

Möller Mobility Group

Annual and CSR Report 2017



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MØLLER MOBILITY GROUP CONSOLIDATED

FINANCIAL STATEMENTS

MØLLER MOBILITY GROUP FINANCIAL STATEMENTS

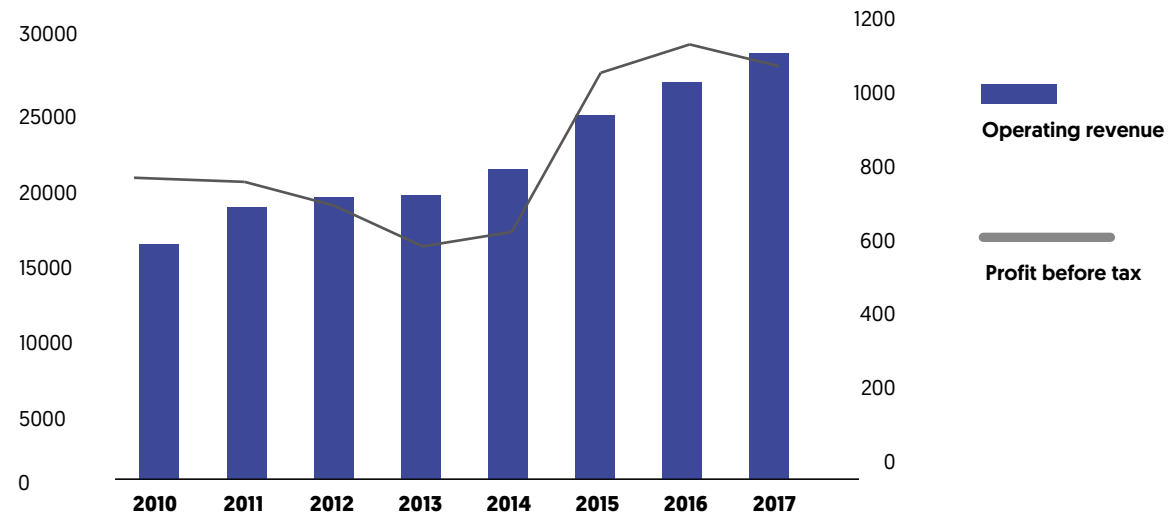
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Facts 2017

Møller Mobility Group had solid growth and achieved a healthy profit in 2017. At the same time, the leading auto group in the Nordic countries had a year marked by change with a view to further strengthen our position in a rapidly changing car market.



“A solid financial status and strong market positions mean that we are able to take a leadership role in the enormous upheavals that the car industry is undergoing,” says CEO Terje Male.

The Group, formerly known as MøllerGruppen, achieved another new sales record in 2017. Last year's revenue amounted to NOK 28.3 billion, an increase of just over 7% from 2016. Over the past five years, the Group's revenue has increased by over 50%. There was sales growth in all of the Group's business areas last year.

Profit before tax amounted to NOK 1.1 billion, which is the

second best result in the Group's history, and only marginally below the record result for 2016. Møller's import business, which operates in Norway and the Baltics, saw a positive development in earnings in 2017. The dealer operations in Sweden and the Baltics also delivered a strong improvement in profits last year. In the Norwegian dealership business, by contrast, profits were down compared with the previous year, primarily as a result of lower margins and higher costs than previously in the Norwegian retail market. ŠKODA was voted Importer of the Year in Norway (source: BilNytt's customer satisfaction survey).

Key figures for 2017

4,345

> Employees in Norway, Sweden, Estonia, Latvia and Lithuania

28.3

> Turnover for the year (NOK billions)

60,568

> Cars imported. All brands in all our markets – a decrease of 1% compared with 2016

Møller Mobility Group

Møller Mobility Group is a family-owned group involved in the import, sale, servicing and financing of Volkswagen, Audi and Škoda cars. The company is represented in Norway, Sweden, Estonia, Latvia and Lithuania.

Car Imports

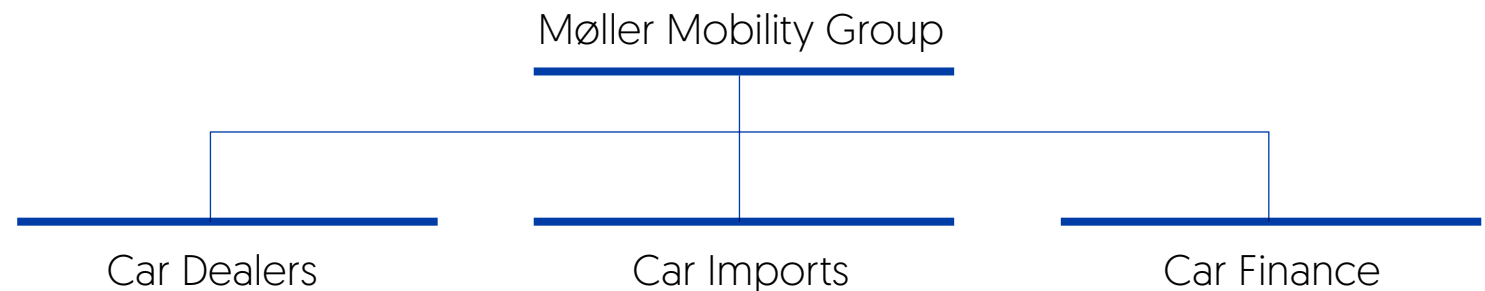
Harald A. Møller AS is Norway's largest car importer. The company is responsible for importing, distributing and servicing Volkswagen, Audi and Škoda cars in Norway and has now also relaunched SEAT. More than one in every four new cars sold in Norway has been imported by Harald A. Møller AS. Møller Baltic Import SE imports Volkswagen into Estonia, Latvia and Lithuania, and Audi into Latvia and Lithuania.

Car Dealers

Møller Mobility Group has a total of 67 car dealers in Norway, Sweden, Estonia, Latvia and Lithuania. Møller Bil Norge is Norway's largest car dealer chain and has 42 dealers and 11 specialised repair workshops throughout the country. Møller Bil Sverige is Sweden's second largest Volkswagen, Audi, Škoda and Seat dealer group and has a total of 12 sales outlets in central Sweden. Møller Auto Baltic has 13 sales outlets in Estonia, Latvia and Lithuania.

Financial Services

Volkswagen Møller Bilfinans AS is jointly owned by Møller Mobility Group (49%) and Volkswagen Financial Services AG (51%). The company offers loans, leasing and insurance linked to the respective brands' sales of new and used cars. A fully integrated part of the Volkswagen, Audi and Škoda value chain in Norway, Volkswagen Møller Bilfinans is Norway's largest leasing company and is especially dominant on the private car leasing market.



“Our goal is
to be best
and largest”



Terje Male
Group CEO

The future is here

2017 was a busy year. Important events included implementation of our new strategy plan “The Race”, the start of a major investment programme in digital services, the launch of the Hyre car sharing service, the establishment of MobilityLab, and the announcement that we are going to relaunch SEAT in Norway. Not only did we pass 1.5 million imported cars for the Group as a whole in 2017, we also changed our name to Møller Mobility Group, in preparation for our future customers’ needs.

We have chosen a new name for a new era. The automotive industry is undergoing massive changes. We believe that digitalisation, urbanisation, sustainability and customers’ needs for smart mobility solutions will drive the development of products and services. We are facing a transport revolution. The new name signals our vision for the future, while emphasising our roots in the Møller family. In addition, we now have a name that reflects our international footing.

We are a big company. In addition to being the leading auto group in the Nordic countries and the Baltics and one of the largest automotive businesses in northern Europe, we are also Norway’s 23rd largest company, measured by sales revenue, according to Kapital’s ranking for 2016. Møller Mobility Group as a whole is also one of the largest companies in Norway measured by other parameters, such as number of employees, number of apprenticeships, etc.

With size comes responsibility, and we work hard every day to keep moving forwards. We need to adapt, stay hungry and evolve. Møller Mobility Group had solid growth and achieved a healthy profit in 2017. At the same time, the leading auto group in the Nordic countries had a year marked by change with a view to further strengthen our position in a rapidly changing car market. In order to increase our ability to change rapidly, we have now combined our entire car dealership division under a single common management team. Møller Mobility Group’s car dealer operations currently consist of 67 dealerships and more than 3,700 employees in Norway, Sweden and the Baltics.

A solid financial status and strong market positions mean that we are able to take a leadership role in the enormous upheavals that the car industry is undergoing.

Møller Mobility Group still enjoys a very strong overall market position in Norway.

More than every fourth new passenger car and almost every third new commercial vehicle in the Norwegian market was supplied by Møller Mobility Group in 2017. In the Baltics too, our market share is stable. We intend to maintain our leading position in chargeable cars, and our range in Norway will be expanded with the relaunch of SEAT in the Norwegian market.

The Group is in the midst of an extensive digitalisation process, with a view to creating new and better solutions for our customers, cars and dealers. This spring, the Group’s new car sharing service, Hyre, will also be launched, paving the way for more efficient use of the fleet, as users will have the option of renting their own car to others or using other people’s private car. Møller Mobility Group is preparing to replace more than 30% of our current revenues with earnings from new mobility services by 2030. Through our leading position, we have the leverage to change the way cars are used in Norway, making it more eco-friendly and more efficient. With Hyre, we believe we have managed to combine the best of two worlds and create a winning team consisting of Møller Mobility Group’s car brands and market expertise and brilliant entrepreneurs that make things happen.

