day in H1 2024 compared to last year
- Organic growth of 6 percent adjusted for calendar effects
- Adj. EBITA was NOK 490 million (493) with an adj. EBITA margin of 10.3 percent (11.1)
- Adj. EBITA margin was 10.9 percent, adjusted for calendar effects
- Expenses for the employee share program 2023 of NOK 164 million (-2) is excluded from adj. EBITA
- Net profit of NOK 242 million (362)
- Net cash flow from operating activities was NOK 685 million (452)
- Earnings pr share NOK 0.85 (1.30)

Key figures for Q2 2024

14 % Growth in income after external project costs	7 % Organic growth adjusted for calendar effects	263 mill Adj. EBITA
6 136 FTEs	11.0 % Adj. EBITA margin	0.48 NOK EPS

Consolidated key figures

GROUP	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
Financial					
Income after external project costs, NOKm	2 399	2 097	4 760	4 456	8 494
Organic growth, %	14 %	9 %	5 %	11 %	9 %
Acquisition related growth, %	1 %	2 %	1 %	2 %	2 %
Currency, %	0 %	3 %	0 %	2 %	2 %
Total growth	**14 %**	**13 %**	**7 %**	**15 %**	**13 %**
Organic growth adj for calendar, %	7 %	11 %	6 %	11 %	10 %
Adj EBITA, NOKm	**263**	**112**	**490**	**493**	**810**
Adj EBITA margin, %	**11.0 %**	**5.3 %**	**10.3 %**	**11.1 %**	**9.5 %**
EBIT, NOKm	171	102	316	478	673
Profit for the period, NOKm	138	79	242	362	516
Earnings per share, NOK	0.48	0.28	0.85	1.30	1.83
Operational					
Number of FTEs	6 136	5 827	6 136	5 827	6 124
Billing ratio	74.6 %	76.2 %	73.3 %	75.1 %	73.5 %
Normal working days	60	56	120	121	246
Net debt/LTM EBITDA, ratio	0.44	0.28	0.44	0.28	0.51
Net debt/LTM EBITDA, excl IFRS 16, ratio	-1.22	-1.47	-1.22	-1.47	-1.13

Refer to page 38 for reconciliations and definitions of *Alternative Performance Measures*.

Group performance

Solid growth and stable profitability

Income after external project costs increased with 14 percent compared with the second quarter last year. The quarter was significantly affected by four more working days. Organic growth adjusted for calendar effects was 7 percent. The adjusted EBITA margin adjusted for calendar effects was 5.3 percent in the quarter, on level with last year. Cash flow from operating activities was NOK 501 million in the quarter, up from NOK 192 million last year.

Financial review

Q2 2024

Operating revenue and other income for the quarter ended at NOK 2 712 million, an increase of 15 percent compared with the same quarter last year.

Income after external project costs for the quarter ended at NOK 2 399 million, an increase of NOK 303 million compared with the same quarter last year. The positive impact due to calendar effects amounted to NOK 144 million. Income after external project costs adjusted for calendar effects increased by 8 percent compared to the same quarter last year.

Organic growth adjusted for calendar effects amounted to 7 percent. Acquired growth was 1 percent.

The organic growth is mainly driven by a higher number of employees and increased average billing rates.

Adjusted EBITA for the quarter ended at NOK 263 million, compared with NOK 112 million for the same period last year, mainly driven by the large positive calendar effects. Adjusted for calendar effects the margin was 5.3 percent, on the same level as the same period last year. Bonus periodisation related to profit sharing had a positive effect of NOK 24 million, while expenses for the 2024 employee share program increases costs with NOK 7 million.

Adjusted for the significant calendar effects, the main contributors for the improvement in adjusted EBITA were Norway Head Office, Renewable Energy and Sweden, mainly due to increased average billing rates and a higher number of employees. The improvement was partly mitigated by lower profitability in Norway Regions and Denmark. Expenses for the employee share program for 2023 of NOK 87 million are not included in adjusted EBITA.

EBIT for the quarter ended at NOK 171 million compared with NOK 102 million in the same period last year, mainly explained by the positive calendar effects of NOK 144 million. In addition, expenses for employee share programs for 2023 and 2024 were NOK 93 million (-2) in the quarter.

Net profit for the period ended at NOK 138 million compared with NOK 79 million in the same period last year, mainly due to more working days mitigated by expenses for employee share programs for 2023 and 2024.

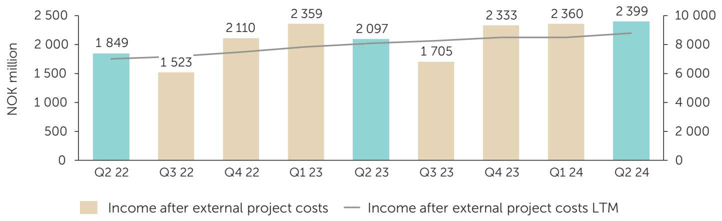
Ordinary earnings per share increased from NOK 0.28 in the second quarter of 2023 to NOK 0.48 in the same period this year mainly as a result of the calendar effects for the current quarter reduced with the expenses for employee share programs.

The order backlog at the end of the quarter was NOK 6.4 billion, down from NOK 6.6 billion at the end first quarter of 2024.

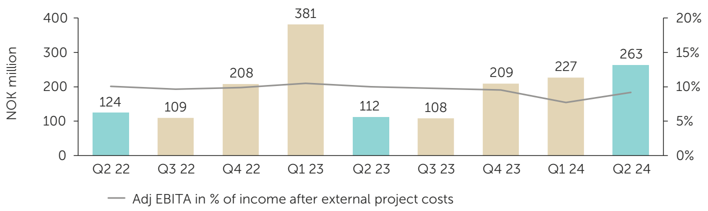
Calendar effects in the second quarter of 2024 were significant with four more working days compared to the second quarter 2023 due to Easter falling in the first quarter of 2024. The estimated positive effect on income after external projects and adjusted EBITA for the Group was NOK 144 million.

Note that the calendar effects have not been adjusted in the graphs below.

Income after external project costs



Adj. EBITA



H1 2024

Operating revenue and other income ended at NOK 5 344 million, an increase of 7 percent and NOK 372 million compared with last year.

Income after external project costs ended at NOK 4 760 million and increased 7 percent and NOK 304 million compared with last year. Organic growth adjusted for calendar effects amounted to approximately 6 percent. Acquired growth was 1 percent.

The organic growth is mainly driven by the higher number of employees and increased average billing rates.

Adjusted EBITA was NOK 490 million, compared to 493 million last year. The calendar effects of one less working day compared to the same period last year had a negative impact of approximately NOK 34 million. Bonus periodisation related to profit sharing had a positive effect of NOK 24 million, partly mitigated by cost for the Norconsult's employee share programs for 2024 of NOK 17 million. The adjusted EBITA margin corrected for calendar effects was 10.9 percent compared to 11.1 percent last year.

The improved adjusted EBITA for the Group was primarily driven by the higher number of employees and increased billing rates. Higher personnel expenses had a negative impact.

Expenses for employee share programs for 2023 of NOK 164 million are not included in adjusted EBITA.

Norway Head Office and Renewable Energy noted increasing adjusted EBITA levels. Norway Regions, Sweden and Denmark have lower adjusted EBITA levels compared to last year, mainly due to lower billing ratio.

EBIT ended at NOK 316 million, down from NOK 478 million last year mainly due to expenses for employee share programs for 2023 and 2024 of NOK 181 million (-2) for the period.

Net profit for the period ended at NOK 242 million, down from NOK 362 million last year.

Earnings per share decreased from NOK 1.30 for H1 2023 to NOK 0.85 for H1 2024.

Calendar effects were negative with 34 MNOK due to one working day less compared to the same period last year.

Financial position, cash flow and liquidity

Total assets amounted to NOK 6 678 million, an increase of 5 percent compared with total assets at the year-end 2023. The change is mainly due to increase in prepaid expenses and increase in current receivables. The Company's equity totaled NOK 2 184 million compared to NOK 2 065 million at year-end 2023. The change in equity is mainly a result of net profit for the period in addition to capital increase as part of the employee share programs, reduced with distributed dividends.

Net interest-bearing debt (*NIBD*) amounted to NOK 551 million, compared to NOK 633 million at year-end 2023. NIBD excluding IFRS leasing liabilities amounted to NOK -1 017 million, increased from NOK -947 million at 31 December 2023.

Net cash flow from operating activities was NOK 685 million, up NOK 234 million compared with the first half year last year mainly due to improved working capital levels. Fluctuations in working capital items are in general in line with seasonal variations and change in operating revenue.

Net cash flow used in investing activities was NOK -66 million compared with NOK -139 million the same period last year, mainly due to lower payments related to acquisitions.

Net cash flow from financing activities was NOK -559 million, compared with NOK -452 million in the same period last year mainly due to increased payment of dividends.

Cash and cash equivalents at the end of the quarter were NOK 613 million. Including placements in bond funds, with a fair value of NOK 404 million, total liquidity was NOK 1 017 million, up from NOK 947 million at the end of 2023.

