INTERIM REPORT

Q3 | 2019

Multiconsult

Illustrasjon: LINK arkitektur / Griff Arkitektur

HIGHLIGHTS AND KEY FIGURES Q3 2019

HIGHLIGHTS

Third quarter 2019:

- Solid order intake of NOK 945 million and strong order backlog at NOK 2.7 billion
- Solid revenues growth of 6.7% compared to third quarter 2018 to NOK 720.4 million
- EBIT of NOK 21.0 million, compared to NOK 4.5 million in third quarter 2018
  - *EBIT impacted by net project write-downs of NOK 31.1 million and positive NOK 5.4 million IFRS 16 effect*
- "nextLEVEL" improvement programme initated:
  - *targeting NOK 150 million annual improvement within 18 months*
  - *new financial targets for the group*

Year to date 2019:

- Solid order intake of NOK 3.0 billion
- Solid revenues growth of 4.5% compared to same period in 2018
- EBIT of NOK 97.6 million compared to NOK 89.5 million in the same period in 2018
  - *EBIT impacted by net project write-downs of NOK 64.4 million and positive NOK 16.1 million IFRS 16 effect.*

"I am pleased with the solid order intake and revenue growth in the quarter confirming our strong position with our customers. The gives us a strong foundation moving into 2020. The profitability in the quarter is not satisfactory and impacted by high project write-downs. We are introducing the "nextLEVEL" improvement programme targeting NOK 150 million in annual improvement within 18 months."

Grethe Bergly
CEO of Multiconsult ASA

CONSOLIDATED KEY FIGURES

Amounts in TNOK	**Q3 2019**	Q3 2018	YTD 2019	YTD 2018
FINANCIAL				
Net operating revenues	**720 431**	675 460	2 531 377	2 422 123
Net write-downs	**(31 071)**	(7 287)	(64 398)	(32 949)
Operating expenses	**648 346**	657 281	2 289 626	2 294 221
Employee benefit expenses	**542 851**	523 994	1 933 863	1 847 927
Other operating expenses	**105 495**	133 286	355 762	446 293
EBITDA	**72 086**	18 179	241 752	127 902
EBITDA margin	**10.0%**	2.7%	9.6%	5.3%
EBITDA excluding IFRS 16 effect	**32 117**	18 179	122 589	127 902
EBIT	**21 042**	4 523	97 582	89 528
EBIT margin	**2.9%**	0.7%	3.9%	3.7%
EBIT excluding IFRS 16 effect	**15 630**	4 523	81 453	89 527
Reported profit for the period	**7 735**	(520)	44 870	61 790
OPERATIONAL				
Billing ratio	**67.1%**	67.3%	69.6%	70.1%
Number of employees	**3 005**	2 875	3 005	2 875
Order intake	**945 107**	879 617	3 018 968	3 111 683
Order backlog	**2 731 979**	2 364 508	2 731 979	2 364 508

THIRD QUARTER 2019 GROUP REVIEW

In the third quarter net operating revenues were up 6.7% y-o-y to NOK 720.4 million. EBIT came in at NOK 21.0 million. Compared with the third quarter 2018, the result is impacted by significant net project write-downs, totalling NOK 31.1 million. EBIT year to date 2019 was NOK 97.6 million, reflecting a 3.9% margin. Multiconsult is further intensifying its improvement efforts introducing "nextLEVEL" programme, with a target of NOK 150 million annual improvements within 18 months.

FINANCIAL REVIEW

(Figures in brackets = same period prior year or relevant balance sheet date 2019).

The implementation of IFRS 16 have a significant effect on Multiconsult's financial statement. The group implemented IFRS 16 on 1 January 2019 using the modified retrospective approach. Comparative information will not be restated. For more details of the effects in the financial statements second quarter and first half see note 13.

Calendar effects in the quarter are summarised in Alternative Performance Measures (APMs) in the notes to the financial statements.

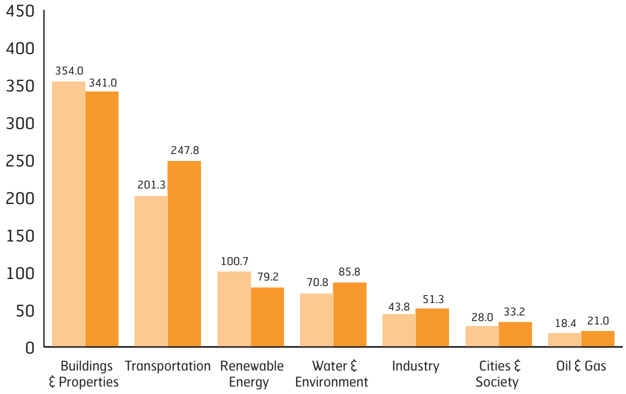
Group results

Third quarter 2019 Multiconsult group

Compared to third quarter 2018, **net operating revenues increased** by 6.7% mainly driven by higher activity level. Net recruitment was 130 employees year-on-year. Following further reviews of its projects, and improved routines, the company has taken further project write-downs of NOK 31.1 million, reflecting a level of 4.3% of net operating revenues. A significant portion of these write-downs come from older projects within the Renewable Energy unit and from one of the units within Regions Norway. Average group billing rates were at a higher level compared to the same period in 2018, and contributed positively to growth.

Operating revenues by business area Q3

Amounts in MNOK Q3 2018 Q3 2019



Operating expenses consist mainly of employee benefit expenses and other operating expenses. Reported operating expenses were at a lower level than in the same period last year, including a positive IFRS 16 effect of NOK 40.0 million on other operating expenses. Adjusted for the IFRS effect, the level of operating expenses increased by 4.7%. The increase is partially caused by higher activity and claims settlements.

EBITDA was NOK 72.1 million (NOK 18.2 million), including a positive NOK 40.0 million IFRS 16 effect.

EBIT was NOK 21.0 million (NOK 4.5 million), including positive calendar effect of NOK 10.4 million and a positive IFRS 16 effect of NOK 5.4 million, when comparing with the same quarter last year.

Net financial items were an expense of NOK 10.1 million (expense of NOK 4.0 million), including a negative IFRS 16 effect of NOK 9.1 million.

Group tax rate was 29.8% (144.1% technical calculation to reflect negative result in group as well as in Multiconsult Asia, where no deferred tax asset is recognised)

Reported profit for the period was NOK 7.7 million (loss of NOK 0.5 million), including a negative NOK 3.8 million IFRS 16 effect, when comparing with the same quarter last year.

Year to date 2019 Multiconsult group

Compared to the same period last year, net operating revenues increased by 4.5%. The increase is purely organic and mainly driven by higher activity level. Net recruitment was 130 employees in the group. Net project write-downs were NOK 64.4 million, reflecting a level of 2.5% of net operating revenues. Write-downs in the period include the settlement of the legal dispute with Stortinget in the second quarter 2019. Excluding the Stortinget legal dispute settlement, net project write-downs were 1.7% of net operating revenues. Adjusted for the settlement with Stortinget, organic growth in net operating revenues was 5.3%. A lower billing ratio in the period was mainly due to some units in Regions Norway segment as well as lower activity within Buildings & Properties in the Greater Oslo area segment. Average group billing rates were at a higher level.