We are preparing for a transport revolution

There is broad consensus that the automotive industry is facing massive changes; indeed some people predict that the industry will see bigger changes in the next 5–10 years than we have experienced in the past 50.



Håvard Andersen
Head of Strategy and
Business Development

For over 80 years, Møller Mobility Group has helped meet people's mobility needs. Historically, our business model has been based on car ownership, with an increasing proportion of financing in recent years. Today we are at a crossroads where technology, the sharing economy, regulations and changed customer preferences are driving the development away from the private ownership model and towards new service-based mobility concepts.

We are already seeing that the cars are becoming electric and connected to the internet and that technology can perform more and more of the driver's tasks, in a development towards autonomous cars. Each of these developments in isolation will have a significant impact on the value chain, as we know it today. However, when we consider the impact of the technological changes and new business models together, we find we are on the brink of a transport revolution. An electric self-driving car shared by multiple users on a platform (the transportation as a service

"TaaS" model) has the potential to reduce the cost of owning a car by 80–90% in urban areas. This may sound like a distant dream, but technology companies like Uber are aiming to launch this model within five years. Then the automotive industry will meet its new "Netflix competitor", where customers can subscribe to one or more mobility services.

Large revenues from new mobility services

Uber's market valuation further confirms the potential behind this vision of the future. At the time of writing, Uber was valued at roughly the same as General Motors. Møller Mobility Group is preparing to replace more than 30% of our current revenues with earnings from new mobility services by 2030. A key issue we are currently working on is what the future value chain will look like and what role we will play. It is pertinent to draw parallels to the developments in the aviation industry when trying to forecast the automotive industry's development towards mobility services. The

aircraft industry has undergone a shift towards specialised business models where you have one company operating the aircraft, one company that maintains the aircraft, and one or more parties that finance the aircraft. In addition, the revenue flow has shifted from the journey itself to services sold during the journey. In this vision of the future, car dealers can be a natural operating and maintenance partner for fleet cars. Cars are a physical product that require space and infrastructure, and we believe that dealers will play an important role in the future as long as we are able to adapt.

Strategy towards 2020

We have called our strategy towards 2020 "The Race". It is our response to the rapid, comprehensive developments in the industry. The strategy contains elements of both defence and attack and outlines how we will reduce risks and costs, identify possible new revenue streams, create and launch new mobility services, and establish a strong digital presence. With the sudden, dramatic changes we are seeing in the automotive industry, it is important that we take the right steps at the right time.

Good relationship with Volkswagen AG

The Volkswagen importer contract was signed in 1948, and we have worked closely with the group ever since. In its new strategy, the Volkswagen group has stated clearly that it is aiming to become a world-leading provider of sustainable mobility. The new strategy is called "TOGETHER – Strategy 2025, where half of the business will be as we know it today, while the other half will focus on new areas. Thus, our strategy is also in synch with the factory's plans.

Volkswagen Group has launched the automotive industry's most ambitious electrification initiative with "Roadmap E", whereby the Group's brands will launch 80 electric models by 2025. Some 50 will be fully electric and 30 will be chargeable hybrids.

The Roadmap E electrification initiative also entails that Volkswagen will have an electric version of all the models in its entire portfolio by 2030, i.e. at least one electric version of the approximately 300 models that the group manufactures, making Volkswagen the first major automaker to set a date for electrification of its entire range of models.

Exponential technological developments

Technological developments in the automotive industry are nothing new. It is primarily the accelerating rate of development that will challenge our ability to remain a leading player in the industry. This is evidenced by, for example, the fact that the average life span of companies has fallen drastically, from 90 years in 1935 to 18 years today. Human brains are programmed to expect linear development, while new technology services are developing at an exponential rate. We therefore have a tendency to overestimate the impact in the short term, but seriously underestimate long-term consequences. Møller Mobility Group's strategy for the future will therefore reflect the fact that we must be a proactive service provider of smart mobility solutions as well as physical products. We also need to prepare ourselves for a necessary change in tempo. Our future competitors are not those we know today. They are unknown.

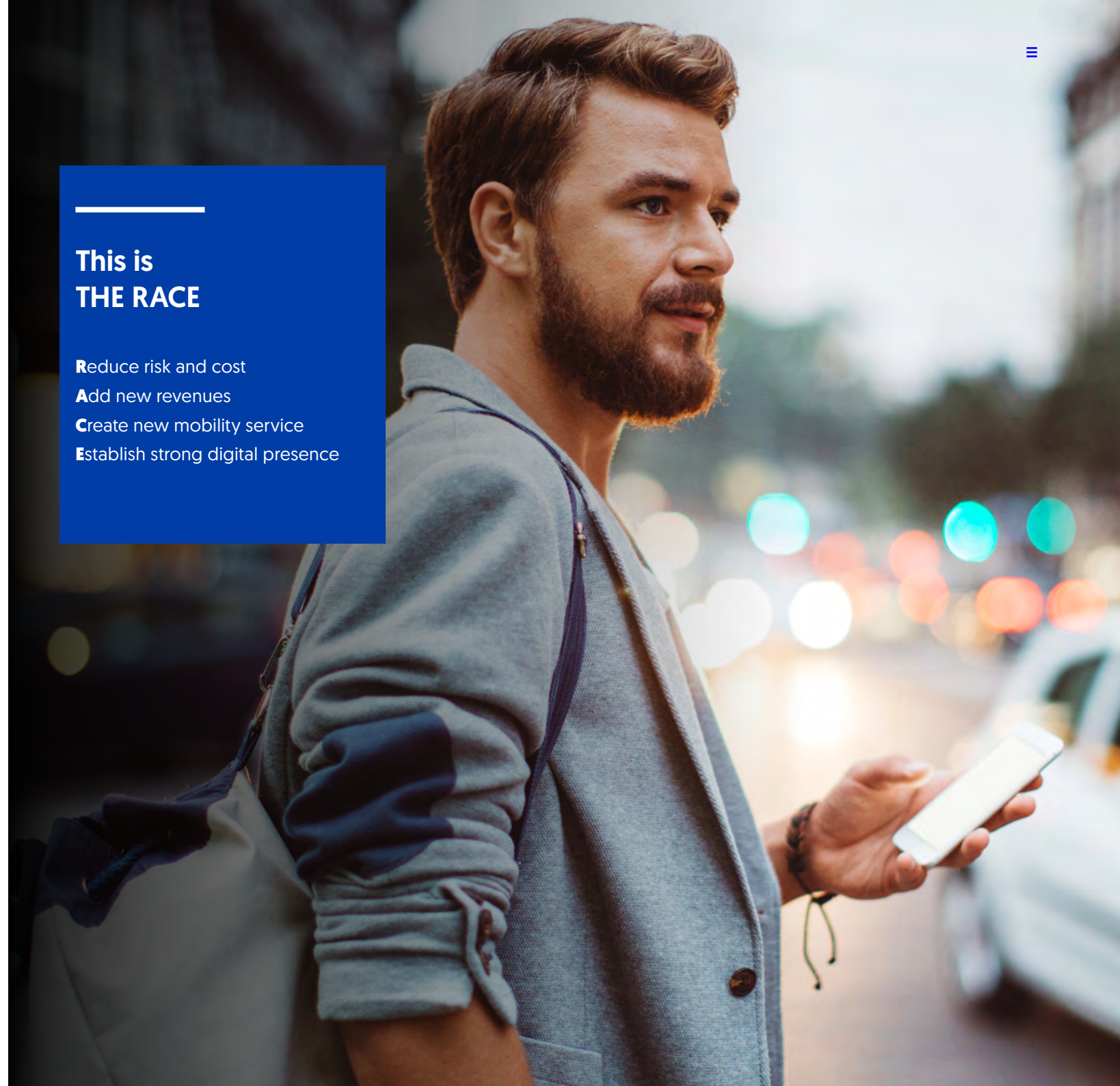
This is THE RACE

Reduce risk and cost

Add new revenues

Create new mobility service

Establish strong digital presence



Our value chain



The factory

Volkswagen Group is the world's largest automaker. The group has formulated a new strategy, "Together 2025", where half of the business will be as we know it today, while the other half will focus on new areas. Mobility, digitalisation and sustainable development are the main drivers.

The requirements for future mobility will transform the automotive industry's business models, and Volkswagen shall be at the forefront.

Møller Mobility Group has collaborated with Volkswagen AG since 1948, and the factory's strategy has also inspired Møller Mobility Group's strategy and operations.

10.7



> million cars manufactured by Volkswagen AG in 2017

The importers

Møller Mobility Group has two import companies: Harald A. Møller in Norway and Møller Baltic Import.

Harald A. Møller imports the brands Volkswagen, Volkswagen Commercial Vehicles, Audi and Škoda in Norway, while Møller Baltic Import imports Audi in Latvia and Lithuania and Volkswagen in Latvia, Lithuania and Estonia. Through their market expertise and financial strength, the importers provide the dealers with the power to succeed.

In 2018, Harald A. Møller will start importing and selling SEAT in Norway. This will be a new sales model where the end customer buys a car directly from the importer via a digital platform.

60,568



> cars imported in 2017

The Dealers

Møller Bil and Møller Auto are responsible for sales and aftersales service of our brands in Norway, Sweden, Lithuania, Latvia and Estonia. The goals for our 67 dealers are to increase customer satisfaction and fully exploit the potential of the Møller Bil brand.

NORWAY Møller Bil is Norway's largest car dealer chain with 42 dealerships and 2,491 employees.

SWEDEN Møller Bil is Sweden's second largest dealer group within Volkswagen, Audi, Škoda and Seat with 12 dealerships and 663 employees.