People and organisation

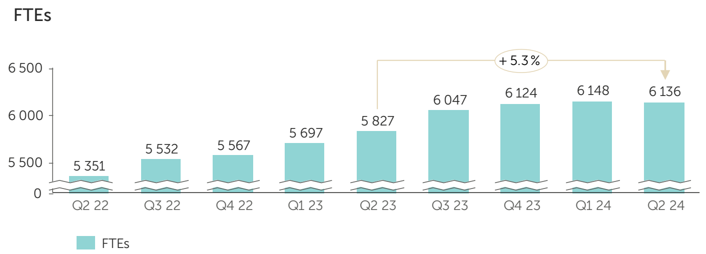
At the end of the second quarter 2024 the number of employees was 6 300 up from 6 000 employees compared to the same quarter last year. The number of FTEs was 6 136 compared to 5 827 in the same period in 2023.

The ranking of Norway's most attractive employers among students was announced during the Universum Awards in May 2024. Around 11 000 students shared their opinions and named Norconsult as the best engineering consulting company in the industry for the third year in a row.

The interest in Norconsult's first employee share program after the listing in November 2023, was impressive. A total of 3 839 employees (66 % of eligible employees) purchased shares. The share programs were substantially oversubscribed, hence the allocation of shares was reduced in order to meet the previously communicated cost frame of NOK 50 million yearly for the program.

For the fourth year in a row Norconsult carried out Sustainability Week which included more than 50 webinars about sustainability and how we improve everyday life. The webinars had nearly 8 000 viewings.

Over 120 students attended the Summer Interns Day in Sandvika. The Summer Interns Day aims to ensure that students have the best possible start to their internship, with the goal of providing them with valuable input, inspiration and new connections. Interns bring new, innovative ideas and perspectives, contributing to problem-solving and project development. The internships also serve as a talent pipeline, allowing Norconsult to identify and recruit high-potential candidates for full-time positions.



Markets and projects

The market for Norconsult's services in the second quarter of 2024 was, at large, in line with previous years. While the overall activity level has been stable through the quarter, we do notice some indecisiveness with regards to final investment decisions of new capital-intensive projects. The market for Buildings & Architecture is still on the weak side, especially in certain private fields and geographies. Demand in the Infrastructure market remains stable, with public focus on transportation and water infrastructure. In the Energy & Industry segments, high activity and healthy demand continued.

Norconsult reports on markets and projects through the following three main business markets:

- Buildings & Architecture
- Infrastructure
- Energy & Industry

Buildings & Architecture

Norconsult, as the rest of our industry, continues to navigate in a weak and uncertain *buildings and properties* market, given its dependency on macroeconomic investment sentiments. Our relatively strong focus on the public buildings market mitigates some of the slow private segment. We continue to expect a fair level of activity in the public building segment across the Nordics, while we expect the private building market to be influenced by the development in macroeconomics in the different geographies we operate.

Among noticeable projects included in the order intake during the quarter were:

- Ibsen library, Skien, Norway
- Ellingsrud school, Oslo, Norway
- Institute of Marine Research, Bergen, Norway

Infrastructure

The activity level in public and private infrastructure, observed by Norconsult, continues in line with previous periods. The second quarter resulted in a number of new rail related projects, substantiating continued public focus on rail infrastructure. Road-related activities continue in accordance with public plans. Water infrastructure investments, driven by county, municipal and intermunicipal entities, remains stable.

Among noticeable projects included in the order intake during the quarter were:

- New Airport Bodø (NLBO) - Entreprise E6 Terminal building, Norway
- Gråkallbanen tramway, Trondheim, Norway
- ERTMS for railway line Hokksund - Kristiansand, Norway

Energy & Industry

The strong market in Energy & Industry continues. We still observe a healthy demand in both industry as well as energy projects across different geographies. There continues to be a balanced mix of performance across the different sub-segments in *Energy & Industry*, such as new industrial buildings and within infrastructure, *green industry* projects, hydropower production as well power transmission systems.

Among noticeable projects included in the order intake during the quarter were:

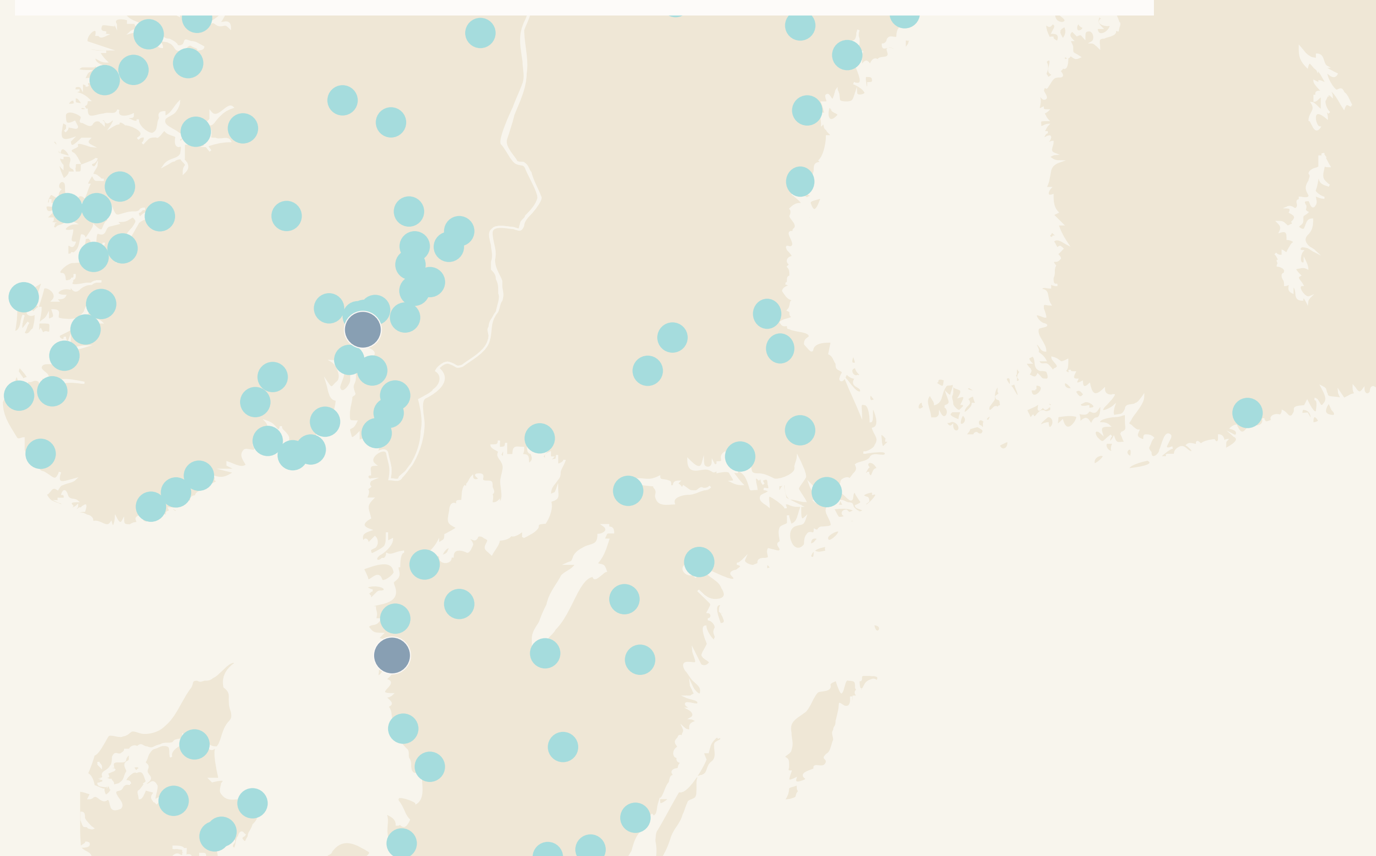
- Hemsil 3 hydropower plant, Gol, Norway
- PyroCO2 demonstrator plant, Telemark, Norway
- Växjö Energi CCS permitting & CO2 offloading feasibility study, Växjö, Sweden

Business area overview

For management purposes, the Group is organised into business areas based on a combination of geography and services and has five reportable segments. Digital and Technogarden are segments not separately reportable under IFRS. Each business segment has an Executive Vice President responsible for day-to-day operations and financial performance. The segments are:

The segments are:

- Norway Head Office
- Norway Regions
- Sweden
- Denmark
- Renewable Energy
- Digital and Technogarden



Norconsult is a leading interdisciplinary consultancy firm solving the most complex engineering problems with the best talents. The Group operates under a Pan-Nordic delivery model balancing unmatched local presence with knowledge hubs in approximately 140 locations.

Norway Head Office

This segment includes operations in the greater Oslo area and supports the entire Group with expertise and experience from large complex projects in the market areas of transport, buildings, industry, water, environment, architecture as well as society and urban development.

