ANNUAL REPORT 2021

Multiconsult

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PROJECT: **THE VIKING AGE MUSEUM, OSLO**
ILLUSTRATION: **AART ARCHITECTS / STATSBYGG**

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HIGHLIGHTS 2021

Amounts in NOK million (except EPS, and percentage)

NET OPERATING REVENUES

3 804

3.9% Y-O-Y

Net operating revenues up 3.9% to NOK 3 804 million

EBIT

348.9

MARGIN 9.2%

EBIT of NOK 348.9 million (371.0), equal to an EBIT margin of 9.2 per cent margin (10.1)

BILLING RATIO

70.4%

-0.5PP Y-O-Y

OTHER OPERATING EXPENSES

449.5

11.8% Y-O-Y

Billing ratio of 70.4 per cent (70.9). Other operating expenses increased by NOK 47.3 million to NOK 449.5 million

EPS

8.67

NOK

NET PROFIT

234.7

-5.8% Y-O-Y

Net profit of NOK 234.7 million (249.2) and earnings per share NOK 8.67 (9.25)


PROJECT: **CONSTRUCTION CITY, OSLO**
ILLUSTRATION: **LINK ARKITEKTUR / 3D ESTATE**

2021 HIGHLIGHTS AND KEY FIGURES

Multiconsult ASA acquires Erichsen & Horgen AS, a leading Norwegian engineering consultancy with a strong market position within buildings construction, HVAC, WWT, energy, environment and sustainability.

Multiconsult acquires Nordland Teknikk AS and Smidt & Ingebrigtsen AS that strengthens competence and market position in the Helgeland region and western Norway.

LINK Arkitektur AS to design Construction City - LINK Arkitektur has entered into an agreement with Construction City Bygg AS to design the business cluster Construction City in Oslo, Norway.

Multiconsult is set to deliver engineering services for the Sotra project - Norwegian Public Roads Administration Construction Division (NO: Statens vegvesen) has selected the Sotra Link to design, build and operate the Sotra project PPP (NO: Rv.555 Sotrasambandet) outside Bergen.

Multiconsult was selected as advisor to carry out detailed zoning plan and preliminary design for development of road and bridge crossing at Fetsund for Norwegian Public Roads Administration Construction Division (NO: Statens vegvesen).

E6

Nye Veier AS informed that the construction contract for the E6 Moelven - Roterud has been terminated due to negative cost development in the project. Multiconsult was subcontractor to the consortium Berinor ANS.

Statsbygg has nominated Multiconsult for the owner's engineer contract (NO: Prosjekterings- og byggrådgivningsgruppe) related to the development of the Ocean Space Centre in Trondheim. LINK Arkitektur will act as subcontractor with responsibility for architectural services.

Deichman Bjørvika awarded Public Library of the Year 2021 (int.) and Building of the year 2021 (no.), Highway 3/25 awarded Project of the year 2021 (no.), The Hurtigruten Museum won The European Steel Design Award 2021 (int.) and The new extension to Rigshospitalet, The North Wing, in Denmark has been selected as the world's best new health building at the renowned World Architecture Festival.

Richard Opsahl Resvoll won the Young Advisor of the Year 2021 (RIF).

On 3 November 2021, Multiconsult held a capital markets day, and presented an update on its strategic direction, market update and financial targets.

MUST summer internship was popular and successfully completed with 991 applicants for 70 positions.

Employee share purchase programme 2021 was successfully completed in the fourth quarter with 27 per cent (22 per cent) participation among eligible employees.

Multiconsult's attractive recruitment position was confirmed by the annual Universum survey among engineering students and professionals in Norway in May 2021. Multiconsult once again ranked number one in the construction industry (and among consultancy companies) in Norway and number three among all Engineer/Natural Science companies in Norway.

2021 CONSOLIDATED KEY FIGURES

Amounts in NOK million (except EPS, shares and percentage)	2021	2020	2019
FINANCIAL			
Net operating revenues	3 803.7	3 660.9	3 435.8
Growth (%)	3.9%	6.6%	3.0%
Employee benefit expenses	2 811.4	2 660.1	2 654.4
Other operating expenses	449.5	402.2	482.3
EBITDA	542.8	598.7	299.1
EBITDA margin (%)	14.3%	16.4%	8.7%
EBIT	348.9	371.0	106.3
EBIT margin (%)	9.2%	10.1%	3.1%
EBIT ex. restructuring cost [1)]		401.0	140.5
EBIT margin ex. restructuring cost [1)]		11.0%	4.1%
Reported profit for the period	234.7	249.2	35.1
Earnings per share (NOK)	8.67	9.25	1.30
Average number of shares	27 080 810	26 930 713	26 957 519
Net interest bearing debt [2)]	8.5	(293.3)	91.6
Cash and cash equivalents	156.2	277.4	173.6
OPERATIONAL			
Order intake	4 352	4 684	4 348
Order backlog	3 260	3 327	2 968
Billing ratio (%)	70.4%	70.9%	69.2%
Employees	3 200	2 925	2 994

[1)] EBIT ex. restructuring cost is calculated by (i) excluding one-off nextLEVEL restructuring cost of NOK 30.0 million in 2020, and (ii) excluding one-off charges of NOK 30.2 million and NOK 4.0 million severance/restructuring cost in 2019.

[2)] Excluding IFRS 16 lease liabilities, negative figure reflecting net cash position.

PROJECT: **HARPE BRIDGE, COUNTY INNLANDET**
PHOTO: **HUNDVEN-CLEMENTS PHOTOGRAPHY**

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 internationally, as well as project offices managed from Oslo. Most of our turnover comes from work in Norway through the largest subsidiary Multiconsult Norge AS with head office in the same location as the parent company. Multiconsult has offices in most large cities around Norway, from Svalbard in the north to Kristiansand in the south with all of our expertise is available through all of our offices. In total the Multiconsult group has more than 60 offices in Norway and abroad and had 3 200 employees as of 31 December 2021.

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.

The group now includes the following international subsidiaries; Multiconsult Polska Sp. z o.o., Multiconsult Asia Pte Ltd, Multiconsult UK Ltd, Iterio AB, LINK Arkitektur AB, LINK Arkitektur A/S. In addition, Multiconsult has ownership interests in Norplan Tanzania Ltd. The group included the following Norwegian subsidiaries as of end of 2021 Multiconsult Norge AS, LINK Arkitektur AS, Erichsen & Horgen AS, Ingeniørfirmaet Malnes og Endresen AS and Nordland Teknikk AS.

Multiconsult has branch offices with activity in Zambia, Kenya and Tanzania. In addition, Multiconsult have several project offices and local presentation in connection with project executions. This enables Multiconsult to provide its expertise and resources to customers throughout the world.

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.

A new strategic platform

Our vision bridging the past and the future, maintain as an important guideline for the company.

Multiconsult shall act as a bridge between what has been and what will be wherever humans travel, work and live. The common denominator in all our projects is that they shall, without exception, contribute to improving people's lives, generating growth, and promoting development.

By understanding the past, we can make progress, and we will promote sustainable development wherever we are given the opportunity to leave our mark.

In Multiconsult we have a strong commitment to our social responsibility. We will create value to society, enable progress and contribute to sustainable development - for both present and future generations.

Our culture of empowerment is all about enabling our employees to succeed. We truly believe that a united team moving towards a common goal will ensure that both our and future generations can continue to do what we are best at:

To make the impossible possible.

In 2021 Multiconsult launched a new strategic direction. The strategic work has led to a new business idea for the group that shall ensure Multiconsult's ability to create value generating business opportunities based on a strong customer & market insight:

We will make it easier to develop and execute value-creating projects with a life-cycle perspective.

The aim is to create opportunities, solve challenges and remove barriers, in order to execute value-creating projects with a life-cycle perspective.

It is through participation in projects that Multiconsult creates value. The group will seek complimentary and binding partnerships with the most competent and reputable players because value creation is maximized when the best players in the industry work together and are jointly able to deliver comprehensive solutions with a life-cycle perspective. By collaborating Multiconsult will strive towards a seamless project implementation and an interconnected value chain. By taking a new market position, Multiconsult seeks to increase the value creation for society, clients, project owners and the company.

To achieve our strategic ambition, we have defined five strategic priorities for the years to come:

- Become the industry's «solutions architect».
- Forge powerful partnerships to create a more seamless value chain where all contributors share a common vision and overall goal for the project.
- Establish an «innovation-incubator» to innovate new business.
- Grasp market opportunities unleashed by society's transition towards sustainable energy solutions
- Strive to leverage the opportunities presented by digitalisation in our industry.

At the Capital Markets Day 3 November 2021 Multiconsult reconfirmed its financial targets related to, among others, revenue growth and profitability. With an ambition that the revenue growth from 2022 to 2026 is at a CAGR of 8-10 per cent over the cycle, including M&A. The profitability target is an EBIT margin of 10 per cent measured on an annual basis, excluding extraordinary items. Maintain a solid balance sheet to support daily 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.

Moderate and selective M&A strategy with primary focus on core business with continuously monitoring opportunities — also including opportunities within digitalisation, sustainability and new business models

The dividend policy and equity ratio remain unchanged with an ambition to distribute at least 50 per cent of the group's net profit annually and an equity ratio excluding IFRS 16 effects higher than 25 per cent.

PROJECT: **THE SOTRA PROJECT, SOTRA**
ILLUSTRATION: **SOTRA LINK**

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
- International
- LINK Arkitektur

A description of each segment is presented in the Directors' report in this annual report under segment information on page 25 in this report.

In 2021 Multiconsult comprised of five business areas, which correspond to the group's key market segments and which operate across geographical reporting segments:

- Buildings & Properties
- Mobility & Transportation
- Renewable Energy
- Water & Environment
- Industry

A description of the group's business areas can be found in note 5 on page 104 in this report.

Grethe Bergly
Chief Executive Officer

Photo: Sverre Christian Jarild

IT IS ALL ABOUT MINDSET

In the last two years, many organisations have achieved what was considered impossible, and we have seen the ability and willingness to change when necessary. At Multiconsult, we have always worked hard to prove that what seems impossible can be possible. We know that obstacles for courage and speed are more about mindset than technical limitations. In many respects, we are now at a pivotal moment, which the best of us exploit to acquire business opportunities from the challenges faced by the industry, businesses and society. This requires bold and agile organisations. Only those who are brave enough to attempt what others believe is impossible will be able to influence the future of our society, and how it will look, develop and be experienced. We want to be one of these organisations.

BROADER PERSPECTIVE

We have a strategic ambition to become an actor who makes it easier to develop and realise value-creating projects from a life cycle perspective. This is an ambitious goal, yet we have all the prerequisites to become this actor over time. We want to be the best at understanding what the client seeks to achieve with their project, and at providing good ideas and solutions for how values can be maximised by ensuring that all actors' expertise is used in an optimal fashion. We must dare to think big and always maintain our focus on the project goal. We want to help dismantle the silos that are currently affecting our industry. We will work to encourage various actors in projects to be less concerned about their own gains and rather show a greater interest in contributing to a broader perspective with shared goals. We believe that value creation is maximised when the best actors work together towards agreed objectives, and with shared responsibility for risk and gain. We will therefore seek complementary and binding partnerships with the most talented actors. Together, we will create opportunities, resolve challenges and remove barriers.

Conditions for value creation are defined at an early stage of the project development. This requires actors to maintain a wider perspective at an early stage, in addition to an understanding of the project's life cycle. Multiconsult has this expertise, and it would therefore be sensible to seek positions that allow us to enter projects earlier. We hope to be viewed as an actor that maintains a balanced view of design-to-cost and design-to-value.

IN DEMAND AS A PARTNER IN THE GREEN SHIFT

Multiconsult has existed for more than one hundred years, and we operate from the perspective that we will be relevant for another hundred years. This means we must always be well-positioned to help resolve any challenges our society may encounter. At present, our greatest challenge involves climate change and its consequences. We have developed leading expertise in several areas relevant to the UN Sustainable Development Goals Agenda. By registering our commitment to this agenda and to the UN Global Compact, we have clearly signalled that we want to be part of the solution. Our clients are more frequently demanding and requesting more sustainable solutions. We are very pleased about this. Over the course of 2021, our expertise has been in high demand. We are well positioned to seize the business opportunities arising from society's demands for sustainability and the green shift.

Sustainability is embedded in our vision and in our social mandate. We will deliver sustainability through own business, its operations, and through its corporate responsibility. Our greatest contribution to sustainability and the green shift will be realised through our assignments. However, we have also set ambitious goals for our own business activities.

CONTINUED PROFITABILITY

Following an operational turnaround in the last half of 2019 and 2020, the results of 2021 show that we achieved sustainable profitability. The foundation for continued profitable growth has been established. At the same time, we know that this will require persistent focus and hard work. In 2021, we achieved sales of NOK 4 352 million, and ended the year with a solid order backlog of NOK 3 260 million. In 2021, we encountered some challenges in the business area of Mobility & Transportation, partly due to the loss of a larger assignment, however the outlook for transportation within road and rail are solid. Our architectural business in Norway has another solid year, while we in Sweden and Denmark are still facing challenges. It is encouraging to see positive developments in Denmark were the turnaround is largely undertaken, and the turnaround is underway in Sweden. Our other international businesses, Multiconsult Polska and Iterio AB continued to deliver good results throughout the year.

> **«In 2021, we strengthened our position and marketing strategies even more.»**

STRENGTHENED MARKET POSITION

In 2021, we strengthened our position and marketing strategies even more. During the year, the reputable Erichsen & Horgen AS, Norway's leading company in Heating, Ventilation and Air Conditioning (HVAC), energy and environment joined Multiconsult. We have become well acquainted with the company through our collaboration on important projects such as the new hospital at Gaustad (NO: nye Rikshospitalet), the new Drammen Hospital, Barcode high-rise buildings in Bjørvika, and Campus Ås at the Norwegian University of Life Sciences NMBU. With Erichsen & Horgen on our team, Multiconsult are positioned to become the top Norwegian engineering consultant company in the area of building and properties. This acquisition has strengthened our geographical footprint in Grenland, Viken, Innlandet and Trøndelag. With the acquisition of Nordland Teknikk AS and Smidt & Ingebrigtsen AS, we are now better equipped for other major multidisciplinary projects, and have thereby strengthened our market power in Nordland county and western Norway.

SOLID POSITIONS

In 2021, we experienced a solid market position with good sales. We expect our high level of activity to continue in both the private and public sector, and the overall market forecast is good and stable across all business areas.

We have a strong market position in our market areas:

- We will contribute to an efficient infrastructure through the Sotra Connection, Fornebu Metro Line, Stavanger Bus Rapid Transit, as well as the Solidarity Transport Hub in Poland.
- We will strenghten our leading position in healthcare buildings through our key role in the new hospital at Gaustad (NO: nye Rikshospitalet), the new Aker Hospital, the new Drammen Hospital, the new Finnmark Hospital, and by winning the new Växjö Hospital in Sweden.
- We are involved a number of the interesting projects initiating by the green shift, such as Northern Lights (CCS), Barents Blue (ammonia plant), Snøhvit Future (electrification) and several other projects in the areas of natural hazards and adaptation to climate change.
- We take part in some of the most exciting projects for research and development, such as the Ocean Space Centre and the Life Science Centre.
- We participate in a number of projects in the renewable industry, both traditional projects and the new industry developing from need for batteries, hydrogen and CCC.

ATTRACTIVE EMPLOYER

At Multiconsult, expertise is the foundation of our competitive power. Our employees are therefore our most important value creators. Given our employees' expertise and our ability to bring a variety of competencies together to form attractive deliveries, we are able to undertake the most demanding and complex projects the market has to offer.

We have noticed a heightened competition for the most highly skilled personnel. Our aim is to attract and retain the best professionals in the field. To do so, we must be one of the industry's most attractive employers, and offer professional challenges through groundbreaking projects, professional development, as well as participation in innovation and research. We make considerable investments in these areas each year.

An attractive employer is also expected to stay at the forefront of digital innovation. During 2021, we systematised digital innovation and invested in our first digital start-up and established a partnership with major players both within and outside our industry. We will continue to invest in this area, and capitalise on it in the years to come.

In 2021, Multiconsult was ranked one of the industry's most attractive employers among both new graduates and more experienced professionals (Universum 2021). Likewise, our Swedish subsidiary, Iterio AB, was awarded a spot in the "Hall of Fame" of the Great Place to Work Institute, after being ranked one of Sweden's best workplaces for several years. In 2021, we once again won the «Young Advisor of the Year», this time by our project manager, Richard Opsahl Resvoll. This shows how we are able to attract and develop the best talents.

EQUIPPED FOR CONTINUED PROFITABLE GROWTH

We have a responsibility to help build a better society for everyone. Our highly skilled engineers and architects are well aware of this responsibility. This requires precision, initiative, focus, collaboration skills, and not least the expertise to develop good future-oriented solutions. This responsibility is what drives us to seek new opportunities and better solutions for society and for future generations.

During the two years of the Covid-19 pandemic, our organisation has shown a considerable capability for adaptation and new solutions. As large parts of the organisation were forced to work from home, we were uncertain as to what this would mean for our deliveries. Now with the results in hand, we are impressed by the willingness and dedication our employees have shown to ensure the success of our clients and our company. This proves that we have employees who take our responsibility seriously. We have managed to make it through 2021 with the strong support and trust of our clients, and by developing good collaborative relationships. We are optimistic about the future, and confident that Multiconsult is equipped for continued profitable growth with sustainable value for our clients, owners and ourselves.

Grethe Bergly

Grethe Bergly
CEO

PROJECT: **BORGAFJELLET ELEMENTARY SCHOOL, OS**
PHOTO: **HUNDVEN-CLEMENTS PHOTOGRAPHY**

Photo: Kolbjørn Hoseth Larssen

HURTIGRUTEMUSEET – NORWEGIAN COASTAL EXPRESS MUSEUM

A new building for the venerable MS Finnmarken and a new historical museum appears as a landmark by the seaside in Stokmarknes in Nordland. It is a signal building, it supports the museum's functional needs, as well as being a positive contribution to the local community.

The assignment included protected building (NO: vernebygg) for MS Finnmarken 1956, rebuilding of Trekantbygget, and an extension to this for the preserved section from DS Finnmarken 1912. The solution to preserving the monument of Norwegian coastal history is a building of 3600 square meters that encloses the ship, in a building of steel and glass.

The building moves up to 70 mm at the top and connected to an existing building, so flexible solutions had to be developed to intercept the movements. The main challenge was the significant scale of the facades and the demanding weather conditions.

The new Hurtigruten Museum is awarded The European Steel Design Award 2021 and Norsk Stålkonstruksjonspris 2021, and mentioned as Norway's tourist attraction no 1, by newspaper Aftenposten.

FACTS

Project: The Hurtigruten Museum
Client: Hadsel municipality
Location: Stokmarknes, Norway
Architects: LINK Arkitektur
Engineering services: Multiconsult
Period: 2018-2021
Key figures
– Gross area 3600 square meters
– Environmental aspect - TEK10

Illustration: Oslo kommune

NEW WATER SUPPLY SYSTEM TO THE CITY OF OSLO

Oslo Municipality is building a reserve water supply large enough to supply Oslo with clean drinking water. The new water supply will be ready in 2028. The new water source is Holsfjorden in Innlandet county. A tunnel will be built to a new water treatment plant in Oslo, as well as 15 km of lines in tunnels of onward distribution of treated water.

The project will include a raw water tunnel between Holsfjorden in Lier municipality and Oslo, a new water treatment plant at Huseby in Oslo and a tunnel from Huseby to central Oslo in order to transfer clean water to the existing water grid in Oslo. In addition, new water supply tunnels must be built.

The construction activities must be fossil-free. Strict requirements are set for machines and vehicles, which in all cases are electric or powered by biofuel without palm oil. All blasted masses inside the tunnels at Huseby are loaded with electric loaders, and all drilling rigs for blasting tunnels drill electrically.

Multiconsult to provide all engineering works.

FACTS

Project: New Water Supply System Oslo
Client: Oslo Municipality, VAV
Location: Oslo, Norway
Engineering: Multiconsult
Period: 2017 - estimated 2028
Key figures
– 19 km tunnel from Holsfjorden to Huseby

Illustration: Statsbygg / Snøhetta

OCEAN SPACE CENTRE

The Ocean Space Centre will be one of the world's most advanced facilities for research and training of the ocean and the opportunities that lie in the ocean space. The centre will become a leading knowledge centre for future ocean space technology. The Ocean Space Centre will be a very important piece for value creation in the maritime industries and for further developing competence in maritime industries. Ocean Space Centre will be located at Tyholt in Trondheim.
One of the centre's most important purposes is to contribute to the green shift in Norway and the world through the development of the maritime industries locally, nationally and globally.
The objectives of the centre are to:

- Educate future specialists in ocean space technology.
- Ensure that industry and government get access to leading expertise and infrastructure associated with the harvesting and management of our oceans.
- Contribute to effective utilisation of national expertise and knowledge through collaboration with Norwegian and foreign institutions and companies.
- Actively contribute to increased innovation in ocean space technology.

Statsbygg has awarded Multiconsult Norge for the owner's engineer contract related to the development of the Ocean Space Centre in Trondheim. LINK Arkitektur will act as subcontractor with responsibility for architectural services.

FACTS

Project: Ocean Space Centre
Client: Statsbygg
Location: Trondheim, Norway
Consulting engineers: Multiconsult, Norconsult, Rambøll
Architect: Snøhetta, LINK Arkitektur
Period: 2020 -
Key figures
– Gross area of approx. 52 000 square meters
– Estimated cost framework: NOK 7.9 billion

Illustration: Sotra Link

THE SOTRA PROJECT

The Sotra project is a new road system, including main road, tunnels, secondary roads, bridges, structures and large intersections between Kolltveit, Øygarden municipality and Storavatnet, Bergen municipality.

The project, meant to improve travel between Bergen and the island of Sotra on the west coast, includes a 900 m long suspension bridge and 12.5 km of tunnels. Travel time in peak hours is expected to be reduced by up to 20 minutes and will be a great improvement for road users and public transport between Øygarden municipality and Bergen municipality.

The Norwegian Public Roads Administration has selected the Sotra Link to design, build and operate the Sotra project PPP (NO: Rv.555 Sotrasambandet) outside Bergen at the west coast of Norway. Sotra Link includes Macquarie Group Ltd, SK Ecoplant Co. Ltd Webuild S.p.A.

Multiconsult is set to deliver design and engineering services as the main designer, except for the suspension bridge.

FACTS

Project: Highway 555
Builder: Norwegian Public Roads Adminstration
Client: The Sotra LINK
Location: Øygarden and Bergen municipalities
Engineering services: Multiconsult
Bridge Architect: Selberg Architects
Period: 2021 – estimate June 2027
Key figures
– 9,4 km new highway
– Total cost of NOK 23.1 billion (2022-kroner)

PROJECT: **THE SCHOOL QUARTER, SKI**
ILLUSTRATION: **LINK ARKITEKTUR**

DIRECTORS' REPORT 2021

PROJECT: **THE LERVIG PARK, STAVANGER**
ILLUSTRATION: **LINK ARKITEKTUR**

SOLID PROFITABILITY AND STRONG MARKET POSITION

Multiconsult delivered solid profitability, good sales and strengthened its market position during the year. Multiconsult holds a strong portfolio of ongoing projects and a solid order backlog. The group is well positioned to be a part of the "green shift" that will impact us over the next years. During the year, several new and important contracts have been awarded within "new industry" and electrification, as well as sustainable urban and residential development and school buildings. Looking ahead, with a foundation of highly skilled workforce and solid client base, Multiconsult is well positioned for long-term profitable growth based on sustainable solutions. The board of directors proposes a dividend of NOK 6.00 per share to be paid as ordinary dividend.

CONSOLIDATED INCOME STATEMENT DATA

	NOK million			As a % of net operating revenues	
Amounts in NOK million. except EPS and percentage	**2021**	**2020**	**Change in NOK**	**2021**	**2020**
Operating revenues	4 284.7	4 186.2	98.5	113 %	114 %
Expenses for sub consultants and disbursements	480.9	525.2	(44.3)	13 %	14 %
Net operating revenues	**3 803.7**	**3 660.9**	**142.8**	**100 %**	**100 %**
Employee benefit expenses	2 811.4	2 660.1	151.3	74 %	73 %
Other operating expenses	449.5	402.2	47.3	12 %	11 %
Depreciation and amortisation	194.0	197.6	(3.7)	5 %	5 %
Impairment	0.0	30.0	(30.0)	0 %	1 %
Operating profit (EBIT)	**348.9**	**371.0**	**(22.2)**	**9 %**	**10 %**
Share of profit from associated companies and joint ventures	**0.2**	**(2.3)**	**2.5**	**0 %**	**0 %**
Financial income	20.4	22.7	(2.3)	1 %	1 %
Financial expenses	58.3	62.1	(3.8)	2 %	2 %
Net financial items	**(37.9)**	**(39.4)**	**1.5**	**-1 %**	**-1 %**
Profit before income tax	**311.2**	**329.4**	**(18.2)**	**8 %**	**9 %**
Income tax expense	76.5	80.1	(3.6)	2 %	2 %
Profit for the period	**234.7**	**249.2**	**(14.5)**	**6 %**	**7 %**
Attributable to:					
Owners of Multiconsult ASA	234.7	249.2	(14.5)	6 %	7 %
Earnings per share:					
Basic and diluted	8.67	9.25	(0.59)	0 %	0 %

Set out above is the consolidated income statement data for the years 2021 and 2020.

Multiconsult has played a major role in the Norwegian society for over 110 years. Multiconsult is a people-based organisation of about 3 200 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. In 2020 and 2021 Multiconsult delivered solid profitability, despite the turmoil caused by the Covid-19 pandemic.

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 2020 unless otherwise specifically stated.

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 of 31 December 2021, and its financial performance and its cash flows for the year then ended.

CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME

Revenues

Consolidated operating revenues in 2021 amounted to NOK 4 284.7 million (NOK 4 186.2 million). Net operating revenues, consisting of operating revenues less project expenses (including sub consultants), amounted to NOK 3 803.7 million (NOK 3 660.9 million). The increase in net operating revenues is mainly an effect from the acquisition of Erichsen & Horgen group and net recruitment. Adjusted for acquisitions organic growth in net operating revenues was 1.1 per cent. Billing ratio came in at 70.4 per cent, a reduction of 0.5 pp compared to 2020, and contributed negatively to net operating revenues.

Employee and other operating expenses

Operating expenses excluding depreciation and amortisation came to NOK 3 260.9 million (NOK 3 062.3 million). Operating expenses consist mainly of employee benefit expenses and other operating expenses. Operating expenses increased by 6.5 per cent driven by higher employee benefit expenses due to added employees from acquisition, net recruitment and ordinary salary adjustment. In the comparable period of 2020, there was a cost-reducing one-time effect on the employee benefit expenses related to Covid-19 reliefs from governments by approximately NOK 14.3 million. Employee benefit expenses increased by 5.7 per cent compared to 2020. Other operating expenses increased by 11.8 per cent to NOK 449.5 million (402.2), partly explained by operating expenses from acquired companies and by higher IT cost in general.

Earnings before interest and taxes (EBIT)

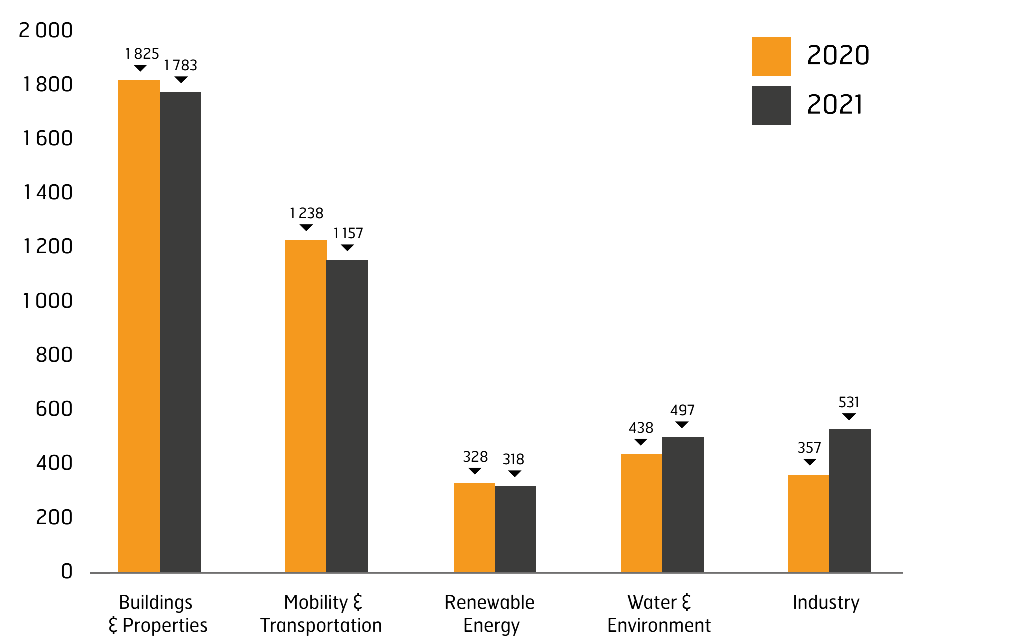
Multiconsult's operating profit (EBIT) for the year was NOK 348.9 million (NOK 371.0 million), reflecting an EBIT margin of 9.2 per cent (10.1). The EBIT in the year 2020 was impacted by an impairment charge of NOK 30.0 million.

Earnings before interest, taxes and amortisation (EBITA)

Multiconsult's operating profit (EBITA) for the year was NOK 350.5 million (NOK 371.0 million), reflecting an EBIT margin of 9.2 per cent (10.1).

OPERATING REVENUES BY BUSINESS AREA

Amounts in MNOK



Reporting EBITA from 2022: Multiconsult intend to change its main operational profitability figure from EBIT to EBITA from 2022, at group level. This is in line with industry sector practice and is a relevant measure for operational performance.

Income/loss from associated companies and joint ventures

Results from associated companies and joint ventures was NOK 0.2 million in 2021 (negative NOK 2.3 million). This is mainly related to our associated company Norplan Tanzania. For more information, see note 17 to the consolidated group accounts.

Financial items

Net financial items amounted to an expense of NOK 37.9 million (expense of NOK 39.4 million). Interest expenses were impacted by IFRS 16. When adjusting for this effect, interest expenses was NOK 4.2 million compared to NOK 5.9 million in 2020. Net currency effects for 2021 amounted to an expense of NOK 0.9 million, compared with an income of NOK 3.8 million in 2020.

Income taxes

Tax expense for the year amounted to NOK 76.5 million, compared with NOK 80.1 million in 2020. The main driver for the lower tax expense was reduced profit before tax, for more information, see note 11 to the consolidated group accounts.

Profit and loss for the year

Multiconsult's profit before income taxes was NOK 311.2 million (NOK 329.4 million). Profit for the year was NOK 234.7 million, compared with NOK 249.2 million in 2020.

KEY PERFORMANCE DRIVERS 2021

Change in capacity is mainly driven by net recruitment and M&A activity. In 2021 the increase in capacity is mainly related to the acquisition of Erichsen & Horgen AS, including its subsidiary Ingeniørfirmaet Malnes og Endresen AS. In addition, Nordland Teknikk AS was acquired.

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 operating profit (EBIT and EBITA). In 2021, the billing ratio decreased by 0.5 percentage points compared to 2020.

Billing rate is the average rate that Multiconsult charges per hour to the group's customers and has a significant impact on revenues and operating profit (EBIT and EBITA). In 2021 higher on average billing rates impacted net operating revenues positively.

Net project write-downs represent losses or gains in previously recorded revenues, and may be caused by several factors, including project deliveries not according to agreements with customers or project estimates that need to be adjusted. Multiconsult's expected normal level of net project write-downs is 1-2 per cent of net operating revenues.

In 2020, temporary Covid-19 tax reliefs from governments reduced the employee benefit expense by approximately NOK 14.3 million and extraordinary bonus to employees 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 2021 there was, on average, one less working day than in 2020. This had an estimated negative impact of NOK 11 million on net operating revenues and EBIT for the group when comparing the periods.

STATEMENT OF COMPREHENSIVE INCOME

Statement of changes in equity

Profit for the year was NOK 234.7 million down from NOK 249.2 million for the year ended 31 December 2020. Other comprehensive income recognised against equity was negative NOK 13.6 million (NOK 12.8 million), mainly related to currency translation differences in 2021. As a result of this, total comprehensive income was NOK 221.1 million (NOK 262.0 million).

FINANCIAL POSITION, FINANCING AND LIQUIDITY

Assets

Total non-current assets amounted to NOK 1 834.4 million which is an increase from NOK 1 473.0 million for the year ended 31 December 2020. The increase was mainly due to an increase in goodwill of NOK 397.1 million related to the acquisition of Erichsen & Horgen AS and Nordland Teknikk AS.

Total current assets amounted to NOK 1 198.5 million (NOK 1 245.2 million). The decrease was mainly due to a lower cash and cash equivalent position and a reduced in work in progress offset by higher outstanding trade receivables compared to year-end 2020.

Equity and liabilities
Total shareholders' equity was NOK 850.1 million (NOK 773.6 million) on 31 December 2021, corresponding to an equity ratio of 28.0 per cent (28.5 per cent). The change in equity is mainly impacted by profit for the year, dividend paid and increase in share capital. In connection with the closing of the acquisition of Erichsen & Horgen AS, Multiconsult issued 460 129 shares, at a share price of NOK 183.35, representing an increase of share capital of NOK 0.2 million and share premium of NOK 84.0 million. Adjusted for the IFRS 16 effect, the equity ratio was 40.3 per cent (43.5 per cent).

Total liabilities were NOK 2 182.8 million (NOK 1 944.6 million). The increase was mainly due to an increase in non-current interest-bearing liabilities and public duties payables. Total interest-bearing liabilities amounted to NOK 180.0 million, an increase of NOK 180.0 million compared to the year ended 31 December 2020.