ESTONIA Møller Auto has four dealerships and 181 employees.

LATVIA Møller Auto has five dealerships and 225 employees.

LITHUANIA Møller Auto has four dealerships in Lithuania and 221 employees.

47,076



> new cars sold in Norway, Sweden and the Baltics in 2017

Financial services

Volkswagen Møller Bilfinans contributes to the dealers' success by offering competitive financing products.

30,000

> cars financed

30,000

> cars insured



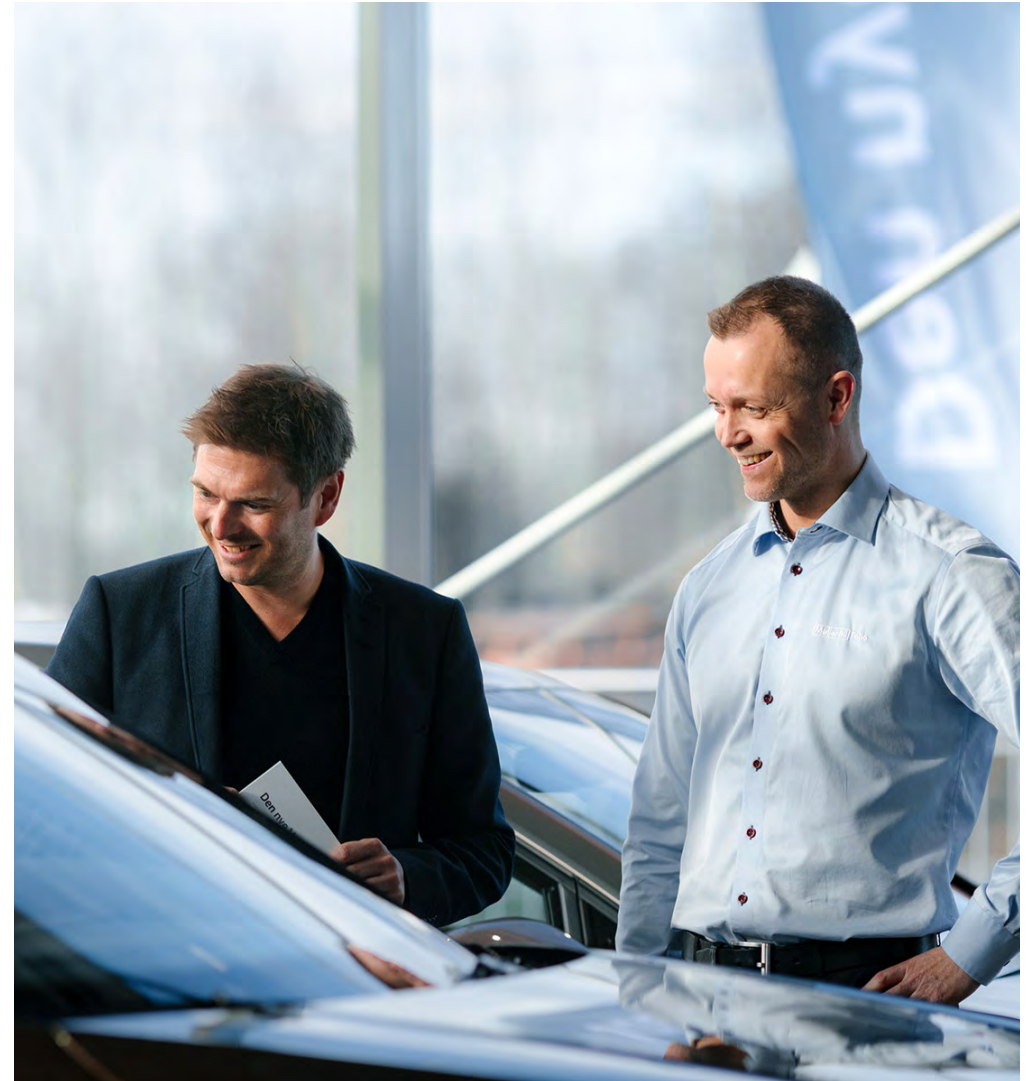
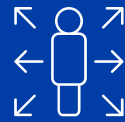
Our customers

Møller Mobility Group has more than 500,000 customer encounters each year. Our customers are our most important investment, meaning all Møller Mobility Group employees must create the best customer experiences every single day. Our core values translated into practice are an important foundation for creating positive experiences – for the customer and Møller Mobility Group alike.

We shall always strive to provide our customers with the very best solutions, and it is important for us to address the customers' requirements for future mobility.

750,000

> customers in 2017



Our brands are a unique strength

Report from Harald A Møller AS



Ulf Tore Hekneby
Managing Director
Harald A. Møller AS

Harald A. Møller set a new sales record of almost NOK 14 billion in 2017. We also achieved an excellent financial result of NOK 806 million.

This record profit is attributable to increased car sales and relatively low cost inflation. Increased sales of parts and accessories have also contributed to the good result. In addition, the results of our customer satisfaction surveys are stable and good, and we have a market share of 25.1% of the market for passenger cars and commercial vehicles in Norway. Volkswagen was Norway's best-selling passenger car make for the eighth year running and also Norway's best-selling commercial vehicle make for the 13th consecutive year. Volkswagen e-Golf was the most purchased electric model, and Škoda had its best year ever with 9,042 cars sold [+16.3%] and Audi its second best year with 7,673 cars sold [+ 0.3%].

In addition, Škoda was rated Importer of the Year in Norway by Bilnytt magazine. We had record sales of parts and accessories.

Møller Baltic Import's revenues increased by 9% in 2017 to NOK 2,177 million, while profit before tax rose 4% to NOK 48 million. Volkswagen passenger cars had a market share of 11.3%, while Audi had a market share of 1.8%. Volkswagen Commercial Vehicles had a market share of 11.9%.

Imminent changes

Not only did we pass 1.5 million imported cars for the Group as a whole in 2017, we also reached the milestone of 1 million Volkswagens sold in Norway since imports started in 1948.

For many years our brands have given us a competitive edge. A portfolio of models that match the customers' needs is our undisputed strength and will remain so in the future. At the same time, we recognise that the automotive industry is facing massive changes. For example, the Volkswagen group has stated that in the future only half of its business will be as we know it today; the other half will focus on new mobility needs, such as car sharing.

“We will maintain our leading position in chargeable cars, and our range in Norway will be expanded with the re-launch of SEAT in the market with an exciting new sales model.”

This will affect our everyday operations. We will have to change to ensure we continue to offer market-appropriate transport solutions. Møller Mobility Group is therefore investing heavily in digital customer solutions. We are also focusing on developing our employees' skills in line with the new commercial opportunities. We must all be prepared to acquire new, business-critical knowledge.

Volkswagen AG is currently building the world's largest battery factory and has launched the automotive industry's most ambitious electrification initiative – “Roadmap E”, whereby the Group's brands will launch 80 electric models by 2025. Some 50 will be fully electric and 30 will be chargeable hybrids. Once this is in place, we will be well equipped to position ourselves at the forefront in the competition with new and established auto businesses. One of our strategic objectives is therefore still to be best at chargeable solutions.

Harald A. Møller is Norway's largest car importer

- > New sales record of over NOK 14 billion
- > Steady, good customer satisfaction survey scores
- > Total market share in Norway of 25.1%

NOK 14 billion



The dealers are geared up for change

Report from Møller Bil AS



Petter Hellman
Managing Director
Møller Bil AS

2017 was an eventful year for Møller Bil. Many changes have been implemented, including the strategy programme The RACE and a comprehensive restructuring.

The dealers in Norway, faced with strong demand for electric powertrains and an imbalanced used car situation, have been most affected. At the same time, 2017 was a very good year for Møller Bil, with revenue growth in all regions and record sales totalling NOK 21.7 billion. Møller Bil in Sweden delivered a record-high profit of NOK 100 million, as did Møller Auto Baltic, with a profit of NOK 41 million. By contrast, the Norwegian dealership chain had falling profits, due to squeezed margins on new and used cars. Measures have been implemented to cut costs and improve efficiency, along with a dedicated used-car programme and a top-line focus on tightening up the value chain. We sold 47,076 new cars (+1.3%) and 30,068 used cars (6.3%) in 2017 and achieved record sales of parts and workshop services. We opened the Škoda Digital Concept Store in Oslo, opened a new Volkswagen

showroom in Horten, and signed an agreement to build a new Audi outlet in Gothenburg (scheduled to open in summer 2019). In connection with the merging of the dealership operations into a single unit, many managers in Møller Bil have been given new tasks.

Short and long term

Going forwards, it will be important to strike a balance between measures that will yield improvements in the short term and those that have a more long-term effect. This will be an important management task both at the local level in the individual dealerships and for the central management of Møller Bil. We must keep our customers satisfied, ensure sound operations and constantly deliver results, at the same time as we must look ahead to the future, manage risks and invest in digital solutions. Change is always challenging, because it requires that we speed up and slow down at the same time. The situation varies from region to region, but the main priorities for Møller Bil as a whole will be to:

- Fight for the volumes and turn earnings performance in Norway

“The car industry is undergoing major changes, but we are in a good position to win The RACE.”

- Reduce fixed costs
- Increase turnover rates and gross earnings on used cars
- Avoid guarantee fines and ensure good operations at the workshops
- Increase revenues in the aftersales market
- Continue the digitalisation of the customer journey, aftersales service process and sales process

The customer always comes first in Møller Bil. We are currently working on establishing an even stronger interaction between the customers, digital solutions and Møller Bil in the sales and service processes going forwards. Although digital solutions simplify our everyday lives in many ways, the human communication between us and the customer remains fundamental to our success.