Operating expenses decreased by 0.2% in the period compared to the same period last year. There was a positive IFRS 16 effect of NOK 119.2 million on other operating expenses. Adjusted for the IFRS effect, the level of operating expenses increased by 5.0%. The increase is caused by net recruitment, ordinary salary adjustment, general consumer price index and one-off severance agreement expenses in the first quarter.

EBITDA was NOK 122.6 million (NOK 127.9 million), including a positive NOK 119.2 million IFRS 16 effect.

EBIT was NOK 97.6 million (NOK 89.5 million), including the legal settlement with Stortinget of negative NOK 20.2 million, and positive IFRS 16 effect of NOK 16.1 million.

Net financial items were an expense of NOK 38.1 million (expense of NOK 7.3 million), including a negative IFRS 16 effect of NOK 28.2 million.

Group tax rate was 24.1% (25.7%)

Reported profit for the period was NOK 44.9 million (NOK 61.8 million), including a negative NOK 12.1 million IFRS 16 effect.

Financial position, cash flow and liquidity

Third quarter 2019 Multiconsult group

Net cash flow from operating activities was negative NOK 60.9 million (negative NOK 53.3 million). The negative cash flow is mainly caused by seasonal negative change in working capital.

Net cash flow used in investment activities was NOK 15.0 million this quarter (NOK 9.3 million), related to ordinary asset replacement.

Net cash flow from financing activities amounted to positive NOK 71.3 million (NOK 50.1 million), mainly due to lease liability payment and increase in current interest-bearing debt.

Year to date 2019 Multiconsult group

Net cash flow from operating activities was negative NOK 11.9 million (negative NOK 96.8 million). The improvement is mainly related to higher cash flow from operating activities due to IFRS 16 effect.

Net cash flow used in investment activities was NOK 54.5 million (NOK 36.7 million), related to ordinary asset replacement.

Net cash flow from financing activities amounted to negative NOK 44.9 million (positive NOK 104.8 million). The change is related to IFRS 16 lease liability payment in 2019, paid dividend in the second quarter 2019 and changes in interest bearing debt.

Consolidated financial position

As of 30 September 2019, total assets amounted to NOK 2 683.1 million (NOK 2 787.6 million at 30 June 2019), and total equity amounted to NOK 591.7 million (NOK 582.5 million at 30 June 2019).

The group held cash and cash equivalents of NOK 26.2 million as of 30 September 2019 (NOK 31.4 million as of 30 June 2019). Net interest-bearing debt amounted to NOK 1 221.3 million (NOK 1 141.3 million at 30 June 2019). Adjusted for IFRS 16 lease obligations, net interest-bearing debt was NOK 283.0 million (NOK 162.1 million at 30 June 2019).

ORDER BACKLOG AND INTAKE

The order backlog at the end of the third quarter 2019 remains strong at NOK 2 732 million (NOK 2 365 million). Business areas Buildings & Properties and Transportation currently have the largest proportion of the order backlog, while Water & Environment increased significantly compared to the same period previous year.

Order intake during the third quarter had a solid increase compared to the third quarter in 2018. Buildings & Properties and Water & Environment experienced a solid increase while Transportation and Renewable Energy decreased.

Among significant contracts this quarter was new Västerås hospital with Region Västmanland and Gol Station railway-free crossing with Bane Nor as well as call-offs on existing contracts on Mjøsa Bridge with Nye Veier, Tønsberg Hospital with Vestfold HF and Fornebubanen with Oslo kommune.

The order backlog does not reflect awarded frame agreements and includes only call-offs that have been signed under these agreements. Some of the large frame agreements are for example Fornebubanen for Oslo kommune, submarine maintenance facilities with Forsvarsbygg and safety and RAMS with Bane NOR.

PROFITABILITY IMPROVEMENT PROGRAMME – "NEXTLEVEL"

Multiconsult is introducing the "nextLEVEL" profitability improvement programme. Through extensive work and analysis, the company has identified significant improvement potential and initiated an improvement programme called "nextLEVEL". Improvement initiatives under "nextLEVEL" will be group-wide and focus on operational efficiency and cost savings.

Under operational efficiency, initiatives will include a number of initiatives including increasing the billing ratio, improving project execution and structural adjustments.

Under cost savings, initiatives will consist of a wide range of initiatives, related to office cost, IT, use of consultants, and more.

It is estimated that about 60-65% of improvements will come from cost savings and 35-40% will come from improved operational efficiency.

In total, "nextLEVEL" has a target of NOK 150 million annual profitability improvement estimated to be realised 18 months from now. Restructuring costs associated with the programme are estimated to be approximately NOK 30-40 million. The programme may involve staff reductions. Multiconsult will report on the progress regularly. "nextLEVEL" will be further presented at the Capital Markets Day on 7 November 2019.

NEW FINANCIAL TARGETS

Revenue growth: From 2020 to 2025 compounded annual growth rate (CAGR) of 10% in net operating revenues over the cycle, including acquisitions. The growth is expected to be lower in the initial part of the period.

Profitability: Initial EBIT margin target is 8%, while the long-term EBIT margin target is 10%.

Gearing: Multiconsult shall maintain a solid balance sheet to support its 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.

Equity ratio: Equity ratio above 25%. Equity ratio shall be measured excluding IFRS 16 effects.

Dividend: The Company's ambition is to distribute at least 50 per cent of its net profit. When deciding the annual dividend level the Board of Directors will take into consideration expected cash flow, capital expenditure plans, financing requirements and appropriate financial flexibility.

SEGMENTS

Multiconsult's reporting segments are presented as four segments, Greater Oslo Area, Regions Norway, International, and one for LINK arkitektur.

Greater Oslo Area

This segment offers services in seven business areas and comprises the central area of Eastern Norway, with regional offices in Oslo, Fredrikstad and Drammen.

Key figures Greater Oslo Area

Amounts in MNOK	**Q3 2019**	Q3 2018	YTD 2019	YTD 2018
Net op. revenues	**346.5**	322.2	1 150.3	1 124.4
EBITDA	**32.7**	19.2	79.1	64.5
EBITDA%	**9.4%**	6.0%	6.9%	5.7%
EBIT	**24.3**	14.5	54.5	52.4
EBIT%	**7.0%**	4.5%	4.7%	4.7%
Order intake	**323.6**	418.1	1 308.9	1 474.2
Order Backlog	**1 122.4**	970.1	1 122.4	970.1
Billing ratio	**67.6%**	71.4%	69.4%	70.5%
Employees	**1 188**	1 154	1 188	1 154

Third quarter 2019 Greater Oslo Area

The increase in **net operating revenues** of 7.6% in the quarter was mainly driven by higher activity level, which resulted in net recruitment. The billing ratio was 3.8 pp lower than same period last year, due to lower activity within Buildings &

Properties as well as some large projects progressing towards final stages. Net project write-downs were NOK 13.0 million (NOK 2.8 million) in the period, and impacted net operating revenues accordingly. Most of the write-downs took place within the Renewable Energy division. Billing rates were at a similar level as same period last year.

Operating expenses came in 3.6% higher than in the same period in 2018. There was a positive IFRS 16 effect of NOK 5.2 million on other operating expenses in the quarter. Adjusted for IFRS 16 effect, operating expenses increased more than the manning level. Employee benefit expenses increased, in line with growth in manning level and regular salary adjustment for the Norwegian workforce. Other operating expenses increased more than the manning level due, in part, to higher IT expenses.

EBITDA was NOK 32.7 million (NOK 19.2 million), including a positive IFRS 16 effect of NOK 5.2 million.

