

INTERIM REPORT

Q3 | 2020

Multiconsult



HIGHLIGHTS Q3 2020

HIGHLIGHTS THIRD QUARTER

- ▲ Net operating revenues of NOK 748.5 million a y-o-y growth of 3.9%
- ▲ EBIT of NOK 68.1 million, 9.1% margin
- ▲ Strong EBIT ex. restructuring cost of NOK 98.1 million reflecting a margin of 13.1%
 - nextLEVEL restructuring cost of NOK 30.0 million not included in the EBIT ex. restructuring cost
- ▲ Reduced other operating expenses with 24.7% to NOK 79.4 million
- ▲ Other opex ratio reduced to 16.3% from 20.2% same period last year
- ▲ Improved billing ratio to 69.2% compared to 67.1% same period last year
- ▲ Order intake of NOK 919 million, and a stable order backlog of NOK 3 040 million
- ▲ Stable market, but uncertainty remains related to Covid-19 and other factors
- ▲ Proposed dividend of NOK 2.00 per share

HIGHLIGHTS YEAR TO DATE

- ▲ Net operating revenues up 6.4% to NOK 2 694 million
- ▲ EBIT of NOK 288.1 million, 10.7% margin
- ▲ Strong EBIT ex. restructuring cost of NOK 318.1 million reflecting a margin of 11.8%
- ▲ Net profit of NOK 186.5 million
- ▲ Reduction in other operating expenses with 16.3% to NOK 297.8 million
- ▲ Other opex ratio reduced to 15.8% from 18.8% same period last year
- ▲ Solid order intake of NOK 3 261 million during the period
- ▲ Solid working capital and financial position



"Multiconsult delivered a strong third quarter EBIT. I am very satisfied with the strong improvements and continued profitability this year. We are ahead of the plan for this turnaround thanks to solid dedication and efforts across our organisation and strong customer relations. Focus on core business, sales and project execution, and significantly reduced operating expenses partially resulting from the nextLEVEL improvement programme have been key factors for our recent improvements. I am very grateful to our employees for joining in on this important and necessary improvement journey."

Grethe Bergly
CEO of Multiconsult ASA

KEY FIGURES Q3 2020

CONSOLIDATED KEY FIGURES

Amounts in NOK million	Q3 2020	Q3 2019	YTD 2020	YTD 2019
FINANCIAL				
Net operating revenues	748.5	720.4	2 693.8	2 531.4
Employee benefit expenses	521.0	542.9	1 927.9	1 933.9
Other operating expenses	79.4	105.5	297.8	355.8
EBITDA	148.1	72.1	468.2	241.8
EBITDA margin	19.8%	10.0%	17.4%	9.6%
EBIT	68.1	21.0	288.1	97.6
EBIT margin	9.1%	2.9%	10.7%	3.9%
EBIT ex. restructuring cost ¹	98.1	21.0	318.1	127.8
EBIT margin ex. restructuring cost ¹	13.1%	2.9%	11.8%	5.1%
Reported profit for the period	36.5	7.7	186.5	44.9
OPERATIONAL				
Other opex ratio margin (ex. IFRS 16)	16.3%	20.2%	15.8%	18.8%
Billing ratio	69.2%	67.1%	70.8%	69.6%
Number of employees	2 938	3 005	2 938	3 005
Order intake	919	945	3 261	3 019
Order backlog	3 040	2 732	3 040	2 732

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 Q1 and Q2 2019.

THIRD QUARTER 2020

Multiconsult had a strong third quarter with an EBIT ex. restructuring cost of NOK 98.1 million, reflecting a 13.1% margin. EBIT ex. restructuring cost year to date came in at NOK 318.1 million, equal to a 11.8% margin. Restructuring cost amounts to NOK 30 million. Compared with the third quarter 2019, the result is impacted by higher billing ratio, improved project execution and reduction in operating expenses. Net operating revenues grew by 3.9% y-o-y to NOK 748.5 million in the quarter, and by 6.4% to NOK 2 694 million year to date. The nextLEVEL improvement programme is ahead of schedule, partly reflected in a reduction of other operating expenses of 24.7% to NOK 79.4 million in the quarter. Order intake in the quarter of NOK 919 million gives a stabile order backlog of NOK 3 040 million. The board of directors proposes a dividend of NOK 2.00 per share to be paid in the fourth quarter.

FINANCIAL REVIEW

(Figures in brackets = same period prior year or relevant balance sheet date 2020).

Group results

Third quarter 2020 Multiconsult group

Net operating revenues increased by 3.9% to NOK 748.5 million (NOK 720.4 million). The increase in net operating revenues is exclusively organic and driven by higher billing ratio of 2.1 pp and improved project execution compared to the same quarter in 2019.

Operating expenses consist mainly of employee benefit expenses and other operating expenses. Operating expenses decreased by 7.4% to NOK 600.4 million (NOK 648.3 million). Employee benefit expenses decreased in line with manning level, offset by regular salary adjustment for the workforce. Other operating expenses decreased by 24.7% to NOK 79.4 million (NOK 105.5 million), partly an effect from the nextLEVEL improvement programme, together with the impact of reduced costs on general expenditures such as travel and certain other expenses due to Covid-19.

EBITDA was NOK 148.1 million (NOK 72.1 million), an increase of 105.5% compared to the same period last year.

EBIT reported was NOK 68.1 million and includes a one-off restructuring cost of NOK 30.0.

The **EBIT ex. restructuring cost** was NOK 98.1 million (NOK 21.0 million), reflecting an EBIT margin of 13.1% (2.9%). The restructuring of NOK 30 million is a right-of-use assets impairment loss. The impairment relates to a review of Multiconsult's office rental portfolio and is part of the previously announced restructuring costs in the nextLEVEL improvement programme.

Net financial items were an expense of NOK 9.5 million (NOK 10.1 million).

Group tax rate was 37.6% (29.8%). The group tax rate is affected by non-deductible impairment loss of right-of-use assets.

Reported profit for the period was NOK 36.5 million (NOK 7.7 million).

Year to date 2020 Multiconsult group

Net operating revenues increased by 6.4% to NOK 2 694 million (NOK 2 531 million) and is exclusively organic driven. The increase in net operating revenues was driven by improved billing ratio, higher billing rates and improved project performance compared to the same period in 2019. There was a calendar effect of two more working days increasing net operating revenues by approximately NOK 28.3 million compared to the same period last year.