Møller Mobility Group's major investments in digital customer solutions require enterprising employees with expertise in line with the new commercial opportunities. Digital knowledge will therefore become increasingly important.

Møller Bil 2017

- > Cars sold 47,076 new / 30,068 used
- > Turnover of NOK 21.7 billion

47,076 new

30,068 used



Car financing is an important part of the success

— Report from Volkswagen Møller Bilfinans



Vidar Eriksen
Managing Director
Volkswagen Møller Bilfinans

Volkswagen Møller Bilfinans is Norway's largest car leasing company with almost 25% of the car leasing market.

The company had its best year ever with a profit before tax of NOK 282 million (non-recurring effect in 2016 of NOK 95 million). In 2018 the company intends to grow further. Volkswagen Møller Bilfinans is a fully integrated and important part of the Volkswagen, Audi and Škoda value chain in Norway. With more than 30,000 vehicles financed in 2017 and more than 30,000 vehicles insured, Volkswagen Møller Bilfinans is very much part of the success that Volkswagen, Audi and Škoda enjoy.

Volkswagen Møller Bilfinans is especially dominant on the private car leasing market. There is a clear trend in society away from owning and towards leasing. This trend applies to both private individuals and large companies that prefer to let professional

partners manage their entire fleet with all the associated costs. This is the crux of car administration.

Great place to work

Volkswagen Møller Bilfinans was ranked the 14th best place to work in the category for companies with 50–199 employees. Through a comprehensive analysis of the corporate culture and a survey among the employees, focusing on credibility, respect, fairness, pride and camaraderie, Great Place to Work ranks the best businesses within four categories: more than 500 employees, 200–499 employees, 50–199 employees and 20–50 employees.

“Mobility, digitalisation and sustainable solutions are the industry's main drivers going forwards – in addition to conventional car sales.”

Volkswagen Møller Bilfinans in 2017

- > Volkswagen Møller Bilfinans is Norway's largest car leasing company with almost 25% of the car leasing market.
- > 75,272 contracts in the portfolio
- > A total of over 30,000 new contracts were signed and over 30,000 cars were insured in 2017

**Almost 25% of
the car leasing
market**



An aerial night photograph of a city, likely Oslo, Norway, featuring a prominent, multi-level highway interchange with glowing light trails from traffic. The city is illuminated with various lights, including streetlights and building lights, creating a vibrant urban scene. A body of water is visible on the right side of the image. The text "Binding corporate social responsibility in four areas" is overlaid on the left side of the image, with a blue vertical line to its left.

“Binding corporate
social responsibility
in four areas”



Paul Hegna
Vice President Corporate
Communication and CSR

Our sustainable social mission

In autumn 2016 the holding company Aars and Møller Mobility Group conducted a stakeholder and materiality analysis, with the purpose of defining a strategic framework for our social mission.

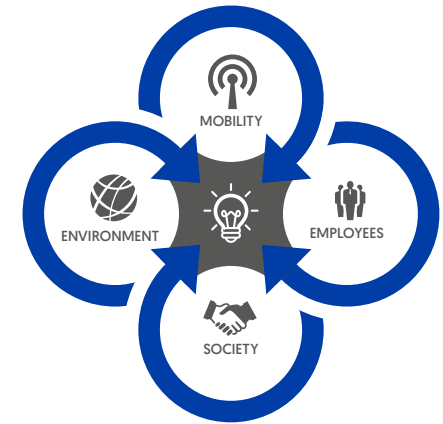
One of the initiatives that has emerged from the new strategy is the establishment of the company Møller Medvind in spring 2017. The company is our first major venture with the purpose of tackling one of the greatest challenges in society: young people under the age of 30 who have fallen outside the labour market. We are very proud of Møller Medvind, and the goal is to employ a significant number of people trained by Møller Medvind to work on the preparation of used cars in Oslo, which is an important part of our core business.

Our ambition is that our social mission becomes an integrated part of how we conduct long-term, profitable business in all our operations. At the same time, we have a responsibility to contribute to sustainable development. This is why we have chosen to call our CSR work our “sustainable social mission”.

We have defined three clear ambitions for our social mission:

- Be recognised for our role in contributing to a greener everyday life for everyone
- Take a central position within smart urban MOBILITY solutions and urban concepts
- Be known as an enterprising company that cares about its EMPLOYEES and SOCIETY in general

Møller Mobility Group’s operations shall help promote human rights, good labour practices and environmental standards, and zero tolerance for corruption. A key tool in this work is our Code of Conduct, which explains our basic ethical principles and guidelines, indirectly linked to selected sustainable development goals in the UN’s 2030 target. In the longer term, our ambition is to incorporate our sustainable development goals into our business strategy.



“Our ambition is that our social mission becomes an integral part of how we conduct long-term, profitable business in all our operations.”

Environment

Møller Mobility Group wants to be a valued resource on automotive and environmental issues, enable our customers to make good environmental choices, and be a market leader in chargeable cars.



In 2017 the share of electric vehicles reached an all-time high of 20.8% [27.5% in December 2017]. Hybrid technology is also on the rise, and the share of chargeable hybrids has risen from 0.1% in 2012 to 18.4% in 2017. By contrast, the share of diesel cars has fallen from 75.7% in 2011 to 30.8% in 2016 and 23.1% in 2017, and the share of petrol cars has fallen from 29.0% in 2016 to 24.7% in 2017. A growing number of customers are choosing cars with a new powertrain, and sales of chargeable cars accounted for just under 40% of new car sales in Norway in 2017, compared with 29% in 2016, making Norway the world leader in electric vehicles.

Volkswagen e-Golf is the best-selling electric car with a market share of 20.1%.

CO₂ emissions in Norway in 2017:

- All passenger cars 82 g/km [- 11 g/km]
- Petrol cars [all, including petrol-electric hybrids] 94 g/km [- 6 g/km]
- Diesel cars [all, including diesel-electric hybrids] 126 g/km [- 3 g/km]

- CO₂ emissions for our brands:
- Volkswagen 65 g CO₂/km [76 g]
- Audi 96 g CO₂/km [100 g]
- ŠKODA 130 g CO₂/km [124 g]

Volkswagen Group has launched the automotive industry's most ambitious electrification initiative with "Roadmap E", whereby the Group's brands will launch 80 electric models by 2025. Some 50 will be fully electric and 30 will be chargeable hybrids. The initiative entails that Volkswagen will have an electric version of all the models in its entire portfolio by 2030 at the latest.

Volkswagen AG is also building the world's largest battery factory, at the same time as the vehicle charging infrastructure in Europe and the USA is being expanded massively. In Europe, the vehicle charging network is being built with 350 kW ultra-fast charging stations, which will ensure that batteries can be charged in a short period of time. Construction of charging stations began in 2017, and the goal is to have 400 electric vehi-

cle charging stations in Europe by 2020. In Norway, charging stations are being built in collaboration with Circle K.

The UN's sustainable development goals are a global plan of action for social development and a basis for prioritising efforts over the next 15 years. There are a total of 17 goals with a number of underlying targets. Volkswagen AG has committed to these goals. Four goals are particularly relevant for Møller Mobility Group.



The UN's sustainable development goal 13: "Take urgent action to combat climate change and its impacts."

"We believe that in 2025 all new passenger cars sold by the Group will be emissions-free."

Terje Male, CEO

> Sales of chargeable vehicles

Over half of all sales of Volkswagen passenger cars were chargeable in 2017.

> Zero emissions by 2025

Møller Mobility Group's ambition is that all new passenger cars sold by the Group will be emissions-free by 2025.

> Active buildings

Møller Bil has now implemented active energy monitoring at all dealerships, in Norway, Sweden and the Baltics. There is energy monitoring in 56 buildings in Norway, 17 buildings in Sweden and 14 buildings in the Baltics.

Mobility

Our goal for the future is to be a proactive provider of smart mobility services as well as physical products. Climate change is an important driver behind this decision.



Norway has ratified the international Paris Agreement on climate change, thereby committing to making necessary, forward-looking changes in the transport sector in order to reduce greenhouse gas emissions. In a nutshell, we must make much smarter use of what we have than we do today. Therefore, new, energy-efficient mobility solutions are also part of our social mission.

In addition, the automotive industry is currently at a complex intersection of technological change, urbanisation, digitalisation and a sharing economy, and customers are increasingly demanding smart mobility solutions. It is therefore no surprise that mobility has been incorporated into Volkswagen AG's and our own strategy.

Volkswagen Group is the world's largest automaker. The group has formulated a new strategy "TOGETHER 2025", which outlines a proactive focus on new mobility solutions – across all the brands. The Volkswagen group itself states that this marks the start of the biggest change process in the company's

history, with a focus on changing the group's core business and tapping potential new revenue streams. The Volkswagen group has also established the company MOIA to develop mobility services.

In our strategy, we set a course to take a key position within urban smart mobility solutions and urban concepts. Møller Mobility Group is preparing to replace more than 30% of our current revenues with earnings from new mobility services by 2030. To this end, in 2017 we have changed our name from Møller-Gruppen to Møller Mobility Group, launched the car sharing service Hyre, and established MobilityLab.

We know that transport needs will increase significantly towards 2030, and everything indicates that there will still be significant car-based transport. However, there is a great deal of uncertainty about the future ownership models, and we have therefore established Mobility-Lab to gain insight into and build up knowledge about smart urban mobility, to ensure we are well positioned to be

able to identify and respond to commercial opportunities, and to increase our credibility and market position in mobility. This is a major investment for us, and we are pleased to be joining forces with solid strategic partners such as the Norwegian Institute of Transport Economics (TØI) and the City of Oslo, Telenor, If, NSB, Circle K and Posten in this venture.