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

The group held cash and cash equivalents of NOK 156.2 million at the end of 2021.

At the end of 2021 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 and Multiconsult UK Limited, 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 450.0 million, plus accordion option of NOK 150.0 million until March 2023. 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. The company is in compliance with its financial covenants as of 31 December 2021.

CASH FLOW

Cash flow from operations
Net cash flow from operating activities was positive NOK 458.6 million (positive NOK 667.7 million). Net cash flow from operating activities is partially affected by change in working capital.

Cash flow from investments
Net cash flow used in investment activities was NOK 364.0 million (NOK 27.8 million), mainly related to the acquisition of Erichsen & Horgen AS, including its subsidiary Ingeniørfirmaet Malnes og Endresen AS.

Cash flow from financing
Net cash flow from financing activities amounted to negative NOK 212.1 million (negative NOK 437.5 million) which is mainly affected by drawdown on the revolving credit facility of NOK 180 million, paid dividend and IFRS 16 calculated instalments on lease liabilities.

Order backlog
Multiconsult group operates in five different business areas; Buildings & Properties, Mobility & Transportation, Water & Environment, Renewable Energy and Industry. The order backlog at the end of 2021 remains solid at NOK 3 260 million (NOK 3 327 million), a decrease of 2.0 per cent compared with the year-end 2020. The order backlog and order intake from the acquired company Erichsen & Horgen group is not included in the reported figures.

Business areas Buildings & Properties and Mobility & Transportation holds the largest proportion of the order backlog, with a total share of 72 per cent at the end of the period. The two business areas Mobility & Transportation and Industry have seen an increase in the order backlog compared to the same period last year. Business area Industry hold an order backlog of NOK 246 million, a 46 per cent higher order backlog compared to the same period last year. The order backlog in the three remaining business areas is reduced compared to the same period last year. The size and timing of execution of the order backlog varies significantly between the business areas and locations. 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.

Order intake
Among significant sales or contracts in Norway in 2021 includes a large add-on to 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, the Sotra infrastructure project, Construction City (LINK Arkitektur) and Museum of the Viking Age. Among new contracts awarded internationally was the technical support for Solidarity Transport Hub in Poland, Get FiT Zambia and a new emergency hospital in southern Sweden (LINK Arkitektur).

For the five business areas Multiconsult operates in the general market conditions were good in 2021, both in Norway and in Multiconsult's international markets. Order intake in 2021 amounted to NOK 4 352 million (NOK 4 684 million), a decrease of 7.1 per cent compared to 2020. There was an increase in order intake within Industry and Water & Environment while there was decrease in the order intake in business areas Buildings & Properties, Mobility & Transportation and Renewable Energy.

In 2021 the building and property market has been good, but there have been few large projects in the market. The ongoing contract on the Gaustad (nye Rikshospitalet) is expected to create further sales into 2022. The markets for LINK Arkitektur in Norway was impacted by few large new opportunities, while the architects markets in Sweden and Denmark has generally been better in 2021 than in 2020.

The Norwegian market for transportation remained at a good level in 2021. The trend with large projects and EPC-contracts as the preferred execution model continues. The cancellation of E6 Moelv-Roterud had a negative effect on sales.

The water and environment market had good activity level in 2021. In business area Water & Environment the sales in 2021 were largely towards small-and medium sized projects, in addition to expanded work on Oslo City Water Supply. The market situation is expected to be generally good going forward.

The industry market experienced a substantial 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. Important new projects were started giving good outlook for this sector. The renewable energy market in Norway declined through 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, but the group experienced delay in new contract signings due to Covid-19 travel restrictions. The project portfolio is, however, at a satisfactory level.

nextLEVEL
Multiconsult's profitability improvement programme nextLEVEL was introduced in November 2019 and was one of our key measures to improve performance and profitability. The profitability improvement programme was completed in 2021, and the final report was made in the first quarter of 2021.

NextLEVEL had a target of NOK 150 million in annual profitability improvement to be committed over a period of 18 months and realised over the next 2-3 years. By the end of April 2021 committed annual effect were estimated to approximately NOK 174 million. Targets under the programme have been met both within Cost Out and Operations.

Cost Out constitute office & IT, travel & professional services and other. The effects come from revised contract terms, reduced procurement cost and a number of other cost reduction measure that have a positive effect on other operating expenditure for the group. Committed annual effect on Cost Out was estimated to approximately NOK 94 million. Operations constitute organisational adjustments, improved operational efficiency and reduced impairments. Operational improvements have been quantified, implemented and monitored throughout the period. Committed annual effect on Operations was estimated to approximately NOK 80 million.

Reported one-off nextLEVEL restructuring costs related to the programme accumulates to NOK 34.0 million.

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 are not allocated to the segments.

REGION OSLO
This segment offers services in all five business areas and comprises the Oslo region, including Lillehammer, Large Projects in Norway and parts of Erichsen & Horgen group.

Region Oslo accounted for 32.9 per cent (32.1) of group net operating revenues in 2021.

Net operating revenues for the year came in at NOK 1 250.6 million (NOK 1 175.7 million) an increase of 6.4 per cent primarily as contribution from acquisitions. The growth was offset by a lower billing ratio of 71.9 per cent (73.4).

Operating expenses came in 11.5 per cent higher than in the same period of 2020. Employee benefit expenses was NOK 855.4 million (NOK 766.9 million), an increase of 11.5 per cent mainly driven by the inclusion of employees from Erichsen & Horgen and regular salary adjustment. Other operating expenses increased by 11.5 per cent.

Business unit Transportation has experienced a challenging year with a reduced EBIT of NOK 30.2 million compared to the full year 2020. The lower profitability is partly due to cancelation of E6 Moelven - Roterud, as well as a lower general activity level.

EBIT was NOK 150.4 million in the period (NOK 186.1 million) reflecting an EBIT margin of 12.0 per cent in 2021.

Order intake in the period decreased by 13.5 per cent. There was a significant increase for the business area Industry, all other business areas had a reduction compared to same period in 2020.

Order backlog for the segment at year-end 2021 was NOK 1 186 million. Approximately 70 per cent of the total order backlog for the segment is held by the business areas Buildings & Properties and Mobility & Transportation. Order backlog decreased by 5.6 per cent compared to year-end 2020.

REGION NORWAY

This segment offers services in all five business areas and comprises all offices outside the Oslo region, except Erichsen & Horgen Lillehammer, with presence in all larger cities and several other locations in Norway. Region Norway is the largest segment, accounting for 39.8 per cent (39.6) of group net operating revenues in 2021.

Net operating revenues for the year came in at NOK 1 512.1 million (NOK 1 449.8 million) an increase of 4.3 per cent compared to last year. The increase is mainly due to higher average billing rates, net recruitment, and contribution from the acquired company Erichsen & Horgen. Organic growth in the period was 2.6 per cent. The growth in net operating revenues was offset by a lower billing ratio of 69.6 per cent (69.9).

Operating expenses increased by 6.1 per cent to NOK 1 250.0 million (NOK 1 178.6 million). Employee benefit expenses came in at NOK 993.6 million (944.6), an increase of 5.2 per cent in line with ordinary salary adjustment and the inclusion of employees from Erichsen & Horgen to this segment. Other operating expenses increased by 9.6 per cent.

EBIT was NOK 173.2 million (NOK 184.0 million) reflecting an EBIT margin of 11.5 per cent in 2021.

Order intake increased by 6.2 per cent compared to the same period in 2020. There was an increase in the business areas Industry, Renewable Energy and Water & Environment.

Order backlog for the segment at year-end was NOK 629.7 million. The order backlog is NOK 32 million higher compared to the end of 2020, an increase by 5.4 per cent. Compared to the same period last year the order backlog increased in all business areas, except in Buildings & Properties.

ENERGY

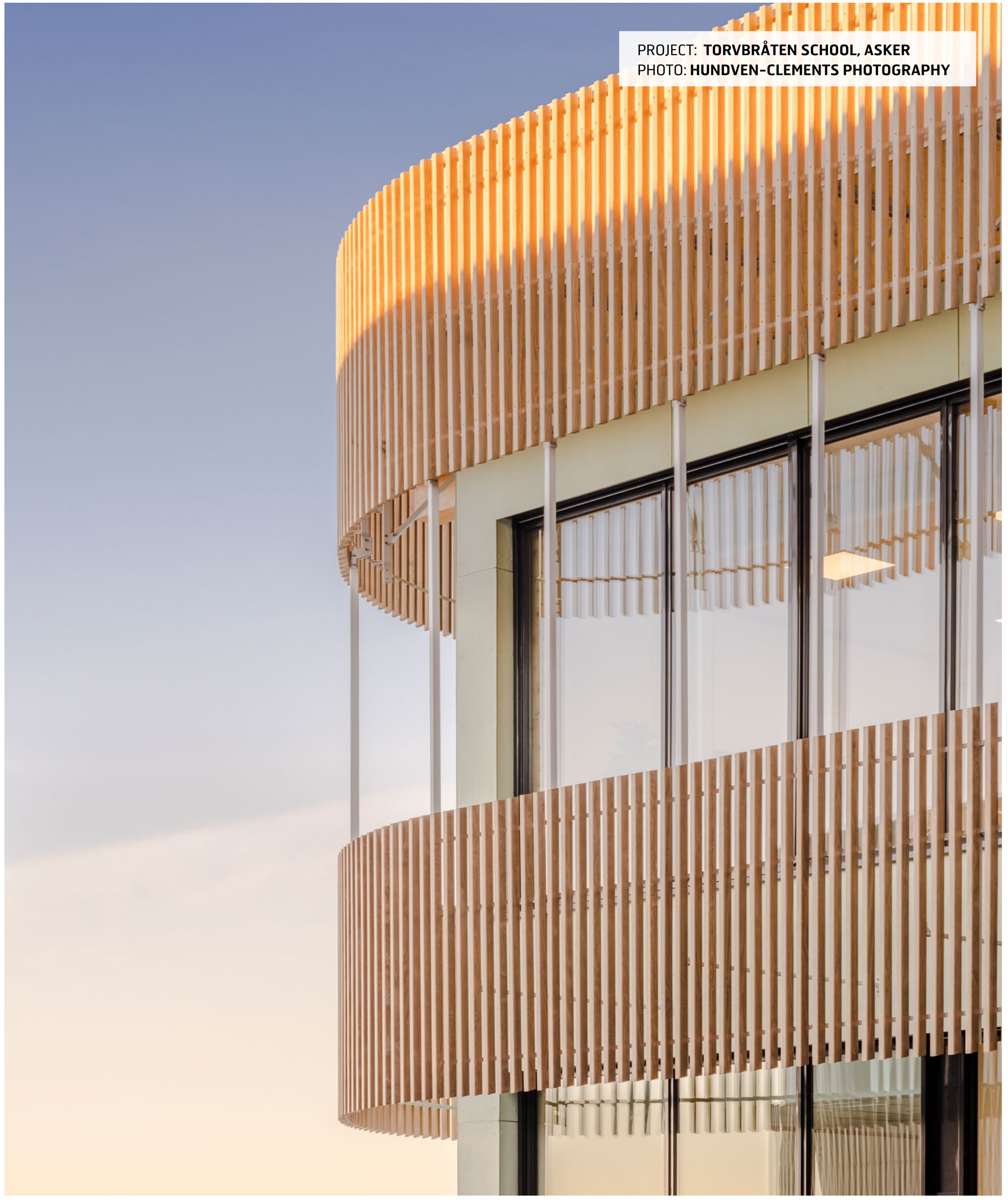
The segment offers national and international services in the business area Renewable Energy with some activity in Water & Environment and include the subsidiary Multiconsult UK. Energy accounted for 6.2 (6.8) per cent of group net operating revenues in 2021.

Net operating revenues for the segment came in at NOK 233.9 million (NOK 248.8 million) a decrease of 6.0 per cent compared to last year. A net reduction in manning level and lower average billing rates for the segment is the main drivers for the negative effect on net operating revenue.

Operating expenses came in at NOK 225.9 million (NOK 240.3 million), 6.0 per cent lower than in the same period last year. Employee benefit expenses was reduced by 6.0 per cent in line with the reduction in manning level. Other operating expenses decreased by 6.0 per cent, supported by the reduced head count and reduced operating costs.

EBIT was NOK 6.8 million (NOK 6.8 million) reflecting an EBIT margin of 2.9 per cent in 2021.

Order intake during the year 2021 decreased by 36.4 per cent compared to last year.



PROJECT: **TORVBRÅTEN SCHOOL, ASKER**
PHOTO: **HUNDVEN-CLEMENTS PHOTOGRAPHY**

Order backlog was at NOK 235.6 million at the end of the year. The order backlog decreased by 20.1 per cent compared to the same period 2020.

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 14.8 per cent of the group's net operating revenues in 2021.

Net operating revenues came in at NOK 564.5 million (NOK 561.6 million) an increase of 0.5 per cent compared to 2020. Billing ratio increased by 0.3pp and contributes to the growth in net operating revenues. Higher activity and billable hours compared to last year had a positive effect on net operating revenue. Lower on average billing rates for the segment have negative effect on net operating revenue compared with last year.

Operating expenses increased by 2.8 per cent in the period. Employee benefit expenses increased by 2.2 per cent in line with ordinary salary and activity level for the workforce. Other operating expenses came in at NOK 79.7 million an increase of 5.9 per cent. Operating expenses is partially impacted by estimated one-off restructuring cost in LINK Sweden of SEK 5.6 million.

EBIT was NOK 19.0 million (NOK 25.7 million) reflecting an EBIT margin of 3.4 per cent in 2021.

Order intake during the year 2021 decreased by 15.3 per cent, to NOK 631.3 million, compared to 2020.

Order backlog for the segment was at NOK 595.1 million at year-end. The order backlog decreased by 6.7 per cent compared to the end of 2020.

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 6.4 per cent (6.6) of the group's net operating revenues in 2021.

Net operating revenues for the year came in at NOK 243.3 million (NOK 242.5 million) an increase of 0.3 per cent driven by a net increase in manning level. The growth was offset by lower billing ratio and a currency translation effect of on the PLN/NOK for the period.

Operating expenses came in at NOK 203.9 million (NOK 202.4 million), an increase of 0.8 per cent. Employee benefit expenses increased by 1.3 per cent. Currency translation effects reduced the expense increase when measured in NOK. Other operating expenses decreased by 1.9 per cent on lower expenditures in general measured in NOK.

EBIT was NOK 23.7 million (NOK 24.8 million) reflecting an EBIT margin of 9.8 per cent in 2021.

Order intake came in at NOK 493.1 million for the period, an increase of 3.9 per cent compared to the year 2020.

Order backlog for the segment was at NOK 699.5 million at year-end. The order backlog increased by 19.2 per cent compared to the same period last year. More than 90 per cent of the total order backlog for the segment is held by the business area Mobility & Transportation.

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.

Public sector investment, confirmed by the National Budget 2021 is driving a solid outlook for transportation within road and rail. However, cost increases in the sector may affect demand for larger projects negatively, mainly in the short term.

For Building & Properties, the market is expected to stabilise at current level for 2022 with a shift towards transformation, rehabilitation, and modernisation of existing buildings with sustainable solutions. The commercial office and shopping market will change as new ways of working and shopping emerge in the wake of the Covid-19 pandemic.

For Industry the outlook is positive, and several large industry projects are in their early planning stages. Increased demand from the industry sector related to the energy transformation, clean energy, and sustainable projects to reduce their CO2 emission. Ongoing initiatives is led by the industry itself and the political environment and is supported by estimates published by Statistics Norway (NO: Statistisk sentralbyrå) related to investments in land-based industry. This is expected to generate opportunities for Multiconsult going forward.

The maintenance lag in water- and wastewater infrastructure is significant, which together with a growing market for climate change adoptions and environmental concerns, suggests a good outlook for the Water & Environment business area.

The renewable energy market will be an important market in Norway and internationally for many decades to come. Multiconsult is well positioned both to the mature part of this market and the new renewables including the hybridisation between the various renewable power sources.

The continued support and funding of public sector projects, as well as the timing of such projects, is of key importance to our business. Potential delays or cancellations may adversely impact our business.

The Covid-19 situation, including the transition into a post-pandemic situation, is still causing uncertainty. In the short term, this may also impact short-term sick-leave, which has been experienced in recent months.

The direct and indirect potential impact of the ongoing conflict in Ukraine is currently not possible to assess, but has currently had limited or no impact on Multiconsult.

There is a higher than normal short-term risk of potential delays in certain projects, mainly caused by increased cost in the building- and construction sector.

The recent acquisitions, strong portfolio of ongoing projects and a solid order backlog provides Multiconsult with an overall good foundation going into 2022.

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 to ensure a clear division of roles between the board of directors, the executive management team 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 14 October 2021, may be found at www.nues.no. The Annual Statement on Corporate governance for 2021 has been approved by the board of directors and can be found on page 37 in this annual report.

SUSTAINABILITY AND CORPORATE RESPONSIBILITY

Corporate responsibility is about running the business in a responsible and sustainable manner over time, and in a way that contributes to a positive, trust-based relationship between Multiconsult, the group's stakeholders and society as a whole. Commencing in the 2021 annual and sustainability report in Multiconsult will be one integrated report with overview of priorities, measurements, and targets within environment, social and governance ("ESG"). Multiconsult will be reporting on the Global Reporting Initiative (GRI) 2021 standards. By applying the GRI standards to the reporting, information is made available to all stakeholders in a transparent way, consistent over time. The section Sustainability and corporate responsibility in this annual report and in Multiconsult cover all areas of environmental, social and governance (ESG) reporting.

Included in the annual report is the section Sustainability and corporate responsibility. Part of this section is an integral part of the directors' report - "Employees and the organisation". The rest of the Sustainability and corporate responsibility section is a report from the executive management team.

The Sustainability and Corporate responsibility section for 2021 is included in this annual report on page 50, while the integral part of the directors' report, with the section "Employees and the organisation" starts on page 61.

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). Multiconsult has been taking steps to secure the group operationally, strategically and financially, including that Multiconsult has provided the possibility for our employees to work from home. The group has an IT infrastructure that has enabled our employees to work efficiently from home. The Covid-19 situation, including the transition into a post-pandemic situation, is still causing uncertainty for the industry and our markets going forward. In the short term, this may also impact short-term sick-leave, which has been experienced in recent months.

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. In general, Multiconsult, and the Norwegian engineering consultancy industry, has experienced an increase in the number and size of potential legal disputes, which potentially may, in adverse circumstances, have negative financial impact. 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 coverage for project liability up to a certain level and subject to certain conditions. Business segments represented through other subsidiaries have local insurance coverage for project liability up to a certain level and subject to certain conditions. Insurance coverage 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 coverage of up to 150 times the Norwegian national insurance base rate (G) – about NOK 16 million, which is the standard limitation of liability in Multiconsult's contracts. Uninsured liability is by agreement normally limited to 60 G about NOK 6.3 million, with exceptions and higher agreed limitations for such liability in some larger projects.

There may however be significant project- and other operational risks where limitations of liability do not apply, that are not covered by the mentioned insurances and/or where the insurance coverage is insufficient to cover the risk. In some projects special provisions regarding liability apply or limitations of liability do not apply. This increases Multiconsult's possible liability and risk. In cases of gross negligence or wilful misconduct limitations on liability as a main rule do not apply, and insurance coverage may be reduced. Furthermore, Multiconsult has entered into multiple project partnerships with joint and several liability or joint and proportional liability that may in under particular circumstances increase risk. In the latter cases Multiconsult's proportional liability is normally based on the share of the turnover in the project group. The mentioned risks may, in some adverse circumstances, have a significant negative impact on the financial performance of the group. Further details are provided in note 20 to the consolidated group accounts.

In connection with a project completed several years ago, one of Multiconsult Norge AS' customers has taken legal action to seek compensation for losses amounting to approximately NOK 90 million. Multiconsult considers the claim without merit and has defended itself against the lawsuit. In the fourth quarter 2021, Multiconsult won the case fully in the court of first instance, but the counterparty has filed an appeal to the Court of Appeals. As of publishing of this report no date has been set for the hearing in the Court of Appeals.

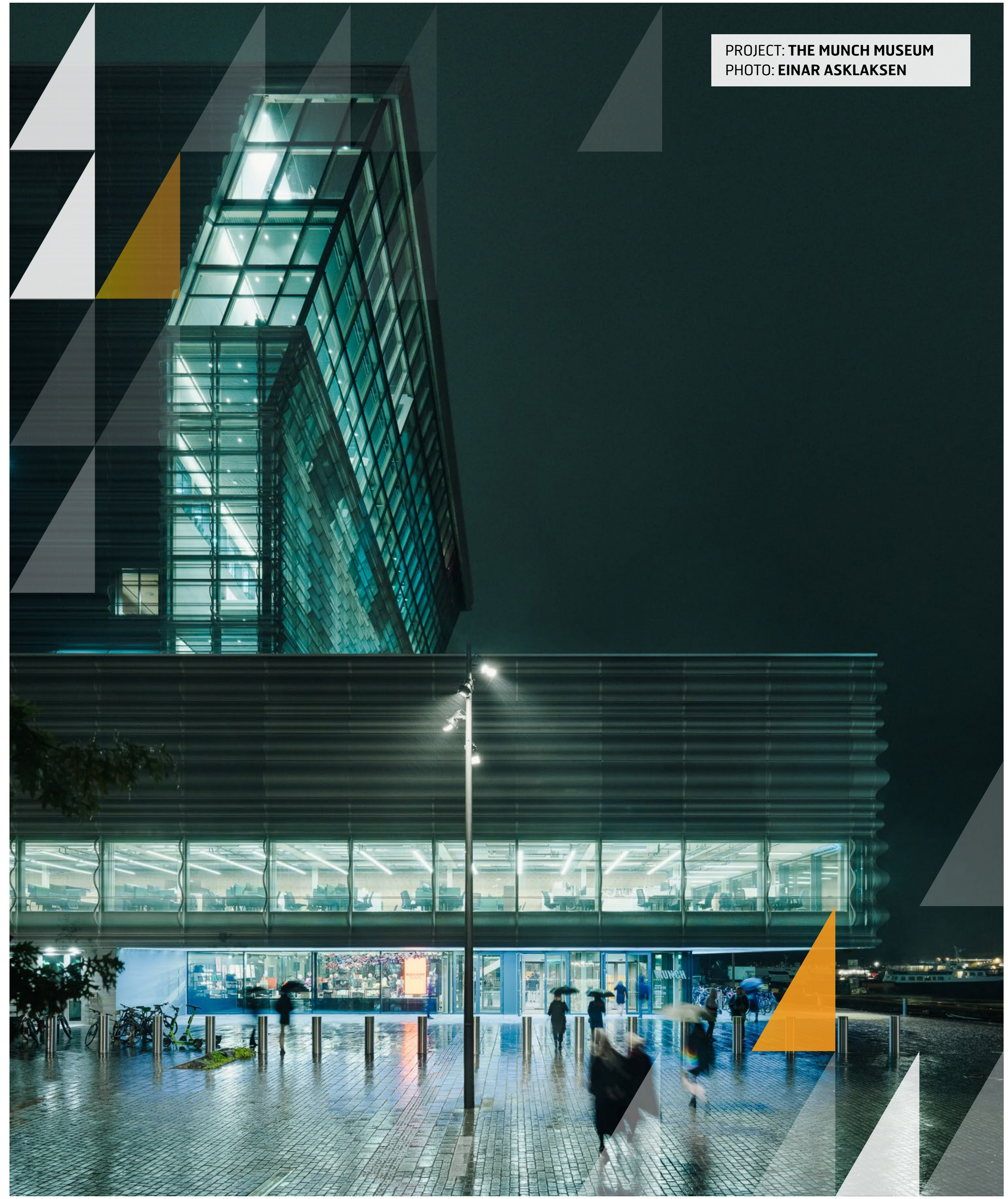
There is a higher than normal short-term risk of potential delays in certain projects, mainly caused by increased cost in the building- and construction sector.

CREDIT RISK

Credit risk arises primarily from transactions with customers and from bank deposits. The group's losses on accounts receivable because customers have been unable to meet their obligations have been modest for a number of years. Trade receivables represent about 24.1 per cent (23.1 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 2021 and 2020 relates to public sector, customers credit risk is considered 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


PROJECT: **THE MUNCH MUSEUM**
PHOTO: **EINAR ASKLAKSEN**

larger on the revenue side than on the cost side. Where a net currency 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, with some currency translation risk related to the reporting segment International. Therefore, currency hedging contracts have only rarely been entered. The functional currency of the parent company, and the largest subsidiary Multiconsult Norge AS, is Norwegian kroner (NOK).

INTEREST RATE RISK

Multiconsult's 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 450.0 million, plus accordion option of NOK 150.0 million until March 2023. On 31 December 2021, Multiconsult ASA has drawn NOK 180.0 million under the revolving credit facility. Interest swaps have entered 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 see note 2B to the consolidated group accounts.

EMPLOYEES AND EXPERTISE RISK

Multiconsult is a people-based organisation of about 3 200 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, an unusually tight labour market for engineers and architects, 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, see Employees and the organisation in the section Sustainability and Corporate responsibility section this report.

ENVIRONMENTAL AND CLIMATE RISK

Climate change provides both risks and opportunities for Multiconsult. The threats and opportunities for climate risk is addressed in line with other threats and opportunities, by executive management team informing the board of directors. Transition risk and physical risk is evaluated separately. Physical risk is evaluated to be low, as the group does not own substantial assets vulnerable to acute or chronic physical risk. HSE procedures are in place to handle climate induced weather events and the group and subsidiaries' insurance is considered to cover all climate risks in a sufficient way. The largest transitional risk is linked to market risks and opportunities. The market risk is considered low for both short-, medium- and long term while short-, medium- and long-term market opportunities are considered to be substantial, and a key market driver, in the strategy process. As the construction industry is a large contributor to climate emissions, the sector is under the scrutiny of policy makers. For more information, see Reporting according to Task Force on Climate-related Financial Disclosure, TCFD in the section Sustainability and Corporate responsibility section this report.

UKRAINE

The direct and indirect potential impact of the ongoing conflict in Ukraine is currently not possible to assess, but has currently had limited or no impact on Multiconsult.

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 financial reporting standards (IFRS).

The group made a profit for the year ended 31 December 2021 of NOK 234.7 million, compared with NOK 249.2 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 2021, Multiconsult had 3 582 (2 470) shareholders from 43 (31) different countries across the world. Turnover of shares is a measure of traded volumes were on average 42 075 shares per day compared to 19 718 shares in 2020. The 10 largest shareholders accounted for 55.8 per cent (62.1), and the 20 largest shareholders accounted for 64.4 per cent of the share capital. Stiftelsen Multiconsult was the largest shareholder, holding 21.9 per cent (21.7) of the shares on 31 December 2021. The share capital of Multiconsult ASA is NOK 13 715 261,50 divided into 27 430 523 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 states 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: NO0010734338. Multiconsult ASA's legal entity form is Public limited liability company (NO: Allmennaksjeselskap) and LEI (Legal Entity Identifier) code of reporting entity is: 5967007LIEEXZXG9G007.

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.

SHARE PRICE 2021

The annual general meeting on 19 April 2021 resolved payment of ordinary dividend related to the 2020 financial year of NOK 215.8 million to be paid to shareholders registered at this date. This equalled NOK 8.00 per share. The dividend was paid on 28 April 2021.

The board of directors proposes a dividend of NOK 6.00 per share to be paid as ordinary dividend related to the 2021 financial year.

TOTAL SHAREHOLDER RETURN

Multiconsult's total shareholder return in 2021 was 26.5 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 19 April 2021 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 500 and NOK 5, respectively. The authorisation is valid until the annual general meeting in 2022, however, no longer than to 30 June 2022.

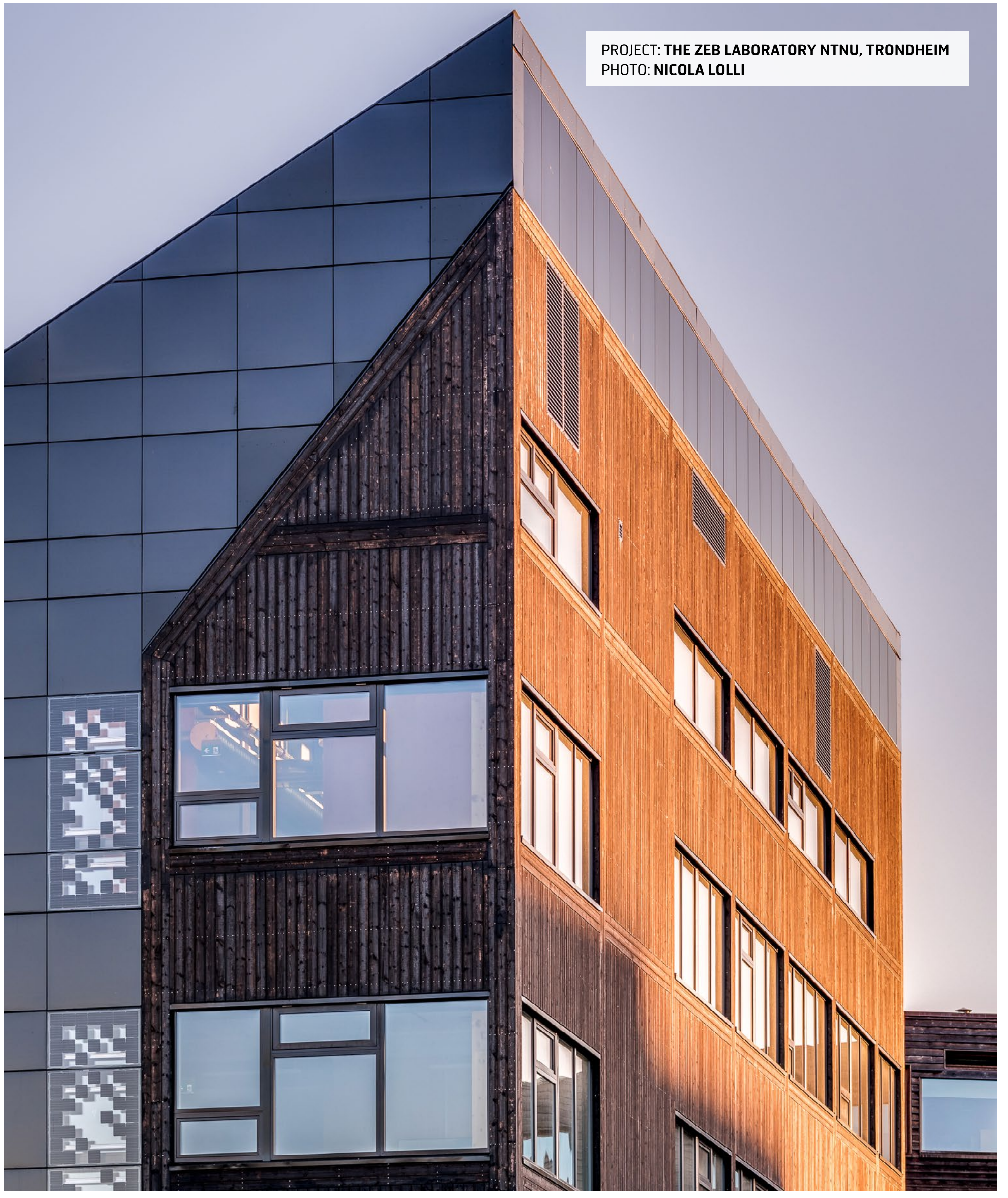
INSURANCE COVERING BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT TEAM

Multiconsult ASA hold insurances covering the board members', CEO's and executive management team members' potential liabilities towards the company and third parties.

The board and CEO of Multiconsult ASA – Oslo, 16 March 2022

Bård Mikkelsen Chair of the board	Rikard Appelgren Director	Sverre Hurum Director	Tove Raanes Director
Hanne Rønneberg Director	Torben Wedervang Director	Gunnar Vatnar Director	Karine Gjersø Director

Grethe Bergly
CEO



PROJECT: **THE ZEB LABORATORY NTNU, TRONDHEIM**
PHOTO: **NICOLA LOLLI**

PROJECT: **VÄXJÖ HOSPITAL, VÄXJÖ - SWEDEN**
ILLUSTRATION: **LINK ARKITEKTUR**

ANNUAL STATEMENT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

Good corporate governance provides the basis 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.

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 14 October 2021, may be found at www.nues.no.

The annual statement on corporate governance for 2021 follows below. The statement was approved by the board of directors on 16 March 2022.

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 14 October 2021.

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

According to the Articles of Association, Multiconsult's business purpose is: "The business activities of the company 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. The Sustainability and corporate responsibility report is an integrated section in this annual report, and the annual report gives an account of Multiconsult's systematic work in areas important for stakeholders such as employees, business partners and the community. Multiconsult has defined objectives, strategies and risk profiles for the company's business activities such that the company creates value for shareholders in a sustainable manner.

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

3. EQUITY AND DIVIDENDS

EQUITY

As of 31 December 2021, the group had a consolidated equity of NOK 850.1 million, corresponding to an equity ratio of 28.0 per cent. Adjusted for the IFRS 16 effect, a consolidated equity of NOK 913.1 million and total asset NOK 2 266.1 million, corresponding to an equity ratio of 40.3 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 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 flow, capital expenditure plans, financing requirements and appropriate financial flexibility.

For the financial year 2021, the board of directors proposes a dividend of NOK 6.00 per share, compared with NOK 8.00 per share in 2020. Dividend will be paid on or around 18 April 2022 to shareholders registered in the company's shareholders' register as evidenced in a transcript as of 9 April 2021. Acquired shares subject to ordinary settlement in the Norwegian Securities Register (VPS), will carry the right to receive dividends if acquired up to and including 7 April 2021.

BOARD MANDATES TO INCREASE THE SHARE CAPITAL

At the annual general meeting of the company on 19 April 2021 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 2022, but in no event later than 30 June 2022.

4. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH RELATED PARTIES

Multiconsult has only one share class, and all shares have equal rights in the company. The share capital of Multiconsult ASA is NOK 13 715 261.50 divided into 27 430 523 shares, each with a nominal value of NOK 0.50.

On 16 August 2021, Multiconsult ASA issued 460 129 Multiconsult shares, each with a nominal value of NOK 0.50, as partial consideration in connection with the acquisition of all shares in Erichsen & Horgen AS. The issuance was made pursuant to the authority granted at the Annual General Meeting of Multiconsult ASA on 19 April 2021. After the issuance of the new shares the share capital of Multiconsult ASA is NOK 13 715 261.50 divided into 27 430 523 shares, each with a nominal value of NOK 0.50.

On 1 December 2021, Multiconsult ASA completed a share buyback programme. The first part of the programme was initiated on 1 October 2021, a share buyback programme for up to 275 000 shares in the market. This part of the programme ended on 12 November 2021. The last part of the programme was initiated 22 November 2021, a share buyback programme for up to 175 000 shares in the market. On the 1 December 2021 the buyback programme was completed as the number of shares needed for the employee share purchase programme in 2021 had been reached. Transactions in the buyback program have been made in the market at stock exchange prices and is carried out in accordance with the Market Abuse Regulation (EU) No 596/2014 ("MAR") and Commission Delegated Regulation (EU) No 2016/1052 ("Safe Harbour Regulation").

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 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.

6. GENERAL MEETINGS

NOTICE, REGISTRATION AND PARTICIPATION

The board makes provision for as many as possible of its shareholders to exercise their rights by attending the general meeting. The annual general meeting will take place on 7 April 2022. 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 nomination committee has been composed in accordance with the code of practice to safeguard the interests of the shareholder community. The composition meets the code's requirements for independence. None of the members of the nomination committee are members of the board, nor does the nomination committee include the company's CEO or any other executive personnel.

The annual general meeting on 19 April 2021 elected Arnor Jensen as new chair and Dag Marius Nereng as member of the nomination committee. Following, the nomination committee comprises at the time of Arnor Jensen as chair and Dag Marius Nereng and Vigdis Almestad as members. On the 7 September 2021 Dag Marius Nereng resigned as member of the nomination committee in Multiconsult ASA. Consequently, the nomination committee consist of two members - Arnor Jensen (chair person) and Vigdis Almstad (member) - until the next ordinary annual general meeting to be held on the 7 April 2022.

The contact details of the chair of the nomination committee are available on the group's website (https://www.multiconsult-ir.com/committees), 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

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.

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. One deputy director has also been elected. The remaining three directors are employee-elected. Two of the shareholder-elected and one of the employee-elected directors are women.

The board of directors does not include any personnel from the executive management team. All shareholder elected directors are independent of the group's executive management, main shareholders and important business associates.

Details on background, experience and independence of directors are presented on the group's website. The board of directors conducted 15 meetings during 2021, of which 3 were held in person. The attendance rate was 98% in all the meetings.

The Articles of Association does not require members of the board to own shares in the company. At the annual general meeting in 2021 the nomination committee proposed to continue resolutions from previous general meetings: "All directors elected by the shareholders shall purchase shares in Multiconsult ASA for 20 per cent of the total gross directors' fees by the end of the year. The obligation applies annually as long as a board member is re-elected, until the individual board member's holding of shares has a total market value equivalent to the size of one year's board fees. Board members must then maintain a shareholding of this size as long as they are part of the board. After a board member resigns, the obligations under this resolution lapse." The number of shares in Multiconsult held by each director can be found in note 9 to the consolidated financial statements in this annual report 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 the overall administration of the company, organising it in accordance with the Norwegian Public Companies Act (NO: allmennaksjeloven) and for supervising the chief executive officer and the company's activities.

The board of directors establishes annual plans for its work, with particular emphasis on business objectives, strategic direction 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 company's strategy and to monitor how it is implemented. The work comprises appointing the group's chief executive officer and to monitor control functions necessary to ensure acceptable management of the company'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 company's objectives 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 audit committee comprises of three members. The committee currently comprises of Tove Raanes as the chair person, Rikard Appelgren and Torben Wedervang as members. The shareholder-elected director, Tove Raanes and Rikard Appelgren, are independent of the company's management, main shareholder(s) and material business contacts. The same is valid for the employee -elected director Torben Wedervang, other than his 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;
- 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;
- be responsible for preparing the group's election of 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 Karine Gjersø as members. The shareholder-elected directors, Bård Mikkelsen and Hanne Rønneberg, are independent of the company's management, main shareholder(s) and material business contacts. The same is valid for the employee -elected director Karine Gjersø, other than her 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 performance and that of the chief executive officer annually 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 the risk management activities in his/her respective areas. Effectiveness of risk management is continuously on the agenda in each business unit's management meeting, however, 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 an annual basis. Input 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, human relation (HR), investor relation (IR), 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 are 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 in connection with the board of directors' annual review.

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.

ETHICS AND CORPORATE RESPONSIBILITY

Multiconsult takes a proactive stance towards corporate social responsibility in a wide range of areas in its dealings with its customers, employees and partners. The company and its subsidiaries work continuously with ethics, anti-corruption and corporate responsibility, which are integral parts of the basis for decisions. Multiconsult must comply with a number of guidelines and reporting procedures as part of its corporate responsibilities. The main documents have been approved by the company's board of directors, which also sets the overall goals for the areas covered. For more information, see Sustainability policies and certificates in the section Sustainability and Corporate responsibility section this report.

SUSTAINABILITY AND CORPORATE RESPONSIBILITY REPORT

Multiconsult's Sustainability report is an integrated part of this annual report. The status of the work by the business areas involving corporate responsibility and the work regarding sustainability in Multiconsult is included in the section Sustainability and corporate responsibility in this annual report.

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 2021.

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

The 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.

The group's suggested executive remuneration policy (Remuneration policy on determination of salary and other remuneration for leading persons) can be found on the group's website www.multiconsult-ir.com, the policy must be approved by the annual general meeting in 2022. Moving forward the policy must be approved by the general meeting in the event of any material changes and at least every fourth year. The policy specifies the main principles for compensation of executive management and is based on contribution to the company's commercial strategy, long-term interests and financial viability. The remuneration policy aims to ensure alignment of the interests of shareholders and group executive management as far as possible. Note 9 to the consolidated financial statement contains table of the remunerations given to leading persons and the group's remuneration policy. For a detailed description of the remuneration given to leading persons for the years 2021 and 2020, please see the executive remuneration report (Remuneration report for salary and other remuneration for leading persons) which can be found on the group's website www.multiconsult-ir.com.

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, an annual cap has been placed on bonuses. 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 general meeting of Multiconsult ASA on 19 April 2021 re-elected Bård Mikkelsen as chairperson of the board. Rikard Appelgren, Hanne Rønneberg and Tove Raanes were re-elected as directors. Sverre Hurum was elected as a new board member (former deputy member), while Tore Sjursen came in as a new deputy member. All of the above were elected for a term of one year.

There have been no changes in the executive management team since 1 January 2021.

13. INFORMATION AND COMMUNICATION

The board of directors has established guidelines and Investor Relation policy 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. The presentations are available as live webcast and can be found on the group's website subsequent the event. Presentations made for investors in connection with the quarterly reports will be made public together with the reports. Important events affecting Multiconsult will be reported immediately.

The CEO, CFO and Investor Relation Officer is responsible for the main dialogue with the investor community, hereunder the company's shareholders.

Multiconsult puts emphasis on maintaining an open and ongoing dialogue with the investor community, hereunder frequent meetings with investors, fund managers, analysts and journalists. The company may also be present at relevant investor conferences and seminars.

The investor relation policy 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.

Multiconsult comply with the Oslo Børs Code of Practice for IR of 1. March 2021 except for the fact that publication of the half-year report is published some days later than the recommended; 15th day of the second month after the end of the accounting period in question. See financial calendar for deviation to this. Multiconsult will do its most to follow updates or changes to the mentioned code if updated.

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 2021 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 2021, 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.

EBITDA: EBIT before depreciation, amortisation and impairment.

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

EBITA: EBIT before amortisation and impairment of goodwill and acquisition-related intangible assets.

EBITA margin (%): EBITA 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 (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.

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.

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 excluding one-off nextLEVEL restructuring cost of NOK 30.0 million in 2020. There was a calendar effect of one less working day in 2021 which had a negative impact on net operating revenues and EBIT of approximately NOK 11.2 million compared to 2020.

Amounts in NOK million (except percentage)	**2021**	**2020**
Net operating revenues	**3 803.7**	**3 660.9**
Reported employee benefit expenses	2 811.4	2 660.1
Reported other operating expenses	449.5	402.2
Operating expenses	**3 260.9**	**3 062.3**
EBITDA ex. restucturing cost	**542.8**	**598.7**
Depreciation and amortisation	194.0	197.6
Impairment	-	30.0
Restructuring cost	-	(30.0)
EBIT ex. restucturing cost	**348.9**	**401.0**
Ex. restucturing cost EBITDA margin (%)	*14.3 %*	*16.4 %*
Ex. restucturing cost EBIT margin (%)	*9.2 %*	*11.0 %*
Estimated calendar effect	11.2	
EBIT ex. restucturing cost and adjusted calendar effects	**360.1**	**401.0**
Adjusted EBITDA margin (%)	*14.6 %*	*16.4 %*
Ex. restucturing cost and adjusted calendar effects EBIT margin (%)	*9.5 %*	*11.0 %*

The board and CEO of Multiconsult ASA – Oslo, 16 March 2022

Bård Mikkelsen
Chair of the board

Rikard Appelgren
Director

Sverre Hurum
Director

Tove Raanes
Director

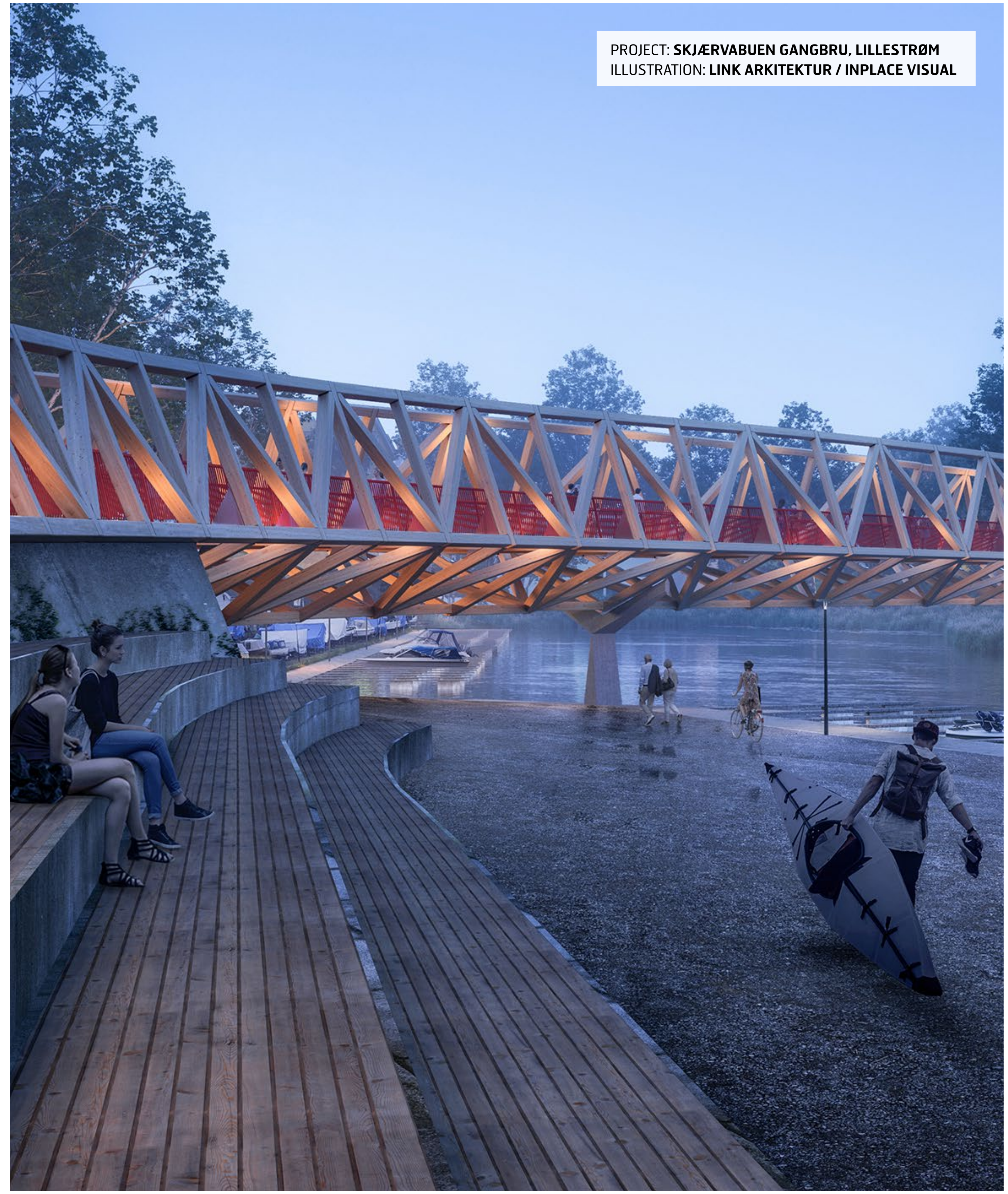
Hanne Rønneberg
Director

Torben Wedervang
Director

Gunnar Vatnar
Director

Karine Gjersø
Director

Grethe Bergly
CEO



PROJECT: **SKJÆRVABUEN GANGBRU, LILLESTRØM**
ILLUSTRATION: **LINK ARKITEKTUR / INPLACE VISUAL**

PROJECT: **HAMMARKULLTORGET, GOTHENBURG – SWEDEN**
ILLUSTRATION: **LINK ARKITEKTUR**

SUSTAINABILITY AND CORPORATE RESPONSIBILITY

Multiconsult's commitment to sustainability is reflected in the vision *"It's by understanding the past, we can make progress, and we will promote sustainable development wherever we are given the opportunity to leave our mark."*

Overview
Multiconsult group ("Multiconsult" or "the group") comprises Multiconsult ASA ("parent company" or "company") and all subsidiaries and associated companies. The following entities are included in the sustainability reporting; Multiconsult Norge AS, Multiconsult Polska Sp. z o.o., Multiconsult Asia Pte Ltd, Multiconsult UK Ltd, Iterio AB, LINK Arkitektur AS, LINK Arkitektur AB, LINK Arkitektur A/S, Erichsen & Horgen AS, Ingeniørfirmaet Malnes og Endresen AS, Nordland Teknikk AS.

In Multiconsult, the goal of delivering on sustainability and corporate responsibility is made possible through three approaches: Through the group's own business, its operations, and through its corporate responsibility. The reporting on the group's Environmental, Social and Governance (ESG) performance is sectioned using these approaches.

SUSTAINABILITY POLICIES AND CERTIFICATES

Multiconsult has the following group policies and statements[1] covering different ESG topics:

- Environmental Policy
- Global Mobility Policy
- People Policy
- Privacy and Data Protection in Multiconsult
- Health & Safety Policy
- Slavery, Child Labour and Human Trafficking Statement
- Code of conduct
- Whistle-blower Policy
- Procurement Policy
- Policy for Corporate Social Responsibility

As the subsidiaries in the group are operating in different markets and targeting different segments, some subsidiaries adopt supplementing policies and guidelines. The group will in 2022 establish a new overarching Sustainability Policy. According to the current Multiconsult Environmental Policy, all subsidiaries must adopt a certificate for environmental performance, be it ISO 14001, ECO-Lighthouse, EMAS or equivalent. Work is ongoing to ensure that subsidiaries that are not holding a certificate will have certification in place by the end of 2022.

CERTIFICATES HELD BY MULTICONSULT SUBSIDIARIES

Subsidiary	Certificates
Multiconsult Norge AS	ECO-Lighthouse Head office-model ISO 9001
Iterio AB	ISO 14001
LINK Arkitektur AS	ECO-Lighthouse Head office-model
LINK Arkitektur AB	ISO 14001
Multiconsult Polska Sp. Z o. o.	ISO 14001, ISO 9001:2015, ISO 45001:2018
Multiconsult UK Ltd.	ISO 9001

[1] The policies and statements are available on Multiconsult's website https://www.multiconsultgroup.com

REPORTING STANDARD

In the 2021 annual report, Multiconsult is reporting according to the Global Reporting Initiative (GRI) 2021 standards. By applying the GRI standards to the reporting, information is made available to all stakeholders in a transparent way, consistent over time. As 2021 is the first year the group is fully reporting on the standards, both well-developed targets and measurement of performance and areas for improvement have been identified. The group's annual reporting on sustainability is reviewed by the board of directors. The annual reporting on sustainability for 2021 has not been externally assured. The group's ambition is to have the GRI reporting externally assured for 2022.

MATERIALITY ASSESSMENT AND PRIORITIES

A materiality assessment provides the foundation for the group to focus its activities and contribute where its footprint is largest and where it can make the greatest impact. This is a requirement in the GRI standards 2021. A full materiality assessment for Multiconsult group was conducted in 2021. The materiality assessment consisted of a peer review, a survey among employees and interviews with key stakeholders. The interviewed stakeholders were key clients from the public and private sector, the group's bank, an investor, a representative of the trade unions and an environmental organisation. Based on the results of the materiality assessment the following key material topics for Multiconsult are defined:

ENVIRONMENTAL	• Environmental and climate impacts on assignments • Circular economy (incl. impact on materials) • Environmental and climate impact of own operations
SOCIAL	• Employee development (and welfare) • Equality and diversity • Research and development • Health and safety • Human rights • Social sustainability and local communities
GOVERNANCE	• Influence on business partners • Influence on policy makers and regulations

The executive management team has approved the list of material topics and prioritised the following topics for the annual report 2021: Environmental and climate impact of own operations; employee development and welfare; equality and diversity; health and safety; influence on policy makers and regulations. These topics were selected based on where Multiconsult have the most robust figures for reporting purposes. The goal is ultimately to report on all material topics. All topics will be mentioned in the annual report for 2021, but only the prioritised topics will be reported under the following GRI standards: GRI 2: General Disclosures 2021, GRI 3: Material topics, GRI 305: Emissions 2015, GRI 401: Employment 2016, GRI 403: Occupational Health and Safety 2018, GRI 405: Diversity and Equal Opportunity 2016, GRI 415: Public policy 2016. The material topics will undergo an annual revision and discussion by the executive management team.

ENVIRONMENT

Multiconsult is committed to contribute to the green UN Sustainable Development Goals. Based on the skilled workforce and experience Multiconsult is well position to be a part of the solution to sustainable challenges, through proposing sustainable alternatives to clients, reducing own environmental footprint in the group's operations, actively improving business standards, and through influencing authorities and policy makers to adopt regulation in line with the green UN Sustainable Development Goals and the 1.5-degree target of the Paris Climate Agreement. From Multiconsult's materiality assessment the following environmental topics were prioritised: Environmental and climate impacts on assignments, circular economy, and environmental and climate impact of own operations. For the 2021 report, environmental and climate impact of own operations is highlighted.

ENVIRONMENT – BUSINESS

It is through Multiconsult's assignments the greatest impact on the society can be measured. Multiconsult's vision, "...to promote for sustainability in all assignments where we are given the opportunity to leave our mark" is operationalised in different ways in the subsidiaries, under the group Environmental Policy, which guides the subsidiaries in the efforts to think green in all we do.

The following table highlights the key goals established for 2021 by the parent company and its subsidiaries, and their performance toward the goals for 2021, and new goals and ambitions for the coming years.

BUSINESS UNIT	GOALS FOR 2021	OUTCOME	COMMENTS & FUTURE GOALS
Multiconsult ASA	-	-	For 2022 establish a baseline for operations that are classified as green using the EU Taxonomy. Aim to be in top tier among our peers and set new targets annually.
Multiconsult Norge AS	In all material assignments, clarify and challenge the environmental ambitions of the client	Partially achieved	Clarifying environmental ambitions of clients is an element in Multiconsult Norge AS' quality plan for all assignments. Reporting has recently started, and targets will be considered in 2022.
	Measure climate emission reductions in the subsidiary's assignments.	Postponed	The goal has been postponed and replaced by the group goal on the taxonomy.
	Establish sustainability targets in the business areas.	Partially achieved	Each business area has in their strategies addressed sustainability as a key driver in the market. The business areas are currently in the process of operationalising the strategies.
LINK Arkitektur AS, LINK Arkitektur AB, LINK Arkitektur A/S	Focus on circular economy architecture, climate-smart architecture and biodiversity in all projects.	Partially achieved	Focus is achieved but not quantitatively measured. The goal will be measured under the group goal on the taxonomy.
Iterio AB	Choose assignments from a moral and ethical sustainability perspective and propose sustainable solutions.	Partially achieved	Focus is achieved but not quantitatively measured. The goal will be measured under the group goal on the taxonomy.
Other subsidiaries	Focus on environmental management in accordance with ISO 14001.	Achieved	Not quantitatively measured. The goal will be measured under the group goal on the taxonomy.

EU TAXONOMY

ABOUT TAXONOMY IN MULTICONSULT GROUP

The law implementing the EU Taxonomy Regulation in Norway will enter into force after the regulations have been incorporated in the EEA Agreement. The Ministry of Finance expects that the incorporation will take place in the first half of 2022.

Nevertheless, the Ministry of Finance encourages Norwegian companies that will be covered by the new reporting obligations, to include taxonomy-related information, the amount or taxonomy eligible activities in annual reports for the financial year 2021, even if the law may not be in effect at the time of submitting the annual report.[2] Taxonomy alignment indicates that an activity is considered green under the taxonomy regulations. Taxonomy eligibility indicates that an activity has the potential to be considered green given further evaluation.

Based on this, along with Multiconsult group's and the market's expectations, it has been decided to include taxonomy eligibility in this annual report. Reporting on taxonomy alignment will be included in the annual report for 2022 in accordance with the expected legislation adopted by the Norwegian Parliament, but not yet incorporated.

Multiconsult will report a baseline taxonomy alignment rate by the time the annual report for 2022 is published. This is dependent on the EU succeeding in implementing the taxonomy regulation for all six taxonomy topics. Multiconsult aim to be in the top tier among our peers in taxonomy alignment rate and will set year-on-year targets to increase the share of revenues that comes from taxonomy-aligned activities. For Multiconsult an improved taxonomy alignment rate can be achieved by enabling client's projects to become taxonomy-aligned, by targeting taxonomy-aligned activities and by reducing the group's exposure to activities that are not eligible.

According to the forthcoming law, Multiconsult ASA, as a listed company with more than 500 employees, shall disclose the proportion of Taxonomy-eligible and Taxonomy non-eligible economic activities in their total operational revenues, investments/capex and operational costs.[3]

METHODOLOGY

TURNOVER - OPERATING REVENUES[4]

Article 1(5) of the Disclosures Delegated Act defines an eligible economic activity as an activity that is described in the delegated acts adopted pursuant the Taxonomy Regulation. For Multiconsult this means that if turnover is generated from an activity that can be tested under the Taxonomy, then the activity is eligible for the purpose of reporting. Multiconsult activities are connected to assignments. It has been assumed that if an assignment can be connected to an activity described in the Climate Change Delegated Acts (annexes 1 and 2), then the activities connected to the assignment are eligible.

To assess the eligibility of the group activities, a list of all the assignments that generated operating revenues in 2021 was used. This list contained all the relevant information possible to generate from the ERP system, including project name, client, business area and objects. Based on this information, an assessment was made as to whether the assignment could be considered eligible or not. In some cases, this information was not sufficient, and the assignment was then marked as "not evaluated". Moreover, for an assignment to be evaluated the assignment needed to have operating revenues of at least NOK 1 million generated in 2021. Only assignments in the subsidiaries Multiconsult Norge AS, Multiconsult Polska Sp. z.o.o., LINK Arkitektur AS, LINK Arkitektur A/S and Iterio AB have been evaluated.

As of January 2022, two of the six environmental objectives in the EU Taxonomy are established, the remaining four are under development. When these four objectives are established, a larger share of Multiconsult assignments can be defined as eligible.

CAPITAL EXPENDITURES – CAPEX

Eligible CapEx has been defined as the capital expenditures related to assets or processes that are associated with Taxonomy-eligible economic activities. None of the capital expenditures in 2021 have been evaluated as eligible.

OPERATING EXPENDITURES – OPEX

Eligible OpEx has been defined as the operational expenditures related to assets or processes that are associated with Taxonomy-eligible economic activities. Based on this definition, wages and overhead of employees working on eligible assignments can be considered as eligible. These figures are calculated for Multiconsult Norge AS, LINK Arkitektur AS and LINK Arkitektur A/S, using the registered cost from the ERP system.

[2] https://www.regjeringen.no/no/aktuelt/nye-regler-om-barekraftig-finans-vil-ikke-tre-i-kraft-fra-nyttar/id2892207/

[3] https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2021-4987_en.pdf

[4] Multiconsult does not refer to turnover but uses the terminology "operating revenues"

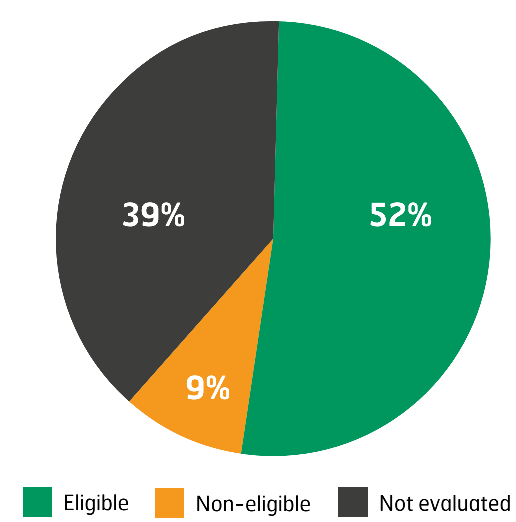
TAXONOMY TABLE

To enable comparability between Taxonomy-eligibility and alignment reporting, a part of the template included in Annex I to the Disclosures Delegated Act is used.

ELIGIBLE AND NON-ELIGIBLE OPERATIONAL REVENUES

BUSINESS AREA	ECONOMIC ACTIVITIES	OPERATIONAL REVENUE	PROPORTION OF OPERATIONAL REVENUE
A. TAXONOMY-ELIGIBLE ACTIVITIES		NOK million	%
Taxonomy-Eligible activities (not evaluated for Taxonomy-alignment)			
01 Buildings & properties	7.1, 7.2	732.3	17%
02 Industry	3.1, 3.4, 4.16, 5.12, 7.1, 5.9, 6.16	87.4	2%
03 Mobility & Transportation	6.13-6.16, 6.19, 6.20, 7.1, 9.1	881.2	21%
04 Renewable Energy	4.1-4.10	228.4	5%
05 Water & Environment	1.4, 4.15, 4.5, 5.1-5.8, 8.1, 9.1	287.1	7%
Operational revenue of Taxonomy-eligible activities (A.2)		2 216.3	52%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES			
01 Buildings & properties	7.1, 7.2	87.5	2%
02 Industry	3.1, 3.4, 4.16, 5.12, 7.1, 5.9, 6.16	203.4	5%
03 Mobility & Transportation	6.13-6.16, 6.19, 6.20, 7.1, 9.1	17.3	0%
04 Renewable Energy	4.1-4.10	0.3	0%
05 Water & Environment	1.4, 4.15, 4.5, 5.1-5.8, 8.1, 9.1	93.4	2%
Operational revenue of Taxonomy-non-eligible activities		401.9	9%
C. NOT EVALUATED			
Non-evaluated projects		1 359.6	32%
Operational revenue from non-evaluated companies		306.8	7%
Non-evaluated operational revenue		1 666.4	39%
Total (A+B+C)		**4 284.7**	

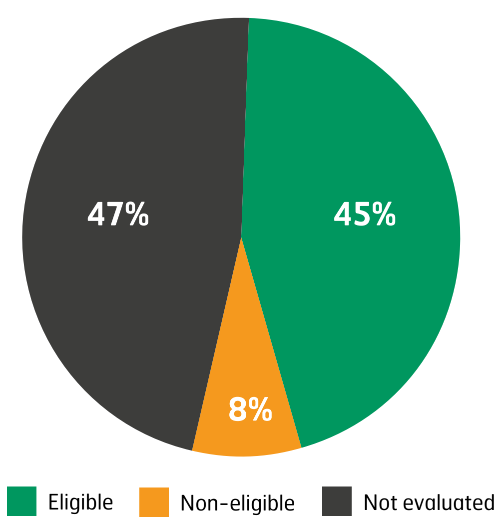
OPERATIONAL REVENUE



OPEX

BUSINESS AREA	ECONOMIC ACTIVITIES	OPERATIONAL EXPENDITURES	PROPORTION OF OPEX
A. TAXONOMY-ELIGIBLE ACTIVITIES		NOK million	%
Taxonomy-Eligible activities (not evaluated for Taxonomy-alignment)			
01 Buildings & properties	7.1, 7.2	535.3	16%
02 Industry	3.1, 3.4, 4.16, 5.12, 7.1, 5.9, 6.16	70.7	2%
03 Mobility & Transportation	6.13-6.16, 6.19, 6.20, 7.1, 9.1	511.8	16%
04 Renewable Energy	4.1-4.10	166.3	5%
05 Water & Environment	1.4, 4.15, 4.5, 5.1-5.8, 8.1, 9.1	193.9	6%
OpEx of Taxonomy-eligible activities (A.2)		1 478.0	45%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES			
01 Buildings & properties	7.1, 7.2	61.4	2%
02 Industry	3.1, 3.4, 4.16, 5.12, 7.1, 5.9, 6.16	138.8	4%
03 Mobility & Transportation	6.13-6.16, 6.19, 6.20, 7.1, 9.1	6.7	0%
04 Renewable Energy	4.1-4.10	0.2	0%
05 Water & Environment	1.4, 4.15, 4.5, 5.1-5.8, 8.1, 9.1	54.4	2%
OpEx of Taxonomy non-eligible activities		261.5	8%
C. NOT EVALUATED			
Non-evaluated projects		822.3	25%
OpEx from non-evaluated companies		728.2	22%
OpEx of non-evaluated projects		1 550.5	47%
Total (A+B+C)		3 290.1	

OPEX



ENVIRONMENT – OPERATIONS

Multiconsult's operations are conducted in line with the group Environmental Policy, and the subsidiaries' environmental management system. In 2021 focus areas for the group has been on CO2-emissions, energy usage, and waste.

Climate emissions

2021 will be the first year of reporting emissions from all subsidiaries on direct emissions from operations (scope 1), indirect emissions from energy use (scope 2), and indirect emissions from travel (scope 3), in line with the Green House Gas (GHG) Protocol. Given that this is the first year all subsidiaries are reporting on Green House Gas, there are some uncertainties and estimates in the figures.

The largest subsidiary, Multiconsult Norge AS, reports on all indirect emissions (scope 3) in line with the standards of the Skift Norge initiative on scope 3 emissions reporting. (Skift Norge is a business-led climate change initiative, which is working for Norway to reach its climate goals by 2030.) For the remaining subsidiaries, the goal is to establish a broad scope 3 emissions reporting for 2022. The group aims to align the reporting with the recommendations of the Task force on Climate related Financial Disclosure (TCFD).

MULTICONSULT GROUP TOTAL GHG EMISSIONS		2021		2020		2019		COMMENTS
GHG Protocol Category	Description	tonne CO2e	kg CO2e/full-time equivalent	tonne CO2e	kg CO2e/full-time equivalent	tonne CO2e	kg CO2e/full-time equivalent	For 2020 and 2019 the numbers are only available for Multiconsult Norge AS and not the remaining subsidiaries
	SCOPE 1	**1 222**	**410**	**979**	**342**	**1 057**	**364**	
	Fuel use in smaller company cars	567	190	317	111	316	109	Multiconsult
	Fuel use in heavier company cars	168	56	138	48	189	65	Only Multiconsult Norge AS
	Ful use in machines (boats, bore rig)	458	154	524	183	552	190	Only Multiconsult Norge AS
	Gas used for heating	30	10	X	X	X	X	Only LINK Arkitektur A/S
	SCOPE 2	**2 858**	**960**	**849**	**297**	**972**	**335**	
	Energy use buildings	2 855	959	847	296	970	334	Multiconsult
	of which is electricity	2 636	885	708	247	809	278	Multiconsult
	of which is district heating/ cooling	219	74	139	49	161	55	Multiconsult Norge AS, Erichsen & Horgen and Ingeniørfirmaet Malnes og Endresen AS, LINK Arkitektur AB
	Electricity use cars	3	1	2	1	3	1	Only Multiconsult Norge AS
	SCOPE 3	**10 967**	**3 683**	**646**	**226**	**2 387**	**821**	
Scope 3: 6. Business travel	Air travel	530	178	428	150	2 102	723	Multiconsult except LINK Arkitektur A/S and Multiconsult Polska.
Scope 3: 6. Business travel	Railway	36	12		0			Multiconsult except LINK Arkitektur A/S and Multiconsult Polska.
Scope 3: 6. Business travel	Mileage (all fossil fuel)	161	54	156	55	218	75	Only Multiconsult Norge AS, Erichsen & Horgen and Ingeniørfirmaet Malnes og Endresen AS
Scope 3: 6. Business travel	Rental car	12	4	10	4	X	X	Only Multiconsult Norge AS
Scope 3: 5. Waste generated in operations	Residual waste	67	22	52	18	67	23	Multiconsult group except LINK Arkitektur A/S
Scope 3: 8. Upstream leased assets	Buildings	1 374	461	X	X	X	X	Only Multiconsult Norge AS
Scope 3: 1. Purchased goods & services	Purchased goods and services	7 399	2 485	X	X	X	X	Only Multiconsult Norge AS
Scope 3: 2. Capital goods	Capital goods	607	204	X	X	X	X	Only Multiconsult Norge AS
Scope 3: 7. Employee commuting	Employee commuting	782	262	X	X	X	X	
	SUM	**15 047**	**5 053**					

MULTICONSULT GROUP
GHG emissions intensity ratio (scope 1 og 2):

Year	tonne CO2e/full-time equivalent
2021	1.36
2020	0.90
2019	0.97

Tables of greenhouse gas emission for each subsidiary is available in appendix to the Sustainability and Corporate responsibility section on page 136.