Operating expenses decreased by 2.8% to NOK 2 226 million (NOK 2 290 million). Operating expenses consist mainly of employee benefit expenses and other operating expenses. Other operating expenses decreased by 16.3%, a reduction of NOK 58.0 million due to lower travel, office and general cost reductions in most areas. The cost reduction on other operating expenses is partly a nextLEVEL effect as well as cost reduction related to Covid-19. Employee benefit expenses decreased with 0.3% compared to the same period last year, as a result of regular salary adjustment for the workforce, offset by reduced manning level. In addition, the temporary Covid-19 tax reliefs from governments reduced the employee benefit expense by approximately NOK 14.3 million.

EBITDA was NOK 468.2 million (NOK 241.8 million), an increase of 93.7% compared to the same period last year.

EBIT reported was NOK 288.1 million and includes a one-off restructuring cost of NOK 30.0 million. The comparable 2019 EBIT figure includes one-off charges of NOK 30.2 million.

The **EBIT ex. restructuring cost** was NOK 318.1 million (NOK 127.8 million), reflecting an EBIT margin of 11.8% (5.1%). The restructuring of NOK 30 million is as a right-of-use assets impairment loss. The impairment relates to a review of Multiconsult's office portfolio and is part of the previously announced restructuring costs in the nextLEVEL improvement programme. The comparable 2019 EBIT figure includes one-off charges of NOK 30.2 million.

Net financial items were an expense of NOK 31.1 million (expense of NOK 38.1 million).

Group tax rate was 26.8% (24.1%). The group tax rate is affected by non-deductible impairment loss of right-of-use assets.

Reported profit for the period was NOK 186.5 million (NOK 44.9 million).

Financial position, cash flow and liquidity

Third quarter 2020 Multiconsult group

Total assets amounted to NOK 2 661 million (NOK 2 863 million, 30 June 2020), and total equity amounted to NOK 782.4 million (NOK 748.0 million 30 June 2020). The group held cash and cash equivalents of NOK 118.4 million (NOK 237.4 million, 30 June 2020).

Net interest-bearing liabilities amounted to NOK 738.2 million (NOK 748.0 million, 30 June 2020). Adjusted for IFRS 16 lease obligations, net interest-bearing debt is negative NOK 136.7 million (negative NOK 156.2 million, 30 June 2020).

Net cash flow from operating activities was positive NOK 34.0 million (negative NOK 58.6 million). Net cash flow from operating activities is affected by increase in revenues and increase in working capital mainly due to a reduction in other current liabilities.

ORDER BACKLOG AND INTAKE

The order backlog at the end of the third quarter 2020 remains solid at NOK 3 040 million (NOK 2 732 million), an increase of 11.3%. Business areas Buildings & Properties and Transportation holds the largest proportion of the order backlog. All business areas except Transportation and Cities & Society have seen an increase in the order backlog. The size and timing of execution of the order backlog varies significantly between the business areas and locations.

The overall order intake during the quarter decreased by 2.7% compared to the third quarter 2019, but the order intake in the third quarter is still at a satisfactory level. Significant sales in the quarter was Skarnes & Jaren railway station and Fv44 Bussvei Gauselstasjon under the business area Transportation. Under the business area Building & Properties LINK arkitektur had sales on Kvartal 8 Lillestøm, and Multiconsult on Nye Askøy high school and Bergen verksted. Business area Renewable Energy had sales on Rumakali & Ruhudji HPP and TL. Business

Net cash flow used in investment activities was NOK 5.2 million this quarter (NOK 16.3 million), related to ordinary asset replacement.

Net cash flow from financing activities amounted to negative NOK 147.5 million (positive NOK 69.0 million) which is mainly affected by instalments of NOK 100 million on interest-bearing liabilities, and instalments on lease liabilities.

Year to date 2020 Multiconsult group

In March 2020 Multiconsult refinanced its loan portfolio with Nordea. This included an overdraft loan facility of NOK 320.0 million, and a new 3-year revolving credit facility (RCF) of NOK 200.0 million until March 2023. Both credit facilities have improved margins and covenants. Available undrawn amount under the facilities is NOK 520.0 million as of 30 September 2020.

Net cash flow from operating activities was positive NOK 375.6 million (negative NOK 5.4 million). Net cash flow from operating activities is mainly affected by increase in revenues.

Net cash flow used in investment activities was NOK 19.1 million (NOK 51.8 million), mainly related to ordinary asset replacement.

Net cash flow from financing activities amounted to negative NOK 314.4 million (negative NOK 51.4 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 million, and in the third quarter by NOK 100 million.

area Oil & Gas in Multiconsult Poland had sales on the LNG terminal in Świnoujście.

Significant contracts awarded this quarter were:

- ▲ Design contract for the new hospital at Gaustad (nye Rikshospitalet) in Oslo for Multiconsult where LINK arkitektur is a major subcontractor.
- ▲ A new contract to construct the new main grid connected to the new water supply to the city of Oslo.
- ▲ Contract to Multiconsult with Norplan Tanzania Ltd (49% owned) among subcontractors, to provide consultancy services for the Rumakali Hydropower and Transmission Line Project and for Ruhudji Hydropower and Transmission Line Project in Tanzania.

Among significant call-offs on existing contracts were Fornebubanen, Forsvarsbygg and Sykehusinnkjøp HF.

The 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. Large frame

agreements not mentioned under significant call-offs includes Forsvarsbygg (Østlandet) and safety and RAMS with Bane NOR.

PROFITABILITY IMPROVEMENT PROGRAMME – nextLEVEL

Multiconsult's profitability improvement programme nextLEVEL was introduced at the end of 2019 and is one of our key measures to improve performance and profitability. The profitability improvement programme has continued through the third quarter.

In total, nextLEVEL has a target of 150 million in annual profitability improvement to be realised over a period of 18 months. By mid-October Multiconsult has committed to 92% (NOK 138 million) of the target amount, up from 76% mid-August.

Improvements have been made in the quarter, both in Cost Out and Operations. nextLEVEL is ahead of the suggested schedule and is expected to reach target before the estimated 18 months. The focus is still on reaching our committed ambition but nextLEVEL now intend to find room for improvement outside the initial scope.

The one-off restructuring costs related to nextLEVEL is now estimated to be NOK 45-50 million, a reduction from NOK 60-70 million previously estimated. The one-off nextLEVEL restructuring costs in the third quarter were NOK 30.0 million, and accumulated NOK 34.0 million.

SEGMENTS

As from 2020, Multiconsult's reporting segments are presented as five segments, Region Oslo, Region Norway, Energy, LINK arkitektur and International.

Comparison to same period last year has been re-stated using the new principles and is made on the new structure. Also see note 3 – Accounting Policies.

