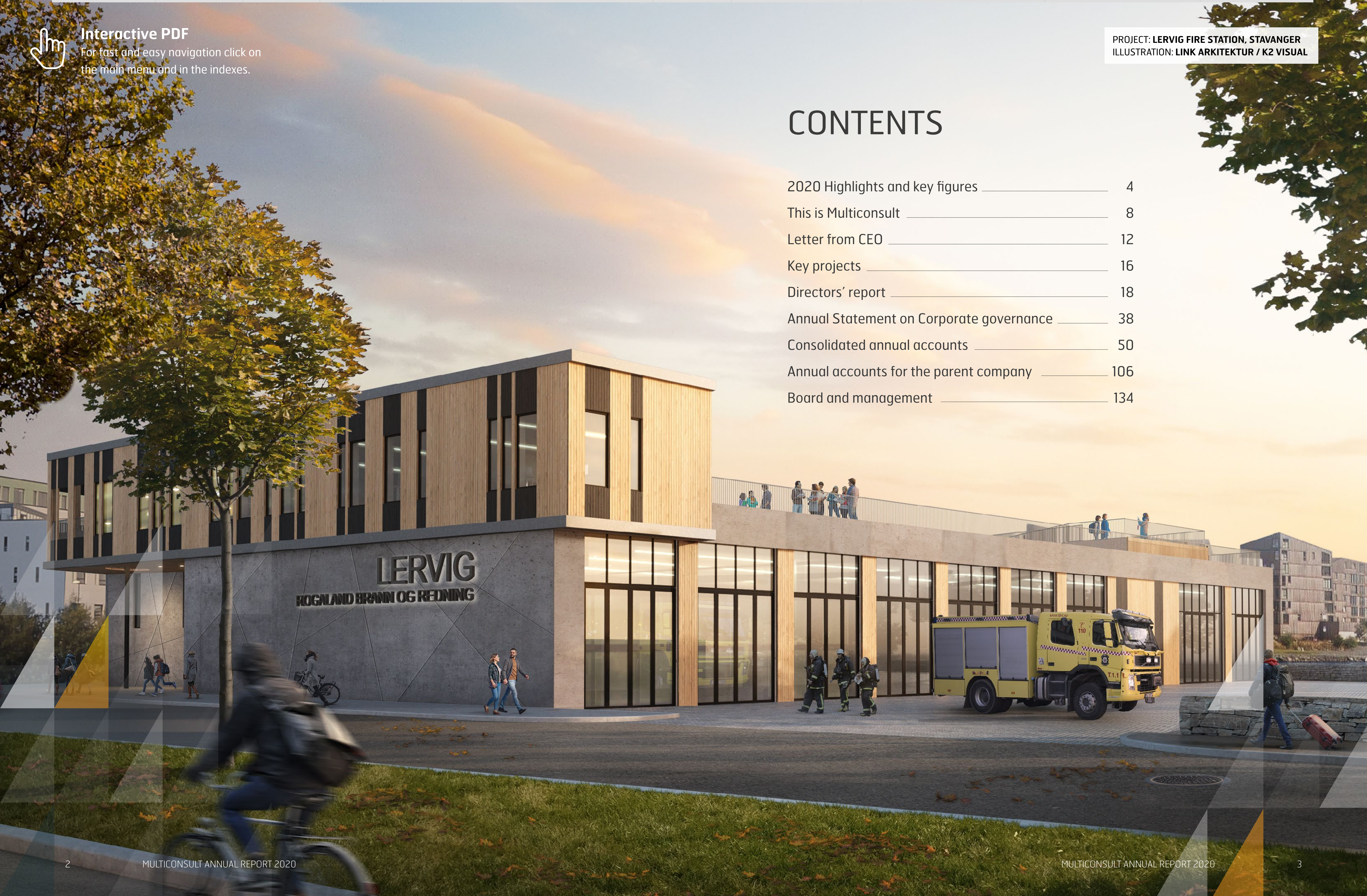
ANNUAL REPORT 2020

Multiconsult



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PROJECT: **LERVIG FIRE STATION, STAVANGER**
ILLUSTRATION: **LINK ARKITEKTUR / K2 VISUAL**

CONTENTS

2020 HIGHLIGHTS AND KEY FIGURES

Amounts in NOK million (except EPS, shares and percentage)

3 661

NET OPERATING REVENUES

+ 6.6%

Net operating revenues up 6.6% to NOK 3 661 million, purely organic growth

371

EBIT

+ 249%

EBIT of NOK 371.0 million (NOK 106.3 million in 2019), equal to 10.1% margin (from 3.1% margin in 2019)

70.9%

BILLING RATIO

+ 1.7PP

3 062

OPERATING EXPENSES

- 2.4%

Significant improved operation, and successful nextLEVEL programme

9.25

EPS

+612%

145.0

OSE: MULTI

+101% VS. YE19

Earnings per share (EPS) NOK 9.25 (from NOK 1.30 in 2019). Share price up 101% during the year

PROJECT: **NEW HOSTPITAL AT GAUSTAD (NYE RIKSHOSPITALET)**
ILLUSTRATION: **RATIO/ARKITEMA**

Multiconsult was awarded contract to provide detailed planning and design of a pedestrian and **bicycle path in an old railway tunnel** - Fløen - Kronstad in Bergen.

Multiple call-offs on the Fornebubanen frame agreement.

Finnmarkssykehuset HF have awarded an EPC contract to Consto, with LINK arkitektur and Multiconsult as subcontractors for the **construction phase of the new Hammerfest hospital**.

Multiconsult's subsidiary **LINK arkitektur to design a new high school** in Førde, Norway.

E16

Multiconsult was set to deliver **design and engineering services to the new E6** road and the bridge crossing lake Mjøsa.

Multiconsult Polska was awarded an important **new contract with the Polish National Railway Lines** for the passenger lines E30 and E65 in Poland.

Helse Sør-Øst RHF nominated **Multiconsult for the design contract** (phase 1) for the new hospital at Gaustad (nye Rikshospitalet) in Oslo.

Significant contract with Agency for Water and Wastewater Services (Oslo kommune, Vann- og avløpsetaten) was awarded to Multiconsult for design and preparation of competition.

Tanzania Electric Supply Company Limited **(TANESCO) selected Multiconsult with Norplan Tanzania Ltd (49% owned)** among the subcontractors, to provide consultancy services for two different Hydropower and Transmission Line projects.

Frame agreement with Statnett SF, the system operator in the Norwegian energy system, for external technical engineering substations.

Multiconsult Polska was awarded an important contract to provide technical support in the spatial survey and ground study for Solidarity Transport Hub in Poland. The transport hub outside Warsaw will comprise **a new international airport**, railways and roads.

- **On 4 November 2020, Multiconsult held a capital markets day.** Included was an update on the journey and the turnaround process, status on the nextLEVEL profitability improvement programme a confirmation of financial targets .
- **Multiconsult's attractive recruitment position was confirmed by** the annual Universum survey among engineering students and professionals in Norway.
- **MUST summer internship was successfully completed** despite the Covid-19 pandemic.
- **Employee share purchase programme 2020** was successfully completed in the fourth quarter with 22 per cent (18 per cent) participation among eligible employees.

2020 CONSOLIDATED KEY FIGURES

Amounts in NOK million (except EPS, shares and percentage)	2020	2019	2018
FINANCIAL			
Net operating revenues	3 660.9	3 435.8	3 334.8
Growth (%)	6.6%	3.0%	11.4%
Employee benefit expenses	2 660.1	2 654.4	2 539.5
Other operating expenses	402.2	482.3	646.2
EBITDA	598.7	299.1	149.1
EBITDA margin (%)	16.4%	8.7%	4.5%
EBIT	371.0	106.3	99.0
EBIT margin (%)	10.1%	3.1%	3.0%
EBIT ex. restructuring cost [1]	401.0	140.5	99.0
EBIT margin ex. restructuring cost [1]	11.0%	4.1%	3.0%
Reported profit for the period	249.2	35.1	63.6
Earnings per share (NOK)	9.25	1.30	2.36
Average number of shares	26 930 713	26 957 519	26 970 289
Net interest bearing debt [2]	(293.3)	91.6	59.5
Cash and cash equivalents	277.4	173.6	120.0
OPERATIONAL			
Order intake	4 684	4 348	4 592
Order backlog	3 327	2 968	2 803
Billing ratio (%)	70.9%	69.2%	70.2%
Employees	2 925	2 994	2 934

[1] EBIT ex. restructuring cost is calculated by (i) excluding one-off nextLEVEL restructuring cost of NOK 30.0 million in Q3 and YTD 2020, and (ii) excluding one-off charges of NOK 30.2 million in H1 2019 and NOK 4.0 million severance/restructuring cost Q4 2019.
[2] Excluding IFRS 16 lease liabilities, negative figure reflecting net cash position.

PROJECT: **RIGSHOSPITALET, COPENHAGEN**
ILLUSTRATION: **LINK ARKITEKTUR / ADAM MØRK**

THIS IS MULTICONSULT

OVERVIEW OF THE BUSINESS

Overview of the business
Multiconsult group ("Multiconsult" or "the group") comprises Multiconsult ASA ("parent company" or "company") and all subsidiaries and associated companies.

Business and location
Multiconsult ASA is a Norwegian public limited liability company with its head office in Oslo, Norway. Activities are organised through subsidiaries both in Norway and inter-nationally, as well as project offices managed from Oslo. The group has more than 60 offices in Norway and abroad and had 2 925 employees as of 31 December 2020.

Multiconsult is a leading specialist in engineering design, consultancy and architecture services. Its business concept is to deliver multidisciplinary consultancy, creating value for customers, shareholders, employees and the group. The group's principal activities involve multidisciplinary consultancy, design, planning, project supervision, project management, geotechnical site surveys, verification and controls in Norway. The group provides engineering services in Sweden and Poland in addition to architecture services in all three Scandinavian countries.

Revenue model
The group's business model is mainly based on consultancy fee revenues generated from own employees. In certain projects, services are also provided by external consultants ("sub-consultants"). In some projects, several partners have entered into cooperation agreements to bid collectively, where partners recognise their share of revenues. There is a clear definition of responsibility between Multiconsult and the partners or sub consultants. Projects can vary in duration, and long-term projects may extend over a number of years. The scope and duration of the projects are often extended through supplementary contracts and orders.

Long-term, stable customer base
Multiconsult strives to maintain good, long-term customer relations. A majority of the largest customers are stable, long-term customers, who have been placing orders with Multiconsult for many years. The group's ten largest customers in Norway are dominated by solid, public enterprises with established investment plans and limited credit risk.

Strategic platform
The strategy "GO" had an increased focus on strengthen operations and value creation in order to further develop the Multiconsult group. It represents an unchanged course, but a reduced speed. Hence, the long-term strategic direction of selective expansion in Sweden and Energy international remains. However, execution horizon was postponed until profitability is regained. Until then, profitability, consolidation and operations are prioritised.

The realisation of the GO strategy was summarised in seven main measures that Multiconsult had set as ambition to realise by the end of 2020. Except for the selective expansion in Energy internationally which were postponed in time in the revised strategy in 2019, the main measures are achieved:

- Through improved operations and the improvement program nextLEVEL, Multiconsult has regained a competitive level of profitability.
- Through large EPC / IPD projects such as new Tønsberg hospital, new hospital at Gaustad (nye Rikshospitalet), E6 Moelv-Roterud and several others Multiconsult is well positioned as one of the leading players in EPC / IPD projects in Norway.
- Through projects such as Fornebubanen, Route 3/25 Løten-Elverum and E6 Moelv-Roterud, Multiconsult has taken a leading position in transport.
- Through hospital projects as new Hammerfest hospital, new hospital at Gaustad (nye Rikshospitalet), Rigshospitalet in Copenhagen, Multiconsult has further strengthen the leading position within health care buildings in Scandinavia.
- The creation of a CDO function, new innovation models and the conclusion of strategic cooperation agreements with Telia and Autodesk are some of the elements in at strong foundation established for digital innovation and new business models.

GAIN GO OPERATIONS

During 2021, the strategic ambitions described in the GO strategy will be replaced by a new strategic direction and new strategic ambitions for the years to come.

Multiconsult's profitability improvement programme, nextLEVEL, was introduced at the Capital Markets Day in 2019. Improvements initiatives within operational efficiency and cost savings amounting to NOK 150.0 million were to be realised within a period of 18 months. The profitability improvement programme is now in its final phase. The final report on the programme will be made in the first quarter of 2021.

Multiconsult introduced new financial targets related to, among others, revenue growth and profitability. The revenue growth target is a 10 per cent CAGR from 2020 – 2025, including acquisitions. The profitability target is an initial EBIT margin of 8 per cent and a long-term EBIT margin of 10 per cent. Maintain a solid balance sheet to support daily

PROJECT: **KRONSTAD PEDESTRIAN AND BICYCLE TUNNEL, BERGEN**
PHOTO: **MULTICONSULT**

operations and growth targets, but also withstand periods of weaker markets.

The maximum gearing (NIBD/EBITDA) shall be 2.5x. The company shall aim to have a gearing of 1.0x - 2.0x in normal circumstances. In special circumstances (such as acquisitions), gearing may go up to 3.0x for a period not exceeding 18 months. Gearing is measured excluding IFRS 16 effects.

The dividend policy and equity ratio remains unchanged at least 50 per cent of net profit and an equity ratio excluding IFRS 16 effects higher than 25 per cent.

BUSINESS AREAS AND REPORTING STRUCTURE

The group's activities are organised in five reporting segments, and comprises the following reporting segments:

- Region Oslo
- Region Norway
- Energy
- LINK arkitektur
- International

A description of each segment is presented in the Directors' report in this annual report under segment information on page 26 in this report.

In 2020 Multiconsult comprised of seven business areas, which correspond to the group's key market segments and which operate across geographical reporting segments:

- Buildings & Properties
- Industry
- Oil & Gas
- Renewable Energy
- Transportation
- Water & Environment
- Cities & Society

A description of the group's business areas can be found in note 5 on page 72 in this report.

Grethe Bergly
Chief Executive Officer

Photo: Sverre Christian Jarild

A YEAR TO REMEMBER

The financial turnaround we performed in 2020 will forever stand as a milestone in the history of Multiconsult. Despite the uncertainty caused by Covid-19, we ended the year with the strongest financial results in our history. We are also strongly involved in the progress being made within sustainability, and we have made great strides in digital innovation. We have every reason to be proud of our achievements.

At Multiconsult we have a habit of standing shoulder to shoulder when the going gets tough, and so we did faced with the new challenges posed by the Covid-19 pandemic. We have set ourselves clear targets, and together we have succeeded in adding value for our customers and achieving financial results that we can be proud of. The dedication shown by our managers and employees in their efforts to achieve improvements has been impressive. Together we have managed to achieve very strong sales, reduce costs, increase revenue and improved projects execution – and by doing so we have produced our best financial results ever. Multiconsult now has a strong foundation for growth and continued development, and is ready for the changes in the industry, market and our society.

With highly qualified staff and willingness to think outside the box, Multiconsult will continue to define the society of the future, working either alone or in partnership with the best companies in and outside the industry. We want to stay ahead, which is why we take part in forums focusing on research, development and skills, where we can both obtain and share knowledge. We have extensive experience of drawing on knowledge built up in order to create new, innovative solutions adapted to the challenges facing society.

A CHANGE OF PACE

In 2020, sustainability moved to the top of the agenda both politically and in all areas of society. So did recognition of the importance of acting quickly to meet our commitments under the Paris Agreement and the UN Sustainable Development Goals. The pandemic has forced us to change and adapt rapidly. Now it is important to bring the experience and knowledge gained to find solutions to solve problems that climate change poses to us as a society. This is an area where Multiconsult aim to be a part of the solution.

Multiconsult participate actively in the leading forums for research and knowledge sharing such as KLIMA2050 and SKIFT. We are being invited to take part in some of the most innovative and ground-breaking projects, with strong climate and environmental ambitions. Those projects show that a zero-emission society is achievable, if we all contribute. I strongly believe that with our solid technical expertise, and by providing proactive, sound advice, we can help to find and develop good, sustainable solutions for, and in partnership with, our customers.

We have also made commitments with respect to our own operations, both by signing agreements and through our sustainability goals. Looking ahead, we aim to do even more to help build a sustainable society and to fulfil our ambitions and commitments. We are now strongly positioned to participate in even more exciting, trailblazing projects that will reduce our own and our customers' CO2 emissions and negative impact on nature and society.

EMPOWERING SUCCESSFUL PROJECTS

In 2020, Multiconsult started the work on defining a new strategic direction. The natural place to start was by looking at the business opportunities that exist in the megatrends currently shaping the society. Our new strategic direction is based on an assessment of what we believe enables and at the same time is a limit to value creation in view of digitalisation, sustainability, urbanisation and value chain dynamics.

Our strategic work has led to a new business concept for the group:

Multiconsult shall make it easier to develop and execute projects that add value.

We shall do this by forming binding partnerships that allow us to combine our expertise with the best in the industry. Together we shall create opportunities, solve challenges and remove barriers, so that we can execute projects that add value in a life-cycle perspective.

Value creation is often maximised if the best players in the industry work together. I strongly believe in value-based project development where different companies work jointly towards agreed goals, with shared responsibility for risks and rewards. As a group, we want to be industry leaders at cooperating and sharing. Attracting and retaining the best talents will be vital to getting to where we want to be in the future. We must therefore also have a reputation for investing in our employees' skills and career development.

DIGITAL INNOVATION

Over the course of the year, we have laid solid foundations for achieving our ambitions in the area of digital innovation. Building on our strong culture of empowerment, we have sought out partnerships with new operators outside the industry and entered into strategic partnerships with organisations we previously have not worked closely with. In digitalisation, I believe this will be the key to driving positive change and innovation. Together with Telia and Autodesk, we will now explore if cooperation can provide advantages and give new methodology that will give our customers cutting-edge solutions.

> **«We have come out of 2020 with stronger foundations than before. Our 3,000 employees mean we have access to a fantastic range of expertise.»**

ALL TIME HIGH

We strengthened our market position and achieved very strong sales in 2020. At the end of the year, our order backlog was at an all time high. That is very pleasing, particularly in view of the market uncertainty caused by the Covid-19 pandemic. We won major projects such as pre-engineering the new hospital at Gaustad (nye Rikshospitalet), as well as significant additional work on existing high-profile projects, including the new water supply system for Oslo and the Fornebu Line. We have also won a number of frameworks agreements for important public sector customers such as Bane NOR, Statnett, Norwegian Defence Construction Service, etc. These results have not come about by chance; they are the result of targeted work by our managers and employees alike.

In terms of volumes, market conditions were good in 2020 in general, both in Norway and in our international markets. They were particularly strong for Buildings & Properties and Transportation, and we increased our sales in most business areas. By winning the project for the new hospital at Gaustad (nye Rikshospitalet), a new contract for Hammerfest hospital and several other contracts, we further strengthened our position in health care facilities. LINK arkitektur sees opportunities to expand internationally in this segment, and it is already involved in hospital projects in the Middle East and Africa.

The project to renovate Stavanger rådhus (City Hall) demonstrates that there is increasing demand for integrated architectural and engineering services. We will continue to prioritise the strong, integrated partnership between Multiconsult and LINK arkitektur. We still have a strong position in the market for schools and educational buildings, as exemplified by winning the project Førde High School .

New projects such as Empire Wind off New York, Daugava hydroelectric power station in Latvia and the investigation of the potential for floating solar farms in Kenya are examples of how we are reinforcing an already strong position in the international market for renewable energy projects.

We continue to facilitate the development of new rail and road infrastructure. With the Fornebu Metro Line we are increasing mobility in the capital of Norway', and projects such as the S19 Expressway and The Solidarity Transport Hub are supporting Poland with better infrastructure.

We continue to facilitate the development of new rail and road infrastructure. With the Fornebu Metro Line we are increasing mobility in the capital of Norway', and projects such as the S19 Expressway and The Solidarity Transport Hub are helping to give Poland more efficient infrastructure.

THE PANDEMIC

At the start of 2020, our goal was to fulfil our promise to improve the group's profitability, and that was a strong driver for the whole organisation. When the Covid-19 pandemic hit Norway, out biggest priority became to ensure that all of our employees would have a safe workplace to return to when things got back to normal. That required some difficult but important decisions to be made.

Our response to the Covid-19 pandemic has focused on areas where we can make a positive difference, either alone or in cooperation with our customers and other partners. We managed to quickly take the right decisions needed to reduce the uncertainty faced by our customers, our employees and our operations.

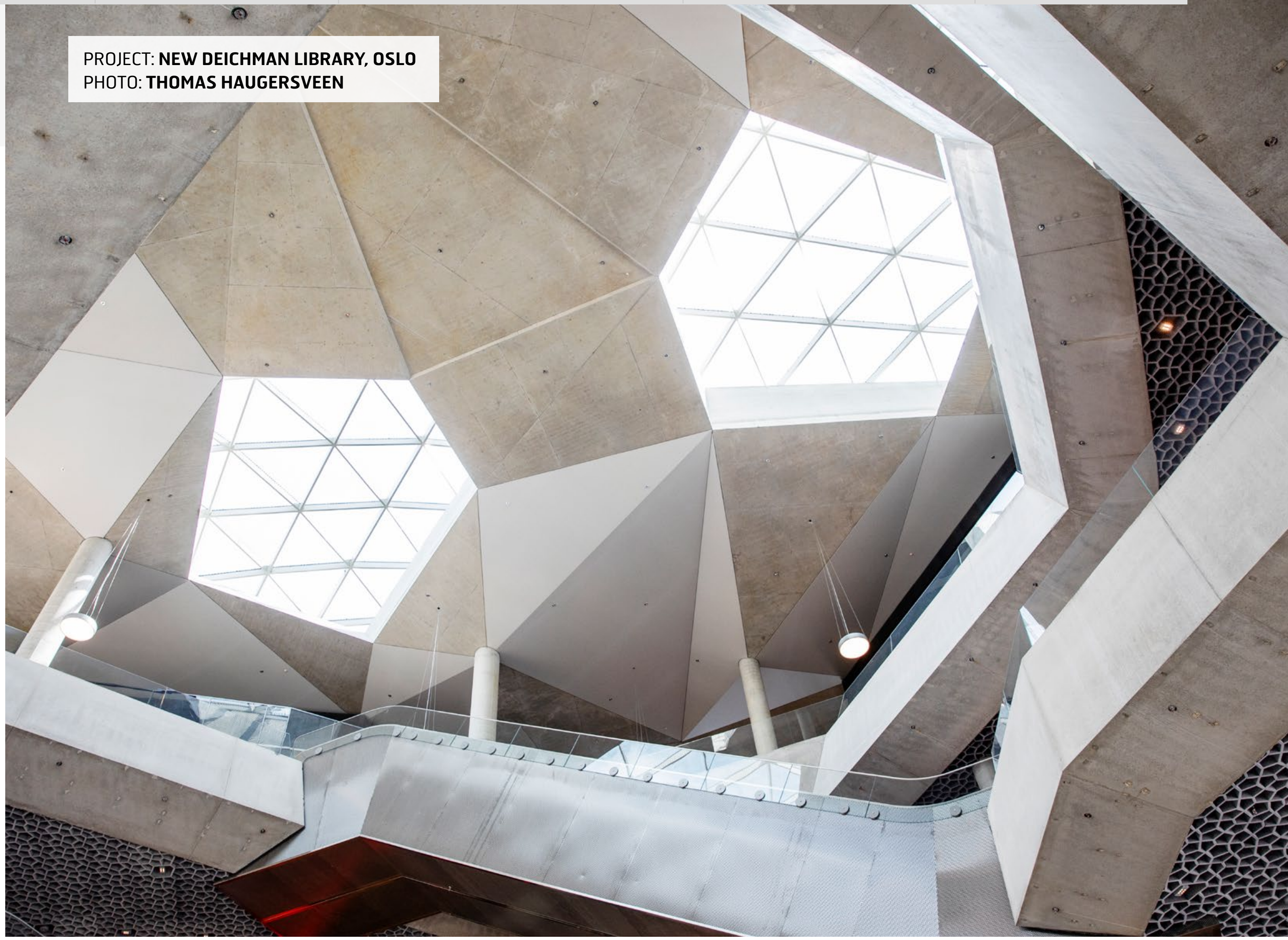
From a commercial point of view, our goal has been to minimise the impact of the unique situation on our customers. Early on, we put in place systems to enable Multiconsult to remain fully operational even with many of our colleagues working from home. We have consulted closely with our customers in order to enable our projects to progress as normally as possible. Excellent cooperation with our customers has played a decisive role in allowing us to continue operating almost at full speed throughout the year. We have a huge amount of respect for the flexibility and ability our customers have demonstrated in order to get things done during the pandemic.

STRONG FOUNDATIONS

The Covid-19 pandemic has been a challenge. The situation has demanded a great deal of both our managers and employees. Multiconsult has managed to deliver high quality work, and this makes me proud of the culture of empowerment as shown. With a blink of an eye, challenges have been turned to opportunities, changes have been met with a can-do attitude and employees have adopted new digital working practices.

We have come out of 2020 with stronger foundations than before. Our 3 000 employees represent access to a fantastic range of expertise. We have good managers who are able to provide direction. We have returned to a level of profitability that gives us room for manoeuvre and space to innovate. We have improved our relationships with our customers and business partners. We have discovered new ways of collaborating using digital tools, and we have become more agile. By building on these foundations, we can contribute to adding even more value in 2021 – for our customers, the society, our shareholders and ourselves.

Grethe Bergly
CEO



PROJECT: **NEW DEICHMAN LIBRARY, OSLO**
PHOTO: **THOMAS HAUGERSVEEN**

Illustration: Multiconsult

ESPEVIK ONSHORE SALMON FARM

The salmon farm will become largest fully integrated salmon farm in Norway. Multiconsult will, together with the client, develop Ecofisk's concept for land-based aquaculture. The facility is planned to be built in Espevik in Tysvær municipality, Norway.

When the facility is fully developed, it will represent value creation in a completely new format by producing salmon equivalent to 400 000 dinner portions every day.

Sustainability is a key part of the plans for the fish farm. Contained environment, reuse of industrial quarry, desalination of salt water, waste management and production powered by the sun are all elements that are included in the planning of the plant.

Multiconsult has carried out a preliminary project and zoning plan. The company has a framework agreement for further work on the project.

FACTS

Project: Onshore Salmon Farm
Client: Ecofisk
Location: Tysvær, Norway
Engineering: Multiconsult Norge AS
Period: 2020 -
Construction start: 2021 (planned)
Key figures
– Production of up to 40 000 tonnes of salmon
– Extensive use of solar panels for production of own electricity

Illustration: Ratio/ARKITEMA

NEW HOSPITAL AT GAUSTAD (NYE RIKSHOSPITALET)

Rikshospitalet will be further developed so that regional and national functions are gathered in a regional hospital, and with local hospital functions for certain districts. The new Rikshospitalet will be put into operation in 2030 with a large, new and future-oriented building stock. Here we will gather regional and national functions and at the same time provide local hospital services for about 200 000 patients.

The existing Rikshospital was completed in 2000, and it is now planned with expansions of over 140 000 m2. including university area and replacement area for buildings that are demolished.

Multiconsult with subcontractors LINK arkitektur, Fabel Arkitekter, Bølgeblikk arkitekter and Erichsen & Horgen AS, are set to deliver pre-design for the new hospital with an option for the detailed planning and construction phase.

The number of beds is planned to be increased from just over 500 to just over 900 beds, the number of intensive care beds will be doubled to just over 100 intensive care beds for adults / children, and 42 intensive care beds for newborns. And it is planned for 23 new operating rooms.

FACTS

Project: New Gaustad hospital
Client: Helse Sør-Øst RHF
Location: Oslo, Norway
Engineering: Multiconsult with subcontractors LINK arkitektur, Fabel Arkitekter, Bølgeblikk arkitekter and Erichsen & Horgen AS
Period: 2020 -
Key figures
– Gross area of approx. 140 000 m2
– In operation from 2030

Illustration: Multiconsult

KRONSTAD PEDESTRIAN AND BICYCLE TUNNEL

A new pedestrian and bicycle tunnel will be established on top of the old train tracks between Fløen and Kronstad in Bergen. It will be a part of the 4.3 kilometer long express bikeway in Bergen. The project includes, among other, the reuse of the existing stone vault constructions from the old Kronstad tunnel from 1913.

Multiconsult Norge was awarded the contract for detailed planning and design for the pedestrian and bicycle tunnel. The work will be carried out with Amberg Norge AS as subcontractor. In addition, Multiconsult is also set to do follow-up in the construction period in 2021-2022.

Both engineering and construction are carried out in accordance with the CEEQUEL certification. Where feasible, low-carbon concrete of the highest class shall be used, and measures shall be implemented to reduce the climate footprint in the construction phase.

FACTS

Project: Pedestrian And Bicycle Tunnel
Client: Bybanen utbygging and Vestland County Municipality
Location: Bergen, Norway
Engineering: Multiconsult Norge AS with Amberg Norge AS as subcontractor
Period: 2020
Key figures
– 500 meter pedestrian and bicycle tunnel
– Part of a 4.2 kilometer express bikeway
– Construction period 2021-2022

Illustration: Nye Veier / Selberg Architects

E6 MOELV - ROTERUD NINE KM NEW ROAD AND A FOUR-LANE BRIDGE

The Moelv - Roterud project consists of a new four-lane bridge that crosses Lake Mjøsa and over nine kilometers of road in addition to the bridge crossing.
The proposed bridge will be shorter than the original, and a significant part of the structure will be made by wood. The combination of wood and concrete is an innovative design and concept and has never been built before. This will make the bridge significantly lighter and combined with the reduced length will provide a significant reduction in greenhouse gas emissions.

The project is obliged to increase the total agricultural area net and minimize losses of agricultural production. Interference with nature reserves near roads and bridges will also be prevented.

Nye Veier AS has selected Berino (Joint venture of the Belgian contractor BESIX and Italian contractor Rizzani) to do the concretization phase for the regulation, design, and construction of the new E6 Moelv-Roterud.

Multiconsult is set to deliver design and engineering services to the new E6 road and the bridge crossing lake Mjøsa.
AF Gruppen is sub-contractors and Selberg Architects is the bridge architect.

FACTS

Project: Nine km new road and a four-lane bridge
Client: Berinor
Location: Innlandet, Norway
Engineering: Multiconsult Norge AS
Bridge Architect: Selberg Architects
Period: 2020 -
Key figures
– New four-lane bridge
– Nine kilometer of new road

PROJECT: **FØRDE HIGH SCHOOL**
ILLUSTRATION: **LINK ARKITEKTUR**

DIRECTORS' REPORT 2020

PROJECT: **TVEDESTRAND HIGH SCHOOL**
PHOTO: **LINK ARKITEKTUR / HUNDVEN-CLEMENTS PHOTOGRAPHY**

STRONG IMPROVEMENTS AND SOLID PROFITABILITY

Multiconsult has seen strong operational improvements and ended the year with a record high result. Operationally Multiconsult delivers strong sales, solid customer deliveries, and an all-time high order backlog. The nextLEVEL improvement programme surpassed its targets towards the end of 2020, which together with cost savings related to Covid-19 resulted in a reduction of other operating expenses. Looking ahead, Multiconsult will together with its clients deliver future oriented and sustainable solutions for the society. The board of directors proposes a dividend of NOK 8.00 per share to be paid as ordinary dividend.

In 2020 Multiconsult delivered a solid growth and a record high EBIT of NOK 371.0 million.

Multiconsult has played a major role in the Norwegian society for over 110 years. Multiconsult is a people-based organisation of about 3 000 employees. It is the daily work of our employees, and their ability to solve complex projects that adds value to our clients through future oriented and sustainable solutions. Unsatisfactory profitability has been a significant challenge for the group in recent years, and 2020 represents a turnaround year where the group delivered solid profitability, despite the turmoil caused by the Covid-19 pandemic.

CONSOLIDATED INCOME STATEMENT DATA

	NOK million			As a % of Net Operating Revenue	
Amounts in NOK million, except EPS and percentage	**2020**	**2019**	**Change in NOK**	**2020**	**2019**
Operating revenues	4 186.2	4 068.7	117.5	114 %	118 %
Expenses for sub consultants and disbursements	525.2	632.8	(107.6)	14 %	18 %
Net operating revenues	**3 660.9**	**3 435.8**	**225.1**	**100 %**	**100 %**
Employee benefit expenses	2 660.1	2 654.4	5.6	73 %	77 %
Other operating expenses	402.2	482.3	(80.1)	11 %	14 %
Depreciation and amortisation	197.6	192.8	4.8	5 %	6 %
Impairment	30.0	0.0	30.0	1 %	0 %
Operating profit (EBIT)	**371.0**	**106.3**	**264.7**	**10 %**	**3 %**
Share of profit from associated companies and joint ventures	**(2.3)**	**(0.2)**	**(2.1)**	**0 %**	**0 %**
Financial income	22.7	4.0	18.7	1 %	0 %
Financial expenses	62.1	56.7	5.4	2 %	2 %
Net financial items	**(39.4)**	**(52.7)**	**13.3**	**(1%)**	**(2%)**
Profit before income tax	**329.4**	**53.4**	**275.9**	**9 %**	**2 %**
Income tax expense	80.1	18.3	61.8	2 %	1 %
Profit for the period	**249.2**	**35.1**	**214.1**	**7 %**	**1 %**
Earnings per share: Basic and diluted	9.25	1.30	7.95	0 %	0 %

Set out above consolidated income statement data for the years 2020 and 2019: Higher revenues improved profitability mainly driven by higher billing ratio and higher billing rates, combined with generally lower expenses relative to revenues.

FINANCIAL REVIEW

Multiconsult group ("Multiconsult" or "the group") comprises Multiconsult ASA ("parent company" or "company") and all subsidiaries and associated companies. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU as well as in the Norwegian accounting legislation.

All amounts in brackets are comparative figures for 2019 unless otherwise specifically stated. Multiconsult group ("Multiconsult" or "the group") comprises Multiconsult ASA ("parent company" or "company") and all subsidiaries and associated companies.

In the view of the board of directors, the consolidated statement of profit or loss, the statements of comprehensive income, changes in equity and statement of cash flow, the statement of financial position and the accompanying notes provide a true and fair view of the financial position of the group as at 31 December 2020, and its financial performance and its cash flows for the year then ended.