We have also launched a car sharing service "Hyre", whereby customers can easily share their car with others when they are not using it themselves, thanks to a digital key. This car sharing service represents the first of several initiatives that Møller Mobility Group is going to launch in the coming years. Increasing urbanisation and environmental awareness will result in changes in our transportation needs. Mobility solutions are therefore a strategic priority for us. With car sharing and other sharing services on the rise, it is only natural for us to be a leading supplier of these services too.

"Møller Mobility Group is preparing to replace more than 30% of our current revenues with earnings from new mobility services by 2030. Mobility solutions have therefore become a strategic priority for us."



UN sustainable development goal 9: "Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation."

Employees

Møller Mobility Group wants to be known as an enterprising company that cares about its employees and people in general.



It is important for us to invest in our employees, ensure that they have the right skills and expertise and are given challenging tasks. Working for Møller Mobility Group is demanding, engaging and fun. At year-end 2017, the Group had a total of 4,345 employees – an increase of 71 from the previous year. There were 663 employees in Sweden, a total of 694 in the three Baltic States, and 2,988 in Norway. In other words, we are still growing.

Møller Mobility Group's core values are the cornerstones of the Group's corporate culture and provide important guidelines for managers and employees on how to treat one another and our customers. Møller Mobility Group has also drawn up a Code of Conduct, which clarifies our basic ethical principles and provides guidelines. We maintain a continuous focus on this work, which was followed up in autumn 2017 through an internal Quest-back survey, carried out by Deloitte. In 2018, all employees in Møller Mobility Group will work on this through our new "Most important day of the year" initiative.

Our Group has many operational units that to a great extent have to be run as independent profit centres, and developing our managers and recruiting new ones is therefore a high-priority area. Møller Mobility Group has focused on developing its own managers for almost 30 years. Internal recruitment and the transfer of competence between the companies, especially between importers and dealers, are important cornerstones for the company's growth and development.

In 2017 we have conducted a Manager Programme (no. 20) for 19 middle managers in Norway. This has been held over a period of eight months with a total of five sessions. At the same time, we completed a manager development programme for 10 middle managers in the Baltic States and started a new Manager Candidate Programme (no. 18) for 22 participants in autumn 2017. The senior management team (TLP) met twice in 2017, focusing on strategic challenges and learning, with content from external speakers.

The era we are entering requires restructur-

ing to ensure we are best equipped to raise the competence of the entire organisation. In this context, technical and non-technical training are now going to be merged into a single training department, called The Harald A. Competence Centre. The new department will be located in the premises of our current training academy, the Servicing School in Skedsmo, which has been responsible for all technical training on all models of Audi, Škoda, Volkswagen passenger cars and Volkswagen commercial vehicles that are imported into Norway. Technical training has also been provided for our customer advisers and sales staff. Once SEAT is back, this make will also be included in the training.

By combining all the resources that work with teaching and training in Harald A. Møller, we will be in an even better position to develop the area in relation to the changes ahead. The merger will also enable a concerted focus on digital education and development of new learning methods for more professional development out in the chains.

"The era we are entering requires a restructuring to ensure we are best equipped to raise the competence."



UN sustainable development goal 3, target 3.6: "By 2020, halve the number of global deaths and injuries from road traffic accidents."

Society

We will be a leader in terms of diversity, creating an inclusive workplace, developing our employees and giving them opportunities.



We believe that the best way to help our fellow human beings is to give them work in our businesses. This has been done at many dealerships previously, but after the good experience from the vocational training at the vehicle preparation plant in Bekkelaget that started in autumn 2016, this is now going to be done more systematically. Candidates recruited through the Norwegian Labour and Welfare Administration (NAV) take a programme consisting of both practical vocational training and more theoretical education in relevant subjects, with the aim of getting young people outside the employment market into work, either with us or elsewhere. The trainees work on the technical or cosmetic preparation of cars. This autumn, three people who took this programme have been offered permanent employment with us.

We established Møller Medvind in 2017. Møller Medvind will create permanent, profitable workplaces for this target group and at the same time develop employees for work in other parts of the Group. The aim is to

hire a significant number of new employees in 2018.

“Møller Medvind is first and foremost a result of the owners’ community involvement,” says Kai Robert Solheim, General Manager of Møller Medvind.

Based on the fact that we have workplaces and NAV has job seekers, Møller Medvind and NAV Oslo entered into a unique new form of collaboration on the qualification and distribution of young job seekers in autumn 2017. A secondary aim of the collaboration agreement is to provide a framework for more sustainable and targeted collaboration between NAV and the private sector – locally and throughout Norway. A similar agreement was entered into with NAV Akershus in February 2018 for candidates for Møller Logistics in Skedsmo.

“People love to criticise NAV, but the individuals I met were incredibly dedicated and willing to go the extra mile. We have established a unique partnership,” continues Kai Robert Solheim.

FACTS

Collaboration agreement between Møller Medvind and NAV Oslo on the qualification and distribution of job seekers:

- The aim of the collaboration is to get people who have fallen outside the labour market into work in an inclusive environment. It is a goal that in the long term the participants will function and be productive in the workplace without the need for special support schemes.
- The idea is that, after a qualifying period of up to 9 (12) months, participants from the project will enter a permanent employment relationship in Møller Medvind. However, they will also be qualified for employment in other companies in Møller Mobility Group and elsewhere.
- A secondary aim of the collaboration agreement is to provide a framework for more sustainable and targeted collaboration between NAV and the private sector – locally and throughout Norway.



UN sustainable development goal 12: “Ensure sustainable consumption and production patterns.”

“It’s as if I have been given a second chance at life. The future looks bright with Møller Medvind.”

Anas, vehicle preparer at Møller Bil Logistikk

“It feels like someone has reached out to me, and I really want to make the most of this chance. If I am offered the opportunity to continue working at Møller Bil, I’ll definitely say yes.”

Michael, Møller Bil Logistikk



Mari Schage Førde
Owner and general manager
of Møller Signatur

Møller Medvind: New chance for young job seekers

Møller Medvind: Young people who have fallen outside the labour market are a major challenge in society. Møller Medvind wants to provide unemployed young people under the age of 30 with a second chance. The ambition is to create permanent, profitable workplaces for this target group.

Møller Medvind was established in 2017 in the wake of a successful practical vocational training scheme at Møller Mobility Group's new car preparation and finishing facility in Oslo. The company is our first major, own scheme in this area. In partnership with NAV Oslo, Møller Medvind has great ambitions.

"Møller Medvind will shortly start preparing up to 6,000 cars a year in Oslo, and we expect to hire a significant number of employees over the next few years," says the owner and general manager of Møller Signatur, Mari Schage Førde, which takes care of all the family's commitments linked to the company's social mission.

"We hope Møller Medvind will help solve one of the greatest challenges in society today: young people under the age of 30 who are outside the labour market," she adds.

Certificate of competence

During the course of 2018, Møller Medvind will build capacity and competence in the preparation and finishing of used cars in Oslo. This is an area where we need many new employees. Møller Medvind will train and educate candidates so that we are continuously building the capacity and competencies we need.

"We are also going to develop a certificate of competence in the preparation of used cars for people who wish to take a 'learning candidate' programme. In addition, our new employees will also receive training in other subjects related to the preparation and finishing of cars. In this way, we will create attractive workers who can also be employed elsewhere in our operations or at other companies," Mari explains.

"Møller Medvind will train and educate candidates so that we are continuously building the capacity and competencies we need."

From philanthropy to projects relevant to the business

Historically, businesses' corporate social responsibility has evolved from simply providing financial support for chosen causes to actively developing projects and initiatives that are closely linked to the business – ideally as an integrated part of the company.

"This is also our ambition. Although we have just started, we are already experiencing great enthusiasm for Møller Medvind internally within Møller Mobility Group and also from the outside world. We are particularly pleased by the good collaboration we have enjoyed with NAV, which has been crucial for the project. Everybody has been very helpful and great fun to work with," concludes Mari Schage Førde.

“This is exactly what NAV needs”



Based on the fact that we have workplaces and NAV has job seekers, in autumn 2017 Møller Medvind and NAV Oslo entered into a unique new form of collaboration on the qualification and distribution of young job seekers. In January 2018, a corresponding collaboration agreement was signed with NAV Akershus.

“This is an excellent template for NAV’s market initiatives,” says county director Hege Farnes Hildrum. “By entering into a partnership with a serious player like Møller Medvind, we increase the opportunities for transitioning to permanent employment for many people who struggle to get a job. I am particularly pleased that they are so eager to offer successful candidates a permanent

position. In addition, we know that this is an employer that is highly capable of providing vocational training and ensuring inclusion. This is very important for both our users and us here at NAV.”

“It is a goal that this collaboration can provide a framework for targeted collaboration between NAV and businesses throughout the whole of Norway,” says Hege Farnes Hildrum, Director of NAV Oslo.

“It is important for us to collaborate with businesses that motivate unemployed young people to learn something new in a safe environment.”

HEGE FARNES HILDRUM, DIRECTOR NAV OSLO

“I got a second chance”



Møller Mobility Group’s car facility at the port in Bekkelaget in Oslo is Norway’s largest passenger car and commercial vehicle reception plant. Every fourth new passenger car sold on the Norwegian market is prepared in the huge hall. The activity level is very high.