EBIT was NOK 24.3 million (positive NOK 14.5 million) in the quarter, including a positive calendar effect in Norway of NOK 4.8 million and a slightly positive IFRS 16 effect of NOK 0.5 million.

Order intake decreased by 22.6% in the quarter, mainly resulting from decreased sales in business areas Transportation and Renewable Energy. Business areas Water & Environment and Cities & Society increased.

Order backlog for the segment at the end of the second quarter is strong at NOK 1 122 million, with business areas Buildings & Properties and Transportation as largest proportions and Water & Environment with significant growth compared to the same period previous year.

Year to date 2019 Greater Oslo Area

The increase in **net operating revenues** of 2.3% in the period was mainly driven by higher activity level, which resulted in net recruitment. Net project write-downs were NOK 40.6 million (NOK 19.4 million) in the period, including the settlement of the legal dispute with Stortinget of NOK 20.2 million in the second quarter 2019 and high level of write-downs within the Renewable Energy division, and impacted net operating revenues accordingly. Adjusted for the settlement with Stortinget, growth in net operating revenues was 0.5%. Billing rates were at a higher level and impacted net operating revenues positively.

Operating expenses came in 1.1% higher than in the same period in 2018. There was a positive IFRS 16 effect of NOK 15.2 million on other operating expenses in the period. Adjusted for the IFRS 16 effect, operating expenses increased in line with manning level. Employee benefit expenses increased, in line with growth in manning level and regular salary adjustment for the Norwegian workforce. Reported other operating expenses decreased, but were at a similar level excluding the IFRS 16 effect.

EBITDA was NOK 79.1 million (positive NOK 64.5 million), including a positive IFRS 16 effect of NOK 15.2 million.

EBIT was NOK 54.5 million in the period (NOK 52.4 million), including the legal settlement with Stortinget of negative NOK 20.2 million, and a slightly positive IFRS 16 effect of NOK 1.6 million.

The order intake decreased 11.2% in the period, mainly resulting from decreased sales in business areas Buildings & Properties and Renewable Energy, Whereas Transportation had strong order intake compared to same period last year.

Regions Norway

This segment offers services in seven business areas and comprises regional offices in Stavanger, Bergen, Trondheim and Tromsø.

Key figures Regions Norway

Amounts in MNOK	**Q3 2019**	Q3 2018	YTD 2019	YTD 2018
Net op. revenues	**232.2**	223.9	835.5	798.5
EBITDA	**21.5**	16.6	102.8	67.6
EBITDA%	**9.3%**	7.4%	12.3%	8.5%
EBIT	**(0.8)**	10.8	44.6	50.5
EBIT%	**(0.3%)**	4.8%	5.3%	6.3%
Order intake	**246.0**	257.6	915.0	950.5
Order Backlog	**576.8**	502.2	576.8	502.2
Billing ratio	**66.4%**	72.8%	68.1%	71.4%
Employees	**879**	833	879	833

Third quarter 2019 Regions Norway

Compared to third quarter 2018 **net operating revenues** increased by 3.7%. There was higher activity level, which resulted in net recruitment. Growth was partly offset by a lower billing ratio due to higher level of new recruitment. Net project write-downs in the period came to NOK 18.2 million (NOK 7.0 million) and reduced net operating revenues accordingly. A significant portion of the write-downs took place in one of the units. Billing rates were at a higher level and impacted net operating revenues positively.

Operating expenses increased by 1.6% in the quarter, impacted by a positive IFRS 16 effect of NOK 15.3 million on other operating expenses. Adjusted for the IFRS 16 effect, operating expenses increased by 9.0%. Employee benefit expenses increased, but less than the manning level as a result of change in manning mix. Reported other operating expenses decreased, but increased excluding the IFRS 16 effect due, in part, to higher IT expenses.

EBITDA came in at NOK 21.5 million (NOK 16.6 million) including a positive IFRS 16 effect of NOK 15.3 million.

EBIT was negative NOK 0.8 million (positive NOK 10.8 million), including a positive calendar effect in Norway of NOK 3.3 million and positive IFRS 16 effect of NOK 2.2 million.

Order intake in the quarter decreased by 4.5% mainly for business areas Transportation and Oil & Gas, whereas all other business areas increased.

Order backlog for the segment at the end of the third quarter is solid at NOK 577 million, with business areas Buildings & Properties and Transportation as largest proportions and Buildings & Properties with the highest growth compared to the same period previous year.

Year to date 2019 Regions Norway

Compared to the same period last year, there was an increase of 4.6% in **net operating revenues**. Higher activity level resulted in net recruitment and contributed positively. There was a lower billing ratio in the period in some regions, and impacted growth accordingly. Net project write-downs in the period came to NOK 26.7 million (NOK 18.6 million) and reduced net operating revenues. Billing rates were at a higher level and contributed positively.

Operating expenses increased slightly in the period, partly driven by a positive IFRS 16 effect of NOK 44.7 million on other operating expenses. Employee benefit expenses increased, in line with growth in manning level and regular salary adjustment for the Norwegian workforce. Adjusted for the IFRS 16 effect, other operating expenses increased partially due to higher office and IT expenses.

EBITDA came in at NOK 102.8 million (NOK 67.6 million) including a positive IFRS 16 effect of NOK 44.7 million.

EBIT was NOK 44.6 million (NOK 50.5 million), including a positive IFRS 16 effect of NOK 6.6 million.

Order intake in the period decreased by 3.7% mainly for business areas Buildings & Properties, Transportation and Industry, whereas Renewable Energy experienced the highest increase.

International

This segment comprises the subsidiaries Multiconsult UK, Multiconsult Asia, Multiconsult Polska and Iterio AB.

Key figures International

Amounts in MNOK	**Q3 2019**	Q3 2018	YTD 2019	YTD 2018
Net op. revenues	**50.1**	37.5	168.4	143.6
EBITDA	**6.2**	(4.5)	24.5	7.4
EBITDA%	**12.5%**	(12.0%)	14.6%	5.2%
EBIT	**3.1**	(5.1)	14.8	5.7
EBIT%	**6.2%**	(13.6%)	8.8%	4.0%
Order intake	**180.9**	68.9	303.3	169.2
Order Backlog	**498.1**	332.0	498.1	332.0
Billing ratio	**66.2%**	66.4%	72.4%	71.6%
Employees	**331**	269	331	269

Third quarter 2019 International

Net operating revenues increased by 33.8% in the third quarter mainly driven by higher activity level, which resulted in net recruitment in Iterio AB and Multiconsult Polska. Average billing rates in Iterio AB, Multiconsult Polska and Multiconsult UK were at a higher level and contributed positively to net operating revenues. The positive contribution was partly offset by slightly lower billing ratio due to lower activity level in Multiconsult UK.

Higher net operating revenues were partly offset by increased **operating expenses**, which increased by 4.6% compared to same quarter in 2018. There was a positive IFRS 16 effect of NOK 2.5 million on other operating expenses in the quarter. Employee benefit expenses increased slightly more than the increase in manning level. Other operating expenses decreased, but were at a similar level adjusted for the IFRS 16 effect.

EBIT was NOK 3.1 million, reflecting an EBIT margin of 6.2% in the quarter, including a positive IFRS 16 effect of NOK 0.1 million.