CONSOLIDATED STATEMENT OF INCOME

Revenue

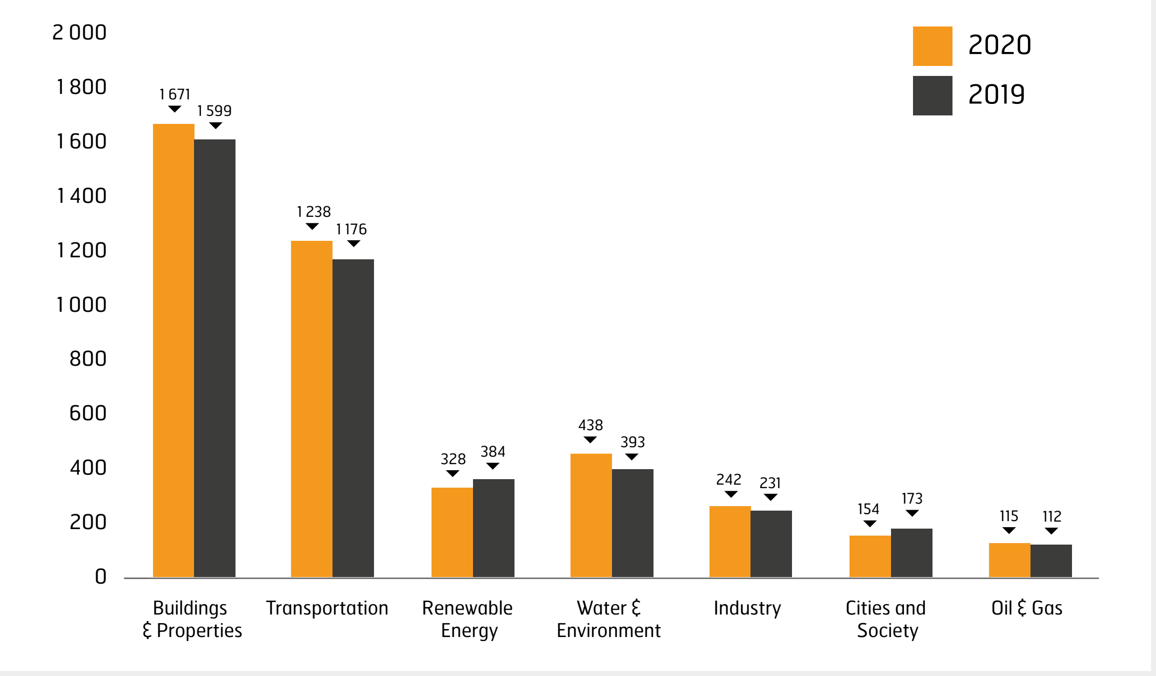
Consolidated operating revenues in 2020 amounted to NOK 4 186.2 million (NOK 4 068.7 million). Net operating revenues, consisting of operating revenues less project expenses (including sub consultants), amounted to NOK 3 660.9 million (NOK 3 435.8 million). The 6.6 per cent increase in net operating revenues is purely organic and driven by improved billing ratio, higher average billing rates and improved project performance. There was a calendar effect of two more working days, which had a positive impact of approximately NOK 28.3 million compared to 2019.

Employee and other operating expenses

Operating expenses excluding depreciation and amortisation came to NOK 3 062.3 million (NOK 3 136.7 million). Operating expenses consist mainly of employee benefit expenses and other operating expenses. Compared to 2019, employee benefit expenses increased by 0.2 per cent. The increase was mainly a result of ordinary salary adjustment for the workforce and extraordinary bonus to employees, partly offset by reduced manning level. In addition, the temporary Covid-19 tax reliefs from governments reduced the employee benefit expenses by approximately NOK 14.3 million. Other operating expenses decreased by 16.6 per cent, a reduction of NOK 80.1 million. The reduction in other operating expenses was partly an effect of the nextLEVEL improvement program and partly a result of lower spending due to the Covid-19 pandemic.

OPERATING REVENUES BY BUSINESS AREA

Amounts in NOK million



Impairment losses

The impairment losses recognised in 2020 relates to a review of Multiconsult's office rental portfolio and is part the of restructuring costs in the nextLEVEL improvement programme. The restructuring of NOK 30 million is a right-of-use assets impairment loss.

Earnings before interest and taxes (EBIT)

Multiconsult's operating profit (EBIT) for the year was NOK 371.0 million (NOK 106.3 million), reflecting an EBIT margin of 10.1 per cent in 2020.

Income/loss from associated companies and joint ventures

Results from associated companies and joint ventures was negative NOK 2.3 million in 2020 (negative NOK 0.2 million). This is mainly related to our associated company Norplan Tanzania. For more information, please see note 17 to the consolidated group accounts.

Financial items

Net financial expenses amounted to NOK 39.4 million (expense of NOK 52.7 million). Interest expenses were impacted by IFRS 16. When adjusting for this effect, interest expenses decreased from NOK 11.5 million in 2019 to NOK 5.9 million in 2020. Net currency effects for 2020 amounted to NOK 3.8 million, compared with negative NOK 3.5 million in 2019.

Income taxes

Tax expense for the year amounted to NOK 80.1 million, compared with NOK 18.3 million in 2019. The main driver for the higher tax expense was increased/improved profit before tax. For more information, please see note 11 to the consolidated group accounts.

Profit and loss for the year

Multiconsult's profit before income taxes was NOK 329.4 million (NOK 53.4 million). Profit for the period was NOK 249.2 million, compared with NOK 35.1 million in 2019.

KEY PERFORMANCE DRIVERS 2020

Change in capacity is driven by net recruitment and M&A activity. In 2020 there was a decrease in capacity driven by a reduction in the number of employees. There was no M&A activity in 2020.

Billing ratio is hours recorded on billable projects as a percentage of total hours worked (including administrative staff) and employer-paid absence and has a direct impact on revenues and EBIT. In 2020, the billing ratio increased by 1.7 percentage points compared to 2019 to 70.9 per cent.

Billing rate is the average rate that Multiconsult charges per hour to the group's customers and has a significant sensitivity on revenues and EBIT. In 2020 there was an improvement in the average billing rate compared to last year in all reporting segments.

Temporary Covid-19 tax reliefs from governments reduced the employee benefit expense by approximately NOK 14.3 million. In addition, Multiconsult has seen a reduction in other operating expenses as a result of the nextLEVEL improvement program and general spending in general due to the Covid-19 pandemic. During 2020 a limited number of full-time equivalents was for a period on temporary leave due to the Covid-19 pandemic. Per mid-May the full-time equivalent was 115 employees (3.8% of the total workforce), but from the end of August 2020 no employees were on temporary leave due to the Covid-19 pandemic. Moreover, in the subsidiary Multiconsult UK with 23 employees, furlough reliefs and temporary working hours reduction related to Covid-19 pandemic was applied during the year.

Extraordinary bonus to employees for strong commitment and contribution to the turnaround process increased the employee benefit expense by approximately NOK 25 million.

Calendar effect is the effect of the normal variation in capacity between two comparable periods due to different number of working days in the periods. It is a measure of capacity for revenue generation and has a direct impact on revenues and EBIT. When comparing financial performance in different periods, it is important to be aware of the number of working days in the periods compared. In 2020 there was a calendar effect of two more working days compared to 2019, which had a positive impact on net operating revenue and EBIT of approximately NOK 28.3 million.

STATEMENT OF COMPREHENSIVE INCOME

Statement of changes in equity

Profit for the period was NOK 249.2 million up from NOK 35.1 million for the year ended 31 December 2019. Other comprehensive income recognised against equity was NOK 12.8 million (negative NOK 3.9 million), mainly related to currency translation differences in 2020. As a result of this, total comprehensive income was NOK 262.0 million (NOK 31.2 million).

FINANCIAL POSITION, FINANCING AND LIQUIDITY

Assets

Total non-current assets amounted to NOK 1 473.0 million which is a reduction from NOK 1 582.6 million for the year ended 31 December 2019. The decrease was mainly due to a reduction in right-of-use asset of NOK 92.1 million.

Total current assets amounted to NOK 1 245.2 million (NOK 1 091.6 million). The increase was mainly due to a higher cash and cash equivalent position, offset by lower outstanding trade receivables and a reduction in work in progress compared to the end of last year.

Equity and liabilities

Total shareholders' equity was NOK 773.6 million (NOK 581.4 million) on 31 December 2020, corresponding to an equity ratio of 28.5 per cent (21.7 per cent). The change is mainly impacted by profit for the year and dividend paid. Adjusted for the IFRS 16 effect, the equity ratio was 43.5 per cent (33.6 per cent).

Total liabilities were NOK 1 944.6 million (NOK 2 092.9 million). The decrease was mainly due to a reduction in interest-bearing liabilities of NOK 178.4 million. Total interest-bearing liabilities amounted to NOK 0.0 million, a reduction from NOK 178.4 million for the year ended 31 December 2019.

Liquidity and capital resources

Multiconsult's sources of liquidity are cash on hand, revenues generated from our operations and available loans and credit facility. Principal needs for liquidity are employee expense, cost of sub-contractors, other operating expenses including costs of office and IT, other working capital items and capital expenditures, debt service, and funds to pay dividend and acquisitions.

The group held cash and cash equivalents of NOK 277.4 million at the end of 2020.

At the start of 2020 Multiconsult ASA had a term loan of remaining NOK 172.0 million, with final repayment in October 2020, and overdraft facility of NOK 320.0 million. In March 2020 Multiconsult ASA refinanced its loan portfolio. This included an overdraft loan facility of NOK 320.0 million, and a 3-year revolving credit facility (RCF) of NOK 200.0 million until March 2023. In March 2020, the company re-paid the previous NOK 172.0 million term loan and made a drawdown of NOK 172.0 million on the new NOK 200.0 million RCF. In second quarter the company reduced drawn amount under the RCF by NOK 72.0 million, and in the third quarter by NOK 100.0 million. Multiconsult ASA overdraft facility of NOK 320.0 million is part of a cash pool were Multiconsult ASA is the owner of the cash pool's top account and the debtor of the facility. The cash pool includes all main bank accounts for Multiconsult Norge AS, Johs Holt AS, Link arkitektur AS, Link arkitektur A/S, Link arkitektur AB, Iterio AB and Multiconsult UK ltd. The existing loan agreement, overdraft facility and guarantee agreement contain certain customary covenants, such as negative pledge cross default clauses, and limitations on entering into new loans without the consent of the bank. The financial covenants requirement is that net interest bearing liabilities (excluding restricted cash) of the group shall not exceed 3.0 times last twelve months EBITDA for the group (NIBD/EBITDA) measured excluding IFRS 16 effects, and an equity ratio excluding IFRS 16 effects of at least 25 per cent, reported quarterly. Available undrawn amount under the facilities was NOK 520.0 million as of 31 December 2020. The company is in compliance with its financial covenants as of 31 December 2020.

CASH FLOW

Cash flow from operations

Net cash flow from operating activities was positive NOK 667.7 million (positive NOK 248.2 million). Net cash flow from operating activities is mainly impacted by increase in profit before tax and decrease in working capital, both contributed positively.

Cash flow from investments

Net cash flow used in investment activities was NOK 27.8 million (NOK 57.2 million), mainly related to ordinary asset replacement.

Cash flow from financing

Net cash flow from financing activities amounted to negative NOK 437.5 million (negative NOK 236.8 million) which is mainly affected by reduction of interest-bearing liabilities and lease liabilities. In the first quarter the company refinanced and re-paid the previous NOK 172.0 million term loan and made a drawdown of NOK 172.0 million on the NOK 200.0 million revolving credit facility. In second quarter the company reduced drawn amount under the RCF by NOK 72.0 million, and in the third quarter by NOK 100.0 million.

Order backlog and intake

The order backlog at year-end 2020 is at an all-time high at NOK 3 327 million (NOK 2 968 million), an increase of 12.1 per cent compared with year-end 2019. The order backlog does not reflect awarded frame agreements and includes only call-offs that have been signed under these agreements. The size and timing of execution of the order backlog varies significantly between the business areas and locations, meaning that certain areas have relatively long order horizon while others have short.

Order intake in 2020 amounted to NOK 4 684 million (NOK 4 348 million), an increase of 7.7 per cent year on year. New contracts awarded in Norway in 2020 includes a large add on a contract for new water supply to Oslo for Oslo City Water and Sewerage Works Agency, an extensive call-off for Fornebubanen for Municipality of Oslo and Viken, Gaustad (nye Rikshospitalet) pre-engineering, Stavanger rådhus (City Hall) and Førde videregående skole (School building).

Among new contracts awarded internationally was the Daugava hydraulic plant in Latvia, supervision and management of design and construction of the S19 Expressway in north-western Poland and the Solidarity Transport Hub in Poland.

General market conditions were generally good in 2020, both in Norway and in Multiconsult's international markets. There was an increase in order intake within Buildings & Properties, Oil & Gas, Transportation, Renewable Energy and Cities & Society while there was some decrease in Industry and Water & Environment.

In 2020 the building and property market has been good, and Multiconsult experienced an overall increase in sales in this business area compared to 2019. Multiconsult strengthened its position in the hospital sector with the contract on the Gaustad (nye Rikshospitalet) and several other new contracts. The markets for LINK arkitektur in Norway was at a good level while the markets in Sweden and Denmark has been more challenging throughout the year.

The Norwegian market for transportation remained at a good level in 2020, although ongoing public reforms and reorganisation may have created delays in bidding processes. The trend with large projects and EPC-contracts as the preferred execution model continues. A major call-off on the frame agreement for Fornebubanen late in 2020 contributed to an all-time high order intake for the business area Transportation in 2020.

The water and environment market had good activity levels in 2020. The business area Water & Environment had sales in 2020 largely towards small-medium projects, in addition to expanded work on Oslo City Water Supply.

The industry market experienced an increase in potential projects in land-based aquaculture and in projects in the new industry sectors, such as battery manufacturing, hydrogen manufacturing, and hydrogen derivatives, e.g. ammonia, methanol and other synthetic fuels. For the more traditional industry sectors, there was a decrease in order intake. The business area Industry experienced a decrease in order intake during 2020 compared to previous year.

2020 was a good year for the Norwegian housing market and with high investments in public transportation infrastructure and demand related to electric mobility transition. The business area Cities and Society experienced growth in order intake.

The demand for Multiconsult's services for the business area Oil and Gas increased in 2020 compared to 2019. The business area had a 9.6 per cent increase in sales.

The renewable energy market in Norway has declined throughout the year for hydropower and onshore wind, but steadily increasing for hydrology and flood protection, transmission and distribution, offshore wind, solar and smart grid solutions. The international target market for the business area Renewable Energy has been stable and the group experienced new contracts within the hydropower, power systems, E-flow studies and solar projects areas. Covid-19 has had negative impact on the actual execution of the projects. The business area Renewable Energy experienced good order intake during 2020, and increased the backlog during the year.

nextLEVEL

Multiconsult's profitability improvement programme, nextLEVEL, was introduced at the Capital Markets Day in 2019. Improvements initiatives within operational efficiency and cost savings amounting to NOK 150.0 million were to be realised within a period of 18 months. The profitability improvement programme is now in its final phase. The final report on the programme will be made in the first quarter of 2021.

With solid quarterly results throughout the whole period the ambitions for operational turnaround have been met and surpasses the target. Involvement, transparency and close monitoring have been key factors leading to a successful implementation. Multiconsult's group-wide programme exceeded the target towards the end of 2020. nextLEVEL has throughout the implementation period been ahead of the scheduled realisation curve, while the estimated restructuring costs are not yet fully realised.

Multiconsult will continue the realisation and the close follow-up towards the end of the programme. Learnings and experiences will serve as the basis for lasting improvement and profitable operations going forward.

SEGMENT INFORMATION

The group's activities are organised in five reporting segments: Region Oslo, Region Norway, Energy, International, and a segment for the subgroup LINK arkitektur. Segment revenues and expenses reflect the geographical base of employees, which does not necessarily coincide with the location where the projects have been executed. Overhead expenses such as administrative services, office rent and depreciation are allocated to individual segments, however certain corporate cost and group-wide cost is not allocated to the segments.

REGION OSLO

This segment offers services in seven business areas and comprises the Oslo region, and Large Projects in Norway. Region Oslo accounted for 32.1 per cent of group net operating revenues in 2020.

Net operating revenues increased by 7.8 per cent to NOK 1 175.7 million (NOK 1 090.9 million). The increase is mainly due to improved project performance and an increase in the billing ratio of 3.4pp, up to 73.4 per cent for the year. Higher billing rates contributed to the increase. A reduced manning level partly offset the increase in net operating revenue.

Operating expenses decreased in the period, by 4.7 per cent, driven by lower cost level in general. Employee benefit expenses decreased slightly due to reduced manning level, and partly offset by ordinary regular salary adjustment. Temporary Covid-19 tax reliefs reduced the employee benefit expense compared to 2019. An extraordinary bonus to all employees for their contribution and commitment is reflected in employee benefit expenses. Other operating expenses in general, including reduced costs from administrative staff and shared services, decreased significantly compared to last year.

EBIT was NOK 186.1 million in the period (NOK 53.0 million) reflecting an EBIT margin of 15.8 per cent in 2020.

Order intake increased by 9.9 per cent in the period compared to the order intake during 2019, mainly resulting from higher sales in business areas Transportation and Renewable Energy.

Order backlog for the year ended on 31 December, 2020 came in at NOK 1 256.0 million. The largest share of the order backlog is held by the business areas Buildings & Properties, Transportation and Water & Environment. The order backlog increased by 22.4 per cent compared to the 2019, and is at an all-time high.

REGION NORWAY

This segment offers services in seven business areas and comprises all offices outside Oslo with presence in all larger cities and several other locations in Norway, a total of 23 offices. Region Norway is the largest segment, accounting for 39.6 per cent of group net operating revenues in 2020.

Net operating revenues increased by 4.9 per cent to 1 449.8 million (NOK 1 381.9 million). The increase is mainly due to higher billing ratio of 2.0pp, up to 69.9 per cent (67.9 per cent) for the year. The average billing rate in 2020 was also at a higher level and contributed to growth in net operating revenues. There was a reduction in the manning level of 35 employees in the period. The reduction in manning level partly offset the increase in net operating revenue.

Operating expenses came in 5.0 per cent lower than in 2019. Employee benefit expenses increased slightly increase is in line with ordinary regular salary adjustment, partially offset by reduced manning level. In the period temporary Covid-19 tax reliefs reduced the employee benefit expense compared to 2019. An extraordinary bonus to all employees for their contribution and commitment is reflected in employee benefit expenses. Other operating expenses decreased significantly due to lower spending in general including reduced costs from administrative staff and shared services contributed positively compared to 2019.

EBIT was NOK 184.0 million (NOK 56.5 million) reflecting an EBIT margin of 12.7 per cent in 2020.

Order intake during the year 2020 increased by 8.3 per cent compared to last year. Region Norway had a solid increase in most of the major business areas compared to last year.

Order backlog for the year ended on 31 December 2020 was NOK 597.6 million. The order backlog increased by 2.9

PROJECT: **TVEDESTRAND HIGH SCHOOL**
PHOTO: **LINK ARKITEKTUR / HUNDVEN-CLEMENTS PHOTOGRAPHY**

per cent compared to year-end 2019. All business areas except Building & Properties and Cities & Society decreased their order backlog compared to last year.

ENERGY

The segment offers national and international services in the business area Renewable Energy with some activity in Water & Environment and include the subsidiary Multiconsult UK. Energy accounted for 6.8 per cent of group net operating revenues in 2020.

Net operating revenues decreased by 0.7 per cent to NOK 248.8 million (NOK 250.6 million) due to a reduction in the billing ratio of 1.4pp and a reduction in the number of employees. The decrease in net operating revenue was partly offset by a higher average billing rate compared to last year. The reduction in the number of employees was made to align the capacity with demand and adjust for future competence requirement.

Operating expenses came in 7.3 per cent lower than in 2019, mainly due to decrease in employee benefit expenses. A reduced manning level and a temporary reduction of working hours for all employees in the UK related to the Covid-19 pandemic contributed to the decrease compared to last year. In addition, temporary Covid-19 tax reliefs from governments reduced the employee benefit expense. Other operating expenses decreased due to reduced costs from administrative staff and shared services. Other operating expenditure was in line with the expenditure last year.

EBIT was NOK 6.8 million (negative NOK 10.6 million) reflecting an EBIT margin of 2.7 per cent in 2020.

Order intake during the year 2020 decreased by 12.3 per cent compared to last year.

Order backlog was at NOK 295.1 million at the end of the year. The order backlog increased by 12.3 per cent compared to 2019. In the business area Renewable Energy there are some start-up issues due to local political- and Covid-19 constraints for international projects.

LINK ARKITEKTUR

LINK arkitektur is one of the leading architect firms in Scandinavia, with presence in major cities and regions in Norway, Sweden and Denmark. LINK arkitektur accounted for 15.3 per cent of the group's net operating revenues in 2020.

Net operating revenues amounted to NOK 561.6 million (NOK 535.8 million), an increase of 4.8 per cent compared to 2019, mainly driven by a higher average billing rate in 2020 compared to last year. Billing ratio was 0.4pp lower for the segment in total, but with regional differences.

Operating expenses increased by 2.0 per cent compared to 2019. Employee expenditure increased partly due to ordinary salary adjustment, currency translation effects, and an extraordinary bonus to employees for their contribution and commitment. In the period temporary Covid-19 tax reliefs reduced the employee benefit expense compared to 2019. Other operating expenses decreased, due reduced costs from administrative staff and shared services.

EBIT was NOK 25.7 million (NOK 11.0 million) reflecting an EBIT margin of 4.6 per cent in 2020.

Order intake during the year 2020 increased by 2.3 per cent compared to previous year.

Order backlog for the segment at the end of the year increased by 2.8 per cent, to NOK 637.7 million, compared to 2019.

INTERNATIONAL

The international segment comprises the subsidiaries Multiconsult Polska and Iterio AB. Multiconsult Polska offers services in the transportation and infrastructure, environment and natural resources, and oil and gas sectors. Iterio AB primarily offers services in the transportation sector within geotechnical, environmental and traffic engineering. The international segment accounted for 6.6 per cent of the group's net operating revenues in 2020.

Net operating revenues increased by 17.2 per cent to NOK 242.5 million (NOK 206.9 million). The increase is driven by higher production activity and higher manning level both in Iterio AB and Multiconsult Polska. Billing ratio and billing rates were on a higher level compared to 2019 and contributed positively to the growth in net operating revenues.

Operating expenses came in 14.3 per cent higher than same period 2019, driven by higher employee benefit expenses, from increased manning level in both Multiconsult Polska and Iterio AB. An extraordinary bonus to all employees for their contribution and commitment is reflected in the employee benefit expenses. Other operating expenses decreased significantly, due to reduced costs on general expenditures.

EBIT was NOK 24.8 million (NOK 17.3 million) reflecting an EBIT margin of 10.2 per cent in 2020.

Order intake for 2020 increased by 28.4 per cent mainly due to higher order intake in the business areas Transportation, Oil & Gas and Water & Environment.

Order backlog for the segment at the end of the year increased by 17.9 percent to NOK 586.8 million, compared to 2019.

MARKET OUTLOOK

These forward-looking statements reflect current views about future events and are, by their nature, subject to significant risks and uncertainties because they relate to events and depend on circumstances in the future.

Multiconsult is well ahead in the turnaround process that started in 2019, where the focus has been on the core business, sales, costs and project execution. The nextLEVEL programme has already successfully committed to improvements above the target.

Multiconsult has experienced limited negative financial impact of the Covid-19 pandemic. However, the pandemic continues to create uncertainty for the industry going forward. The recent upswing in, and potential consequences of, the mutated corona virus is adding to this uncertainty. Multiconsult monitors the development of Covid-19 and evaluates potential outcomes if the current situation develops into a more challenging economic and financial situation.

The general market for Multiconsult's services remains good across most business areas. Opportunities in the pipeline are also at a good level. There are however some uncertainties primarily in the market for business area Buildings & Properties, and Energy in the international energy market. These uncertainties are partially due to factors related to the Covid-19 pandemic. The ongoing public reforms in Norway and reorganisation at customer level are also creating some short-term uncertainties and potential delays. Political uncertainty, macroeconomic events and competition from foreign players comprise some key risk factors but also represent opportunities.

The order backlog provides the group with a good foundation, combined with a solid market position, strong competence and leading customer solutions. Multiconsult believes it is well placed to handle the challenges of the current uncertainties facing the economy and our industry.

CORPORATE SOCIAL RESPONSIBILITY

In Multiconsult corporate social responsibility (CSR) is about running the business in a responsible way, by striving for sustainable growth for Multiconsult, the group's stakeholders and society as a whole.

Sustainability report

The sustainability and CSR work in Multiconsult is based on materiality assessments. In 2020, the risks related to climate change was examined, and have been incorporated into the group's overall risk assessment. Sustainability work at the Multiconsult's subsidiaries also reflects the UN's 17 sustainability goals and national obligations under the Paris Agreement govern the sustainability work in Multiconsult. The subsidiaries have a similar approach to sustainability work, in the way they prioritise and contribute to good, climate- and environment-friendly choices, social sustainability and governance. Overall, Multiconsult sustainability work is conducted along three axes:

- Directly through the operation of own business
- Indirectly through projects
- Indirectly through contribution to society

Sustainability in Multiconsult covers all areas of environmental, social and governance (ESG) reporting. In the section Annual Statement on Corporate Governance - social and governance reporting is included. The sustainability report for 2020 will mainly include environmental and climate related efforts carried out by Multiconsult along the three axes mentioned above.

The sustainability efforts carried out by the subsidiaries are included and described in sections of the Sustainability report. About 70 per cent of the group's employees are employed by Multiconsult Norge AS and is covered in more detail.

Multiconsult's Sustainability report is not an integrated part of this annual report but as a separate report. The separate report is divided into the following sections:

Introduction by the CEO | Every ton counts
- CEO's Letter
- Every tonne counts
- Chapter 1 – Three axes of sustainability
- Chapter 2 – Our overall sustainability effort
- Chapter 3 – Our impact through operations
- Chapter 4 – Our impact through projects
- Chapter 5 – Our contribution to Society

- Appendix | Multiconsult Norge AS environmental report in figures

The report is available at:
www.multiconsultgroup.com/about/corporate-social-responsibility/ and www.multiconsult-ir.com.

EMPLOYEES, ORGANISATION AND EQUAL OPPORTUNITIES

Highly educated employees are the main asset for Multiconsult as a competence-based business. Employee statistics per 31 December 2020 show that 2 per cent hold a PhD degree, 63 per cent a MSc degree and 24 per cent a BSc degree, while 11 per cent have other educational backgrounds.

Multiconsult had a total work force of 2 925 (2 994) employees per 31 December 2020. The number of employees has decreased by 69 during the year. About 70 per cent of all employees in the group are employed by Multiconsult Norge AS and hence will constitute a larger part of this section.

At year-end Multiconsult Norge AS had a work force of 2 041 (2 125) employees.

Weighted employee turnover for Multiconsult group was 11.1 (11.8) per cent and 11.8 (10.2) per cent for Multiconsult Norge AS.

RECRUITMENT POSITION

The Multiconsult is overall well positioned to recruit employees with the required educational backgrounds, both in terms of new graduates as well as more experienced candidates.

Within the industry, Multiconsult Norge AS ranks as the third most attractive employer among students and fourth most attractive amongst engineering professionals in the annual surveys conducted by Universum in Norway.

Close collaboration with selected universities and colleges continued in 2020, with a substantial presence at both career fairs and company presentations. In 2020 most of these activities were digital because of Covid-19. Despite the Covid-19 pandemic Multiconsult's summer internship programme MUST for students was completed, but on a slightly smaller scope. The students gave positive feedback even with a pandemic adapted program. Multiconsult Norge AS also experiences strengthened competition when recruiting top talents with technological background and mindset to solve digital challenges within the industry. Multiconsult see an increase in recruitments from other educational institutions than the traditional engineering universities, which will require a broader employer branding approach in the future.

Of the new employees in Multiconsult Norge AS, 2 per cent have a PhD degree, 64 per cent a MSc degree, 17 per cent a BSc degree, and 17 per cent have other educational backgrounds. 38 per cent of the new recruits during 2020 graduated in 2019 or 2020.

EMPLOYEES AND EXPERTISE

Recruitment capability, employee satisfaction and expertise development are important factors for Multiconsult's long-term success. Multiconsult has a constant need to strengthen its expertise and capacity, both in project and line management. There is strong emphasis on the development of managers, and substantial resources are devoted to this work.

During 2020, a large number of employees completed various internal courses and programs for project managers. A part of our internal courses in 2020 were transformed to digital self-studies combined with webinars.

In 2020 the top-level line managers have been included in the yearly succession review. Due to the Covid-19 situation a broader talent review was postponed to 2021 and the focus in 2020 has been to follow up critical key personnel in ongoing projects. During 2021 a broader talent review on both project and line managers, as well as key personnel, will be conducted to get an overview of the group's talent pool, in order to build both capacity and excellence in the pool to support the business strategy.

EMPLOYEE SHARE PURCHASE PROGRAMME

Multiconsult has for six consecutive years offered employees to buy shares in the Multiconsult employee share purchase programme. This stems from the understanding that employee ownership promotes long-term commitment and loyalty to the business and that these factors influence performance over time. The 2020 programme was completed in the fourth quarter with 22 per cent (18 per cent) participation among eligible employees.

WORKING ENVIRONMENT

Multiconsult strives to ensure a healthy and productive work

PROJECT: **SLUPPENVEGEN 23**
ILLUSTRATION: **HUS/OBJEKTIV-J**

environment for its employees. To make sure that the group efforts address the employees' needs, Multiconsult aims to ensure a high level of employee participation in all levels of the group, a permanent collaboration committee is in place, comprising of employees' elected representatives and representatives of the executive management team. The committee holds regular meetings, in which management informs of planned actions affecting the working environment and invites the committee members to present their views and engage in discussions. In instances where planned actions have local impact, or otherwise a narrower scope, the group holds meetings at the relevant unit/organisational level. During the most challenging periods of the Covid-19 situation daily and weekly meetings have been held between employees' elected representatives and representatives of the executive management to ensure healthy and productive work environment in rapidly changing times.

The board of directors view the working environment and collaborative relationship with union officials in the group to be positive and constructive.

Every second year Multiconsult conducts an employee engagement survey with participants from all subsidiaries. The survey was latest conducted in 2019 where the results showed that Multiconsult continues to score industry average on satisfaction and motivation and high score on loyalty. Benchmarked against both national scores and scores for the business, the results show that Multiconsult has a sound working environment. In light of the Covid-19 pandemic, the group conducted three surveys regarding changing working conditions with home office during 2020. The results indicate that the organisation has managed the changes well, but the overall effects of working conditions with home office is difficult to conclude. The executive management will therefore closely monitor the possible effects on employees' health and productivity. Tailor-made and frequent employee engagement surveys will be conducted in 2021.

SICKNESS ABSENCE, INCIDENTS AND INJURIES

Multiconsult works systematically with HSE and makes concerted efforts to mitigate risks that can expose our employees to unwanted short-term or long-term health consequences or injuries. HSE year plans are established to make sure required activities are conducted throughout the year, and actions plans are followed up in order to make sure that Multiconsult continuously improve our HSE management, working environment committee (Arbeidsmiljøutvalg/AMU) and executive management receives periodic reports on the activities and progress of group HSE action plans.

Sick leave in Multiconsult Norge AS for 2020 was 3.5 per cent (4.2 per cent), a decrease from 2019. All sick leave is monitored and reported. Multiconsult will continue to work towards a goal of 3.3 per cent sick leave in 2021.

The group monitors absence due to injuries caused by work-related accidents or incidents. Lost Time Frequency Rate (LTIFR/H1) during 2020 was 0.8 (0.4).

EQUAL OPPORTUNITIES

The purpose of Norway's Anti-Discrimination Act is to promote equal opportunities and rights, and to prohibit discrimination on the grounds of gender, pregnancy, maternity leave, ethnicity, sexual orientation, language, religion or belief. Multiconsult works actively to promote the objectives of the Act in the group.

The board of directors are conscious of anti-discrimination in recruitment, appointment, pay and customisation of working conditions, as well as work on developing appropriate attitudes.

At the end of the 2020, Multiconsult employed 2 925 people were females accounted for 41 per cent (40 per cent) and 59 per cent (60 per cent) were male. The group is actively working to increase the proportion of females.

36 per cent (36 per cent) of Multiconsult Norge AS's 2 041 employees on 31 December 2020 were female and 64 per cent (64 per cent) were male. The operational organisation had 36 per cent female staff and 64 per cent male staff. The corresponding proportions for the administrative staff were 50 per cent female and 50 per cent male. Women accounted for 31 per cent of middle managers. For graduates 45 per cent was female and 55 per cent male in 2020, the distribution in 2019 was 48 per cent female and 52 per cent male.

Multiconsult Norge AS analyses gender pay gap and other variables on a yearly basis, based on public statistics in the yearly salary review. All significant differences are analysed and checked to identify potential risks of discrimination. Both women and men are above average pay compared to RIF-statistics in Multiconsult Norge AS. Multiconsult Norge AS is in the process of implementing a position classification system which will enable comparison between roles on equal level to be compared within Multiconsult Norge AS and between genders. Given that Multiconsult Norge AS does not have this system in place for the 2020 annual report, the salary comparison between men and women was done on all employees on all levels in Multiconsult Norge AS – showing that on average men were paid 11.6 per cent more than women during 2020, the wage difference does not reflect management level, age distribution, education background etc..

Multiconsult Norge AS does not have any involuntarily part-time labour, all employees are hired based on equality in 100 per cent positions. Employees hired on less than 100 per cent positions, have decided this voluntarily. All employees in Multiconsult Norge AS use timesheet to register all working hours.

A total of 307 employees have taken parental leave in 2020, which amounts to 3 733 weeks in total. The average number of weeks for females on parental leave was 15.2 weeks, while the same figure for men was 9.7 weeks.

Multiconsult wants to be at the forefront of ensuring equal opportunities in the industry and contribute to setting equality matters on the wider social agenda. In 2020 Multiconsult Norge AS has continued to actively work with the targets for gender demographics.

Multiconsult aims to be a workplace with no discrimination on the grounds of disability. Active efforts are made to design and customise physical working conditions so that all of the group's facilities may be accessed by all employees. The workplace and work tasks are customised on an individual basis for employees or job applicants with disabilities.

3.5 per cent of employees in Multiconsult Norge AS had a native language other than Norwegian as of 31 December 2020, with a total of 23 different languages being represented.

CHANGES TO THE EXECUTIVE MANAGEMENT AND BOARD OF DIRECTORS

This section is covered in the Corporate Governance Statement and can be found on page 46 in this annual report.

RISK AND RISK MANAGEMENT

Through its business activities, Multiconsult manages a considerable contract portfolio of engineering, architectural and advisory services that are exposed to a wide variety of risk factors. The group has established a systematic approach to risk management, in particular project risks. Other operational risks are related to Health Safety and Environment (HSE) and are mitigated by contingency plans, continuous training and management focus in the organisation.