The hall has also provided life-changing activity for many young people who had fallen outside the labour market. For many years Møller has taken in young people who needed a fresh start. Preparing and checking new cars is real work and an ideal challenge for learning about working life. The facility has been a new starting point for cars and young people.

“I was unemployed for a long time, and not having a job to go to was a big problem. Through the vocational training at Bekke-

laget, I got a second chance and was offered a permanent job as a cosmetic vehicle preparer before the end of the programme. This gave me an enormous boost, and I now feel like I too am contributing,” says Zishan Najeeb, 29, from Oslo.

He and others can now look forward to getting many new, well trained colleagues as a result of Møller Medvind’s ambitions. Møller Medvind will train and educate unemployed young people at Møller Logistics at Bekkelaget and Skedsmo, and at Alnabru in Oslo.

“I got a second chance. And I got a steady job. It means everything.”

ZIZHAN NAJEEB, PERMANENTLY EMPLOYED COSMETIC VEHICLE PREPARER AT BEKKELAGET

“We have resources and we have visions. We want to create our future by running profitable businesses”



Harald Møller
Chairman of the Board and owner of
Møller Mobility Group and the holding
company Aars

Creating value for future generations

For more than 80 years, the Møller family has played a central role in social developments in Norway within our areas. We started with a single car dealer and workshop in Strømmen outside Oslo. Today, the family's ownership and activities are gathered in the family-owned holding company Aars.

These days we have operations and employees in Norway, Sweden and the Baltics. However, our core business is still cars. In addition, we own, operate and develop business properties, and we invest and get involved in companies that we believe can benefit from our active ownership. But the journey does not stop here.

For generations we have created value in the form of satisfied customers, experience, knowledge and capital. Value is created by clever, diligent people, in interaction with the local community. These are values and assets we have created for the benefit of future generations. We recognise and embrace the responsibilities that this entails.

We have resources and we have visions. We want to create our future by running profitable businesses, meeting new customer needs and at the same time helping solve some of the challenges facing society. We also share a co-responsibility for climate

change and want to find solutions that work. We believe in setting clear ambitions and acting to realise them.

Population growth will lead to further urbanisation, resulting in new needs for construction, transport and movement. We are particularly well positioned to develop mobility solutions and buildings that will characterise tomorrow's environmentally friendly, smart cities. Mobility is our past and will be an important part of our future.

Our ambition is to contribute to flow. We want people to be able to move safely and efficiently, without harming the environment. We also believe in the free flow of thoughts and ideas without prejudice between people of all kinds. We want to create more jobs – but we also want to create jobs for more people by providing opportunities to people who have fallen outside the employment market.

We are a family that values solidarity highly.

We are proud of our heritage and dream of creating visible results, ideally in partnership with others. When we succeed, we create value for our successors and for the community we all are part of.

“We are particularly well positioned to develop mobility solutions and buildings that will characterise tomorrow's environmentally friendly, smart cities.”

Key figures Møller Mobility Group 2017–2013

(Amounts in NOK millions)	2017	2016	2015	2014	2013	
	28 273	26 387	24 131	20 601	18 842	
Profit						
Operating profit	1 038	1 069	1 033	606	636	
EBITDA	1	1 389	1 408	934	848	
Profit before tax	1 121	1 180	1 103	671	701	
Profit for the year	861	912	824	511	511	
Capital						
Equity at 31 Dec.	3 225	2 934	2 624	2 324	2 373	
Total assets at 31 Dec	8 050	7 267	6 484	5 507	5 346	
Equity ratio	40,1	40,4	40,5	42,2	44,4	
Profitability						
Return on equity in %	2	28,0	32,8	33,3	21,8	22,4
Return on total assets in %	3	14,6	17,2	18,4	12,4	14,2
Number of employees						
Number of employees	4 345	4 274	4 107	3 926	3 771	
Total payrolland personnel costs	2 812	2 616	2 457	2 310	1 998	

1) Including results in associated companies

2) Return on equity: profit for the year as a percentage of average equity

3) Return on total assets: the result before tax plus financial costs as a percentage of average total assets.

Board of directors' report 2017

THE NATURE, SCOPE AND LOCATION OF THE GROUP

During the 2017 financial year, MøllerGruppen changed its name to Møller Mobility Group. The name change comes in the wake of a strategic process where the management and the Board have together staked out the future direction for the Group. One of the pillars of the new strategy is the owners' ambition to meet new customer needs, while at the same time addressing societal challenges linked to mobility and the environment, among others. At the same time, it has been important that the strategy reflects and supports the Volkswagen Group's ambition to become a world-leading provider of sustainable mobility.

The Group's core business is still the import, sale, servicing, financing and repair of the brands Volkswagen, Volkswagen Commercial Vehicles, Audi and Škoda. The business is located in Norway, Sweden, Estonia, Latvia and Lithuania. Møller Mobility Group's strategy is to grow with the Volkswagen Group's brands, and its goal is to create value for its customers, employees, shareholders and partners. Ever since Harald Aars Møller started his own car company in 1936, the core values – Honest and Trustworthy, Clear, Proactive, and Open-minded and Caring – have played a central role.

Møller Mobility Group is owned by Aars AS. Aars AS is a holding company focusing on

asset management and allocation of capital to its subsidiaries. Aars AS also owns Møller Eiendom, which owns a large percentage of Møller Mobility Group's car facilities. Møller Mobility Group rents the premises on long-term contracts.

Møller Mobility Group is managed through a shared corporate management consisting of the business areas Car Imports, Car Dealers, and Car Finance. Each business area is cultivated with an emphasis on independent responsibility and authority within the agreed framework of strategies and targets, to achieve long-term value development. Where appropriate, common functions are used to safeguard economies of scale across the business areas.

Car Imports

From 2017 Car Imports in Norway and the Baltics have been combined under joint management. Harald A. Møller AS is Norway's largest car importer with a total market share of over 25% in recent years. The four brands – Volkswagen passenger cars, Volkswagen Commercial Vehicles, Audi and Škoda – all have very strong positions in the Norwegian market. In 2018, Harald A. Møller is starting import and sale of Seat in Norway. This will be a new sales model where the end customer buys a car directly from the importer via a digital platform.

Harald A. Møller AS is the chain leader

for all the car brands and is also in charge of logistics for vehicles, parts and accessories for all dealers in Norway. Until 31 December 2016, IT operations were also part of Harald A. Møller, but to highlight and increase the focus on IT as a corporate function for all markets, IT operations were spun off into a separate company owned directly by Møller Mobility Group AS with effect from 1 January 2017.

Møller Baltic Import imports Volkswagen passenger cars and Volkswagen Commercial Vehicles to all three Baltic countries and Audi to Latvia and Lithuania. The importer is based in Riga and is the largest car importer in the Baltic States.

Car Dealers

The car dealers were previously organised in three separate business areas: Norway, Sweden and Baltics. From 2017, these have been merged into a single business area and into the legal company Møller Bil AS, with joint management and programme functions for used cars, the aftersales market, marketing and property across the markets. Møller Bil is now subdivided into five regions: Oslo, Western Norway, Central Norway, Sweden and the Baltics. The dealers are engaged in sales of new and used cars and operation of mechanical workshops and repair workshops. The dealers operate as independent units, but work is coordinated and experiences are shared where appropriate – also across

national borders. Møller Bil's new organisational structure enables this in a good way.

In Norway, Møller Bil AS owns a significant part of the Norwegian dealer network. With 42 dealers and 11 specialised body & paint workshops spread across the country, Møller Bil is Norway's largest car dealer chain. Møller Bil covers around 60% of the Norwegian market for Volkswagen and Audi, with a primary focus on the largest cities. Škoda has a market share of around 45%. In terms of management, the dealerships in Norway have been organised into three regions: Western Norway, Central Norway and Greater Oslo.

The Group's dealers in Sweden are also organised as a chain under the name Møller Bil. The chain consists of 12 dealers in Mälardalen, with a shared administration in Uppsala. Møller Bil Sverige accounts for about 10% of the Swedish importer's sales.

The dealers in the Baltics are organised in the same way as in Norway and Sweden under the name Møller Auto Baltic. The chain has shared management for the three countries, located in Riga. Møller Auto consists of 13 dealers who are largely located in the three capitals: Riga, Tallinn and Vilnius.

Car Finance

Car Finance operates in Norway and is run by the company Volkswagen Møller Bilfinans AS. This is a jointly controlled company with Volkswagen Financial Services AG. The

company offers loans, leasing and insurance linked to the respective brands' sales of new and used cars.

MACRO-ECONOMICS AND FRAMEWORK CONDITIONS

The macro-economic developments have been positive in all the Group's markets in 2017. GDP growth was good in the Baltics and Sweden, but somewhat lower in Norway. Unemployment has decreased in all the markets. This, combined with low interest rates, has contributed to very strong car sales in Norway and Sweden and a considerable increase in sales in the Baltic region.

Norway has Europe's most favourable tax system for electric cars. The government has indicated that this will continue for a few more years. There are also a number of tax discounts for chargeable hybrids. A very large number of electric cars have been sold thanks to the tax system in Norway, and sales of chargeable hybrids are also rising. Sales of chargeable cars increased from 44,885 in 2016 to 62,258 in 2017, accounting for 39% of the total market. Volkswagen passenger cars and Audi have a strong position in this segment with a total market share of 26%.