NORWAY HEAD OFFICE	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
Income after external project costs, NOKm	740	618	1 456	1 337	2 544
Organic growth, %	18 %	11 %	8 %	12 %	11 %
Acquisition related growth, %	1 %	1 %	1 %	2 %	1 %
Currency, %	0 %	0 %	0 %	0 %	0 %
Total growth	**20 %**	**12 %**	**9 %**	**14 %**	**12 %**
Organic growth adj for calendar, %	9 %	13 %	9 %	12 %	11 %
Adj EBITA, NOKm	**109**	**47**	**194**	**180**	**298**
Adj EBITA margin, %	**14.8 %**	**7.6 %**	**13.3 %**	**13.4 %**	**11.7 %**
Number of FTEs	1 567	1 483	1 567	1 483	1 553

Income after external project costs increased by 10 percent after adjustment for calendar effects, of which organic growth was 9 percent. The increase was driven by higher number of FTEs, higher average billing rates and higher billing ratio compared with the same period last year. Calendar effects had a positive impact of approximately NOK 58 million on income after external project costs and adjusted EBITA.

Adjusted EBITA for the quarter was NOK 109 million compared with NOK 47 million in the same period last year, corresponding to a margin of 14.8 percent (7.6). The margin adjusted for the calendar effects was 7.6 percent in the quarter. Bonus periodisation related to profit sharing had a positive effect on adjusted EBITA with NOK 10 million.

FTE increased from 1 483 in the second quarter of 2023 to 1 567 FTE in the second quarter of 2024 (+5.7 percent).

Norway Regions

This segment includes operations in Norway outside the greater Oslo area. Industry, and in particular renewable and green industry, is an important focus area for Norway Regions, while buildings as well as transport constitute the two largest market subareas in the business area. The segment has a larger exposure towards the Buildings & Architecture market compared with the other segments in Norconsult.

NORWAY REGIONS	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
Income after external project costs, NOKm	706	612	1 396	1 348	2 524
Organic growth, %	15 %	12 %	3 %	15 %	12 %
Acquisition related growth, %	0 %	1 %	0 %	1 %	1 %
Currency, %	0 %	0 %	0 %	0 %	0 %
Total growth	**15 %**	**13 %**	**4 %**	**16 %**	**13 %**
Organic growth adj for calendar, %	6 %	14 %	4 %	15 %	12 %
Adj EBITA, NOKm	**88**	**41**	**145**	**181**	**265**
Adj EBITA margin, %	**12.5 %**	**6.7 %**	**10.4 %**	**13.4 %**	**10.5 %**
Number of FTEs	1 677	1 616	1 677	1 616	1 691

Income after external project costs increased by 6 percent after adjustment for calendar effects as a result of organic growth. The increase was mainly driven by the higher number of FTEs and increased billing rates, however mitigated by lower billing ratio mainly explained by a continued weak Buildings & Architecture market.

Calendar effects had a positive impact of approximately NOK 57 million on income after external project costs and adjusted EBITA.

Adjusted EBITA for the quarter was NOK 88 million compared with NOK 41 million in the same period last year with a corresponding margin of 12.5 percent (6.7). The margin adjusted for calendar effects was 4.8 percent in the quarter. The decrease in underlying profitability was mainly due to lower billing ratio and higher costs. There are large variations in profitability between the regions. Bonus periodisation related to profit sharing had a positive effect on adjusted EBITA with NOK 10 million.

FTE increased from 1 616 in the second quarter of 2023 to 1 677 FTE in the second quarter of 2024 (+3.8 percent)

Sweden

This segment consists of operations in Sweden within Infrastructure, Buildings & Architecture and Energy & Industry.

SWEDEN	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
Income after external project costs, NOKm	398	343	793	698	1 340
Organic growth, %	18 %	11 %	12 %	13 %	14 %
Acquisition related growth, %	0 %	0 %	0 %	0 %	0 %
Currency, %	-1 %	7 %	1 %	5 %	6 %
Total growth	**16 %**	**18 %**	**14 %**	**19 %**	**19 %**
Organic growth adj for calendar, %	15 %	13 %	13 %	13 %	14 %
Adj EBITA, NOKm	**20**	**10**	**57**	**70**	**100**
Adj EBITA margin, %	**5.1 %**	**2.9 %**	**7.2 %**	**10.1 %**	**7.5 %**
Number of FTEs	1 332	1 176	1 332	1 176	1 284

Income after external project costs increased by 16 percent, of which organic growth was 15 percent after adjustment for calendar effects. The increase was mainly driven by higher number of FTEs in addition to increased billing rates. This was partly mitigated by lower billing ratio, mainly due to the recruitment of approximately 100 senior resources during the second half of 2023, but also partly due to slightly lower billing ratio in Buildings & Architecture and in some Industry market segments. Calendar effects had a positive impact of approximately NOK 7 million on income after external project costs and adjusted EBITA.

Adjusted EBITA for the quarter was NOK 20 million compared with NOK 10 million in the same period last year with a corresponding margin of 5.1 percent (2.9). The margin was 3.3 percent adjusted for calendar effects, slightly up from the same period last year. The EBITA effect due to recruitment of the senior resources had an estimated effect of NOK -6 million in the second quarter. The activity in in geotechnical services was back at normal levels.

FTE increased from 1 176 in the second quarter of 2023 to 1 332 FTE in the second quarter of 2024 (+13.3 percent).

Denmark

This segment consists of operations in Denmark with projects mainly within Buildings & Architecture, geotechnical services, in addition to industry and life science.

DENMARK	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
Income after external project costs, NOKm	184	168	357	332	662
Organic growth, %	2 %	1 %	-3 %	-1 %	-3 %
Acquisition related growth, %	9 %	11 %	9 %	15 %	17 %
Currency, %	-1 %	18 %	1 %	16 %	15 %
Total growth	**9 %**	**30 %**	**7 %**	**30 %**	**28 %**
Organic growth adj for calendar, %	-3 %	2 %	-3 %	-1 %	-2 %
Adj EBITA, NOKm	**13**	**12**	**26**	**32**	**61**
Adj EBITA margin, %	**7.3 %**	**7.4 %**	**7.3 %**	**9.7 %**	**9.2 %**
Number of FTEs	466	448	466	448	461

Income after external project costs increased by 5 percent after adjustment for calendar effects, mainly driven by acquisitions. Organic growth adjusted for calendar effects was -3% compared with the same quarter last year, mainly due to the Building & Architecture market, which remains weak. Calendar effects had a positive impact of approximately NOK 8 million on income after external project costs and adjusted EBITA.

Adjusted EBITA for the quarter was NOK 13 million compared with NOK 12 million in the same period last year, and the corresponding margin was 7.3 percent (7.4). The margin adjusted for calendar effects was 3.1 percent in the quarter. The decrease in profitability was mainly explained by leaver penalty and earn-out agreements from acquisitions amounting to NOK 4 million.

FTE increased from 448 in the second quarter of 2023 to 466 FTE in the second quarter of 2024 (+4.0 percent).

Renewable Energy

Renewable Energy supplies services to the entire renewable industry and is transferring many decades of experience from hydropower to solar power, wind power and energy storage. The segment includes services for the renewable sector with locations in Norway, Poland, Iceland, Finland in addition to smaller project offices in Africa and Asia.

RENEWABLE ENERGY	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
Income after external project costs, NOKm	205	171	402	352	700
Organic growth, %	20 %	17 %	14 %	18 %	15 %
Acquisition related growth, %	0 %	5 %	0 %	5 %	4 %
Currency, %	0 %	2 %	1 %	2 %	2 %
Total growth	**20 %**	**24 %**	**14 %**	**25 %**	**21 %**
Organic growth adj for calendar, %	12 %	19 %	14 %	18 %	15 %
Adj EBITA, NOKm	**36**	**12**	**71**	**46**	**95**
Adj EBITA margin, %	**17.5 %**	**7.1 %**	**17.8 %**	**13.1 %**	**13.6 %**
Number of FTEs	440	419	440	419	440

Income after external project costs increased by 20 percent, of which organic growth adjusted for calendar effects was 12 percent. The growth was mainly driven by higher number of FTEs, increased average billing rates and maintained high billing ratio. Calendar effects had a positive impact of approximately NOK 13 million on income after external project costs and adjusted EBITA.

Adjusted EBITA for the quarter was NOK 36 million compared with NOK 12 million in the same period last year, and the corresponding margin was 17.5 percent (7.1). The margin adjusted for calendar effects was 11.8 percent in the quarter. The main contributor to the improved profitability was continued strong performance in Hydropower & Transmission. Bonus periodisation related to profit sharing had a positive effect on adjusted EBITA with NOK 4 million.

FTE increased from 419 in the second quarter of 2023 to 440 FTE in the second quarter of 2024 (+5.0 percent).

Digital and Technogarden

This segment includes Digital and Technogarden. Norconsult Digital develops and distributes IT-solutions and offers IT-consultancy for the infrastructure and property sectors.