COVID-19 RISK

Extraordinary risk factor related to the global outbreak of coronavirus that has been characterised as a pandemic by the World Health Organization (WHO). On March 12, 2020, the Norwegian government announced the first of many closures of both private and public services. Multiconsult is taking steps to secure the group operationally, strategically and financially. Multiconsult provides the possibility for our employees to work from home. The group has an IT infrastructure that enables our employees to work efficiently from home. However, the pandemic continues to create uncertainty for the industry and our markets going forward. The recent upswing in, and potential consequences of, the mutated corona virus is adding to this uncertainty.

PROJECT RISK

The risk of disagreements and legal disputes related to the possible cost of delays and project errors is always present in the engineering consultancy business. Multiconsult has developed internal procedures and competences to reduce risk exposure for legal disputes. Multiconsult has insurance policies and routines for following up such cases. When a business segment is represented out of Multiconsult Norge AS it will have customary insurance cover for project liability up to a certain level and subject to certain conditions. Business segments represented through other subsidiaries have local insurance cover for project liability up to a certain level and subject to certain conditions. Insurance cover for project liability in Multiconsult Norge AS is mainly based on collective policies for engineering consultancies. This insurance takes the form of standard policies for engineering projects, with an excess of NOK 300 000 per claim and normally with a maximum cover of up to 150 times the Norwegian national insurance base rate (G) – about NOK 15 million. Further details are provided in note 20 to the consolidated group accounts.

CREDIT RISK

Credit risk arises primarily from transactions with customers and from bank deposits. The group's losses on accounts receivable because customers are unable to meet their obligations have been modest for a number of years. Trade receivables represent about 23.1 per cent (23.9 per cent) of the group's total assets. Multiconsult Norge AS has routines for assessing the creditworthiness of the customer, and the possible need for bank guarantees or other risk-reducing measures. New customers are subject to credit assessment and approval before credit is granted. Responsibility for credit management is centralised, and routines are incorporated in the quality assurance system. Similar routines for assessing the creditworthiness of the customer is present in other subsidiaries in the group. As approximately half of the group's revenues in 2019 and 2020, relates to public sector customers credit risk is considered to be limited.

CURRENCY RISK

Several business units carry out a small number of projects in other currencies than their domestic currency. For the group, the relative importance of these transactions is larger on the revenue side than on the cost side, and were a net exposure is present the group may enter into foreign exchange forward contracts to mitigate the exposure. In addition, for certain projects hedging in form of foreign exchange forward contracts can be entered into to mitigate the currency risk in the project. Currency risk is regarded as modest. The functional currency of the parent company, and the largest subsidiary Multiconsult Norge AS, is Norwegian kroner (NOK).

INTEREST RATE RISK

Multiconsult main sources of financing is at floating interest rates. The loan-portfolio includes an overdraft loan facility of NOK 320.0 million, and a 3-year revolving credit facility (RCF) of NOK 200.0 million until March 2023. On 31 December 2020, Multiconsult ASA has not drawn any loan on the revolving credit facility or the overdraft facility. Interest swaps have entered into to ensure that over time approximately 50 per cent of the expected interest cost is at fixed rates.

LIQUIDITY RISK

The group's business model is mainly based on consultancy fee revenues generated from own employees. Multiconsult continuously monitors its liquidity, and estimates expected liquidity developments with regular short- and long-term forecasting and annual budgets. The group's liquidity risk exposure is limited, but with significant short-term and seasonal variation that requires close monitoring. To mitigate liquidity risk and to ensure appropriate financial flexibility, Multiconsult ASA has an overdraft facility of NOK 320.0 million were Multiconsult ASA is the owner of the cash pool's top account and the debtor of the facility. The cash pool includes certain subsidiaries and most bank accounts for the group. When subsidiaries in the cash pool draw on/deposit in the group cash pool, this is presented as a receivable/liability in Multiconsult ASA's balance sheet.

ACCOUNTING ESTIMATES RISK

Estimates are made for revenue recognition related to hours, costs and progress in projects. The main uncertainty relating to the assessment of contract revenue is associated with the recoverable amount of overruns, change orders, claims and incentives. Although the group has considerable experience in project management and measurement, there is an inherent risk associated with such estimates. All estimates are reviewed on a regular basis. Changes in estimates are recognised in the period in which the change occur. For more information please see note 2B to the consolidated group accounts.

EMPLOYEES AND EXPERTISE RISK

Multiconsult is a people-based organisation of about 3 000 employees where success is closely associated with access to relevant expertise that can solve complex projects that adds value for our clients. Increased turnover among employees, a tight labor market and general access to relevant expertise are risk factors. Multiconsult has a strong brand and is repeatedly given high rankings as an attractive workplace among students and engineers, and overall well positioned to recruit employees with the relevant expertise. For more information please see section Employees, organisation and equal opportunities in this report.

CORPORATE GOVERNANCE

Good corporate governance provides the foundation for long-term value creation, to the benefit of shareholders, employees and other stakeholders. The board of directors of Multiconsult has established a set of governance principles in order to ensure a clear division of roles between the board of directors, the executive management and the shareholders. The principles are based on the Norwegian Code of Practice for Corporate Governance.

Multiconsult is subject to annual corporate governance reporting requirements under section 3-3b of the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance, cf. section 7 on the continuing obligations of stock exchange listed companies. The Accounting Act may be found (in Norwegian) at www.lovdata.no. The Norwegian Code of Practice for Corporate Governance, which was last revised on 17 October 2018, may be found at www.nues.no.

The annual statement on corporate governance for 2020 has been approved by the board of directors and can be found on page 38 in this annual report.

GOING CONCERN

The annual accounts have been prepared on a going concern assumption. The board of directors has confirmed that this assumption can be made on the basis of the group's strategy, outlook and budgets.

MULTICONSULT GROUP NET PROFIT

The annual financial statements for Multiconsult are prepared in accordance with the international accounting standards (IFRS).

The group made a profit for the year ended December 31, 2020 of NOK 249.2 million, compared with NOK 35.1 million in 2020. Net profit is allocated to other equity.

SHARE AND SHAREHOLDER MATTERS

The company's shares are listed on Oslo Børs (Oslo Stock Exchange) under the ticker symbol MULTI. Multiconsult aims to generate competitive returns to its shareholders, and the company have paid out annual dividend to its shareholders since the IPO in 2015. As of 31 December 2020, Multiconsult had 2 470 shareholders from 31 different countries across the world. Turnover of shares is a measure of traded volumes and were on average 19 718 shares per day compared to 18 742 shares in 2019. The ten largest shareholders accounted for 62.1 per cent of the share capital. Stiftelsen Multiconsult was the largest shareholder, holding 21.7 per cent of the shares on 31 December 2020. The share capital of Multiconsult ASA is NOK 13 485 197 divided into 26 970 394 shares, each with a nominal value of NOK 0.50. Multiconsult ASA has only one share class, and all shares have equal rights. The articles of association mention under § 8 that no shareholder may at general meetings vote for more than 25 per cent of the shares issued by the company. The shares are registered in the Norwegian Central Securities Depository (VPS). Multiconsult ASA's registrar is with DNB Markets the shares carry the securities number ISIN NO 001 0734338.

DIVIDENDS

Multiconsult has an ambition to distribute annual dividends of at least 50 per cent of its net profit. When deciding the annual dividend level the board of directors will take into consideration expected future cash flow, capital expenditure plans, financing requirements and appropriate financial flexibility.

The Extraordinary Annual General Meeting on 1 December 2020 resolved payment dividends related to the 2019 financial year of NOK 53.9 million to be paid to shareholders registered at this date. This equalled NOK 2.00 per share. The dividend was paid on 10 December 2020.

The board of directors proposes a dividend of NOK 8.00 per share to be paid as ordinary dividend related to the 2020 financial year.

TOTAL SHAREHOLDER RETURN

Multiconsult's total shareholder return in 2020 was 81.97 per cent. Total shareholder return is the return from the share price in addition to the dividend, which is assumed reinvested on the ex-date. It is calculated from the perspective of an investment in NOK.

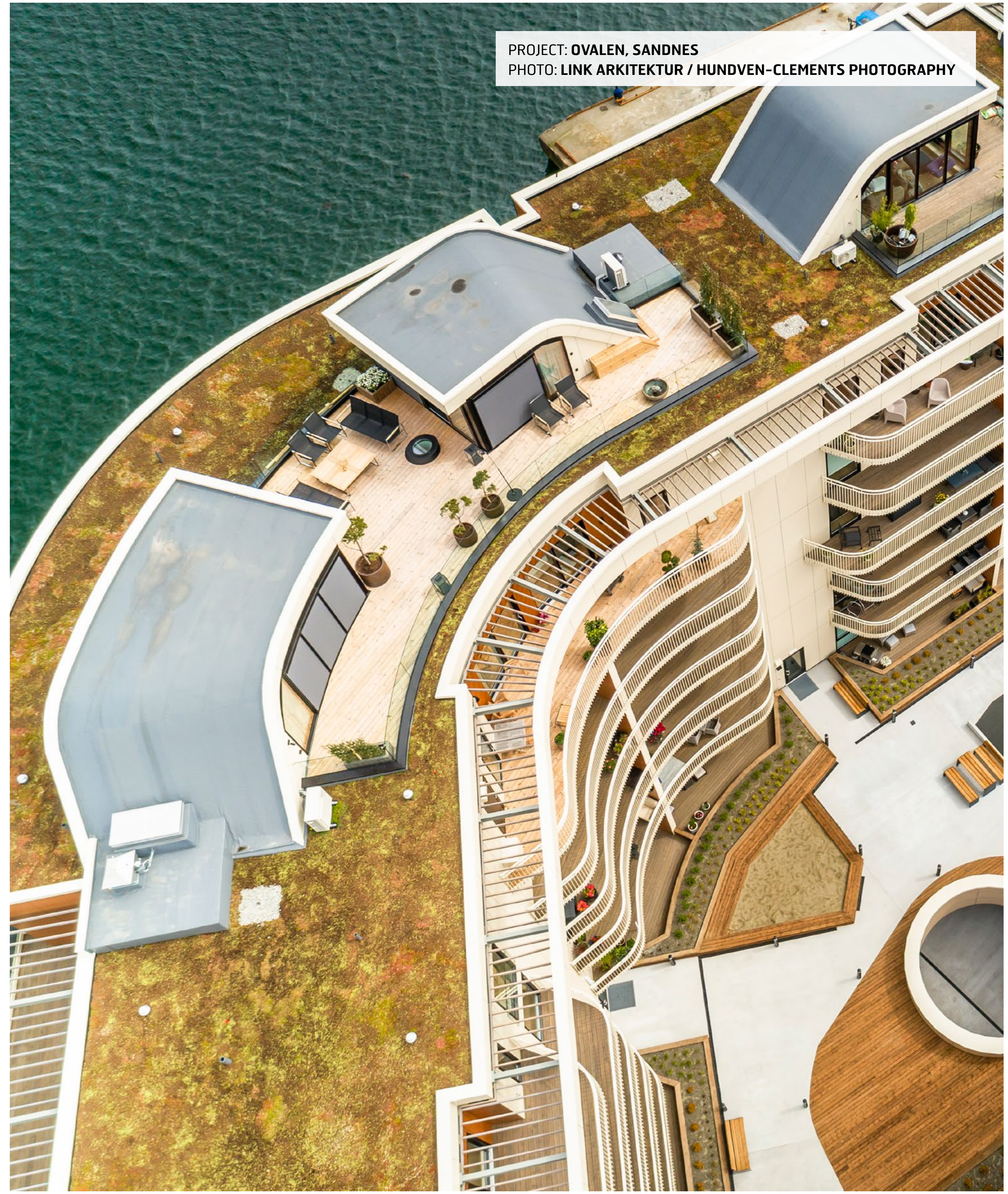
SHARE REPURCHASE PROGRAMME

The Annual General Meeting held on 22 April 2020 resolved to authorise the board of directors to acquire own shares with a maximum aggregate nominal value of NOK 1 348 520, equal to 2 697 040 shares. The maximum and the minimum amounts, which may be paid per share, are NOK 250 and NOK 5, respectively. The authorisation is valid until the Annual General Meeting in 2021, however, no longer than to 30 June 2021.

The board and CEO of Multiconsult ASA
Oslo, 25 March 2021

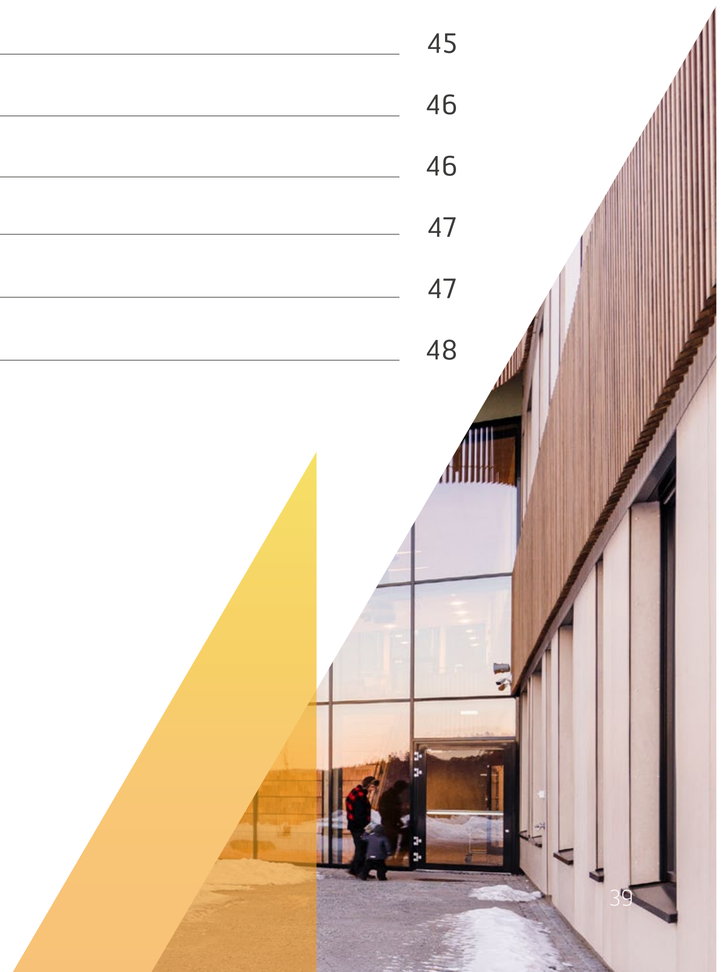
Bård Mikkelsen Chair of the board	Runar Tyssebotn Director	Kristine Landsnes Augustson Director	Hanne Rønneberg Director
Tove Raanes Director	Simen Lieungh Director	Liv-Kristine Rud Director	Rikard Appelgren Director

Grethe Bergly
CEO


PROJECT: **OVALEN, SANDNES**
PHOTO: **LINK ARKITEKTUR / HUNDVEN-CLEMENTS PHOTOGRAPHY**

PROJECT: **TORVBRÅTEN PRIMARY SCHOOL**
PHOTOS: **LINK ARKITEKTUR / HUNDVEN-CLEMENTS PHOTOGRAPHY**

ANNUAL STATEMENT ON CORPORATE GOVERNANCE



CORPORATE GOVERNANCE

Good corporate governance provides the basis for long-term value creation, to the benefit of share-holders, employees and other stakeholders. The board of directors of Multiconsult has established a set of governance principles in order to ensure a clear division of roles between the board of directors, the executive management and the shareholders.

Multiconsult is subject to annual corporate governance reporting requirements under section 3-3b of the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance, cf. section 7 on the continuing obligations of stock exchange listed companies. The Accounting Act may be found (in Norwegian) at www.lovdata.no. The Norwegian Code of Practice for Corporate Governance, which was last revised on 17 October 2018, may be found at www.nues.no.

The annual statement on corporate governance for 2020 follows below. The statement was approved by the board of directors on 25 March 2021.

1. IMPLEMENTATION AND REPORTING ON CORPORATE GOVERNANCE

The board of directors is committed to build a sound and trust-based relationship between Multiconsult ASA and the company's shareholders, the capital market participants, and other stakeholders.

The group's overall principles for corporate governance is approved by the board of directors and can be found at www.multiconsult-ir.com/corporate-governance.

The group complies with the Norwegian Code of Practice for Corporate Governance (the code) issued by the Norwegian Corporate Governance Board, latest edition of 17 October 2018.

The board of directors' annual statement on how Multiconsult has implemented the code is set out below. The statement covers each section of the code, and deviations from the code, if any, are specified under the relevant section.

2. BUSINESS

Multiconsult's articles of association are available on the group's website www.multiconsult-ir.com.

Article 3 of these articles, the group's business purpose states: "The business activities of the group are to engage in consulting engineering business, property management and other business activities in connection therewith, including participation in other companies".

Within the framework of its articles of association, Multiconsult has established goals and strategies for its business.

Multiconsult's objectives and strategies are presented in the annual report in section "This is Multiconsult". Risk and risk management is described in the board of directors' report. The "Corporate social responsibility" section in the board of directors' report covers stakeholder considerations in the company's value creation.

3. EQUITY AND DIVIDENDS

EQUITY

As of 31 December 2020, the group had a consolidated equity of NOK 773.6 million, corresponding to an equity ratio of 28.5 per cent. Adjusted for the IFRS 16 effect, a consolidated equity of NOK 832.1 million and total assets of NOK 1 912.1 million, corresponding to an equity ratio of 43.5 per cent.

The board of directors considers that the group has a capital structure that is appropriate for its objectives, strategy and risk profile.

DIVIDENDS

The dividend policy is based on an ambition to distribute at least 50 per cent of the group's net profit annually. When deciding the annual dividend level, the board of directors will take into consideration the various aspects of the financing strategy, such as expected cash flows, capital expenditure plans, financing requirements and appropriate financial flexibility.

BOARD MANDATES TO INCREASE THE SHARE CAPITAL

At the annual general meeting of the company on 22 April 2020 the board of directors was authorised to increase the share capital of the group by up to NOK 1 348 520. The mandate is restricted to issue shares as consideration in connection with a) acquisitions, b) raise new equity to finance such acquisitions, c) in connection with share saving schemes for the employees in the group or d) in take-over situations. The authorisation is valid until the next ordinary general meeting in 2021, but in no event later than 30 June 2021.

4. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH RELATED PARTIES

The share capital of Multiconsult ASA is NOK 13 485 197 divided into 26 970 394 shares, each with a nominal value of NOK 0.50.

On 10 December 2020, Multiconsult ASA completed a share buyback programme. The first part of the programme was initiated on 15 September 2020, a share buyback programme for up to 400 000 shares in the market. This part of the programme ended on 20 November 2020. The last part of the programme was initiated and terminated on 10 December 2020 through a reverse Dutch auction in the market. The planned transaction was open for all shareholders and was announced through a stock marked announcement on 9 December 2020 to ensure equal treatment of all shareholders. Pursuant to the code, the reasons for waiving the pre-emptive right in connection with a share capital increase must be published in a stock exchange announcement. The board of directors will endeavor to comply with this recommendation if such circumstances should arise.

The board of directors and the executive management are concerned to ensure equal treatment of all the company's shareholders and that transactions with related parties take place on an arm's length basis. Note 23 to the consolidated financial statements provides details about transactions with related parties. Financial relationships related to the directors and executive personnel are described in note 9.

5. SHARES AND NEGOTIABILITY

The company's shares are freely negotiable. The articles of association do not impose any restriction on the negotiability of the shares. There are no restrictions on the purchase or sale of shares by members of the company's management as long as they comply with the rules on insider trading, and subject to shares purchased through employee share purchase programme that needs to be held for a period of 2 years to maintain the discount offered to employees when purchased. Each share carries one vote. However, the company's articles of association set forth that no shareholder, including such sharehold-er's close associates, may vote for more than 25 per cent of the shares at the general meeting. This restriction can be removed by the general meeting at any time by a 2/3 majority.

6. GENERAL MEETINGS

NOTICE, REGISTRATION AND PARTICIPATION

The board of directors ensures that its shareholders can attend and participate in the general meeting subject to the extraordinary situation related to the corona virus. The annual general meeting will take place on 19 April 2021. The group's financial calendar is published via Oslo Børs and in the investor relations section of the group's website.

Notice of the general meeting, with sufficiently detailed, comprehensive and specific supporting information is made available on the group's website no later than 21 days prior to the meeting to ensure that all shareholders may form a view on all matters to be considered at the meeting. Shareholders who wish to receive the attachments by mail can register with the company for this purpose. Shareholders must register their intention to attend by the specified deadline. The deadline for registering attendance is set as close to the meeting as possible, and, pursuant to the articles of association; no sooner than five days in advance of the general meeting.

PROXY FORM, ADVANCE VOTING AND VOTING RESTRICTIONS

General-meeting notices with documentation are made available on the group's website immediately after the documentation has been issued as a stock exchange announcement.

General-meeting notices provide information on the procedures for attendance and voting, including the use of proxies. A form for the appointment of a proxy for voting is included in the general-meeting notice, as well as information regarding which person is nominated by the company to act as a proxy for shareholders who cannot attend the general meeting in person. Shareholders registered in the Norwegian Central Securities Depository (No: Verdipapirsentralen www.vps.no) can also vote electronically in advance on each agenda item put forward in the general meeting. Shareholders who cannot attend in person are encouraged to appoint a proxy.

A proxy form, where a proxy has been named, is framed in such a way that the shareholder can specify how the proxy should vote on each issue to be considered. The notices have included information on the right to raise issues for consideration at the general meeting, including the relevant deadlines.

Shareholders may cast a written vote in advance in matters to be discussed at the general meetings of the company. Such votes may also be cast through electronic communication.

The access to cast votes in advance is subject to the presence of a safe method of authenticating the sender. The board of directors decides whether such a method exists before each individual general meeting.

The notice of the general meeting states whether votes in advance are permitted and which guidelines, if any, that have been issued for such voting.

As specified in section 5 in this statement, the company's articles of association sets forth that no shareholder, including such shareholder's close associates, may vote for more than 25 per cent of the shares at the general meeting. This restriction can be removed by the general meeting at any time by a 2/3 majority.

CHAIRING MEETINGS, ELECTIONS, ETC.

General meetings will normally be chaired by the chair person of the board. The board of directors will however evaluate whether it is appropriate to engage an external chair person to chair the meeting.

The group's chair person of the board and chief executive officer are required to attend, and the board of directors encourages that all directors from the board are present at the general meetings, in accordance with the instructions for the board.

The nomination committee is encouraged to attend those meetings where the election and remuneration of directors and members of the nomination committee are to be considered. The board of directors requires that the chair person of the nomination committee is present. The group's auditor is present at the annual general meeting.

The general meeting is normally invited to vote for a complete shareholder-elected board. As a result, no opportunity has been provided to vote in advance for individual candidates.

Minutes from general meetings are published as soon as practicable via the stock exchange's reporting system (www.newsweb.no, ticker code: MULTI) and in the investor relations section of the group's website.

7. NOMINATION COMMITTEE

The group shall, according to its articles of association, article 6, have a nomination committee consisting of three members. The nomination committee is elected by the general meeting and the members have a period of service for two years unless the general meeting determines otherwise. In its work, the nomination committee focuses on ensuring that the board of directors functions optimally as a collective body, that the legal requirements for gender representation and the requirements for serving in the Audit Committee are met, and that the directors complement each other in terms of their background and expertise.

The nomination committee's tasks are set out in the articles of association and include to; nominate new directors for the board of directors to the general meeting, propose remuneration to the directors at the general meeting, propose remuneration to the members of the nomination committee, and nominate new members of the nomination committee to the general meeting.

The remuneration of the committee is determined by the general meeting. The general meeting may issue further guidelines for the nomination committee's work.

Pursuant to the code, the composition of the nomination committee must take account of the interests of shareholders in general.

The annual general meeting on 22 April 2020 re-elected Vigdis Almestad as member of the nomination committee. The nomination committee comprises of Per Horn (chair person), Vigdis Almestad (member) and Dag Marius Nereng (member). No directors or members of executive management are represented in the nomination committee.

The contact details of the chair of the nomination committee are available on the group's website, and shareholders with proposals for new directors to the board of directors are encouraged to send those to the chair of the nomination committee.

8. BOARD OF DIRECTORS: COMPOSITION AND INDEPENDENCE

Pursuant to the articles of association, the board of directors may comprise seven to nine directors. Multiconsult's board consists of eight directors, with five shareholder-elected directors including the chair, all elected for a one-year term by the general meeting. The remaining three directors are employee-elected. One deputy director has also been elected. Two of the shareholder-elected and two of the employee-elected directors are women.

The composition of the board of directors is intended to secure the interests of the shareholders in general, while the directors also collectively possess a broad business and management background as well as in-depth sector understanding and expertise in investment, financing and capital markets. Weight is also given to the board's ability to make independent judgements of the business in general and of the individual matters presented by the executive management. Consideration has also been given to gender representation and independence of directors from the company and its management.

The board of directors does not include executive personnel. All shareholder elected directors are in-dependent of the group's executive management and commercial partners.
Details on background, experience and independence of directors are presented on the group's website. The board of directors conducted 17 meetings during 2020, of which 4 were held in person. The attendance rate was 96% in all the meetings.

Members of the board of directors shall use part of their remuneration to buy shares in Multiconsult ASA. The number of shares in Multiconsult held by each director can be found in note 9 to the consolidated financial statements and in the biography of each director on the group's website.

9. THE WORK OF THE BOARD OF DIRECTORS

The board of directors has overall responsibility for managing the group and for supervising the chief executive officer and the group's activities.

The board of directors establishes annual plans for its work, with particular emphasis on business objectives, strategy and implementation. The board of directors has established instructions for its own work as well as for the executive management with particular emphasis on clear allocation of responsibilities and duties.

The principal tasks of the board of directors include to determine the group's strategy and to monitor how it is implemented. The work comprises to appoint the group's chief executive officer and to monitor control functions necessary to ensure acceptable management of the group's assets. Instructions describing the rules of procedure for the board of directors' work and its consideration of matters, have been adopted by the board of directors. The division of responsibilities between the board of directors and the chief executive officer is specified in more detail in the instructions. The chief executive officer is responsible for the group's executive management. Responsibility for ensuring that the board of directors conducts its work in an efficient and correct manner rests with the chair person of the board.

The board of directors establishes an annual plan for its meetings, and evaluates its work and expertise normally once a year. The annual plan specifies topics for board meetings, including reviewing and following up the group's goals and strategy, budgets, reporting of financial information, the notice for the general meeting with associated documentation, and the board's meeting with the auditor.

The board of directors has elected an audit committee amongst the members of the board. The committee currently comprises of Rikard Appelgren as the chair person, Tove Raanes and Liv-Kristine Rud as members. The shareholder-elected director, Rikard Appelgren and Tove Raanes, are independent of the company's management, main shareholder and material business contacts. The same is valid for the employee representative director Liv-Kristine Rud, other than her employment contract.

Pursuant to section 6-43 of the Norwegian Public Limited Liability Companies Act, the audit committee shall:

- prepare the board of directors' supervision of the group's financial reporting process;
- monitor the systems for internal control and risk management;
- have continuous contact with the group's auditor regarding the audit of the annual accounts; and

- review and monitor the independence of the group's auditor, including in particular the extent to which services other than auditing provided by the auditor or the audit firm represent a threat to the independence of the auditor.

The board of directors has adopted separate instructions for the audit committee setting out further details on the duties and procedures of the committee.

The group's remuneration committee consists of three directors from the board of directors, Bård Mikkelsen as the chair person, Hanne Rønneberg and Runar Tyssebotn as members. The shareholder-elected directors, Bård Mikkelsen and Hanne Rønneberg, are independent of the company's management, main shareholder and material business contacts. The same is valid for the employee representative director Runar Tyssebotn, other than his employment contract.

The remuneration committee is an advisory committee to the board of directors. The committee prepares, and recommend matters regarding the remuneration of, and matters pertaining to the group's executive management for the board of directors to consider and decide. The recommendations of the remuneration committee cover all aspects of remuneration to executive management, including but not limited to salaries, allowances, bonuses, long-term equity incentive plans and benefits-in-kind.

The board of directors has adopted separate instructions for the remuneration committee setting out further details on the duties, composition and procedures of the committee.
The board of directors evaluates its own work and that of the chief executive officer and reports its evaluations to the nomination committee.

In the event that the chair person of the board is, or has been, personally involved in matters of material character, the board of directors' consideration of such matters will be chaired by another member of the board.

In the event that a member of the board of directors or executive management have material interests in items to be considered by the board of directors, the director has an obligation to notify the board of directors.

10. RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT

The group has processes and routines for risk management. The goal is to be proactive rather than reactive, and thereby secure the group's long-term earnings growth and ensure that objectives through the various business units and business activities are achieved.
The board of directors and executive management are ultimately responsible for risk management. Risk management processes are established to cover all material business units and material processes in the group. Multiconsult's goals, which are expressed in the business plan, strategies and policies, provide a foundation for the risk management. Each manager is responsible for risk the management activities in his/her respective areas. Effectiveness of risk management is continuously on the agenda in each business unit's management meeting. Not as a separate issue but included in the discussions of how each business unit is able to work proactive to reach its objectives.

Risk management is based on a wide risk analysis and assessments are reviewed and discussed with the executive management and thereafter presented to the board of directors at least on annual basis. In-put to the discussion is a risk register where the most significant risks are listed, including disputes with clients over delays or errors, loss of key projects etc. Risk level is determined based on an analysis of the probability that these will occur and the potential impact on the group goals. At the same time, the effectiveness of existing controls and risk mitigation measures are assessed.

Risk management processes are established to identify, evaluate and handle risk in a systematic manner for the group's activities, with particular focus on projects and other operational risks in addition to financial risks.

Financial risk is managed in accordance with the group's financial strategy, which is described under the section "Financial risk and risk management" in the board of directors' report.

CONTROL ENVIRONMENT

The internal control is based on the overall control environment established by the board of directors and executive management. Key components are the organisational culture and values, its structure, the management philosophy, responsibilities, and powers that are clearly defined and communicated to all levels in the organisation.

The board of directors has formulated explicit decision-making processes and instructions for its own work, the remuneration committee, audit committee and CEO, in order to facilitate effective management of operational risks.

On an adequate frequency, the board of directors' reviews and gives instructions, like the one to CEO and the authorisation policy. The group has policies for key areas like procurement, information security, data privacy, HR, quality and environment. These policies set objectives and principles and forms part of the foundation for good internal control.

The group decision making process and authorisation policy regulates the allocation of powers at every level, from the individual employee to the board of directors. The areas covered include bids, investments, financial instruments, rental and lease agreements, and expenditures.

Reports on risk management and internal control within the group were discussed by the board of directors, the audit committee and a team of executive managers. Through the audit committee, the board of directors adopts and monitors policies and procedures of financial reporting and risk management reporting. Internal controls are subject to a limited and risk-based internal audit, as well as review by the group's external auditor. The results of these reviews are reported to the audit committee.

FINANCIAL REPORTING

The group has processes and routines for internal control of financial reporting. The main principles are transparency, segregation of duties, analytical controls, and systematic and thorough management reviews. The periodic review consists of timely recognition of revenues, evaluation of possible provisions and other project reviews of both financial and operational targets. Analysis of the financial position is performed and documented.

Management prepares periodic reports on business and operational developments to the board of directors, which are discussed in board meetings. These reports are based on the results of the review process and include status of key performance indicators, update of market developments, operational issues, financial results, and highlights of organisational issues.

The financial results and position are followed up in monthly financial reports, compared to prior year, budgets and forecasts. Reporting also includes non-financial key performance indicators related to each business area. In addition, management prepares analysis of key performance indicators, financial results and cash flow development.

The interim reports and annual financial statements are reviewed by the audit committee in advance of consideration and discussion in the board of directors. Financial risk management and internal control are also addressed by the board's audit committee. This includes a review of the external auditor's findings and assessments after the annual financial audits, as well as relevant views from the auditor related interim periods. Significant issues in the auditor's report, if any, are also reviewed by the board of directors.

11. REMUNERATION OF THE BOARD OF DIRECTORS

The remuneration to the board of directors is described in note 9 to the financial statements.

Director's fees are determined by the general meeting based on recommendations from the nomination committee. These recommendations have been based on the board of directors' responsibility, expertise and the complexity of the business. All shareholder elected directors shall purchase shares in Multiconsult for 20 per cent of the total gross directors' fees by the end of the year, subject to certain conditions. The directors have not been awarded share options or any other form of incentive-based remuneration for the fiscal year 2020.

None of the directors have undertaken any special assignments for the group other than their work on the board. Directors are unable to accept such assignments without approval from the board of directors in each case.
An overview of shares owned by the directors and their close associates is included in note 9 to the consolidated financial statement.

12. REMUNERATION OF EXECUTIVE PERSONNEL

TThe board of directors has a remuneration committee. Its main responsibilities are evaluation and advice to the board of directors relating to remuneration strategy, main principles and systems for the total remuneration (including bonus) to the CEO and other members of the executive management. The CEO participates in the meetings, unless the committee discusses issues relating to the CEO.

Note 9 to the consolidated financial statements describes the group's guidelines for the remuneration of senior executives. This note also provides further details about remuneration in 2020 for group executive management. Presentation of the guidelines takes place at the general meeting in connection with the presentation of the annual report. The guidelines specify the main principles for the group's executive compensation policy and aim to ensure alignment of the interests of shareholders and group executive management as far as possible.

Total remuneration to the executive management team consists of a fixed element and a variable performance-based bonus, a share purchase programme for all employees, as well as pension and insurance arrangements.

Fixed remuneration to members of the executive management team consists of base salary (main element) and fringe benefits.

The bonus programme is linked to financial targets, agreed action plans and relevant key performance indicators. Payout of bonus earned is partly in cash and partly in shares. No share options have been issued to employees, executive management or directors of the group.

CHANGES TO THE EXECUTIVE MANAGEMENT AND BOARD OF DIRECTORS

The annual general meeting on 22 April 2020 re-elected Bård Mikkelsen as chairperson of the board. Rikard Appelgren, Simen Lieungh and Hanne Rønneberg were re-elected as directors. The annual general meeting elected Tove Raanes as new director of the board of directors, Sverre Hurum was elected as deputy director. All of the above were elected for a term of one year.

The following changes have taken place in the executive management since 1 January 2020:

Geir Juterud was appointed EVP Project Director (Gaustad (nye Rikshospitalet)) as of September 2020 and still part of Multiconsult executive management. Morten Alstad was accordingly appointed acting EVP Projects and member of the executive management.

13. INFORMATION AND COMMUNICATION

The board of directors has established guidelines for investor communication. Multiconsult's communication with the capital markets is based on the principles of openness and equal treatment of all shareholders.

Multiconsult shall provide the public with accurate and timely information, to form a good basis for making decisions related to valuation and trade of the Multiconsult share. Information to the stock market is published in the form of annual and interim reports, stock exchange announcements and investor presentations. Such information will be distributed and published in English via Oslo Børs disclosure system, www.newsweb.no, and via the group's website.