Region Oslo

This segment offers services in seven business areas and comprises the Oslo region, in addition the segment includes Multiconsult's internal segment Large Projects in Norway.

Key figures – Region Oslo

Amounts in NOK million	Q3 2020	Q3 2019	YTD 2020	YTD 2019
Net operating revenues	231.8	245.6	863.2	801.6
EBIT	36.5	27.0	135.5	45.8
EBIT%	15.7%	11.0%	15.7%	5.7%
Order intake	252.1	214.5	847.7	898.4
Order backlog	889.0	854.2	889.8	854.2
Billing ratio	70.5%	67.5%	73.4%	70.2%
Number of employees	780	824	780	824

Third quarter 2020 Region Oslo

The decrease in **net operating revenues** of 5.6% in the quarter was mainly driven by lower activity, as a result of a decrease in the number of employees. The reduction was offset by higher billing ratio that impacted net operating revenues positively.

Operating expenses came in 10.4% lower than in the same period 2019. Employee benefit expenses was reduced in

line with the reduction in manning level, offset by regular salary adjustment. Other operating expenses decreased significantly, due to reduced office- and travel expenses. The operating expenses in the quarter is positively impacted by an adjustment of NOK 9.4 million related to the first half 2020. This adjustment is caused by significantly reduced expenses related to overhead and shared services (Note 5).

Order intake in the third quarter increased by 17.5% compared to the third quarter in 2019. The growth is supported by an increase in the business areas Water & Environment together with Transportation, other business areas decreased. The largest reduction was in Buildings & Properties.

Order backlog for the segment at the end of the third quarter is NOK 889.0 million. The largest share of the order backlog is held by the business areas Buildings & Properties and Water & Environment. The order backlog increased by 4.1% compared to the third quarter in 2019, and is at approximately the same level as second quarter 2020.

Year to date 2020 Region Oslo

The increase in **net operating revenues** of 7.7% in the period was driven by higher billing ratio of 3.3 pp compared to the same period last year. Billing rates were at a higher level and impacted net operating revenues positively.

Operating expenses came in 3.4% lower than in the same period in 2019. Employee benefit expenses was reduced in line with reduction in the manning level partly offset by regular salary adjustment. In addition, the temporary Covid-19 tax reliefs from governments reduced the employee benefit expense. Other operating expenses decreased due to a lower general cost level compared to the same period last year. Reduced costs from administrative staff and shared services contributed positively compared to same period 2019.

Order intake decreased 5.6% in the period, mainly resulting from lower sales in business areas Transportation and Industry.

Region Norway

This segment offers services in seven business areas and comprises all offices outside Oslo with presence in all larger cities in Norway and several other locations, a total of 23 offices.

Key figures – Region Norway

Amounts in NOK million	Q3 2020	Q3 2019	YTD 2020	YTD 2019
Net operating revenues	311.9	285.0	1 069.9	1 018.5
EBIT	56.2	(5.6)	137.4	44.8
EBIT%	18.0%	(2.0%)	12.8%	4.4%
Order intake	295.8	276.8	1 207	1 058
Order backlog	654.4	586.8	654.4	586.8
Billing ratio	70.9%	66.8%	69.7%	68.3%
Number of employees	1 042	1 074	1 042	1 074

Third quarter 2020 Region Norway

The increase in **net operating revenues** of 9.4% in the quarter was driven by increased activity level and a higher billing ratio of 4.1 pp compared to the same period in 2019. The increase in net operating revenue is offset by a reduced manning level.

Operating expenses decreased by 12.0% in the quarter. Employee benefit expenses decreased more than the reduction in the manning level including regular salary adjustment. Other operating expenses decreased significantly, due to lower spending in general. The operating expenses in the quarter is positively impacted by an adjustment of NOK 12.9 million related to the first half 2020. This adjustment is caused by significantly reduced expenses related to overhead and shared services (Note 5).

Order intake in the third quarter increased by 6.9% compared to a modest quarter last year, and mainly as a result of increased sales in Transportation and Industry. Business area Buildings & Properties which accounted for the largest part of the order intake in the period had a modest reduction in sales of 3.9% compared to the same period 2019.

Order backlog for the segment at the end of the third quarter was at NOK 654.4 million. The order backlog increased by 11.5% compared to the same period in 2019, and a modest reduction of 0.1% from second quarter 2020. Most business areas increased their order backlog compared to the same period last year.

Year to date 2020 Region Norway

Net operating revenues increased by 5.1% compared to the same period 2019, driven by higher billing ratio and billing rate, partly offset by reduction in number of employees.

Operating expenses came in 4.5% lower than in the same period in 2019. Employee benefit expenses decreased slightly due to a reduction in the workforce, partly offset by regular

salary adjustment. In addition, the temporary Covid-19 tax reliefs from governments reduced the employee benefit expense. Other operating expenses decreased significantly, due to reduced office- and travel expenses, moreover reduced costs from administrative staff and shared services contributed positively compared to same period 2019.

Order intake in the period increased by 14.0% compared to 2019. Region Norway had a solid increase in all major business areas compared to the same period 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.

Key figures – Energy

Amounts in NOK million	Q3 2020	Q3 2019	YTD 2020	YTD 2019
Net operating revenues	50.3	51.0	185.1	183.8
EBIT	1.1	(5.0)	3.4	(8.4)
EBIT%	2.2%	(9.8%)	1.9%	(4.5%)
Order intake	103.5	115.2	271.1	307.7
Order backlog	306.0	277.7	306.0	277.7
Billing ratio	59.9%	62.0%	61.4%	62.4%
Number of employees	189	203	189	203

Third quarter 2020 Energy

Compared to third quarter 2019 **net operating revenues** decreased by 1.3%. There was lower activity, as a result of a decrease in the number of employees. The billing ratio was 2.1 pp lower than same period last year and impacted net operating revenues negatively.

Operating expenses decreased by 12.1% in the quarter. Employee benefit expenses decreased more than the reduction in manning level. Other operating expenses decreased, due to lower spending in general. The operating expenses in the quarter is positively impacted by an adjustment of NOK 2.1 million related to the first half 2020. This adjustment is caused by significantly reduced expenses related to overhead and shared services (Note 5).

Order intake in the third quarter decreased by 10.1% compared to a strong quarter last year.

Order backlog was at a high level of NOK 306.0 million at the end of the quarter. The order backlog increased by 10.2% compared to the third quarter 2019 and increased by 16.1% from second quarter 2020. In the order backlog there are projects with start-up issues due to local political- and Covid-19 constraints.