Order intake in the third quarter increased by 162.6%, mainly coming from business area Transportation in Multiconsult Polska and Iterio AB.

Order backlog for the segment at the end of the third quarter increased by 50.0% to NOK 498 million, with business area Transportation as the largest contributor.

Year to date 2019 International

Net operating revenues increased by 17.3% compared to same period last year. The increase in net operating revenues is mainly driven by higher activity level, which resulted in net recruitment in Iterio AB and Multiconsult Polska. The positive contribution was partly offset by lower average billing rates. Billing ratio was at a similar level as previous year.

Higher net operating revenues were partly offset by increased **operating expenses**, which grew by 5.7% compared to same period in 2018. There was a positive IFRS 16 effect of NOK 8.0 million on other operating expenses in the period. Employee benefit expenses increased, but less than the significant increase in manning level. Other operating expenses were at a similar level as same period in 2018, but increased when adjusted for the IFRS 16 effect. The increase is however less than the increased manning level.

EBIT was NOK 14.8 million, reflecting an EBIT margin of 8.8% year to date in 2019, including a positive IFRS 16 effect of NOK 0.4 million.

Order intake in the period increased by 79.3% compared to same period in 2018.

LINK arkitektur

This segment comprises LINK arkitektur with its 15 offices throughout Scandinavia.

Key figures LINK arkitektur

Amounts in MNOK	**Q3 2019**	Q3 2018	YTD 2019	YTD 2018
Net op. revenues	**107.1**	98.2	400.7	372.6
EBITDA	**5.7**	(7.3)	44.4	12.7
EBITDA%	**5.4%**	(7.4%)	11.1%	3.4%
EBIT	**(0.5)**	(9.1)	25.4	7.1
EBIT%	**(0.5%)**	(9.3%)	6.3%	1.9%
Order intake	**194.6**	135.0	491.8	512.8
Order Backlog	**551.4**	532.5	551.4	532.5
Billing ratio	**71.4%**	67.6%	74.4%	72.9%
Employees	**494**	487	494	487

Third quarter 2019 LINK arkitektur

The increase in **net operating revenues** of 9.1% in the third quarter was mainly driven by increased average billing rates and higher billing ratio in Norway and Denmark. Low project activity in LINK arkitektur Sweden partly offset the growth.

Operating expenses decreased by 3.9% in the quarter. There was a positive IFRS 16 effect of NOK 4.9 million, recorded on other operating expenses in the quarter.

EBIT was negative NOK 0.5 million, including a positive IFRS 16 effect of NOK 0.4 million. The negative EBIT is mainly caused by negative results in LINK arkitektur Sweden and LINK arkitektur Denmark.

Order intake in the third quarter increased by 44.2%. The majority of the order intake in the quarter came from healthcare buildings.

Order backlog for the segment at the end of third quarter increased by 3.5% to NOK 551 million.

Year to date 2019 LINK arkitektur

The increase in **net operating revenues** of 7.6% compared to same period in 2018 was mainly driven by higher average billing rates and higher billing ratio in Norway and Denmark. Increased activity resulted in net recruitment in Norway and contributed positively. Higher net operating revenues were partly offset by low project activity in LINK arkitektur Sweden.

Operating expenses decreased by 1.0% in the period Higher employee benefit expenses as a result of net recruitment and salary adjustment were more than offset by lower other opearating expenses. There was a positive IFRS 16 effect of NOK 14.7 million, recorded on other operating expenses in the period.

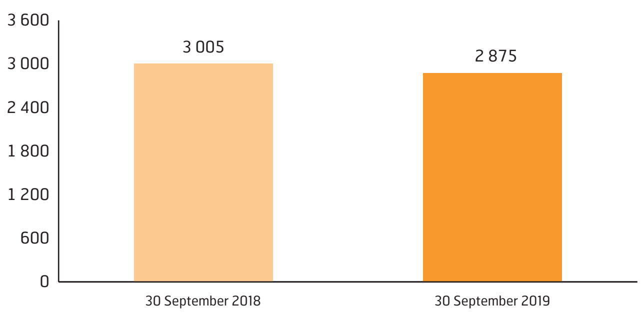
EBIT was NOK 25.4 million, reflecting an EBIT margin of 6.3% year to date in 2019, including a positive IFRS 16 effect of NOK 1.3 million.

Order intake in the period decreased mainly due to low order intake in LINK arkitektur Sweden.

ORGANISATION AND HSE

At 30 September 2019 the group had 3 005 (2 875) employees. The employee turnover ratio for the group for the period September 2018 to September 2019 was 9.2% (9.5%). The recorded sick leave ratio for the Multiconsult group was 4.5% in the third quarter.

Number of employees



SUBSEQUENT EVENTS

On 29 October 2019, Multiconsult announced a contract award for a major school project in Fredrikstad. LINK arkitektur, in collaboration with Multiconsult and Griff arkitektur as subcontractors, has won a major contract with Østfold County Council (Østfold fylkeskommune) for the New Fredrik II high school. In addition, the contract includes options for a new ice skating hall for Fredrikstad municipality (Fredrikstad kommune). The contract value is still under negotiation and includes significant options. Work will begin November 2019 and is planned to be completed in 2023.

On 28 October, Multiconsult announced that Kirsten Anker Sørensen has been appointed Chief Executive Officer (CEO) of LINK arkitektur and at the same time appointed Executive Vice President (EVP) Architecture in the Multiconsult group. She will start her new role on 1 November 2019.

OUTLOOK

The overall market outlook is good across most business areas.

Buildings & Properties is expected to remain good, especially within health care and education, but with moderate decline in the residential market.

The outlook for the **architecture** market is fairly positive in most areas especially within healthcare buildings in Norway.

Public sector investment, confirmed by the National Budget for 2020, is driving a good outlook for **Transportation** within road and rail. Several large projects are expected to be assigned in the coming year.

The **Renewable Energy** market in Norway is expected to remain stable. Wind power in Norway is at a good level. International Renewable Energy markets generally continue to grow, but long lead-time for project decisions is challenging.

Investment in the **Industry** sector in Norway is expected to increase, a view supported by reports from Statistics Norway (SSB), especially within food industry and metals, but global macroeconomic and political uncertainties may influence the growth.

Demand for our services in the **Oil & Gas** market has slowly improved and is expected to continue improving gradually going forward.

Within **Water & Environment** there is stable demand for water and waste infrastructure projects as well as for soil contamination inspections. The market for geo hazard service is growing due to climate changes resulting in more extreme weather conditions.

The overall competitive landscape has moved towards more Engineering, Procurement and Construction (EPC), OPS and Private-Public Partnerships (PPP) contracts and Best Value Procurement, driving new contract structures for the consulting business. Larger contracts are attracting international construction companies, but a weakening of the NOK exchange rate could oppose this trend. Good market outlook and project pipeline has resulted in somewhat reduced price pressure across most business areas in Norway. However, the cost level still creates challenges to profitability. The project tender pipeline remains solid across most busniess areas, with some short-term uncertanty due to e.g. customer reorganisation.

Multiconsult's strong market position, flexible business model and wide service offering provides a sound base for profitable growth, both domestic and international.

The order backlog is solid and provides a good foundation for growth, supported by valuable frame agreements generated from a broad customer base.