Multiconsult holds public presentations in connection with the announcement of quarterly and preliminary annual financial results, in addition Multiconsult holds a capital markets day on an annual basis. The presentations are available as live webcast and can be found on the group's website subsequent the event. Presentation material is made available via Oslo Børs' news site www.newsweb.no and www.multiconsult-ir.com.

The CEO and the CFO are responsible for the main dialogue with the investor community, hereunder the company's shareholders.

Multiconsult gives weight to maintaining an open and ongoing dialogue with the investor community, hereunder frequent meetings with investors, fund managers, analysts and journalists. The company is also present at relevant investor conferences and seminars.

The guidelines for investor communication states that the company should have limited contact with the investor community and the business press for a period of three weeks prior to the publication of financial reports that Multiconsult is scheduled to publish.

Reporting of financial and other information shall be timely and accurate. The main purpose of this information presents a comprehensive picture of the group's financial results and position, as well as communicating the group's goals and objectives, including its strategy, value and market drivers and important risk factors.

The group publishes a financial calendar every year with an overview of the dates of important events, including the general meeting, publication of interim reports and capital markets day. This calendar is made available as a stock exchange announcement and on the group's website as soon as it has been approved by the board of directors.

14. TAKEOVERS

The board of directors has established guiding principles for responding to possible takeover bids.

In the event of a take-over bid being made for the company, the board of directors will follow the overriding principle of equality of treatment for all shareholders, and will seek to ensure that the group's business activities are not disrupted unnecessarily. The board of directors will strive to ensure that shareholders are given sufficient information and time to form a view of the offer.

The board of directors will not seek to prevent any take-over bid unless it believes that the interests of the group and the shareholders justify such actions. The board of directors will not exercise mandates or pass any resolutions with the intention of obstructing any take-over bid unless this is approved by the general meeting following the announcement of the bid.

If a take-over bid is made, the board of directors will issue a statement in accordance with statutory requirements and the recommendations in the code.

In the event of a take-over bid, the board of directors will obtain a valuation from an independent expert.

Any transaction that is in effect a significant disposal of the group's activities will be submitted to the general meeting for its approval.

15. AUDITOR

The external auditor, Deloitte, annually presents its overall plan for the audit of the group for the audit committee's consideration.

The external auditor's involvement with the board of directors during 2020 related to the following:

- Presented the main features of the audit work.
- Attended board meetings approving the financial statements, reviewing possible significant changes in accounting principles, assessing significant accounting estimates, and considering all possible disagreements between the external auditor and executive management.
- Conducted a review of the group's most central internal control procedures and systems, including the identification of weaknesses and proposals for improvements.
- Held a meeting with the board of directors without the presence of the executive management.
- Confirmed its independence, and provided an overview of non-audit services provided to the group.

During 2020, the external auditor attended six meetings with the audit committee.

Pursuant to the code, the board of directors has established guidelines for the group's management use of the external auditor for non-audit services.

The board of directors reports to the annual general meeting on the external auditor's total fees, split between audit and non-audit services. The annual general meeting approves the auditor's fees for the holding company.

DEFINITIONS

Net operating revenues: Operating revenues less sub consultants and disbursements.

EBIT: Earnings before net financial items, results from associates and joint ventures and income tax.

EBIT margin (per cent): EBIT as a percentage of net operating revenues.

EBITDA: EBIT before depreciation, amortisation and impairment.

EBITDA margin (per cent): EBITDA as a percentage of net operating revenues.

Operating expenses: Employee benefit expenses plus other operating expenses.

Net interest-bearing liabilities: Non-current and current interest bearing liabilities deducted cash and cash equivalents.

Order intake: Expected operating revenues on new contracts and confirmed changes to existing contracts. Only group external contracts are included.

Order Backlog: Expected remaining operating revenues on new and existing contracts. Only group external contracts are included. Call-offs on frame agreements are included in the order backlog when signed.

Billing ratio (per cent): Hours recorded on chargeable projects as a percentage of total hours worked (including administrative staff) and employer-paid absence. Billing ratio per segment includes allocated administrative staff.

Employees: Number of employees comprise all staff on payroll including staff on temporarily leave (paid and unpaid), excluding temporary personnel.

DISCLAIMER

This report includes forward-looking statements, which are based on our current expectations and projections about future events. 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, including our plans for future costs savings and synergies may be deemed to be forward-looking statements. Words such as "believe," "expect," "anticipate," "may," "assume," "plan," "intend," "will," "should," "estimate," "risk" and similar expressions or the negatives of these expressions are intended to identify forward-looking statements. 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. Forward-looking statements are not guarantees of future performance. You should 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.

ALTERNATIVE PERFORMANCE MEASURES (APMS)

Multiconsult uses alternative performance measures for periodic and annual financial reporting in order to provide a better understanding of the group's underlying financial performance.

ORDER INTAKE AND ORDER BACKLOG MEASURES

Order intake and order backlog are presented as alternative performance measures. They are indicators of the company's revenues and operations in the future.

Order intake: Expected operating revenues on new contracts and confirmed changes to existing contracts. Only group external contracts are included.

Order backlog: Expected remaining operating revenues on new and existing contracts. Only group external contracts are included. Call-offs on frame agreements are included in the order backlog when signed.

Order backlog does not reflect the total expected volume related to frame agreements and includes only call-offs that have been signed under these agreements.

ITEMS EXCLUDED FROM EBIT EX. RESTRUCTURING COST AND CALENDAR EFFECT:

EBIT ex. restructuring cost is calculated by (i) excluding one-off nextLEVEL restructuring cost of NOK 30.0 million in Q3 and YTD 2020, and (ii) excluding one-off charges of NOK 30.2 million in H1 2019 and NOK 4.0 million severance/restructuring cost Q4 2019. There was a calendar effect of two more working days which had a positive impact on Net operating revenue and EBIT of approximately NOK 28.3 million compared to 2019.

Amounts in MNOK (except percentage)	**2020**	**2019**
Net operating revenues	**3 660.9**	**3 435.8**
Legal settlement		20.2
Adjusted net operating revenues	**3 660.9**	**3 456.0**
Reported employee benefit expenses	2 660.1	2 654.4
Reported other operating expenses	402.2	482.3
Restructuring cost		(14.0)
Operating expenses	**3 062.3**	**3 122.7**
EBITDA ex. restucturing cost	**598.7**	**333.3**
Depreciation and amortisation	197.6	192.8
Impairment	30.0	
Restructuring cost	(30.0)	
EBIT ex. restucturing cost	**401.0**	**140.5**
Ex. restucturing cost EBITDA margin (%)	*16.4%*	*9.6%*
Ex. restucturing cost EBIT margin (%)	*11.0%*	*4.1%*
Estimated calendar effect	(28.3)	
EBIT ex. restucturing cost and adjusted calendar effects	**372.7**	**140.5**
Adjusted EBITDA margin (%)	*15.7%*	*4.5%*
Ex. restucturing cost and adjusted calendar effects EBIT margin (%)	*10.3%*	*4.1%*

The board and CEO of Multiconsult ASA
Oslo, 25 March 2021

Bård Mikkelsen
Chair of the board

Runar Tyssebotn
Director

Kristine Landsnes Augustson
Director

Hanne Rønneberg
Director

Tove Raanes
Director

Simen Lieungh
Director

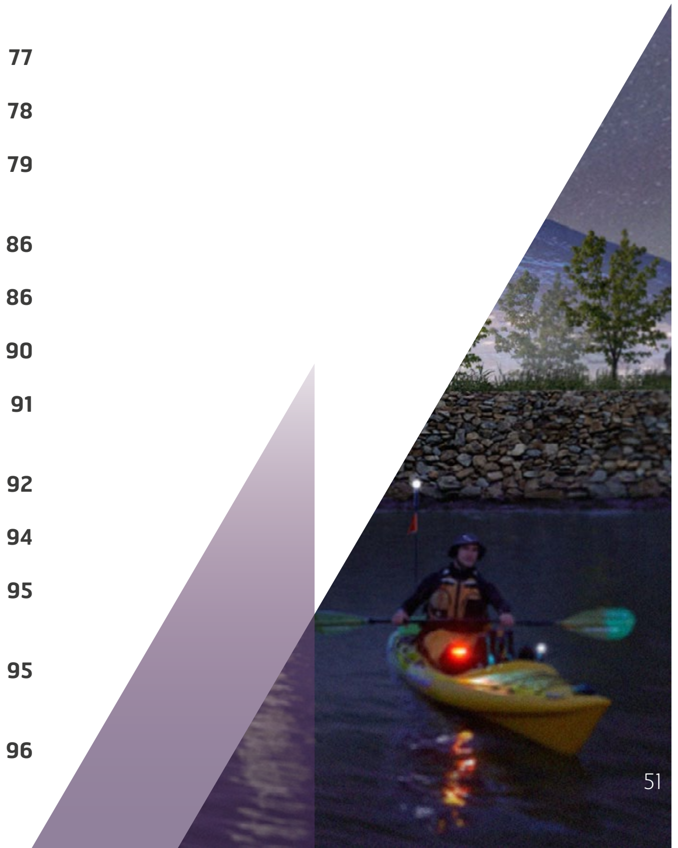
Liv-Kristine Rud
Director

Rikard Appelgren
Director

Grethe Bergly
CEO

PROJECT: **NEW HAMMERFEST HOSPITAL**
ILLUSTRATION: **LINK AKITEKTUR**

CONSOLIDATED ANNUAL ACCOUNTS



CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Amounts in NOK thousand, except earnings per share	Note	2020	2019
Operating revenues	5, 6	4 186 161	4 068 683
Expenses for sub-contractors and disbursements		525 225	632 848
Net operating revenues		**3 660 936**	**3 435 835**
Employee benefit expenses	9, 12	2 660 077	2 654 431
Other operating expenses	8	402 174	482 271
Operating expenses excluding depreciation and amortisation		**3 062 250**	**3 136 702**
Operating profit before depreciation and amortisation (EBITDA)		**598 686**	**299 133**
Depreciation and amortisation	14, 15, 18	197 639	192 804
Impairment	18	30 000	-
Operating profit (EBIT)		**371 047**	**106 329**
Share of loss from associated companies and joint ventures	17	**(2 269)**	**(169)**
Financial income	10	22 692	3 954
Financial expenses	10	62 119	56 683
Net financial items		**(39 427)**	**(52 729)**
Profit before income taxes		**329 350**	**53 431**
Income tax expenses	11	80 141	18 320
Profit for the period		**249 209**	**35 110**
Attributable to:			
Owners of Multiconsult ASA		249 209	35 110
Earnings per share:			
Basic	24	9.25	1.30
Diluted	24	9.25	1.30

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in NOK thousand	Note	2020	2019
Profit for the period		249 209	35 110
Other comprehensive income			
Remeasurement of defined benefit obligations	12	228	(1884)
Income taxes	11	(50)	414
Total items that will not be reclassified subsequently to profit or loss		**178**	**(1 470)**
Currency translation differences		12 640	(2 450)
Total items that may be reclassified subsequently to profit or loss		**12 640**	**(2 450)**
Total other comprehensive income for the period		**12 817**	**(3 920)**
Total comprehensive income for the period		**262 026**	**31 190**
Attributable to:			
Owners of Multiconsult ASA		262 026	31 190

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - ASSETS

Amounts in NOK thousand	Note	31.12.2020	31.12.2019
ASSETS			
Non-current assets			
Deferred tax assets	11	34 023	40 322
Intangible assets	14	20 913	24 919
Goodwill	14	454 692	447 554
Property, plant and equipment	15	103 640	112 494
Right-of-use assets	18	806 081	898 208
Total non-current non-financial assets		**1 419 347**	**1 523 497**
Investments in associated companies and joint ventures	17	10 227	12 509
Assets for reimbursement provisions	20	23 172	28 850
Other non-current financial assets and shares	3, 16	20 230	17 785
Total non-current assets		**1 472 977**	**1 582 643**
Current assets			
Trade receivables	3, 6, 13	626 726	638 476
Work in progress	3, 6, 13	255 894	309 034
Other current receivables and prepaid expenses	3, 13	85 154	70 573
Total receivables and prepaid expenses	13	**967 774**	**1 018 083**
Cash and cash equivalents	16	277 435	73 558
Total current assets		**1 245 209**	**1 091 642**
TOTAL ASSETS		**2 718 185**	**2 674 284**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – EQUITY AND LIABILITIES

Amounts in NOK thousand	Note	31.12.2020	31.12.2019
EQUITY AND LIABILITY			
Equity			
Share capital	22	8 230	13 485
Share premium		77 758	77 758
Total paid-in equity		85 988	91 241
Other reserves		(217 993)	(219 864)
Retained earnings		905 619	710 035
Total other equity		687 627	490 171
Total shareholders' equity		**773 615**	**581 413**
Non-current liabilities			
Pension obligations	12	6 474	6 542
Deferred tax	11	11 512	13 074
Provisions	20	31 222	36 000
Non-current interest-bearing liabilities	3	-	-
Non-current lease liabilities	18	733 035	789 618
Total non-current liabilities		**782 243**	**845 234**
Current liabilities			
Trade payables		106 436	160 663
Prepaid revenues	6	155 656	133 368
Current tax liabilities	11	79 053	17 979
Public duties payable		354 779	333 626
Current interest-bearing liabilities	3	-	178 400
Current lease liabilities	18	131 499	124 940
Other current liabilities	19	334 905	298 660
Total current liabilities		**1 162 328**	**1 247 637**
Total liabilities		**1 944 571**	**2 092 871**
TOTAL EQUITY AND LIABILITIES		**2 718 185**	**2 674 284**

The board and CEO of Multiconsult ASA
Oslo, 25 March 2021

Bård Mikkelsen
Chair of the board

Runar Tyssebotn
Director

Kristine Landsnes Augustson
Director

Hanne Rønneberg
Director

Tove Raanes
Director

Simen Lieungh
Director

Liv-Kristine Rud
Director

Rikard Appelgren
Director

Grethe Bergly
CEO

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to equity holders of Multiconsult ASA

Amounts in NOK thousand	Share capital	Treasury shares	Share premium	**Total paid-in capital**	Retained earnings	Employee share purchase programme	Remea-surement pensions	Currency translation differences	**Total equity**
31 December 2018	**13 486**	**-**	**77 758**	**91 242**	**715 381**	**(22 033)**	**(201 713)**	**10 332**	**593 211**
Dividend	-	-	-	**-**	(40 456)	-	-	-	**(40 456)**
Treasury shares	-	(1)	-	**(1)**	-	-	-	-	**(1)**
Employee share purchase programme	-	-	-	**-**	-	(2 532)	-	-	**(2 532)**
Comprehensive income	-	-	-	**-**	35 110	-	(1 470)	(2 450)	**31 190**
31 December 2019	**13 486**	**(1)**	**77 758**	**91 241**	**710 035**	**(24 565)**	**(203 183)**	**7 882**	**581 413**
Dividend	-	-	-	**-**	(53 626)	-	-	-	**(53 626)**
Treasury shares	-	(5 255)	-	**(5 255)**	-	(3 232)	-	-	**(8 487)**
Employee share purchase programme	-	-	-	**-**	-	(7 712)	-	-	**(7 712)**
Comprehensive income	-	-	-	**-**	249 209	-	178	12 640	**262 026**
31 December 2020	**13 486**	**(5 256)**	**77 758**	**85 988**	**905 619**	**(35 509)**	**(203 005)**	**20 522**	**773 615**

See note 9 for information about treasury shares and employee share purchase programme.

CONSOLIDATED STATEMENT OF CASH FLOWS

+ are cash increasing and - are cash reducing effects *Amounts in NOK thousand*	**Note**	**2020**	**2019**
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit before income taxes		329 350	53 431
Income taxes paid during the period		(12 769)	(27 952)
Interest lease liability	18	34 667	37 134
Interest expense interest-bearing liability		5 851	11 472
Depreciation and amortisation	14, 15	51 945	54 802
Depreciation right-of-use assets	18	145 694	138 003
Impairment right-of-use assets	18	30 000	-
Results from associated companies and joint ventures	17	2 269	169
Non-cash profit and loss items		-	860
Subtotal operating activities		**587 007**	**267 918**
Changes in working capital		80 690	(19 671)
Net cash flows from operating activities		**667 697**	**248 246**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Net payments on acquisition and sale of property, plant and equipment and intangible assets	14, 15	(25 187)	(62 837)
Change in non-current financial assets, restricted funds	16	(2 649)	5 634
Net cash flows from investing activities		**(27 836)**	**(57 203)**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds on interest-bearing liabilities	3	172 000	149 366
Instalments on interest-bearing liabilities		(350 400)	(165 839)
Paid interest on interest-bearing liability		(5 851)	(11 472)
Instalments on lease liabilities	18	(134 070)	(122 693)
Paid interest on lease liability	18	(34 667)	(37 134)
Dividends paid	24	(53 626)	(40 456)
Purchase treasury shares (employee share purchase and bonus programme)		(52 805)	(12 192)
Sale treasury shares (employee share purchase and bonus programme)		21 919	3 607
Net cash flows from financing activities		**(437 499)**	**(236 813)**
Foreign currency effects on cash and cash equivalents		**1 516**	**(714)**
Net change in cash and cash equivalents		203 877	(46 484)
Cash and cash equivalents at the beginning of the period	16	73 558	120 040
Cash and cash equivalents at the end of the period	16	**277 435**	**73 558**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 GENERAL INFORMATION AND BASIS FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

Multiconsult group ("Multiconsult" or "the group") comprises Multiconsult ASA ("the parent company") and all subsidiaries and associated companies.

Multiconsult ASA is a Norwegian Public limited liability company. The shares of the company were listed on Oslo Stock Exchange on 22 May 2015. The company's head office is located in Nedre Skøyen vei 2, 0276 Oslo.

The group are among the leading suppliers of consultancy and design services in Norway and the Nordic region. The group has some activity and subsidiaries outside the Nordic region, including subsidiaries Multiconsult Polska, Multiconsult UK and Multiconsult Asia. The principal activities of the group are described in note 5 Segments. These consolidated financial statements were approved by the board of directors on 25 March 2021 for adoption by the Annual General Meeting on 19 April 2021.

The group prepares the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU (IFRS) and the Norwegian Accounting Act. References to "IFRS" in these financial statements mean IFRS as adopted by the EU.

NOTE 2 A SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation
The consolidated financial statements have been prepared based on the historical cost basis, except for derivatives and pension assets that are measured at fair value, and pension liabilities that are measured at present value. The consolidated financial statements are presented in Norwegian kroner (NOK). Amounts are rounded to the nearest thousand, unless stated otherwise. As a result of such rounding, amounts and percentages presented may not add up to the total.

Standards, interpretations and amendments implemented in 2020
Several limited scope amendments and interpretations effective from 1 January 2020 had no material impact on the group. This include but is not limited to amendments to IFRS 9 and IFRS 7 following the Interest Rate Benchmark Reform, Amendments to References to the Conceptual Framework in IFRS Standards, Amendments to IFRS 3 Definition of a business and Amendments to IAS 1 and IAS 8 Definition of material. The group had no material impact following the issuing and implementation of Covid-19-Related Rent Concessions (Amendment to IFRS 16).

Consolidation principles, investments accounted for in accordance with the equity method and working partnerships
The consolidated financial statements incorporate Multiconsult ASA and companies that Multiconsult ASA (directly or indirectly) control (the group). Control is achieved when the group is exposed or has rights to variable returns from its involvement with a company in which it has invested and has the ability to use its power to affect its returns from this company. All subsidiaries are 100 per cent owned and there are no non-controlling interests.

The consolidated financial statements have been prepared using uniform accounting policies. All material transactions and balances between group entities have been eliminated.

Shares in subsidiaries are eliminated in the consolidated financial statements in accordance with the acquisition method. This entails that the consideration, as well as the acquired entity's assets and liabilities (with some exceptions as determined by IFRS 3 Business Combinations), are measured at fair value on the date of acquisition, and any excess consideration is classified as goodwill. Historically, it has been considered that most of the consideration in excess of carrying amount of net assets relates to employees, and the excess is therefore recognised as goodwill. Acquisition-related costs are recognised in profit or loss as incurred.

Investments in associated companies and joint ventures over which the group exercises significant influence or joint control, are accounted for using the equity method. Refer to note 17 for more information.

The group enters into working partnerships in certain projects where parties collaborate to offer a joint deliverable. Each participant is responsible for and has rights to the fee from its part of the deliverables (agreements related to project collaboration). The individual parties utilise their resources using employees and sub-contractors. Some of these arrangements are considered to be joint operations within the scope of IFRS 11, and for which the group recognises its share of income and expenses, and its own assets and liabilities. Certain arrangements are not jointly controlled. Such activities are recognised on a line-by-line basis in accordance with the group's share, similar to joint operations. There are no significant differences in the group's accounting for activities in arrangements without limited liability, whether within the scope of IFRS 11 or not.

Foreign currencies
The financial statements of the individual companies in the group are measured in the currency which is predominantly used in the economic environment in which the company operates (functional currency). The consolidated financial statements are presented in Norwegian kroner (NOK), which is the functional currency and the presentation currency of the parent company.

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing at the dates of the transactions. Currency gains and losses arising on the payment of such transactions and on translation of monetary items in foreign currencies at the exchange rates prevailing at the end of the reporting period, are recognised in profit or loss as financial items.

For companies with a functional currency other than Norwegian kroner, income and expense items are translated based on the average exchange rates, and assets and liabilities are translated using the exchange rates prevailing at the end of the reporting period. Exchange differences are recognised in other comprehensive income.

Revenue
Revenue is generated by delivering consulting services. The group provides a range of services, including multidisciplinary consulting and design, project engineering and management, verification, inspection, supervision and architecture – both in Norway and abroad. See note 5 segments for a more detailed description of services offered within seven business areas. See also note 6 for revenue from contracts with customers and contract balances.

Revenue is measured based on the consideration specified in a contract with a customer. Revenue is recognised when a customer obtains control over a good or service, which could be at a point in time or over time. The group's revenue is generated from rendering of services, which is recognised over time.

The group's rendering of services consists of agreements that are either time-based, time-based with a cap, or fixed price. The vast majority of contracts in terms of transaction price are time-based, i.e. the group earns revenue per hour worked. Contracts which are time-based with a cap, or fixed price, are minor compared to the total. Multiconsult has evaluated that for some of the services, for example construction management and co-ordination, the customer simultaneously receives and consumes the benefits provided by its performance as it performs, and therefore revenue is recognised over time.

Other services are to a large extent tailored to the customer and has no alternative use for Multiconsult. The majority of contracts has clauses that secures that Multiconsult has enforceable right to payment for performance completed to date if the customer should terminate a contract for other reasons than failure by Multiconsult to deliver under the contract. Consequently, Multiconsult has determined that the customer controls all the work in progress as the services are provided, and revenue is recognised over time. A few contracts may have deviating contract clauses, but these are immaterial in relation to the group's total revenues.

Progress in satisfaction of a performance obligation is normally estimated as hours incurred as a percentage of expected total hours and milestones in the project. It is continuously evaluated if hours incurred contribute to progress in the project and the total hours expected to be incurred to generate progress. As the main cost and efforts in the satisfaction of the performance obligations are hours incurred, for own employees and subcontractors, the group believes this method provides a faithful depiction of the transfer of the services. The total scope is evaluated on an on-going basis. Costs are recognised as incurred.

Under IFRS 15, revenue shall be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. There are often discussions with the customer in relation to the number of hours that can be charged to the customer, consequently this is regarded as variable consideration. The company has established processes for ongoing evaluations and estimation of how much revenue can be recognised for each contract, primarily based on expected value, and on 31 December 2020 and 31 December 2019 it has not identified need for additional constraint of accumulated revenues.

When it is probable that a project will incur a loss (remaining total direct costs exceed remaining total revenue), the estimated loss is recognised immediately. Direct costs include predominantly costs for own personnel and sub-contractors. As the group has few projects with fixed price or with a cap, provision for onerous contracts are limited.

Invoices are issued according to contractual terms and are usually payable within 30 days. Invoiced amounts are presented as trade receivables. Un-invoiced amounts (contract assets) are presented as work in progress and is related to work performed but not billed at the reporting date. Contract liabilities are presented as prepaid revenues. For each contract it is presented a net amount for work in progress or prepaid revenues.

In working partnerships not organised as separate legal entities, and where the group is the project manager with no overall responsibility for the engagement, the group invoices the client and subsequently pays the fee to the other parties for the work performed by them. The group only recognises its own share of revenue and expenses in such arrangements (refer also to the description above).

Revenues are disaggregated on business areas and geography, see notes 5 and 6.

Interest and dividends received
Interest income that reflects the effective return on an asset is recognised as income over the period earned and classified as financial income in the statement of income. Dividends received on investments are recognised as income when the group's right to receive payment has been established. Dividends from investments that are recognised using the equity method are recognised as a reduction of the investment.

Classification of current and non-current items
An asset is classified as current when it is expected to be realised or sold, or to be used in the group's normal operating cycle or falls due or is expected to be realised within 12 months after the end of the reporting period. Other assets are classified as non-current. Liabilities are classified as current when they are expected to be settled in the nor-

mal operating cycle of the group, are held for trading, are expected to be settled within 12 months of the end of the reporting period, or if the group does not have an unconditional right to postpone settlement for at least 12 months after the reporting date. Provisions for obligations and assets for reimbursement are classified as non-current. Derivatives are classified as current.

Property, plant and equipment
Property, plant and equipment are recognised at cost less accumulated depreciation. Cost of acquisition includes costs directly attributable to the acquisition of the fixed asset. Subsequent expenditure is added to the carrying value of the asset or is recognised separately when it is probable that future economic benefits related to the expenditure will flow to the group, and the cost can be measured reliably. The carrying amount related to replace parts is expensed. Other repair and maintenance costs are recognised in profit or loss in the period during which the cost is incurred. Property, plant and equipment are depreciated on a straight-line basis. The cost of acquisition of property, plant and equipment is depreciated to their expected residual value, which in general is estimated to be nil. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period and changed if necessary. When the carrying amount of an item of property, plant and equipment is higher than its estimated recoverable amount (the higher of fair value less costs to sell and value in use), the carrying amount is reduced to the recoverable amount and recognised as impairment in the statement of income. Gains and losses on disposal of property, plant and equipment are recognised in the income statement as the difference between the sales price and the carrying amount.

Intangible assets
Intangible assets consist mainly of standard software, licenses and ERP system. Intangible assets are recognised at cost of acquisition less amortisation. Intangible assets are amortised on a straight-line basis to an estimated residual value of nil. When the carrying amount of an intangible asset is higher than its estimated recoverable amount, the carrying amount is reduced to the recoverable amount and recognised as impairment in the statement of income.

Goodwill
Goodwill arising upon a business combination is not amortised. Goodwill does not generate cash flows that are independent of other assets or groups of assets, and is allocated to the cash-generating units that are expected to benefit from the synergies of the combination that gave rise to goodwill. Cash-generating units to which goodwill has been allocated are reviewed for impairment on an annual basis, or more frequently if there are indications of impairment. If the recoverable amount of the cash-generating unit is less than its carrying value, the impairment loss is allocated first to reduce the carrying value of goodwill and then to the other assets in the cash-generating unit pro rata based on the carrying amount of each asset in the unit. The carrying value of individual assets is not reduced below nil. An impairment loss recognised for goodwill is not reversed in subsequent periods if the recoverable amount of the cash-generating unit increases. Any impairment is recognised as part of impairment in the statement of income.

Cash-generating units
A cash-generating unit (CGU) is the smallest identifiable group of assets that generates cash inflows that are largely independent of cash inflows from other assets or groups of assets. In order to identify whether cash inflows from an asset (or a group of assets) are independent of cash inflows from other assets (or groups of assets), management assesses various factors, including how operations are monitored, e.g. based on service- or product areas, businesses or geographical areas. Each CGU or group of CGUs to which goodwill has been allocated represent the lowest level in the entity where goodwill is monitored for internal management purposes. The group of CGUs are in all instances no larger than an operating segment as defined in IFRS 8 Operating Segments.

Financial assets and liabilities
Financial assets and financial liabilities are recognised in the group's statement of financial position when the group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets
IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. All financial assets are recognised initially at fair value, with addition of transaction costs for assets not at FVTPL. The group's financial assets are primarily cash and cash equivalents, trade and other receivables and work in progress (contract assets). Based on the nature of these assets and how they are managed, the group has evaluated that these qualify for classification as measured at amortised cost.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses.

Financial assets at fair value through profit or loss consist of derivatives when the fair value is positive.

Impairment of financial assets
The group recognises loss allowances at an amount equal to lifetime Expected Credit losses (ECL) on receivables and work in progress. ECLs are probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the group in accordance with the contract and the cash flows that the group expects to receive). ECLs are discounted at the effective interest rate of the financial assets.

The group assesses at each reporting date whether financial asset carried at amortised cost are credit impaired. A financial asset is credit impaired if one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit impairment includes the following observable data: significant financial difficulty of the debtor, a breach of contract such as a default or being more than 60 days past due, the restructuring of a receivable by the group on terms that the group would not consider otherwise, or it is probable that the debtor will enter bankruptcy or other financial reorganisation, or the disappearance of an active market for a security because of financial difficulties. See note 3 for a description of recognition of ECLs.

Loss allowances are deducted from the gross carrying amount of the financial asset. The gross carrying amount of a financial asset is written off when the group has not reasonable expectations of recovering a financial asset in its entirety or a portion thereof. Receivables are written off if the customer goes bankrupt, collection by a debt collector has been unsuccessful for a period and in other concrete cases. The group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities.

Financial liabilities
The group has financial liabilities measured at amortised cost and fair value through profit or loss. Financial liabilities at amortised cost comprise largely trade payable, other current liabilities and interest-bearing liabilities. These obligations are initially recognised at fair value less transaction costs, and subsequently measured at amortised cost through using the effective interest method.

Financial liabilities at fair value through profit or loss consist of derivatives. The company can use foreign currency forward contracts and interest rate swaps in order to hedge future cash flows. The company does not use hedge accounting. Derivatives are measured at fair value. Gains and losses arising as a result of changes in fair value are recognised in the statement of income as financial income and financial expenses. Derivatives are recognised on a gross basis as liabilities when the fair value is negative, as long as the group does not have a legal right to and intention of settling the contracts on a net basis.

Embedded derivatives
An embedded derivative shall not be separated from the host contract and recognised as a derivative if the economic characteristics and the economic risks of the embedded derivative are closely related to the economic characteristics and the economic risk of the host contract. The company has certain cross border sales contracts in a currency that is not the functional currency of either of the parties to the contract. The company has determined that the currency used in the relevant contracts is a currency frequently used in contracts related to acquisition or disposal of non-financial assets in the economic environment in which the transaction takes place, and has therefore not separated a currency derivative.

Cash and cash equivalents
Cash and cash equivalents include cash, bank deposits and other cash equivalents with a maturity of less than three months at the date of acquisition.

Restricted cash
Restricted cash is cash with restrictions above 3 months. Restricted cash is classified as non-current when the restriction is more than 12 months and is presented as non-current financial asset in the balance sheet.

Provision for obligations
Provisions for obligations such as restructuring, onerous contracts, project liabilities and legal claims are recognised when the group, as a result of a past event, has an existing legal or constructive obligation, it is probable that the group will be required to settle the obligation, and the amount can be measured reliably. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the reporting date. The estimate is made based on the actual circumstances related to each individual item.

Provision for project liabilities are measured at the expected cost to settle the obligation. A reimbursement asset is recognised if the company is covered for losses incurred through an insurance company and it is virtually certain that the company will receive compensation. A reimbursement asset reduces the net cost recognised in the statement of income.

Pensions
The group has primarily defined contribution pension plans.

For defined contributions plans, the group pays contributions to private, administered insurance plans for pensions on a statutory, contractual or voluntary basis. The group has no additional obligations after the contributions have been paid. Contributions to defined contribution plans are expensed as incurred. LINK arkitektur AB participate in a defined benefit multi-employer plan that is accounted for as a defined contribution plan. The group has no early retirement plans.

Remaining defined benefit pension plans are primarily an individual unfunded agreement in Multiconsult Norge AS and a funded plan in LINK arkitektur AS. Pension obligations for defined benefit plans are estimated on an annual basis by independent actuaries. See note 12.

Income tax
Assets and liabilities related to current tax payable are measured at the amount expected to be received from or paid to the taxation authorities. Deferred tax assets and liabilities are calculated based on the liability method, including all temporary differences between the carrying amounts and tax bases of assets and liabilities in the consolidated financial statements, including losses carried forward. Deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill. For investments in subsidiaries, associated companies or joint ventures, deferred tax liabilities are not recognised for taxable temporary differences when the group is able to control the timing of reversal of temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future. Similarly, deferred tax assets are only recognised for such investments if it is probable that the temporary difference will reverse in the foreseeable future and that sufficient taxable income will be available to allow the asset to be recovered.

Deferred tax assets are recognised to the extent that it is probable that the tax assets will be utilised. Tax rates that are enacted or substantially enacted at the end of the reporting period and undiscounted amounts are used. Deferred tax assets and liabilities are recognised net when there is a legal right to offset payable tax assets and liabilities, and the group is able to and intends to settle payable income tax net.

The group considers expenses as tax deductible and income as not taxable based on interpretation of applicable legislation and regulations and when it is considered probable that the treatment will be accepted by the taxation authorities. The group provides for uncertain and contested tax positions based on the expected payment.

The income tax expense for a period consists of income tax payable and deferred tax. Income tax is recognised in profit or loss, except for when it relates to items that are recognised in equity, either directly or through other comprehensive income.

Statement of cash flows
The statement of cash flows has been prepared in accordance with the indirect method. Interest received and paid, and dividends received are reported as part of operating activities. Dividends paid are presented as part of financing activities.

Lease agreements
The group as lessee
Multiconsult has two classes of assets that have been reported as right-of-use assets: buildings (primarily office premises) and cars.

Recognition exemptions
The group applies the practical expedients to not recognise right-of-use assets and liabilities for leases with lease periods of one year or less and where the underlying assets are of low value. Low value has been defined on the basis that the underlying assets, when new, are individually of low value, i.e. office furniture, water dispensers, coffee machines, IT equipment for use by the individual employees, printers and copy machines etc. For these leases, the group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Identifying a lease
The group assesses whether a contract is or contains a lease, at inception of the contract. For the group there are no difficult evaluations to determine if contracts contain leases. Only lease payments are included in the calculation of the lease liability. Several of the agreements for lease of office premises contain renewal options, and the group makes concrete evaluations of each contract to determine the lease term.