Year to date 2020 Energy

The increase in **net operating revenues** by 0.7% was driven by higher billing rate compared to the same period last year,

partly offset by a reduction in the billing ratio of 1.0 pp and a reduction in number of employees.

Operating expenses came in 5.5% lower than in the same period last year, mainly due to reduction in employee benefit expenses as a result of reduction in manning level. In addition, the temporary Covid-19 tax reliefs from governments reduced the employee benefit expense. Other operating expenditure was in line with the expenditure in the same period last year.

The performance from Energy in Norway has improved compared to the same period 2019 and is at a satisfying level year to date of 2020, however, Multiconsult UK is facing a more challenging market and are loss-making year to date 2020.

Order intake in the period decreased by 11.9% compared to same period 2019.

LINK arkitektur

This segment comprises LINK arkitektur with its 15 offices in Norway, Sweden and Denmark.

Key figures – LINK arkitektur

<i>Amounts in NOK million</i>	Q3 2020	Q3 2019	YTD 2020	YTD 2019
Net operating revenues	106.5	107.1	409.9	400.7
EBIT	(5.8)	(2.8)	11.8	18.6
EBIT%	(5.5%)	(2.6%)	2.9%	4.6%
Order intake	163.4	194.6	566.8	491.8
Order backlog	645.3	551.4	645.3	551.4
Billing ratio	71.0%	71.4%	73.3%	74.4%
Number of employees	489	494	489	494

Third quarter 2020 LINK arkitektur

Net operating revenues came in at approximately the same level, with a modest decrease of 0.5% compared to the same period 2019. Lower billing ratio of 0.4 pp had a negative effect on net operating revenues, partly offset by a higher billing rate in the period.

Operating expenses increased by 0.4% in the quarter. Employee benefit expenses increased slightly and in line with manning level and ordinary salary adjustment. Other operating expenses decreased marginally in the period.

Order intake in the third quarter was NOK 163.4 million, a reduction of 16.0% compared to the same period last year.

Order backlog for the segment at the end of third quarter increased by 17.0%, to NOK 645.3 million, compared to the same period in 2019, and increased by 2.9% from second quarter 2020.

Year to date 2020 LINK arkitektur

The increase in **net operating revenues** of 2.3% was mainly driven by a higher billing rate, partly offset by a reduction

in the billing ratio by 1.1 pp and a reduction in the number of employees compared to the same period last year for the segment in total, but with regional differences.

Operating expenses increased by 3.8% compared to the same quarter 2019. Higher employee expenditure increased partly due to ordinary salary adjustment compared to the same period last year. Other operating expenses decreased, due to lower overall spending.

The performance from LINK arkitektur AS in Norway is at a good level, while both the businesses in Sweden and, in particular Denmark, are facing more challenging markets and are loss-making. Process to improve performance in Sweden and Denmark has been initiated.

Order intake in the period increased by 15.2% compared to the same period last year.

International

This segment comprises the subsidiaries Multiconsult Polska and Iterio AB.

Key figures – International

<i>Amounts in NOK million</i>	Q3 2020	Q3 2019	YTD 2020	YTD 2019
Net operating revenues	51.1	47.3	177.9	150.4
EBIT	4.3	4.3	19.1	14.2
EBIT%	8.4%	9.1%	10.7%	9.5%
Order intake	104.4	144.0	368.7	262.1
Order backlog	588.9	478.5	588.9	478.5
Billing ratio	69.2%	68.7%	75.8%	75.4%
Number of employees	312	298	312	298

Third quarter 2020 International

Net operating revenues increased by 8.0% in the third quarter, mainly driven by higher activity level, which resulted in net recruitment and a higher manning level in both Iterio AB and Multiconsult Polska. Higher billing ratio 0.5 pp and higher billing rates compared to the same period contributed positively to the net operating revenues.

Operating expenses increased by 7.3% compared to the same quarter in 2019. The increase is mainly due to higher employee benefit expenses driven by the high activity level and the corresponding increase in manning level. Other operating expenses decreased in the period, due to overall lower spending level.

Order intake in the third quarter decreased by 27.5% compared to a strong quarter last year when the business area Transportation, in Multiconsult Polska, had a high order intake.

Order backlog for the segment at the end of the third quarter increased by 23.1% to NOK 588.9 million and a growth of 4.2% from second quarter 2020.

Year to date 2020 International

Net operating revenues increased by 18.3% in the period mainly driven by higher activity level, which resulted in net recruitment and a higher manning level in both Iterio AB and Multiconsult Polska. Billing ratio, and billing rates were on a higher level compared to the same period last year and contributed positively to the growth in net operating revenues.

Operating expenses came in 16.1% higher than same period 2019, driven by higher employee benefit expenses, from increased manning level in both Multiconsult Polska and Iterio AB. Other operating expenses decreased marginally due to lower overall spending despite the increase in manning level.

Order intake year to date 2020 increased by 40.7% mainly due to higher order intake in the business area Transportation and Oil & Gas.

ORGANISATION AND HSE

As of 30 September 2020, the group had 2 938 (3 005) employees. The employee turnover ratio for the group for the period September 2019 to September 2020 was 11.7% (9.2%).

Since the end of August 2020, no employees have been on temporary leave due to the Covid-19 pandemic.

SUBSEQUENT EVENTS

On 25 March 2020, the board of directors cancelled the proposed ordinary dividend of NOK 1.00 per share for 2019 as a consequence of the Covid-19 situation. The board has again considered the situation for Multiconsult, and has on 3 November 2020 decided to propose a dividend of NOK 2.00 per share to be paid following an extraordinary general meeting that will be summoned later this year.

approximately NOK 50 million for Multiconsult, and work has already started and will last until December 2020.

Multiconsult, with 50% in a joint venture with Cowi, provides engineering services from pre-design until the completion of infrastructure, as well as any subsequent work.

On 3 November 2020, the company decided an extraordinary bonus to employees for their strong commitment and contribution to the turnaround process. Estimated total cost of NOK 25 million will be charged in the fourth quarter 2020.

On 21 October, Multiconsult announced that Statnett SF, the system operator in the Norwegian energy system, has awarded Multiconsult the "Framework agreement for external technical engineering substations". Estimated annual value for the agreement is more than NOK 100 million. The framework agreement, with an effective start date in November 2020, has a duration of two years with option of extensions periods for 1+1+1+1 years. The agreement is granted to Multiconsult as one of two consultancy engineering companies.

On 10 October, Multiconsult announced call-offs under the Fornebubanen frame agreement. The value of the call-off is

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.

uncertainty for our industry going forwards. There may be signs of a possible slow-down in, particularly, small- and medium size new projects/sales, that may be linked to the recent worsening/tightening connected to the Covid-19 pandemic.