By 2022, Volkswagen AG will invest over EUR 34 billion in electric cars and technology development related to autonomous vehicles, digitalisation and mobility solutions. Volkswagen AG has launched the automotive indus-

try's most ambitious electrification initiative with "Roadmap E", whereby the Group's brands will launch 80 electric models by 2025. Some 50 will be fully electric and 30 will be chargeable hybrids. Mobility, digitalisation and sustainable solutions are the industry's main drivers going forwards – in addition to conventional car sales. The fact that the factory is among the first to head in a new direction means Møller Mobility Group is well equipped to meet the changes.

The diesel scandal

The upgrading of the cars affected by the Volkswagen diesel scandal continued in full throughout 2017, and by the end of the year 77% of all the affected cars in Norway and about 60% of the affected cars in the Baltics had been upgraded. The upgrades are being carried out as guarantee work with normal coverage. The cars have retained all their technical data in accordance with their type approvals. The situation has not had any negative financial consequences for the Group in 2017. Volumes and market shares have also remained at at least the same level as before the issue became known. Internal customer surveys in connection with upgrades show that the customers are happy with the handling of the case. The upgrades will continue through 2018.

The car market

The car market in Norway was even stronger

in 2017 than in 2016, which was also a good year. Some 158,650 new passenger cars were registered in Norway in 2017, an increase of 2.6% compared with 2016. The total number of commercial vehicles under 3.5 tonnes ended up at 35,838 vehicles, down marginally from 2016.

Sales of new cars in Sweden achieved a new record high of 379,255 vehicles, an increase of just under 2%. The market for commercial vehicles grew by 7% to 55,382 vehicles. There was considerable growth in the car market in the three Baltic countries too in 2017, with sales of 78,771 cars, which is a 13% increase from 2016.

Annual financial statements

The consolidated profit before tax for 2017 amounted to NOK 1,121 million, compared with NOK 1,180 million in 2016. This is the second best result in the Group's history. The profit for 2017 is affected by a positive non-recurring effect of NOK 12 million (gains from the sale of property in Orkdal), while the profit for 2016 included a positive non-recurring effect of NOK 35 million (due to the change in the method for provisions for losses in Volkswagen Møller Bilfinans). Adjusted for these non-recurring effects, the profit for the year was NOK 36 million lower than for 2016.

Consolidated operating revenue totalled NOK 28.3 billion in 2017, up from NOK 26.4 billion in 2016. Consistently good market

performance, a very high total market for new cars in Norway and Sweden, and continued good growth in the total market in the Baltics contributed to record sales. Contract intake in Norway, Sweden and the Baltics has shown a very positive trend in 2017. However, the number of registered cars was somewhat lower. This is mainly due to the backlog in deliveries of certain models, especially Volkswagen e-Golf.

Overall, the pre-tax profit was very good, but slightly weaker than in 2016. The Group delivered record results from car imports in Norway and the Baltics, as well as in dealership operations in Sweden. The car dealers in the Baltics also delivered profit growth, while the dealerships in Norway had a reduction in earnings due to lower margins on used cars and increased costs. Sales of cars financed by leasing continued to increase in 2017. Nevertheless, the share of the profit from Volkswagen Møller Bilfinans was slightly lower than in 2016; however, this is attributable to a positive non-recurring effect in 2016, and the underlying profit is better than the previous year. Other group companies had higher costs in 2017 compared with 2016. The increase in costs is primarily related to the investments in digital services, mobility concepts, strategy implementation and the change of name.

Net cash flow from operations rose by NOK 1 billion and amounted to NOK 1,787

million, compared with NOK 785 million in 2016. Cash flow from operations is significantly higher than in 2016 due to a reduction in working capital. Working capital was reduced by NOK 456 million in 2017, as a result of a reduction in the stock of new and used cars, a reduction in accounts receivable, and an increase in accounts payable. In 2016 working capital increased similarly by NOK 547 million.

The Board is satisfied with the results and market performances the Group delivered in 2017.

Investments, liquidity and financing

The Group's investments amounted to NOK 330 million in 2017, compared with NOK 306 million in 2016. The largest investments are in digital solutions and upgrading and development of the Group's IT systems. Møller Bil Horten moved into new premises in 2017, and minor upgrades have been made at several other facilities, both to increase capacity and to adapt to new standards from the manufacturers.

Liquidity and the financing situation are still very good. Møller Mobility Group issued a new five-year bond of NOK 400 million in March 2017 and at the same time bought back NOK 200 million from the bond that will mature in October 2019. The Group is thus financed by two bonds, each with a net value of NOK 400 million, that mature in 2019 and 2022 respectively, and a syndicated loan of

NOK 1 billion, due in 2021. The bonds ensure the Group good, long-term financing, and at the same time the Group gains an alternative source of financing to bank financing. The bonds are listed on the Nordic ABM exchange to ensure liquidity for investors. The syndicated loan is a framework agreement with flexible elements to finance the ongoing fluctuations in working capital. The sharp reduction in working capital in 2017 has led to a major decrease in net interest-bearing liabilities from NOK 953 million at the close of 2016 to NOK 105 million at year-end 2017.

At 31 December 2017, the Group's share capital amounted to NOK 3,225 million, corresponding to 40% of the total capital. This gives Møller Mobility Group a very strong financial position.

The Group's dealers have obligations totalling NOK 7,063 million linked to the future repurchase of cars from financing companies. This is an increase of 6% from 2016, due to the shift towards sales of private-leasing contracts in the Norwegian and Swedish markets. The Group is exposed to market-based risk in that the market price for cars could fall below the guaranteed repurchase value. Provisions have been made for estimated losses in the portfolio. Overall, earnings are good on the sale of used repurchase cars, and the Board is of the opinion that this risk is under satisfactory control based on the current financial position and market conditions.

When importing cars and parts, the transaction currency used is the euro, except for imports of Škoda, where payment is made in Norwegian kroner. Prices in euro are regulated according to currency agreements with the factory, which involve most of the risk being covered by the factory. Møller Mobility Group bears the transaction risk during the credit period, as well as a long-term strategic risk associated with the eurozone's competitiveness. Currency spot and forward contracts and options are used to reduce the settlement risk. The Group's investments in Sweden and the Baltic States are also subject to currency fluctuations. This risk is reduced by the businesses being funded in local currency. Equity is not hedged beyond the expected one-year dividend, which is secured by currency forward contracts until payment.

THE BUSINESS AREAS

Car Imports

The business area Car Imports consists of Harald A. Møller AS, which imports Volkswagen, Audi, Škoda, Seat and Volkswagen Commercial Vehicles in Norway, and Møller Baltic Import, which imports Volkswagen and Audi in Estonia, Latvia and Lithuania.

Harald A. Møller had total operating revenues of NOK 14,070 million. This is a new record and an increase of 5% from 2016. Profit before tax amounted to NOK 806 million in 2017, compared with NOK 712 million in 2016.

The improvement is attributable to increased car sales and relatively low cost inflation. Increased sales of parts and accessories have also contributed to the good result. This year's profit is the best in the company's history. Harald A. Møller AS retained its position as Norway's largest car importer, and our car brands had a total market share of 25.1% of the Norwegian car and commercial vehicle market, compared with 27.4% in 2016.

Volkswagen passenger cars continues to have good market shares, due to strong sales of chargeable cars. Contract intake was very high, but a shortage of vehicles meant the market share ended up lower than in previous years. Volkswagen was the most sold brand for the 12th consecutive year, and Volkswagen Golf was the most popular car model for the 11th year running in 2017. Škoda had an excellent year, achieving a market share of 5.7%, which is 14% higher than in 2016. This is a strong performance, considering Škoda does not have any chargeable models. Audi managed to retain its position, despite fierce competition in the premium segment, and its market declined slightly from 5.0% to 4.8%. Audi is expecting an improvement when the fully electric e-tron comes on to the market towards the end of 2018. Over 3,000 people had pre-ordered this car at the end of 2017. Volkswagen Commercial Vehicles showed good progress in 2017 and increased its market share from 28.6% in 2016 to 30.0% in 2017.

Sales of parts and accessories rose by 1.8%, compared with 2016.

Møller Baltic Import's revenues increased by 9% in 2017 to NOK 2,177 million, while profit before tax rose 4% to NOK 48 million. The margins on new cars are still low due to strong price competition. Volkswagen passenger cars had a market share of 11.3%, while Audi has a market share of 1.8%. Volkswagen Commercial Vehicles had a market share of 11.9%. The market shares are down slightly from 2016, apart from Volkswagen, which is marginally better. Estonia in particular still has great potential for improvement in terms of both Volkswagen passenger cars and Commercial Vehicles.

Car Dealers

Møller Bil, with subsidiaries in Norway, Sweden and the Baltics, achieved a combined profit before tax of NOK 362 million in 2017, compared with NOK 455 million in 2016. The decline in profits is due to weaker margins on used cars and increased costs. The Norwegian dealership chain's profit before tax amounted to NOK 299 million, compared with NOK 417 million in 2016. This is not satisfactory, and measures have been implemented to reduce costs and strengthen profits on used cars. The Swedish car dealers achieved a record-high profit before tax of NOK 100 million, compared with NOK 71 million in 2016. The market for new cars in Sweden is very strong, and our

dealers have performed well in this market. Like in Norway, there is increased pressure on the margins on used cars, while the aftersales market is doing better than last year. The dealerships in the Baltics also achieved their best-ever pre-tax profit of NOK 41 million, compared with NOK 25 million in 2016. Sales revenue is increasing in all areas, and cost control is good. Contract intake has been very good in 2017, and the order backlog is just over 25% higher than at the end of 2016.