Recognition and measurement of right-of-use assets and lease liabilities
The group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, with the exemptions as mentioned above. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using an incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Currently the group have no leases that contains variable lease payments.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Several of the groups lease contracts for office premises are subject to an annual indexation regulation, a few of the contracts are subject to a quarterly index regulation. The most common index regulation is based on country specific CPI.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The group applies IAS 36 Impairment of Assets to determine whether a right-of-use asset is impaired and to account for any impairment loss identified. An asset is impaired when the carrying amount exceeds its recoverable amount. Recoverable amount is determined when there is any indication that an asset may be impaired. All right-of-use assets are assessed for impairment indicators at the end of each reporting period.

Lease term
The lease term is defined as the non-cancellable period for which a lessee has the right to use an underlying asset, together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option, and periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

The group has several contracts containing options for extension of various length.

If the lease period is medium long, the group has evaluated that it is reasonably certain that the group will exercise an option to extend/not exercise the option to terminate the contract. Medium long term is regarded to be 4-5 years. This is relevant when there are no other facts and evaluations suggesting the opposite, for example if it is uncertainty if we will continue business in the relevant area. For longer terms, 5-8 years, we evaluate if there are obvious economic incentives to renew or other statements that indicates renewal. If there are no such, we normally are not able to conclude that it is reasonably certain that we will renew/extend. For longer periods, above 8 years, we will normally not be able to conclude that we are reasonably certain to extend. For some contracts there is a long non-cancellable period for the main contract, and a renewal option for a smaller contract (e.g. parking), and in absence of other information the group expect that the options will be utilised up to the same lease term as the main contract.

Interest rate
Upon initial measurement of the lease liability, the lease payments are discounted using the interest rate implicit in the lease. For many of the lease contracts entered into by the group, this rate cannot be readily determined, and the group's incremental borrowing rate is used.

The group has created a model for the incremental borrowing rate. The model includes the Risk-Free Rate and a country risk for the country where the contract originates. Further, the model considers a Government bond for 0-3 years, 3-5 years and 5-10 years, where the duration reflect the contract terms. Lending cost and financial spread is also included in the model. The model is tailored to the asset classes, which for the group is property and cars. The calculation of the incremental borrowing rate is updated annually.

Impairment
The group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

The group as lessor
The group has not entered into any lease agreements as a lessor.

Dividends
Dividends to the company's shareholders are classified as a liability when the dividends proposed have been approved by the Annual General Meeting.

Employee share purchase Programme
Multiconsult ASA has a share purchase programme for employees of the group. Through the share purchase programme, the company offers employees of the group shares in Multiconsult ASA with a discount of 20 per cent. Shares purchased by the employees through the programme are subject to a two-year lock-in period. Based on independent party calculations according to an option-pricing model ("Black Scholes"), a part of the discount is recognised as employee benefit expense in the statement of income and a part directly to equity. The main part of the discount can be related to reduction in value due to the lock-in period and a loss on an equity transaction. See more details in note 9.

Standards and interpretation not yet effective
The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the group's financial statements are disclosed below. The group intends to adopt these new and amended standards and interpretations, if applicable, when they become adopted by EU.

IFRS 17 Insurance Contracts
IFRS 17 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. The standard is effective for reporting periods beginning on or after 1 January 2021. This standard is not applicable to the group.

Other
A number of limited scope amendments and interpretations have been issued. These amendments and interpretations have been assessed to have no material impact on the group.


PROJECT: **THE HURTIGRUTEN MUSEUM**
PHOTO: **KOLBJØRN HOSETH LARSSEN**

NOTE 2 B SIGNIFICANT JUDGEMENTS IN THE APPLICATION OF GROUP ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with IFRS requires that management makes assessments, estimates and assumptions that impact reported amounts for revenues, expenses, assets and liabilities and presentation of contingent liabilities at the end of the reporting period.

Judgements that management have made as part of the application of the entity's accounting policies and that have the most significant impact on the amounts recognised in the financial statements are as follows:

Business combinations
The company assess on a continuous basis opportunities for strategic acquisitions of businesses within the consultant and advisory market. Historically, it has been considered that most of the consideration in excess of carrying amount of net assets relates to workforce, and the excess is therefore recognised as goodwill. Goodwill is not amortised and is tested for impairment on an annual basis, whilst intangible assets will normally be amortised, allocating the cost of acquisition to profit or loss on a systematic basis.

Development costs
The company carries out a range of research and development activities and projects, none of which are individually significant. Refer to note 7 for more information. Some expenses incurred in the development phase of an intangible asset shall be recognised in the balance sheet if specific criteria in IAS 38 have been satisfied. Costs that do not satisfy these criteria are recognised as expenses in the statement of income as incurred and may not be recognised in the balance sheet at a later date. For a consultant and advisory company like Multiconsult, it is challenging to make an assessment as to whether development of a service delivery process or service would satisfy the criteria for recognition in the balance sheet. Consequently, there may be development costs that are not recognised as an asset because the company has not demonstrated that the criteria are satisfied at relevant points in time. Historically, the company has expensed all costs as incurred, with the exception of certain software developed for own use.

Sources of ***estimation uncertainty*** with a significant risk of a material adjustment to the carrying amount in the following period:

Revenue
The majority of the projects are charged on hourly basis. In principle, all worked hours shall be paid according to the agreed rate in the contract. Revenue is recognised when the services are rendered. The company makes continuous assessment of the probability that hours worked will be paid and makes adjustments to recognised revenues as appropriate. The main uncertainty relating to the assessment of contract revenue is associated with work efficiency, change orders, claims, damages and incentives. Even though the company has considerable experience in project management and measurement, there is an inherent risk associated with all these estimates.

Provisions
The group performs a large number of projects which vary in size. When performing a project, defects or damage that arise as a consequence of the deliverable may be discovered and result in a claim against the company. There may be potential defects or damages that have not been reported as a claim to the group, and that the group therefore is not aware of. Furthermore, the time horizon from reporting a case until final settlement may be several years. The size of the settlements may vary considerably. The company performs a thorough review of each claim. Project responsibility cases will give rise to both recognised provisions for liabilities and contingent liabilities that are not recognised as the company has assessed that it is not probable (under 50 per cent probability) that the company will be required to pay compensation. Multiconsult has insurance policies and routines for following up project risk. When a business segment is represented out of Multiconsult Norge AS it will have customary insurance cover for project liability up to a certain level and subject to certain conditions. Business segments represented through other subsidiaries have local insurance cover for project liability up to a certain level and subject to certain conditions. Insurance cover for project liability in Multiconsult Norge AS is mainly based on collective policies for engineering consultancies. This insurance takes the form of standard policies for engineering projects, with an excess of NOK 300 000 per claim and normally with a maximum cover of up to 150 times the Norwegian national insurance base rate (G) – about NOK 15 million.

The company makes period reviews together with the insurance company. Expected reimbursement from the insurance company related to recognised provisions is recognised if it is virtually certain that the company will receive compensation.

The actual outcomes may differ materially from the estimates used. Refer to note 20 Provisions, disputes and contingent liabilities.

Impairment
Cash-generating units are reviewed for impairment when indicators exist and on an annual basis when it includes goodwill. The estimated recoverable amounts are affected by assumptions in connection with the estimation of future cash flows, as well as the discount rate for the estimation of the present value of the cash flows. Refer to note 14 Intangible assets and goodwill for further discussion.

Income tax and indirect tax
The company conducts activities both within and outside Norway. There is a risk that the tax authorities may make assessments that differ from the group with regard to the amount of income tax and indirect tax payable. The group provides for income tax and indirect taxes based on the best estimate of the amounts payable for obligations that are probable, assuming that the group and the tax authorities have access to the same information. The group is not familiar with any significant disagreements upon issue of these consolidated financial statements.

NOTE 3 FINANCIAL RISK MANAGEMENT

The group's exposure to financial risk is primarily related to credit risk, liquidity risk, currency risk and interest rate risk. The group's pension assets are also exposed to market risk and the present value of gross pension liabilities is affected by the discount rate.

Risk management in the group aims to support value creation in the group and to secure a continuing solid financial platform through visibility and strategic management of both financial and operational risk factors. Operational risk relates mainly to larger projects, which is continuously reviewed by the executive management.

a) Credit risk

Credit risk is the risk that customers are not able to settle their payment obligations. Credit risk is considered to be a part of business risk and is reviewed as part of ongoing operations. A large part of the group's activities are within the subsidiary Multiconsult Norge AS (74 per cent of operating revenues in 2020), with the sub-group LINK arkitektur as the second largest (17 per cent of operating revenues in 2020). The companies in the group have established procedures for credit assessment of customers as well as suppliers. The risk that customers do not have the financial ability to settle their obligations is considered to be low. Historically, only minor credit losses on receivables have been realised. The group's clients are to a large extent public sector or well-established companies.

The largest proportion of the group's customers are Norwegian, thus creating a geographical concentration of risk. Of the group's revenues in 2020 and 2019, approximately half relates to public sector customers and approximately 80 per cent relates to customers in Norway. Multiconsult Norge AS has some large contracts that, to a certain extent, lead to a concentration of risk within a small number of large customers. The group's five largest individual customers comprised approximately 17 per cent of the group's operating revenues in 2020 (18 per cent in 2019). The ten largest individual customers comprised approximately 25 per cent of the group's operating revenues in 2020 (25 per cent in 2019). The group's five and ten largest individual customers in relation to trade receivables and work in progress on 31 December 2020 comprised approximately 22 per cent and 30 per cent, respectively.

The group's maximum credit exposure comprises the carrying amount of receivables, work in progress, and cash and cash equivalents and restricted cash. General payment terms are 30 days. Non-current receivables comprise limited amounts and have no fixed maturity date. The group assesses that the risk for trade receivable and work in progress not being realised primarily relates to disputes regarding consideration. Individual assessments are made of trade receivables over a certain size, with a particular focus on those more than 60 days overdue. Generally, customers are invoiced continuously for hours worked on the assignments. The assessment of whether revenue has been earned is, in some cases, also performed after the hours have been invoiced, with a reduction of revenues and work in progress or recognition of prepaid revenues (contract liability). To the degree that reduction to revenues has been realised in the form of a credit note, revenues has been reduced, instead of recognising the adjustment as a realised loss. Realised losses in the table below are therefore related to bankruptcies etc. at customers and represents actual credit losses.

MATURITIES OF TRADE RECEIVABLES, ACCRUED REVENUES AND OTHER RECEIVABLES 31 DECEMBER 2020

		Maturities of receivables that have not been impaired				
Amounts in NOK thousand	Carrying amount	Not due	0-30 days	30-60 days	60-90 days	>90 days
Trade receivables	635 495	477 078	80 759	15 201	6 639	55 819
Work in progress	255 894	255 894	-	-	-	-
Other current receivables [1]	35 480	35 480	-	-	-	-
Other non-current receivables [2]	3 780	3 780	-	-	-	-
Allowance for losses on receivables	(8 769)	-	-	-	-	(8 769)
Total trade and other receivables	**921 880**	**772 232**	**80 759**	**15 201**	**6 639**	**47 050**

[1] Other current receivables do not include prepayments, which are not considered financial assets.
[2] Other non-current receivables do not include net pension assets and reimbursement assets.

MATURITIES OF TRADE RECEIVABLES, ACCRUED REVENUES AND OTHER RECEIVABLES 31 DECEMBER 2019

		Maturities of receivables that have not been impaired				
Amounts in NOK thousand	Carrying amount	Not due	0-30 days	30-60 days	60-90 days	>90 days
Trade receivables	653 652	456 762	101 485	23 693	18 790	52 922
Work in progress	309 034	309 034	-	-	-	-
Other current receivables [1]	32 031	32 031	-	-	-	-
Other non-current receivables [2]	3 985	3 985	-	-	-	-
Allowance for losses on receivables	(15 176)	-	-	-	(1 466)	(13 710)
Total trade and other receivables	**983 526**	**801 813**	**101 485**	**23 693**	**17 324**	**39 212**

[1] Other current receivables do not include prepayments, which are not considered financial assets.
[2] Other non-current receivables do not include net pension and reimbursement assets.

CHANGES IN ALLOWANCES FOR LOSSES ON RECEIVABLES DURING THE YEAR

Amounts in NOK thousand	**2020**	**2019**
Opening balance allowance for losses on receivables	15 176	9 303
Change in allowances for losses on trade receivable during the year [1]	(6 407)	5 874
Closing balance allowance for losses on receivables	**8 769**	**15 176**
Realised losses in the event of bankruptcy etc.	11 093	2 211
Loss on receivables in the statement of income [1]	11 301	8 281

[1] NOK 6.0 million is recognised in the statement of income as write-down of work in progress in 2019 and has reduced operating revenues accordingly. The reversal of the provision in 2020 increases operating revenues by NOK 6 million.

b) Liquidity risk

Liquidity risk is the risk of being unable to settle financial obligations at maturity. Liquidity risk arises if there is no correspondence between the cash flows from the business and the financial obligations. Managing liquidity risk is performed through development of liquidity management strategies, which are operationalised through liquidity budgets and are continuously reviewed. The group's liquidity risk exposure is limited, but with significant short-term and seasonal variation. The highest level of net working capital is normally during the third quarter. Liquidity is managed closely through budgets and regular short- and long-term forecasting. Historically, the group has had sufficient liquidity and has annually paid dividends to the owners. The group's cash flows from operating activities in 2020 and 2019 were positive. The operations in Multiconsult are exposed to normal fluctuations that affect the cash flows during the year. The majority of payments relate to employees and sub-contractors.

Change in interest-bearing liabilities in the balance sheet from 2020 to 2019 corresponds to the instalments reported in the statement of cash flow.

Amounts in NOK thousand	**31.12.2020**	**31.12.2019**
Multiconsult ASA	-	178 400
Total interest-bearing liabilities	**-**	**178 400**

Multiconsult ASA has an overdraft loan facility of NOK 320.0 million, which is part of a cash pool. The cash pool is a multi-currency and multi-account system including the legal entities Multiconsult Norge AS, LINK arkitektur AS, LINK arkitektur AB, LINK arkitektur A/S, Iterio AB, Multiconsult UK Limited and Johs Holt AS, where Multiconsult ASA is the owner of the cash pool's top account and the debtor of the facility. In addition, Multiconsult ASA holds a 3-year revolving credit facility of NOK 200 million, plus accordion until March 2023. The loan agreements include a covenant requiring that net interest-bearing liabilities (excluding restricted cash) of the group shall not exceed 3.0 times last twelve months EBITDA, and a covenant requiring an equity ratio of at least 25 per cent, reported quarterly. Covenant ratios are calculated excluding IFRS 16 effects, and the EBITDA includes "carve-out" for certain limited one-off costs. Multiconsult is in compliance with its financial covenants on 31 December 2020.

The existing loan agreement, overdraft facility and guarantee agreement contain negative pledge in relation to new loan agreements and cross default clauses, and limitations in entering into new loan agreements without the consent of the Lender. See section "capital management" below.

On 4 December 2019 Multiconsult ASA entered into a share loan agreement with its largest shareholder Stiftelsen Multiconsult in connection with the execution of the 2019 employee share purchase programme. The shares were delivered back to Stiftelsen Multiconsult during the first quarter of 2020.

MATURITY INTEREST-BEARING LIABILITIES 31 DECEMBER 2020

		Maturity			
Amounts in NOK thousand	**Carrying amount**	1 year	2 years	> 2 years	Total payments
Interest-bearing liabilities	-	-	-	-	-
Interest on interest-bearing liabilities	-	-	-	-	-
Total interest-bearing liabilities incl. interest	-	-	-	-	-

MATURITY INTEREST-BEARING LIABILITIES 31 DECEMBER 2019

		Maturity			
Amounts in NOK thousand	**Carrying amount**	1 year	2 years	> 2 years	Total payments
Interest-bearing liabilities	178 400	178 400	-	-	178 400
Interest on interest-bearing liabilities [1]	-	5 625	-	-	5 625
Total interest-bearing liabilities incl. interest	**178 400**	**184 025**	-	-	**184 025**

[1] Calculated using the interest rate as of 1 January 2020.

For information on maturities of lease liabilities, see note 18 Leases. There are no significant restrictions on the company's ability to access or use the group's assets or to settle the group's liabilities, see however restricted cash in note 16.

c) Currency risk

Several business units carry out a small number of projects in other currencies than their domestic currency. The currency risk relates to the delivery of services where revenue is in a foreign currency. Several ongoing foreign assignments have agreed rates in currencies other than the functional currency of the business unit, mainly EUR and USD. When a significant currency risk arises, the risk is assessed separately, and the risk can be mitigated through the use of forward currency contracts. The group had no forward currency contracts as of 31 December 2020. The group has, to a limited degree, bank accounts, trade receivables and trade payables in foreign currency. When entering into contracts in foreign currency the company evaluates currency risks and the need to secure these risks. The subsidiaries hold monetary items primarily in their functional currency. Changes in currency rates between NOK and foreign currencies may influence the company's statement of income and equity.

The group's operations are primarily run in and from Norway. For accounting purposes, the group is exposed to currency translation risk related to foreign subsidiaries and associated companies, primarily to the following currencies - mentioned here by currency code: PLN, DKK, SEK and GBP. Currency risk arising from equity in foreign entities is not hedged, and currency changes affect the group's equity through other comprehensive income. The various companies within the group also conduct services abroad, which give rise to currency risk in the separate engagements.

The effect on monetary items from a reasonably possible change in currency rates compared to the separate group entities' functional currency would be insignificant as of 31 December 2020 and 2019.

d) Interest rate risk

The group's operating revenues and cash flows from operating activities are to a limited degree directly affected by interest rate changes. The group's interest rate risk is related to variable interest on bank accounts and on liabilities. Due to the limited amount of net interest-bearing liabilities on 31 December 2020 and 2019, a change in interest rates of half a percentage point would result in insignificant change in annual net interest expense (excluding effect on fair value of interest rate swaps).

Multiconsult ASA has an interest rate swap that exposes it to fair value interest rate risk. On 31 December 2020, NOK 75.3 million (NOK 86.0 million on 31 December 2019) is swapped from variable 3-month NIBOR to fixed interest of 1.565 per cent p.a. for three years. The amount of the agreement is reduced by NOK 10.75 million per year, next time in October 2021. On 31 December 2020 the fair value was a liability of NOK 1 589 thousand (asset of NOK 618 thousand per 31 December 2019). An increase/decrease in 3-month NIBOR of half a percentage point would result in a loss of NOK 1.1 million/loss of NOK 2.1 million on 31 December 2020 (31 December 2019: a gain of NOK 1.5 million/loss of NOK 0.3 million).

Establishment of the interest rate swap was due to requirements from the Lender in connection with establishment of term loan in 2017.

e) Categories of financial instruments

The group has the following categories of financial instruments:

31 DECEMBER 2020

Amounts in NOK thousand	FVTPL	Amortised cost	Total	Estimated fair value	Level in the fair value hierarchy
ASSETS					
Shares and equity interests	70	-	70	70	3
Other non-current receivables	-	3 780	3 780	3 780	N/A
Non-current financial assets, restricted funds	-	15 847	15 847	15 847	N/A
Trade receivables and other current receivables [1]	-	918 100	918 100	918 100	N/A
Cash and cash equivalents	-	277 435	277 435	277 435	N/A
Total assets	**70**	**1 215 162**	**1 215 232**	**1 215 232**	
Estimated fair value	**70**	**1 215 162**	**1 215 232**	**1 215 232**	

31 DECEMBER 2020

Amounts in NOK thousand	FVTPL	Amortised cost	Total	Estimated fair value	Level in the fair value hierarchy
LIABILITIES					
Derivatives	1 589	-	1 589	1 589	2
Interest-bearing liabilities (excluding lease liabilities)	-	-	-	-	N/A
Trade payables and other current liabilities [2]	-	794 531	794 531	794 531	N/A
Total liabilities	**1 589**	**794 531**	**796 120**	**796 120**	
Estimated fair value	**1 589**	**794 531**	**796 120**	**796 120**	

[1] Prepayments are excluded since this analysis is only required for financial instruments. It also excludes net pension assets and reimbursement assets.
[2] Prepaid revenues and income taxes payable are excluded from trade payables and other liabilities, since this analysis is only required for financial instruments. It also excludes provisions, net pension liabilities and lease liabilities.

31 DECEMBER 2019

Amounts in NOK thousand	FVTPL	Amortised cost	Total	Estimated fair value	Level in the fair value hierarchy
ASSETS					
Derivatives	618	-	618	618	2
Shares and equity interests	70	-	70	70	3
Other non-current receivables	-	3 985	3 985	3 985	N/A
Non-current financial assets, restricted funds	-	13 198	13 198	13 198	N/A
Trade receivables and other current receivables [1]	-	979 531	979 531	979 531	N/A
Cash and cash equivalents	-	73 558	73 558	73 558	N/A
Total assets	**688**	**1 070 272**	**1 070 959**	**1 070 959**	
Estimated fair value	**688**	**1 070 272**	**1 070 959**	**1 070 959**	

31 DECEMBER 2019

Amounts in NOK thousand	FVTPL	Amortised cost	Total	Estimated fair value	Level in the fair value hierarchy
LIABILITIES					
Derivatives	-	-	-	-	2
Interest-bearing liabilities (excluding lease liabilities)	-	178 400	178 400	178 400	N/A
Trade payables and other current liabilities [2]	-	792 957	792 957	792 957	N/A
Total liabilities	**-**	**971 357**	**971 357**	**971 357**	
Estimated fair value	**-**	**971 357**	**971 357**	**971 357**	

[1] Prepayments are excluded since this analysis is only required for financial instruments. It also excludes net pension assets and reimbursement assets.
[2] Prepaid revenues and income taxes payables are excluded from trade payables and other liabilities, since this analysis is only required for financial instruments. It also excludes provisions, net pension liabilities and lease liabilities.

Fair value estimates and the fair value hierarchy
The group measures fair value based on the following hierarchy that reflects the input used in measuring fair value:

Level 1: Quoted prices (unadjusted) in active markets for identical financial instruments.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: Inputs for assets or liabilities that are not based on observable marked data (unobservable inputs).

The net carrying amounts of trade receivables, other receivables, cash and cash equivalents, interest-bearing liabilities and trade payable are deemed to approximate fair value. Shares and equity interests that are not listed, have a low value and it is assumed that the carrying amounts approximate fair value. Fair value of derivatives is calculated based on the present value of future cash flows, calculated using interest rate curves, currency exchange rates and currency spreads as of the reporting date.

f) Capital management
The group has followed up its capital structure by securing adequate free liquidity in the form of cash, bank placements and bank overdraft, to be able to continuously service its obligations without significant loan financing, have adequate equity and to have available liquidity.

Multiconsult have set financial targets as follows:
- The maximum gearing (NIBD/EBITDA) shall be 2.5x. The company shall aim to have a gearing of 1.0x - 2.0x in normal circumstances. In special circumstances (such as acquisitions) gearing may go up to 3.0x for a period not exceeding 18 months. Gearing is measured excluding IFRS 16 effects.
- Equity ratio: Equity ratio above 25 per cent. Equity ratio shall be measured excluding IFRS 16 effects.
- Dividend: The Company's ambition is to distribute at least 50 per cent of its net profit. When deciding the annual dividend level, the board will take into consideration expected cash flow, capital expenditure plans, financing requirements and appropriate financial flexibility.

The board proposes a dividend of NOK 8.00 per share as ordinary dividend for 2020 to be declared at the 2021 annual general meeting.

The board's proposal for dividend is based on the good financial results for 2020, and a strong balance sheet that provides the company with adequate financial flexibility. The level of dividend is according to the dividend policy of the company.

Calculated covenants based on amounts adjusted for IFRS 16 effects and "carve-out":

	31.12.2020	31.12 2019
Covenant net interest-bearing liabilities/EBITDA*	(0.65)	0.77
Covenant Equity ratio*	43.5%	33.7%

* See section APM

NOTE 4 BUSINESS COMBINATIONS

There have been no business combinations in 2020 or 2019.

NOTE 5 SEGMENTS

The group's business is divided into five reporting segments, three geographical segments, one segment for LINK arkitektur and one segment for Energy.

1. Region Oslo comprises the offices in the Oslo area. In addition, the segment includes business units Projects in Norway and Multiconsult Asia (Singapore).

2. Region Norway comprises all offices outside of the Oslo area with presence in all the major cities in Norway and several other locations, a total of 23 offices.

3. Energy comprises the Energy business unit in Norway which mainly offers national and international services in the business area Renewable Energy and some activity in the business area Water & Environment. It also includes the subsidiary Multiconsult UK.

4. LINK arkitektur comprises the companies LINK arkitektur AS in Norway, LINK arkitektur AB in Sweden and LINK arkitektur A/S and LINK arkitektur aps in Denmark.

5. International comprises the companies Multiconsult Polska (Poland), Iterio AB (Sweden) and Multiconsult Russia.

The Segments correspond with the internal reporting to the group's chief operating decision maker, the CEO. Projects are staffed across segments. Revenues and expenses are reported in a segment based on where the employee is based.

In 2019 the group's business was divided into four reporting segments, from 2020 the group's business are divided into five reporting segments. The figures are presented according to the new segments, and figures for 2019 are restated to ensure comparability.

The group also reports revenues divided by seven business areas:

1. Buildings & Properties
2. Industry
3. Oil & Gas
4. Renewable energy
5. Transportation
6. Water & Environment
7. Cities & Society

Buildings & Properties include advisory and engineering at all stages of a construction project for all types of buildings. The business area provides services such as demand- and feasibility studies, sketch pre-project, detailed design and follow-up during the construction period, and real estate consultancy. The focus is on sustainable and long-term solutions. LINK arkitektur is included.

Industry offers complete, interdisciplinary advisory and engineering services in all project phases. Services include investigations, project development, project management, design and procurement, construction with all technical systems, construction management and follow-up, and commissioning.

Oil & Gas provides services throughout the whole value chain, from early phase studies through FEED (Front End Engineering Design) to detailed engineering and delivery for both onshore and offshore projects. Services provided onshore are within terminal and production facilities, facilities and constructions, harbour and marine constructions, underground warehouses, land-based pipelines and landfills, and electrical substations. Services provided offshore are within oil and gas rigs and platforms, concrete marine constructions, modules and structures for rigs and platforms, seabed installations, arctic climate technology for floating and subsea constructions, and noise and vibration measurement amongst others.

Renewable Energy covers the entire project life cycle in hydropower, transmission and distribution, land-based wind power and solar energy. Services provided are from start-up and preliminary studies to detailed design and construction management, commissioning and operational shutdown.

Transportation largely comprises advisory services for planning safe and forward-looking transport systems. The business area covers road, rail, airport, harbour and channel transport systems.

Water & Environment includes services in all phases of the lifetime of a project including inspections, engineering, operation and maintenance, and remediation and demolition. Focus is placed on sustainable development of the environment through advisory services related to Greenhouse gas emissions, flood and mud slide protection, water and drains, blue-green structures and issues related to pollution of air, water and soil.

Cities & Society includes complex early-stage planning in urban areas. The focus is on creating innovative solutions and contribute to building attractive cities of the future. Mobility, infrastructure, area solutions and real estate development are core markets.

The segments *Region Oslo and Region Norway* offer services within the whole service spectrum. LINK arkitektur offers services within Buildings & Properties and Cities & Society.

For the segment *International*, Multiconsult Polska primarily offers services within Transportation, Oil & Gas and Water & Environment, whilst Iterio AB primarily offers services within the market areas Transportation and Water & Environment.

Not allocated in 2020 consists of administrative staff and shared services, of which the majority is allocated to the business segments. Remaining unallocated costs are considered as shareholder costs. In addition, some of the administrative staff participated in external projects which generated some external revenue and project costs. In 2020 restructuring costs of NOK 30 million as a right-of-use assets impairment loss was reported as Not allocated. This impairment relates to a review of Multiconsult's office portfolio and was part of the restructuring costs in the nextLEVEL improvement programme.

Expenses for administrative services, rent, depreciation etc. are allocated to the segments. The majority of the allocation of expenses are not reported as intercompany revenue and expenses. Assets are not reported internally divided by segments. The information segment reporting is the same as executive management uses to allocate resources and evaluate performance. The accounting policies for the segments are the same as the policies for the group.

Amounts in NOK thousand

2020	Region Oslo	Region Norway	Energy	LINK arkitektur	International	Not allocated	Eliminations	Total
External revenues	1 293 843	1 506 295	292 059	695 317	379 392	19 256	-	**4 186 161**
Internal revenues	49 534	33 803	9 891	32 408	5 975	6 513	(138 125)	**-**
Total operating revenues	1 343 377	1 540 098	301 950	727 725	385 367	25 770	(138 125)	**4 186 161**
Net operating revenues	1 175 700	1 449 805	248 770	561 595	242 541	(10 276)	(7 200)	**3 660 936**
Operating expenses	972 416	1 178 641	240 333	509 870	202 361	(33 614)	(7 756)	**3 062 250**
EBITDA	203 284	271 164	8 438	51 725	40 181	23 338	556	**598 686**
Depreciation, amortisation, impairment	17 166	87 197	1 645	25 988	15 407	81 615	(1 379)	**227 639**
EBIT	186 118	183 968	6 793	25 737	24 774	(58 277)	1 935	**371 047**
Associates and joint ventures	-	-	(2 269)	-	-	-	-	**(2 269)**
Number of employees	769	1 033	186	487	321	129	-	**2 925**

Amounts in NOK thousand

2019	Region Oslo	Region Norway	Energy	LINK arkitektur	International	Not allocated	Eliminations	Total
External revenues	1 310 703	1 482 754	330 123	651 187	302 521	(15 855)	7 250	4 068 683
Internal revenues	5 763	376	12 249	12 042	7 608	36 917	(74 955)	-
Total operating revenues	1 316 466	1 483 130	342 372	663 229	310 129	21 061	(67 705)	**4 068 683**
Net operating revenues	1 090 928	1 381 857	250 607	535 798	206 926	(25 230)	(5 051)	**3 435 835**
Operating expenses	1 020 337	1 241 204	259 273	499 782	176 979	(56 378)	(4 495)	**3 136 702**
EBITDA	70 592	140 653	(8 666)	36 015	29 947	31 148	(556)	**299 133**
Depreciation, amortisation, impairment	17 586	84 153	1 912	25 008	12 625	52 056	(535)	**192 804**
EBIT	53 006	56 500	(10 578)	11 008	17 322	(20 908)	(21)	**106 329**
Associates and joint ventures	-	-	(169)	-	-	-	-	**(169)**
Number of employees	817	1 068	199	489	299	122	-	**2 994**

Amounts in NOK thousand	2020	2019
REVENUES PER BUSINESS AREA		
Buildings & Properties	1 671 245	1 599 329
Industry	242 044	230 921
Oil & Gas	114 514	112 117
Renewable Energy	328 193	384 251
Transportation	1 238 401	1 175 849
Water & Environment	437 651	392 953
Cities & Society	154 113	173 263
Total	**4 186 161**	**4 068 683**

Amounts in NOK thousand	2020	2019
REVENUES PER GEOGRAPHY The table below shows revenues distributed by geography, based on the customer's location:		
Norway	3 343 500	3 277 094
Abroad	842 661	791 589
Total	**4 186 161**	**4 068 683**

Customer location is based on the invoice address. No customer contributed 10 per cent or more of revenues in 2020 or 2019.

NOTE 6 REVENUE FROM CONTRACTS WITH CUSTOMERS AND CONTRACT BALANCES

All revenues for the group in 2020 are from contracts with customers. Revenue is generated by delivering consulting services. The group provides a range of services, including multidisciplinary consulting and design, project engineering and management, verification, inspection, supervision and architecture – both in Norway and abroad.

DISAGGREGATION FOR REVENUES FROM CONTRACTS WITH CUSTOMERS

Amounts in NOK thousand

2020	Region Oslo	Region Norway	Energy	LINK arkitektur	Inter-national	Not allocated	Elimi-nations	Total
External revenues	**1 293 843**	**1 506 295**	**292 059**	**695 317**	**379 392**	**19 256**	**-**	**4 186 161**
Revenues per business area								
Buildings & Properties	408 554	617 946	295	636 265	-	8 185	-	1 671 245
Industry	32 235	190 541	112	16 579	-	2 577	-	242 044
Oil & Gas	72 773	31 983	-	-	8 916	842	-	114 514
Renewable Energy	12 177	33 903	279 464	-	-	2 649	-	328 193
Transportation	493 550	413 570	61	-	330 352	869	-	1 238 401
Water & Environment	216 622	165 709	11 966	-	40 124	3 229	-	437 651
Cities & Society	57 932	52 643	161	42 472	-	905	-	154 113
Total	**1 293 843**	**1 506 295**	**292 059**	**695 317**	**379 392**	**19 256**	**-**	**4 186 161**
Revenues per geography[1]								
Norway	1 251 891	1 462 698	214 680	394 975	-	19 256	-	3 343 500
Sweden	2 551	11 612	3 520	209 729	154 448	-	-	381 859
Denmark	62	665	180	90 614	-	-	-	91 521
Poland	-	-	105	-	224 944	-	-	225 049
All other countries	39 338	31 319	73 574	-	-	-	-	144 232
Total	**1 293 843**	**1 506 295**	**292 059**	**695 317**	**379 392**	**19 256**	**-**	**4 186 161**

[1] Revenues distributed by geography is based on the customer's location.

Amounts in NOK thousand

2019	Region Oslo	Region Norway	Energy	LINK arkitektur	Inter-national	Not allocated	Elimi-nations	Total
External revenues	**1 310 703**	**1 482 754**	**330 123**	**651 187**	**302 521**	**(15 855)**	**7 250**	**4 068 683**
Revenues per business area								
Buildings & Properties	446 589	575 103	734	579 387	-	(7 001)	4 517	1 599 329
Industry	54 030	164 270	102	14 273	-	(915)	(839)	230 921
Oil & Gas	72 269	34 642	217	-	5 494	(392)	(113)	112 117
Renewable Energy	4 118	71 280	308 994	-	877	(1 346)	328	384 251
Transportation	488 973	422 612	-	-	265 175	(4 154)	3 242	1 175 849
Water & Environment	189 059	154 402	19 978	-	30 976	(1 411)	(51)	392 953
Cities & Society	55 665	60 446	98	57 527	-	(637)	164	173 263
Total	**1 310 703**	**1 482 754**	**330 123**	**651 187**	**302 521**	**(15 855)**	**7 250**	**4 068 683**
Revenues per geography[1]								
Norway	1 285 274	1 457 982	209 256	336 848	-	(15 855)	3 590	3 277 094
Sweden	3 956	10 053	11 509	178 072	137 821	-	1 739	343 149
Denmark	11	377	117	135 172	-	-	(7)	135 670
Poland	-	-	69	-	163 830	-	(7 082)	156 817
All other countries	21 462	14 342	109 172	1 096	870	-	9 011	155 952
Total	**1 310 703**	**1 482 754**	**330 123**	**651 187**	**302 521**	**(15 855)**	**7 250**	**4 068 683**

[1] Revenues distributed by geography is based on the customer's location.