COMMENTS ON GREENHOUSE GAS EMISSIONS FOR MULTICONSULT

The dominating sources for greenhouse gas emissions in Multiconsult are purchased goods and services, such as consultant services, food and IT-related equipment and licenses. Another important source is emissions according to rental of offices. Note that greenhouse gas emissions are underestimated, as data is not available from all offices.

The table for Multiconsult Norge AS shows a higher greenhouse gas emissions related to electricity in 2021 compared with 2020 and 2019. The reason is that this year's emissions from electricity consumption is calculated based on a market-based method, see appendix. Consumption in kWh is at the same level as in previous years. For 2022 the goal is to buy certificates of origin for all purchased electricity. Iterio AB purchased certificates of origin for 100 per cent of its electricity use (wind power) at the main office. This is not compensated for in the calculations.

A survey has been conducted in the subsidiaries to map employees traveled habits when commuting between home and the office in 2021. Due to this, estimated greenhouse gas emission from travelling between home and work is estimated to 220kg CO2 (margin of error is 15 per cent), and added in scope 3 in the table. The survey reviled that 87 per cent of the respondents went by car and 10 per cent by public transportation.

CLIMATE EMISSION TARGETS

Multiconsult is committing to join the Science-based Target initiative to reduce CO2-emissions from the group's operations in line with the 1.5-degree Paris Agreement Climate Target. In line with this Multiconsult Norge AS has committed to reducing CO2 emissions (scope 1 and 2) to zero by the end of 2029, with carbon removal being used to offset possible remaining CO2 emissions. The group acknowledges that the upstream indirect emissions (scope 3) constitute the largest climate footprint of the group. A strategy for reducing upstream emissions will be developed in the process of joining the Science based Target Initiative.

BUSINESS UNIT	GOALS FOR 2021	OUTCOME	COMMENTS & GOALS FOR 2022
Multiconsult ASA	-	-	Multiconsult is committing to join the Science-based Target initiative to reduce CO2-emissions from the group's operations in line with the 1.5-degree Paris Agreement Climate Target. In 2022 the baseline and year-on-year targets will be established.
Multiconsult Norge AS	Expand the emissions reporting and activate emission reducing actions.	Achieved	A broad scope 3 reporting for 2019 was presented and an improved methodology used for reporting the subsidiary's scope 3 reporting for 2021.
	50 per cent reduction in own business purpose flight travels compared to 2019.	Achieved	Down from 3 085 estimated number of own business purpose flights in 2019 to 747 in 2021. The target of maximum 1 542 own business purpose flights is extended for 2022. Emissions will be offset for 2021 and onwards.
	Half the number of fossil office cars in 2021.	Partially achieved	At the end of 2021, there are eight old fossil cars less than at the beginning of the year. The car fleet consisted of 108 Multiconsult Norge AS owned or leased cars, of which 18 electric cars and three hybrids. The subsidiary has set a target of only owning or leasing zero emission cars by the end of 2025, setting a target of reducing the amount of fossil cars for 2022 by 25.
Other subsidiaries	Focus on environmental management in accordance with ISO 4001.	Achieved	Not quantitatively measured. The goal will be measured under the group goal on the taxonomy.

OTHER ENVIRONMENTAL TOPICS

The subsidiaries in the group have established other environmental goals for their operations.

BUSINESS UNIT	GOALS FOR 2021	OUTCOME	COMMENTS & GOALS FOR 2022
Multiconsult Norge AS	Reduce purchases and waste volumes by increasing the degree of reuse of equipment and furniture.	Achieved	Savings of NOK 4.5 million achieved by reuse/loans/leasing compared to proposals from interior designers.
	The climatic and environmental consequences of the procurement and life cycle costs shall be assessed where relevant.	Partially achieved	Products that can document known environmental standards shall be preferred. Of the 40 largest suppliers in 2021 (around half of supplies by value), 16 were environmentally certified.
	Reduce energy use by 10 per cent in 2030 compared to 2019.	Achieved	2.3 per cent reduction by 2021.
	Bream in-use monitoring for 5 offices.	Not achieved	Postponed to 2022.
LINK Arkitektur AS, LINK Arkitektur AB, LINK Arkitektur A/S	The climatic and environmental consequences of the procurement shall be assessed.	Partially achieved	Via a supplier list, the subsidiary follows up whether subcontractors and suppliers are ISO 14001 certified or not, and this becomes part of the selection process.
Other subsidiaries	Focus on environmental management in accordance with ISO 4001.	Achieved	Not quantitatively measured. The goal will be measured under the group goal on the taxonomy.
	Reduce energy use.	-	Monitoring commenced in 2021.

REPORTING ACCORDING TO TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE, TCFD

Multiconsult is gradually implementing the recommendations of the Task Force on Climate-related Financial Disclosure, TCFD. As this is the first year of implementation, this chapter describes how far the group has come in the implementation process and planned activities ahead.

Climate change provides both risks and opportunities for Multiconsult. As the group has committed to the UN Sustainable Development Goals, the Science based Target Initiative and is a member of the UN Global Compact, the group is committed to contribute to a transition to a net-zero world in line with a 1.5-degree scenario. Based on future scenarios with respect to consequences of actions to decrease impact on global warming, Multiconsult will in general have more opportunities, than threats. The threats and opportunities for climate risk is addressed in line with other threats and opportunities by executive management team and the board of directors. Transition risk and physical risk is evaluated separately.

Physical risk is evaluated to be low, as the group does not own substantial assets vulnerable to acute or chronic physical risk. HSE procedures are in place to handle climate induced weather events and the group and subsidiaries' insurance is considered to cover all climate risks in a sufficient way.

The largest transitional climate risk is linked to market risks and opportunities. The market risk is considered low for both short-, medium- and long term. Short-, medium- and long-term marked opportunities related to changes in the environment are considered to be substantial and a key market driver in the strategy process. As the construction industry is a large contributor to climate emissions both globally and in Multiconsult's markets, the sector is under scrutiny from policy makers. For Multiconsult, this is primarily identified as an opportunity as the groups business model is based on a workforce with skills and experience that provide consultancy to clients related to topics such as; designing zero-emission buildings, reuse of building materials, climate emission accounting and nature-based solutions. As climate adaptation is rapidly becoming more relevant, consultancy on surface water management and solutions to reduced hazards related to flooding offers opportunities. The need for renewable energy, electrification of society and a green industry development is identified as one of four key market opportunities in the updated group strategy. The goal is to gain a strategic position as a preferred partner towards the green shift, by taking market opportunities unleashed by society's transition towards sustainable energy solutions. As employees working in marked areas exposed to climate mitigation policies have the competence needed in the market areas where growth is expected, the overall market risk for the group is perceived as low.

The executive management team aim for the company to be in the top tier compared to its peers, concerning revenues coming from taxonomy aligned activities. Engaging in taxonomy aligned assignments, contributing to assignment becoming aligned, and reducing exposure to assignments that do significant harm to climate mitigation are ways to achieve that goal.

As a contributor to many types of projects, it is considered a reputational risk both if Multiconsult is perceived as moving ahead of the marked by rejecting projects that have a large carbon footprint as well as for contributing to projects that are considered unsustainable by employees and other stakeholders. The reputational risk will be discussed in the process of developing a Sustainability Policy for the group.

Multiconsult is undergoing the group's first full reporting of scope 1, 2 emissions and scope 3 emissions for travel. As the largest subsidiary, Multiconsult Norge AS is undergoing full scope 3 reporting. The scope 3 reporting methodology has been jointly agreed by consulting engineers engaged under the Skift Norge-umbrella. The methodology will gradually be implemented for all subsidiaries. By setting ambitious and tangible climate goals for both the business, the operations and for the contribution to the societies' transformation to a net-zero emission and climate resilient society, the group will seek to build a credible foundation for the strategic position as a preferred partner towards the green shift.

SOCIAL

All activities within the built environment may have an impact on the social sustainability of society. Creating and maintaining an inclusive, value creating, safe and secure working environment is an important success factor in contributing to social sustainability. Based on the materiality assessment the following topics were found to be the ones where Multiconsult made the most significant impact. Employee development (and welfare), equality and diversity, research and development, health and safety, human rights, social sustainability and local communities. For the 2021 reporting, employee development (and welfare), equality and diversity, health and safety are highlighted.

SOCIAL – BUSINESS

In urban planning, architecture, landscape architecture, and civil engineering, the term built environment, refers to the human-made environment that provides the setting for human activity, including homes, buildings, zoning, streets, sidewalks, open spaces, transportation options, and more. The significant impact in relation to social sustainability is delivered through the planning of built environment, in particular through the architectural work. The built environment always affects people to some degree and thereby, it is possible to create a positive impact when the built environment is designed with insight as to how it can support a good and healthy life. Multiconsult's subsidiaries LINK Arkitektur AS, LINK Arkitektur AB and LINK Arkitektur A/S are the subsidiaries who are considered to have the most significant impact in relation to social sustainability, through:

- Designing for safety and positive social control.
- Supporting a feeling of community and belonging by creating meeting places and opportunities for random encounters between people.
- Creating environments that benefits health & wellbeing through inspiring people to be active, spend time outside.
- Designing for healing environments.

SOCIAL - OPERATIONS

For the subsidiaries' internal focus on social sustainability, securing a good and productive working environment for their employees is most important. Other issues that subsidiaries work proactively with is contributing to education, work force development as well as inspiring and informing (internally and externally) about the need of sustainable development.

EMPLOYEES AND THE ORGANISATION

Highly educated and development-oriented employees are the main asset for the Multiconsult group as a competence-based business. Multiconsult strive to build an inclusive, value creating, safe and secure working environment that values consideration for others, transparency, good communication, equal opportunities, and to ensure work life balance for everyone. The group take a proactive, systematic and targeted approach to equal opportunity and diversity, and issues related to gender, age, ethnicity, sexual orientation or religious beliefs shall never limit an employee's opportunity within the company. This is stated in the group's People Policy which applies to all subsidiaries. In 2022 Multiconsult will continue to develop and start implementing detailed group policies and subsidiary specific guidelines regarding equal opportunities to ensure diversity and inclusion in the recruitment, promotion and development processes. In 2022, the group will also assess which KPIs regarding employees, organisation and equal opportunities will be set at group level. At the same time an associated reporting structure for all subsidiaries will be established.

Employee statistics per 31 December 2021 show that two per cent hold a PhD degree, 62 per cent a Master degree and 25 per cent a Bachelor degree, while 11 per cent have other educational backgrounds.

Total number of employees per 31 December 2021 was 3 200 (2 925). The table below shows the total number of employees as well as a breakdown by type of employee per gender and entity. The number reported are head counts per 31 December 2021.

GENDER	Multiconsult ASA	Multiconsult Norge AS	Multiconsult Polska Sp. z o.o.	Multiconsult Asia Pte Ltd	Multiconsult UK Ltd	Iterio AB	LINK Arkitektur AS	LINK Arkitektur AB	LINK Arkitektur A/S	Erichsen & Horgen AS	Ingeniørfirmaet Malnes og Endresen AS	Nordland Teknikk AS	Total
Total workforce (permanent employees + temporary employees + non-guaranteed hours employees)													
Male	13	1 386	136	0	14	61	96	64	51	133	17	6	**1 977**
Female	10	809	126	1	5	51	153	94	24	70	5	4	**1 352**
Total	23	2 195	262	1	19	112	249	158	75	203	22	10	**3 329**
Number of (permanent) employees (full-time and part-time)													
Male	13	1 293	136	0	12	61	95	59	50	133	16	5	**1 873**
Female	10	792	126	1	4	51	150	91	24	70	5	3	**1 327**
Total	23	2 085	262	1	16	112	245	150	74	203	21	8	**3 200**
Number of temporary employees													
Male	0	4	0	0	0	0	0	2	0	0	0	0	**6**
Female	0	2	0	0	0	0	3	2	0	0	0	1	**8**
Total	0	6	0	0	0	0	3	4	0	0	0	1	**14**
Number of non-guaranteed hours employees													
Male	0	89	0	0	2	0	1	3	1	0	1	1	**98**
Female	0	15	0	0	1	0	0	1	0	0	0	0	**17**
Total	0	104	0	0	3	0	1	4	1	0	1	1	**115**
Number of full-time employees													
Male	13	1 203	127	0	10	60	84	50	48	131	16	5	**1 747**
Female	10	669	124	1	3	46	123	63	20	68	5	3	**1 135**
Total	23	1 872	251	1	13	106	207	113	68	199	21	8	**2 882**
Number of part-time employees													
Male	0	90	9	0	2	1	11	9	2	2	0	0	**126**
Female	0	123	2	0	1	5	27	28	4	2	0	0	**192**
Total	0	213	11	0	3	6	38	37	6	4	0	0	**318**

Multiconsult has several individuals who are not employed but whose work is controlled by the group. The most common types of individuals within this category are interns and sub-contractors. The numbers are head counts per 31 December 2021.

BUSINESS UNIT	SUB-CONTRACTORS	INTERNS	TOTAL
Multiconsult ASA	1	0	1
Multiconsult Norge AS	8	0	8
Multiconsult Polska Sp. z o.o.	45	0	45
Multiconsult UK Ltd	4	0	4
Iterio AB	10	0	10
Multiconsult Asia Pte Ltd	0	0	0
LINK Arkitektur AS	0	7	7
LINK Arkitektur AB	1	1	2
LINK Arkitektur A/S	0	2	2
Erichsen & Horgen AS	2	0	2
Ingeniørfirmaet Malnes og Endresen AS	1	0	1
Nordland Teknikk AS	0	0	0
TOTAL	**72**	**10**	**82**

NEW HIRES AND EMPLOYEE TURNOVER

A total of 402 new employees were hired as permanent employees across the different subsidiaries in the group during 2021. Table shows new hires by subsidiary, gender and age group.

New hires (permanent employees)		Multiconsult ASA	Multiconsult Norge AS	Multiconsult Polska Sp. z o.o.	Multiconsult Asia Pte Ltd	Multiconsult UK Ltd	Iterio AB	LINK Arkitektur AS	LINK Arkitektur AB	LINK Arkitektur A/S	Total
Gender	Female	1	113	51	-	-	6	17	8	6	202
	Male	-	138	31	-	-	8	7	8	8	200
Age	29 years and younger	-	84	42	-	-	4	7	3	5	145
	30 - 39 years	1	101	29	-	-	6	4	9	3	153
	40 - 49 years	-	42	6	-	-	3	9	3	2	65
	50 - 59 years	-	21	5	-	-	1	4	1	3	35
	60 years and older	-	3	-	-	-	-	-	-	1	4

The total turnover of permanent employees was 338 in 2021.
Table shows turnover by subsidiary, gender and age group.

Turnover (permanent employees)		Multiconsult ASA	Multiconsult Norge AS	Multiconsult Polska Sp. z o.o.	Multiconsult Asia Pte Ltd	Multiconsult UK Ltd	Iterio AB	LINK Arkitektur AS	LINK Arkitektur AB	LINK Arkitektur A/S	Total
Gender	Female	1	69	19	-	1	6	16	19	7	138
	Male	1	144	15	-	6	4	14	7	9	200
Age	29 years and younger	-	23	13	-	1	2	6	2	2	49
	30 - 39 years	-	80	11	-	3	2	12	11	5	124
	40 - 49 years	1	50	7	-	1	5	3	9	3	79
	50 - 59 years	1	33	1	-	1	1	5	4	3	49
	60 years and older	-	27	2	-	1	-	4	-	3	37

The average weighted employee turnover[5] for Multiconsult group was 13 per cent, compared to 11.1 per cent in 2020. In the table below, the weighted employee turnover per entity can be found. Nordland Teknikk AS, with eight employees, does not have available data. For 2022, Nordland Teknikk AS will be fully integrated into Multiconsult Norge AS.

ENTITY	WEIGHTED TURNOVER
Multiconsult ASA	9.1%
Multiconsult Norge AS	10.3%
Multiconsult Polska Sp. z o.o.	13.3%
Multiconsult UK Ltd	37.3%
Iterio AB	9.2%
Multiconsult Asia Pte Ltd	0 %
LINK Arkitektur AS	12.2%
LINK Arkitektur AB	16.7%
LINK Arkitektur A/S	20.9%
Erichsen & Horgen AS	13.7%
Ingeniørfirmaet Malnes og Endresen AS	0 %
Nordland Teknikk AS	n/a

[5] Weighted employee turnover percent last 12 months = Number of employees who have left in the last 12 months/Average number of employees the last twelve months/*100

RECRUITMENT POSITION

Multiconsult strive to recruit employees with a strong sense of integrity, who identify with the group values, show initiative and take responsibility for their own performance and development. In 2022 the group human resources department will start detailing a new recruitment policy and local guidelines together with line management, and start with Multiconsult Norge AS. Further implementation of a group recruitment policy and local guidelines will continue in the remaining subsidiaries by the end of 2022 and in 2023.

The general competition in the candidate market for engineers and architects in Europe has intensified significantly during 2021. Multiconsult is experiencing greater competition from new players in the market. However, Multiconsult is still 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 in Norway, Multiconsult Norge AS is ranked as the third most attractive employer among both students and engineering professionals in the annual surveys conducted by Universum in Norway. Close collaboration with selected universities and colleges continued in 2021, with a substantial presence at both career fairs and company presentations. As in 2020, many of these activities were digital due to the Covid-19 situation. Multiconsult Norge AS' summer internship programme MUST for students was completed successfully. The students gave positive feedback even with a pandemic adapted program. Multiconsult Norge AS continues to experience strengthened competition when recruiting top talents with technological background and a mindset to solve digital challenges within the industry. Of the new employees in Multiconsult Norge AS, one per cent holds a PhD degree, 64 per cent a Master degree, 24 per cent a Bachelor degree, and 10 per cent have other educational backgrounds. 30 per cent of the new recruits during 2021 graduated in 2020 or 2021.

For the remaining subsidiaries recruitment information has not been collected at a group level.

EMPLOYEES AND EXPERTISE

Employee satisfaction, professional development, a learning organisation and recruitment capability, 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.

KNOWLEDGE MANAGEMENT AND DEVELOPMENT

Recruitment capability, employee satisfaction and professional development are all important factors for Multiconsult's long-term success. Thus, there is a need for continuous development of expertise and capability both in assignments and at different levels within line management.

The market is changing rapidly, challenging Multiconsult to adapt more efficiently to the constantly changing demand in competencies and skills. Requests from customers and partners, and Multiconsult strategic ambition to hold a leading position in the market, drives the need for constant adjustment and development. Multiconsult aims to optimise its competence development initiatives to the tasks and responsibilities our employees hold in our assignments and more widely in the organisation. Multiconsult continue to create goal-oriented and flexible measures of development adapted to people or teams who are aspiring to advance their level or area of responsibility in assignments. Furthermore, Multiconsult will work to make the processes of participant nomination and registration for educational courses and programmes more agile and efficient, as well as develop internal knowledge-sharing platforms and improve systems for tracking employee's knowledge and skills. Optimising systems for data tracking and develop a better searchable database for employee qualifications have high priority.

E-LEARNING

In 2021, Multiconsult transformed many internal courses into individual digital self-studies and webinars. This combination of learning activities has led to increased attendance and more effective knowledge sharing between tutor and participant, between participants from different parts of the organisation, at a lower cost. Mandatory self-studies are accessible for the group, in the subsidiaries' languages. Multiconsult's internal e-learning platform is accessible for Multiconsult Norge AS, LINK Arkitektur AS, Multiconsult UK Ltd and Multiconsult Polska Sp. Z o.o. and Multiconsult ASA.

Extensive production of e-learning material has been the primary focus in 2021 for knowledge management and development related to the e-learning platform. Multiple experts across the Multiconsult business areas, have contributed with developing and updating training courses which meets employees' day-to-day challenges and needs, as well as Multiconsult established standards and procedures.

A broader analysis of the production and consumption of learning material for the digital training portal, was implemented during the fourth quarter of 2021. The study is ongoing, striving to detect barriers and enablers for both producing and consuming e-learning material in the group. Data from the analysis will serve as the basis for outlining a goal-oriented framework to ensure continuous development and updates, knowledge sharing and training.

OTHER COURSES AND PROGRAMS

During 2021, a significant number of employees in Multiconsult Norge AS and LINK Arkitektur AS completed various internal project management courses and programs.

	2020		2021	
Gender distribution	Female	Male	Female	Male
Group 1 Simplified project management (small-scale, monodiscplinary)	41	45	113	87
Group 2 Standard project management (interdisciplinary)	8	14	21	23

During 2021, 574 employees in Multiconsult Norge AS completed courses through the e-learning platform exceeding a total of over 3 000 hours spent learning. 133 employees completed the course "Green assignments", addressing how to ensure sustainability in all assignments.

COMPETENCE NETWORKS

In Multiconsult Norge AS, the discipline networks for developing and sharing competencies and skills, have initiated a wide range of innovation and development activities in 2021. The networks have arranged monthly seminars for professional input, knowledge sharing, new updates and facilitated interdisciplinary cooperation. Different educational initiatives within each field have been carried out, including self-developed courses, establishing theme-specific "schools" with weekly training, presentations from co-operations with external professional entities, and both monodisciplinary and interdisciplinary workshops and network meetings, podcasts and literature developments have been undertaken.

Numerous policy documents, checklists, best-practice guidelines, workflows, and standards have been developed and updated. The aim has been to ensure standard execution of work procedures across the subsidiary.

All competence networks have their own advocate for sustainability defining best practice for sustainable consulting within each professional field. The sustainability advocates keep their respective network updated on new and alternative solutions to ensure low environmental impact in assignments. In 2021 several of the competence networks have updated their internal documents for "green guidance" and implemented measures for emission figures. The goal has been to raise the awareness of more sustainable choices regarding materials and construction parts, processes, and execution of work. A prioritised matter has also been to examine Multiconsult Norge AS' client's sustainability ambitions and to encourage clients to set high targets for sustainability in their projects.

SUCCESSION AND TALENT PIPELINE

In 2021 the top-level line managers have been included in the group's annual succession review. During the ongoing Covid-19 situation a broader talent review has been carried out, mainly focusing on the follow up of critical key personnel in ongoing assignments. For instance, in Multiconsult Norge AS, major work was conducted in the segment management groups to get an overview of "top 100" talents within project management.

EMPLOYEE SHARE PURCHASE PROGRAMME

For seven consecutive years Multiconsult has offered employees to purchase 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, with these factors influencing performance over time. The 2021 programme was completed in the fourth quarter with 27 per cent participation among eligible employees, an increase from 22 per cent in 2020, and with over 170 more participants.

WORKING ENVIRONMENT

Throughout 2021, Covid-19 has had both high and low impact on Multiconsult group's work environment. During the pandemic Multiconsult's main priority has been the health of its employees and other stakeholders. The interaction and joint decision making between employees and their managers have been key in ensuring a balance between working from the home office or office. Involvement of employee representatives is a central part of Multiconsult values. There is no European works council in the company, but each subsidiary is expected to have an active collaboration with employee representatives. In Multiconsult Norge AS there are three collaboration meetings annually between the heads of union groups and the management, as well as monthly sitdowns between executive vice president HR department and heads of unions.

EMPLOYEE SURVEYS

Previously, Multiconsult conducted a biannual employee engagement survey with participants from all subsidiaries. The survey was last conducted in 2019. In 2021 Multiconsult changed the process and format for conducting employee engagement surveys and purchased a new tool, to monitor engagement and working environment more frequently. Employee-Pulse, measures evidence-based drivers for engagement, loyalty and health, including employee Net Promoter Score (eNPS), which is a global standard for measuring engagement and loyalty through one question. Eletive is an important tool for ongoing insight into, and work with, the work environment, engagement, and employees' health, as well as promotes self-management and employeeship.

Part of the motivation to implement this new tool, is to encourage even closer dialogue between employees and their manager, and to encourage and empower employees to take responsibility for their own working situation. The Employee-Pulse process also contains tips on brief and regular check points. These will supplement the more structured Planned Development process, that managers and employees conduct 2-3 times annually. The completion of this process is currently not being tracked, but spot checks suggest this is widely implemented. The Planned Development process is under continuous development.

SICKNESS ABSENCE, INCIDENTS AND INJURIES

Multiconsult works systematically with HSE and makes concerted efforts to mitigate risks that can expose employees to unwanted short- or long-term health consequences or injuries. To align short-term actions with long-term planning, Multiconsult's HSE unit use Road Map methodology to optimise its resources. Yearly activity plans ensure that required annual activities are conducted, and HSE action plans are there to correct or improve identified areas. The working environment committee (NO: Arbeidsmiljøutvalg/AMU) and executive management team receives periodic reports on the activities and progress of group HSE action plans. Occupational health and safety systems aligned with HSE risk exposure is in use throughout the group.

HSE Risk assessments are key input to HSE action plans. The risk assessments are developed according to category of work, like drilling, laboratory or field work. The HSE risk assessments give input to management, at various levels, of where improvements are required and where resources must be allocated.

Multiconsult's subsidiaries have different channels for reporting improvement suggestions, unwanted incidents, deviations and so forth. The reporting can either be done directly to responsible line manager or other managers within the organisation (HR/Compliance) or to employee representatives. The policy and procedures governing the right to report is administered by the management, but employee representatives have the right to influence the policies and procedures alongside organisational reporting structure, or tools for reporting.

Multiconsult marks the international Health and Safety Day in all subsidiaries each year, on the 28 April. In 2021, Multiconsult focused on work-related musculoskeletal disorders (MSDs). The topic was chosen due to the nature or Multiconsult's most normal working situation, which is office work. One of the key risk factors of office work is MSDs. On the Health and Safety Day, workers were provided with information on how to prevent MSDs, and what to do if MSDs have been identified.

Furthermore, HSE training is given to all new employees in Multiconsult. For existing employees, several training alternatives are available with a risk-based approach as a base. Depending on the exposure and responsibility, managers and employees receive the required training to manage and conduct their work in a safe and healthy manner. In addition, Multiconsult conducts audits to make sure policies and procedures are adhered to.

SICK LEAVE

The average total sick leave at Multiconsult in 2021 was 3.1 per cent.[6] All subsidiaries, except Nordland Teknikk AS with eight employees, track and report sick leave. From 2022, Nordland Teknikk AS will become fully integrated into Multiconsult Norge AS and will follow the subsidiary's reporting

Multiconsult ASA	0.6%
Multiconsult Norge AS	3.7%
Multiconsult Polska Sp. z o.o.	3.8%
Multiconsult UK Ltd	2.7%
Iterio AB	1.9%
Multiconsult Asia Pte Ltd	0.9%
LINK Arkitektur AS	4.6%
LINK Arkitektur AB	3.2%
LINK Arkitektur A/S	3.7%
Erichsen & Horgen AS	3.9%
Ingeniørfirmaet Malnes og Endresen AS	5.0%
Nordland Teknikk AS	No sick leave recorded

Sick leave in Multiconsult Norge AS for 2021 was 3.7 per cent, an increase from 3.5 per cent in 2020. All sick leave is monitored and reported. Multiconsult Norge AS's sick leave over the past three years is illustrated. Multiconsult Norge AS will continue to work towards the goal of 3.3 per cent sick leave in 2022.

	2021	2020	2019
Short-term	1.9%	1.7%	2.2%
Long-term	1.9%	1.8%	2.0%
Total	3.7%	3.5%	4.2%

Absence due to sick child in Multiconsult Norge AS for 2021 was one per cent, the same as in 2020. Absence due to sick child is monitored.

	2021	2020
Total absence due to sick children	1.0%	1.0%
Covid related absence	0.2%	0.5%
Non-covid related absence	0.8%	0.5%

The group monitors absence due to injuries caused by work-related accidents or incidents and near misses. Work-related ill health is not specifically reported as it is included in the reporting on sick leave.

	2021	2020	2019
Injuries with Absence	2	2	0
H1 value (LTIF-rate)	0.4	0.4	0.0
H2 value (TRCF)	2.8	1.8	0.6
Near misses	17	22	26

[6] The average is based on reported sick leave from Multiconsult ASA and all subsidiaries except Nordland Teknikk AS, which has not reported numbers for 2021.

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, nationality 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, payment, and customisation of working conditions, as well as the work on developing appropriate attitudes.

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 2021 Multiconsult Norge AS has continued to actively work with the targets for gender demographics. Multiconsult Norge AS has successfully obtained more than the KPI set by 30 per cent gender balance on top-3 line management level. In 2022 the work will continue and furthermore the subsidiary will start to outline KPIs on gender balance regarding the subsidiary's project management pool. Multiconsult Norge AS continue to strive for gender balance in final interviews in recruitment processes as a general principle.

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 the group's facilities are accessible by all employees. The workplace and work tasks are customised on an individual basis for employees or job applicants with disabilities.

Multiconsult value diversity amongst the employees, clients, suppliers and partners. In accordance with the Anti-Discrimination Act, no discrimination, whether due to skin colour, ethnicity, gender, religion, sexual orientation, physical disability or age, will be tolerated. All employees have the freedom of association and the right to collective bargaining within national laws and regulations. Multiconsult shall not employ children of compulsory school age. Great care shall be exercised if any work is carried out by youth below the age of 18.

At the end of 2021, Multiconsult group had 3 200 (2 925) employees where females accounted for 41 per cent (41 per cent) and 59 per cent (59 per cent) were male. The group is actively working to increase the proportion of females.
The average permanent employees gender distribution in the entities were 54 per cent male and 46 per cent female on 31 December 2021.

	Multiconsult ASA	Multiconsult Norge AS	Multiconsult Polska Sp. z o.o.	Multiconsult Asia Pte Ltd	Multiconsult UK Ltd	Iterio AB	LINK Arkitektur AS	LINK Arkitektur AB	LINK Arkitektur A/S	Erichsen & Horgen AS	Ingeniørfirmaet Malnes og Endresen AS	Nordland Teknikk AS
Male	57%	62%	52%	0%	75%	54%	39%	39%	68%	66%	76%	63%
Female	43%	38%	48%	100%	25%	46%	61%	61%	32%	34%	24%	38%

On 31 December 2021, 38 per cent of Multiconsult Norge AS's 2 085 employees were female and 62 per cent were male. The table illustrates the gender distribution at Multiconsult Norge AS the past three years.

	2021	2020	2019
Female	38%	36%	36%
Male	62%	64%	64%

The board of directors of Multiconsult ASA consist of three women and five men. Multiconsult ASA's executive management team consist of five women and six men.

The table below shows the corresponding gender proportions per subsidiary for employees graduated in 2020-2021, middle management, administrative staff, and operational organisation. Numbers for LINK Arkitektur AB are not available.

	Graduates (2020-2021)		Middle management		Administrative staff		Operation organisation	
	Male (%)	Female (%)	Male (%)	Female (%)	Male (%)	Female (%)	Male (%)	Female (%)
Multiconsult ASA	0%	0%	80%	20%	58%	42%	60%	40%
Multiconsult Norge AS	42%	58%	64%	36%	47%	53%	64%	36%
Multiconsult Polska Sp. z o.o.	63%	37%	57%	43%	28%	72%	53%	47%
Multiconsult UK Ltd	0%	0%	0%	0%	0%	100%	93%	7%
Iterio AB	25%	75%	40%	60%	0%	100%	55%	45%
Multiconsult Asia Pte Ltd	0%	0%	0%	0%	0%	100%	0%	100%
LINK Arkitektur AS	25%	75%	40%	60%	14%	86%	40%	60%
LINK Arkitektur AB	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
LINK Arkitektur A/S	0%	0%	44%	56%	17%	83%	76%	24%
Erichsen & Horgen AS	79%	21%	64%	36%	50%	50%	66%	34%
Ingeniørfirmaet Malnes og Endresen AS	100%	0%	50%	50%	50%	50%	76%	24%
Nordland Teknikk AS	0%	0%	100%	0%	0%	100%	75%	25%

COMPENSATION AND PAY

Multiconsult compensation levels are based on education, experience, role, responsibilities and market conditions. The table show the ratio of the salary and the percentage increase for the organisation's highest-paid individual to the median annual salary for the other employees. Multiconsult Asia Pte Ltd only has one employee and therefore no ratio can be reported.

	Ratio salary	Ratio increase
Multiconsult ASA	2.6	0.6
Multiconsult Norge AS	2.2	0.2
Multiconsult Polska Sp. z o.o.	6.5	1.8
Multiconsult UK Ltd	2.6	0.0
Iterio AB	1.7	0.7
Multiconsult Asia Pte Ltd	N/A	N/A
LINK Arkitektur AS	2.4	1.0
LINK Arkitektur AB	3.0	1.0
LINK Arkitektur A/S	2.6	1.0
Erichsen & Horgen AS	3.0	1.0
Ingeniørfirmaet Malnes og Endresen AS	2.1	0.8
Nordland Teknikk AS	1.7	0.4

In the table the ratio of the base salary of men versus women is included. The numbers are based on the median salary of permanent employees. Multiconsult Asia Pte Ltd only has one employee and thus there is no ratio to calculate. The numbers do not take into account education, experience, responsibilities and therefore do not compare equal roles.