RISK AND UNCERTAINTIES

The risk of disagreements and legal disputes related to the possible cost of delays and project errors is always present in the consultancy business. Multiconsult has developed internal procedures and competences to reduce risk exposure for legal disputes. Multiconsult has also relevant insurance policies and routines for protection of potential consequences of such matters. Further details regarding the insurance coverage are provided in note 20 to the consolidated financial statements for 2018.

Multiconsult has not identified significant additional risk exposures beyond the ones described in the 2018 Annual Report. However, Multiconsult has identified an increase in the number of and size of potential legal disputes, which potentially may, in adverse cirumstances, have negative financial impact. Multiconsult is exposed to a number of risk factors: legal liability, credit risk, currency risk, interest rate risk, liquidity risk, and accounting estimates risk. The Risk and Risk Management section in the 2018 Annual Report contains detailed description and mitigating actions.

DEFINITIONS

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

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

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

EBITDA: EBIT before depreciation, amortisation and impairment.

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

Operating expenses: Employee benefit expenses plus other operating expenses.

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

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

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

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

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

DISCLAIMER

This report includes forward-looking statements, which are based on our current expectations and projections about future events. All statements other than statements of historical facts included in this notice, including statements regarding our future financial position, risks and uncertainties related to our business, strategy, capital expenditures, projected costs and our plans and objectives for future operations, including our plans for future costs savings and synergies may be deemed to be forward-looking statements. Words such as *"believe," "expect," "anticipate," "may," "assume," "plan," "intend," "will," "should," "estimate," "risk"* and similar expressions or the negatives of these expressions are intended to identify forward-looking statements. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. You should not place undue reliance on these forward-looking statements. In addition, any forward-looking statements are made only as of the date of this notice, and we do not intend and do not assume any obligation to update any statements set forth in this report.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Unaudited for the period ended 30 September 2019

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

Amounts in TNOK, except EPS	**Q3 2019**	Q3 2018	YTD 2019	YTD 2018	FY 2018
Operating revenues	**859 276**	817 119	3 011 765	2 867 130	3 908 638
Expenses for sub consultants and disbursements	**138 845**	141 659	480 388	445 008	573 791
Net operating revenues	**720 431**	675 460	2 531 377	2 422 122	3 334 848
Employee benefit expenses	**542 851**	523 994	1 933 863	1 847 927	2 539 494
Other operating expenses	**105 495**	133 286	355 762	446 294	646 221
Operating expenses excl. depreciation and amortisation	**648 346**	657 281	2 289 626	2 294 221	3 185 715
Operating profit before depreciation and amortisation (EBITDA)	**72 086**	18 179	241 752	127 901	149 133
Depreciation and amortisation	**51 044**	13 656	144 170	38 375	50 130
Operating profit (EBIT)	**21 042**	4 523	97 582	89 527	99 003
Results from associated companies and joint ventures	**32**	642	(368)	941	1 661
Financial income	**2 157**	997	2 940	4 777	7 718
Financial expenses	**12 215**	4 983	41 056	12 078	18 297
Net financial items	**(10 058)**	(3 986)	(38 116)	(7 302)	(10 579)
Profit before tax	**11 016**	1 179	59 098	83 166	90 085
Income tax expense	**3 280**	1 700	14 228	21 377	26 528
Profit for the period	**7 735**	(520)	44 870	61 790	63 557
Attributable to:					
Owners of Multiconsult ASA	**7 735**	(520)	44 870	61 790	63 557
Earnings per share					
Basic and diluted (NOK)	**0.29**	(0.02)	1.66	2.29	2.36

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in TNOK	**Q3 2019**	Q3 2018	YTD 2019	YTD 2018	FY 2018
Profit for the period	**7 735**	(520)	44 870	61 790	63 557
Other comprehensive income					
Remeasurment of defined benefit obligations	**-**	-	-	-	809
Tax	**-**	-	-	-	(178)
Total items that will not be reclassified to profit or loss	**-**	-	-	-	631
Currency translation differences	**1 407**	2 055	(5 930)	(10 829)	(2 462)
Total items that may be reclassified subsequently to profit or loss	**1 407**	2 055	(5 930)	(10 829)	2 462
Total other comprehensive income for the period	**1 407**	2 055	(5 930)	(10 829)	(1 831)
Total comprehensive income for the period	**9 142**	1 534	38 940	50 960	61 726
Attributable to:					
Owners of Multiconsult ASA	**9 142**	1 534	38 940	50 960	61 726

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

Amounts in TNOK	**At 30 September 2019**	At 30 June 2019	At 31 December 2018
ASSETS			
Non-current assets			
Deferred tax assets	**38 212**	42 483	44 712
Intangible assets	**30 968**	31 592	28 228
Goodwill	**446 924**	445 703	449 049
Property, plant and equipment	**111 396**	112 215	102 491
Right-of-use assets	**926 613**	965 405	-
Associated companies and joint ventures	**12 103**	12 011	12 489
Non-current receivables and shares	**5 057**	5 717	7 352
Assets for reimbursement of provisions	**31 050**	10 900	23 300
Total non-current assets	**1 602 324**	1 626 027	667 621
Current assets			
Trade receivables	**511 209**	609 948	666 756
Work in progress	**470 821**	445 374	343 863
Other receivables and prepaid costs	**72 515**	74 863	72 854
Cash and cash equivalents	**26 217**	31 403	138 872
Total current assets	**1 080 762**	1 161 588	1 222 346
Total assets	**2 683 086**	2 787 615	1 889 966
EQUITY AND LIABILITIES			
Shareholders' equity			
Total paid in equity	**91 242**	91 242	91 242
Other equity	**500 435**	491 290	501 969
Total shareholders' equity	**591 678**	582 532	593 211
Non-current liabilities			
Retirement benefit obligations	**6 172**	6 175	6 500
Deferred tax	**9 899**	9 729	12 822
Provisions	**44 641**	18 450	42 350
Non-current interest bearing liabilities	**-**	172 000	175 255
Non current lease liabilities	**818 666**	853 321	-
Total non-current liabilities	**879 378**	1 059 675	236 927
Current liabilities			
Trade payables	**119 583**	152 995	236 492
Prepayments	**123 062**	119 271	138 411
Current tax liabilities	**18 615**	29 932	32 340
VAT and other public taxes and duties payables	**236 093**	303 529	327 167
Current interest bearing liabilities	**309 175**	27 325	23 162
Current lease liabilities	**119 685**	120 068	-
Other current liabilities	**285 818**	392 289	302 257
Total current liabilities	**1 212 031**	1 145 409	1 059 829
Total liabilities	**2 091 409**	2 205 083	1 296 756
Total equity and liabilities	**2 683 086**	2 787 615	1 889 966