Multiconsult is still in the turnaround process that started in the first half of 2019, where the focus has been on the core business, sales and project execution. The nextLEVEL programme is on track, and the order backlog provides a good foundation, supported by frame agreements generated from a broad customer base.

Subject to the above mentioned Covid-19 uncertainties, the market outlook for Multiconsult's services remains good across most business areas. There are however more uncertainties within Buildings & Properties (including architecture) and in our international Energy business. The ongoing public reforms in Norway is also creating some short-term uncertainties and potential delays. Political uncertainty, macroeconomic events and competition from foreign players comprise some key risk factors to Multiconsult's market outlook.

Multiconsult has been, and will be, taking prudent, responsible and necessary actions in relation to the Covid-19 pandemic to secure our employees, our business, our customers, and the society as a whole.

With a solid market position, high competence and technology, as well as leading solutions for our customers, Multiconsult believes it is well placed to handle the challenges of the current uncertainties facing the economy and our industry.

While Multiconsult has so far registered limited negative impact of the Covid-19 situation, the pandemic continues to create

RISK AND UNCERTAINTIES

The risk of disagreements and legal disputes related to the possible cost of delays and project errors is always present in the consultancy business. Multiconsult has developed internal procedures and competences to reduce risk exposure for legal disputes. Multiconsult has also normal and relevant insurance policies and routines for protection of normal and most potential consequences of such matters. Further details regarding the insurance coverage are provided in note 20 to the consolidated financial statements for 2019.

The extraordinary risk factor due to the ongoing pandemic of coronavirus disease 2019 (Covid-19), is described under Risk and Risk Management in the 2019 Annual Report and in the Outlook section above. Multiconsult has not identified significant additional risk factors related to Covid-19 beyond those described therein.

Multiconsult has not identified significant additional risk exposures beyond the ones described in the 2019 Annual Report. More generally, 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.

Multiconsult is exposed to a number of risk factors: legal liability, credit risk, currency risk, interest rate risk, liquidity risk, and accounting estimates risk. The Risk and Risk Management section in the 2019 Annual Report contains detailed description and mitigating actions.

DEFINITIONS

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

EBITDA: EBIT before depreciation, amortisation and impairment.

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

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

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

Other opex ratio (APM): Other operating expenses adjusted for IFRS 16 effects as a percentage of net operating revenue.

Billing ratio (%): 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.

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.

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

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.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Unaudited for the period ended 30 september 2020

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

<i>Amounts in NOK thousand, except EPS</i>	Q3 2020	Q3 2019	YTD 2020	YTD 2019	FY 2019
Operating revenues	833 266	859 276	3 083 150	3 011 765	4 068 683
Expenses for sub consultants and disbursements	84 720	138 845	389 305	480 388	632 848
Net operating revenues	748 546	720 431	2 693 845	2 531 377	3 435 835
Employee benefit expenses	520 999	542 851	1 927 860	1 933 863	2 654 431
Other operating expenses	79 412	105 495	297 807	355 762	482 271
Operating expenses excluding depreciation and amortisation	600 411	648 346	2 225 666	2 289 626	3 136 702
Operating profit before depreciation and amortisation (EBITDA)	148 135	72 086	468 178	241 752	299 133
Depreciation and amortisation	50 004	51 044	150 112	144 170	192 804
Impairment	30 000	-	30 000	-	-
Operating profit (EBIT)	68 131	21 042	288 066	97 582	106 329
Share of profit from associated companies and joint ventures	(52)	32	(2 079)	(368)	(169)
Financial income and expenses					
Financial income	4 411	2 157	15 897	2 940	3 954
Financial expenses	13 910	12 215	47 038	41 056	56 683
Net financial items	(9 499)	(10 058)	(31 141)	(38 116)	(52 729)
Profit before income tax	58 580	11 016	254 847	59 098	53 431
Income tax expense	22 035	3 280	68 330	14 228	18 320
Profit for the period	36 545	7 735	186 517	44 870	35 110
Attributable to:					
Owners of Multiconsult ASA	36 545	7 735	186 517	44 870	35 110
Earnings per share					
Basic and diluted	1.36	0.29	6.92	1.66	1.30

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>Amounts in NOK thousand</i>	Q3 2020	Q3 2019	YTD 2020	YTD 2019	FY 2019
Profit for the period	36 545	7 735	186 517	44 870	35 110
Other comprehensive income					
Remeasurement of defined benefit obligations	-	-	-	-	(1 884)
Income taxes	-	-	-	-	414
Total items that will not be reclassified subsequently to profit or loss	-	-	-	-	(1 470)
Currency translation differences	1 693	1 407	18 240	(5 930)	(2 450)
Total items that may be reclassified subsequently to profit or loss	1 693	1 407	18 240	(5 930)	(2 450)
Total other comprehensive income for the period	1 693	1 407	18 240	(5 930)	(3 920)
Total comprehensive income for the period	38 238	9 142	204 757	38 940	31 190
Attributable to:					
Owners of Multiconsult ASA	38 238	9 142	204 757	38 940	31 190

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>Amounts in NOK thousand</i>	30 September 2020	30 June 2020	31 December 2019
ASSETS			
Non-current assets			
Deferred tax assets	24 341	22 350	40 322
Intangible assets	22 512	23 665	24 919
Goodwill	457 838	456 418	447 554
Property, plant and equipment	101 696	107 359	112 494
Right-of-use assets	818 337	880 645	898 208
Investments in associated companies and joint ventures	10 842	10 830	12 509
Assets for reimbursement of provisions	15 250	16 700	28 850
Other non-current financial assets and shares	22 633	23 057	17 785
Total non-current assets	1 473 449	1 541 025	1 582 643
Current assets			
Trade receivables	642 796	654 202	638 476
Work in progress	311 769	311 076	309 034
Other current receivables and prepaid expenses	114 465	118 889	70 573
Cash and cash equivalents	118 427	237 405	73 558
Total current assets	1 187 456	1 321 572	1 091 642
Total assets	2 660 905	2 862 597	2 674 284
EQUITY AND LIABILITIES			
Shareholders' equity			
Total paid in equity	87 406	91 241	91 241
Other equity	694 960	656 725	490 171
Total shareholders' equity	782 366	747 966	581 413
Non-current liabilities			
Pension obligations	6 546	6 546	6 542
Deferred tax	17 164	14 694	13 074
Provisions	21 250	22 100	36 000
Non-current interest-bearing liabilities	-	100 000	-
Non-current lease liabilities	743 174	770 921	789 618
Total non-current liabilities	788 134	914 261	845 234
Current liabilities			
Trade payables	152 364	140 279	160 663
Prepaid revenues	127 218	127 561	133 368
Current tax liabilities	52 520	42 795	17 979
Public duties payable	329 788	352 236	333 626
Current interest-bearing liabilities	-	-	178 400
Current lease liabilities	131 721	133 205	124 940
Other current liabilities	296 795	404 293	298 660
Total current liabilities	1 090 405	1 200 370	1 247 637
Total liabilities	1 878 539	2 114 631	2 092 871
Total equity and liabilities	2 660 905	2 862 597	2 674 284