	Ratio male/female
Multiconsult ASA	1.0
Multiconsult Norge AS	1.1
Multiconsult Polska Sp. z o.o.	1.3
Multiconsult UK Ltd	2.4
Iterio AB	1.0
Multiconsult Asia Pte Ltd	N/A
LINK Arkitektur AS	1.1
LINK Arkitektur AB	1.1
LINK Arkitektur A/S	1.0
Erichsen & Horgen AS	1.1
Ingeniørfirmaet Malnes og Endresen AS	1.1
Nordland Teknikk AS	1.5

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. As per industry standard, Multiconsult Norge AS largely bases the annual wage settlement on the number of years of experience since graduation. This is in turn compared to the statistics of Consulting Engineers' Association (NO: Rådgivende Ingeniørers Forening, RIF) based on location and experience/graduation. Employees' adjustments are reviewed by their manager to ensure that men and women with equal roles and responsibilities are equally paid. Men in Multiconsult Norge AS are above average pay compared to national RIF-statistics. Women are almost at average pay compared to national RIF-statistics, with a score of 99.6 per cent. Multiconsult Norge AS has started a process of classifying positions and is going through all employees to ensure they have the correct placement. A portion of the wage settlement for 2021 was marked for adjusting salaries based on these updated placements. Once the classification is finalised it will make comparison between roles on equal level within Multiconsult Norge AS easier. This will enable Multiconsult Norge AS to ensure that there is no salary discrimination on the grounds of gender, pregnancy, maternity leave, nationality, or language.

In the 2021 salary adjustment process, women on average received a higher salary increase than men. A salary comparison between men and women shows that on average men were paid 8.95 per cent (11.6 per cent) more than women during 2021. Given that Multiconsult Norge AS has not completed the classification of positions and placement of employees in this classification, the wage difference does not reflect management level, age distribution, education background etc. Multiconsult 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, whether full-time, part-time or temporary employees in Multiconsult Norge AS are covered by occupational injury insurance and travel insurance that covers travel performed during working hours. Other insurance schemes apply to permanent employees who hold a position of at least 20 per cent. The same applies to pension savings.

At Multiconsult Norge AS, a total of 193 employees have taken parental leave in 2021, which amounts to 2 721 weeks in total. The average number of weeks for females on parental leave was 18.3 weeks, while the same figure for men was 10.5 weeks. According to policy employees on parental leave are included in the annual salary adjustment.

Multiconsult Norge AS does not collect information on employee's ethnicity, sexual orientation, religion, or belief. If employees believe they are unfairly treated they can report this through the internal reporting system.

A total of 3.8 per cent of employees in Multiconsult Norge AS had a native language other than Norwegian as of 31 December 2021, with a total of 18 different languages being represented. Multiconsult Norge AS wants to ensure that employees from different countries are not experiencing discrimination in the workplace. Thus, the subsidiary plans to conduct salary comparisons between employees who have a native language other than Norwegian/employees who are non-Norwegian citizens and employees whose native language is Norwegian/are Norwegian nationals.

BARGAIN AGREEMENTS AND UNION MEMBERSHIP

A significant number of the Multiconsult group's employees are union members. Therefore, working conditions and terms of employment are regulated by one or more collective bargaining agreements. In the subsidiaries where there are union members, the employees not covered by collective bargaining agreements are subject to the same working conditions and terms of employment as the union members.

GOVERNANCE

The Multiconsult ASA board of directors and executive management team review, monitor and discuss safety, security and sustainability issues and risks. Sustainability includes integrity, environmental, social issues and human rights. In Multiconsult's materiality assessment the following topics were found to be the ones where Multiconsult made the most significant impact: Influence on business partners, influence on policy makers and regulations. For the 2021 reporting, influence on policy makers and regulations is highlighted.

The chief executive officer is responsible for Multiconsult's management actions related to sustainability, delegated to the chief executive officer by the board of directors. The board of directors and executive management teams are informed at a minimum yearly with respect to the above subjects. If any issues are deemed to be of very high severity, an immediate notification is given, as defined in the existing reporting instructions. During 2021 Multiconsult has had zero issues that were deemed to be of very high severity.

The chief executive officer has delegated the overall responsibility to follow up how the Multiconsult group's activities have an impact on the employees to the executive vice president for human resources and communication. The overall day-to-day responsibility for sustainability is delegated to the executive vice president for Region Oslo.

Sustainability is discussed in board of directors' meetings either as integral parts of strategy and investment discussions or as separate topics. In the board of directors' annual evaluation of its own work and competence, climate change capabilities and knowledge are areas of interest for the board of directors going forward.

Multiconsult has a policy board, that evaluates and give advice to the executive management team and board of directors with respect to group policy management. The policy board receives suggestions for new and revised group policies. The approved authority policy states that the code of conduct is approved at board of directors' level and other group policies are approved by chief executive officer, with a yearly information to board of directors.

Group risk picture is discussed at executive management team and the board of directors are informed about the trends and development linked to the key risk developments.

GOVERNANCE – BUSINESS

BUSINESS ETHICS AND COMPLIANCE PROGRAM

Multiconsult is a Norwegian company with an international business and is conducting assignments in parts of the world where corruption is a high risk. The group strategy is to increase international assignments, and has strengthened the work on ethics and compliance throughout 2021 to support this ambition. For example, Multiconsult Norge AS experienced a renewed focus on the only Myanmar running project, due to the coup d'état 1 February 2021. The project has been stopped until democratic governing processes are reintroduced in Myanmar.

Multiconsult has a set of governing documents for corporate responsibility and conduct, as well as manuals and more specific guidelines for different areas such as anti-corruption, competition law, responsible procurement, environment, health and safety, and human rights. (See chapter Sustainability policies and certificates)

The group's commitment to conduct business in an ethical, socially responsible way and transparent manner has during the Covid-19 pandemic remained the same. It has maintained an open dialogue on ethical issues, both for stakeholders such as employees, business partners and the community.

Multiconsult recognise that the group's work may have an impact on the advancement of human rights, and as such a high ethical standard is a priority wherever Multiconsult work or deliver services. A majority part of the group has been a signatory member of UN Global Compact since 2016, where the principles 1 and 2 are tied to human rights. Multiconsult ensure that the workplace is inclusive and engage employees to act.

CODE OF CONDUCT

The code of conduct[7] sets out the commitment and requirements for how Multiconsult do business. It applies to the employees, board of directors and sub-contractors. Employees are trained on how to apply the code of conduct in their daily work and bi-annually they are required to confirm their understanding and compliance with the code of conduct. The group expect its suppliers to act in a way that is consistent with Multiconsult's code of conduct and engage with them to help them understand the ethical requirements and how the group does business. If the expectations are not met, Multiconsult seek to take appropriate actions.

GOVERNANCE – OPERATIONS

INTEGRITY AND BUSINESS ETHICS

A strong focus on business ethics and integrity is a prerequisite for Multiconsult's role and reputation as an independent and trusted advisor and consultant.

The risk picture is constantly changing within the project portfolio as the group frequently meets with clients, vendors, and business partners. The group has a business ethics and compliance program, which seeks to ensure awareness and competence in handling integrity risks across the group, with particular emphasis on anticorruption.

The group's compliance function is responsible for overseeing the group's code of conduct, anti-corruption program and Whistleblowing Portal, and for providing guidance and integrity due diligence-services when entering contract with business partners and monitor media of negative news (adverse media) during the contract period.

[7] https://www.multiconsultgroup.com/assets/Code-of-Conduct.pdf

Adherence to the code of conduct is followed up by the compliance function, supported by local compliance resources and a dedicated ethics committee.

Training programs for employees at all levels have been implemented since 2012. This ensure increased awareness of ethical dilemmas that employees are faced with during their employment and how to handle such dilemmas when exposed. For training purposes, a tool called "The Value Game" has been in use over the last years as a tool where participants increase engagement, sharing and interaction with respect to typical ethical dilemmas.

Multiconsult governing documents are communicated to all new employees, and they are obliged to undergo induction training at the start of their employment in one of the group's subsidiaries.

Business ethics is a key topic in the training, with both e-learning courses, presentations and discussions in groups. Induction training was given to about 150 new employees during 2021.

In the event of new policies and procedures at group level, information is distributed to all employees through various communication platforms. This includes intranet articles, making policies available in management systems and key policies are a topic on internal meetings at various levels in the organisation.

All assignments are obliged to evaluate relevant business ethical risks, and integrity due diligence is performed on all non-national new business partners or on contracts above a certain threshold for national new business partners before entering into any commercial agreements. The number of integrity due diligences conducted have during the last three years been about 150 per year. Partners and subcontractors sign the group's business partner declaration when entering into contract with one of the subsidiaries. Key employees in the business partner's organisation are also requested to sign the group's Code of Conduct and complete Multiconsult's dilemma training that focus on anti-corruption and conflict of interest, including human rights.

Compliance with these procedures is subject to internal audits on a regular basis. Two audits were conducted in 2021, confirming positive progress compared to previous years, but areas for further improvements are identified.

Multiconsult work with several suppliers and subcontractors to support the subsidiaries businesses and deliver services and products to their clients. Suppliers and subcontractors are obliged to work according to Multiconsult's stated business ethics - code of conduct. Formalisation of the obligation is done by signing of Multiconsult's business partner declaration. In addition to a formalisation of business ethics requirements, Multiconsult conducts risk-based audits of suppliers and subcontractors ensuring that requirements are met. The basic principle is that Multiconsult's HSE requirements are not violated by suppliers and subcontractors when they deliver services to Multiconsult. In 2021 two audits were conducted on supplier and often used subcontractor with focus on HSE and business ethics.

During 2021, the group's compliance function focused on the following activities to increase awareness and emphasise the overall focus on business ethics:

- Revised and developed governing documents related to giving/receiving gifts, entertainment and hospitality, competition law and Whistleblowing
- Further strengthening the use of the Business ethics and Compliance program in the group's subsidiaries
- Retraining of key employees in the group with respect to competition law.
- Review of eLearning courses to ensure that they are up-to-date and relevant for the Group's employees at all levels.
- Improvement in business processes to ensure that relevant evaluations are done with respect to potential exposure (corruption, violation of laws, conflict of interests) that might result in a violation of code of conduct.

For 2022, the Compliance Function will continue developing and improving the business ethics and compliance program, with emphasis on governing documents, training and improvement in the quality and effectiveness of the group's business processes.

WHISTLEBLOWER PORTAL

To promote transparency, and as part of the compliance program, Multiconsult has established a Whistleblower Portal[8] and ensures that both internal and external stakeholders can report possible misconduct to the group's compliance function. The portal stores and handles information in accordance with the requirements set forth in international privacy regulations and secure whistleblower's right to stay anonymous, if needed, which is according to EU regulation on whistleblowing. Multiconsult has had the Whistleblower

[8] https://multiconsult.whistleblowernetwork.net/frontpage

Portal in operations for several years and had only to make minor changes with respect to enforcement of new EU law which went into effect in late 2021.

Reporting of possible misconduct or other issues related to business ethics and compliance can also follow a more traditional line of command reporting. In 2021, 45 cases were reported and 90 per cent were reported directly to group compliance officer or to one of the subsidiaries' local compliance officers.

The business ethics and compliance program has led to increased awareness and expertise in risk identification, pro-active risk management and improved control of risks associated with business partners as well as a climate for discussing and seeking advice regarding difficult situations and ethical dilemmas.

DEVIATION AND IMPROVEMENT WORK

Multiconsult have a deviation and improvement system, based on IT systems or excel sheets. The systems are designed for registration, case processing and follow-up of measures. Registration of cases provides a basis for learning and experience sharing within the organisation and for continuous improvement work. Deviation and improvement systems can help set up decisions based on causal analysis to implement the appropriate measures and thus avoid repetition of deviations and incidents. The systems can also help identify trends. The purpose is to improve the organisation's operations and contribute to achieving the group's objectives.

Registration statistics are annually reported to the executive management team and quarterly to the management of each subsidiary. Depending on the subsidiary, quarterly report is prepared, or the reporting takes place on an ongoing basis. The quarterly report in Multiconsult Norge AS includes statistics and learning points based on cases reported in the previous quarter. In addition, important information and common learning points are shared via the intranet and internal information screens.

In 2019, 2020 and 2021, a total of 835, 716 and 740 cases respectively were registered in the Multiconsult group. Cases reported included findings from internal audits. Continuous efforts are being made to streamline the use of the deviation and improvement systems and increase the number of reported cases

RESPONSIBLE BUSINESS CONDUCT

Multiconsult business is concentrated around delivering project management, engineering, and architectural services to public and private clients. Multiconsult generally enter into contracts with business partners with high level of transparency in the process from a request for tender is received until a contract is signed.

Integrity due diligences of our international business partners are done before entering contract. All business partners are continuously monitored during the business relationship. If a business relationship ends, and previous due diligence is older than two years, then a new due diligence is conducted.

Multiconsult may decline to enter business relationships with potential business partners, either in the initial screening or when a more in-depth due diligence is conducted. On rare occasions existing business relationships are terminated due to negative business conduct development in the operations of the business partners.

When procuring products and services the subsidiaries adheres to the Procurement Policy. The Policy states that for all procurement Multiconsult shall evaluate environmental consequences and comply with requirements for sustainability with emphasis on environmental impact and corporate responsibility. Adherence to the policy is a management responsibility, and internal audits are conducted annually to confirm such compliance.

The group's audit program, whistleblower portal, incident/deviation systems along with organisational reporting structures seek to ensure that information is readily available for external stakeholders that requires information about Multiconult's impact on human and workers' rights.

Multiconsult's subsidiaries are obliged to report to the group if any violation of laws and regulations has occurred. Either directly through line organisation and up to Executive Management or to Group Compliance Officer. In 2021 Multiconsult Norge AS was fined due to an incident that occurred in 2018. No other fines due to violation of laws and regulations has been reported for the accounting year 2021.

CORPORATE RESPONSIBILITY

For Multiconsult, it is an obligation using the experience and competence of the group to promote sustainability, contributing to sustainable solutions and participate in the public space, showing how the impossible can be made possible. This is done through contribution to research, business dialogue, informing and engaging decision makers and social programmes.

RESEARCH

As a knowledge-based company, Multiconsult has both a desire and a responsibility to contribute its technical expertise and financial resources to develop methods and technology in partnership with other companies and stakeholders. The subsidiaries are actively involved in various national and international research program focused on the built environment.

Some of the research projects that Multiconsult Norge AS contributes in and that has a strong ESG motivation are:

Klima 2050 Centre for Research-based Innovation (SFI) financed by the Research Council of Norway and the consortium partners. The SFI status enables long-term research in close collaboration with trade and industry, as well as research partners aiming to strengthen Norway's ability to innovate and improve its competitiveness within climate adaptation. Multiconsult group CEO Grethe Bergly is chair of the board.

ZEN The research center for zero emission neighborhoods in smart cities (FME ZEN) shall develop solutions for the buildings and urban areas of the future that will help to bring about a zero emission society.

To spread knowledge and best practice in sustainable building design, LINK Arkitektur AS, LINK Arkitektur AB and LINK Arkitektur A/S environmental team members are engaged with research at an international scale, in addition to, teaching and disseminating activities at universities in Denmark, Norway, and Sweden, and in many public conferences.

LINK Arkitektur AS is active in research and development projects working on defining the state-of the-art of tomorrow. The R & D projects are conducted both as collaboration, e.g. together with Scandinavia's biggest research institute SINTEF, or in-house in LINK's environmental department with funding from the Norwegian state.

STRATEGIC ESG PARTNERSHIPS

Multiconsult is a member of several industry and membership associations. In some of these Multiconsult plays an active role by participating on the board of the organisation, based on the person's role in Multiconsult. As this year is the first year or reporting on the GRI standard, the list may not be complete.

SUBSIDIARY	NAME OF ORGANISATION	ROLE
Multiconsult Norge AS	RIF (Consulting Engineers' Association)	Board member, vice chair
	Nordisk veiteknisk forening	Board member
	Skift (Business Climate Leaders)	Member
	Ingeniører Uten Grenser (Engineers Without Borders)	Board member (Sponsor)
	NORWEA (Norwegian Wind Energy Association)	Board member
	Solenergiklyngen (The Norwegian Solar Energy Cluster)	Board member
	Norwegian Center for Circular Economy	Board member
	International Centre for Hydropower	Board member
	Regional and local business associations	Board members in regional and local association
	Klimapartner (Climate partners)	Board Member in regional branches
	UN Global Compact	Valued ESG-partnership
LINK Arkitektur AS and Multiconsult Norge AS	Norwegian Green Building Council	Valued ESG-partnership
LINK Arkitektur AB	Swedish Green Building Council	Valued ESG Partnership
	LFM30 Regional network for fossil free construction industry in Malmö)	Leading working group
	Nordic Placemaking Talks	Valued ESG Partnership
LINK Arkitektur AS, LINK Arkitektur AB, LINK Arkitektur A/S	Nordic Center for Sustainable Healthcare	Valued ESG Partnership

INFLUENCE ON POLICY MAKERS

Multiconsult has not made any contribution to political parties for 2021. As part of the group's ambitions for corporate responsibility, the group is however actively contributing to the regulatory and policy development on key sustainability topics for the industry.

Multiconsult Norge AS has contributed to several public hearings on regulations and policy development and in individual meetings and seminars with the authorities. The subsidiary has contributed on national media platforms, and in the construction industry related media and fora.

Through the strategic ESG partnerships, the group has mobilised for a series of political topics in line with its overall ESG policies. Some examples: Input in favour of increasing maintenance of public infrastructure, input in favour of strengthening to a Paris proof level the energy demands and indirect emissions in the building code, input in favour of legislation mandating municipal plans for surface water management, higher green ambitions in public procurement, mandating more extensive field work in impact analysis for energy projects and stricter regulation on total waste generated in construction projects.

SOCIAL RESPONSIBILITY

Following up on Multiconsult's corporate social responsibility policy, the group has a tradition for engagement in solidarity work as an element in the group's corporate social responsibility.

Multiconsult Norge AS entered in 2021 into a new three-year agreement to support the organisation Engineers Without Borders both financially with NOK 200 thousand and in its day-to-day operations, as well as collaborating in projects. In 2021 no staff members went on projects with Engineers Without Borders.

Each year Multiconsult Norge AS donates the Christmas gift to a charity, selected through a nomination and voting process among the employees. In 2021 the Christmas gift of NOK 250 thousand was donated to the charity Team Rynkeby God Morgen and their work with the Norwegian Children Cancer Association (NO: Barnekreftforeningen).

LINK Arkitektur AS has donated NOK 20 thousand to the Foundation Giving Hope To a Child.

LINK Arkitektur AB made these donations during 2021; Barncancerfonden SEK 25 thousand, Läkare utan gränser SEK 13 thousand. And donations to WWF, BRIS and Hjärt-Lungfondena of SEK 4 thousand each.

Iterio AB has been a partner of Yennenga Progress, an organisation that works for non-religious and apolitical purposes to fight poverty and create democratic welfare societies. The organisation is funded by voluntary donations. Since 2017, Iterio AB has supported the organisation financially and with some consulting expertise.

PROJECT: **HOPPET PRESCHOOL, GOTHENBURG – SWEDEN**
PHOTO: **FELIX GERLACH**

PROJECT: **HIGHWAY 3/25, COUNTY INNLANDET**
ILLUSTRATION: **SKANSKA**

CONSOLIDATED ANNUAL ACCOUNTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Amounts in NOK thousand, except earnings per share	Note	2021	2020
Operating revenues	5, 6	4 284 666	4 186 161
Expenses for sub-contractors and disbursements		480 930	525 225
Net operating revenues		**3 803 736**	**3 660 936**
Employee benefit expenses	9, 12	2 811 409	2 660 077
Other operating expenses	8	449 482	402 174
Operating expenses excluding depreciation and amortisation		**3 260 892**	**3 062 250**
Operating profit before depreciation and amortisation (EBITDA)		**542 845**	**598 686**
Depreciation and amortisation	14, 15, 18	193 981	197 639
Impairment	18	-	30 000
Operating profit (EBIT)		**348 864**	**371 047**
Share of profit from associated companies and joint ventures	17	**204**	**(2 269)**
Financial income	10	20 432	22 692
Financial expenses	10	58 335	62 119
Net financial items		**(37 903)**	**(39 427)**
Profit before income taxes		**311 166**	**329 350**
Income tax expenses	11	76 500	80 141
Profit for the period		**234 666**	**249 209**
Attributable to:			
Owners of Multiconsult ASA		234 666	249 209
Earnings per share:			
Basic	24	8.67	9.25
Diluted	24	8.67	9.25

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in NOK thousand	Note	2021	2020
Profit for the period		234 666	249 209
Other comprehensive income			
Remeasurement of defined benefit obligations	12	147	228
Income taxes	11	(32)	(50)
Total items that will not be reclassified subsequently to profit or loss		**114**	**178**
Currency translation differences		(13 730)	12 640
Total items that may be reclassified subsequently to profit or loss		**(13 730)**	**12 640**
Total other comprehensive income for the period		**(13 616)**	**12 817**
Total comprehensive income for the period		**221 050**	**262 026**
Attributable to:			
Owners of Multiconsult ASA		221 050	262 026

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - ASSETS

Amounts in NOK thousand	Note	31.12.2021	31.12.2020
ASSETS			
Non-current assets			
Deferred tax assets	11	33 351	34 023
Intangible assets	14	25 187	20 913
Goodwill	4, 14	846 659	454 692
Property, plant and equipment	15	110 303	103 640
Right-of-use assets	18	766 870	806 081
Total non-current non-financial assets		**1 782 369**	**1 419 347**
Investments in associated companies and joint ventures	17	10 302	10 227
Assets for reimbursement provisions	20	18 302	23 172
Other non-current financial assets and shares	3, 16	23 452	20 230
Total non-current assets		**1 834 424**	**1 472 977**
Current assets			
Trade receivables	3, 6, 13	730 881	626 726
Work in progress	3, 6, 13	225 021	255 894
Other current receivables and prepaid expenses	3, 13	86 439	85 154
Total receivables and prepaid expenses	13	**1 042 341**	**967 774**
Cash and cash equivalents	3, 16	156 165	277 435
Total current assets		**1 198 506**	**1 245 209**
TOTAL ASSETS		**3 032 931**	**2 718 185**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – EQUITY AND LIABILITIES

Amounts in NOK thousand	Note	31.12.2021	31.12.2020
EQUITY AND LIABILITY			
Equity			
Share capital	22	13 715	13 486
Treasury shares		(5 126)	(5 256)
Share premium		161 754	77 758
Total paid in capital		170 343	85 988
Other reserves		(245 068)	(217 993)
Retained earnings		924 848	905 619
Total other equity		679 779	687 627
Total shareholders' equity		**850 123**	**773 615**
Non-current liabilities			
Pension obligations	12	5 403	6 474
Deferred tax	11	12 571	11 512
Provisions	20	24 712	31 222
Non-current interest-bearing liabilities	3	180 000	-
Non-current lease liabilities	18	690 771	733 035
Total non-current liabilities		**913 457**	**782 243**
Current liabilities			
Trade payables	3	134 725	106 436
Prepaid revenues	6	141 749	155 656
Current tax liabilities	11	71 699	79 053
Public duties payable	3	406 049	354 779
Current lease liabilities	18	139 037	131 499
Other current liabilities	3, 19	376 093	334 905
Total current liabilities		**1 269 351**	**1 162 328**
Total liabilities		**2 182 808**	**1 944 571**
TOTAL EQUITY AND LIABILITIES		**3 032 931**	**2 718 185**

The board and CEO of Multiconsult ASA – Oslo, 16 March 2022

Bård Mikkelsen
Chair of the board

Rikard Appelgren
Director

Sverre Hurum
Director

Tove Raanes
Director

Hanne Rønneberg
Director

Torben Wedervang
Director

Gunnar Vatnar
Director

Karine Gjersø
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 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**
Share issue	230	-	83 995	**84 226**	-	-	-	-	**84 226**
Dividend	-	-	-	**-**	(215 437)	-	-	-	**(215 437)**
Treasury shares	-	129	-	**129**	-	(3 106)	-	-	**(2 976)**
Employee share purchase programme	-	-	-	**-**	-	(10 354)	-	-	**(10 354)**
Comprehensive income	-	-	-	**-**	234 666	-	114	(13 730)	**221 050**
31 December 2021	**13 715**	**(5 126)**	**161 754**	**170 343**	**924 848**	**(48 969)**	**(202 891)**	**6 791**	**850 123**

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**	**2021**	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit before income taxes		311 166	329 350
Income taxes paid during the period		(86 902)	(12 769)
Interest lease liability	18	32 062	34 667
Interest expense interest-bearing liability		927	5 851
Depreciation and amortisation	14, 15	49 134	51 945
Depreciation right-of-use assets	18	144 846	145 694
Impairment right-of-use assets		-	30 000
Results from associated companies and joint ventures	17	(204)	2 269
Other non-cash profit and loss items		(12 834)	-
Subtotal operating activities		**438 195**	**587 007**
Changes in working capital [1]		20 434	80 690
Net cash flows from operating activities		**458 629**	**667 697**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Net payments on acquisition and sale of property, plant and equipment and intangible assets	14, 15	(40 681)	(25 187)
Proceeds/payments related to joint ventures and jointly controlled entities		(6 999)	-
Change in non-current financial assets, restricted funds[1]	16	(2 144)	(2 649)
Net cash effect of business combinations	4	(314 190)	-
Net cash flows from investing activities		**(364 015)**	**(27 836)**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds on interest-bearing liabilities	3	180 000	172 000
Instalments on interest-bearing liabilities		-	(350 400)
Paid interest on interest-bearing liability		(927)	(5 851)
Instalments on lease liabilities	18	(140 523)	(134 070)
Paid interest on lease liability	18	(32 062)	(34 667)
Dividends paid	24	(215 437)	(53 626)
Cost of share issuance		(140)	-
Purchase treasury shares (employee share purchase and bonus programme)		(64 874)	(52 805)
Sale treasury shares (employee share purchase and bonus programme)		61 897	21 919
Net cash flows from financing activities		**(212 066)**	**(437 499)**
Foreign currency effects on cash and cash equivalents		**(3 818)**	**1 516**
Net change in cash and cash equivalents		(121 270)	203 877
Cash and cash equivalents at the beginning of the period	16	277 435	73 558
Cash and cash equivalents at the end of the period	16	**156 165**	**277 435**

[1] Changes in working capital and restricted funds are adjusted for opening balance in acquired entities at transaction date.

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 16 March 2022 for adoption by the Annual General Meeting on 7 April 2022.

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 2021
Several limited scope amendments and interpretations effective from 1 January 2021 had no material impact on the group. This include but is not limited to amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 following the Interest Rate Benchmark Reform phase 2. The group had no material impact following the issuing and implementation of Covid-19-Related Rent Concessions (Amendment to IFRS 16) beyond 30 June 2021.

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. 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 coordination, 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 2021 and 31 December 2020 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, provisions 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 normal 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. Order backlog arising upon a business combination is amortised over its estimated useful life. 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.

Provisions 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 are reported as part of financing 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 2023. This standard is not applicable to the group.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The group does not expect any material impact following the implementation of these amendments.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. The group will assess the impact of the amendments to determine the impact they will have on the group's accounting policy disclosures.

Other
A number of limited scope amendments and interpretations have been issued effective from 1 January 2022, including amendments to IFRS 3, IAS 16, IFRS 1, and IFRS 9. An amendment to IAS 8 has been issued and is effective from 1 January 2023. These amendments and interpretations have been assessed to have no material impact on the group.

PROJECT: **STAVANGER TOWN HALL, STAVANGER**
ILLUSTRATION: **LINK ARKITEKTUR**

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. 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 16 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 disclosure.

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.

Environmental and climate risk
Climate change provides both risks and opportunities for Multiconsult. The threats and opportunities for climate risk is addressed in line with other treats and opportunities, by executive management team informing the board of directors. Transition risk and physical risk is evaluated separately. Physical risk is evaluated to be low, as the group does not own substantial assets vulnerable to acute or

chronic physical risk. HSE procedures are in place to handle climate induced weather events, and the group and subsidiaries' insurance is considered to cover all climate risks in a sufficient way. The largest transitional risk is linked to market risks and opportunities. The market risk is considered low for both short-, medium- and long term while short-, medium- and long-term market opportunities are considered to be substantial, and a key market driver, in the strategy process. As the construction industry is a large contributor to climate emissions, the sector is under the scrutiny of policy makers. For more information, see Reporting according to Task Force on Climate-related Financial Disclosure, TCFD in the section Sustainability and Corporate responsibility section this report.

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.

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 major part of the group's activities are conducted in the subsidiary Multiconsult Norge AS (74 per cent of operating revenues in 2021), with the subgroup LINK Arkitektur as the second largest (15 per cent of operating revenues in 2021). 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 2021 and 2020, 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 16 per cent of the group's operating revenues in 2021 (17 per cent in 2020). The ten largest individual customers comprised approximately 23 per cent of the group's operating revenues in 2021 (25 per cent in 2020). The group's five and ten largest individual customers in relation to trade receivables and work in progress on 31 December 2021 comprised approximately 24 per cent and 28 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 2021

		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	738 430	597 567	69 107	13 094	6 622	52 039
Work in progress	225 021	225 021	-	-	-	-
Other current receivables [1]	32 643	32 643	-	-	-	-
Other non-current receivables [2]	6 405	6 405	-	-	-	-
Allowance for losses on receivables	(7 549)	-	-	-	-	(7 549)
Total trade and other receivables	**994 950**	**861 636**	**69 107**	**13 094**	**6 622**	**44 490**

[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 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 and reimbursement assets.

CHANGES IN ALLOWANCES FOR LOSSES ON RECEIVABLES DURING THE YEAR

Amounts in NOK thousand	**2021**	**2020**
Opening balance allowance for losses on receivables	8 769	15 176
Change in allowances for losses on trade receivable during the year	(1 220)	(6 407)[1]
Closing balance allowance for losses on receivables	**7 549**	**8 769**
Realised losses in the event of bankruptcy etc.	2 005	11 093
Loss on receivables in the statement of income	785	11 301[1]

[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 2021 and 2020 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 2021 to 2020 corresponds to the proceeds and instalments reported in the statement of cash flow.

Amounts in NOK thousand	**31.12.2021**	**31.12.2020**
Multiconsult ASA	180 000	-
Total interest-bearing liabilities	**180 000**	-

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 and Multiconsult UK Limited, 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 450 million, plus accordion option of NOK 150 million 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 2021.

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.

MATURITY INTEREST-BEARING LIABILITIES 31 DECEMBER 2021

		Maturity			
Amounts in NOK thousand	**Carrying amount**	1 year	2 years	> 2 years	Total payments
Interest-bearing liabilities	180 000	-	180 000	-	180 000
Interest on interest-bearing liabilities		4 500	1 125	-	5 625
Total interest-bearing liabilities incl. interest	**180 000**	**4 500**	**181 125**	-	**185 625**

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 [1]		-	-	-	-
Total interest-bearing liabilities incl. interest	**-**	**-**	**-**	**-**	**-**

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 on 31 December 2021. 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 will influence the group's statement of income and equity.

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 ISO 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. Subsidiaries that conduct services abroad may be subject to currency risk that may influence their statement of income and equity. 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 2021 and 2020.

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 2021 and 2020, 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 2021, NOK 64.5 million (NOK 75.3 million on 31 December 2020) is swapped from variable 3-month interest (NIBOR equivalent) to fixed interest of 1.565 per cent p.a. for three years. On 31 December 2021 the fair value was a liability of NOK 385 thousand (liability of NOK 1 589 thousand per 31 December 2020). An increase/decrease in the variable 3-month interest (NIBOR equivalent) of half a percentage point (50bp) would result in a loss of NOK 0.2 million/loss of NOK 0.5 million on 31 December 2021 (31 December 2020: a gain of NOK 1.1 million/loss of NOK 2.1 million). The interest rate swap is due in October 2022 and no new interest rate swap is agreed after this. The company will secure about, on average, 50 per cent of the assumed net interest-bearing liabilities over time. 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 2021

Amounts in NOK thousand	**FVTPL**	**Amortised cost**	**Total**	**Estimated fair value**	**Level in the fair value hierarchy**
ASSETS					
Shares and equity interests	1 731	-	1 731	1 731	3
Other non-current receivables	-	6 405	6 405	6 405	N/A
Non-current financial assets, restricted funds	-	15 316	15 316	15 316	N/A
Trade receivables and other current receivables [1]	-	988 545	988 545	988 545	N/A
Cash and cash equivalents	-	156 165	156 165	156 165	N/A
Total assets	**1 731**	**1 166 430**	**1 168 162**	**1 168 162**	
Estimated fair value	**1 731**	**1 166 430**	**1 168 162**	**1 168 162**	

Amounts in NOK thousand	FVTPL	Amortised cost	Total	Estimated fair value	Level in the fair value hierarchy
LIABILITIES					
Derivatives	385	-	385	385	2
Interest-bearing liabilities (excluding lease liabilities)	-	180 000	180 000	180 000	N/A
Trade payables and other current liabilities [2]	-	916 482	916 482	916 482	N/A
Total liabilities	**385**	**1 096 482**	**1 096 867**	**1 096 867**	
Estimated fair value	**385**	**1 096 482**	**1 096 867**	**1 096 867**	

[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 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**	

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.

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:

- Gearing: 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: Equity ratio above 25 per cent. Equity ratio shall be measured excluding IFRS 16 effects.
- Profitability: 10 per cent EBIT margin – measured on an annual basis, exclusive extraordinary items.

Dividend policy:
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.

The board proposes a dividend of NOK 6.00 per share as ordinary dividend for 2021 to be declared at the 2022 annual general meeting.