Technogarden is a consultancy company offering engineers, technical specialists, project managers and IT consultants for hire. Technogarden is also offering recruitment services. Both divisions have operations in Norway and Sweden.

DIGITAL AND TECHNOGARDEN	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
Total revenue	305	285	622	583	1 153
Income after external project costs, NOKm	189	189	391	398	776
Organic growth, %	0 %	-2 %	-2 %	1 %	1 %
Acquisition related growth, %	0 %	0 %	0 %	0 %	0 %
Currency, %	0 %	1 %	0 %	1 %	1 %
Total growth	**0 %**	**-1 %**	**-2 %**	**1 %**	**2 %**
Adj EBITA, NOKm	**10**	**4**	**21**	**17**	**51**
Adj EBITA margin, %	**5.1 %**	**2.1 %**	**5.4 %**	**4.3 %**	**6.5 %**
Number of FTEs	527	565	527	565	567

Total revenue for the quarter ended at NOK 305 million up from NOK 285 million in 2023. The increase was mainly due to increased volume in Technogarden and increased sales of licenses in Digital.

Income after external project costs for the quarter was NOK 189 million, equal to the same period last year. In Digital sales of licenses have increased, but this was partly mitigated by lower billing ratio in the consulting business and fewer FTEs. Income after external project costs decreased in Technogarden mainly due to higher use of subconsultants.

Adjusted EBITA for the quarter was NOK 10 million compared with NOK 4 million in the same period last year. Adjusted EBITA for Technogarden is slightly above the level of the corresponding period last year. In Digital, the adjusted EBITA improved due to decreased costs and increased sales of licenses. Underlying performance in Digital is not developing according to expectations. Further measures will be taken to improve profitability.

FTE decreased from 565 in the second quarter of 2023 to 527 FTE in the second quarter of 2024 (-6.7 percent).

Inspection of road cuttings in Västra and Värmland County, Sweden | Photo: Norconsult

Risk and uncertainties

Norconsult has a large number of private and public customers in several industries and is exposed to the economic development in a large number of industries in the Nordics. The Group is vulnerable for and exposed to risks related to economic downturns, public sector austerity programs, reductions in private sector spending and reduced activity in relevant markets and the ability to continue to attract, retain and motivate qualified personnel. Further, any adverse changes in the economic, political and market conditions (primarily in the Nordic region) and the ongoing wars could have a material adverse effect on the Group's business, revenue, profit and financial condition. The Group is also exposed to certain types of financial risks, such as credit risk, liquidity risk, currency risk and interest rate risk. For additional information see Note 4 Financial risk management in the IFRS Financial statement for 2023.

Acquisitions and disposals

Norconsult Norge AS, a subsidiary of Norconsult ASA, acquired 51 % of the shares in Oslo-based project management and consultancy company SQM AS. The company counts seven FTEs and is consolidated into the Norway Head Office business segment from 31 January 2024.

Norconsult Norge AS also acquired the Oslo-based planning and analysis company Concreto AS. The company counts 13 FTEs and is included in the Norway Head Office business segment from 29 February 2024.

Norconsult Sverige AB, a subsidiary of Norconsult Norge AS, acquired the Swedish infrastructure consulting company Wermlands Infrakonsult AB (WIKON). The company counts 11 FTEs and will be included in the Sweden business segment from 5 August 2024.

Norconsult has divested its business in the Philippines and sold all of the shares in the fully owned subsidiary Norconsult Management Systems Ph.Inc. (NMS) to the local managing director as of 5 March 2024.

Events during the quarter

In connection with Norconsult's employee share programs for 2024, 3 839 employees purchased a total of 2 885 363 shares. The share programs were substantially oversubscribed, hence the allocation of shares was reduced in order to meet the previously communicated cost frame for the program.

The share programs include a program for discounted shares and matching shares, as well as programs for executive management and other key employees.

Subsequent events

There were no significant subsequent events since the period ended 30 June 2024 that require disclosure.

Outlook

The overall market is still affected by uncertainty influenced by macroeconomics.

There are small signs of improvement in the market for Buildings & Architecture, while we expect high activity and healthy demand from the energy markets, and a mixed development in the industry markets. The demand in the infrastructure market is expected to be quite stable going forward. We do notice some delay and uncertainty with regards to construction of new large capital-intensive projects.

Norconsult has considerable flexibility, a diversified mix of services and end-market exposures in the Nordics. Most of the demand for our services comes from the public sector. This makes Norconsult less exposed towards short-term cyclicality in the economy in general. We continue to expect a relatively stable market outlook going forward, despite the macroeconomic uncertainties.

We continue to take proactive measures to improve our underlying profitability and maintain our efficiency.

Responsibility statement

We confirm that, to the best of our knowledge, the condensed interim consolidated financial statements for the period 1 January to 30 June 2024 have been prepared in accordance with IAS 34 Interim financial reporting and give a true and fair view of the assets, liabilities, financial position and profit of the Group.

We also confirm that the financial review section provides a true and fair view of the development, performance and position of the Group, together with a description of the principal risks and uncertainties facing the Company and the Group.

Sandvika, 22 August 2024
The Board of Directors and CEO of Norconsult ASA

Interim condensed consolidated statement of profit and loss

(unaudited in NOK million)	Note	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
Operating revenue	4	2 710	2 357	5 341	4 969	9 567
Other income		2	5	3	3	7
External project costs	4	312	266	585	517	1 080
Operating revenue and other income after external project costs	4	**2 399**	**2 097**	**4 760**	**4 456**	**8 494**
Salaries and personnel cost	6	1 885	1 657	3 779	3 332	6 520
Other operating expenses		223	223	425	422	843
Depreciation and impairment tangible and ROU assets		115	110	231	216	438
Amortisation and impairment intangible assets		5	5	9	9	21
Total operating expenses		**2 228**	**1 994**	**4 443**	**3 978**	**7 821**
Operating profit (EBIT)	4	**171**	**102**	**316**	**478**	**673**
Finance income		18	18	36	31	72
Finance expense		14	19	38	43	71
Net financial items		**4**	**-1**	**-1**	**-12**	**1**
Profit before tax		**176**	**102**	**315**	**465**	**674**
Income tax expense		37	23	73	103	158
Profit for the periods		**138**	**79**	**242**	**362**	**516**
Attributable to:						
Equity holders of the parent		139	79	242	362	516
Non-controlling interest		0	0	0	0	0
Earnings per share:						
Basic earnings per share in NOK	7	0.48	0.28	0.85	1.30	1.83
Diluted earnings per share in NOK	7	0.47	0.28	0.81	1.30	1.82

Interim condensed consolidated statement of comprehensive income

(unaudited in NOK million)	Note	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
Profit (loss) for the periods		**138**	**79**	**242**	**362**	**516**
Other comprehensive income that may be reclassified to profit or loss in subsequent years:						
Exchange differences on translation of foreign subsidiaries		-17	6	3	60	47
Total comprehensive profit		**122**	**85**	**245**	**422**	**563**
Attributable to:						
Equity holders of the parent		122	85	245	422	563
Non-controlling interest		0	0	0	0	0

Interim condensed consolidated statement of financial position

(unaudited in NOK million)	Note	30.06.2024	31.12.2023
ASSETS			
Goodwill		1 052	1 003
Deferred tax assets		4	4
Other intangible assets		103	78
Property plant and equipment		154	158
Right-of-use asset		1 527	1 546
Non-current financial assets		64	61
Total non-current assets		**2 903**	**2 850**
Trade receivables		1 588	1 769
Contract assets		761	536
Other current assets		408	245
Total receivables		**2 757**	**2 550**
Other current financial assets	5	404	394
Cash and cash equivalents		613	553
Total current assets		**3 775**	**3 497**
Total assets		**6 678**	**6 347**
EQUITY AND LIABILITIES			
Share capital	8	6	6
Treasury shares	8	0	-1
Share premium		221	221
Other paid in capital		227	19
Retained earnings		1 730	1 820
Equity attributable to the owners of the parent		**2 184**	**2 065**
Non-controlling interests	3	0	0
Total equity		**2 184**	**2 065**
Pension liabilities		7	9
Deferred tax		4	24
Non-current lease liabilities		1 198	1 226
Other non-current debt and accruals		60	39
Total non-current liabilities		**1 269**	**1 298**
Current lease liabilities		371	354
Trade payables		274	266
Contract liabilities		293	196
Current tax liabilities		151	186
Other current liabilities		2 136	1 982
Total current liabilities		**3 225**	**2 984**
Total equity and liabilities		**6 678**	**6 347**

Interim condensed consolidated statement of changes in equity

(unaudited in NOK million)	01.01.-30.06.2024	FY 2023
Opening equity	**2 065**	**2 256**
Profit	242	516
Other comprehensive income	3	47
Total comprehensive income	**245**	**563**
Capital increase share-based payment	138	35
Net change equity shares	81	80
Dividends paid	-343	-869
Other changes	-1	0
Ending equity	**2 184**	**2 065**