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>Amounts in NOK thousand</i>	Share capital	Own shares	Share premium	Total paid-in capital	Retained earnings	Employee share purchase programme	Pension	Currency	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)
Share Issue	-	-	-	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-	-	-	-
Employee share purchase programme	-	-	-	-	-	(18)	-	-	(18)
Comprehensive income	-	-	-	-	44 870	-	-	(5 930)	38 940
30 September 2019	13 486	-	77 758	91 242	719 795	(22 051)	(201 713)	4 401	591 678
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	-	-	-	-	-	-	-	-	-
Treasury shares	-	(3 837)	-	(3 837)	-	34	-	-	(3 804)
Employee share purchase programme	-	-	-	-	-	-	-	-	-
Comprehensive income	-	-	-	-	186 517	-	-	18 240	204 757
30 September 2020	13 486	(3 838)	77 758	87 406	896 552	(24 531)	(203 183)	26 122	782 366

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<i>Amounts in NOK thousand</i>	Q3 2020	Q3 2019	YTD 2020	YTD 2019	FY 2019
Cash flows from operating activities					
Profit before tax	58 580	11 016	254 847	59 098	53 431
Interest lease liability	8 542	9 182	26 373	28 209	37 134
Interest expense interest-bearing liability	1 021	2 292	5 102	6 474	11 472
Income taxes paid	(12 189)	(4 548)	(17 248)	(26 890)	(27 952)
Depreciation, amortisation and impairment	12 873	16 488	39 428	41 136	54 802
Depreciation right-of-use asset	37 131	34 556	110 684	103 033	138 003
Impairment right-of-use asset	30 000	-	30 000	-	-
Results from associated companies and joint ventures	52	(32)	2 079	368	169
Other non-cash profit and loss items	-	-	-	(7)	860
Sub total operating activities	136 010	68 954	451 265	211 421	267 918
Trade Payables	12 086	(33 412)	(8 299)	(116 910)	(75 829)
Trade receivables	11 406	98 739	(4 320)	155 547	28 280
Work in progress	(694)	(25 447)	(2 735)	(126 959)	34 828
Other	(124 797)	(167 417)	(60 267)	(128 548)	(6 951)
Total changes in working capital	(101 998)	(127 537)	(75 620)	(216 870)	(19 671)
Net cash flow from operating activities	34 011	(58 583)	375 644	(5 449)	248 246
Cash flows used in investment activities					
Net purchase and sale of fixed assets and financial non-current assets	(5 020)	(15 045)	(14 035)	(54 543)	(62 837)
Change in non-current financial assets, restricted funds	(166)	(1 294)	(5 051)	2 746	5 634
Net cash flow used in investment activities	(5 186)	(16 339)	(19 086)	(51 797)	(57 203)
Cash flows from financing activities					
Proceeds on interest-bearing liabilities	-	112 443	172 000	149 366	149 366
Instalments on interest-bearing liabilities	(100 000)	-	(350 400)	(33 604)	(165 839)
Paid interest on interest-bearing liability	(1 021)	(2 292)	(5 102)	(6 474)	(11 472)
Instalments on lease liabilities	(34 066)	(32 008)	(100 742)	(91 863)	(122 693)
Paid interest on lease liability	(8 542)	(9 182)	(26 373)	(28 209)	(37 134)
Paid dividends	-	-	-	(40 456)	(40 456)
Sale treasury shares	-	-	6 400	27	3 607
Purchase treasury shares	(3 837)	-	(10 203)	(139)	(12 192)
Net cash flow from financing activities	(147 467)	68 961	(314 421)	(51 352)	(236 813)
Foreign currency effects on cash and cash equivalents	(337)	(519)	2 731	(1 311)	(714)
Net increase/decrease in cash and cash equivalents	(118 978)	(6 480)	44 869	(109 909)	(46 484)
Cash and cash equivalents at the beginning of the period	237 405	16 611	73 558	120 040	120 040
Cash and cash equivalents at the end of the period	118 427	10 131	118 427	10 131	73 558

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: General information

The Company and the Group

Multiconsult ASA (the company) is a Norwegian public limited liability company listed on Oslo Børs. The company and its subsidiaries (together the Multiconsult group/the group) are

among the leading suppliers of consultancy and design services in Norway and the Nordic region. The group has subsidiaries outside the Nordic region in Poland, UK and Singapore.

NOTE 2: Basis of preparation and statements

Basis for preparation

The financial statements are presented in NOK, rounded to the nearest thousand, unless otherwise stated. As a result of rounding adjustments, the figures in one or more rows or columns included in the financial statements and notes may not add up to the total of that row or column.

annual financial statements of the group and should be read in conjunction with the consolidated financial statements for 2019. The accounting policies applied are consistent with those applied and described in the consolidated annual financial statements for 2019, which are available upon request from the company's registered office at Nedre Skøyen vei 2, 0276 Oslo and at www.multiconsult.no.

Statements

These interim condensed consolidated financial statements for the third quarter 2020 have been prepared in accordance with IAS 34 as approved by the EU. They have not been audited. They do not include all of the information required for full

These interim condensed consolidated financial statements for the third quarter 2020 were approved by the board of directors and the CEO on 3 November 2020.

NOTE 3: Accounting policies

The group prepares its consolidated annual financial statements in accordance with IFRS as adopted by the EU (International Financial Reporting Standards - IFRS). References to IFRS in these financial statements refer to IFRS as approved by the EU. The accounting policies adopted are consistent with those of the previous financial year, with the exemptions presented below.

Starting from 2020 Multiconsult has changed its reporting segments. Note 5 is presented according to the new segments, and figures for 2019 are restated. To ensure comparability between periods, a given percentage of revenue and cost reported in 2019 as "not allocated" is distributed to the new segments according to the same principles applied to allocation in 2020. See section Segments for a description of the new segments.