The board's proposal for dividend is based on the good financial results for 2021, 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":

	31.12.2021	31.12 2020
Covenant net interest-bearing liabilities/EBITDA*	0.06	(0.65)
Covenant Equity ratio*	40.3 %	43.5%

* See section APM

NOTE 4 BUSINESS COMBINATIONS

Acquisition of Erichsen & Horgen AS

On 8 July, Multiconsult announced that they entered into an agreement to purchase 100% of the shares of Erichsen & Horgen AS at an enterprise value (EV) of NOK 410 million on a cash- and debt free basis based on normalised working capital. The total purchase price for the acquisition of Erichsen & Horgen AS of NOK 421.8 million after adjustments for working capital and net cash was settled in a combination of NOK 337.5 million in cash (80 per cent) and NOK 84.4 million in Multiconsult shares (20 per cent) on 16 August 2021. The transaction was based on a locked-box acquisition model where the locked-box date (reference date) was set to 31 December 2020. Consequently, Multiconsult in addition to the purchase price paid total consideration of NOK 9.1 million as locked-box compensation for the period 1 January 2021 to 16 August 2021 (the closing date).

Erichsen & Horgen is a leading Norwegian engineering consultancy with a strong market position within buildings construction, HVAC, WWT, energy, environment and sustainability. Erichsen & Horgen, including its subsidiary Ingeniørfirmaet Malnes og Endresen AS, has about 235 employees with headquarter in Oslo, the company also has offices in Trondheim, Skien, Drammen and Lillehammer. For 2020, the company recorded operating revenues of NOK 331.3 million, EBIT of NOK 31.3 million and net profit (after tax) of NOK 24.3 million.

The acquisition is a strategic milestone in Multiconsult's mission to provide solutions to clients for the most complex projects and constructions in line with tomorrow's demands regarding environmental and innovative sustainable solutions. Erichsen & Horgen has leading expertise and a culture that fits well with Multiconsult. The two companies have a long history of successful collaboration projects based on trust and mutual respect. Multiconsult will together with Erichsen & Horgen be able to offer solid, interdisciplinary expertise and experience and bring our leading solutions to the next level.

In connection with the closing of the transaction, Multiconsult ASA has increased the limit of its revolving credit facility (RCF) from NOK 200.0 million including an accordion option of NOK 400.0 million until March 2023, to a total of NOK 450.0 million with an accordion option of NOK 150.0 million until March 2023.

As part of the settlement in shares, Multiconsult, in accordance with the amendments approved at Multiconsult ASA's general meeting on 19 April 2021, issued to the shareholders of the acquired company 460 129 shares on 16 August 2021, at a share price of NOK 183.35, representing approximately 1.68 per cent of the shares in Multiconsult ASA and an increase of share capital of NOK 230 064.50. The share capital increase and new shares was registered in the Norwegian Registry of Business Enterprises together with amended Company Articles of Association on 17 August 2021. The amended Articles of Association are available on Multiconsult website at https://www.multiconsult-ir.com/articles-of-association. Following registration, the total share capital of Multiconsult ASA is NOK 13 715 261.50 divided into 27 430 523 shares, each with a nominal value of NOK 0.5.

Preliminary Purchase Price Allocation

The initial, preliminary purchase price allocation identified the following assets and liabilities at the acquisition date:

Assets: *Amounts in NOK thousand*	
Intangible assets	8 900
Property, plant and equipment	4 030
Right-of-use assets	39 863
Non-current receivables and shares	431
Trade receivables	42 438
Work in progress	475
Other current receivables and prepaid cost	5 867
Cash and cash equivalents	38 377
Total identifiable assets	**140 381**

Liabilities: *Amounts in NOK thousand*	
Deferred tax	1 748
Provisions	360
Non-current lease liabilities	30 441
Trade payables	6 484
Current lease liabilities	9 422
Other current liabilities	53 087
Total identifiable assets	**101 542**
Net identifiable assets	**38 839**

Goodwill: *Amounts in NOK thousand*	
Total consideration	421 831
Locked-box interest	9 120
Net identified assets	(38 839)
Goodwill	**392 112**
Total net assets and liabilities	**430 951**

Consideration: *Amounts in NOK thousand*	
Settled with Multiconsult shares	84 366
Settled with cash	337 465
Total consideration	**421 831**

Adjustments: *Amounts in NOK thousand*	
Locked-box interest	9 120
Cash in purchased entities	(38 377)
Net adjustments	**(29 257)**
Net cash paid	**(308 208)**

This preliminary purchase price allocation is based on company accounts adjusted for calculated IFRS 16 right-of-use assets and lease liabilities. As part of the purchase price allocation an intangible asset related to the order backlog of NOK 8.9 million was identified. The acquisition generated an excess value of NOK 392.1 million allocated to goodwill. The goodwill is related to the competence of the staff and synergy effects. Incremental external transaction related cost of NOK 2.6 million was expensed as part of other operating expenses.

Pro-forma impact of the acquisition on the result of the group
If the business combination of Erichsen & Horgen had been effective on 1 January 2021, the net operating revenue for the group would have been NOK 3 987 million for 2021 (NOK 3 960 million for 2020). EBIT would have been NOK 364 million for 2021 (NOK 402 million for 2020). The group considers these pro-forma numbers to represent an approximate measure of the performance of the combined group and to provide a reference point for comparison in future periods.

Other acquisitions
On 1 October, Multiconsult ASA announced its agreement to acquire 100% of the shares in Nordland Teknikk AS and strengthen its competence and presence in the Helgeland region. Nordland Teknikk AS is a consulting engineering company with a core of construction engineers, with a long history and solid presence in the county of Nordland, Norway. Closing date for the transaction was on 1 November. The total purchase price was set to NOK 7.4 million, after adjustment for the value of net debt and normalised working capital at the transaction date. NOK 4.9 million was allocated to goodwill related to the competence of the staff and synergy effects. Net cash paid was NOK 6.0 million.

There were no business combinations in 2020.

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 27 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 Danmark 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.

The group also reports operating revenues divided by five business areas:

1. Buildings & Properties
2. Industry
3. Renewable energy
4. Mobility & Transportation
5. Water & Environment

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. The business area also 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.

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. The business area includes 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.

Mobility & 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.

The segments *Region Oslo and Region Norway* offer services within all business areas. LINK Arkitektur offers services within Buildings & Properties and Industry.

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

Not allocated in 2021 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.

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 in the segment reporting is the same as the 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

2021	Region Oslo	Region Norway	Energy	LINK arkitektur	Inter-national	Not allocated	Elimi-nations	Total
External revenues	1 392 786	1 577 859	265 182	642 997	374 845	30 997	-	**4 284 666**
Internal revenues	37 213	44 273	6 789	33 016	5 620	8 665	(135 577)	**-**
Total operating revenues	1 429 999	1 622 132	271 971	676 013	380 465	39 662	(135 577)	**4 284 666**
Net operating revenues	1 250 558	1 512 144	233 948	564 454	243 261	6 979	(7 608)	**3 803 736**
Operating expenses	1 084 526	1 250 095	225 899	524 044	203 929	(12 999)	(14 602)	**3 260 892**
EBITDA	166 032	262 049	8 049	40 410	39 333	19 977	6 994	**542 845**
Depreciation, amortisation, impairment	15 601	88 884	1 296	21 390	15 589	45 401	5 819	**193 981**
EBIT	150 431	173 165	6 753	19 021	23 743	(25 424)	1 175	**348 864**
Associates and joint ventures	-	-	204	-	-	-	-	**204**
Number of employees	946	1 112	166	469	374	133	-	**3 200**

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**
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	2021	2020
REVENUES PER BUSINESS AREA		
Buildings & Properties	1 782 808	1 825 358
Industry	530 595	356 558
Renewable Energy	317 507	328 193
Mobility & Transportation	1 156 870	1 238 401
Water & Environment	496 886	437 651
Total	**4 284 666**	**4 186 161**

Amounts in NOK thousand	2021	2020
REVENUES PER GEOGRAPHY The table below shows revenues distributed by geography, based on the customer's location:		
Norway	3 490 628	3 343 500
Abroad	794 037	842 661
Total	**4 284 666**	**4 186 161**

Customer location is based on the invoice address. No customer contributed 10 per cent or more of revenues in 2021 or 2020.

NOTE 6 REVENUE FROM CONTRACTS WITH CUSTOMERS AND CONTRACT BALANCES

All revenues for the group in 2021 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

2021	Region Oslo	Region Norway	Energy	LINK arkitektur	Inter-national	Not allocated	Total
External revenues	**1 392 786**	**1 577 859**	**265 182**	**642 997**	**374 845**	**30 997**	**4 284 666**
Revenues per business area							
Buildings & Properties	479 231	668 263	1 640	619 920	-	13 754	1 782 808
Industry	176 177	304 081	9 420	23 077	13 750	4 090	530 595
Renewable Energy	15 814	58 265	239 781	-	-	3 646	317 507
Mobility & Transportation	477 731	363 840	45	-	311 034	4 220	1 156 870
Water & Environment	243 833	183 412	14 294	-	50 061	5 286	496 886
Total	**1 392 786**	**1 577 859**	**265 182**	**642 997**	**374 845**	**30 997**	**4 284 666**
Revenues per geography[1]							
Norway	1 336 667	1 531 730	212 249	378 985	-	30 997	3 490 628
Sweden	2 180	11 857	1 702	182 052	149 231	-	347 022
Denmark	148	89	3	81 895	-	-	82 135
Poland	-	-	24	1	225 614	-	225 639
All other countries	53 791	34 183	51 203	64	-	-	139 242
Total	**1 392 786**	**1 577 859**	**265 182**	**642 997**	**374 845**	**30 997**	**4 284 666**

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

Amounts in NOK thousand

2020	Region Oslo	Region Norway	Energy	LINK arkitektur	Inter-national	Not allocated	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	466 486	670 589	455	678 738	-	9 090	1 825 358
Industry	105 008	222 524	112	16 579	8 916	3 420	356 558
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
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.

CONTRACT BALANCES

Amounts in NOK thousand	Note	31.12.2021	31.12.2020
Trade receivables	3, 13	730 881	626 726
Work in progress (contract assets)	3, 13	225 021	255 894
Prepaid revenues (contract liabilities)		141 749	155 656

Work in progress relate to the group's right to consideration for work completed but not billed at the reporting date. Work in progress is 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 34 per cent of the prepaid revenues relates to contracts in Multiconsult Norge AS, and approximately 6 per cent to contracts in LINK Arkitektur AS. Approximately 60 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 86 046 thousand on 31 December 2020 has been recognised as revenue during 2021.

Order backlog (unaudited)
Order backlog is revenue expected to be recognised in the future related to performance obligations that are unfulfilled (or partially fulfilled) on 31 December 2021. 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 2021 is estimated to NOK 3 260 million. The order back log from the acquired company Erichsen & Horgen is not included in the reported figures. 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 60 per cent of the order backlog as revenue during 2022, 25 per cent in 2023 and the remaining 15 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 (example 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 7.6 million in 2021 (NOK 7.3 million in 2020), of which NOK 0 million was invoiced to customers in 2021 (NOK 0 million in 2020). In the income statement, these expenditures have been reduced by government grants (Skattefunn) of NOK 2.0 million in 2021 (NOK 1.6 million in 2020). None of these expenditures have been capitalised.

NOTE 8 OTHER OPERATING EXPENSES

Amounts in NOK thousand	2021	2020
Office expenses	77 106	80 236
Consultants	45 640	43 423
Technical equipment	21 231	22 224
IT and communication	167 749	129 689
Travel and meeting	21 250	19 790
Sales and marketing	15 220	14 519
Losses on receivables	785	11 301
Gain on sale of fixed assets	(756)	(1 029)
Other	101 259	82 022
Total other operating expenses	**449 482**	**402 174**

AUDITOR

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

	2021		2020	
Amounts in NOK thousand	Deloitte	Other	Deloitte	Other
Statutory audit services	3 102	426	2 910	252
Tax advisory services	32	-	69	-
Other assurance services	98	165	72	-
Other non-audit services	14	8	72	225
Total	**3 247**	**599**	**3 123**	**477**

The amounts above are excluding VAT.

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

Amounts in NOK thousand	2021	2020
EMPLOYEE BENEFIT EXPENSES		
Salaries, vacation pay, bonus etc.	2 256 722	2 145 718
Social security tax	331 459	301 481
Pension expenses (see note 12)	186 534	175 936
Other employee benefit expenses	36 695	36 941
Total employee benefit expenses	**2 811 409**	**2 660 077**
Number of full time employees during the year [1)]	2 978	2 962
Number of employees on 31 December	3 200	2 925

[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 2021 program took place in November. In total Multiconsult sold 370 716 shares to its employees, which was purchased in the market. The sale was based on a price of NOK 123.93 per share, a 20 per cent discount of the volume-weighted average share price of NOK 154.91 per share traded on Oslo Børs in the period 3 to 9 November 2021. The total sales price reduced with the discount was NOK 45 943 thousand, of which NOK 21 529 thousand was paid in cash and the remaining NOK 24 413 thousand as loans granted to the employees, maximum 3/5 G (NOK 63 839) per employee.

The outstanding balance of loans per 31 December 2021 was NOK 22 912 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 2020 program the employees purchased 391 884 shares. The total sales price 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. 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.

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	2021	2020
Employee benefit expenses	(410)	(942)
Recognised directly to equity (before tax) [1)]	11 895	9 720
Total discount	**11 485**	**8 778**

[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.

1. Remuneration for leading persons
The group's suggested executive remuneration policy (Remuneration policy on determination of salary and other remuneration for leading persons) can be found on the group's website www.multiconsult-ir.com

2. Remuneration policy during the accounting year
The principles described in the remuneration policy, which can be found on the group's website www.multiconsult-ir.com, are the same basic principles that were applied during 2021.

3. Remuneration to the executive management
The tables below show the total remuneration to the executive management earned in 2021 and 2020. 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 2021 AND 2020

The table below displays the total remuneration to the executive management earned in 2021 and 2020 for the period the persons served as member of the executive management.

Amounts in NOK		Fixed remuneration							On 31 December	
Name, position	**Year**	**Base salary [1]**	**Salary paid [2]**	**Other benefits [3]**	**Variable remuneration [4]**	**Pension expense**	**Total remuneration**	**Proportion of fixed and variable remuneration**	**Shares [5]**	**Loans [6]**
Grethe Bergly, CEO [7]	2021	3 342 320	3 763 676	53 975	1 671 160	132 010	5 620 822	70%/30%	36 452	58 519
	2020	3 280 000	3 514 869	17 377	1 640 000	132 944	5 305 190	69%/31%	30 851	60 810
Hans-Jørgen Wibstad, CFO	2021	2 153 000	2 311 252	39 484	717 667	130 731	3 199 134	78%/22%	10 334	72 943
	2020	2 101 000	2 084 276	21 455	700 333	130 702	2 936 766	76%/24%	7 564	60 810
Kari Nicolaisen, EVP HR and Communications	2021	1 796 000	1 974 289	35 621	598 667	129 576	2 738 152	78%/22%	5 253	119 718
	2020	1 763 000	1 810 130	19 764	587 667	131 953	2 549 514	77%/23%	2 071	60 810
Johan Arntzen, COO	2021	1 684 000	1 841 137	31 738	561 333	134 864	2 569 072	78%/22%	10 308	115 768
	2020	1 650 000	1 727 767	17 694	550 000	131 769	2 427 230	77%/23%	7 276	60 810
Lars Opsahl, EVP Sales [7]	2021	1 830 000	2 124 843	38 359	610 000	136 908	2 910 110	79%/21%	70 721	120 982
	2020	1 800 000	2 041 704	22 973	600 000	134 447	2 799 124	79%/21%	67 491	60 810
Kristin Olsson Augestad, EVP Region Oslo [7]	2021	1 732 000	1 943 918	33 722	577 333	129 794	2 684 768	78%/22%	11 002	70 037
	2020	1 700 000	1 818 938	17 694	566 667	130 170	2 533 469	78%/22%	7 904	60 810
Leif Olav Bogen, EVP Region Norway [7]	2021	1 732 000	1 961 217	34 781	577 333	133 507	2 706 839	79%/21%	8 737	58 519
	2020	1 700 000	1 838 518	19 544	566 667	132 618	2 557 347	78%/22%	5 639	60 810
Hilde Gillebo, EVP Energy	2021	1 732 000	1 889 646	32 318	577 333	128 053	2 627 351	78%/22%	4 021	117 506
	2020	1 700 000	1 631 038	19 923	566 667	128 994	2 346 622	76%/24%	1 131	60 810
Geir Juterud, EVP Project Director [7] [8]	2021	1 732 000	1 959 950	28 832	577 333	131 801	2 697 917	79%/21%	7 980	58 519
	2020	1 700 000	1 809 955	18 188	566 667	130 832	2 525 642	78%/22%	5 402	60 810
Morten Alstad, EVP Projects [7] [9]	2021	1 597 000	1 815 307	24 677	532 333	131 516	2 503 834	79%/21%	70 885	70 002
	2020	1 550 000	1 604 073	17 214	172 222	131 516	1 925 025	91%/9%	69 347	60 810
Kirsten Anker Sørensen, EVP Architecture	2021	1 844 872	2 012 463	68 648	614 957	172 865	2 868 933	79%/21%	1 252	-
	2020	1 924 020	2 064 003	-	641 340	177 304	2 882 647	78%/22%	-	-
Total	**2021**	**21 175 192**	**23 597 698**	**422 157**	**7 615 451**	**1 491 625**	**33 126 930**		**236 945**	**862 513**
Total	**2020**	**20 868 020**	**21 945 271**	**191 826**	**7 158 229**	**1 493 249**	**30 788 575**		**204 676**	**608 100**

[1] Annual base salary per 31 December.

[2] Salary is amount paid during the year presented, including holiday pay, car allowance and compensation for entering into new pension plan.

[3] 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.

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

[5] Shares owned by the members of the executive management as of 31 December, with close associates.

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

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

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

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

4. Remuneration to the board of directors

The board fee is determined by the members' positions. The annual general meeting in 2021 resolved the remuneration for the board members for the period between the annual general meeting in 2021 and the annual general meeting in 2022.

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 table below.

REMUNERATION TO THE BOARD OF DIRECTORS 2021 AND 2020

Amounts in NOK

		FIXED REMUNERATION				
Name of director, Position	**Year**	**Board fees**	**Committee fees**	**Total remuneration**	**Loans [1]**	**Shares [2]**
Bård Mikkelsen, Chair, elected by shareholders	2021	497 333	42 333	539 667	N/A	28 933
	2020	484 000	41 000	525 000		14 933
Hanne Rønneberg, elected by shareholders	2021	248 667	31 667	280 333	N/A	2 220
	2020	242 000	31 000	273 000		2 220
Rikard Appelgren, elected by shareholders	2021	248 667	56 667	305 333	N/A	30 000
	2020	242 000	62 000	304 000		30 000
Simen Lieungh, elected by shareholders [3]	2021	80 667	-	80 667	N/A	N/A
	2020	242 000	-	242 000		2 400
Tove Raanes, elected by shareholders	2021	248 667	60 667	309 333	N/A	5 313
	2020	161 333	34 667	196 000		5 313
Sverre Hurum, elected by shareholders [4]	2021	168 000	-	168 000	N/A	22 226
	2020	-	-	-		N/A
Liv-Kristine Rud, elected by employees [3]	2021	41 000	17 333	58 333	N/A	N/A
	2020	123 000	52 000	175 000	12 543	890
Runar Tyssebotn, elected by employees [3]	2021	41 000	10 333	51 333	N/A	N/A
	2020	123 000	31 000	154 000	60 810	30 946
Kristine Landsnes Augustson, elected by employees [3]	2021	41 000	-	41 000	N/A	N/A
	2020	123 000	-	123 000	26 877	1 500
Gunnar Vatnar, elected by employees [5]	2021	84 000	-	84 000	58 519	600
	2020	-	-	-	N/A	N/A
Karine Gjersø, elected by employees [5]	2021	84 000	21 333	105 333	58 519	1 948
	2020	-	-	-	N/A	N/A
Torben Wedervang, elected by employees [5]	2021	84 000	36 000	120 000	58 519	4 303
	2020	-	-	-	N/A	N/A
Hilde Hammervold, elected by shareholders [6]	2021	-	-	-	N/A	N/A
	2020	80 667	17 333	98 000	N/A	N/A
Total	**2021**	**1 867 000**	**276 333**	**2 143 333**	**175 557**	**95 543**
Total	**2020**	**1 821 000**	**269 000**	**2 090 000**	**100 230**	**88 202**

[1] 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.

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

[3] Resigned as member of the board at General meeting 19 April 2021.

[4] Elected as member of the board at General meeting 19 April 2021.

[5] Elected by employees April 2021.

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

NOTE 10 FINANCIAL ITEMS

Amounts in NOK thousand	2021	2020
Other interest income	1 489	2 298
Foreign currency gain	15 532	17 995
Other financial income	3 411	2 398
Financial income	**20 432**	**22 692**
Other interest expenses	4 228	5 851
Foreign currency loss	16 433	14 147
Other financial expenses	5 612	7 490
Financial expenses IFRS 16	32 062	34 630
Financial expenses	**58 335**	**62 119**
Net financial items	**(37 903)**	**(39 427)**

Other financial income in 2021 includes NOK 1 204 thousand gain on changes in fair value of derivatives. Other financial income in 2020 includes NOK 775 thousand gain on changes in fair value of derivatives and other financial expenses in 2020 includes NOK 2 870 thousand loss on changes in fair value of derivatives.

NOTE 11 TAXES

INCOME TAXES

The income tax expense for the year was as follows:

Amounts in NOK thousand	2021	2020
Income taxes payable	81 173	92 350
Net withholding tax after tax credit	848	265
Regulation of previous years' taxes	1 470	(3 248)
Change in deferred taxes	(6 900)	(12 135)
Effect of change in tax rate	-	2 909
Other items	(91)	-
Income tax expenses	**76 500**	**80 141**

RECONCILIATION FROM NOMINAL TO ACTUAL TAX RATE

Amounts in NOK thousand (except percentages)	2021	2020
Profit before income taxes	**311 166**	**329 350**
Expected income tax based on nominal tax rate in Norway (22%/22%)	68 456	72 457
Tax effect of the following items:		
Non-deductible expenses	2 404	1 353
Non-taxable income	(570)	(546)
Share of profit from associated companies	97	532
Not recognised/reversal of previously not recognised deferred tax assets	3 849	6 519
Effect of change in tax rate	-	2 909
Regulation of previous years' taxes	1 470	(3 248)
Net withholding tax after tax credit	848	265
Other items (including currency and effect of deviation foreign vs. Norwegian tax rate)	(55)	(100)
Income tax expenses	**76 500**	**80 141**
Effective tax rate	**24.6%**	**24.3%**

DEFERRED TAX IN THE BALANCE SHEET

Amounts in NOK thousand	31.12.2021	31.12.2020
Deferred tax asset	33 351	34 023
Deferred tax	12 571	11 512
Net deferred tax asset in the balance sheet	**20 780**	**22 511**

SPECIFICATION OF THE TAX EFFECT OF TEMPORARY DIFFERENCES

Amounts in NOK thousand	31.12.2021	31.12.2020
Non-current assets	(164 096)	(171 087)
Current assets	(24 186)	(26 654)
Liabilities and provisions	202 942	209 077
Taxable losses carried forward [1]	18 972	20 760
Deferred tax assets not recognised in the balance sheet	(12 852)	(9 584)
Net deferred tax asset in the balance sheet	**20 780**	**22 511**

[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 2021 is estimated to NOK 5 599 thousand (NOK 7 040 thousand on 31 December 2020). This will be done in the tax declarations for 2021 (2020) but is subject to the regulation for dividend and is consequently not recognised in the IFRS financial statements for 2021 (2020). 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 2022 (2021). The group has recognised net deferred tax assets in Norway 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	2021	2020
Deferred tax assets 1 January	22 511	27 248
Deferred taxes arising from acquisitions	(1 781)	-
Deferred tax assets 1 January reduced due to group contributions	(7 040)	(13 521)
Changes in deferred taxes recognised in the statement of income	6 900	12 135
Effects of changes in tax rate in the statement of income	-	(2 909)
Deferred taxes included in other comprehensive income (related to pensions)	(32)	(50)
Currency and regulation of previous years taxes	222	(392)
Deferred tax assets in the balance sheet (net) on 31 December	**20 780**	**22 511**

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.

RECONCILIATION OF INCOME TAXES PAYABLE IN THE BALANCE SHEET

Amounts in NOK thousand	2021	2020
Expensed income taxes payable [1]	(81 173)	(92 350)
Prepaid taxes	7 793	7 646
Tax payable/receivable from previous year	818	2 256
Income tax from acquisitions	(3 252)	-
Income tax on employee share programme recognised in equity	2 557	2 008
Skattefunn (government R&D tax incentive scheme in Norway)	2 007	1 386
Currency effects	(450)	-
Income tax payable recognised in the balance sheet [1]	**(71 699)**	**(79 053)**

[1] The group has recognised tax payable related to the profits in subsidiaries for 2021, of which it is expected that NOK 5 599 thousand (NOK 7 040 thousand in 2020), will not be payable after taxable group contribution to other group companies have been determined by the general meetings in 2022 (2021).

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

Amounts in NOK thousand	Gross	Taxes	Net
31 December 2019	(270 837)	67 657	(203 181)
Change 2020	228	(50)	178
31 December 2020	(270 612)	67 607	(203 005)
Change 2021	147	(32)	114
31 December 2021	(270 465)	67 575	(202 891)

Income tax benefits on the employee share purchase programme has been recognised in equity with NOK 2 008 thousand in 2020 and NOK 2 557 thousand in 2021, in total NOK 10 548 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.

There were 2 182 active members in the Multiconsult ASA and Multiconsult Norge AS defined contribution plan at the end of 2021 (2020: 2 095). 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 106 399 per 31 December 2021.

In addition, Multiconsult Norge AS has individual defined benefit plans that are unfunded, with recognised liabilities of NOK 6 129 thousand at the end of 2021 (2020: NOK 6 474 thousand).

LINK Arkitektur AS has a defined benefit plan that is closed and includes 9 retirees per 31 December 2021. Other plans in LINK Arkitektur group are plans accounted for as contribution plans, with 551 active members on 31 December 2021 (2020: 402). This includes a multiemployer plan in LINK Arkitektur AB (ITP 2 plan) which is a defined benefit plan.

For 69 employees (2020: 80) 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 2022 is NOK 6 050 thousand. The premium paid and expensed in 2021 was NOK 7 481 thousand (2020: NOK 7 340 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 2021 (2020: 0.022 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 2021, the collective funding ratio was 169 per cent (2020: 144 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	2021	2020
Pension expenses retirement defined benefit plan	(123)	(163)
Recognised as financial expenses	98	(138)
Pension expenses defined contribution plan	186 560	176 238
Pension expenses in employee benefit expenses (note 9)	**186 534**	**175 936**
Effect of remeasurement of net defined benefit obligations	(147)	(228)

FINANCIAL STATUS DEFINED BENEFIT PLANS

Amounts in NOK thousand	31.12.2021	31.12.2020
Calculated pension obligations (incl. social security tax)	(21 929)	(22 390)
Pension assets (at market value)	16 525	16 441
Pension obligations in the financial statements	**(5 403)**	**(5 948)**
Of which included in Other non-current financial assets and shares	-	526
Of which pension obligations	(5 403)	(6 474)

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	31.12.2021	31.12.2020
Trade receivables	738 430	635 495
Allowance for credit losses on receivables (see note 3)	(7 549)	(8 769)
Total trade receivables	**730 881**	**626 726**
Work in progress	225 021	255 894
Prepaid expenses	53 797	49 674
Other	32 643	35 480
Total other current receivables and prepaid expenses	**86 439**	**85 154**
Total receivables and prepaid expenses	**1 042 341**	**967 774**

NOTE 14 INTANGIBLE ASSETS AND GOODWILL

Amounts in NOK thousand	Software	Other intangible assets	Total intangible assets	Goodwill
Acquisition cost 1 January 2020	**95 987**	**-**	**95 987**	**530 269**
Adjustment of opening balance	4 790	-	4 790	-
Additions	2 487	-	2 487	-
Disposals	32	-	32	-
Currency translation differences	(71)	-	(71)	8 277
Acquisition cost 31 December 2020	**103 161**	**-**	**103 161**	**538 546**
Additions	2 218	-	2 218	-
Additions from business combination	-	9 100	9 100	397 054
Disposals	1 380	-	1 380	-
Currency translation differences	(327)	-	(327)	(6 606)
Acquisition cost 31 December 2021	**103 672**	**9 100**	**112 772**	**928 994**
Accumulated amortisation 1 January 2020	**71 069**	**-**	**71 069**	**82 715**
Adjustment of opening balance	4 633	-	4 633	-
Amortisation for the year	6 649	-	6 649	-
Disposals	32	-	32	-
Currency translation differences	(70)	-	(70)	1 140
Accumulated amortisation 31 December 2020	**82 249**	**-**	**82 249**	**83 855**
Amortisation for the year	5 362	1 647	7 009	-
Disposals	1 380	-	1 380	-
Currency translation differences	(292)	-	(292)	(1 520)
Accumulated amortisation 31 December 2021	**82 939**	**1 647**	**87 586**	**82 335**
Carrying amount 1 January 2020	**24 919**	**-**	**24 919**	**447 554**
Adjustment of opening balance	157	-	157	-
Additions	2 487	-	2 487	-
Disposals	-	-	-	-
Amortisation for the year	6 649	-	6 649	-
Currency translation differences	(1)	-	(1)	7 138
Carrying amount 31 December 2020	**20 913**	**-**	**20 913**	**454 692**
Additions	2 218	-	2 218	-
Additions from business combination	-	9 100	9 100	397 054
Disposals	-	-	-	-
Amortisation for the year	5 362	1 647	7 009	-
Currency translation differences	(35)	-	(35)	(5 087)
Carrying amount 31 December 2021	**17 733**	**7 453**	**25 187**	**846 659**

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. Other intangible assets relate to order backlog from the acquisition of Erichsen & Horgen AS and Nordland Teknikk AS in 2021. The order backlog is amortised on a straight-line basis over its estimated lifetime, in the range 1-2 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 Region Oslo, as shown in the table below. CGUs identified to assess the value of the group's goodwill in 2021 and 2020 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 2021, 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	31.12.2021	31.12.2020	Belongs to segment
LINK Arkitektur	149 447	151 615	LINK Arkitektur
Region Oslo	434 429	131 894	Region Oslo
Transportation	27 600	27 600	Region Oslo
Region Norway	89 577	-	Region Norway
North	40 817	40 817	Region Norway
West	39 381	39 381	Region Norway
Middle	14 108	9 166	Region Norway
Fredrikstad	9 098	9 098	Region Norway
Iterio	41 224	44 143	International
MC Polska	978	978	International
Total	**846 659**	**454 692**	

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 2021 are based on board approved budget for 2022 and the company's strategy plan for the subsequent four years. IFRS 16 is included in both the DCF model and in the WACC. The growth in the forecast period of 2023 – 2026 is based on a moderate estimated growth in revenue and cost, in line with strategy, profitability targets and 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 show a moderate organic growth. The EBIT margin is reasonable and according to the strategy, and in line with the realised results in 2021. 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 7.3 per cent (2020: 6.0 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 increase in WACC is a slightly increase in cost of equity and also a slightly increase in cost of debt mainly due to an increase in credit risk rate.

The key assumptions used in the value in use calculation which is most sensitive to changes is operating revenue. However, in such a situation the company will bring the cost down to be in a normal steady business. For the CGUs Region Oslo, Region Norway, North, 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 and LINK Arkitektur more than 5 per cent to indicate impairment. In the sensitivity analysis for WACC, EBITDA and EBIT the headroom is good and a material change in assumptions must occur before an impairment will take place.

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 2021.

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 2020	**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**
Additions from business combinations	-	2 173	1 948	4 120
Additions	1 088	42 784	1 229	45 101
Disposals	503	22 277	105	22 885
Currency translation differences	(539)	(2 599)	(152)	(3 290)
Acquisition cost 31 December 2021	**9 090**	**445 384**	**75 352**	**529 827**
Acc. depreciation 1 January 2020	**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**
Depreciation for the year	899	37 484	2 880	41 263
Disposals	503	21 877	52	22 431
Currency translation differences	(365)	(1 957)	(126)	(2 447)
Acc. depreciation 31 December 2021	**6 446**	**347 355**	**65 724**	**419 524**
Carrying amount 1 January 2020	**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**
Additions from business combination	-	2 173	1 948	4 120
Additions	1 088	42 784	1 229	45 101
Disposals	-	400	53	453
Depreciation for the year	899	37 484	2 880	41 263
Currency translation differences	(176)	(643)	(25)	(844)
Carrying amount 31 December 2021	**2 644**	**98 030**	**9 628**	**110 303**
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	31.12.2021	31.12.2020
Cash and bank deposits, excluding restricted cash	156 165	277 435
Restricted cash	-	-
Non-current financial assets, restricted funds	15 316	15 847
Total cash and cash equivalents and restricted cash	**171 481**	**293 282**

Restricted funds on 31 December 2021 and 2020 relates mainly to Multiconsult Polska.

Restricted funds in Multiconsult Polska are bank balances of NOK 14.7 million on 31 December 2021 (NOK 15.5 million on 31 December 2020) as security for parts of the bank guarantees issued to customers, see note 21. These bank guarantees have terms from 2022 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 2020	**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**
Share of profit for the year	4	(28)	228	-	204
Currency effect	-	-	-	(129)	(129)
Closing balance 31 December 2021	**1 743**	**230**	**5 282**	**3 045**	**10 302**

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. In these partnerships the participants are in most cases jointly liable towards the client, and severally or proportionately liable towards each other for claims from the client. The mentioned proportional liability is normally based on each party's share of the turnover in the project group, at the time when the client's claim is made. The main projects that are organised in this manner that are considered joint operations are Kampflybasen, Tønsberg hospital, Fornebubanen and E39 Stord-Os Bjørnafjorden, Forsvarsbygg, Daugava HPP and the new hospital at Gaustad (nye Rikshospitalet), all in Multiconsult Norge AS. There is no fixed participating share in these operations. In 2021 these projects contributed revenues of NOK 265 million (NOK 261 million in 2020).