Interim condensed consolidated statement of cash flows

(unaudited in NOK million)	Note	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
Profit before tax		**176**	**102**	**315**	**465**	**674**
Taxes paid		-40	-61	-141	-139	-161
Depreciation, amortisation and impairment		20	20	40	39	83
Depreciation right of use asset		100	94	200	185	376
Change in working capital items		192	14	141	-133	-101
Other changes and reconciling items		54	23	130	34	52
Net cash flows from operating activities		**501**	**192**	**685**	**452**	**922**
Proceeds from sale of property, plant and equipment		0	1	0	0	1
Purchase of intangible assets		-10	-8	-14	-12	-23
Purchase of property, plant and equipment		-14	-17	-22	-30	-59
Acquisition of subsidiaries, net of cash acquired	3	-6	-25	-45	-78	-113
Other cash flows from investing activities		9	-24	14	-19	29
Net cash flows from investment activities		**-20**	**-74**	**-66**	**-139**	**-165**
Net sale/purchase of treasury shares		-2	23	-2	19	80
Payment of principal portion of lease liabilities		-96	-93	-192	-180	-365
Interest paid		-13	-12	-25	-21	-43
Change in short term receivable for sale and purchase of shares		1	0	4	1	0
Dividends paid to equity holders of the parent		-343	-271	-343	-271	-869
Net cash flows from financing activities		**-454**	**-352**	**-559**	**-452**	**-1 197**
Net change in cash and cash equivalents		**27**	**-234**	**60**	**-139**	**-439**
Net foreign exchange difference on cash and cash equivalents		**-6**	**-2**	**0**	**24**	**22**
Cash and cash equivalents at beginning of period		**592**	**1 092**	**553**	**971**	**971**
Cash and cash equivalents at end of period	5	**613**	**856**	**613**	**856**	**553**
Here of:						
Free cash		600	847	600	847	536
Restricted cash		13	9	13	9	17

Fortescue Energy Holmaneset, Norway | Illustration: Nordic Office of Architecture

Notes to the Interim condensed consolidated financial statements

NOK million unless otherwise stated

Note 1 Corporate information

Norconsult ASA (the *Company* or the *Group*) is a public limited liability company registered and domiciled in Norway. The Company was listed on the Oslo Børs 10 November 2023. The registered office is located at Vestfjordgaten 4, 1338 Sandvika, Norway.

Note 2 Accounting policies

2.1 Basis of preparation

The condensed consolidated financial statements as of 30 June 2024 are prepared in accordance with IFRS® Accounting Standards as approved by the EU and comprise Norconsult ASA and subsidiaries. The interim financial report is presented in accordance with IAS 34, Interim Financial Reporting. The interim accounts do not contain all the information that is required in complete annual accounts, and they should be read in connection with the consolidated accounts for 2023. The report has not been audited. The selected historical consolidated financial information set forth in this section has been derived from the Company's consolidated and audited IFRS financial statements for 2023.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial investments and contingent consideration assumed in connection with business combinations that have been measured at fair value. The consolidated financial statements are presented in Norwegian Kroner (NOK) and all values are rounded to the nearest NOK million, except when otherwise indicated. Due to rounding, the numbers in one or more lines or columns in the consolidated financial statements may not be summarised to the total in the line or column. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The accounting principles applied in the interim report are consistent with those described in the audited consolidated financial statements accounts for 2023.

2.2 Significant accounting judgements, estimates and assumptions

The preparation of the Group's condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The main sources of estimation uncertainty have not changed compared to those that existed when the annual consolidated financial statements for 2023 were prepared.

Impairment of goodwill

The Group performs its annual impairment test in December and when circumstances indicate that the carrying value may be impaired. Cash generating units have been reviewed to identify indicators for impairment as of 30 June 2024. No such indicators have been identified.

Note 3 Business combinations

In January 2024 Norconsult acquired 51% of the shares in SQM AS for an estimated consideration of NOK 31 million with an option to acquire the remaining 49%. SQM AS is a project management and consultancy company based in Oslo, Norway. The company has 7 FTEs and had revenues of NOK 21 million in 2023. The company is consolidated from 31 January 2024 and included in the Norway Head Office business segment. Purchase price allocations are not complete.

In February 2024 Norconsult acquired all of the shares in Concreto AS for an estimated consideration of NOK 21 million. Concreto operates within buildings, infrastructure and urban planning with services which primarily focus on economic analysis as a basis for decision-making by project owners in the early phases of projects. The company based in Oslo, Norway, has 13 FTEs and had revenues of NOK 20 million in 2023. The company is consolidated from 29 February 2024 and included in the Norway Head Office business segment. Purchase price allocations are not complete.

The draft purchase allocations of assets and liabilities acquired shows the following:

	SQM AS	Concreto AS
Date of acquisition	31.1.2024	29.2.2024
Share of ownership	51 %	100 %
Cash settlement	31	21
NPV of option on NCI	17	0
Cash in target	4	3
Net settlement	**44**	**17**
Right-of-use-asset	0	3
Intangible assets: Customer contracts and relations	17	0
Intangible assets: Trademark	3	0
Current assets	3	5
Deferred tax	-5	0
Lease liability	0	-3
Other current liabilities	-5	-4
Net identifiable assets and liabilities	**15**	**1**
Goodwill	**30**	**16**

Consolidated operating revenue and other income of the acquired businesses amounted to NOK 13 million in H1 2024 with a profit after tax of NOK -2 million. Operating revenue and other income would have increased with approximately NOK 6 million and net profit increased with NOK 1 million had the acquired companies been included in the Group from the beginning of the year. The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities.

Norconsult has call options, and the non-controlling interest shareholders have put options, on the remaining 49 percent of the shares in SQM. These options are exercisable between 2028 and 2030 and the valuation of the shares are based on a multiple of SQM's average EBIT over a 4-year period. Upon consolidation of SQM, and in accordance with IFRS 10, the cost of acquiring the remaining 49 percent have been estimated and recognized as other non-current debt and accruals at fair value with NOK 17 million. At the same time the related non-controlling interests have been derecognised. The difference between derecognizing the NCI and the fair value of the liability is accounted for as an equity transaction.

In June 2024 Norconsult agreed to purchase 100 percent of the shares in Wermlands Infrakonsult AB for a net of cash consideration of NOK 15 million. The company, which is based in Karlstad, Sweden, has 11 employees and recorded revenues of NOK 19 million in their fiscal year ending April 2024. The company will be included in the Sweden business segment from date of closing which was 5 August 2024.

The gross and carrying value of goodwill was NOK 1 003 million at the beginning of the year. During H1 2024 the gross and carrying value of goodwill has increased with NOK 46 million due to acquisitions and increase of NOK 3 million following from foreign currency translation.

Note 4 Business areas

Q2 2024

	Norway Head Office	Norway Regions	Sweden	Denmark	Renewable Energy	Digital and Techno-garden*	Other - corporate cost and eliminations	Total
External revenue	804	743	436	220	227	281	2	2 712
Internal revenue	2	2	27	3	9	24	-67	0
Total revenue	**806**	**745**	**463**	**222**	**236**	**305**	**-65**	**2 712**
Project costs	66	39	65	38	31	116	-42	312
Income after external project costs	**740**	**706**	**398**	**184**	**205**	**189**	**-22**	**2 399**
Operating expenses	**605**	**613**	**378**	**168**	**169**	**186**	**-11**	**2 108**
EBITDA	**135**	**93**	**20**	**16**	**36**	**3**	**-11**	**292**
Depreciation and impairment	47	28	22	8	5	1	4	115
EBITA	**88**	**65**	**-2**	**9**	**31**	**2**	**-16**	**176**
Amortisation and impairment	1	0	0	1	0	2	1	5
EBIT	**87**	**65**	**-2**	**8**	**30**	**0**	**-16**	**171**

H1 2024

	Norway Head Office	Norway Regions	Sweden	Denmark	Renewable Energy	Digital and Techno-garden*	Other - corporate cost and eliminations	Total
External revenue	1 581	1 462	862	424	437	576	3	5 344
Internal revenue	6	4	47	5	18	46	-125	0
Total revenue	**1 587**	**1 466**	**909**	**428**	**454**	**622**	**-122**	**5 344**
Project costs	131	70	116	72	52	231	-88	585
Income after external project costs	**1 456**	**1 396**	**793**	**357**	**402**	**391**	**-35**	**4 760**
Operating expenses	**1 210**	**1 241**	**733**	**324**	**331**	**382**	**-16**	**4 203**
EBITDA	**246**	**156**	**60**	**33**	**71**	**9**	**-19**	**556**
Depreciation and impairment	93	56	43	16	10	3	9	231
EBITA	**153**	**99**	**17**	**17**	**61**	**6**	**-28**	**326**
Amortisation and impairment	2	1	1	1	0	3	1	9
EBIT	**151**	**99**	**16**	**16**	**61**	**3**	**-29**	**316**

*Operating segments that due to quantitative thresholds are not separately reportable under IFRS and therefore aggregated.