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in TNOK	Share capital	Own shares	Share premium	**Total paid-in capital**	Retained earnings	Pension	Currency	**Total equity**
31 December 2017	13 486	-	77 758	**91 242**	680 378	(202 342)	12 794	**582 072**
Dividend	-	-	-	**-**	(40 456)	-	-	**(40 456)**
Treasury shares	-	-	-	**-**	4	-	-	**4**
Employee share purchase programme	-	-	-	**-**	(121)	-	-	**(121)**
Comprehensive income	-	-	-	**-**	61 790	-	(10 829)	**50 960**
30 September 2018	13 486	-	77 758	**91 242**	701 595	(202 342)	1 965	**592 459**
31 December 2017	13 486	-	77 758	**91 242**	680 377	(202 342)	12 794	**582 072**
Dividend	-	-	-	**-**	(40 423)	-	-	**(40 423)**
Treasury shares	-	-	-	**-**	4	-	-	**4**
Employee share purchase programme	-	-	-	**-**	(10 168)	-	-	**(10 168)**
Comprehensive income	-	-	-	**-**	63 557	631	(2 462)	**61 726**
31 December 2018	13 486	-	77 758	**91 242**	693 347	(201 712)	10 332	**593 211**
Dividend	-	-	-	**-**	(40 456)	-	-	**(40 456)**
Share Issue	-	-	-	**-**	-	-	-	**-**
Treasury shares	-	-	-	**-**	-	-	-	**-**
Employee share purchase programme	-	-	-	**-**	(18)	-	-	**(18)**
Comprehensive income	-	-	-	**-**	44 870	-	(5 930)	**38 940**
30 September 2019	13 486	-	77 758	**91 242**	697 744	(201 712)	4 401	**591 678**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in TNOK	**Q3 2019**	Q3 2018	YTD 2019	YTD 2018	FY 2018
Cash flows from operating activities					
Profit before tax	**11 016**	1 179	59 098	83 167	90 085
Interest lease liability	**9 182**	-	28 209	-	-
Income taxes paid	**(4 548)**	(591)	(26 890)	(10 514)	(24 773)
Depreciation, amortization and impairment	**16 488**	13 656	41 137	38 375	50 130
Depreciation right-of-use asset	**34 556**	-	103 033	-	-
Results from associated companies and joint ventures	**(32)**	(642)	368	(941)	(1 661)
Other non-cash profit and loss items	**-**	(1 043)	(7)	(1 043)	993
Sub total operating activities	**66 662**	12 560	204 948	109 043	114 774
Trade Payables	**(33 412)**	64 429	(116 910)	74 276	(3 228)
Trade receivables	**98 739**	21 675	155 547	6 020	(78 379)
Work in progress	**(25 447)**	(28 966)	(126 959)	(177 261)	24 584
Other	**(167 417)**	(122 986)	(128 548)	(108 844)	150 143
Total changes in working capital	**(127 537)**	(65 848)	(216 870)	(205 809)	93 120
Net cash flow from operating activities	**(60 875)**	(53 288)	(11 922)	(96 766)	207 893
Cash flows used in investment activities					
Net purchase and sale of fixed assets and financial non-current assets	**(15 045)**	(9 273)	(54 543)	(36 672)	(61 199)
Net cash flow used in investment activities	**(15 045)**	(9 273)	(54 543)	(36 672)	(61 199)
Cash flows from financing activities					
Change in interest-bearing liabilities	**112 443**	50 112	115 762	145 419	(90 360)
Net change in lease liabilities (interest and installments)	**(41 190)**	-	(120 072)	-	-
Paid dividends	**-**	-	(40 456)	(40 456)	(40 423)
Sale treasury shares	**-**	-	27	585	13 493
Purchase treasury shares	**-**	-	(139)	(737)	(43 841)
Net cash flow from financing activities	**71 253**	50 112	(44 877)	104 811	(161 127)
Foreign currency effects on cash and cash equivalents	**(519)**	1 110	(1 313)	(4 776)	(987)
Net increase/decrease in cash and cash equivalents	**(5 186)**	(11 339)	(112 655)	(33 403)	(15 419)
Cash and cash equivalents at the beginning of the period	**31 403**	132 227	138 872	154 291	154 291
Cash and cash equivalents at the end of the period	**26 217**	120 888	26 217	120 888	138 872

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: General information

The Company and the Group

Multiconsult ASA (the company) is a Norwegian public limited liability company listed on Oslo Børs. The company and its subsidiaries (together the Multiconsult group/the group) are among the leading suppliers of consultancy and design services in Norway and the Nordic region. The group has subsidiaries outside the Nordic region in Poland, UK and Singapore.

NOTE 2: Basis of preparation and statements

Basis for preparation

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

Statements

These interim condensed consolidated financial statements for the third quarter of 2019 have been prepared in accordance with IAS 34 as approved by the EU. They have not been audited. They do not include all of the information required for full annual financial statements of the group and should be read in conjunction with the consolidated financial statements for 2018. The accounting policies applied are consistent with those applied and described in the consolidated annual financial statements for 2018, which are available upon request from the company's registered office at Nedre Skøyen vei 2, 0276 Oslo and at www.multiconsult.no.

These interim condensed consolidated financial statements for the third quarter of 2019 were approved by the Board of Directors and the CEO on 6 November 2019.

NOTE 3: Accounting policies

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

The group implemented IFRS 16 on 1 January 2019 using the modified retrospective approach. Comparative information will not be restated. For more details of the effects in the financial statements see note 13.

NOTE 4: Estimates, judgments and assumptions

The preparation of interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.
In preparing these interim condensed consolidated financial statements, significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual consolidated financial statements for 2018 (see especially note 2).

NOTE 5: Segments

Refer to note 5 to the consolidated annual financial statements for 2018 for more information on the segments.

The group has three geographical reporting segments as well as a segment for LINK arkitektur. Revenues and expenses are reported in the segment with reference to where the employee is employed. The cost of administrative services, rent of premises, depreciation and so forth is allocated to the segments.

Q3 2019 *Amounts in TNOK*	Greater Oslo Area	Regions Norway	Inter-national	LINK arkitektur	Not allocated	Elimi-nations	**Total**
External revenues	383 399	257 492	75 349	136 718	6 318	-	**859 276**
Internal revenues	625	-	4 933	(7 543)	2 705	(721)	**-**
Total operating revenues	384 025	257 492	80 281	129 176	9 023	(721)	**859 276**
Net operating revenues	346 546	232 209	50 137	107 114	(14 313)	(1 263)	**720 431**
Operating expenses	313 868	210 695	43 891	101 365	(20 072)	(1 402)	**648 346**
EBITDA	32 678	21 515	6 247	5 748	5 759	139	**72 086**
Depreciation, amortisation, impairment	8 367	22 313	3 143	6 268	11 085	(133)	**51 044**
EBIT	24 311	(799)	3 104	(520)	(5 326)	272	**21 042**
Associates and joint ventures	400	-	-	-	-	-	**400**
Receivables [1]	417 625	274 967	128 588	200 358	-	(39 507)	**982 031**
Number of employees	1 188	880	331	494	112	-	**3 005**

1) Receivables includes accounts receivables (before provision for loss) and accrued revenues.

Q3 2018 *Amounts in TNOK*	Greater Oslo Area	Regions Norway	Inter-national	LINK arkitektur	Not allocated	Elimi-nations	**Total**
External revenues	392 072	243 073	51 854	135 075	(4 956)	-	**817 119**
Internal revenues	5 363	-	10 022	7 357	727	(23 469)	**-**
Total operating revenues	397 435	243 073	61 876	142 433	(4 229)	(23 469)	**817 119**
Net operating revenues	322 159	223 932	37 461	98 207	(6 298)	-	**675 460**
Operating expenses	302 989	207 373	41 948	105 514	(544)	-	**657 280**
EBITDA	19 169	16 559	(4 488)	(7 307)	(5 754)	-	**18 180**
Depreciation, amortisation, impairment	4 627	5 723	620	1 813	872	-	**13 656**
EBIT	14 542	10 836	(5 108)	(9 119)	(6 627)	-	**4 524**
Associates and joint ventures	655	-	-	(13)	-	-	**642**
Receivables [1]	538 577	321 447	104 306	202 455	-	(27 986)	**1 138 799**
Number of employees	1 154	833	269	487	132	-	**2 875**

1) Receivables includes accounts receivables (before provision for loss) and accrued revenues.