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	Assets	Liabilities
Balance 1 January 2020	**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**
Additions	123 405	123 405
Reassessments	(16 776)	(16 776)
Depreciation	(144 846)	N/A
Impairment	-	N/A
Interest expense	N/A	32 062
Lease payments (interest and instalments)	N/A	(172 596)
Terminations	(226)	(234)
Currency	(767)	(587)
Balance 31 December 2021	**766 870**	**829 808**

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

Amounts in NOK thousand	2021	2020
Property	142 618	143 331
Cars	2 228	2 363
Total	**144 846**	**145 694**

In 2020 the group performed an assessment of recoverable amount of the group's property right-of-use (ROU) assets based on impairment indicators existing on 30 September 2020. The identified indicators were related to a change in the use of the right-of-use assets. Recoverable amount was estimated to be NOK 30 million lower than book value. Therefore, the group recognised an impairment loss of NOK 30 million in 2020. The impairment loss was recognised in segment Not allocated. The group has not identified any impairment indicators in 2021, and no impairment is recognised in 2021.

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	31.12.2021	31.12.2020
Property	757 749	800 434
Cars	9 120	5 647
Total	**766 870**	**806 081**

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 have 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	2021	2020
Short-term leases	13 708	15 093
Low value asset	6 164	6 279
Total	**19 871**	**21 372**

UNDISCOUNTED LEASE LIABILITIES AND MATURITY OF CASH OUTFLOWS

31 December 2021

Amounts in NOK thousand	Office premises	Property, plant and equipment	Total
Due within 1 year	166 438	2 111	168 549
Due more than 1 year, but within 5 years	548 062	4 308	552 371
Due more than 5 years	205 856	-	205 856
Total undiscounted lease liabilities	**920 356**	**6 419**	**926 775**

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**

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 one year, but within five years would have been NOK 6 million higher, and cash outflows due more than five and less than ten years would have been NOK 118 million higher, had these renewal options been recognised.

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	31.12.2021	31.12.2020
Salaries payable, holiday pay, bonus etc.	349 382	304 453
Other accrued expenses	18 353	18 983
Other	8 358	11 469
Total other current liabilities	**376 093**	**334 905**

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	31.12.2021	31.12.2020
Gross provisions	24 712	31 222
Assets for reimbursement of provisions	18 302	23 172
Net provisions	**6 410**	**8 050**

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 2020	**7 150**
Additions	3 750
Reversals	(800)
Utilised	(2 050)
Net provisions 31 December 2020	**8 050**
Additions	2 710
Reversals	(1 750)
Utilised	(2 600)
Net provisions 31 December 2021	**6 410**

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. 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 coverage of up to 150 times the Norwegian national insurance base rate (G) – about NOK 16 million, which is the standard limitation of liability in Multiconsult's contracts. Uninsured liability is by agreement normally limited to 60 G about NOK 6.3 million, with exceptions and higher agreed limitations for such liability in some larger projects. There may however be significant project- and other operational risks where limitations of liability do not apply, that are not covered by the mentioned insurances and/or where the insurance coverage is insufficient to cover the risk. In some projects special provisions regarding liability apply or limitations of liability do not apply. This increases Multiconsult's possible liability and risk. In cases of gross negligence or wilful misconduct limitations on liability as a main rule do not apply, and insurance coverage may be reduced. Furthermore, Multiconsult has entered into multiple project partnerships with joint and several liability or joint and proportional liability that may in under particular circumstances increase risk. In the latter cases Multiconsult's proportional liability is normally based on the share of the turnover in the project group. The mentioned risks may, in some adverse circumstances, have a significant negative impact on the financial performance of the group.

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 connection with a project completed several years ago, one of Multiconsult Norge AS' customers has taken legal action to seek compensation for losses amounting to approximately NOK 90 million. Multiconsult considers the claim without merit and has defended itself against the lawsuit. In the fourth quarter 2021, Multiconsult won the case fully in the court of first instance, but the counterparty has filed an appeal to the Court of Appeals. As of the publishing of this report, no date has been set for the hearing in the Court of Appeals.

The provision on 31 December 2021 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	31.12.2021	31.12.2020
Bank guarantee - guarantees towards customers	122 956	111 806
Bank guarantee - guarantees for other obligations	46 765	40 027
Guarantee - employee tax deductions	134 600	134 600
Parent company guarantees - for associates and joint ventures	-	3 600
Parent company guarantees - for subsidiaries	17 351	21 369
Total guarantees	**321 672**	**311 402**

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 2021, 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 2021 relates to rent of premises of NOK 17.4 million towards subsidiaries.

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 of NOK 400 million for Multiconsult ASA's liabilities towards the lender and provided sureties in the amount of NOK 200 million for Multiconsult Norge AS' and NOK 5 million for LINK Arkitektur AS' liabilities towards the lender. Multiconsult Norge AS has provided a surety of NOK 800 million for Multiconsult ASA's liabilities towards the lender. Multiconsult ASA and Multiconsult Norge AS have both pledged trade receivables, inventory and property, plant and equipment. The carrying value of the pledged assets in Multiconsult Norge AS on 31 December 2021 is NOK 495.7 million for trade receivables, NOK 0 for inventory and NOK 89.9 million for property, plant and equipment. For Multiconsult ASA the carrying values on 31 December 2021 is NOK 56.0 million for trade receivables and NOK 0 for inventory and property, plant and equipment.

On 31 December 2021, Multiconsult ASA had a guarantee facility of NOK 120.0 million, of which NOK 59.2 million was drawn (2020: NOK 54.8 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 119.5 million, under which PLN 49.8 million, NOK 108.2 million was drawn on 31 December 2021. A cash deposit is required for employee tax deductions, VAT account and issued guarantees in Poland, and these deposits are 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 14.7 million on 31 December 2021, included in non-current financial assets 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 2021:

	Number of shares	Ownership share
Stiftelsen Multiconsult	5 999 559	21.9%
Odin Norge	2 621 242	9.6%
Vevlen Gård AS	1 550 000	5.7%
Stenshagen Invest AS	1 130 519	4.1%
AAT Invest AS	800 000	2.9%
The Bank of New York Mellon SA/NV	776 569	2.8%
VJ Invest AS	725 271	2.6%
OBOS BBL	666 572	2.4%
Pareto Aksje Norge Verdipapirfond	613 330	2.2%
Varner Equities AS	434 685	1.6%
Verdipapirfondet Holberg Norge	400 000	1.5%
Skandinaviska Enskilda Banken AB	286 455	1.0%
Verdipapirfondet Pareto Investment	274 000	1.0%
Other	11 152 321	40.7%
Total number of shares	**27 430 523**	**100%**

Total number of shares are 27 430 523 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 2021 was 33 336 (2020: 40 741 shares). During 2021 and 2020, the company purchased own shares that were sold in the employee share purchase programme, see note 9.

The Annual General Meeting held on 19 April 2021 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 19 April 2021 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 500. 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 2022, but in no event later than 30 June 2022.

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 2021 and 2020.

Stiftelsen Multiconsult had an ownership share of 21.9 per cent on 31 December 2021 (21.7 per cent on 31 December 2020). The company's assessment is that Stiftelsen Multiconsult has significant influence. Multiconsult has recognised revenues from sales to Stiftelsen Multiconsult of NOK 5 096 thousand in 2021 (NOK 3 419 thousand in 2020) and had receivables of NOK 269 thousand on 31 December 2021 (NOK 488 thousand on 31 December 2020).

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	2021	2020
Revenues	28 335	25 029
Expenses	145	2 370
Receivables	3 988	46
Liabilities	-	47
Guarantees provided	-	3 600

NOTE 24 EARNINGS PER SHARE AND DIVIDENDS

In 2021 and 2020, 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.

	2021	2020
Profit after tax attributable to owners of Multiconsult ASA (NOK thousand)	234 666	249 209
Weighted average number of shares (excl. treasury shares)	27 080 810	26 930 713
Earnings per share	**8.67**	**9.25**
DIVIDENDS		
Dividends paid to owners of Multiconsult ASA (NOK thousand)	215 437	53 626
Dividends per share	**8.00**	**2.00**

Dividends proposed after 31 December 2020 (NOK thousand) [1]	164 583
Dividends proposed after 31 December 2020 (per share) [1]	6.00

[1] Dividends to be adopted by the Annual General Meeting 7 April 2022.

NOTE 25 EVENTS AFTER THE REPORTING PERIOD

After the reporting period ended on 31 December 2021 and up to the date these consolidated financial statements have been approved for issue, the following events have been identified that require disclosure:

Acquisition of Smidt & Ingebrigtsen AS
On 19 January 2022, Multiconsult ASA announced its agreement to acquire 100% of the shares in Smidt & Ingebrigtsen AS and strengthen its competence and presence in Bergen. Smidt & Ingebrigtsen AS is a consulting engineering company with a solid market position both in the public and private construction and civil engineering market in western Norway. Closing date for the transaction was on 1 February 2022. The total purchase price was set to NOK 11.0 million, subject to subsequent adjustment pending the value of net debt and normalised working capital at the transaction date.

Other events
The direct and indirect potential impact of the ongoing conflict in Ukraine is currently not possible to assess, but has currently had limited or no impact on Multiconsult.

No further events have been identified that require disclosure.

ALTERNATIVE PERFORMANCE MEASURES (APM)

MARGINS AND RATIOS

Amounts in NOK thousand	2021	2020
EBITDA	542 845	598 686
Net operating revenues	3 803 736	3 660 936
EBITDA margin	**14.3%**	**16.4%**
EBIT	348 864	371 047
Amortisation of acquisition-related intangible assets	1 647	-
EBITA	**350 511**	**371 047**
EBITA	350 511	371 047
Net operating revenues	3 803 736	3 660 936
EBITA margin	**9.2%**	**10.1%**
EBIT	348 864	371 047
Net operating revenues	3 803 736	3 660 936
EBIT margin	**9.2%**	**10.1%**

Amounts in NOK thousand	31.12.2021	31.12.2020
Total shareholders' equity	850 123	773 615
Total assets	3 032 931	2 718 185
Equity ratio	**28.0%**	**28.5%**

ADJUSTED

Reported figures adjusted for restructuring cost and other items affecting comparability. EBIT ex. restructuring cost is calculated by excluding one-off nextLEVEL restructuring cost of NOK 30.0 million in 2020.

Amounts in NOK thousand	2021	2020
Depreciation and amortisation	193 981	197 639
Impairment	-	30 000
Restructuring cost	-	(30 000)
Adjusted depreciation, amortisation and impairment	**193 981**	**197 639**
EBITDA	542 845	598 686
Adjusted depreciation, amortisation and impairment	193 981	197 639
EBIT ex. restructuring cost	**348 864**	**401 047**
EBIT ex. restructuring cost	348 864	401 047
Adjusted net operating revenues	3 803 736	3 660 936
EBIT margin ex. restructuring cost	**9.2%**	**11.0%**

CALENDAR EFFECT
There was a calendar effect of one less working day which had a negative impact on Net operating revenue and EBIT of approximately NOK 11.2 million compared to 2020.

Amounts in NOK thousand	2021	2020
EBIT ex. restructuring cost	348 864	401 047
Estimated calendar effect	11 200	-
EBIT ex. restructuring cost and adjusted for calendar effect	**360 064**	**401 047**
EBIT ex. restructuring cost and adjusted for calendar effect	360 064	401 047
Adjusted net operating revenues including calendar effect	3 814 936	3 660 936
EBIT margin ex. restructuring cost and adjusted for calendar effect	**9.4%**	**11.0%**

COVENANTS
APMs relevant in calculating loan covenants and financial targets.

Covenant net interest-bearing liabilities/EBITDA

Amounts in NOK thousand	31.12.2021	31.12.2020
Cash and cash equivalents, excluding restricted cash	156 165	277 435
Cash and cash equivalents, restricted cash	-	-
Non-current financial assets, restricted funds	15 316	15 847
Interest-bearing liabilities	1 009 808	864 533
Net interest-bearing liabilities including IFRS 16 lease liabilities	**838 327**	**571 252**
Non-current and current IFRS 16 lease liabilities	829 808	864 533
Net interest-bearing liabilities excluding IFRS 16 lease liabilities	**8 519**	**(293 282)**
Net interest-bearing liabilities excluding IFRS 16 lease liabilities, restricted cash and restricted funds	**23 835**	**(277 435)**

Amounts in NOK thousand	2021	2020
Operating profit before depreciation and amortisation (EBITDA)	542 845	598 686
Lease payments recognised as operational cost prior to IFRS 16 implementation	(172 596)	(168 767)
EBITDA excluding IFRS 16 effects	**370 249**	**429 918**

Amounts in NOK thousand	31.12.2021	31.12.2020
Net interest-bearing liabilities excluding IFRS 16 lease liabilities, restricted cash and restricted funds	23 835	(277 435)
EBITDA excluding IFRS 16 effects	370 249	429 918
Net interest-bearing liabilities/EBITDA (covenant net interest-bearing liabilities/EBITDA)	**0.06**	**(0.65)**

Covenant equity ratio

Amounts in NOK thousand	31.12.2021	31.12.2020
Total shareholders' equity	850 123	773 615
Right-of-use assets	(766 870)	(806 081)
Non-current lease liabilities	690 771	733 035
Current lease liabilities	139 037	131 499
Total shareholders' equity excluding IFRS 16 assets and liabilities	**913 060**	**832 068**
Total assets	3 032 931	2 718 185
Right-of-use assets	(766 870)	(806 081)
Total assets excluding IFRS 16 assets	**2 266 061**	**1 912 105**
Total shareholders' equity excluding IFRS 16 assets and liabilities	913 060	832 068
Total assets excluding IFRS 16 assets	2 266 061	1 912 105
Equity ratio excluding IFRS 16 assets and liabilities (covenant equity ratio)	**40.3%**	**43.5%**

APPENDIX - SUSTAINABILITY AND CORPORATE RESPONSIBILITY

ENVIRONMENT

Climate emissions
Tables of total emission per subsidiary

MULTICONSULT NORGE AS

GHG Protocol Category	Description	2021 tonne CO2e	kg CO2e/full-time equivalent	2020 tonne CO2e	kg CO2e/full-time equivalent	2019 tonne CO2e	kg CO2e/full-time equivalent
	SCOPE 1	**934**	**435**	**979**	**482**	**1 057**	**506**
	Fuel use in smaller company cars	308	144	317	156	316	151
	Fuel use in heavier company cars	168	78	138	68	189	91
	Fuel use in machines (boats, drilling rig)	458	213	524	258	552	264
	SCOPE 2	**2 021**	**942**	**849**	**418**	**972**	**465**
	Energy use buildings	2 018	941	847	417	970	464
	of which is electricity	1 853	864	708	348	809	387
	of which is district heating/cooling	165	77	139	68	161	77
	Electricity use cars	3	1	2	1	3	1
	SCOPE 3	**10 471**	**5 161**	**646**	**274**	**2 387**	**1 142**
Scope 3: 6. Business travel	Air travel	402	198	428	167	2 102	1 005
Scope 3: 6. Business travel	Railway	31	15				
Scope 3: 6. Business travel	Mileage (all fossil fuel)	133	66	156	77	218	104
Scope 3: 6. Business travel	Rental car	12	6	10	5	X	X
Scope 3: 5. Waste generated in operations	Residual waste	50	25	52	26	67	32
Scope 3: 8. Upstream leased assets	Buildings	1 374	677	X	X	X	X
Scope 3: 1. Purchased goods & services	Purchased goods and services	7 399	3 647	X	X	X	X
Scope 3: 2. Capital goods	Capital goods	607	299	X	X	X	X
Scope 3: 7. Employee commuting	Employee commuting	462	228	X	X	X	X
	SUM	**13 426**	**6 538**				

MULTICONSULT NORGE AS
GHG emissions intensity ratio (scope 1 og 2):

Year	tonne CO2e/full-time equivalent
2021	1.46
2020	0.90
2019	0.97

ERICHSEN & HORGEN AS AND INGENIØRFIRMAET MALNES & ENDRESEN AS

Description	tonne CO2e	kg CO2e/full-time equivalent
SCOPE 1	**36**	**387**
Fuel use in company cars	36	387
SCOPE 2	**300**	**3 226**
Energy use buildings	300	3 226
of which is electricity	266	2 860
of which is district heating/cooling	34	366
SCOPE 3	**63**	**677**
Air travel	30	325
Railway	2	18
Mileage (all fossil fuel)	28	296
Residual waste	3	37
SUM	**399**	**4 290**
GRI 305-4: GHG Emissions intensity ratio (scope 1 and 2)	**3.61**	**tonne CO2e/full- time equivalent**

LINK ARKITEKTUR AS

Description	tonne CO2e	kg CO2e/full-time equivalent
SCOPE 1	**0**	**0**
Fuel use in company cars	0	0
SCOPE 2	**243**	**1 030**
Energy use buildings	243	1 030
of which is electricity	243	1 030
SCOPE 3	**100**	**422**
Air travel	32	134
Railway	0	0
Residual waste	4	19
Employee commuting	63	269
SUM	**343**	**1 452**
GRI 305-4: GHG Emissions intensity ratio (scope 1 and 2)	**1.03**	**tonne CO2e/full- time equivalent**

LINK ARKITEKTUR AB

Description	tonne CO2e	kg CO2e/full-time equivalent
SCOPE 1	**0**	**0**
Fuel use in company cars	0	0
SCOPE 2	**46**	**338**
Energy use buildings	46	338
of which is electricity	25	187
of which is district heating/cooling	20	151
SCOPE 3	**95**	**701**
Air travel	51	377
Railway	2	15
Residual waste	3	21
Employee commuting	39	288
SUM	**140**	**1 038**
GRI 305-4: GHG Emissions intensity ratio (scope 1 and 2)	**0.34**	**tonne CO2e/full- time equivalent**

LINK ARKITEKTUR A/S

Description	tonne CO2e	kg CO2e/full-time equivalent
SCOPE 1	**61**	**858**
Fuel use in company cars	31	438
Gas used for heating	30	420
SCOPE 2	**39**	**550**
Energy use buildings	39	550
of which is electricity	39	550
SCOPE 3	**19**	**268**
Employee commuting	19	268
SUM	**119**	**1 676**
GRI 305-4: GHG Emissions intensity ratio (scope 1 and 2)	**1.41**	**tonne CO2e/full- time equivalent**

ITERIO AB

Description	tonne CO2e	kg CO2e/full-time equivalent
SCOPE 1	**42**	**346**
Fuel use in company cars	42	346
SCOPE 2	**3**	**22**
Energy use buildings	3	22
of which is electricity	3	22
SCOPE 3	**48**	**398**
Air travel	15	128
Railway	0.82	7
Residual waste	2	19
Employee commuting	30	245
SUM	**93**	**766**
GRI 305-4: GHG Emissions intensity ratio (scope 1 and 2)	**0.37**	**tonne CO2e/full- time equivalent**

MULTICONSULT POLSKA

Description	tonne CO2e	kg CO2e/full-time equivalent
SCOPE 1	**150**	**537**
Fuel use in company cars	150	537
SCOPE 2	**206**	**740**
Energy use buildings	206	740
of which is electricity	206	740
SCOPE 3	**101**	**362**
Residual waste	4	13
Employee commuting	98	350
SUM	**457**	**1 639**
GRI 305-4: GHG Emissions intensity ratio (scope 1 and 2)	**1.28**	**tonne CO2e/full- time equivalent**

GHG EMISSION METHODOLOGY – COMMENTS FOLLOWING THE TABLES IN THE APPENDIX.

Scope 1 – Methodology

For the GHG Emissions in scope 1 the calculations follow the methodology of Environmental Lighthouse (Miljøfyrtårn).

The following comments are relevant to point out:

- Fuel use in 2020 and 2021 includes fuel used in Multiconsult's company cars (passenger cars and vans).
- The total fuel use is based on purchases using dedicated company cards as well as employees personal cards. For 2021 about 7 400 litres of fuel are not accounted for in scope 1 as the purchases are unknown. They may be included in scope 3 due to the use of wrong description in the accounts.
- In 2019, fuel purchased with employees' personal cards or from Shell and XY-Norway, is not included in the GHG accounts.
- Emission factors: Petrol: 3.01125 kg CO2e/litre. Diesel: 3.22644 kg CO2e/litre. Gas oil: 3.22644 kg CO2e/litre, HVO100: 0.4 kg CO2e/litre. (Source: Environmental Lighthouse)
- GHG Emissions from machines are mainly from boats and drilling rigs, and are related to the following fuels: petrol, diesel, gas oil and HVO100.

Scope 2 – Methodology

For the GHG Emissions in scope 2 the calculations follow the methodology of Environmental lighthouse (Miljøfyrtårn). The following comments are relevant to point out:

- Energy consumption in Multiconsult Norge AS's premises includes offices, cabins and workshops. It has not been possible to deduct the electricity use from the charging electric vehicles, so there may be somewhat double counting of GHG emissions.
- GHG emissions from electricity in 2021 are calculated using a market-based method. This means that residual mix (0.531 kg CO2e/kWh, Source: Klimapartnere, 2018)) is used for electricity without a Guarantee of Origin, while Norwegian production mix for electricity (0.17 kg CO2e/kWh, Source: Asplan Viak) is used for electricity with a Guarantee of Origin.
- For 2019 and 2020, GHG emissions from electricity are calculated with the NVE-recommended emission factor of 0.119 kg CO2e/kWh for all electricity.
- For district heating in Norway the emission factors used are 0.116 kg CO2e/kWh (Source: Environmental Lighthouse) and 0.055 kg CO2e/kWh for district cooling (Source: Environmental lighthouse). Only the office in Kristiansand has reported district cooling.
- Emission factors for electricity, district heating and cooling outside of Norway are found using the software One Click LCA. For district heating in Sweden emission factors in the tool "Lokala miljövärden 2020" were used.
- GHG emissions from driving electric cars are calculated using the emission factor 0.024 kg CO2e/km (Source: Environmental Lighthouse).

Scope 3 Methodology

- Air travel - GHG emissions from air travel in Multiconsult Norge AS is provided by the travel agency Egencia.
- Mileage - GHG emissions from Mileage includes both electric and fossil cars. Mileage has been paid for about 872 000 km. It is estimated that about 35% of km driven by fossil cars use petrol with an average consumption of 0.77 litres/10 km, and that the remaining number of km are diesel cars with an average consumption of 0.59 litres/10 km. Emission factors for petrol and diesel are the same as in scope 1.
- Rental car - Hertz and Sixt have provided data for calculating GHG emissions related to rental cars.
- Residual waste - Only GHG emissions related to residual waste have been calculated. Emission factors used are 0.55 kg CO2e/kg waste (Source: Environmental Lighthouse) and 0.195 kg CO2e/kg waste for residual waste which is sorted in central sorting plants. The latter only applies to waste from the Sandnes office. Waste quantities from the office in Egersund, the smaller offices (fewer than 5 employees) and the cabins are not included in the accounts. For the year 2019, only waste quantities from the Environmental Lighthouse certified offices are included in the climate accounts.
- Purchased goods and services and Capital goods – the GHG emissions are calculated based on the company's accounts. The emissions factors are based on Input/Output-Analysis and are provided by Asplan Viak.
- Buildings - The GHG emissions reflect the annual emissions of the building distributed over the lifetime of the building. The emissions are calculated based on rental costs with emission factors provided by Asplan Viak. Only buildings where energy costs are not included in the rent are included. GHG emissions related to common areas like receptions and canteens are excluded due to lack of data. Consequently, the emissions are underestimated. The following offices are not included: Sandnes, Ski, Alta, Sandnessjøen, Mo i Rana, Steinkjer, Trondheim, Voss, Grimstad, Skien, Tønsberg.
- Employee commuting - The calculations are based on a survey disseminated to all employees in Multiconsult and its subsidiaries in Scandinavia, Poland and the UK. The respondents were asked about how and how often they had commuted to work in 2021. Based on a total of 1 800 answers and a list of assumptions, we have estimated the respondents' contributions to emissions from commuting to work in 2021. Estimates of total emissions from each company were obtained by multiplying the average emissions per employee with the number of employees (head count) in the given company.

GHG Emissions intensity ratio: The number of full-time equivalents and not number of employees (head count) is used in the calculation.

GRI CONTENT 2021

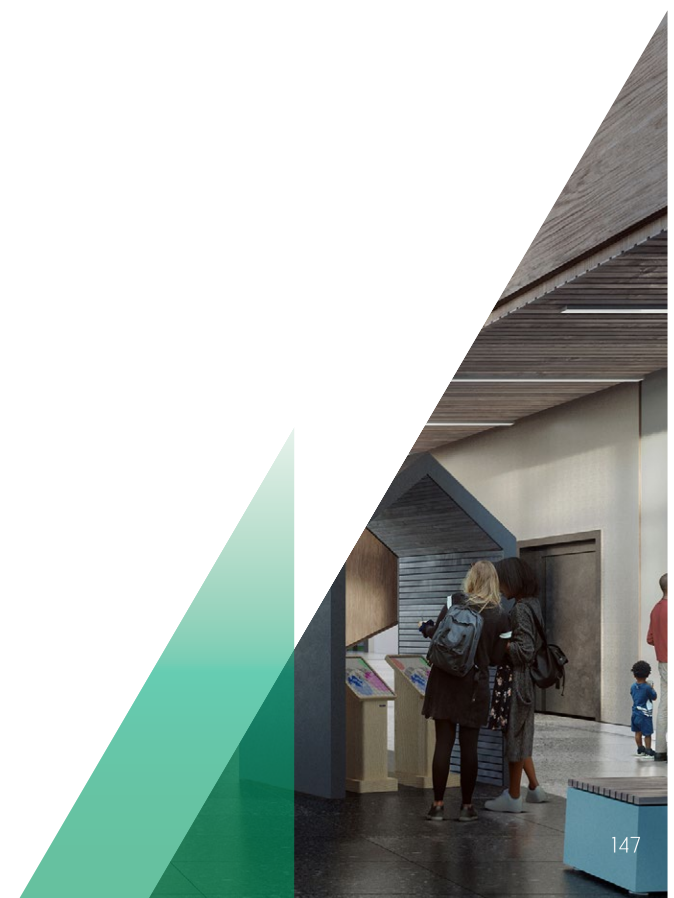
GRI Standard	Gri Ref. no	GRI Disclosure	Comment	Page reference
GRI 2 General disclosure	2-1	Organizational details		9
	2-2	Entities included in the organization's sustainability reporting	1.b The reporting on the smaller subsidiaries is limited	50
	2-3	Reporting period, frequency and contact point	Annual reporting	45
	2-4	Restatements of information	No restatements made in 2021	
	2-5	External assurance		46, 52
	2-6	Activities, value chain and other business relationships		9
	2-7	Employees	2.7 e) Multiconsult Polska has changed the definition of full time employees, resulting in an increase in no. of employees.	62
	2-8	Workers who are not employees		63
	2-9	Governance structure and composition		41
	2-10	Nomination and selection of the highest governance body		41
	2-11	Chair of the highest governance body		41
	2-12	Role of the highest governance body in overseeing the management of impacts		42, 73, 74
	2-13	Delegation of responsibility for managing impacts		42
	2-14	Role of the highest governance body in sustainability reporting		52
	2-15	Conflicts of interest	b) Presently no disclosure	74-76
	2-16	Communication of critical concerns		75-76
	2-17	Collective knowledge of the highest gover-nance body		73
	2-18	Evaluation of the performance of the hig-hest governance body		41, 42
	2-19	Remuneration policies		44,45
	2-20	Process to determine remuneration		44, 45
	2-21	Annual total compensation ratio	Ratio is based on salary, not total compen-sation	72
	2-22	Statement on sustainable development strategy		52-53

GRI Standard	Gri Ref. no	GRI Disclosure	Comment	Page reference
	2-23	Policy commitments		73-76
	2-24	Embedding policy commitments		74-76
	2-25	Processes to remediate negative impacts	No established grievance mechanisms	75, 76
	2-26	Mechanisms for seeking advice and raising concerns		75,76
	2-27	Compliance with laws and regulations		76
	2-28	Membership associations	Reported on Multiconsult Norge AS, LINK Arkitektur AB, LINK Arkitektur AS and LINK Arkitektur A/S	77
	2-29	Approach to stakeholder engagement		41-42, 45, 52, 60, 75, 76
	2-30	Collective bargaining agreements		70, 73
GRI 3 Material Topics	3-1	Process to determine material topics		52
	3-2	List of material topics		52
	3-3	Management of material topics	Circular economy, Research and development, Human rights, Social sustainability and local communities and Influence on business part-ners is not reported on for 2021	52, 73, 77, 78
Emissions	305-1	Direct (Scope 1) GHG emissions		57-59, 136-139
	305-2	Energy indirect (Scope 2) GHG emissions		57-59, 36-139
	305-3	Other indirect (Scope 3) GHG emissions		57-59, 36-139
	305-4	GHG emissions intensity	Carbon intensity figures for 2019 and 2020 are based on emission data from Multicon-sult Norge AS only. For 2021 data the main explanation for the increase is a change of methodology for scope 2 emissions to a market-based method.	57-59, 136-139
	305-5	Reduction of GHG emissions		57-59, 136-139
	305-6	Emissions of ozone-depleting substances (ODS)		57-59, 136-139
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		57-59, 136-139

GRI Standard	Gri Ref. no	GRI Disclosure	Comment	Page reference
Employment	401-1	New employee hires and employee turnover		64
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Only reported on Multiconsult Norge AS	73
	401-3	Parental leave	Only reported on Multiconsult Norge AS	73
Occupational Health and Safety 2018	403-1	Occupational health and safety management system		68, 69
	403-2	Hazard identification, risk assessment, and incident investigation		68, 69
	403-3	Occupational health services		68, 69
	403-4	Worker participation, consultation, and communication on occupational health and safety		68, 69
	403-5	Worker training on occupational health and safety		68, 69
	403-6	Promotion of worker health		68, 69
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		68, 69
	403-8	Workers covered by an occupational health and safety management system	No spesific data recorded for 2021	
	403-9	Work-related injuries		69
	403-10	Work-related ill health		69
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Not reported on age group	41, 66, 70, 71
	405-2	Ratio of basic salary and remuneration of women to men		72
Public Policy	415-1	Political contributions		78

PROJECT: **NEW DRAMMEN HOSPTIAL, DRAMMEN**
ILLUSTRATION: **LINK ARKITEKTUR**

ANNUAL ACCOUNTS PARENT COMPANY



STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME MULTICONSULT ASA

Amounts in NOK thousand	Note	2021	2020
Operating revenues	4	75 389	58 003
Expenses for sub-contractors and disbursements		777	943
Net operating revenues		**74 612**	**57 060**
Employee benefit expenses	5	53 704	55 787
Other operating expenses	6	40 539	22 689
Operating expenses excluding depreciation and amortisation		**94 243**	**78 476**
Operating profit before depreciation and amortisation (EBITDA)		**(19 631)**	**(21 416)**
Depreciation and amortisation	10, 11	3 387	3 841
Operating profit (EBIT)		**(23 018)**	**(25 257)**
Financial income	7	9 597	7 613
Group contribution	7	100 000	32 002
Financial expenses	7	13 227	15 209
Net financial items		**96 370**	**24 406**
Profit before income taxes		**73 351**	**(851)**
Income tax expenses	8	18 212	(447)
Profit (loss) and comprehensive income for the year		**55 140**	**(404)**
Allocation of profit (loss) for the year			
Transferred to (from) other equity		(109 444)	(216 167)
Dividend		164 583	215 763
Total allocated		**55 140**	**(404)**

STATEMENT OF FINANCIAL POSITION MULTICONSULT ASA – ASSETS

Amounts in NOK thousand	Note	31.12.2021	31.12.2020
ASSETS			
Non-current assets			
Deferred tax assets	8	248	289
Intangible assets	10	14 069	17 456
Property, plant and equipment	11	-	-
Total non-current non-financial assets		**14 317**	**17 745**
Investments in subsidiaries	13	1 171 525	733 141
Investments in associates and joint ventures	13	2 082	2 082
Other non-current financial assets	16	49 708	25 640
Total non-current financial assets		**1 223 315**	**760 863**
Total non-current assets		**1 237 632**	**778 608**
Current assets			
Trade receivables	9	55 998	8 673
Other current receivables	9	116 856	83 082
Total receivables		**172 854**	**91 755**
Cash and cash equivalents	12	62 209	261 628
Total current assets		**235 063**	**353 383**
TOTAL ASSETS		**1 472 695**	**1 131 990**

STATEMENT OF FINANCIAL POSITION MULTICONSULT ASA – EQUITY AND LIABILITIES

Amounts in NOK thousand	Note	31.12.2021	31.12.2020
EQUITY AND LIABILITIES			
Equity			
Total paid in capital		170 343	85 988
Other equity		10 925	124 183
Total equity		**181 268**	**210 171**
Non-current liabilities			
Deferred tax	8	-	-
Non-current interest-bearing liabilities	3	180 000	-
Total non-current liabilities		**180 000**	**-**
Current liabilities			
Trade payables		6 170	3 376
Current tax liabilities	8	16 401	-
Public duties payable		3 475	3 265
Dividends payable		164 583	215 763
Other current liabilities	15	920 798	699 415
Total current liabilities		**1 111 427**	**921 819**
Total liabilities		**1 219 427**	**921 819**
TOTAL EQUITY AND LIABILITIES		**1 472 695**	**1 131 990**

The board and CEO of Multiconsult ASA – Oslo, 16 March 2022

Bård Mikkelsen
Chair of the board

Rikard Appelgren
Director

Sverre Hurum
Director

Tove Raanes
Director

Hanne Rønneberg
Director

Torben Wedervang
Director

Gunnar Vatnar
Director

Karine Gjersø
Director

Grethe Bergly
CEO

STATEMENT OF CASH FLOWS MULTICONSULT ASA

Amounts in NOK thousand *+ are cash increasing and - are cash reducing effects*	Note	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income taxes		73 351	(851)
Interest expense interest-bearing liabilities		927	5 851
Depreciation and amortisation	10, 11	3 387	3 841
Group contribution		(100 000)	(32 002)
Income taxes paid during the period		(1 470)	-
Other non-cash profit and loss items		(1 336)	(50)
Sub-total cash flow from operating activities		**(25 140)**	**(23 211)**
Changes in trade receivables		(47 325)	10 264
Changes in other current receivables		(33 774)	14 741
Changes in trade payables		2 794	(40 837)
Changes in other current liabilities and public duties payable		221 594	504 669
Group contribution receivable		100 000	32 002
Other adjustments		-	(19)
Sub-total change in working capital		**243 289**	**520 820**
Net cash flows from operating activities		**218 149**	**497 608**
CASH FLOWS FROM INVESTING ACTIVITIES			
Net payments on acquisition and sale of property, plant and equipment and intangible assets	10, 11	-	300
Change in loans to subsidiaries and associates		(23 070)	(47 404)
Other non-current financial investments		(999)	-
Net cash effect of business combinations		(354 019)	-
Net cash flows from investing activities		**(378 087)**	**(47 104)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds on interest-bearing liabilities		180 000	172 000
Instalments on interest-bearing liabilities		-	(350 400)
Paid interest on interest-bearing liability		(927)	(5 851)
Dividends paid		(215 437)	(53 626)
Cost of share issuance		(140)	-
Purchase treasury shares		(64 874)	(58 774)
Sale treasury shares		61 897	49 889
Net cash flow from financing activities		**(39 481)**	**(246 762)**
Net change in cash and cash equivalents		(199 419)	203 743
Cash and cash equivalents 1 January	12	261 628	57 885
Cash and cash equivalents 31 December	12	**62 209**	**261 628**

STATEMENT OF CHANGES IN EQUITY MULTICONSULT ASA

Amounts in NOK thousand	Share capital	Treasury shares	Share premium	**Total paid in capital**	Retained earnings	Remeasure-ment pensions	**Total equity**
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**
Share issue	230	-	83 995	84 226	-	-	**84 226**
Treasury shares	-	129	-	129	-	-	**129**
Employee share purchase programme (net of tax)	-	-	-	-	(4 141)	-	**(4 141)**
Dividend declared	-	-	-	-	(164 257)	-	**(164 257)**
Total comprehensive income for the period	-	-	-	-	55 140	-	**55 140**
31 December 2021	**13 715**	**(5 126)**	**161 754**	**170 343**	**212 909**	**(201 985)**	**181 268**

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"). The company is a parent company and contains parts of the group management and corporate functions. 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 16 March 2022 for adoption by the Annual General Meeting on 7 April 2022.