Q2 2023

	Norway Head Office	Norway Regions	Sweden	Denmark	Renewable Energy	Digital and Techno-garden*	Other - corporate cost and eliminations	Total
External revenue	687	668	369	190	192	255	1	2 363
Internal revenue	5	2	30	4	7	30	-78	0
Total revenue	**692**	**671**	**400**	**194**	**199**	**285**	**-78**	**2 363**
Project costs	74	58	57	26	28	96	-73	266
Income after external project costs	**618**	**612**	**343**	**168**	**171**	**189**	**-4**	**2 097**
Operating expenses	**528**	**545**	**312**	**148**	**154**	**181**	**12**	**1 880**
EBITDA	**91**	**68**	**31**	**20**	**17**	**7**	**-17**	**217**
Depreciation and impairment	43	27	20	7	5	3	5	110
EBITA	**47**	**41**	**11**	**12**	**12**	**4**	**-21**	**107**
Amortisation and impairment	1	1	1	1	0	1	0	5
EBIT	**46**	**41**	**10**	**12**	**11**	**4**	**-22**	**102**

H1 2023

	Norway Head Office	Norway Regions	Sweden	Denmark	Renewable Energy	Digital and Techno-garden*	Other - corporate cost and eliminations	Total
External revenue	1 474	1 460	743	378	390	529	-1	4 973
Internal revenue	10	5	59	9	14	55	-152	0
Total revenue	**1 484**	**1 466**	**802**	**387**	**404**	**583**	**-152**	**4 973**
Project costs	146	117	104	55	52	185	-142	517
Income after external project costs	**1 337**	**1 348**	**698**	**332**	**352**	**398**	**-10**	**4 456**
Operating expenses	**1 072**	**1 116**	**588**	**285**	**296**	**375**	**22**	**3 754**
EBITDA	**266**	**233**	**110**	**47**	**56**	**23**	**-32**	**702**
Depreciation and impairment	86	52	38	14	10	5	9	215
EBITA	**180**	**181**	**72**	**32**	**46**	**18**	**-42**	**487**
Amortisation and impairment	3	1	2	1	0	1	1	9
EBIT	**177**	**180**	**70**	**31**	**45**	**17**	**-43**	**478**

*Operating segments that due to quantitative thresholds are not separately reportable under IFRS and therefore aggregated.

Note 4 Business areas cont.

FY 2023

	Norway Head Office	Norway Regions	Sweden	Denmark	Renewable Energy	Digital and Techno-garden*	Other - corporate cost and eliminations	Total
External revenue	2 800	2 715	1 453	765	789	1 051	1.3	9 574
Internal revenue	23	11	103	15	31	102	-283	0
Total revenue	**2 823**	**2 726**	**1 556**	**779**	**820**	**1 153**	**-282**	**9 574**
Project costs	279	201	216	117	120	377	-230	1 080
Income after external project costs	**2 544**	**2 524**	**1 340**	**662**	**700**	**776**	**-52**	**8 494**
Operating expenses	**2 074**	**2 169**	**1 170**	**574**	**587**	**723**	**65**	**7 363**
EBITDA	470	355	170	88	112	53	-117	1 131
Depreciation and impairment	182	103	79	30	20	6	19	438
EBITA	287	253	92	58	93	47	-136	693
Amortisation and impairment	3	2	3	3	1	7	2	21
EBIT	284	251	89	55	92	39	-137	673

*Operating segments that due to quantitative thresholds are not separately reportable under IFRS and therefore aggregated.

New Airport Bodø (NLBO) - Entreprise E6 Terminal-building, Norway | Illustration: Norconsult

Note 5 Financial instruments

The Group's financial instruments consist of investments in equity and debt funds, trade receivables, other receivables, cash and cash equivalents and trade payables, other liabilities and contingent consideration. A description of the financial instrument categories and valuation techniques can be found in note 5 to the Consolidated Financial statements for 2023. There are no transfers between fair value hierarchy levels during the period.

Non-current and current investments in equity and bond funds measured at fair value amounted to NOK 414 million at 31 December 2023 and to NOK 424 million at 30 June 2024. These assets are measured based on level 1 inputs which is quoted market prices. Contingent consideration measured at fair value amounted to NOK 17 million at 30 June 2024 (0).

Note 6 Share based payments

Norconsult has share-based payment programs as detailed in the 2023 annual financial statements note 8. Expenses charged for these programs including social security taxes are as follows:

	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
2023 program (gift shares)	87	-2	164	-2	43
Annual program 2024	7	0	17	0	0
Total expense	**93**	**-2**	**181**	**-2**	**43**

Participants of the shareholder program for 2024 were offered the opportunity to pay for the shares with installments over one year, resulting in receivables towards employees of NOK 83 million at 30 June 2024.

Total expense in 2024 for these programs is estimated to be approximately NOK 307 million.

Note 7 Earnings per share (EPS)

	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
Profit for the periods (NOK million)	138	79	242	362	516
Weighted average shares outstanding excluding treasury shares	285 961 799	277 815 318	285 827 161	277 907 383	281 179 178
Average outstanding shares including dilutive shares	296 755 307	277 815 318	296 610 710	277 907 383	283 294 184
Basic earnings per share in NOK	0.48	0.28	0.85	1.30	1.83
Diluted earnings per share in NOK	0.47	0.28	0.81	1.30	1.82

Diluted earnings per share includes the dilutive effect of the 2023 gift shares program and the 2024 matching shares program as detailed in the 2023 annual financial statements note 8.

Note 8 Share capital

A dividend of NOK 1.20 per share amounting to NOK 343 million in total were approved at the Annual General Meeting on 13 May 2024. The dividend was distributed during May 2024.

During H1 2024 the Company acquired 376 725 and sold 3 232 443 treasury shares and at 30 June 2024 the Company held 22 072 899 treasury shares (31 December 2023: 24 928 617). Included in the H1 2024 transactions is a net acquisition of 29 645 shares that have been acquired and sold related to prior share ownership programs. The shares are primarily held for use in the employee shareholder programs.

Note 9 Related party transactions

Transactions with related parties comprising shareholders, Board of Directors and members of Executive Management are described in note 8 and 25 in the 2023 consolidated financial statements. There are no material changes in Q2 2024 to the amounts or transactions described there.

Note 10 Subsequent events

No events have been identified that require disclosure.

Ibsenbiblioteket in Skien, Norway | Illustration: MAD og Kengo Kuma Associates

Alternative Performance Measures – reconciliations

Group

Adjusted EBIT, EBITA and EBITDA	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
Operating profit (EBIT)	171	102	316	478	673
Depreciation and impairment of tangible and ROU assets	115	110	231	216	438
Amortisation and impairment of intangible assets	5	5	9	9	21
EBITDA	**292**	**217**	**556**	**702**	**1,131**
Depreciation and impairment of tangible assets	-115	-110	-231	-216	-438
EBITA	**176**	**107**	**326**	**487**	**693**
Adjusting items to EBIT, EBITA and EBITDA:					
Employee share programs for 2022 and 2023	87	-2	164	-2	41
IPO expenses	0	7	0	8	76
Adjusted EBITA	**263**	**112**	**490**	**493**	**810**
Depreciation and impairment of tangible assets	115	110	231	216	438
Adjusted EBITDA	**378**	**221**	**720**	**708**	**1,248**
Adjusted EBITA in % of operating revenue and other income after external projects (Adj EBITA margin)	**11.0 %**	**5.3 %**	**10.3 %**	**11.1 %**	**9.5 %**
Depreciation and Amortisation	**-120**	**-115**	**-240**	**-224**	**-459**
Adjusted EBIT	**258**	**107**	**480**	**484**	**789**
Adjusted EBIT in % of operating revenue and other income after external projects (Adj EBIT margin)	**10.8 %**	**5.1 %**	**10.1 %**	**10.9 %**	**9.3 %**

Growth and calendar effects					
Operating revenue and other income after external project costs	2 399	2 097	4 760	4 456	8 494
Total growth from period last year	303	248	304	595	1,001
Here of: Acquisition related growth	24	31	43	80	142
Here of: Currency related growth	-7	49	16	84	163
Organic growth	**286**	**168**	**244**	**431**	**697**
Calendar effects	144	-37	-34	-7	-34
Organic growth adjusted for calendar effects	**142**	**204**	**279**	**438**	**731**
Organic growth in % of operating revenue and other income after external project costs	14 %	9 %	5 %	11 %	9 %
Acquisition related growth in % of operating revenue and other income after external project costs	1 %	2 %	1 %	2 %	2 %
Currency related growth in % of operating revenue and other income after external project costs	0 %	3 %	0 %	2 %	2 %
Organic growth adjusted for calendar effects in % of operating revenue and other income after external project costs	7 %	11 %	6 %	11 %	10 %