Updated presentation and restatement

In 2019 quarterly reporting, net write-downs have been presented as a separate key figure. These adjustments are a consequence of a large volume of projects and is part of normal operations in the group. Starting from 2020, net write-downs will not be presented as a key figure. Any material adjustments outside normal operations will be disclosed separately. This is in line with group annual reporting of financial statements. There have been no material adjustments that require disclosure in the third quarter 2020.

In fourth quarter 2019 Multiconsult changed the presentation of restricted cash, interest on interest-bearing liabilities and instalments and paid interest on lease liability. The cash flow for third quarter and year to date 2019 is restated to be comparable to cash flow in third quarter 2020.

NOTE 4: Estimates, judgments and assumptions

The preparation of interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual consolidated financial statements for 2019 note 2.

Impairment test of Goodwill

Cash-generating units are reviewed for impairment when indicators exist. 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. An assessment of impairment indicators has been made at 30 September 2020, the conclusion was that there were no impairment indicators and thereby a full test is not prepared. The group will perform a full test at 31 December 2020.

NOTE 5: Segments

Refer to section Segments for more information on the segments.

The group has three geographical reporting segments as well as a segment for Energy and LINK arkitektur.

Q3 2020 <i>Amounts in NOK thousand</i>	Region Oslo	Region Norway	Energy	LINK arkitektur	Inter- national	Not allocated	Elimi- nations	Total
External revenues	225 544	325 971	58 580	147 306	77 850	(949)	(1 037)	833 266
Internal revenues	27 405	10 249	2 483	(2 242)	2 653	7 639	(48 187)	-
Total operating revenues	252 949	336 220	61 063	145 064	80 503	6 690	(49 223)	833 266
Net operating revenues	231 762	311 913	50 289	106 548	51 095	(157)	(2 905)	748 546
Operating expenses	190 965	233 657	48 769	104 145	42 942	(16 877)	(3 190)	600 411
EBITDA	40 797	78 256	1 520	2 402	8 153	16 721	285	148 135
Depreciation, amortisation, impairment	4 334	22 012	433	8 210	3 853	42 802	(1 639)	80 004
EBIT	36 463	56 244	1 087	(5 808)	4 300	(26 081)	1 925	68 131
Associates and joint ventures	-	-	(52)	-	-	-	-	(52)
Number of employees	780	1 042	189	489	312	126	-	2 938

Q3 2019 <i>Amounts in NOK thousand</i>	Region Oslo	Region Norway	Energy	LINK arkitektur	Inter- national	Not allocated	Elimi- nations	Total
External revenues	269 655	309 622	69 527	136 718	70 638	4 658	(1 541)	859 276
Internal revenues	-	-	9 070	(7 543)	2 008	3 372	(6 906)	-
Total operating revenues	269 655	309 622	78 596	129 176	72 645	8 030	(8 448)	859 276
Net operating revenues	245 629	285 005	50 961	107 114	47 298	(14 313)	(1 263)	720 431
Operating expenses	213 231	265 591	55 456	103 711	40 016	(28 257)	(1 402)	648 346
EBITDA	32 399	19 414	(4 495)	3 403	7 281	13 945	139	72 086
Depreciation, amortisation, impairment	5 381	25 007	477	6 189	2 957	11 165	(134)	51 044
EBIT	27 017	(5 594)	(4 972)	(2 785)	4 324	2 780	273	21 042
Associates and joint ventures	-	-	32	-	-	-	-	32
Number of employees	824	1 074	203	494	298	112	-	3 005

YTD 2020 <i>Amounts in NOK thousand</i>	Region Oslo	Region Norway	Energy	LINK arkitektur	Inter- national	Not allocated	Elimi- nations	Total
External revenues	947 983	1 106 384	219 753	521 271	273 063	14 697	-	3 083 150
Internal revenues	37 317	26 973	8 187	20 402	4 294	7 833	(105 005)	-
Total operating revenues	985 299	1 133 357	227 939	541 673	277 356	22 530	(105 005)	3 083 150
Net operating revenues	863 231	1 069 932	185 109	409 927	177 934	(3 574)	(8 715)	2 693 845
Operating expenses	714 460	866 840	180 326	377 208	147 449	(51 346)	(9 271)	2 225 666
EBITDA	148 771	203 093	4 782	32 719	30 486	47 772	556	468 178
Depreciation, amortisation, impairment	13 230	65 681	1 349	20 962	11 378	68 892	(1 379)	180 112
EBIT	135 542	137 412	3 434	11 756	19 108	(21 120)	1 935	288 066
Associates and joint ventures	-	-	(2 079)	-	-	-	-	(2 079)
Number of employees	780	1 042	189	489	312	126	-	2 938

YTD 2019 <i>Amounts in NOK thousand</i>	Region Oslo	Region Norway	Energy	LINK arkitektur	Inter- national	Not allocated	Elimi- nations	Total
External revenues	955 116	1 098 383	245 132	486 256	216 241	5 960	4 676	3 011 765
Internal revenues	400	129	9 016	8 915	5 408	10 487	(34 355)	-
Total operating revenues	955 516	1 098 513	254 148	495 171	221 649	16 447	(29 679)	3 011 765
Net operating revenues	801 590	1 018 485	183 825	400 708	150 414	(19 857)	(3 788)	2 531 377
Operating expenses	739 872	907 671	190 745	363 356	127 019	(34 832)	(4 205)	2 289 626
EBITDA	61 718	110 815	(6 920)	37 352	23 395	14 974	417	241 752
Depreciation, amortisation, impairment	15 919	65 985	1 430	18 801	9 167	33 269	(401)	144 170
EBIT	45 799	44 830	(8 350)	18 551	14 228	(18 294)	818	97 582
Associates and joint ventures	-	-	(368)	-	-	-	-	(368)
Number of employees	824	1 074	203	494	298	112	-	3 005

FY 2019 <i>Amounts in NOK thousand</i>	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
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

Other operating expenses for Region Oslo, Region Norway and Energy were in the third quarter of 2020 significantly impacted by a positive adjustment in expenses from administrative staff and shared services related to the first half of 2020. The adjustment is caused by reduced cost in administrative staff and shared services in 2020. The positive effect of this allocation, in

the third quarter, was NOK 9.4 million for Region Oslo, NOK 12.9 million for Region Norway and NOK 2.1 million for Energy. The reductions in cost was allocated from segment Not allocated. These adjustments have no impact on the year to date figure for the regions, nor on the earlier and current reported results for the group.

NOTE 6: Explanatory comments regarding the impact of revenue seasonality on quarterly reporting

The group's net operating revenues are affected by the number of working days within each reporting period while employee expenses are recognised for full calendar days. The number of working days in a month is affected by public holidays and vacations. The timing of public holidays (e.g. Easter) during

quarters and whether they fall on weekends or weekdays impacts revenues, earnings, cash flows and working capital balances. Generally, the company's employees are granted leave during Easter and Christmas. The summer holidays primarily impact the month of July and the third quarter.