YTD 2019 *Amounts in TNOK*	Greater Oslo Area	Regions Norway	Inter-national	LINK arkitektur	Not allocated	Elimi-nations	**Total**
External revenues	1 363 667	911 325	235 363	486 256	15 155	-	**3 011 765**
Internal revenues	3 675	129	15 910	8 915	2 285	(30 915)	**-**
Total operating revenues	1 367 342	911 454	251 273	495 171	17 440	(30 915)	**3 011 765**
Net operating revenues	1 150 262	835 541	168 417	400 708	(19 762)	(3 788)	**2 531 377**
Operating expenses	1 071 197	732 761	143 901	356 333	(10 362)	(4 205)	**2 289 626**
EBITDA	79 065	102 780	24 515	44 375	(9 400)	417	**241 752**
Depreciation, amortisation, impairment	24 558	58 206	9 736	18 997	33 073	(400)	**144 170**
EBIT	54 507	44 574	14 779	25 378	(42 473)	817	**97 582**
Associates and joint ventures							**-**
Receivables [1]	417 625	274 967	128 588	200 358	-	(39 507)	**982 031**
Number of employees	1 188	880	331	494	112	-	**3 005**

1) Receivables includes accounts receivables (before provision for loss) and accrued revenues.

YTD 2018 *Amounts in TNOK*	Greater Oslo Area	Regions Norway	Inter-national	LINK arkitektur	Not allocated	Elimi-nations	**Total**
External revenues	1 351 626	859 194	186 394	471 163	(1 247)	-	**2 867 130**
Internal revenues	19 141	-	25 926	22 700	4 165	(71 931)	**-**
Total operating revenues	1 370 766	859 194	212 320	493 863	2 918	(71 931)	**2 867 130**
Net operating revenues	1 124 366	798 459	143 609	372 575	(16 886)	-	**2 422 123**
Operating expenses	1 059 914	730 816	136 192	359 851	7 447	-	**2 294 221**
EBITDA	64 452	67 643	7 417	12 724	(24 334)	-	**127 902**
Depreciation, amortisation, impairment	12 004	17 166	1 740	5 587	1 879	-	**38 375**
EBIT	52 448	50 477	5 677	7 137	(26 212)	-	**89 528**
Associates and joint ventures	1 044	-	-	(102)	-	-	**942**
Receivables [1]	538 577	321 447	104 306	202 455	-	(27 986)	**1 138 799**
Number of employees	1 154	833	269	487	132	-	**2 875**

1) Receivables includes accounts receivables (before provision for loss) and accrued revenues.

Operating revenues per business area:

Amounts in MNOK	**Q3 2019**	Q3 2018	YTD 2019	YTD 2018	FY 2018
Buildings & Properties	**341.0**	354.0	1 199.2	1 288.6	1 729.9
Transportation	**247.8**	201.3	872.5	681.7	218.8
Renewable Energy	**79.2**	100.7	280.8	338.0	99.6
Water & Environment	**85.8**	70.8	288.2	219.7	439.9
Industry	**51.3**	43.8	170.1	161.3	977.2
Cities & Society	**33.2**	28.0	122.3	106.0	301.7
Oil & Gas	**21.0**	18.4	78.7	71.8	141.5
Total	**859.3**	817.1	3 011.8	2 867.1	3 908.6

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

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

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

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

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

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

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

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

The group's net operating revenues are affected by the number of working days within each reporting period while employee expenses are recognised for full calendar days. The number of working days in a month is affected by public holidays and vacations. The timing of public holidays (e.g. Easter) during quarters and whether they fall on weekends or weekdays impacts revenues, earnings, cashflows and working capital balances. Generally, the company's employees are granted leave during Easter and Christmas. The summer holidays primarily impact the month of July and the third quarter.

NOTE 7: Significant events and transactions

There were none significant events or transactions in the third quarter.

NOTE 8: Related party transactions

See note 23 to the consolidated financial statements for 2018 for a description of related parties and related parties transactions in 2018.

NOTE 9: Treasury shares

The company has 0 treasury shares as of 30 September 2019. For a description of the share purchase programme for all the employees and the performance bonus based bonus scheme for the group management see note 9 in the consolidated financial statements for 2018.

NOTE 10: Earnings per share

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

	Q3 2019	Q3 2018	YTD 2019	YTD 2018	FY 2018
Profit for the period (in TNOK)	**7 735**	(520)	44 870	61 790	63 557
Average no shares	**26 970 182**	26 970 394	26 970 291	26 970 254	26 970 289
Earnings per share (NOK)	**0.29**	(0.02)	1.66	2.29	2.36

NOTE 11: Retirement benefit obligations

For a description of the corporate pension schemes see note 12 to the consolidated financial statements for 2018.

Multiconsult ASA and Multiconsult Norge AS has a defined contribution pension plan that covers all the employees in the two companies. Other defined benefit pension plans in the group still exist for three employees in LINK arkitektur AS and two individual agreement in Multiconsult Norge AS.

NOTE 12: Financial instruments

The group's financial instruments are interest bearing debt, accounts receivables and other receivables, cash and cash equivalents and accounts payables. It is assumed that the book value is a good approximation of fair value for the group's financial instruments.

Non-current and current interest bearing liabilities:

	NOK			Local currency			
Amounts in TNOK	**30 Sept 2019**	30 Sept 2018	31 Dec 2018	**30 Sept 2019**	30 Sept 2018	31 Dec 2018	Local currency
Multiconsult ASA	**309 175**	215 000	193 500	**309 175**	215 000	193 500	NOK
Multiconsult Norge AS	**-**	213 584	-	**-**	213 584	-	NOK
Johs Holt AS	**-**	821	-	**-**	821	-	NOK
Multiconsult Asia	**-**	-	451	**-**	-	71	SGD
Multiconsult Polska	**-**	835	1 146	**-**	377	495	PLN
LINK arkitektur AB	**-**	1 230	1 211	**-**	1 438	1 248	SEK
LINK arkitektur A/S	**-**	2 726	2 109	**-**	2 625	1 583	DKK
Total	**309 175**	434 195	198 417	**N/A**	N/A	N/A	

The group owns a limited amount of shares and participations available for sale (NOK 0.5 million), and it is assumed that the book value is a good estimate of fair value. Fair value of derivatives (interest rate swap) were recorded with an unrealised gain of NOK 0.3 million at 30 September (gain of NOK 0.2 million at 30 June 2019).

Multiconsult ASA has an overdraft facility of NOK 320.0 million, which is part of a cash pool for certain companies in the group. Multiconsult ASA is the owner of the cash pool's top account and the debtor of the facility. In addition, Multiconsult ASA has a loan agreement with Nordea Bank of NOK 193.5 million. The loan agreements include a covenant requiring that net interest bearing liabilities (excluding restricted cash) of the group shall not exceed 2.0 times last twelve months EBITDA (the gearing ratio), and a covenants requiring an equity ratio of at least 25 per cent, reported quarterly. The definition of the EBITDA under the loan agreements was amended after 30 September 2019 with effect from 30 August 2019. Under the new definition, Multiconsult ASA is in compliance with its financial covenants at 30 September 2019. Under the previous definition, the gearing ratio was above 2.0 at 30 September 2019. Since the agreement was made after the end of the last day of the reporting period, the loan has been classified as a current liability according to IAS 1.74 and 1.75. IFRS 16 effects are excluded from the covenant calculations.