Net interest-bearing debt to Adj. EBITDA for last twelve months (LTM)					
Other current financial assets	-404	-377	-404	-377	-394
Cash and cash equivalents	-613	-856	-613	-856	-553
Non-current lease liabilities	1 198	1 234	1 198	1 234	1 226
Current lease liabilities	371	342	371	342	354
Net interest-bearing debt	**551**	**342**	**551**	**342**	**633**
Net interest-bearing debt/Adjusted EBITDA LTM	**0.44**	**0.28**	**0.44**	**0.28**	**0.51**
Net interest-bearding debt excluding IFRS 16	-1 017	-1 233	-1 017	-1 233	-947
Net interest-bearing debt ex IFRS 16/ Adjusted EBITDA LTM ex IFRS 16	**-1.22**	**-1.47**	**-1.22**	**-1.47**	**-1.13**

Norway Head Office

	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
EBITA (note 4)	88	47	153	180	287
Adjusting items to EBITA and EBITDA:					
Employee share programs for 2022 and 2023	21	0	41	0	10
IPO expenses	0	0	0	0	0
Adjusted EBITA	**109**	**47**	**194**	**180**	**298**
Growth and calendar effects					
Operating revenue and other income after external project costs	740	618	1 456	1 337	2 544
Total growth from period last year	121	67	119	160	270
Here of: Acquisition related growth	8	4	12	18	18
Here of: Currency related growth	0	2	1	3	6
Organic growth	**114**	**61**	**106**	**139**	**246**
Calendar effects	58	-13	-15	-3	-10
Organic growth adjusted for calendar effects	**56**	**74**	**121**	**142**	**256**
Organic growth in % of operating revenue and other income after external project costs	18 %	11 %	8 %	12 %	11 %
Acquisition related growth in % of operating revenue and other income after external project costs	1 %	1 %	1 %	2 %	1 %
Currency related growth in % of operating revenue and other income after external project costs	0 %	0 %	0 %	0 %	0 %
Organic growth adjusted for calendar effects in % of operating revenue and other income after external project costs	9 %	13 %	9 %	12 %	11 %

Norway Regions

	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
EBITA (note 4)	65	41	99	181	253
Adjusting items to EBITA and EBITDA:					
Employee share programs for 2022 and 2023	24	0	45	0	12
IPO expenses	0	0	0	0	0
Adjusted EBITA	**88**	**41**	**145**	**181**	**265**
Growth and calendar effects					
Operating revenue and other income after external project costs	706	612	1 396	1 348	2 524
Total growth from period last year	94	69	48	184	283
Here of: Acquisition related growth	1	5	2	13	19
Here of: Currency related growth	0	0	0	0	0
Organic growth	**93**	**64**	**46**	**171**	**264**
Calendar effects	57	-14	-13	-3	-12
Organic growth adjusted for calendar effects	**35**	**77**	**59**	**173**	**276**
Organic growth in % of operating revenue and other income after external project costs	15 %	12 %	3 %	15 %	12 %
Acquisition related growth in % of operating revenue and other income after external project costs	0 %	1 %	0 %	1 %	1 %
Currency related growth in % of operating revenue and other income after external project costs	0 %	0 %	0 %	0 %	0 %
Organic growth adjusted for calendar effects in % of operating revenue and other income after external project costs	6 %	14 %	4 %	15 %	12 %

Sweden

	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
EBITA (note 4)	-2	11	17	72	92
Adjusting items to EBITA and EBITDA:					
Employee share programs for 2022 and 2023	22	-1	40	-2	9
IPO expenses	0	0	0	0	0
Adjusted EBITA	**20**	**10**	**57**	**70**	**100**
Growth and calendar effects					
Operating revenue and other income after external project costs	398	343	793	698	1 340
Total growth from period last year	56	51	94	110	219
Here of: Acquisition related growth	0	0	0	0	0
Here of: Currency related growth	-5	20	7	32	63
Organic growth	**60**	**32**	**87**	**78**	**156**
Calendar effects	7	-6	-4	-1	-6
Organic growth adjusted for calendar effects	**53**	**37**	**91**	**78**	**161**
Organic growth in % of operating revenue and other income after external project costs	18 %	11 %	12 %	13 %	14 %
Acquisition related growth in % of operating revenue and other income after external project costs	0 %	0 %	0 %	0 %	0 %
Currency related growth in % of operating revenue and other income after external project costs	-1 %	7 %	1 %	5 %	6 %
Organic growth adjusted for calendar effects in % of operating revenue and other income after external project costs	15 %	13 %	13 %	13 %	14 %

Denmark

	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
EBITA (note 4)	9	12	17	32	58
Adjusting items to EBITA and EBITDA:					
Employee share programs for 2022 and 2023	5	0	9	0	3
IPO expenses	0	0	0	0	0
Adjusted EBITA	**13**	**12**	**26**	**32**	**61**
Growth and calendar effects					
Operating revenue and other income after external project costs	184	168	357	332	662
Total growth from period last year	16	39	25	77	147
Here of: Acquisition related growth	15	15	30	38	86
Here of: Currency related growth	-2	23	5	41	76
Organic growth	**3**	**1**	**-10**	**-2**	**-16**
Calendar effects	8	-1	0	0	-4
Organic growth adjusted for calendar effects	**-5**	**3**	**-10**	**-2**	**-12**
Organic growth in % of operating revenue and other income after external project costs	2 %	1 %	- 3 %	-1 %	-3 %
Acquisition related growth in % of operating revenue and other income after external project costs	9 %	11 %	9 %	15 %	17 %
Currency related growth in % of operating revenue and other income after external project costs	-1 %	18 %	1 %	16 %	15 %
Organic growth adjusted for calendar effects in % of operating revenue and other income after external project costs	-3 %	2 %	-3 %	-1 %	-2 %

Renewable Energy

	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
EBITA (note 4)	31	12	61	46	93
Adjusting items to EBITA and EBITDA:					
Employee share programs for 2022 and 2023	5	0	10	0	3
IPO expenses	0	0	0	0	0
Adjusted EBITA	**36**	**11**	**71**	**46**	**95**
Growth and calendar effects					
Operating revenue and other income after external project costs	205	171	402	352	700
Total growth from period last year	34	33	50	69	120
Here of: Acquisition related growth	0	7	0	15	22
Here of: Currency related growth	0	3	2	5	11
Organic growth	**34**	**24**	**48**	**50**	**86**
Calendar effects	13	-3	-3	-1	-3
Organic growth adjusted for calendar effects	**21**	**27**	**51**	**50**	**89**
Organic growth in % of operating revenue and other income after external project costs	20 %	17 %	14 %	18 %	15 %
Acquisition related growth in % of operating revenue and other income after external project costs	0 %	5 %	0 %	5 %	4 %
Currency related growth in % of operating revenue and other income after external project costs	0 %	2 %	1 %	2 %	2 %
Organic growth adjusted for calendar effects in % of operating revenue and other income after external project costs	12 %	19 %	14 %	18 %	15 %

Digital and Technogarden

	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
EBITA (note 4)	2	4	6	18	47
Adjusting items to EBITA and EBITDA:					
Employee share programs for 2022 and 2023	8	0	15	1	4
IPO expenses	0	0	0	0	0
Adjusted EBITA	**10**	**4**	**21**	**17**	**51**
Growth and calendar effects					
Operating revenue and other income after external project costs	189	189	391	398	776
Total growth from period last year	0	-3	-7	5	12
Here of: Acquisition related growth	0	0	0	0	0
Here of: Currency related growth	0	2	1	3	7
Organic growth	**1**	**-5**	**-8**	**2**	**5**
Calendar effects	0	0	0	0	0
Organic growth adjusted for calendar effects	**1**	**-5**	**-8**	**2**	**5**
Organic growth in % of operating revenue and other income after external project costs	0 %	-2 %	-2 %	1 %	1 %
Acquisition related growth in % of operating revenue and other income after external project costs	0 %	0 %	0 %	0 %	0 %
Currency related growth in % of operating revenue and other income after external project costs	0 %	1 %	0 %	1 %	1 %
Organic growth adjusted for calendar effects in % of operating revenue and other income after external project costs	0 %	-2 %	-2 %	1 %	1 %

Other

	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
EBITA (note 4)	-16	-21	-28	-42	-136
Adjusting items to EBITA and EBITDA:					
Employee share programs for 2022 and 2023	2	0	3	0	1
IPO expenses	0	7	0	8	76
Adjusted EBITA	**-14**	**-14**	**-24**	**-34**	**-59**
Growth and calendar effects					
Operating revenue and other income after external project costs	-22	-4	-35	-10	-52
Total growth from period last year	-18	-9	-24	-9	-48
Here of: Acquisition related growth	0	0	0	-3	-3
Here of: Currency related growth	0	0	0	0	0
Organic growth	**-18**	**-9**	**-24**	**-6**	**-45**
Calendar effects	0	0	0	0	0
Organic growth adjusted for calendar effects	**-18**	**-9**	**-24**	**-6**	**-45**

Definitions

The Group believes that the presentation of these APMs enhance an investor's understanding of the Group's operating performance and the Group's ability to service its debt. In addition, the Group believes that these APMs are commonly used by companies in the market in which it competes and are widely used by investors in comparing performance on a consistent basis without regard to factors such as depreciation and amortisation, which can vary significantly depending upon accounting methods or based on non-operating factors. Accordingly, the Group discloses the APMs presented herein to permit a more complete and comprehensive analysis of its operating performance relative to other companies and across periods, and of the Group's ability to service its debts. However, these APMs may be calculated differently by other companies and may not be comparable. APMs may not be comparable with similarly titled measures used by other companies. The Group's APMs are not measurements of financial performance under IFRS and should not be considered as alternatives to other indicators of the Group's operating performance, cash flows or any other measures of performance derived in accordance with IFRS. The Group's APMs have important limitations as analytical tools, and they should not be considered in isolation or as substitutes for analysis of the Group's results of operations as reported under IFRS.