CONTRACT BALANCES

Amounts in NOK thousand	Note	31.12.2020	31.12.2019
Trade receivables	3, 13	626 726	638 476
Work in progress (contract assets)		255 894	309 034
Prepaid revenues (contract liabilities)		155 656	133 368

Work in progress relate to the group's right to consideration for work completed but not billed at the reporting date. Work in progress are transferred to receivables when the group issues an invoice.

The group has used the practical expedient not to adjust the promised amount of consideration for the effects of a significant financing component if the group expects, at contract inception, that the period between transfer of the service and when the customer pays for that service will be one year or less. Approximately 26 per cent of the prepaid revenues relates to contracts in Multiconsult Norge AS, and approximately 23 per cent to contracts in LINK arkitektur AS. Approximately 50 per cent of the prepaid revenues relates to contracts in Multiconsult Polska. Multiconsult Polska has been able to negotiate some long-term contracts with prepayments. Multiconsult's opinion is that the rationale behind the prepayments is not providing financing of the group and has consequently not recognised interest expense and offsetting increase in revenues.

Multiconsult estimates that prepaid revenues of NOK 67 121 thousand on 31 December 2019 has been recognised as revenue during 2020.

Order backlog (unaudited)

Order Backlog is revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) on 31 December 2020. Options and call-offs on frame agreements are not included in the order backlog before signed and thereby committed. Contracts for an agreed service delivery may include an agreed scope, with fixed price per hour but where the number of hours are not fixed. Multiconsult regards this as variable consideration and has included the expected number of hours in the order backlog.

The order backlog on 31 December 2020 is estimated to NOK 3 327 million. The timing of the recognition of revenue is uncertain, as it depends on the actual progress in many different projects which involves a number of parties. The group has estimated that it may recognise approximately 52 per cent of the order backlog as revenue during 2021, 30 per cent in 2022 and the remaining 18 per cent in the subsequent years.

No consideration from contracts with customers is excluded from the amounts presented in the table above.

NOTE 7 RESEARCH AND DEVELOPMENT

Multiconsult Norge AS and LINK arkitektur AS performs a number of research and development activities. Based on the definition in IFRS, the company has divided the activities into the following categories:

1. Projects with external funding.

2. Projects with collaborating partners (i.e. SINTEF), Skattefunn, PhD arrangements.

3. Activities related to methodology development, process etc. that the company uses to deliver to customers (product and process development), including these activities in group networks.

Total expenditures for these activities were NOK 7.3 million in 2020 (NOK 11.5 million in 2019), of which NOK 0 million was invoiced to customers in 2020 (NOK 0.9 million in 2019). In the income statement, these expenditures have been reduced by government grants (Skattefunn) of NOK 1.6 million in 2020 (NOK 0.8 million in 2019). None of these expenditures have been capitalised.

NOTE 8 OTHER OPERATING EXPENSES

Amounts in NOK thousand	2020	2019
Office expenses	80 236	100 656
Consultants	43 423	54 686
Technical equipment	22 224	26 547
IT and communication	129 689	126 004
Travel and meeting	19 790	42 024
Sales and marketing	14 519	16 116
Losses on receivables	11 301	2 281
Gain on sale of fixed assets	(1 029)	(360)
Other	82 022	114 317
Total other operating expenses	**402 174**	**482 271**

AUDITOR
Fees paid to Deloitte AS and affiliated companies, as well as other auditors in subsidiaries:

	2020		2019	
Amounts in NOK thousand	Deloitte	Other	Deloitte	Other
Statutory audit services	2 910	252	3 709	338
Tax advisory services	69	-	276	-
Other assurance services	72	-	24	-
Other non-audit services	72	255	48	799
Total	**3 123**	**477**	**4 058**	**1 137**

The amounts above are excluding VAT.

NOTE 9 EMPLOYEE BENEFIT EXPENSES, NUMBER OF EMPLOYEES, REMUNERATION, LOANS TO EMPLOYEES ETC.

Amounts in NOK thousand	2020	2019
EMPLOYEE BENEFIT EXPENSES		
Salaries, vacation pay, bonus etc.	2 145 718	2 122 980
Social security tax	301 481	309 926
Pension expenses (see note 12)	175 936	174 937
Other employee benefit expenses	36 941	46 588
Total employee benefit expenses	**2 660 077**	**2 654 431**
Number of full time employees during the year [1]	2 962	2 907
Number of employees on 31 December	2 925	2 994

[1] Number of full-time employees is calculated as the total number of working hours (including overtime and paid sick leave) divided on normal working hours per full time employee for the period.

In 2020 eligible employees were granted an extraordinary bonus of total NOK 25 million for strong commitment in a challenging year.

SHARE PURCHASE PROGRAMME AND LOANS TO EMPLOYEES

Multiconsult ASA has a share purchase program (SPP) available to all group employees. The SPP offers employees to buy shares in Multiconsult ASA at a discount of 20 per cent. Shares purchased by the employees through the program are subject to a two-year lock-in period.

The 2020 program took place in November. In total Multiconsult sold 391 884 shares to its employees, which it purchased in the market. The sale was based on a price of NOK 89.59 per share, which is a 20 per cent discount of the volume-weighted average share price of NOK 111.99 per share traded on Oslo Børs in the period 4 to 10 November 2020. The total sales price reduced with the discount was NOK 35 109 thousand, of which NOK 17 511 thousand was paid in cash and the remaining NOK 17 598 thousand as loans granted to the employees, maximum 3/5 G (NOK 60 810) per employee. The outstanding balance of loans per 31 December 2020 was NOK 17 598 thousand including loans to the executive management related to their variable performance-based bonus scheme. Repayment of loans takes place over 12 months through deduction in salary.

In the 2019 program the employees purchased 286 443 shares. The total sales price was NOK 14 296 thousand, of which NOK 3 579 thousand was paid in cash and the remaining NOK 10 717 thousand as loans granted to the employees. The outstanding balance of loans per 31 December 2019 was NOK 10 717 thousand, including loans to the executive management related to their variable performance-based bonus scheme.

The discount is partially recognised as an expense and partially recognised directly in equity. See accounting policies for further description.

DISCOUNT, EMPLOYEE SHARE PURCHASE PROGRAM

Amounts in NOK thousand	**2020**	**2019**
Employee benefit expenses	(942)	867
Recognised directly to equity (before tax) [1]	9 720	3 169
Total discount	**8 778**	**4 036**

[1] The discount (before tax) recognised directly to equity may deviate from the total amount (before tax) recognised in the statement of equity if the payments to acquire own shares deviates from the market price for the shares used as basis for calculation of the discount.

There are no unamortised employee benefit expense related to the shares sold.

REMUNERATION FOR KEY MANAGEMENT PERSONNEL

Section 1 describes the guidelines for remuneration in 2021, to be approved by the General Meeting in 2021.

1.1. General guidelines

Remuneration to the executive management shall reflect the responsibilities of the CEO and other members of the executive management in Multiconsult, considering the complexity of the company, growth and sustainability. The company's remuneration strategy is to offer competitive remuneration, but not to be in the forefront.

Total remuneration to the executive management team is a combination of fixed elements and variable performance-based bonus. Fixed remuneration consists of base salary, fringe benefits, pension and insurance.

The pay-out potential in the bonus program is up to a maximum of six months base salary for the CEO and four months for other members of the executive management team. Financial targets and relevant KPIs are approved and evaluated by the board. Pay-out of bonus earned is partly in cash and partly in shares at a 30 per cent discount and a 3-year lock-in period. Furthermore, the executive management team can also take part in the share purchase program for all employees.

No options have been issued to employees or elected officers of the group.

1.2. Pension and insurance arrangements

The executive management team is included in the same pension and insurance programs as other employees in Multiconsult ASA, which is similar to the pension and insurance program in Multiconsult Norge AS. For Kirsten Anker Sørensen, EVP Architecture and CEO LINK arkitektur, terms from employer LINK arkitektur A/S apply.

The members of the executive management, who until 2017 were members of the defined benefit plan, are in the same way as other affected employees, partly compensated for entering into the defined contribution plan.

1.3 Guidelines for share based remuneration

The board of directors implemented a variable performance-based bonus scheme for the executive management effective from 2016. Out of the earned bonus, 75 per cent of the bonus is paid in cash and 25 per cent by shares at a 30 per cent discount and a three-year lock-in period. If a member of the management team leaves the company during the lock-in period, the member has to repay the discount pro rata according to accrued and remaining lock-in period. The executive management also has an option to buy additional shares at a 30 per cent discount for the amount equal to 25 per cent of the bonus attained. Funding of the shares is by cash or by loan from Multiconsult ASA. If the member of the executive management leaves the company, repayment of the loan takes place at the last date of employment. Members of the executive management may also participate in the company's general share purchase program for employees, in which they are offered to purchase shares at a discount of 20 per cent with a two-year lock-in period.

2. Remuneration policy during the accounting year

With the exceptions mentioned below, the principles described in section 1 above serves as basis for the remuneration policy during 2020. The bonus program for 2020 had a pay-out potential equal to six months base salary to the CEO and four months for other members of the executive management based on targets for financial targets and relevant KPIs.

3. Remuneration to the executive management

The tables below show the total remuneration to the executive management earned in 2020 and 2019. The CEO has an agreement, which, in the event that she has to resign, gives her the right (unless she has shown gross negligence of her duties according to laws), to receive salary for 12 months in addition to salary in the 6 month notice period. Kirsten Anker Sørensen has an agreement, in the event that she has to resign, gives her the right (unless she has shown gross negligence of her duties according to laws), to receive salary for 9 months in addition to salary in the 3 months' notice period.

There are no other agreements for special compensation in the event of resignation, termination or change in the employment or position for other members of executive management or board members.

REMUNERATION TO THE EXECUTIVE MANAGEMENT 2020

The table below displays the total remuneration to the executive management earned in 2020 for the period the persons served as member of the executive management. Presented below is a similar table for year 2019.

31 December 2020

Amounts in NOK	**Base salary** [1]	**Salary paid** [2]	**Other benefits** [2]	**Bonus earned** [3]	**Pension**	**Shares** [4]	**Loans** [5]
CEO Grethe Bergly [6]	3 280 000	3 514 869	17 377	1 640 000	132 944	30 851	60 810
Other members of the executive management							
Hans-Jørgen Wibstad	2 101 000	2 084 276	21 455	700 333	130 702	7 564	60 810
Kari Nicolaisen	1 763 000	1 810 130	19 764	587 667	131 953	2 071	60 810
Johan Arntzen	1 650 000	1 727 767	17 694	550 000	131 769	7 276	60 810
Lars Opsahl [6]	1 800 000	2 041 704	22 973	600 000	134 447	67 491	60 810
Kristin Olsson Augestad [6]	1 700 000	1 818 938	17 694	566 667	130 170	7 904	60 810
Leif-Olav Bogen [6]	1 700 000	1 838 518	19 544	566 667	132 618	5 639	60 810
Hilde Gillebo	1 700 000	1 631 038	19 923	566 667	128 994	1 131	60 810
Geir Juterud [6][7]	1 700 000	1 809 955	18 188	566 667	130 832	5 402	60 810
Morten Alstad [6][8]	1 550 000	1 604 073	17 214	172 222	131 516	69 347	60 810
Kirsten Anker Sørensen	1 924 020	2 064 003	-	641 340	177 304	-	-
Total	**20 868 020**	**21 945 271**	**191 826**	**7 158 229**	**1 493 249**	**204 676**	**608 100**

[1] Annual base salary per 31 December 2020.

[2] Salary is amount paid during the year presented, including holiday pay, car allowance and compensation for entering into new pension plan. Other benefit includes all other cash and non-cash benefit received during the year and includes taxable parts of; insurance premiums; discount on shares purchased; company car; housing allowance; per diem allowance; and telecommunication. Salary paid for previous positions within Multiconsult is included where relevant.

[3] Bonus earned is an amount earned in the year presented (excluding holiday pay), and normally paid the subsequent year. Relevant bonus as part of executive management.

[4] Shares owned by the members of the executive management on 31 December 2020, with close associates.

[5] Short-term loans for purchase of shares through the share purchase program for all employees and incentive program for executive management.

[6] Bergly, Opsahl, Augestad, Bogen, Juterud and Alstad receive compensation for transition from defined benefit pension plan.

[7] Juterud was appointed Project Director Nye Rikshospitalet as of September 2020. Juterud is still part of Multiconsult executive management.

[8] Alstad was appointed acting EVP Projects of September 2020.

31 December 2019

Amounts in NOK	Base salary [1]	Salary paid [2]	Other benefits [2]	Bonus earned [3]	Pension	Shares [4]	Loans [5]
CEO Grethe Bergly [6) 7)]	3 280 000	3 208 606	11 805	-	135 763	28 751	43 006
Other members of the executive management							
Hans-Jørgen Wibstad [8]	2 050 000	1 269 551	12 546	-	87 232	5 183	43 006
Kari Nicolaisen [9]	1 720 000	1 402 500	7 686	-	102 194	940	43 006
Johan Arntzen [10]	1 650 000	1 580 106	19 468	-	130 010	6 145	-
Lars Opsahl [11) 7)]	1 800 000	2 327 004	99 353	-	134 048	65 654	43 006
Kristin Olsson Augestad [12]	1 700 000	1 730 301	10 935	-	136 670	6 733	43 006
Leif-Olav Bogen [13]	1 700 000	1 700 696	13 384	-	131 253	4 508	43 006
Hilde Gillebo [14]	1 700 000	141 667	4 162	-	11 118	-	-
Geir Juterud [15]	1 700 000	1 582 367	78 200	-	129 050	4 271	35 274
Kirsten Anker Sørensen [16]	1 750 000	1 504 563	46 533	-	303 709	-	-
Øyvind Holtedahl [17]	N/A	1 910 383	41 141	-	133 360	N/A	N/A
Ola Dalen [18) 7)]	N/A	1 847 361	30 551	-	129 290	N/A	N/A
Jörgen Hasselström [19]	N/A	1 214 771	199 609	-	85 793	N/A	N/A
Leif Øie [20]	N/A	1 653 659	32 977	-	87 867	N/A	N/A
Anne Harris [21]	N/A	1 067 735	4 420	-	48 369	N/A	N/A
Rune Hardersen [22]	N/A	2 931 669	1 952	-	50 179	N/A	N/A
Christian Nørgaard Madsen [23]	N/A	3 759 694	-	-	79 741	N/A	N/A
Total	**19 050 000**	**30 832 633**	**614 722**	**-**	**1 915 646**	**122 185**	**293 310**

1) Annual base salary per 31 December 2019.

2) Salary is amount paid during the year presented, including holiday pay, car allowance and compensation for entering into new pension plan. Other benefit include all other cash and non-cash benefit received during the year and includes taxable parts of; insurance premiums; discount on shares purchased; company car; housing allowance; per diem allowance; and telecommunication. Salary paid for previous positions within Multiconsult is included where relevant.

3) Bonus earned is an amount earned in the year presented (excluding holiday pay), and normally paid the subsequent year. Relevant bonus as part of executive management.

4) Shares owned by the members of the group management on 31 December 2019, with close associates.

5) Short term loans for purchase of shares through the share purchase program for all employees and incentive program for executive management.

6) Grethe Bergly was appointed CEO in March.

7) Grethe Bergly, Lars Opsahl and Ola Dalen receive compensation for transition from defined benefit pension plan.

8) Hans-Jørgen Wibstad was appointed CFO in May.

9) Kari Nicolaisen was appointed CHRO in April.

10) Johan Arntzen was appointed acting EVP Greater Oslo Area in September.

11) Lars Opsahl was appointed EVP Sales in October.

12) Kristin Olsson Augestad was appointed EVP Region Oslo in October.

13) Leif-Olav Bogen was appointed EVP Regions Norway in October.

14) Hilde Gillebo was appointed EVP Energy in December.

15) Geir Juterud was appointed EVP Projects in October.

16) Kirsten Anker Sørensen was appointed EVP Architecture and CEO LINK Arkitektur in November.

17) Øyvind Holtedahl left the position as EVP Marketing, Strategy & Innovation end of December. Termination agreement negotiated as notice period plus six months.

18) Ola Dalen left the position as EVP Corporate Projects end of September.

19) Jörgen Hasselström left the position as EVP Energy end of August.

20) Leif Øie left the position as CEO LINK Arkitektur and EVP Architecture end of August.

21) Anne Harris left the position as CFO end of April.

22) Rune Hardersen left Multiconsult group management in April.

23) Christian Nørgaard Madsen left the position as CEO in January.

4. Remuneration to the board of directors
The board fee is determined by the members' positions. The annual general meeting in 2020 resolved the remuneration for the board members for the period between the annual general meeting in 2020 and the annual general meeting in 2021.

All shareholder elected board members shall acquire shares in Multiconsult ASA corresponding to 20 per cent of the gross board remuneration. The duty is in effect every year a board member is re-elected, until the market value of the shares equals the board remuneration one year. The board members shall maintain such share ownership for the duration of the board period. The duties following this resolution expires following withdrawal by a board member. Only employee board members have loans from the company and are a part of the company's share purchase program for employees.

Total board fees and remuneration paid for the separate board members are shown in the tables below.

REMUNERATION PAID TO THE BOARD OF DIRECTORS IN 2020

Amounts in NOK	Function	Payment [1]	Loans [2]	Shares [3]
Bård Mikkelsen	Chair, elected by shareholders	525 000	N/A	14 933
Hanne Rønneberg	Elected by shareholders	273 000	N/A	2 220
Rikard Appelgren	Elected by shareholders	304 000	N/A	30 000
Simen Lieungh	Elected by shareholders	242 000	N/A	2 400
Tove Raanes [4]	Elected by shareholders	196 000	N/A	5 313
Hilde Hammervold [5]	Elected by shareholders	98 000	N/A	N/A
Liv-Kristine Rud	Elected by employees	175 000	12 543	890
Runar Tyssebotn	Elected by employees	154 000	60 810	30 946
Kristine Landsnes Augustson	Elected by employees	123 000	26 877	1 500
Total		**2 090 000**	**100 230**	**83 302**

[1] Total board fees paid in 2020 was NOK 2 090 thousand including fees to board members that retired from the board in 2020.

[2] Short-term loans for purchase of shares through to the company's share purchase program, on the same terms as other employees of the company.

[3] Shares owned by the members of the board on 31 December 2020, including shares owned by the close associates.

[4] Elected as member of the board at General meeting 22 April 2020.

[5] Resigned as member of the board at General meeting 22 April 2020.

REMUNERATION PAID TO THE BOARD OF DIRECTORS IN 2019

Amounts in NOK	Function	Payment [1]	Loans [2]	Shares [3]
Bård Mikkelsen	Chair, elected by shareholders	604 000	N/A	7 433
Hanne Rønneberg	Elected by shareholders	261 000	N/A	1 720
Rikard Appelgren	Elected by shareholders	298 667	N/A	20 000
Simen Lieungh	Elected by shareholders	301 333	N/A	-
Hilde Hammervold [4]	Elected by shareholders	196 000	N/A	1 657
Kjetil M Ebbesberg [5]	Elected by shareholders	99 000	N/A	N/A
Vibeke Strømme [5]	Elected by shareholders	89 000	N/A	N/A
Liv-Kristine Rud	Elected by employees	156 667	-	750
Runar Tyssebotn	Elected by employees	152 667	43 005	29 815
Kristine Landsnes Augustson [6]	Elected by employees	82 000	9 150	1 200
Elisabeth Lokshall [5]	Elected by employees	40 000	-	N/A
Total		**2 280 333**	**52 155**	**62 575**

[1] Total board fees paid in 2019 was NOK 2 280 thousand, including fees to board members that retired from the board in 2019.

[2] Short-term loans for purchase of shares through to the company's share purchase program, on the same terms as other employees of the company.

[3] Shares owned by the members of the board at 31 December 2019, including shares owned by the close associates.

[4] Elected as member of the board at General meeting 25 April 2019.

[5] Resigned as member of the board at General meeting 25 April 2019.

[6] Elected by employees 13 April 2019.

NOTE 10 FINANCIAL ITEMS

Amounts in NOK thousand	2020	2019
Other interest income	2 298	865
Foreign currency gain	17 995	2 016
Other financial income	2 398	1 073
Financial income	**22 692**	**3 954**
Other interest expenses	5 851	11 471
Foreign currency loss	14 147	5 467
Other financial expenses	7 490	2 611
Financial expenses IFRS 16	34 630	37 135
Financial expenses	**62 119**	**56 683**
Net financial items	**(39 427)**	**(52 729)**

Other financial expenses in 2020 includes NOK 2 870 thousand loss on changes in fair value of derivatives and other financial income in 2020 includes NOK 775 thousand gain on changes in fair value of derivatives (gain of NOK 782 thousand included in other financial income in 2019).

NOTE 11 TAXES

INCOME TAXES

The income tax expense for the year was as follows:

Amounts in NOK thousand	2020	2019
Income taxes payable	92 350	29 201
Net withholding tax after tax credit	265	3 261
Regulation of previous years' taxes	(3 248)	1 897
Change in deferred taxes	(12 135)	(16 038)
Effect of change in tax rate	2 909	-
Income tax expenses	**80 141**	**18 320**

RECONCILIATION FROM NOMINAL TO ACTUAL TAX RATE

Amounts in NOK thousand (except percentages)	2020	2019
Profit before income taxes	**329 350**	**53 431**
Expected income tax based on nominal tax rate in Norway (22%/22%)	72 457	11 755
Tax effect of the following items:		
Non-deductible expenses	1 353	1 081
Non-taxable income	(546)	(242)
Share of profit from associated companies	532	37
Not recognised/reversal of previously not recognised deferred tax assets	6 519	640
Effect of change in tax rate	2 909	-
Regulation of previous years' taxes	(3 248)	1 897
Net withholding tax after tax credit	265	3 261
Other items (including currency and effect of deviation foreign vs. Norwegian tax rate)	(100)	(108)
Income tax expenses	**80 141**	**18 320**
Effective tax rate	**24.3%**	**34.3%**

DEFERRED TAX IN THE BALANCE SHEET

Amounts in NOK thousand	31.12.2020	31.12.2019
Deferred tax asset	34 023	40 322
Deferred tax	11 512	13 074
Net deferred tax asset in the balance sheet	**22 511**	**27 248**

SPECIFICATION OF THE TAX EFFECT OF TEMPORARY DIFFERENCES

Amounts in NOK thousand	31.12.2020	31.12.2019
Non-current assets	(171 087)	(191 149)
Current assets	(26 654)	(36 195)
Liabilities and provisions	209 077	217 780
Taxable losses carried forward [1]	20 760	39 577
Deferred tax assets not recognised in the balance sheet	(9 584)	(2 765)
Net deferred tax asset in the balance sheet	**22 511**	**27 248**

[1] Group companies have recognised deferred tax assets related to tax losses that are expected to be utilised by receiving taxable group contributions from other group companies. The amount on 31 December 2020 is estimated to NOK 7 040 thousand (NOK 14 944 thousand on 31 December 2019). This will be done in the tax declarations for 2020 (2019) but is subject to the regulation for dividend and is consequently not recognised in the IFRS financial statements for 2020 (2019). This also has an opposite effect on tax payable, and it is expected that the same amounts as deferred tax assets will not be payable after taxable group contribution has been determined by the general meetings in 2021 (2020). The group has recognised net deferred tax assets in Norway, Sweden, United Kingdom and in Poland. Realisation of the remaining deferred tax asset requires future profit.

Temporary differences related to IFRS 16 lease liabilities and right-of-use assets are presented as liabilities and provisions and non-current assets accordingly, in the table above.

RECONCILIATION OF DEFERRED TAX ASSETS IN THE BALANCE SHEET

Amounts in NOK thousand	2020	2019
Deferred tax assets 1 January	27 248	31 890
Deferred tax assets 1 January reduced due to group contributions	(13 521)	(21 232)
Changes in deferred taxes recognised in the statement of income	12 135	16 038
Effects of changes in tax rate in the statement of income	(2 909)	-
Deferred taxes included in other comprehensive income (related to pensions)	(50)	414
Currency and regulation of previous years taxes	(392)	139
Deferred tax assets in the balance sheet (net) on 31 December	**22 511**	**27 248**

Due to losses and/or the exemption method, there are no significant temporary differences resulting in deferred taxes on retained earnings in subsidiaries, associated companies or joint ventures.

The tax rate in Norway is 22 per cent with effect from 1 January 2019.

RECONCILIATION OF INCOME TAXES PAYABLE IN THE BALANCE SHEET

Amounts in NOK thousand	2020	2019
Expensed income taxes payable [1]	(92 350)	(29 201)
Prepaid taxes	7 646	7 651
Tax payable/receivable from previous year	2 256	2 172
Income tax on employee share programme recognised in equity	2 008	558
Skattefunn (government R&D tax incentive scheme in Norway)	1 386	840
Income tax payable recognised in the balance sheet [1]	**(79 053)**	**(17 979)**

[1] The group has recognised tax payable related to the profits in subsidiaries for 2020, of which it is expected that NOK 7 040 thousand (NOK 14 944 thousand in 2019), will not be payable after taxable group contribution to other group companies have been determined by the general meetings in 2021 (2020).

REMEASUREMENT OF PENSIONS (DEFINED BENEFIT OBLIGATION) AND RELATED TAX EFFECT

Amounts in NOK thousand	Gross	Taxes	Net
31 December 2018	(268 953)	67 243	(201 711)
Change 2019	(1 884)	414	(1 470)
31 December 2019	(270 837)	67 657	(203 181)
Change 2020	228	(50)	178
31 December 2020	(270 612)	67 607	(203 005)

Income tax benefits on the employee share purchase programme has been recognised in equity with NOK 558 thousand in 2019 and NOK 2 008 thousand in 2020, in total NOK 7 991 thousand.

NOTE 12 PENSIONS

The parent company and its subsidiaries in Norway have established pension plans that comply with the requirements in the Act on Mandatory Company Pensions. The group's subsidiaries both in Norway and abroad have defined contribution plans, except for a defined benefit plan in LINK arkitektur AS and Multiconsult Norge AS, and a multiemployer plan in LINK arkitektur AB.

Multiconsult ASA's defined benefit plan was terminated at the end of 2016. All the employees of the parent company and Multiconsult Norge AS are included in the defined contribution plan after the termination. The members of the previous defined benefit plan are partly compensated for entering into the defined contribution plan with an addition to annual salaries.

There were 2 095 active members in the Multiconsult ASA and Multiconsult Norge AS defined contribution plan at the end of 2020 (2019: 2 203). Starting from 1 January 2017, annual contributions to this plan are 5.55 per cent for contribution basis between 1G and 7.1G, and 18 per cent of the contribution basis between 7.1G and 12G. G is a base amount annually approved by the Norwegian parliament and was NOK 101 351 per 31 December 2020.

In addition, Multiconsult Norge AS has individual defined benefit plans that are unfunded, with recognised liabilities of NOK 6 474 thousand at the end of 2020 (2019: NOK 6 542 thousand).

LINK arkitektur AS has a defined benefit plan that is closed and includes 1 active member and 8 retirees per 31 December 2020. Other plans in LINK arkitektur group are plans accounted for as contribution plans, with 402 active members on 31 December 2020 (2019: 398). This includes a multiemployer plan in LINK arkitektur AB (ITP 2 plan) which is a defined benefit plan.

For 80 employees (2019: 83) in LINK arkitektur AB the defined benefit pension commitments for retirement and family pensions are secured in the ITP 2 plan through insurance with Alecta. The group has not access to information in order to report its proportional share of the plan's obligations, plan assets and costs, and it is therefore reported as a defined contribution plan. The expected contribution to the plan (premium) in 2021 is NOK 7 244 thousand. The premium paid and expensed in 2020 was NOK 7 340 thousand (2019: NOK 7 081 thousand). The premium is calculated individually and is dependent on factors including salary, previously earned pension, and expected remaining service period. The group's share of the total contributions to the plan amounted to 0.022 per cent in 2020 (2019: 0.038 per cent). The collective funding ratio is the market value of Alecta's assets as a percentage of insurance commitments calculated according to Alecta's actuarial methods and assumptions, which are not consistent with IAS 19. The collective funding ratio is normally allowed to vary between 125 and 155 per cent. If Alecta's collective funding ratio is below 125 per cent or exceeds 155 per cent, action should be taken for consolidation level returning to the normal range. At low funding ratio, measures can be to raise the agreed price for new and existing contracts. At high funding ratio a measure may be to reduce premiums. At the end of 2020, the collective funding ratio was 144 per cent (2019: 142 per cent).

Social security tax is calculated based on the pension plan's net financing and included in the gross pension obligations. Pension expenses include related social security tax.

PENSION EXPENSES

Amounts in NOK thousand	**2020**	**2019**
Pension expenses retirement defined benefit plan	(163)	310
Recognised as financial expenses	(138)	158
Pension expenses defined contribution plan	176 238	174 469
Pension expenses in employee benefit expenses (note 9)	**175 936**	**174 937**
Effect of remeasurement of net defined benefit obligations	(228)	1 884

FINANCIAL STATUS DEFINED BENEFIT PLANS

Amounts in NOK thousand	**31.12.2020**	**31.12.2019**
Calculated pension obligations (incl. social security tax)	(22 390)	(22 993)
Pension assets (at market value)	16 441	16 451
Pension obligations in the financial statements	**(5 948)**	**(6 542)**
Of which included in Other non-current financial assets and shares	526	-
Of which pension obligations	(6 474)	(6 542)

Due to the immaterial amounts, no further disclosure is provided for the net defined benefit obligations.

NOTE 13 RECEIVABLES, WORK IN PROGRESS AND PREPAID EXPENSES

Amounts in NOK thousand	**31.12.2020**	**31.12.2019**
Trade receivables	635 495	653 652
Allowance for credit losses on receivables (see note 3)	(8 769)	(15 176)
Total trade receivables	**626 726**	**638 476**
Work in progress	**255 894**	**309 034**
Prepaid expenses	49 674	38 102
Other	35 480	32 471
Total other current receivables and prepaid expenses	**85 154**	**70 573**
Total receivables and prepaid expenses	**967 774**	**1 018 083**

NOTE 14 INTANGIBLE ASSETS AND GOODWILL

Amounts in NOK thousand	Software	Goodwill
Acquisition cost 1 January 2019	**92 427**	**529 540**
Additions	8 973	-
Disposals	6 981	-
Reclassification 31 December 2019	1 521	2 280
Currency translation differences	47	(1 551)
Acquisition cost 31 December 2019	**95 987**	**530 269**
Adjustment of opening balance	4 790	-
Additions	2 487	-
Disposals	32	-
Currency translation differences	(71)	8 277
Acquisition cost 31 December 2020	**103 161**	**538 546**
Accumulated amortisation 1 January 2019	**64 199**	**80 491**
Amortisation for the year	7 625	-
Disposals	2 332	-
Reclassification 31 December 2020	1 521	2 280
Currency translation differences	55	(58)
Accumulated amortisation 31 December 2019	**71 069**	**82 715**
Adjustment of opening balance	4 633	-
Amortisation for the year	6 649	-
Disposals	32	-
Currency translation differences	(70)	1 140
Accumulated amortisation 31 December 2020	**82 249**	**83 855**
Carrying amount 1 January 2019	**28 228**	**449 049**
Additions	8 973	-
Disposals	4 649	-
Amortisation for the year	7 625	-
Reclassification 31 December 2019	-	-
Currency translation differences	(8)	(1 493)
Carrying amount 31 December 2019	**24 919**	**447 554**
Adjustment of opening balance	157	-
Additions	2 487	-
Disposals	-	-
Amortisation for the year	6 649	-
Currency translation differences	(1)	7 138
Carrying amount 31 December 2020	**20 913**	**454 692**

Software includes standard software and licenses that are amortised on a straight-line basis over three years. In 2017 a new ERP system has been capitalised, which is amortised straight-line over its estimated useful life of ten years.

Impairment tests

The group performs an assessment for impairment of goodwill at year end, or more often if there are indicators of impairment. The impairment test is based on identified cash generating units (CGUs) in the group. CGUs are changed if businesses are integrated or there are other organisational changes. CGUs are normally on a lower level than the segment classification and follows regions or separate companies, given that separate financial information is available. However, the largest parts of goodwill are allocated to the segments LINK arkitektur and Greater Oslo Area, as shown in the table below. CGUs identified to assess the value of the group's goodwill in 2020 and 2019 are disclosed in the table below. The carrying amounts of these cash generating units include property, plant and equipment, intangible assets, and allocated goodwill. Working capital cannot be split or reasonably allocated to the CGUs and is not included. Total net working capital was positive at year-end 2020, and with the headroom for each CGU it would not change any conclusions if working capital could be allocated.

GOODWILL SPECIFIED PER CASH GENERATING UNIT:

Amounts in NOK thousand	31.12.2020	31.12.2019	Belongs to segment
LINK arkitektur	151 615	148 669	LINK arkitektur
Greater Oslo Area	131 894	131 894	Region Oslo
Transportation	27 600	27 600	Region Oslo
North	40 817	40 817	Region Norway
West	39 381	39 381	Region Norway
Middle	9 166	9 166	Region Norway
Fredrikstad	9 098	9 098	Region Norway
Iterio	44 143	39 943	International
MC Polska	978	978	International
Total	**454 692**	**447 554**	

The recoverable amount is estimated value in use, based on discounted future cash flows. Future cash flows included in the impairment tests at the end of 2020 are based on board approved budget for 2021 and the company's strategy plan for the subsequent four years. In the test for 2020 IFRS 16 is included in both the DCF model and in the WACC. The growth in the forecast period of 2022 – 2025 is divided into an estimated growth in revenues, assumed to be in line with expected market outlook. The ambitions are profitability above peer-group average and strengthened operations and value creation, the assumed growth in cash flow and profitability is reflected in the budget and strategy plan period. The revenues in the budget is slightly affected by the uncertainty around the Covid-19 situation, however the EBIT margin is reasonable and according to the strategy, and in line with the realised results in 2020. After the forecast period a terminal value has been calculated, using a moderate growth in cash flow of 1.0 per cent, unchanged from the assumption used in the previous year impairment test.

Reinvestments in property, plant and equipment have been set below depreciation for the first five years and equal to depreciation in the terminal year for the purposes of the analysis. The business is not investment heavy, and the basis for maintaining the capacity for future cash flows is mainly investment in employees, which is reflected in the annual forecasted cash flows from operations. Therefore, EBIT is used as an estimate of cash flows in the terminal period. A calculated income tax has been included to be consistent with use of a post-tax discount rate.

The key assumptions are determined to be the units' ability to deliver as expected in ongoing contracts, win new contracts, and/or obtain extensions of existing contracts, and to obtain the assumed billing ratios. Furthermore, that the prices achieved in the contracts at least compensate for increased costs, especially employee expenses, thereby achieving the expected EBIT margin.