NOTE 13: Right-of-use assets and lease liabilities (IFRS 16)

IFRS 16 Leases replaces IAS 17 and IFRIC 4. The new standard requires lessees to recognise right-of-use assets and liabilities for all leases, with the exception of some leases with lease periods of one year or less, or where the underlying assets are of low value. Depreciation, amortisation and impairment losses as well as interest expenses must be recognised in the statement of income.

The group has implemented IFRS 16 on 1 January 2019 using the modified retrospective approach. The group has used the practical expedient to recognise the right-of-use assets at the same amounts as the lease liabilities, and therefore the cumulative effect of adopting IFRS 16 had no effect on equity at 1 January 2019. Comparative information has not been restated. The group applied 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. At transition, the group has used the practical expedients available not to recognise right-of-use assets and liabilities for leases with lease term that ends during 2019.

Multiconsult has two classes of assets that has been reported as right–of-use assets; buildings (primarily office premises) and cars. 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 has made concrete evaluations of each contract to determine the lease term.

Amounts in TNOK	
Operating lease commitments 31 December 2018 as disclosed in the 2018 financial statements	1 049 282
Discounted using the incremental borrowing rate at 1 January 2019 (4%)	897 874
Adjustment	(4 548)
Increase due to change in lease payments based index regulation 1 January 2019	29 582
Reduction due to recognition exemptions for short term leases	(16 226)
Increase due to extensions and terminations options	91 476
Lease liability recognised at 1 January 2019 previously operating leases	998 158
Finance lease liabilities recognised as at 31 December 2018	3 544
Lease liability recognised at 1 January 2019	1 001 702

Change in RoU assets and lease liabilities

	Previously operating lease		Previously finance lease		**Total**	
Amounts in TNOK	Asset	Liabilities	Asset	Liabilities	**Asset**	**Liabilities**
Balance 1 January 2019	998 158	998 158	4 103	3 544	**1 002 261**	**1 001 702**
Additions	38 808	38 808	-	-	**38 808**	**38 808**
Depreciation	(103 033)	-	(1 279)	-	**(104 312)**	**-**
Interest expense	-	(28 209)	-	-	**-**	**(28 209)**
Lease payments (interest and installments)	-	(119 162)	-	(909)	**-**	**(120 072)**
Currency	(10 136)	(10 256)	(8)	(41)	**(10 144)**	**(10 297)**
Balance 30 September 2019	923 797	935 757	2 817	2 593	**926 613**	**938 350**

Effect of IFRS 16 on profit and loss

Amounts in TNOK	**Q3 2019**	YTD 2019
Incease in EBITDA (lease payments in 2019, excluding those relating to previously reported finance leases)	**39 968**	119 162
Increase depreciation	**(34 556)**	(103 033)
Effect EBIT	**5 413**	16 129
Interest expense	**(9 181)**	(28 209)
Profit before tax	**(3 769)**	(12 080)

ALTERNATIVE PERFORMANCE MEASURES (APMs)

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

Adjusted EBITDA and EBIT – Calendar effect

Amounts in MNOK (except percentage)	**Q3 2019**	Q3 2018	YTD 2019	YTD 2018	FY 2018
Net operating revenues	**720.4**	675.5	2 531.4	2 422.1	3 334.8
Estimated calender effect	**10.4**	-	-	-	-
Adjusted net operating revenues	**730.8**	675.5	2 531.4	2 422.1	3 334.8
Reported employee benefit expenses	**542.9**	524.0	1 933.9	1 847.9	2 539.5
Reported other operating expenses	**105.5**	133.3	355.8	446.3	646.2
Operating expenses	**648.3**	657.3	2 289.6	2 294.2	3 185.7
Adjusted EBITDA	**82.5**	18.2	241.8	127.9	149.1
Depreciation, amortisation and impairments	**51.0**	13.7	144.2	38.4	50.1
Adjusted EBIT	**31.4**	4.5	97.6	89.5	99.0
Adjusted EBITDA margin (%)	**11.3%**	2.7%	9.6%	4.8%	4.5%
Adjusted EBIT margin (%)	**4.3%**	0.7%	3.9%	3.7%	3.0%

* *APM does not state underlaying net operating revenues. Estimated calender effect equals number of workingdays in comparing periods.*

Figures show effect on earnings from the corresponding period previous year arising from changes in available working days.

Estimated calendar effects – Segments

Amounts in MNOK	**Q3 2019**	YTD 2019
Greater Oslo Area	**4.8**	-
Regions Norway	**3.3**	-
LINK arkitektur	**1.6**	-
International	**0.1**	-

Net interest bearing debt

Amounts in MNOK	**30 Sept 2019**	30 Sept 2018	FY 2018
Non-current interest bearing liabilities (including IFRS 16 leases)	**818.7**	4.4	175.3
Current interest bearing liabilities (including IFRS 16 leases)	**428.9**	429.8	23.2
Cash and cash equivalents [1)]	**26.2**	120.9	138.9
Interest bearing debt including IFRS 16 lease liabilities	**1 221.3**	313.3	59.5
Less non-current and current IFRS 16 lease liabilities	**(938)**	-	
Net interest bearing debt	**283.0**	313.3	59.5

1) Cash equivalents in this table includes restricted cash

Equity ratio group

Amounts in MNOK	**30 Sept 2019**	30 Sept 2018	FY 2018
Equity	**591.7**	592.5	593.2
Total assets	**2 683.1**	1 937.9	1 890.0
Equity ratio	**22.1%**	30.6%	31.4%

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

Amounts in TNOK	**Q3 2019**	YTD 2019	Q3 IFRS 16 adjustment	YTD IFRS 16 adjustment	Q3 2019 excl IFRS 16	YTD 2019 excl IFRS 16
Net operating revenues	**720 431**	2 531 377	-	-	720 431	2 531 377
Operating expenses excl. depreciation and amortisation	**648 346**	2 289 626	39 968	119 162	688 314	2 408 788
Operating profit before depreciation and amortisation (EBITDA)	**72 086**	241 752	(39 968)	(119 162)	32 117	122 589
Depreciation and amortisation	**51 044**	144 170	(34 556)	(103 033)	16 488	41 137
Operating profit (EBIT)	**21 042**	97 582	(5 413)	(16 129)	15 628	81 452
Net financial items	**(10 058)**	(38 116)	9 181	28 209	(877)	(9 907)
Profit before tax	**11 016**	59 098	3 769	12 080	14 784	71 177

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

Amounts in TNOK	**At 30 Sept 2019**	IFRS 16 adjustment	At 30 Sept 2019 excl IFRS 16
ASSETS			
Total non-current assets	**1 602 324**	923 797	678 527
Total assets	**2 683 086**	923 797	1 759 289
EQUITY AND LIABILITIES			
Shareholders' equity:			
Total shareholders' equity	**591 677**	(11 960)	603 637
Total liabilities	**2 091 409**	935 757	1 155 652
Total equity and liabilities	**2 683 086**	923 797	1 759 289

YOUR NOTES

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Multiconsult

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