EBIT is defined as earnings before financial items and taxes.

EBITDA is defined as earnings before depreciation and impairment of tangible assets, amortisation and impairment of intangible assets, financial items and taxes.

EBITA is defined as earnings before amortisation and impairment of intangible assets, financial items and taxes.

Adj. EBITA is defined as earnings before amortisation and impairment of intangible assets, share-based compensation expenses for the employee share programs for 2022 and 2023, expenses related to the IPO process, financial items and taxes. The new employee share programs starting in 2024 are to be included in adj. EBITA. Adj. EBITA is a common measure in the industry in which the Group operates, however it may be calculated differently by other companies and may not be comparable. The Group believes that adj. EBITA defined above is a measure relevant to investors to understand the Group's ability to generate earnings.

Adj. EBITDA is defined as earnings before depreciation and impairment of tangible assets, amortisation and impairment of intangible assets, share-based compensation expenses for the employee share programs for 2022 and 2023, expenses related to the IPO process, financial items and taxes. The new employee share programs starting in 2024 are to be included in adj. EBITDA. Adj. EBITDA is a common measure in the industry in which the Group operates; however, it may be calculated differently by other companies and may not be comparable. The Group believes that adj. EBITDA is a key metric relevant to investors to understand the generation of earnings before investment in fixed assets and the Group's ability to serve debt.

Adj. EBITA margin is defined as adj. EBITA (as defined above) as a percentage of operating revenue and other income after external project costs. The Group believes that this ratio is a measure relevant to investors to understand the Group's ability to generate earnings.

Adj. EBIT is defined as earnings before financial items and taxes, share-based compensation expenses for the employee share programs for 2022 and 2023, expenses related to the IPO process, financial items and taxes. The Group believes that this ratio is a measure relevant to investors to understand the Group's ability to generate earnings.

Adj. EBIT margin is defined as adj. EBIT (as defined above) as a percentage of operating revenue and other income after external project costs. The Group believes that this ratio is a measure relevant to investors to understand the Group's ability to generate earnings.

Acquisition related growth is defined as increase in operating revenue and other income after external project costs in local currencies based on acquired businesses for 12 months from acquisition date. The Group believes it is relevant to investors to have information about the level of acquisition related growth.

Currency related growth is defined as effect of exchange rate changes on operating revenue and other income after external project costs.

Organic growth is defined as growth in operating revenue and other income after external project costs excluding the impact of acquisitions, divestments and currency effects.

Organic growth adjusted for calendar effects is defined as increase in operating revenue and other income after external project costs adjusted for calendar effects. Calendar effects adjusts for number of working days towards comparable periods. The Group believes that organic growth adjusted for calendar effects is a relevant metric to investors to understand the underlying growth from one reporting period to the corresponding reporting period as most projects are invoiced on an hourly basis.

Billing ratio is defined as hours recorded on chargeable projects as percentage of total hours worked (including administrative staff) and employer-paid absence. The Group believes this is a key metric to investors to analyse the underlying profitability as the greater part of the project portfolio is charged on hourly basis.

Number of full-time equivalents (FTEs) is a mathematical calculation of employees with regards to percentage of a full-time position. The term includes all staff on payroll including staff on temporary leave excluding temporary personnel. The Group believes this is a key metric to investors to monitor in order to analyse underlying growth due to increased capacity.

Net interest-bearing debt is defined as current and non-current interest-bearing debt reduced by cash and cash equivalents and other current financial assets. The Group believes that this is a key metric relevant to investors to understand the Group's net financial indebtedness including sensitivity to changes in interest rates.

Net interest-bearing debt/LTM adj. EBITDA (also presented as NIBD/adj. EBITDA) where Net interest-bearing debt and adj. EBITDA is defined above. The Group believes that this is a key metric relevant to investors to understand the Group's ability to serve debt.

Net interest-bearing debt/adj LTM EBITDA excluding IFRS 16 is defined as net interest-bearing debt excluding lease liabilities divided by LTM adjusted EBITDA under which all leases are treated as operating leases. The Group believes that this is a key metric relevant to investors to understand the Group's ability to serve debt.

Disclaimer

Not for general release, publication or distribution, directly or indirectly in Australia, Canada, Japan, the United States or to US persons or in any other jurisdiction where such distribution would constitute a violation of the relevant laws or regulations of such jurisdiction.

This report includes and is based among other things on forward-looking information and statements that are subject to risks and uncertainties that could cause actual results to differ. These statements and this document are based on our current expectations and projections about future events, including in relation to global economic conditions and the economic conditions of the regions and industries that are significant to Norconsult. All statements other than statements of historical facts included in this notice, including statements regarding our future financial position, risks and uncertainties related to our business, strategy, capital expenditures, projected costs and our plans and objectives for future operations, may be deemed to be forward-looking statements. These expectations, estimates and projections are generally identifiable by statements containing words such as *believe, expect, anticipate, may, assume, plan, intend, will, should, estimate, risk* and similar expressions or the negatives of these expressions. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Important factors that could cause actual results to differ materially from those expectations include, among others, economic and market conditions in the geographic areas and industries that are or may be major markets for Norconsult's business, changes in governmental regulations, interest rates and fluctuations in currency exchange rates. Forward-looking statements are not guarantees of future performance. Although Norconsult believes that its expectations are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved or that the actual results will be as set out in this report. You should therefore not place undue reliance on these forward-looking statements. In addition, any forward-looking statements are made only as of the date of this notice, and we do not intend and do not assume any obligation to update any statements set forth in this report.

This report is for information purposes only and is not to be relied upon in substitution for the exercise of independent judgment. It is not intended as investment advice and under no circumstances is it to be used or considered as an offer to sell, or a solicitation of an offer to buy any securities or a recommendation to buy or sell any securities in Norconsult. Information in this document cannot be relied upon as a guide to future performance.

This report is not for release, publication or distribution, directly or indirectly in Australia, Canada, Japan, the United States or to US persons or in any other jurisdiction where such distribution would constitute a violation of the relevant laws or regulations of such jurisdiction. The information contained herein does not constitute an offer of securities for sale in the United States, Australia, Canada, Japan or any other jurisdiction where such offer would constitute a violation of the relevant laws or regulations of such jurisdiction.

The securities may not be offered or sold in the United States unless they are registered under applicable law or exempt from registration. The Company does not intend to register its shares in the United States or to conduct a public offer of securities in the United States or any other jurisdiction in which it would be unlawful or would require registration or other measures. No money, securities or other consideration is being solicited and, if sent in response to the information contained herein, will not be accepted.

Financial calendar
Q3 2024 – 07.11.2024
Q4 2024 – 18.02.2025
Q1 2025 – 14.05.2025
Q2 2025 – 20.08.2025
Q3 2025 – 05.11.2025

Contact information IR and CFO

Dag Fladby, CFO
Elin Spieler, Head of Treasury and IR Manager

Executive management

Egil Olav Hogna, CEO
Dag Fladby, CFO
Janicke Garmann, EVP Sustainability & Staff
Hege Njå Bjørkmann, EVP Communication & Brand
Bård Sverre Hernes, EVP Norway Head Office and Digital
Vegard Jacobsen, EVP Norway Regions
Sten-Ole Nilsen, EVP Renewable Energy
Farah Al-Aieshy, EVP Sweden
Thomas Bolding Rasmussen, EVP Denmark
Kathrine Duun Moen, EVP Technogarden

Board of Directors

Nils Morten Huseby, Chair
Mari Thjømøe, Deputy Chair
Karl Erik Kjelstad, Board member
Lars-Petter Nesvåg, Board member
Annette Sandra Angelica Kuru, Board member
Helge Hesjedal Wiberg, Board member
Harald Trosvik, Board member
Anne Jenny Bergseth, Board member

About Norconsult

Norconsult is a leading pan-Nordic interdisciplinary consulting firm combining engineering, architecture and digital expertise across projects of all sizes, for private and public customers in infrastructure, energy and industry, buildings and architecture. Headquartered in Sandvika, Norway, Norconsult's delivery model is centered around knowledge hubs and local presence through approximately 6 300 employees across more than 140 offices in Norway, Sweden, Denmark, Iceland, Poland and Finland.

(Figures as of 30.06.2024)

www.norconsult.com