NOTE 7: Significant events and transactions

As part of the nextLEVEL improvement programme, management have reviewed Multiconsult's office portfolio. Based on this, the group has performed an assessment of recoverable amount of the group right-of-use (ROU) 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 the quarter. The impairment loss is recognised in segment Not allocated.

There were no other significant events and transactions in the period.

NOTE 8: Related party transactions

See note 23 to the consolidated financial statements for 2019 for a description of related parties and related parties transactions in 2019.

NOTE 9: Treasury shares

The company has 41 083 treasury shares as of 30 September 2020. For a description of the share purchase programme for all the employees and the performance bonus based bonus scheme for the group management see note 9 in the consolidated financial statements for 2019.

NOTE 10: Earnings per share

For the periods presented there are no dilutive effects on profits or number of shares. Basic and diluted earnings per share are therefore the same.

	Q3 2020	Q3 2019	YTD 2020	YTD 2019	FY 2019
Profit for the period (in NOK thousand)	36 545	7 735	186 517	44 870	35 110
Average no of shares	26 966 485	26 970 182	26 956 110	26 970 291	26 957 519
Earnings per share (NOK)	1.36	0.29	6.92	1.66	1.30

NOTE 11: Financial instruments

The group's financial instruments are interest bearing debt, accounts receivables and other receivables, cash and cash equivalents and accounts payables. It is assumed that the

book value is a good approximation of fair value for the group's financial instruments.

<i>Amounts in NOK thousand</i>	30 September 2020	30 June 2020	31 December 2019
Multiconsult ASA	-	100 000	178 400
Total	-	100 000	178 400

The group owns a limited number of shares and participations available for sale (NOK 0.5 million), and it is assumed that the book value is a good estimate of fair value. Fair value of derivatives (interest rate swap) was recorded with an unrealised loss of NOK 2.0 million at 30 September 2020 (loss of NOK 2.0 million at 30 June 2020).

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, 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%, reported quarterly. Covenant ratios are calculated excluding IFRS 16 effects, and the EBITDA includes "carve-out" for certain limited one-off costs. Multiconsult ASA is in compliance with its financial covenants at 30 September 2020.

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.

Adjusted EBITDA and EBIT – calendar effect

<i>Amounts in NOK million (except percentage)</i>	Q3 2020	Q3 2019	YTD 2020	YTD 2019	FY 2019
Net operating revenues	748.5	720.4	2 693.8	2 531.4	3 435.8
Estimated calendar effect*	-	-	(28.3)	-	-
Adjusted net operating revenues	748.5	720.4	2 665.5	2 531.4	3 435.8
Reported employee benefit expenses	521.0	542.9	1 927.9	1 933.9	2 654.4
Reported other operating expenses	79.4	105.5	297.8	355.8	482.3
Operating expenses	600.4	648.3	2 225.7	2 289.6	3 136.7
Adjusted EBITDA	148.1	72.1	439.9	241.8	299.1
Depreciation and amortisation	50.0	51.0	150.1	144.2	192.8
Impairment	30.0	-	30.0	-	-
Adjusted EBIT	68.1	21.0	259.8	97.6	106.3
Adjusted EBITDA margin (%)	19.8%	10.0%	16.5%	9.6%	8.7%
Adjusted EBIT margin (%)	9.1%	2.9%	9.7%	3.9%	3.1%

* APM does not state underlying net operating revenues. Estimated calendar effect equals number of working days in comparing periods.

Net interest bearing liabilities

<i>Amounts in NOK million</i>	30 September 2020	30 June 2020	31 December 2019
Non-current interest-bearing liabilities (including IFRS 16 leases)	743.2	870.9	789.6
Current interest-bearing liabilities (including IFRS 16 leases)	131.7	133.2	303.3
Restricted cash and non-current restricted funds	18.2	18.8	17.0
Cash and cash equivalents	118.4	237.4	69.7
Interest-bearing liabilities including IFRS 16 lease liabilities	738.2	748.0	1 006.2
Less non-current and current IFRS 16 lease liabilities	874.9	904.1	914.6
Net interest-bearing liabilities	(136.7)	(156.2)	91.6

Equity ratio group

<i>Amounts in NOK million (except percentage)</i>	30 September 2020	30 June 2020	31 December 2019
Equity	782.4	748.0	581.4
Total assets	2 660.9	2 862.6	2 674.3
Equity ratio	29.4%	26.1%	21.7%
Equity (excluding IFRS 16)	838.9	771.4	597.9
Total assets (excluding IFRS 16)	1 842.6	1 982.0	1 779.8
Equity ratio (excluding IFRS 16)	45.5%	38.9%	33.6%

Loan covenants related to equity is calculated excluding IFRS 16.

Effect of IFRS 16 on profit or loss

<i>Amounts in NOK million</i>	Q3 2020	Q3 2019	YTD 2020	YTD 2019	FY 2019
Increase in EBITDA	42.6	40.0	127.1	119.2	158.5
Increase depreciation	(37.1)	(34.6)	(110.7)	(103.0)	(138.0)
Increase impairment	(30.0)	-	(30.0)	-	-
Effect EBIT	(24.5)	5.4	(13.6)	16.1	20.5
Interest expense	(8.5)	(9.2)	(26.4)	(28.2)	(37.1)
Profit before tax	(33.1)	(3.8)	(39.9)	(12.1)	(16.6)

Other operating expenses ex. IFRS 16 margin

<i>Amounts in NOK million (except percentage)</i>	Q3 2020	Q3 2019	YTD 2020	YTD 2019	FY 2019
Other operating expenses	79.4	105.5	297.8	355.8	482.3
Other operating expenses IFRS 16 effect	42.6	40.0	127.1	119.2	158.5
Other operating expenses excluding IFRS 16	122.0	145.5	424.9	474.9	640.8
Net operating revenue	748.5	720.4	2 693.8	2 531.4	3 435.8
Other operating expenses excluding IFRS 16 margin	16.3%	20.2%	15.8%	18.8%	18.7%

Multiconsult ASA

Visiting address:

Nedre Skøyen vei 2
0276 Oslo

Postal address:

P O Box 265 Skøyen
NO-0213 Oslo

T: (+47) 21 58 50 00

E: multiconsult@multiconsult.no

Investor relations:

E: ir@multiconsult.no

www.multiconsult.no

Org no 910 253 158