The discount rate in the analysis is set to 6.0 per cent (2019: 7.6 per cent) after tax based on a calculation of the weighted average cost of capital (WACC). The same discount rate has been used for all cash generating units since the asset beta has been deemed the same in all CGUs and segments that the group operates. The main reason for the decrease in WACC is a slightly decrease in cost of equity and also a slightly increase in cost of debt mainly due to a decrease in credit risk rate and increase in D/E gearing due to the fact that IFRS 16 is included in WACC for 2020 and was not included in 2019.

The key assumptions used in the value in use calculation which is most sensitive to changes is operating revenue. For the CGUs Greater Oslo Area, West, and Transportation the operating revenues must decrease by more than 10 per cent before an impairment occur. For Iterio the revenue needs to decrease more than 9 per cent, North more than 7.5 per cent and LINK arkitektur more than 5 per cent to indicate impairment.

The impairment tests have not resulted in any impairment for goodwill, property, plant and equipment or intangible assets related to any of the cash generating units. Management has evaluated that a reasonably possible change in key assumptions would not give rise to impairment on 31 December 2020.

NOTE 15 PROPERTY, PLANT AND EQUIPMENT

Amounts in NOK thousand	Buildings and other real estate	Other machines, plant, fixtures and fittings	Leasehold improvements	Total property, plant and equipment
Acquisition cost 1 January 2019	**8 396**	**330 403**	**62 542**	**401 341**
Additions	240	62 008	5 409	67 657
Disposals	-	13 467	431	13 897
Reclassification 31 December 2019	(109)	27 569	2 655	30 115
Currency translation differences	(106)	(1 058)	(85)	(1 250)
Acquisition cost 31 December 2019	**8 420**	**405 456**	**70 089**	**483 966**
Adjustment of opening balance	(204)	(3 432)	339	(3 298)
Additions	310	33 488	1 825	35 623
Disposals	-	12 894	-	12 894
Currency translation differences	519	2 685	179	3 383
Acquisition cost 31 December 2020	**9 044**	**425 303**	**72 433**	**506 780**
Acc. depreciation 1 January 2019	**1 632**	**245 646**	**51 573**	**298 850**
Depreciation for the year	842	40 211	6 121	47 175
Disposals	-	4 090	251	4 341
Reclassification 31 December 2019	2 931	25 540	1 643	30 115
Currency translation differences	(40)	(279)	(9)	(328)
Acc. depreciation 31 December 2019	**5 366**	**307 028**	**59 077**	**371 472**
Adjustment of opening balance	(204)	(3 291)	254	(3 241)
Depreciation for the year	908	39 177	3 579	43 633
Disposals	-	10 953	-	10 953
Currency translation differences	345	1 744	113	2 199
Acc. depreciation 31 December 2020	**6 414**	**333 705**	**63 022**	**403 140**
Carrying amount 1 January 2019	**6 764**	**84 757**	**10 969**	**102 490**
Additions	240	62 008	5 409	67 657
Depreciation for the year	842	40 211	6 121	47 175
Disposals	-	9 377	180	9 557
Reclassification 31 December 2019	(3 040)	2 029	1 011	-
Currency translation differences	(66)	(780)	(76)	(922)
Carrying amount 31 December 2019	**3 055**	**98 428**	**11 012**	**112 494**
Adjustment of opening balance	-	(141)	85	(56)
Additions	310	33 488	1 825	35 623
Disposals	-	1 942	-	1 942
Depreciation for the year	908	39 177	3 579	43 663
Currency translation differences	173	941	68	1 184
Carrying amount 31 December 2020	**2 630**	**91 598**	**9 411**	**103 640**
Useful life	10 - 50 years	3 - 8 years	Same as equivalent assets, max leasing period	
Depreciation plan	Straight-line	Straight-line		

NOTE 16 CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND RESTRICTED FUNDS

Cash and cash equivalents consist primarily of bank deposits.

Amounts in NOK thousand	31.12.2020	31.12.2019
Cash and bank deposits, excluding restricted cash	277 435	69 729
Restricted cash	-	3 829
Non-current financial assets, restricted funds	15 847	13 198
Total cash and cash equivalents and restricted cash	**293 282**	**86 756**

Restricted funds on 31 December 2020 relates mainly to Multiconsult Polska, on 31 December 2019 restricted funds relates mainly to Multiconsult Polska and LINK arkitektur A/S.

Restricted funds in Multiconsult Polska are bank balances of NOK 15.5 million on 31 December 2020 (NOK 13.5 million on 31 December 2019) as security for parts of the bank guarantees issued to customers, see note 21. These bank guarantees have terms from 2021 to 2029.

NOTE 17 ASSOCIATED COMPANIES AND JOINT ARRANGEMENTS

Amounts in NOK thousand	FPS	Concorcio SAM SpA	Norplan Tanzania	JV Indigo	Total
Opening balance 1 January 2019	**1 643**	**249**	**7 592**	**3 006**	**12 489**
Share of profit for the year	65	131	(365)	-	(169)
Currency effect	-	-	6	181	187
Closing balance 31 December 2019	**1 708**	**380**	**7 233**	**3 187**	**12 509**
Share of profit for the year	31	(122)	(2 179)	-	(2 269)
Currency effect	-	-	-	(13)	(13)
Closing balance 31 December 2020	**1 739**	**258**	**5 054**	**3 174**	**10 227**

None of the joint ventures and associated companies are deemed significant for the group, whether separately or combined. Consequently, no further details are provided.

Project partnership – joint operations

The group has for some projects entered into partnership agreements. Some of these have been assessed as joint operations. Participants work together to deliver a project in cooperation through a common project group. There are no assets in these project groups. Each participant is responsible for delivering the services that it has agreed to deliver, as well as being responsible for its own expenses and having a right to agreed revenues from the services the participant performs. Each participant uses its own assets, and obligations in the operation are limited to parts of the fee that may be held back to cover common costs (for example insurance premiums and travel expenses). One of the parties is typically appointed project manager with specific responsibilities in the project group. The participants have when it is relevant agreed that they are jointly and separately liable for the project deliverables. The main projects that are organised in this manner that are considered joint operations are Campus Ås, Kampflybasen, Tønsberg hospital, Fornebubanen and E39 Stord-Os Bjørnafjorden, Forsvarsbygg and the new hospital at Gaustad (nye Rikshospitalet), all in Norway. The group is the project manager, and there is no fixed participating share in these operations. In 2020 these projects contributed revenues of NOK 261 million (NOK 317 million in 2019).

NOTE 18 LEASES

Multiconsult has two classes of assets that has been reported as right-of-use assets: buildings (primarily office premises) and cars.

RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Amounts in NOK thousand	Asset	Liabilities
Balance 1 January 2019	1 002 261	1 001 702
Additions	41 131	41 413
Depreciation	(139 569)	N/A
Interest expense	N/A	37 134
Lease payments (interest and instalments)	N/A	(159 827)
Terminations	(4 251)	(4 332)
Currency	(1 363)	(1 534)
Balance 31 December 2019	**898 208**	**914 558**
Additions	86 520	86 520
Reassessments	(4 009)	(4 009)
Depreciation	(145 694)	N/A
Impairment	(30 000)	N/A
Interest expense	N/A	34 667
Lease payments (interest and instalments)	N/A	(168 737)
Terminations	(1 318)	(1 221)
Currency	2 374	2 756
Balance 31 December 2020	**806 081**	**864 533**

Depreciation charge for right-of-use assets (previously operating lease), is split by class of underlying asset as follows (amounts in NOK thousand):

Amounts in NOK thousand	2020	2019
Property	143 331	135 733
Cars	2 363	2 271
Total	**145 694**	**138 004**

Based on impairment indicators the group has performed an assessment of recoverable amount of the group's property right-of-use (ROU) assets. The indicators identified is related to a change in the use of the right-of-use assets. Recoverable amount is estimated to be NOK 30 million lower than book value. Therefore, the group has recognised an impairment loss of NOK 30 million in 2020. The impairment loss is recognised in segment Not allocated.

The carrying amount of right-of-use assets at the end of the reporting period by class of underlying asset is as follows:

Amounts in NOK thousand	31.12.2020	31.12.2019
Property	800 434	893 684
Cars	5 647	4 524
Total	**806 081**	**898 208**

SHORT-TERM LEASES AND LOW-VALUE ASSET LEASE EXPENSE

The expenses related to short-term leases (less than 12 months) and low-value assets are summarised in the table below. For these leases the practical expedients in IFRS 16 has been applied, and the lease payments associated with those leases are recognised as an expense and classified as other operating expenses.

Amounts in NOK thousand	2020	2019
Short-term leases	15 093	35 882
Low value asset	6 279	3 257
Total	**21 372**	**39 139**

UNDISCOUNTED LEASE LIABILITIES AND MATURITY OF CASH OUTFLOWS

31 December 2020

Amounts in NOK thousand	Office premises	Property, plant and equipment	Total
Due within 1 year	159 581	2 472	162 053
Due more than 1 year, but within 5 years	540 362	269	540 630
Due more than 5 years	280 910	-	280 910
Total undiscounted lease liabilities	**980 853**	**2 741**	**983 594**

31 December 2019

Amounts in NOK thousand	Office premises	Property, plant and equipment	Total
Due within 1 year	156 589	2 306	158 895
Due more than 1 year, but within 5 years	534 531	2 483	537 014
Due more than 5 years	357 985	-	357 985
Total undiscounted lease liabilities	**1 049 105**	**4 789**	**1 053 894**

The group has renewal options for several contracts that are not recognised, as per the principles described in note 2A. For material contracts we estimate that the lease cash outflows due more than five and less than ten years would have been NOK 80 million higher.

The group has not entered into any new material lease agreements not yet recognised in the consolidated statement of financial position.

NOTE 19 OTHER CURRENT LIABILITIES

Amounts in NOK thousand	31.12.2020	31.12.2019
Salaries payable, holiday pay, bonus etc.	304 453	275 088
Other accrued expenses	18 983	9 977
Other	11 469	13 595
Total other current liabilities	**334 905**	**298 660**

NOTE 20 PROVISIONS, DISPUTES AND CONTINGENT LIABILITIES

The group completes a significant number of assignments during a year. Normally, the group enters into agreements with the customers limiting its responsibilities. During the execution of an assignment, defects or damages as a result of the deliveries may be identified that could lead to claims being made towards the group. When it is probable (over 50 per cent) that a claim will result in outflow of economic resources from the group, a provision for the estimated liability is recognised.

The provisions are presented as liabilities in the balance sheet, while the expected reimbursements from the insurance company related to recognised provisions are presented as a separate asset.

PROJECT RESPONSIBILITY

Amounts in NOK thousand	31.12.2020	31.12.2019
Gross provisions	31 222	36 000
Assets for reimbursement of provisions	23 172	28 850
Net provisions	**8 050**	**7 150**

The reimbursement from the insurance company is directly linked to the cases and the actual additions, settlements and reversals are estimated and incurred simultaneously. Consequently, the table below present changes in the provisions net of the assets for reimbursement.

Amounts in NOK thousand	Project responsibility
Net provisions 1 January 2019	**19 050**
Additions	3 850
Reversals	(700)
Utilised	(15 050)
Net provisions 31 December 2019	**7 150**
Additions	3 750
Reversals	(800)
Utilised	(2 050)
Net provisions 31 December 2020	**8 050**

The date for settlement of project responsibility cases is often outside the group's control and it is not possible to make a reliable estimate of settlement dates. The processes are extensive with negotiations with many parties and often results in long legal processes. The time-period from reporting a case to final settlement can take several years. The size of the settlement can vary considerably. The provision related to a claim is calculated on the basis of the expected compensation, own risk deductibles and the claimed amount. As a consequence of the inherent uncertainty in both amount and timing of the settlement, the provision is not discounted.

The company's insurance coverage for project responsibilities is primarily based on a collective agreement for engineering consultants. The insurance coverage is standard for such agreements, with an own risk deductible of NOK 300 thousand per case and normally a maximum coverage of up to 150 G (approximately NOK 15.0 million at 31 December 2020), except where it is determined gross negligence.

The company performs a thorough review of each claim. Project responsibility cases therefore lead to both recognised provisions and contingent liabilities where no provision has been recognised because the group has assessed the probability of an outflow of economic resources from the group to be below 50 per cent.

In general, Multiconsult has experienced an increase in the number of and size of potential legal disputes, which potentially may, in adverse circumstances, have negative financial impact.

The legal dispute related to rehabilitation of Prinsens gate 26, the Norwegian Parliament building, with Stortinget was settled in Q2 2019. This was reported as net write-down and impacted net operating revenues with NOK 20.2 million in Q2 2019. The settlement is reflected in the decrease in provision on 31 December 2019. The provision on 31 December 2020 is related to several projects, but there is no significant provision related to any single project.

NOTE 21 GUARANTEES, PLEDGES AND SECURITIES PROVIDED

GUARANTEE OBLIGATIONS NOT RECOGNISED IN THE BALANCE SHEET

Amounts in NOK thousand	31.12.2020	31.12.2019
Bank guarantee - guarantees towards customers	111 806	68 238
Bank guarantee - guarantees for other obligations	40 027	38 050
Guarantee - employee tax deductions	134 600	134 600
Parent company guarantees - for associates and joint ventures	3 600	3 600
Parent company guarantees - for subsidiaries	21 369	14 768
Total guarantees	**311 402**	**259 256**

Bank guarantees towards customers are related to assignments where the customer demands security for contract responsibilities. Other bank guarantees are primarily guaranteeing for rent of premises.

At the end of 2020, Johs Holt AS, LINK arkitektur AS, Multiconsult Norge AS and Multiconsult ASA holds guarantees for employee tax deductions for a total of NOK 134.6 million.

Parent company guarantees on 31 December 2020 relates to rent of premises of NOK 21.4 million towards subsidiaries and a parent company guarantee of NOK 3.6 million to a joint venture for development of Follobanen.

The parent company's bank facility agreements with the Lender includes a negative pledge clause in relation to new borrowings of the group. Multiconsult ASA has provided a surety in the amount of NOK 600 million towards the Lender, and Multiconsult Norge has pledged trade receivables, inventory and property, plant and equipment, with carrying amounts of NOK 436.2 million, NOK 0 and NOK 85.1 million, respectively on 31 December 2020.

Multiconsult ASA has provided a surety in the amount of NOK 5 million for LINK arkitektur AS' liabilities towards the Lender.

On 31 December 2020, Multiconsult ASA had a guarantee facility of NOK 120 million, of which NOK 54.8 million was drawn (2019: NOK 46.1 million). Multiconsult ASA or any fully owned subsidiary (under surety from Multiconsult ASA) may draw under the guarantee facility. The guarantee facility is renewed annually but guarantees included in the limit may have a term of up to five years.

Multiconsult Polska holds a bank guarantee facility of PLN 55 million, NOK 126.3 million, under which PLN 40.1 million, NOK 92.2 million was drawn on 31 December 2020. A cash deposit is required for employee tax deductions, VAT account and issued guarantees in Poland, and these deposits is held on bank accounts in the name of Multiconsult Polska. This is restricted cash and amounted to a total of PLN 6.8 million, NOK 15.5 million on 31 December 2020, included in cash and cash equivalents in the balance sheet, see note 16.

NOTE 22 SHAREHOLDER INFORMATION

The following table shows shareholders owning 1 per cent or more of Multiconsult ASA shares on 31 December 2020:

	Number of shares	Ownership share
Stiftelsen Multiconsult	5 855 439	21.7%
Protector Forsikring ASA	4 043 344	15.0%
Odin Norge	2 186 578	8.1%
Stenshagen Invest AS	1 130 519	4.2%
Vevlen Gård AS	819 368	3.0%
OBOS BBL	666 572	2.5%
VJ Invest AS	645 512	2.4%
AAT Invest AS	500 000	1.9%
Morgan Stanley & Co. Ont. Plc.	497 114	1.8%
Verdipapirfondet Holberg Norge	416 301	1.5%
Verdipapirfondet Pareto Invest	373 500	1.4%
Varner Equities AS	323 739	1.2%
Brekke	274 917	1.0%
Other	9 237 491	34.3%
Total number of shares	**26 970 394**	**100%**

Total number of shares are 26 970 394 with par value per share of NOK 0.50. All shares that are part of the parent company's share capital belong to the same share class with the same rights. The company's articles of association set forth that no shareholder, including such shareholder's close associates, may vote for more than 25 per cent of the shares at the general meeting.

The number of treasury shares (own shares) at the end of 2020 was 40 741 (2019: 16 shares). During 2020 and 2019, the company purchased own shares that were sold in the employee share purchase programme, see note 9.

The Annual General Meeting held on 22 April 2020 authorised the board of directors pursuant to §10-14 (1) of the Public Limited Liability Companies Act to increase the company's share capital by up to NOK 1 348 520 in one or more share issues. The authority may only be used to issue shares as consideration in connection with acquisitions, to finance acquisitions or to issue shares in connection with incentive schemes for the employees of the Multiconsult group. The shareholders' pre-emptive rights under §10-4 of the Public Limited Liability Companies Act may be set aside. The authority covers capital increases against contributions in cash and contributions other than in cash. The authority covers the right to incur special obligations for the Company, ref. §10-2 of the Public Limited Liability Companies Act. The authority covers resolutions on mergers in accordance with §13-5 of the Public Limited Liability Companies Act. The authority may also be used in take-over situations, ref. §6-17 (2) of the Securities Trading Act.

The Annual General Meeting held on 22 April 2020 authorised the board of directors pursuant to §9-4 of the Public Limited Liability Companies Act to acquire shares in the company ("own shares") on behalf of the company with an aggregate nominal value of up to 1 348 520. If the company disposes of own shares, this amount shall be increased by an amount equal to the nominal value of the shares disposed of. When acquiring own shares, the consideration per share may not be less than NOK 5 and not exceed NOK 250. The board of directors determines the methods by which own shares can be acquired or disposed of.

Both authorities described above shall remain in force until the Annual General Meeting in 2021, but in no event later than 30 June 2021.

NOTE 23 RELATED PARTIES

The group's related parties are:
Key management personnel, close members of the family of a person and entities that are controlled or jointly controlled by any of these. Key management personnel are defined as the board of directors and the executive management. See note 9 Employee benefit expenses for information on remuneration for key management personnel and information on share ownership. There were no other transactions with key management personnel in 2020 and 2019.

Stiftelsen Multiconsult had an ownership share of 21.7 per cent on 31 December 2020 (21.3 per cent on 31 December 2019). The company's assessment is that Stiftelsen Multiconsult has significant influence. Multiconsult has recognised revenues from sales to Stiftelsen Multiconsult of NOK 3 419 thousand in 2020 (NOK 4 965 thousand in 2019) and had receivables of NOK 488 thousand on 31 December 2020 (NOK 659 thousand on 31 December 2019). As part of completing the 2019 share buyback programme Multiconsult ASA entered into a share loan agreement with its largest shareholder Stiftelsen Multiconsult. The deal was entered into on 4 December 2019 for a loan of 100 000 Multiconsult shares in connection with the implementation of the 2019 employee share purchase programme. Multiconsult delivered the full amount of shares back to Stiftelsen Multiconsult during first quarter 2020. In consideration for the share loan, Multiconsult paid to Stiftelsen Multiconsult an amount corresponding to 2 per cent p.a. based on 100 000 shares at a value of NOK 64 per share. Total interest paid on the loan in 2020 amounted to NOK 39 thousand. The loan of NOK 6 400 thousand is presented as current interest-bearing liability in the balance sheet statement on 31 December 2019.

The company and its subsidiaries are also considered related parties. Transactions and balances are eliminated in the consolidated financial statements and are not disclosed in this note for the group. Refer also to note 17 for the parent company.

Refer to note 17 Associated companies and joint arrangements for more information on these related parties.

TRANSACTIONS AND BALANCES WITH JOINT VENTURES AND ASSOCIATED COMPANIES

Amounts in NOK thousand	2020	2019
Revenues	25 029	31 103
Expenses	2 370	6 460
Receivables	46	3 224
Liabilities	47	9
Guarantees provided	3 600	3 600

NOTE 24 EARNINGS PER SHARE AND DIVIDENDS

In 2020 and 2019, there were no potential dilutive effects on earnings that are attributable to owners of Multiconsult ASA or on the number of shares. Basic and diluted earnings per share are therefore the same.

	2020	2019
Profit after tax attributable to owners of Multiconsult ASA (NOK thousand)	249 209	35 110
Weighted average number of shares (excl. treasury shares)	26 930 713	26 957 519
Earnings per share	**9.25**	**1.30**
DIVIDENDS		
Dividends paid to owners of Multiconsult ASA (NOK thousand)	53 626	40 456
Dividends per share	**2.00**	**1.50**

Dividends proposed after 31 December 2020 (NOK thousand) [1]	215 763
Dividends proposed after 31 December 2020 (per share) [1]	8.00

[1] Dividends to be adopted by the Annual General Meeting 19 April 2021.

NOTE 25 EVENTS AFTER THE REPORTING PERIOD

After the reporting period ended on 31 December 2020 and up to the date these consolidated financial statements have been approved for issue, no events have been identified that require disclosure.

ALTERNATIVE PERFORMANCE MEASURES (APM)

MARGINS AND RATIOS

Amounts in NOK thousand	2020	2019
EBITDA	598 686	299 133
Net operating revenues	3 660 936	3 435 835
EBITDA margin	**16.4%**	**8.7%**
EBIT	371 047	106 329
Net operating revenues	3 660 936	3 435 835
EBIT margin	**10.1%**	**3.1%**

Amounts in NOK thousand	31.12.2020	31.12.2019
Total shareholders' equity	773 615	581 413
Total assets	2 718 185	2 674 284
Equity ratio	**28.5%**	**21.7%**

ADJUSTED

Reported figures adjusted for restructuring cost and other items affecting comparability. EBIT ex. restructuring cost is calculated by (i) excluding one-off nextLEVEL restructuring cost of NOK 30.0 million in Q3 and YTD 2020, and (ii) excluding one-off charges of NOK 30.2 million in first half 2019 and NOK 4.0 million severance/restructuring cost Q4 2019.

Amounts in NOK thousand	2020	2019
Net operating revenues	3 660 936	3 435 835
Legal settlement P26	-	20 192
Adjusted net operating revenues	**3 660 936**	**3 456 027**
Operating expenses excluding depreciation and amortisation	3 062 250	3 136 702
Restructuring cost	-	(14 000)
Adjusted operating expenses excluding depreciation and amortisation	**3 062 250**	**3 122 702**
Adjusted net operating revenues	3 660 936	3 456 027
Adjusted operating expenses excluding depreciation and amortisation	3 062 250	3 122 702
EBITDA ex. restructuring cost	**598 686**	**333 325**
Depreciation and amortisation	197 639	192 804
Impairment	30 000	-
Restructuring cost	(30 000)	-
Adjusted depreciation, amortisation and impairment	**197 639**	**192 804**

EBITDA ex. restructuring cost	598 686	333 325
Adjusted depreciation, amortisation and impairment	197 639	192 804
EBIT ex. restructuring cost	**401 047**	**140 521**

EBITDA ex. restructuring cost	598 686	333 325
Adjusted net operating revenues	3 660 936	3 456 027
EBITDA margin ex. restructuring cost	**16.4%**	**9.6%**

EBIT ex. restructuring cost	401 047	140 521
Adjusted net operating revenues	3 660 936	3 456 027
EBIT margin ex. restructuring cost	**11.0%**	**4.1%**

CALENDAR EFFECT

There was a calendar effect of two more working days which had a positive impact on Net operating revenue and EBIT of approximately NOK 28.3 million compared to 2019.

Amounts in NOK thousand	2020	2019
EBIT ex. restructuring cost	401 047	140 521
Estimated calendar effect	(28 320)	-
EBIT ex. restructuring cost and adjusted for calendar effect	**372 727**	**140 521**

EBIT ex. restructuring cost and adjusted for calendar effect	372 727	140 521
Adjusted net operating revenues including calendar effect	3 660 936	3 456 027
EBIT margin ex. restructuring cost and adjusted for calendar effect	**10.3%**	**4.1%**

COVENANTS

APMs relevant in calculating loan covenants and financial targets.

Covenant net interest-bearing liabilities/EBITDA

Amounts in NOK thousand	31.12.2020	31.12.2019
Cash and cash equivalents, excluding restricted cash	277 435	69 729
Cash and cash equivalents, restricted cash	-	3 829
Non-current financial assets, restricted funds	15 847	13 198
Interest-bearing liabilities	864 533	1 092 958
Net interest-bearing liabilities including IFRS 16 lease liabilities	**571 252**	**1 006 203**
Non-current and current IFRS 16 lease liabilities	864 533	914 558
Net interest-bearing liabilities excluding IFRS 16 lease liabilities	**(293 282)**	**91 645**
Net interest-bearing liabilities excluding IFRS 16 lease liabilities, restricted cash and restricted funds	**(277 435)**	**108 671**

Amounts in NOK thousand	2020	2019
Operating profit before depreciation and amortisation (EBITDA)	598 686	299 133
Lease payments recognised as operational cost prior to IFRS 16 implementation	(168 767)	(158 538)
EBITDA excluding IFRS 16 effects	**429 918**	**140 595**

Amounts in NOK thousand	31.12.2020	31.12.2019
Net interest-bearing liabilities excluding IFRS 16 lease liabilities, restricted cash and restricted funds	(277 435)	108 671
EBITDA excluding IFRS 16 effects	429 918	140 595
Net interest-bearing liabilities/EBITDA (covenant net interest-bearing liabilities/EBITDA)	**(0.65)**	**0.77**

Covenant equity ratio

Amounts in NOK thousand	31.12.2020	31.12.2019
Total shareholders' equity	773 615	581 413
Right-of-use assets	(806 081)	(898 208)
Non-current lease liabilities	733 035	789 618
Current lease liabilities	131 499	124 940
Total shareholders' equity excluding IFRS 16 assets and liabilities	**832 068**	**597 763**

Total assets	2 718 185	2 674 284
Right-of-use assets	(806 081)	(898 208)
Total assets excluding IFRS 16 assets	**1 912 105**	**1 776 076**

Total shareholders' equity excluding IFRS 16 assets and liabilities	832 068	597 763
Total assets excluding IFRS 16 assets	1 912 105	1 776 076
Equity ratio excluding IFRS 16 assets and liabilities (covenant equity ratio)	**43.5%**	**33.7%**

PROJECT: **LERVIK FIRE STATION, STAVANGER**
ILLUSTRATION: **LINK ARKITEKTUR/K2 VISUAL**

ANNUAL ACCOUNTS PARENT COMPANY

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME MULTICONSULT ASA

Amounts in NOK thousand	Note	2020	2019
Operating revenues	4	58 003	55 545
Expenses for sub-contractors and disbursements		943	3 929
Net operating revenues		**57 060**	**51 616**
Employee benefit expenses	5	55 787	57 868
Other operating expenses	6	22 689	44 143
Operating expenses excluding depreciation and amortisation		**78 476**	**102 011**
Operating profit before depreciation and amortisation (EBITDA)		**(21 416)**	**(50 395)**
Depreciation and amortisation	10, 11	3 841	3 713
Operating profit (EBIT)		**(25 257)**	**(54 108)**
Financial income	7	7 613	9 143
Group contribution	7	32 002	61 458
Financial expenses	7	15 209	10 748
Net financial items		**24 406**	**59 853**
Profit before income taxes		**851**	**5 745**
Income tax expenses	8	(447)	13 479
Profit (loss) and comprehensive income for the year		**(404)**	**(7 734)**
Allocation of the profit (loss) for the year			
Transferred to (from) other equity		(216 167)	(7 734)
Dividend		215 763	-
Total allocated		**(404)**	**(7 734)**

STATEMENT OF FINANCIAL POSITION MULTICONSULT ASA – ASSETS

Amounts in NOK thousand	Note	31.12.2020	31.12.2019
ASSETS			
Non-current assets			
Deferred tax assets	8	289	-
Intangible assets	10	17 456	21 125
Property, plant and equipment	11	-	454
Total non-current non-financial assets		**17 745**	**21 578**
Investments in subsidiaries	13	733 141	733 141
Investments in associates and joint ventures	13	2 082	2 082
Other non-current financial assets	16	25 640	19 236
Total non-current financial assets		**760 863**	**754 459**
Total non-current assets		**778 608**	**776 037**
Current assets			
Trade receivables	9	8 673	18 779
Work in progress	9	-	158
Other current receivables	9	83 082	97 823
Total receivables		**91 755**	**116 760**
Cash and cash equivalents	12	261 628	57 885
Total current assets		**353 383**	**174 645**
TOTAL ASSETS		**1 131 990**	**950 682**

STATEMENT OF FINANCIAL POSITION MULTICONSULT ASA – EQUITY AND LIABILITIES

Amounts in NOK thousand	Note	31.12.2020	31.12.2019
EQUITY AND LIABILITIES			
Equity			
Total paid-in equity		85 988	91 243
Other equity		124 183	397 557
Total equity		**210 171**	**488 800**
Non-current liabilities			
Deferred tax	8	-	257
Non-current interest-bearing liabilities	3	-	-
Other non-current liabilities	17	-	41 000
Total non-current liabilities		**41 257**	**41 257**
Current liabilities			
Trade payables		3 376	44 213
Current tax liabilities	8	-	-
Public duties payable		3 265	2 557
Dividends payable		215 763	-
Current interest-bearing liabilities	3	-	178 400
Other current liabilities	15	699 415	195 454
Total current liabilities		**921 819**	**420 625**
Total liabilities		**921 819**	**461 882**
TOTAL EQUITY AND LIABILITIES		**1 131 990**	**950 682**

The board and CEO of Multiconsult ASA
Oslo, 25 March 2021

Bård Mikkelsen
Chair of the board

Runar Tyssebotn
Director

Kristine Landsnes Augustson
Director

Hanne Rønneberg
Director

Tove Raanes
Director

Simen Lieungh
Director

Liv-Kristine Rud
Director

Rikard Appelgren
Director

Grethe Bergly
CEO

STATEMENT OF CASH FLOWS MULTICONSULT ASA

Amount in NOK thousand *+ are cash increasing and - are cash reducing effects*	Note	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income taxes		(851)	5 745
Employee share purchase programme - non-cash profit and loss item		(50)	28
Depreciation and amortisation	10, 11	3 841	3 713
Group contribution		(32 002)	(61 458)
Income taxes paid during the period		-	(13 251)
Sub-total cash flow from operating activities		**(29 062)**	**(65 222)**
Changes in trade receivables and work in progress		10 264	(9 505)
Changes in other current receivables		14 741	(95 046)
Changes in trade payables		(40 837)	31 899
Changes in other current liabilities and public duties payable		504 669	109 625
Other adjustments		31 983	79 467
Sub-total change in working capital		**520 820**	**116 440**
Net cash flows from operating activities		**491 757**	**51 218**
CASH FLOWS FROM INVESTING ACTIVITIES			
Net payments on acquisition and sale of property, plant and equipment and intangible assets	10, 11	300	(2 210)
Change in loans to subsidiaries and associates		(47 404)	39 812
Net cash flows from investing activities		**(47 104)**	**37 602**
CASH FLOWS FROM FINANCING ACTIVITIES			
Purchase treasury shares		(58 774)	(12 192)
Sale treasury shares		49 889	-
Dividends paid		(53 626)	(40 456)
Proceeds and payments from borrowings		(178 400)	19 500
Net cash flow from financing activities		**(240 911)**	**(33 148)**
Net change in cash and cash equivalents		203 743	55 672
Cash and cash equivalents 1 January	12	57 885	2 213
Cash and cash equivalents 31 December	12	**261 628**	**57 885**

STATEMENT OF CHANGES IN EQUITY MULTICONSULT ASA

Amounts in NOK thousand	Share capital	Treasury shares	Share premium	**Total paid-in equity**	Retained earnings	Remeasurement pensions	**Total equity**
31 December 2018	**13 485**	**-**	**77 759**	**91 244**	**607 824**	**(201 985)**	**497 084**
Treasury shares	-	(1)	-	**(1)**	-	-	**(1)**
Employee share purchase programme (net of tax)	-	-	-	**-**	(548)	-	**(548)**
Dividend declared	-	-	-	**-**	-	-	**-**
Total comprehensive income for the period	-	-	-	**-**	(7 734)	-	**(7 734)**
31 December 2019	**13 485**	**(1)**	**77 759**	**91 243**	**599 542**	**(201 985)**	**488 800**
Treasury shares	-	(5 255)	-	(5 255)	-	-	**(5 255)**
Employee share purchase programme (net of tax)	-	-	-	-	(3 582)	-	**(3 582)**
Dividend	-	-	-	-	(53 626)	-	**(53 626)**
Dividend declared	-	-	-	-	(215 763)	-	**(215 763)**
Total comprehensive income for the period	-	-	-	-	(404)	-	**(404)**
31 December 2020	**13 485**	**(5 256)**	**77 759**	**85 988**	**326 168**	**(201 985)**	**210 171**

See note 9 to the consolidated financial statements for information about treasury shares and employee share purchase programme.

NOTES TO THE FINANCIAL STATEMENTS MULTICONSULT ASA

NOTE 1 GENERAL INFORMATION

Multiconsult ASA ("parent company" or "company") is the parent in the Multiconsult group ("Multiconsult" or "the group"). With effect from 1 January 2017, the company demerged its operating activities to Multiconsult Norge AS. Subsequent to the demerger, the company is a parent company and contains parts of the group management and corporate functions. After the demerger, revenues primarily comprise sales of group services to Multiconsult subsidiaries, primarily on a cost-plus basis.

These financial statements were approved by the board of directors on 25 March 2021 for adoption by the Annual General Meeting on 19 April 2021.

NOTE 2 BASIS FOR PREPARATION

The group prepares the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU (IFRS) and the Norwegian Accounting Act. References to "IFRS" in these financial statements mean IFRS as adopted by the EU. The company prepares the company financial statements in accordance with the Norwegian Accounting Act and regulation for simplified application of International Financial Reporting Standards (simplified IFRS).

The company's financial statements have been prepared on a historical cost basis, except for derivatives that are measured at fair value. The financial statements are presented in Norwegian kroner (NOK), which is also the functional currency of the company. Amounts are rounded to the nearest thousand, unless stated otherwise. As a result of such rounding differences, amounts and percentages may not add up to the total.

Principles for recognition and measurement are in accordance with IFRS and the policies are applied as described in the consolidated financial statements, except as specified in the regulation for simplified IFRS. Furthermore, mergers of subsidiaries are based on the carrying values of the group, and the difference between the carrying value of shares before the merger and the net assets related to the merged subsidiary is recognised in equity. This is because this is a common control transaction. Demergers are based on the carrying values of the company. Comparative figures are not restated. Disclosure requirements are in accordance with the requirements in the Norwegian Accounting Act with additions as specified in the regulation for simplified IFRS. Presentation of the primary financial statements is similar to the group. Options in the regulation for simplified IFRS that have not been applied are not relevant to the company. The option in the regulation for simplified IFRS which the company has utilised in recognition and measurement and which differ from the consolidated financial statements are:

Dividends and group contribution
Dividends and group contributions are recognised in accordance with the Accounting Act, which entails that dividends and group contributions are recognised in the reporting period to which they relate.