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 2021
Several limited scope amendments and interpretations effective as from 1 January 2021 had no material impact on the group. This include but is not limited to amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 following the Interest Rate Benchmark Reform phase 2. The group had no material impact following the issuing and implementation of Covid-19-Related Rent Concessions (Amendment to IFRS 16) beyond 30 June.

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 2023. 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.

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	**2021**	**2020**
GEOGRAPHICAL PER CUSTOMER LOCATION		
Norway	71 503	52 879
Outside Norway	3 886	5 123
Total operating revenues	**75 389**	**58 003**

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	**2021**	**2020**
Salaries, vacation pay, bonus etc.	46 323	47 465
Social security tax	5 216	5 327
Pension expenses	3 071	2 949
Other employee benefit expenses	430	495
Reduction to employee benefit expenses related to share purchase programme [2]	(1 335)	(448)
Total employee benefit expenses	**53 704**	**55 787**
Number of full time employees during the year [1]	23	27
Number of employees on 31 December	23	23

[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 2021, there was 22 active employees in the contribution plan (24 at the end of 2020). 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 106 399 per 31 December 2021.

EMPLOYEE SHARE PURCHASE PROGRAMME

In 2021, employees of the company purchased 10 610 shares in the employee share purchase programme (17 784 shares in 2020). Key management personnel signed up for 22 823 shares in the variable performance-based bonus scheme in 2021. The variable performance-based bonus scheme was not held in 2020. 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	**2021**	**2020**
Employee benefit expenses	(1 036)	(50)
Recognised directly to equity (before tax)	1 335	448
Total discount employees of Multiconsult ASA	**299**	**398**

Amounts in NOK thousand	2021	2020
Reduction to employee benefit expenses	(1 335)	(448)
Recognised directly to equity (before tax)[1]	1 335	448

[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 63 thousand per employee) for the remaining payment for the shares, with outstanding balance on 31 December 2021 of NOK 1 124 thousand (NOK 957 thousand on 31 December 2020).

NOTE 6 OTHER OPERATING EXPENSES

Amounts in NOK thousand	2021	2020
Rental and other expenses for premises	1 476	176
Consultants	15 481	8 084
Technical equipment	328	65
Office expenses, IT	13 508	6 358
Travel and per diem allowance	509	285
Marketing	2 008	1 274
Losses on receivables	-	-
Gain on sale of fixed assets	-	(30)
Other	7 228	6 477
Total operating expenses	**40 539**	**22 689**

AUDITOR

Amounts in NOK thousand	2021	2020
Statutory audit services	829	1 006
Tax advisory services	-	-
Other assurance services	45	5
Other non-audit services	-	-
Total	**874**	**1 011**

The amounts above are excluding VAT.

NOTE 7 FINANCIAL ITEMS

Amounts in NOK thousand	2021	2020
Interest income from group companies	973	935
Other interest income	55	327
Other financial income	4 217	3 980
Gains on derivatives	1 204	775
Dividends	3 147	1 595
Financial income	**9 597**	**7 613**
Group contribution from subsidiaries[1]	**100 000**	**32 002**
Interest expense to group companies	160	281
Other interest expenses	3 340	4 449
Loss on derivatives	-	2 870
Other financial expenses	9 727	7 609
Financial expenses	**13 227**	**15 209**
Net financial items	**96 370**	**24 406**

[1] In 2021 Multiconsult ASA received group contribution of NOK 100 million from Multiconsult Norge AS (NOK 32 million in 2020).

NOTE 8 INCOME TAXES

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

Amounts in NOK thousand	2021	2020
Income taxes payable	16 701	99
Regulation of previous years' income taxes	1 470	-
Changes in deferred taxes	41	(546)
Income tax expenses	**18 212**	**(447)**

RECONCILIATION FROM NOMINAL TO ACTUAL TAX RATE:

Amounts in NOK thousand	2021	2020
Profit before income taxes	**73 351**	**(851)**
Expected income tax expenses based on nominal tax rate in Norway (22%/22%)	16 137	(187)
Tax effect of the following items:		
Non-deductible expenses	1 296	91
Dividend	(692)	(351)
Regulation of previous years' income taxes	1 470	-
Income tax expenses	**18 212**	**(447)**
Effective tax rate	24.8 %	52.6 %

SPECIFICATION OF THE TAX EFFECT OF TEMPORARY DIFFERENCES:

Amounts in NOK thousand	31.12.2021	31.12.2020
Non-current assets	(9)	(104)
Current assets	85	350
Liabilities and provisions	172	44
Deferred tax assets/(liabilities) in the balance sheet	**248**	**289**

RECONCILIATION OF DEFERRED TAX ASSETS IN THE BALANCE SHEET:

Amounts in NOK thousand	2021	2020
Deferred tax assets 1 January	289	(257)
Change in deferred taxes recognised in the income statement	(41)	546
Deferred tax assets in the balance sheet (net) on 31 December	**248**	**289**

RECONCILIATION OF INCOME TAXES PAYABLE IN THE BALANCE SHEET:

Amounts in NOK thousand	31.12.2021	31.12.2020
Expensed income taxes payable	16 701	99
Income tax on employee share purchase programme recognised in equity	(300)	(99)
Income taxes payable in the balance sheet	**16 401**	**-**

NOTE 9 RECEIVABLES AND PREPAID EXPENSES

Amounts in NOK thousand	31.12.2021	31.12.2020
Trade receivables	55 998	8 673
Allowance for losses	-	-
Total trade receivable	**55 998**	**8 673**
Prepaid expenses	6 191	1 395
Other	1 147	924
Other current receivables group companies	9 518	48 761
Group contribution	100 000	32 002
Other current receivables	**116 856**	**83 082**

Of other current receivables from group companies NOK 9.5 million (NOK 6.9 million in 2020) is subsidiaries' draw in the group cash pool, for which Multiconsult ASA is the owner of the top account.

NOTE 10 INTANGIBLE ASSETS

Amounts in NOK thousand	Software
Acquisition cost 1 January 2020	**27 211**
Adjustment opening balance	49
Disposal	-
Additions	90
Acquisition cost 31 December 2020	**27 350**
Disposal	-
Additions	-
Acquisition cost 31 December 2021	**27 350**
Accumulated amortisation and impairment 1 January 2020	**6 087**
Adjustment opening balance	49
Disposal	-
Amortisation for the year	3 759
Accumulated amortisation and impairment 31 December 2020	**9 894**
Disposal	-
Amortisation for the year	3 387
Accumulated amortisation and impairment 31 December 2021	**13 281**
Carrying amount 1 January 2020	**21 125**
Additions	90
Disposal	-
Amortisation for the year	3 759
Carrying amount 31 December 2020	**17 456**
Additions	-
Disposal	-
Amortisation for the year	3 387
Carrying amount 31 December 2021	**14 069**

Carrying amount of software on 31 December 2021 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 2020	**1 334**
Adjustment opening balance	(396)
Additions	-
Disposal	938
Acquisition cost 31 December 2020	**-**
Additions	-
Disposal	-
Acquisition cost 31 December 2021	**-**
Acc. depreciation and impairment 1 January 2020	**881**
Adjustment opening balance	(396)
Depreciation for the year	94
Disposal	579
Acc. depreciation and impairment 31 December 2020	**-**
Depreciation for the year	-
Disposal	-
Acc. depreciation and impairment 31 December 2021	**-**
Carrying amount 1 January 2020	**454**
Additions	-
Depreciation for the year	94
Disposal	360
Carrying amount 31 December 2020	**-**
Additions	-
Depreciation for the year	-
Disposal	-
Carrying amount 31 December 2021	**-**

Estimated useful life is 3 -8 years.

NOTE 12 CASH AND CASH EQUIVALENTS AND GUARANTEES

Amounts in NOK thousand	31.12.2021	31.12.2020
Total cash and cash equivalents	**62 209**	**261 628**

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 2021 subsidiaries had a deposit in the group cash pool of NOK 926.1 million, and a draw of NOK 39.5 million.

GUARANTEE OBLIGATIONS NOT RECOGNISED IN THE BALANCE SHEET

Amounts in NOK thousand	31.12.2021	31.12.2020
Bank guarantee - guarantees towards customers	600	716
Bank guarantee - guarantees for other obligations	20 350	20 350
Guarantee - employees tax deductions	10 000	10 000
Parent company guarantees - for associated and joint ventures	-	3 600
Parent company guarantees - for subsidiaries	17 351	19 795
Total guarantees	**48 301**	**54 461**

The company has a guarantee for employees' tax deductions amounting to NOK 10.0 million on 31 December 2021 (NOK 10.0 million on 31 December 2020).

Multiconsult ASA has provided a surety of NOK 400 million for Multiconsult ASA's liabilities towards the lender and provided sureties in the amount of NOK 200 million for Multiconsult Norge AS' and NOK 5 million for LINK Arkitektur AS' liabilities towards the lender. Multiconsult ASA have pledged trade receivables, inventory and property, plant and equipment. The carrying values of the pledged assets in Multiconsult ASA on 31 December 2021 is NOK 56.0 million for trade receivables and NOK 0 for inventory and property, plant and equipment. Multiconsult Norge AS has provided a surety of NOK 800 million for Multiconsult ASA's liabilities towards the lender.

NOTE 13 SUBSIDIARIES, ASSOCIATED COMPANIES, JOINT VENTURES

SUBSIDIARIES

			31 December 2021		31 December 2020		Carrying amount 31 December	
Amounts in NOK thousand (except percentages)	Acquisition date	Business office	Voting share	Ownership share	Voting share	Ownership share	2021	2020
Nordland Teknikk AS	2021	Mo, Norway	100 %	100 %	N/A	N/A	7 433	N/A
Erichsen & Horgen AS	2021	Oslo, Norway	100 %	100 %	N/A	N/A	430 951	N/A
Multiconsult Norge AS	2017	Oslo, Norway	100 %	100 %	100 %	100 %	499 235	467 035
Iterio AB	2017	Stockholm, Sweden	100 %	100 %	100 %	100 %	52 606	52 606
Johs Holt AS [1]	2017	Oslo, Norway	N/A	N/A	100 %	100 %	N/A	32 200
LINK Arkitektur AS	2015	Oslo, Norway	100 %	100 %	100 %	100 %	147 645	147 645
Multiconsult UK Ltd	2012	London, UK	100 %	100 %	100 %	100 %	3 937	3 937
Multiconsult Asia Ote. Ltd	2013	Singapore	100 %	100 %	100 %	100 %	933	933
Multiconsult Polska Z.O.O.	2014	Warsaw, Poland	100 %	100 %	100 %	100 %	28 641	28 641
LLC Multiconsult Rus	2009	Russia	100 %	100 %	100 %	100 %	145	145
Total subsidiaries							**1 171 525**	**733 141**

[1] Johs Holt AS merged with Multiconsult Norge AS, with increase in the carrying value of the shares in Multiconsult Norge AS equal to the carrying values of the shares in Johs Holt AS on 1 January 2021.

SUBSIDIARIES OWNED BY SUBSIDIARIES[2]

			31 December 2021 and 2020	
	Acquisition date	Business office	Voting share	Ownership share
LINK Arkitektur AB	2018	Stockholm, Sweden	100 %	100 %
LINK Danmark ApS	2013	Copenhagen, Denmark	100 %	100 %
LINK Arkitektur A/S	2019	Aarhus, Denmark	100 %	100 %

[2] 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	31 December 2021 and 2020 Voting share	Ownership share	Carrying amount 31 December 2021	2020
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 2021 and 2020, 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	31.12.2021	31.12.2020
Salaries payable, vacation pay, bonus etc.	16 833	15 923
Derivatives	385	1 589
Other accrued expenses	249	190
Current liabilities group companies	903 331	681 713
Total other current liabilities	**920 798**	**699 415**

Of other current liabilities to group companies NOK 896.1 million (NOK 681.7 million in 2020) 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	31.12.2021	31.12.2020
Loans to subsidiaries	46 147	23 293
Other non-current receivables	3 560	2 347
Total other non-current financial assets	**49 708**	**25 640**

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	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Subsidiaries	211 663	112 729	908 314	683 654	5 714	8 137	75 389	58 003	17 351	19 795
Joint ventures and associated companies	2 562	2 347	-	-	-	-	-	-	-	3 600

On 31 December 2021 NOK 9.5 million (2020 NOK 6.9 million) of receivables and NOK 896.1 million (2020 NOK 681.7 million) of liabilities to subsidiaries is related to the subsidiaries draw and deposit on the group cash pool. On 31 December 2021 NOK 0 (2020 NOK 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 3.0 million (NOK 1.6 million in 2020) from Multiconsult Polska and NOK 0.1 million from Multiconsult RUS in 2021, and had a net interest income from subsidiaries of NOK 0.8 million (NOK 0.7 million in 2020). Interest income from joint ventures and associated companies was NOK 25 thousand in 2021 (NOK 214 thousand in 2020).

NOTE 18 EVENTS AFTER THE REPORTING PERIOD

After the reporting period ended on 31 December 2021 and up to the date these financial statements have been approved for issue, no events have been identified that require disclosure.

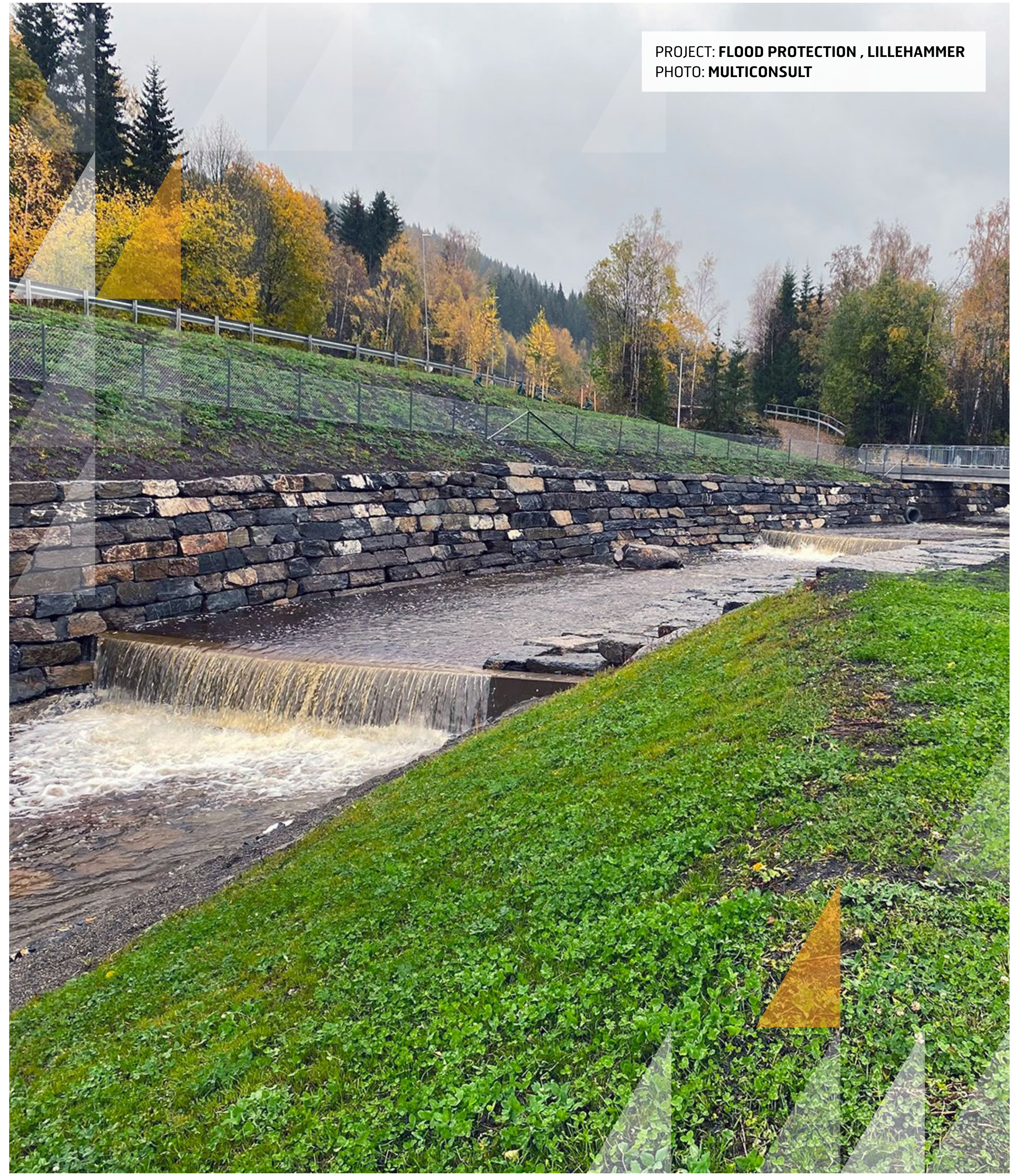
DECLARATION IN ACCORDANCE WITH § 5-5 OF THE SECURITIES TRADING ACT

We confirm that the financial statements for 2021 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, 16 March 2022

Bård Mikkelsen Chair of the board	Rikard Appelgren Director	Sverre Hurum Director	Tove Raanes Director
Hanne Rønneberg Director	Torben Wedervang Director	Gunnar Vatnar Director	Karine Gjersø 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 2021, 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 2021, 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 comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, 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, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, 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.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

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

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

The Company was listed in May 2015. We were the auditor of the Company prior to the listing. We have been the auditor of the Company for 7 years since the listing, including the year of listing.

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

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statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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 2022.

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 846.7 million at 31 December 2021 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
The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

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

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

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

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's 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 the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Independent Auditor's Report -
Multiconsult ASA

We also provide the Audit Committee 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 the Board of Directors, 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 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

Report on compliance with Regulation on European Single Electronic Format (ESEF)

Opinion

We have performed an assurance engagement to obtain reasonable assurance that the financial statements with file name 5967007LIEEXZXG9GO07-2021-12-31-en.zip have been prepared in accordance with Section 5-5 of the Norwegian Securities Trading Act (Verdipapirhandelloven) and the accompanying Regulation on European Single Electronic Format (ESEF).

In our opinion, the financial statements have been prepared, in all material respects, in accordance with the requirements of ESEF.

Management's Responsibilities

Management is responsible for preparing, tagging and publishing the financial statements in the single electronic reporting format required in ESEF. This responsibility comprises an adequate process and the internal control procedures which management determines is necessary for the preparation, tagging and publication of the financial statements.

Auditor's Responsibilities

Our responsibility is to express an opinion on whether the financial statements have been prepared in accordance with ESEF. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance that the financial statements have been prepared in accordance with the European Single Electronic Format.

As part of our work, we performed procedures to obtain an understanding of the company's processes for preparing its financial statements in the European Single Electronic Format. We evaluated the completeness and accuracy of the iXBRL tagging and assessed management's use of judgement. Our work comprised reconciliation of the financial statements tagged under the European Single Electronic Format with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 16 March 2022
Deloitte AS

Reidar Ludvigsen

Reidar Ludvigsen
State Authorised Public Accountant

PROJECT: **SLUPPENVEGEN 23, TRONDHEIM**
ILLUSTRATION: **HUS ARKITEKTER**

MANAGEMENT


GRETHE BERGLY
CHIEF EXECUTIVE OFFICER


HANS-JØRGEN WIBSTAD
CHIEF FINANCIAL OFFICER


JOHAN ARNTZEN
CHIEF OPERATING OFFICER


THOR ØRJAN HOLT
EVP
SALES

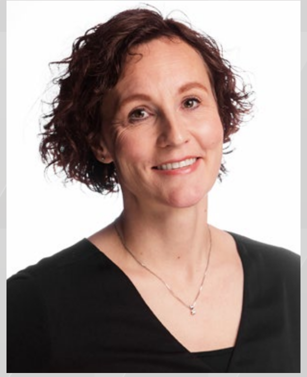

KARI NICOLAISEN
EVP
HR AND COMMUNICATIONS


GEIR JUTERUD
EVP
PROJECTS


LEIF OLAV BOGEN
EVP
REGIONS NORWAY


KRISTIN OLSSON AUGESTAD
EVP
REGION OSLO


KIRSTEN ANKER SØRENSEN
EVP
ARCHITECTURE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MORTEN ALSTAD
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PROJECTS

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DIRECTOR

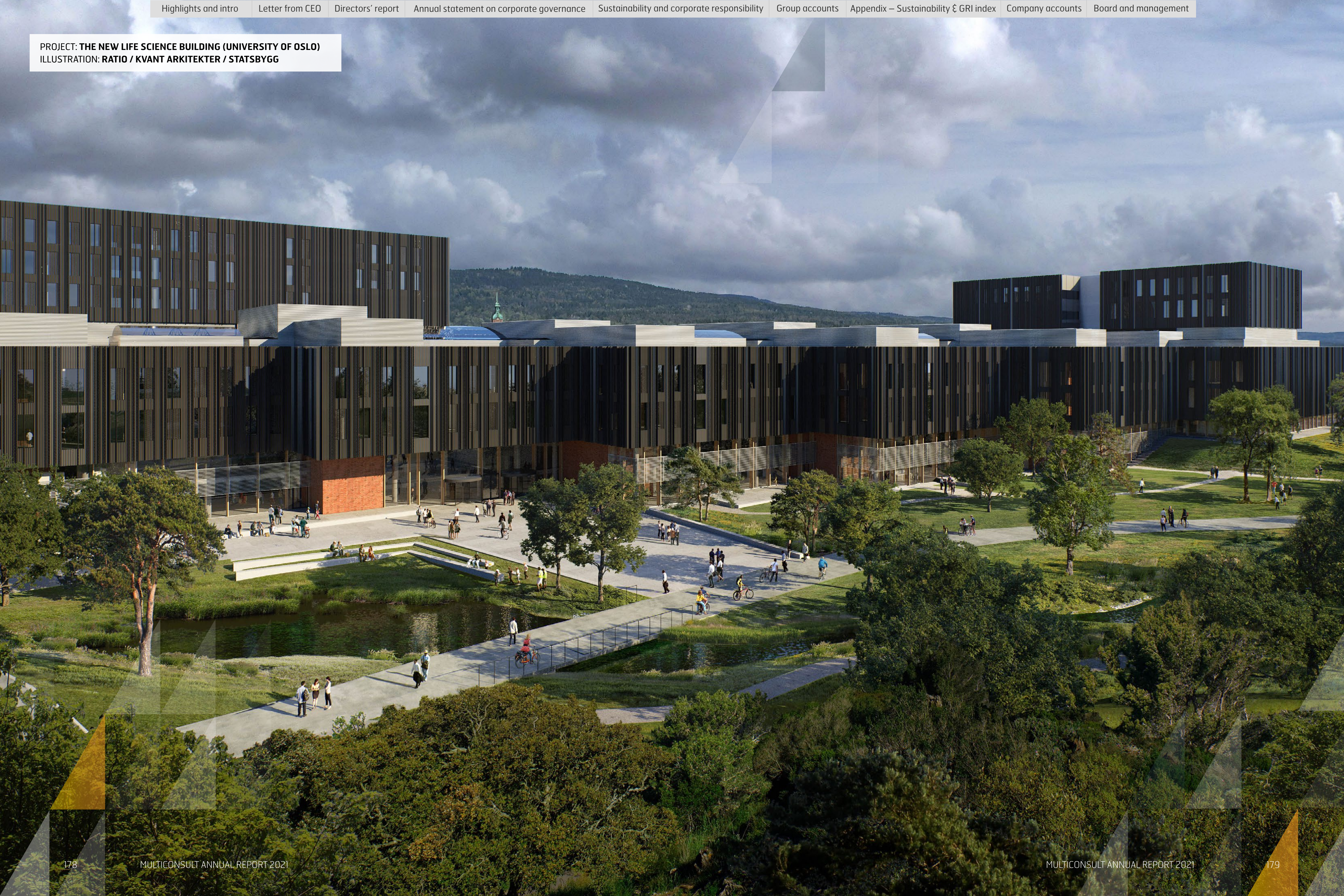

RIKARD APPELGREN
DIRECTOR


KARINE GJERSØ
DIRECTOR

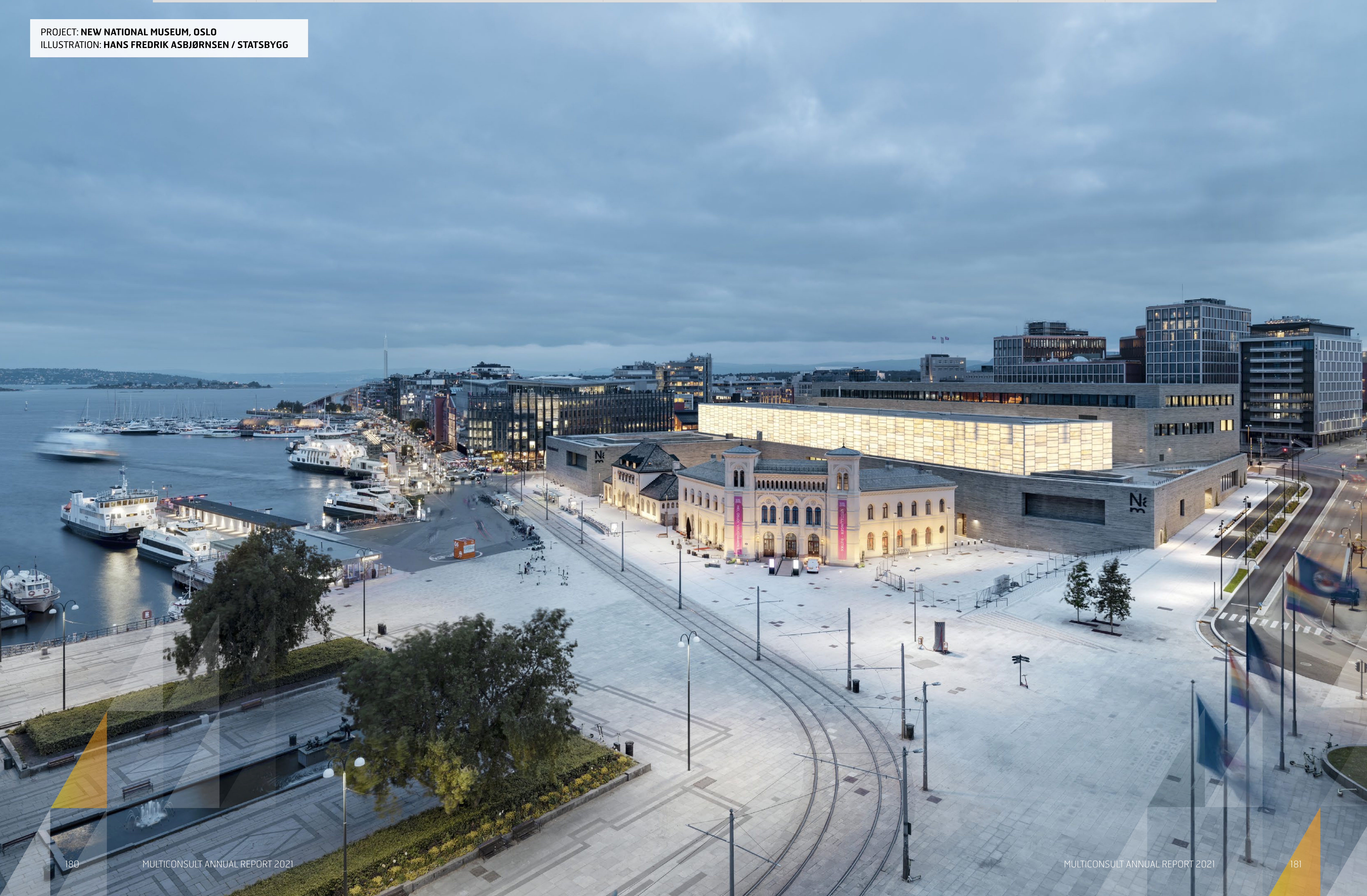

TORBEN WEDERVANG
DIRECTOR

PROJECT: **NEW VÄXJÖ HOSPITAL, VÄXJÖ – SWEDEN**
ILLUSTRATION: **LINK ARKITEKTUR**

PROJECT: **THE NEW LIFE SCIENCE BUILDING (UNIVERSITY OF OSLO)**
ILLUSTRATION: **RATIO / KVANT ARKITEKTER / STATSBYGG**



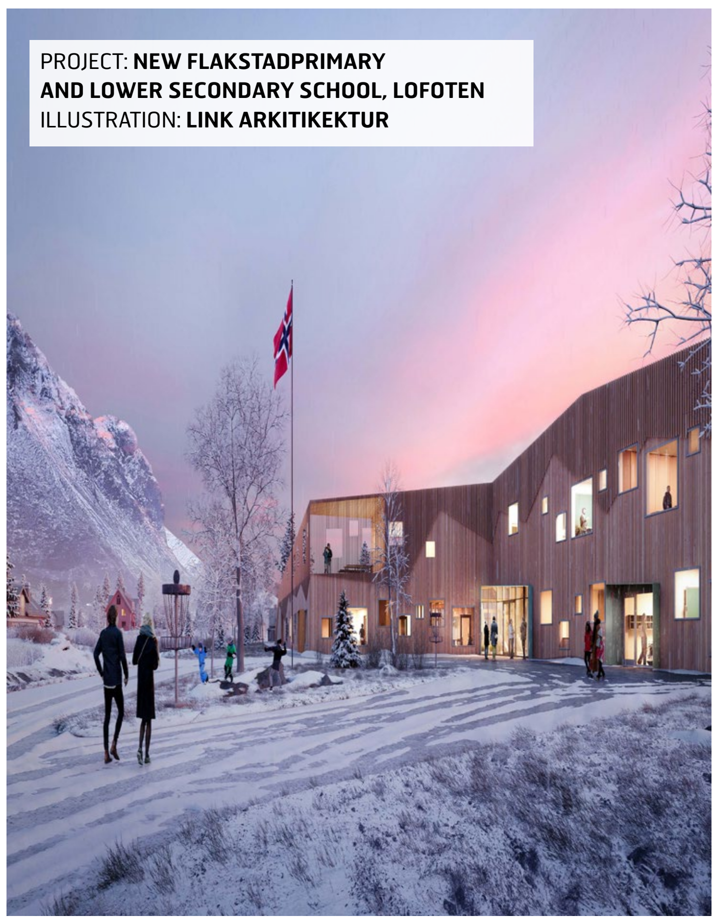
PROJECT: **NEW NATIONAL MUSEUM, OSLO**
ILLUSTRATION: **HANS FREDRIK ASBJØRNSEN / STATSBYGG**



PROJECT: **FLOATING SOLAR**
PHOTO: **MULTICONSULT**

PROJECT: **VIKING AQUA**
ILLUSTRATION: **LINK ARKITEKTUR**

PROJECT: **FLOD PROTECTION, COUNTY INNLANDET**
PHOTO: **MULTICONSULT**



PROJECT: **NEW FLAKSTADPRIMARY AND LOWER SECONDARY SCHOOL, LOFOTEN**
ILLUSTRATION: **LINK ARKITIKEKTUR**

INTERNATIONAL OFFICES

- SWEDEN
- DENMARK
- UNITED KINGDOM
- POLAND
- SINGAPORE
- TANZANIA
- KENYA
- MOCAMBIQUE
- ZAMBIA

Multiconsult

Design: www.bly.as

Project front cover: Nortern Lights Administration Building Photo: LINK arkitektur / Equinor

Multiconsult ASA

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