Investment in subsidiaries, associated companies and joint ventures
Investment in subsidiaries, associated companies and joint ventures are recognised using the cost method. In accordance with the cost method, the investment is recognised at historical cost less any impairment. Dividends and group contributions are recognised as financial income. Group contributions to subsidiaries are recognised as part of cost of investment.

Standards effective from 1 January 2020
Several limited scope amendments and interpretations effective as from 1 January 2020 had no material impact on the group. This include but is not limited to amendments to IFRS 9 and IFRS 7 following the Interest Rate Benchmark Reform, Amendments to References to the Conceptual Framework in IFRS Standards, Amendments to IFRS 3 Definition of a business and Amendments to IAS 1 and IAS 8 Definition of material. The company had no material impact following the issuing and implementation of Covid-19-Related Rent Concessions (Amendment to IFRS 16).

Standards not yet effective
IFRS 17 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. The standard is effective for reporting periods beginning on or after 1 January 2021. This standard is not applicable to Multiconsult ASA. A number of limited scope amendments and interpretations have been issued. These amendments and interpretations have been assessed to have no material impact on the company.

NOTE 3 FINANCIAL RISK MANAGEMENT

Credit risk is primarily related to loans and receivables to subsidiaries and bank deposits. The carrying amount of the company's financial instruments is a reasonable approximation to fair value. The company's credit risk is considered limited. Operational currency risk is limited, but the company has some direct and indirect investments in shares in foreign subsidiaries and associates, for which the fair value will be currency exposed. Change in fair value of these shares is not recognised in the financial statements unless the shares become impaired. Liquidity risk is primarily related to a bank loan and payables to subsidiaries and dividends. Interest rate risk is primarily related to the bank loan, bank deposits and interest rate swaps.

The company mainly holds receivables and financial liabilities measured at amortised cost. The company also holds interest rate derivatives that are financial liabilities at fair value through profit or loss. The derivatives are disclosed in note 3 to the consolidated financial statements.

The company has a guarantee for employees' tax deductions amounting to NOK 10.0 million on 31 December 2020 (NOK 10.0 million on 31 December 2019). The company has issued sureties (financial guarantees) of in total NOK 600 million on 31 December 2020 and 2019 for Multiconsult Norge AS's liabilities to the Lender, sureties of NOK 5 million at 31 December 2020 and 2019 for Link arkitektur AS's liabilities to the Lender, and a guarantee of NOK 3.6 million for a joint venture company of the group. See note 12 for further specification of guarantees.

See note 3 to the consolidated financial statements for additional information on financial risks.

NOTE 4 OPERATING REVENUES FOR THE PARENT COMPANY

Amounts in NOK thousand	**2020**	**2019**
GEOGRAPHICAL PER CUSTOMER LOCATION		
Norway	52 879	53 486
Outside Norway	5 123	2 059
Total operating revenues	**58 003**	**55 545**

Revenues comprise primarily sales of group services to Multiconsult subsidiaries on a cost-plus basis.

NOTE 5 EMPLOYEE BENEFIT EXPENSES, NUMBER OF EMPLOYEES, REMUNERATION, LOANS TO EMPLOYEES, PENSIONS ETC.

EMPLOYEE BENEFIT EXPENSES

Amounts in NOK thousand	**2020**	**2019**
Salaries, vacation pay, bonus etc.	47 465	46 290
Social security tax	5 327	7 306
Pension expenses	2 949	2 954
Other employee benefit expenses	495	1 407
Reduction to employee benefit expenses related to share purchase programme [2]	(448)	(89)
Total employee benefit expenses	**55 787**	**57 868**
Number of full time employees during the year [1]	27	24
Number of employees on 31 December	23	25

[1] Number of full-time employees is calculated as the total number of working hours (including overtime and paid sick leave) divided on normal working hours per full time employee for the period.

[2] See employee share purchase programme below.

Refer to note 9 in the consolidated financial statements for information on remuneration and share ownership related to executive management and the board of directors, and the share purchase programme.

Multiconsult ASA has established pension plans that comply with the requirements in the Act on Mandatory company pensions. At end of 2020, there was 24 active employees in the contribution plan (26 at the end of 2019). Annual contributions to the plan are 5.55% for contribution basis between 1G and 7.1G, and 18% of the contribution basis between 7.1G and 12G. G is a base amount annually approved by the Norwegian parliament, and was NOK 101 351 per 31 December 2020.

EMPLOYEE SHARE PURCHASE PROGRAMME

In 2020, employees of the company purchased 17 784 shares in the employee share purchase programme (9 361 shares in 2019). The variable performance-based bonus scheme was not held in 2020. Key management personnel signed up for 2 262 shares in the variable performance-based bonus scheme in 2019. See note 9 to the consolidated financial statements for further information about the bonus scheme for key management personnel.

The discount is partially recognised as an expense and partially recognised to equity. See accounting policies for the group for further description.

Amounts in NOK thousand	**2020**	**2019**
Employee benefit expenses	(50)	28
Recognised directly to equity (before tax)	448	89
Total discount employees of Multiconsult ASA	**398**	**117**

Amounts in NOK thousand	2020	2019
Reduction to employee benefit expenses	(448)	(89)
Recognised directly to equity (before tax)[1]	448	89

[1] The amount recognised directly to equity as a discount may deviate from the amount recognised in the statement of equity before tax, if the payments to acquire own shares deviates from the market price for the shares used as basis for calculating the discount.

Employees have been granted loans (maximum 3/5 G, NOK 61 thousand per employee) for the remaining payment for the shares, with outstanding balance on 31 December 2020 of NOK 957 thousand (NOK 435 thousand on 31 December 2019).

NOTE 6 OTHER OPERATING EXPENSES

Amounts in NOK thousand	2020	2019
Rental and other expenses for premises	176	349
Consultants	8 084	20 900
Technical equipment	65	38
Office expenses, IT	6 358	8 317
Travel and per diem allowance	285	1 157
Marketing	1 274	1 506
Losses on receivables	-	-
Gain on sale of fixed assets	(30)	(315)
Other	6 477	12 190
Total operating expenses	**22 689**	**44 143**

AUDITOR

Amounts in NOK thousand	2020	2019
Statutory audit services	1 006	1 211
Tax advisory services	-	67
Other assurance services	5	45
Other non-audit services	-	-
Total	**1 011**	**1 323**

The amounts above are excluding VAT.

NOTE 7 FINANCIAL ITEMS

Amounts in NOK thousand	2020	2019
Interest income from group companies	935	3 082
Other interest income	327	485
Other financial income	3 980	94
Gains on derivatives	775	782
Dividends	1 595	4 700
Financial income	**7 613**	**9 143**
Group contribution from subsidiaries[1]	**32 002**	**61 458**
Interest expense to group companies	281	276
Other interest expenses	4 449	8 854
Loss on derivatives	2 870	-
Other financial expenses	7 609	1 618
Financial expenses	**15 209**	**10 748**
Net financial items	**24 406**	**59 853**

[1] In 2020 Multiconsult ASA received group contribution of NOK 32 002 thousand from Multiconsult Norge AS. In 2019 Multiconsult received group contribution of NOK 39 750 thousand from Multiconsult Norge AS and NOK 21 707 thousand from LINK arkitektur AS.

NOTE 8 INCOME TAXES

THE INCOME TAX EXPENSES IN THE STATEMENT OF INCOME FOR THE YEAR ARE AS FOLLOWS:

Amounts in NOK thousand	2020	2019
Income taxes payable	99	19
Net withholding tax after tax credit	-	-
Regulation of previous years' income taxes	-	13 247
Changes in deferred taxes	(546)	212
Effects from changes in tax rate	-	-
Income tax expenses	**(447)**	**13 479**

RECONCILIATION FROM NOMINAL TO ACTUAL TAX RATE:

Amounts in NOK thousand	2020	2019
Profit before income taxes	**(851)**	**5 745**
Expected income tax expenses based on nominal tax rate in Norway (22%/22%)	(187)	1 264
Tax effect of the following items:		
Non-deductible expenses	91	1
Dividend	(351)	(1 034)
Non-taxable part of group contribution	-	-
Effect of change in tax rate	-	-
Regulation of previous years' income taxes	-	13 247
Net withholding tax after tax credit	-	-
Income tax expenses	**(447)**	**13 479**
Effective tax rate	52.6%	234.6%

SPECIFICATION OF THE TAX EFFECT OF TEMPORARY DIFFERENCES:

Amounts in NOK thousand	31.12.2020	31.12.2019
Non-current assets	(104)	(134)
Current assets	350	(136)
Liabilities and provisions	44	13
Deferred tax assets/(liabilities) in the balance sheet	**289**	**(257)**

RECONCILIATION OF DEFERRED TAX ASSETS IN THE BALANCE SHEET:

Amounts in NOK thousand	2020	2019
Deferred tax assets 1 January	(257)	(45)
Change in deferred taxes recognised in the income statement	546	(212)
Effect of changes in tax rate	-	-
Deferred tax assets in the balance sheet (net) on 31 December	**289**	**(257)**

RECONCILIATION OF INCOME TAXES PAYABLE IN THE BALANCE SHEET:

Amounts in NOK thousand	31.12.2020	31.12.2019
Expensed income taxes payable	99	19
Prepaid taxes	-	-
Income tax on employee share purchase programme recognised in equity	(99)	(19)
Income taxes payable in the balance sheet	**-**	**-**

NOTE 9 RECEIVABLES AND PREPAID EXPENSES

Amounts in NOK thousand	31.12.2020	31.12.2019
Trade receivables	8 673	18 779
Allowance for losses	-	-
Total trade receivable	**8 673**	**18 779**
Work in progress	**-**	**158**
Prepaid expenses	1 395	3 994
Other	924	661
Derivatives	-	618
Other current receivables Group Companies	48 761	31 094
Group contribution	32 002	61 458
Other current receivables	**83 082**	**97 823**

NOTE 10 INTANGIBLE ASSETS

Amounts in NOK thousand	Software
Acquisition cost 1 January 2019	**25 001**
Additions	2 210
Acquisition cost 31 December 2019	**27 211**
Adjustment opening balance	49
Disposal	-
Additions	90
Acquisition cost 31 December 2020	**27 350**
Accumulated amortisation 1 January 2019	2 582
Disposal	-
Amortisation for the year	3 505
Accumulated amortisation and impairment 31 December 2019	**6 087**
Adjustment opening balance	49
Disposal	-
Amortisation for the year	3 759
Accumulated amortisation and impairment 31 December 2020	**9 894**
Carrying amount 1 January 2019	**22 419**
Additions	2 210
Disposal	-
Amortisation for the year	3 505
Carrying amount 31 December 2019	**21 125**
Additions	90
Disposal	–
Amortisation and impairment for the year	3 759
Carrying amount 31 December 2020	**17 456**

Carrying amount of software on 31 December 2020 is primarily related to the ERP system and consolidation system that is amortised straight line over 3 - 10 years.

NOTE 11 PROPERTY, PLANT AND EQUIPMENT

Amounts in NOK thousand	Property, plant and equipment
Acquisition cost 1 January 2019	**1 959**
Additions	-
Disposal	625
Acquisition cost 31 December 2019	**1 334**
Adjustment opening balance	(396)
Additions	-
Disposal	938
Acquisition cost 31 December 2020	**-**
Acc. depreciation and impairment 1 January 2019	**1 287**
Depreciation for the year	209
Disposal	615
Acc. depreciation and impairment 31 December 2019	**881**
Adjustment opening balance	(396)
Depreciation for the year	94
Disposal	579
Acc. depreciation and impairment 31 December 2020	**-**
Carrying amount 1 January 2019	**672**
Additions	-
Depreciation for the year	209
Disposal	10
Carrying amount 31 December 2019	**454**
Additions	-
Depreciation for the year	94
Disposal	360
Carrying amount 31 December 2020	**-**

Estimated useful life is 3 -8 years.

NOTE 12 CASH AND CASH EQUIVALENTS AND GUARANTEES

Amounts in NOK thousand	31.12.2020	31.12.2019
Total cash and cash equivalents	**261 628**	**57 885**

Total cash and cash equivalents comprise Multiconsult group's net deposit in the group cash pool. When subsidiaries in the group draw on/deposit in the group cash pool, this is presented as a receivable/liability in Multiconsult ASA's balance sheet. On 31 December 2020 subsidiaries had a deposit in the group cash pool of NOK 681.7 million, and a draw of NOK 6.9 million.

GUARANTEE OBLIGATIONS NOT RECOGNISED IN THE BALANCE SHEET

Amounts in NOK thousand	31.12.2020	31.12.2019
Bank guarantee - guarantees towards customers	716	722
Bank guarantee - guarantees for other obligations	20 350	20 439
Guarantee - employees tax deductions	10 000	10 000
Parent company guarantees - for associated and joint ventures	3 600	3 600
Parent company guarantees - for subsidiaries	19 795	18 816
Total guarantees	**54 461**	**53 577**

In addition to the amounts in the table, the company has issued sureties (financial guarantees) of total NOK 600 million for Multiconsult Norge AS' liabilities to the Lender and sureties of total NOK 5 million for LINK arkitektur AS' liabilities to the Lender.

NOTE 13 SUBSIDIARIES, ASSOCIATED COMPANIES, JOINT VENTURES

SUBSIDIARIES			31 December 2020 and 2019		Carrying amount 31 December	
Amounts in NOK thousand (except percentages)	Acquisition date	Business office	Voting share	Owner-ship share	2020	2019
Multiconsult Norge AS	2017	Oslo, Norway	100%	100%	467 035	467 035
Iterio AB	2017	Stockholm, Sweden	100%	100%	52 606	52 606
Johs Holt AS	2017	Oslo, Norway	100%	100%	32 200	32 200
LINK arkitektur AS	2015	Oslo, Norway	100%	100%	147 645	147 645
Multiconsult UK Ltd	2012	London, UK	100%	100%	3 937	3 937
Multiconsult Asia Ote. Ltd	2013	Singapore	100%	100%	933	933
Multiconsult Polska Z.O.O.	2014	Warsaw, Poland	100%	100%	28 641	28 641
LLC Multiconsult Rus	2009	Russia	100%	100%	145	145
Total subsidiaries					**733 141**	**733 141**

SUBSIDIARIES OWNED BY SUBSIDIARIES [1]

LINK arkitektur AB	2018	Stockholm, Sweden	100%	100%
LINK arkitektur Aps	2013	Copenhagen, Denmark	100%	100%
LINK arkitektur A/S	2019	Aarhus, Denmark	100%	100%

[1] Subsidiaries of LINK arkitektur AS

There are no significant restrictions on the company's ability to gain access to or use the group's assets and settle the group's obligations, see however note 16 to the group financial statements regarding restricted cash.

ASSOCIATED COMPANIES AND JOINT VENTURES

Amounts in NOK thousand (except percentages)	Acquisition date	Business office	Voting share (31 December 2020 and 2019)	Ownership share (31 December 2020 and 2019)	Carrying amount 31 December 2020	Carrying amount 31 December 2019
Norplan Tanzania Ltd	2013	Tanzania	49.0%	49.0%	2 050	2 050
Consorcio SAM SpA	2014	Chile	27.5%	27.5%	32	32
Total associated companies and joint ventures					**2 082**	**2 082**

NOTE 14 LEASING AND OTHER PAYMENT OBLIGATIONS

Liabilities for operating leases of assets are not recognised in the balance sheet. On 31 December 2020 and 2019, Multiconsult ASA is not party to any lease agreements. The company is charged by Multiconsult Norge AS for use of premises, but there is no explicit agreement related to lease, and the company evaluates that it has no fixed lease or other significant payment obligations.

NOTE 15 OTHER CURRENT LIABILITIES

Amounts in NOK thousand	31.12.2020	31.12.2019
Salaries payable, vacation pay, bonus etc.	15 923	4 353
Derivatives	1 589	-
Other accrued expenses	190	7 303
Current liabilities group companies	681 713	183 797
Total other current liabilities	**699 415**	**195 454**

Of other current liabilities to group companies NOK 681 713 thousand (NOK 150 884 thousand in 2019) is subsidiaries' deposit in the group cash pool, for which Multiconsult ASA is the owner of the top account.

NOTE 16 NON-CURRENT FINANCIAL ASSETS

Amounts in NOK thousand	31.12.2020	31.12.2019
Loans to subsidiaries	23 293	16 550
Other non-current receivables	2 347	2 686
Total other non-current financial assets	**25 640**	**19 236**

NOTE 17 RELATED PARTIES

The Company's related parties are the same as mentioned in note 23 to the consolidated financial statements, in addition to the company's subsidiaries. Refer to note 9 to the consolidated financial statements for information on transactions with and remuneration to key management personnel.

TRANSACTIONS AND BALANCES WITH SUBSIDIARIES, JOINT VENTURES AND ASSOCIATED COMPANIES

	Receivables		Liabilities		Purchases		Sales		Guarantees	
Amounts in NOK thousand	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Subsidiaries	112 729	127 813	683 654	267 575	8 137	15 656	58 003	55 039	19 795	18 816
Joint ventures and associated companies	2 347	2 686	-	-	-	-	-	-	3 600	3 600

On 31 December 2020 NOK 6.9 million (2019 NOK 19.0 million) of receivables and NOK 681.7 million (2019 NOK 150.8 million) of liabilities to subsidiaries is related to the subsidiaries deposit and draw on the group cash pool. On 31 December 2020 NOK 0 (2019 NOK 41.0 million) of liabilities to subsidiaries is a non-current liability.

In addition to the amounts in the table above, Multiconsult ASA received dividends of NOK 1 595 thousand (NOK 4 700 thousand in 2019) from Multiconsult Polska in 2020, and had a net interest income from subsidiaries of NOK 654 thousand (NOK 2 806 thousand in 2019). Interest income from joint ventures and associated companies was NOK 214 thousand in 2020 (NOK 294 thousand in 2019).

As part of completing the 2019 share buyback programme Multiconsult ASA entered into a share loan agreement with its largest shareholder Stiftelsen Multiconsult. The deal was entered into on 4 December 2019 for a loan of 100 000 Multiconsult shares in connection with the implementation of the 2019 employee share purchase programme. Multiconsult delivered all shares back to Stiftelsen Multiconsult in first quarter 2020. In consideration for the share loan, Multiconsult paid to Stiftelsen Multiconsult an amount corresponding to 2 per cent p.a. based on 100 000 shares at a value of NOK 64 per share. The loan of NOK 6 400 thousand was presented as current interest-bearing liability in the balance sheet statement on 31 December 2019.

NOTE 18 EVENTS AFTER THE REPORTING PERIOD

After the reporting period ended on 31 December 2020 and up to the date these financial statements have been approved for issue, no events have been identified that require disclosure.

DECLARATION IN ACCORDANCE WITH § 5-5 OF THE SECURITIES TRADING ACT

We confirm that the financial statements for 2020 have, to the best of our knowledge, been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the group as a whole. The board of directors' report includes a fair review of the development and performance of the business and the position of the company and the group as a whole, together with a description of the principal risks and uncertainties that they face.

The board and CEO of Multiconsult ASA
Oslo, 25 March 2021

Bård Mikkelsen Chair of the board	Runar Tyssebotn Director	Kristine Landsnes Augustson Director	Hanne Rønneberg Director
Tove Raanes Director	Simen Lieungh Director	Liv-Kristine Rud Director	Rikard Appelgren Director

Grethe Bergly
CEO

AUDITORS' REPORT

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To the General Meeting of Multiconsult ASA

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Multiconsult ASA, which comprise:

- The financial statements of the parent company Multiconsult ASA (the Company), which comprise the balance sheet as at 31 December 2020, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Multiconsult ASA and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2020, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Deloitte.

Timing and accuracy of contract revenue recognition

Key audit matter	How the matter was addressed in the audit
For further information and a description of estimates and judgments related to the recognition of project revenues, refer to note 2 B in the Group financial statements. IFRS as adopted by the EU require revenue to be recognised in accordance with the percentage completion approach. If it is probable that a project will incur a loss, the estimated loss is recognised immediately. The contracts may span over a number of reporting periods. The amount and timing of revenue to be recognised under a contract can be affected by changes in conditions and circumstances over time, such as: • changes to the original contract terms, • cost overruns, or • scope changes. Given the degree of subjectivity involved in determining costs to complete, there are risks for errors in the calculation of revenue and misstatements in the allocation of revenue between reporting periods.	We evaluated the IT systems used in the determination of revenue recognition by testing access and change management controls. We assessed the design and implementation of the internal controls Multiconsult has established related to the timing of revenue recognition. We selected a sample of projects, for which: • we met with project controllers to analyse the projects in detail, • we challenged the key estimates used in the long-term contract accounting calculations, such as costs to complete, key project risks and adherence to billing schedules, • we obtained supporting information and tested the data included in the calculations and assumptions for costs to complete, • we tested that estimated losses are properly accounted for, • we tested by sampling that timesheets are properly submitted and accounted for, • we tested that no material revenue adjustments were recognized in January 2021.

Carrying value of goodwill

Key audit matter	How the matter was addressed in the audit
For further information and a description of estimates and judgments involved related to assessments of the carrying value of goodwill, refer to note 2 B and note 14 in the Group financial statements. The carrying value of goodwill amounted to NOK 454.7 million at 31 December 2020 in the group financial statements. According to IFRS as adopted by the EU, the goodwill is required to be tested for impairment annually or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The recoverability of the goodwill is dependent on assumptions about forecast of future cash flows, specifically forecast revenue, operating margin and long-term growth rates along with discount rates. These assumptions are of particular importance due to the level of uncertainties and judgements involved. The	We assessed the design and implementation of the controls Multiconsult has established related to assessment of the recoverability of goodwill. We assessed and challenged the reasonableness of management's judgements, in particular: • the cash flow forecast; • the long term growth rate; • and the discount rate used by reference to past performance, externally derived data, forecast for economic factors, and current order book. We evaluated the assumptions and methodologies used, and tested the mathematical integrity of the models.

outcome of impairment assessments could vary significantly if different assumptions were applied.	

Provisions for contract claims

Key audit matter	How the matter was addressed in the audit
For further information and a description of estimates and judgments involved in provisions for contract claims and related insurance recoverability and recognition of provisions, refer to note 2 B and note 20 in the Group financial statements. Multiconsult performs a thorough review of each claim. This review includes significant judgments related to; • whether the contract claim is valid and is probable to result in a cash outflow, • best estimate for future cash outflow, and • whether a claim is covered by Multiconsult's insurance, either fully or partly. As only claims that are probable to come to a cash outflow are provided for according to IFRS as adopted by the EU and as only virtually certain insurance recoverability are recognized, management's judgements related to determination of likelihood and cash flow estimates can have a significant impact on the financial statements.	We assessed the design and implementation of key controls in Multiconsult's process for assessment of provisioning for contract claims and related insurance recoverability. We held a meeting with management where all open claims and related best estimates as of year-end were discussed, and we obtained: • management's schedule for contract claims, which includes the claims assessment and the assessment of insurance recoverability, and tested its completeness by comparing it to correspondence with the Group's legal advisors, • management's explanations for significant movements in the period, which we compared to related assessments from insurers, legal advisors and other relevant sources, if available.

Other information
Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements
The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements of the Company in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, 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 and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in

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our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report and in the statements on Corporate Governance and Corporate Social Responsibility concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements *(ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 25 March 2021
Deloitte AS

Reidar Ludvigsen

Reidar Ludvigsen
State Authorised Public Accountant (Norway)

PROJECT: **SKI RAILWAY STATION**
PHOTO: **NICOLAS TOURRENC**

MANAGEMENT

GRETHE BERGLY
CHIEF EXECUTIVE OFFICER

HANS-JØRGEN WIBSTAD
CHIEF FINANCIAL OFFICER

JOHAN ARNTZEN
CHIEF OPERATING OFFICER

KARI NICOLAISEN
EVP
HR AND COMMUNICATIONS

GEIR JUTERUD
EVP
PROJECT DIRECTOR

LEIF OLAV BOGEN
EVP
REGION NORWAY

KRISTIN OLSSON AUGESTAD
EVP
REGION OSLO

KIRSTEN ANKER SØRENSEN
EVP
ARCHITECTURE

HILDE GILLEBO
EVP
ENERGY

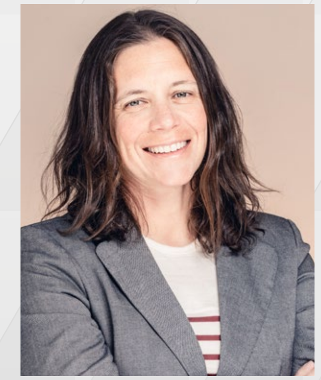
MORTEN ALSTAD
EVP
PROJECTS

LARS OPSAHL
EVP
SALES

BOARD

BÅRD MIKKELSEN
CHAIR OF THE BOARD

RUNAR TYSSEBOTN
DIRECTOR



TOVE RAANES
DIRECTOR

KRISTINE LANDSNES AUGUSTSON
DIRECTOR

HANNE RØNNEBERG
DIRECTOR

RIKARD APPELGREN
DIRECTOR

LIV-KRISTINE RUD
DIRECTOR

SIMEN LIEUNGH
DIRECTOR

PROJECT: **KRISTIANSAND POLICE STATION**
ILLUSTRATION: **GHILARDI HELLSTEN**

PROJECT: **GNEISKVARTALET, TROMSØ**
ILLUSTRATION: **DYRVIK ARKITEKTER AS**

PROJECT: **NEW DEICHMAN LIBRARY, OSLO**
PHOTO: **THOMAS HAUGERSVEEN**

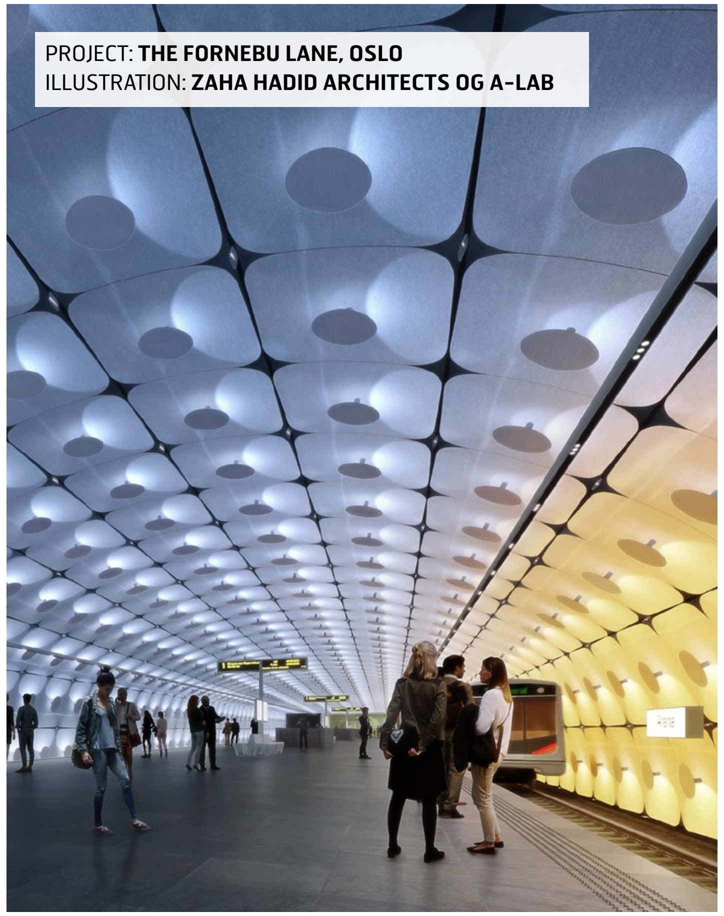

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ILLUSTRATION: **ZAHA HADID ARCHITECTS OG A-LAB**

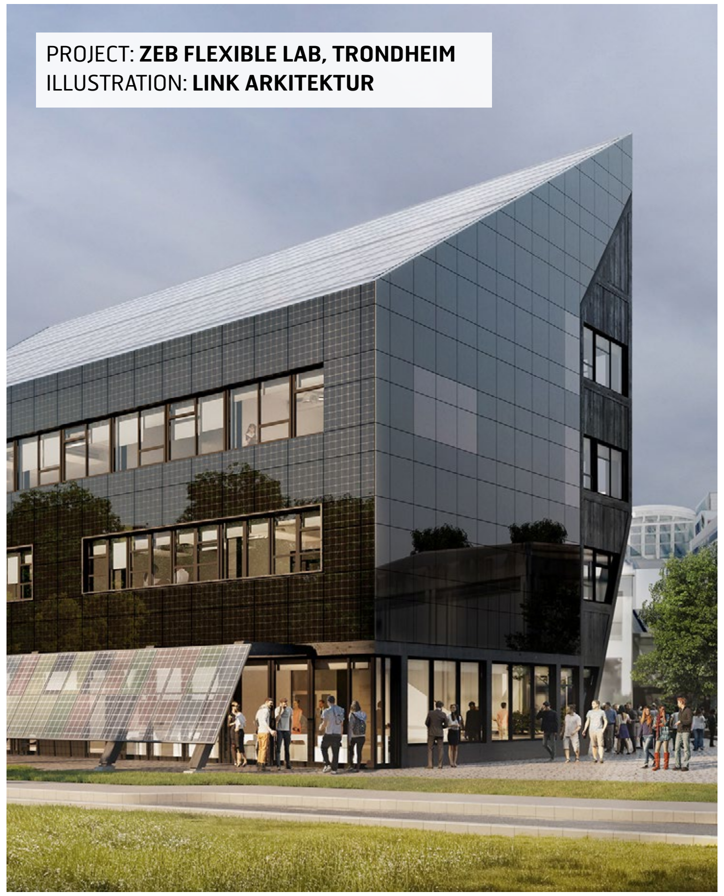
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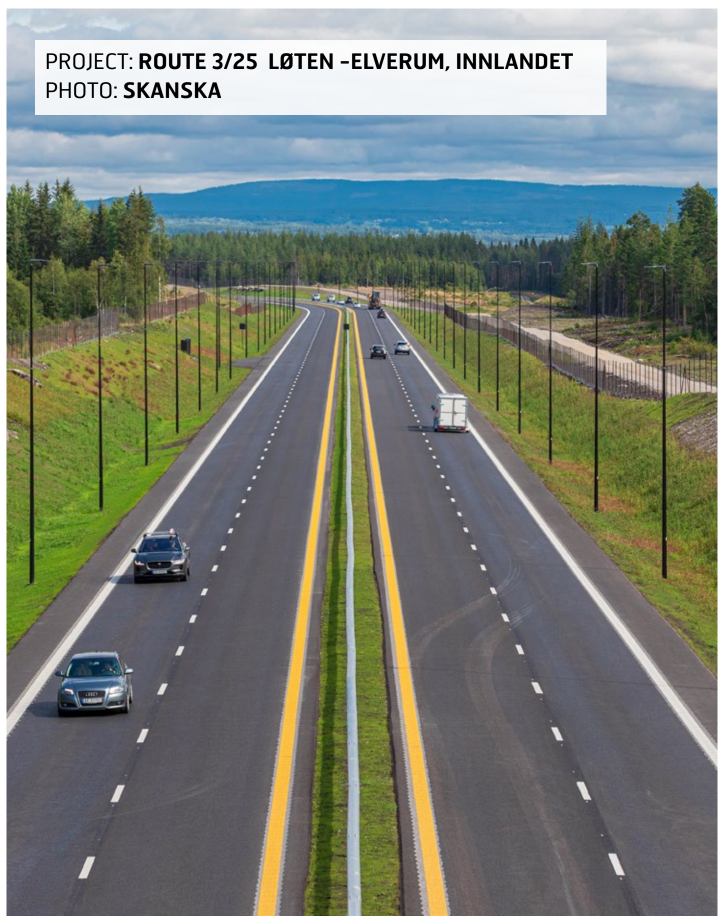
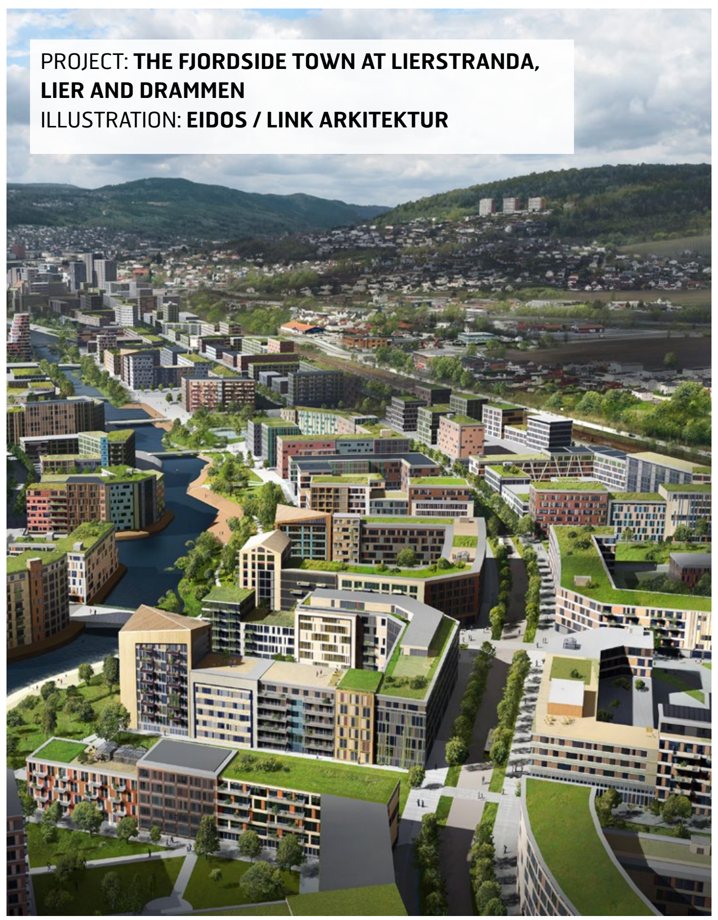
ILLUSTRATION: **LINK ARKITEKTUR**


PROJECT: **ROUTE 3/25 LØTEN -ELVERUM, INNLANDET**
PHOTO: **SKANSKA**


PROJECT: **THE FJORDSIDE TOWN AT LIERSTRANDA, LIER AND DRAMMEN**
ILLUSTRATION: **EIDOS / LINK ARKITEKTUR**

INTERNATIONAL OFFICES

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Design: www.bly.as

Project front cover: New Bridge over Mjøsa lake, Innlandet Illustration: Nye Veier / Selberg Architects

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