Car Finance

Volkswagen Møller Bilfinans achieved a profit before tax of NOK 282 million, compared with NOK 344 million in 2016. Excluding the non-recurring effect in 2016 of the change in the method for provisions for losses, which amounted to NOK 95 million, there has been a clear improvement in the profit. The Group's share of 49% after tax amounted to NOK 117 million, compared with NOK 126 million in 2016. Losses remain low, and although the interest margin is falling slightly, increased volumes resulted in a higher profit.

The high volume of new car sales has led to significantly greater demand for financing services. The degree of financing is slightly higher as a result of strong growth in private leasing. The total assets under management increased by a further 24% to NOK 17,548 million at 31 December 2017.

PERSONNEL, WORKING ENVIRONMENT, THE ENVIRONMENT AND CORPORATE SOCIAL RESPONSIBILITY

At year-end 2017, Møller Mobility Group had 4,345 employees, an increase of 71 from the year before. There were 663 employees in Sweden, a total of 694 in the three Baltic States and 2,988 in Norway.

The proportion of women in Norway at year-end 2017 was around 16%. The Group has increased the proportion of women in senior positions in 2017, and at the beginning of 2018 there were two women in the corporate management, one female brand manager, one female importer in the Baltics, and six female general managers at car dealers. We want to further increase this number, which is reflected by the fact that we always encourage women to take part in our internal management programmes.

The company's working environment is considered to be good. In 2017, total sickness absence was 3.3%, compared with 3.0% in 2016. Long-term absence is stable. There were no occupational accidents in the company in 2017. Occupational health and safety and the working environment are monitored on an ongoing basis, in collaboration with the occupational health service.

Møller Mobility Group is a member of the UN Global Compact. This is described in more detail in our Corporate Social Responsibility Report, which covers personnel, the working

environment, the external environment and corporate social responsibility. For a more detailed description of these areas, please see the CSR Report.

MØLLER MOBILITY GROUP AS

The parent company, Møller Mobility Group AS, is in a solid financial position. The financial statements for 2017 have been prepared on the assumption that the parent company and the Group are going concerns, and the Board confirms that the basis for this assumption exists. It is the Board's opinion that the annual financial statements and accompanying notes provide comprehensive information about the company's operations and financial position at 31 December 2017. There have been no events following the end of the year that would affect an assessment of the company. In 2017, Møller Mobility Group AS had a profit after tax of NOK 589 million, which the Board proposes be allocated as follows:

Dividends	
and group contributions	NOK 200 million
Transferred to other equity	NOK 389 million
Total allocated	NOK 589 million

In addition to this, an additional dividend was distributed in 2017 totalling NOK 400 million. The company had a book equity of NOK 1,933 million. The company had 26 employees at 31 December 2017. The working environment is

good, and the company does not pollute the external environment. The company's head office is in Oslo.

PROSPECTS FOR 2018 AND BEYOND

The outlook for the Norwegian economy is largely positive for 2018, with continued low unemployment, low interest rates and optimism among consumers. These are important prerequisites for a continued strong total market for new cars in Norway. At the same time, the turn in sales in Norway away from fossil-fuel cars and towards chargeable cars is continuing, and the ability of manufacturers to deliver both fully electric cars and chargeable hybrids continues to affect the development in the overall market in the short term. The change in the method for measuring vehicle emissions from NEDC (New European Test

Cycle) to the new World Harmonised Light Vehicles Test Procedure. (WLTP) will also affect both car sales and the delivery situation for car manufacturers in 2018. These changes are already noticeable in the market, and the total market for cars in Norway has decreased by 16% in mid-March 2018, compared with the same period in 2017. The Group expects this to improve during the year, but overall, Møller Mobility Group expects a slight decline in the total market, with sales of 150,000 passenger cars and 35,000 vans in Norway in 2018. The record high market in Sweden is expected to decline slightly in 2018 to a market of approximately 360,000 passenger cars. In the Baltics, moderate further growth from the current levels is still expected.

There has been a surge in online trade in a wide range of industries in the last few years. It

is still very limited in the car industry. However, there is no doubt that technological developments and the customers' expectations will result in the car industry also being more strongly affected by this trend in the next few years. In 2018 Møller Mobility Group will continue its efforts to develop digital solutions for sales of cars and customer communication.

The emerging sharing economy and new purchasing and consumption patterns will have a huge impact on our value chain, but will also pave the way for new opportunities. Møller Mobility Group developed the car sharing service HYRE in 2017 and will further develop and launch it in 2018, at the same time as we will continue the work to identify our place in a future car sharing and mobility solution. This will be an important focus area in the coming period.

The Board is moderately optimistic about the car markets in our geographical areas. There is greatest uncertainty related to developments in Norway and Sweden, given that the markets here are at record-high levels, with continued uncertainty about future growth.

In general, the Board is of the opinion that uncertainty about important framework conditions outside the company's control will continue. This applies to the general economic situation, but also to some extent to the car manufacturer's arrangements and the authorities' influence through laws, taxes and duties, especially with respect to the tax regime for cars in Norway.

The Board of Møller Mobility Group AS

Oslo, 26 April 2018



Harald A. Møller
Chairman of the Board



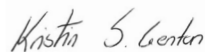
Øyvind Schage Førde
Board member



Jon Morten Møller
Board member



Jacob Schram
Board member



Kristin Solheim Genton
Board member



Jan Tellef Thorleifsson
Board member



Terje Male
CEO

Financial statements and notes 2017

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Consolidated income statement

<i>(Amounts in NOK millions)</i>	Note	2017	2016
OPERATING REVENUE			
Sales revenue		27 871	25 953
Other operating revenue		402	434
Total operating revenue	1	28 273	26 387
OPERATING COSTS			
Cost of goods		22 225	20 706
Payroll and other personnel costs	2	2 812	2 616
Depreciation and write-downs	6	234	213
Other operating costs	3	1 964	1 783
Total operating costs		27 235	25 318
OPERATING PROFIT		1 038	1 069
FINANCIAL ITEMS			
Income from investments in associated companies	4	117	126
Other financial income	5	40	50
Other financial costs	5	(75)	(65)
Total financial items		83	111
PROFIT BEFORE TAX		1 121	1 180
Taxes	19	260	268
NET PROFIT		861	912
Majority		852	897
Minorities		9	15

Group assets

<i>(Amounts in NOK millions)</i>	Note	2017	2016
ASSETS			
Deferred tax asset	19	243	238
Intangible assets	6	276	221
Goodwill	6	33	38
Total intangible assets		552	496
Tangible fixed assets			
	6	628	624
Investments in associated companies	4	888	758
Investments in shares	7	2	2
Other receivables	11	13	14
Total financial fixed assets		903	774
TOTAL FIXED ASSETS		2 083	1 894
Stock			
	9	3 335	3 546
Accounts receivable	10	1 345	1 439
Other receivables	11	513	356
Total receivables		1 858	1 795
Cash and cash equivalents			
	12	774	32
TOTAL CURRENT ASSETS		5 966	5 373
TOTAL ASSETS		8 050	7 267

Group equity and liabilities

<i>(Amounts in NOK millions)</i>	Note	2017	2016
EQUITY			
Share capital	13	48	48
Other equity		3 122	2 833
Minorities' interest		56	53
TOTAL EQUITY	17	3 225	2 934
LIABILITIES			
Deferred tax	19	33	24
Pension liabilities	8	54	51
Other provisions and contingent liabilities		25	12
Total provisions for liabilities		112	87
Liabilities to financial institutions		797	597
Other non-current liabilities		17	16
Total non-current liabilities	16, 18	815	613
Liabilities to financial institutions	18	64	372
Accounts payable		756	613
Tax payable	19	238	293
Public duties payable		950	795
Dividends and group contributions		213	173
Other current liabilities	14	1 678	1 387
Total current liabilities		3 898	3 633
TOTAL LIABILITIES		4 825	4 333
TOTAL EQUITY AND LIABILITIES		8 050	7 267

The Board of Directors of Møller Mobility

Group AS

Oslo, 26. april 2018



Harald A. Møller
Chairman of the Board



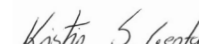
Øyvind Schage Førde
Board member



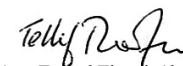
Jon Morten Møller
Board member



Jacob Schram
Board member



Kristin Solheim Genton
Board member



Jan Tellef Thorleifsson
Board member



Terje Male
CEO

Consolidatet cash flow statement

<i>(Amounts in NOK millions)</i>	Note	2017	2016
CASH FLOW FROM OPERATIONS			
Profit before tax		1 121	1 180
Depreciation and write-downs	6	234	213
Gains from sale of fixed assets / companies		(22)	(6)
Tax payable		(323)	(273)
Own financing		1 010	1 114
Change in stock		208	(450)
Change in accounts receivable and payables		248	(97)
Change in other items		321	218
NET CASH FLOW FROM OPERATIONS		1 787	785
CASH FLOW FROM INVESTMENTS			
Investments in tangible and intangible assets		(377)	(306)
Sale of business assets (sales sum)		49	43
Payments in connection with purchase of shares in subsidiaries and businesses		-	(45)
Capital paid to AC		(74)	-
Proceeds from sale of shares in associated companies	4	5	-
Proceeds from sale of shares in subsidiaries		33	-
Proceeds and payments associated with financial fixed assets		(2)	19
NET CASH FLOW FROM INVESTMENTS		(366)	(289)
CASH FLOW FROM FINANCING			
New loans		202	300
Repayment of loans		(300)	(27)
Dividends paid		(573)	(751)
NET CASH FLOW FROM FINANCING		(671)	(478)
Change in cash and cash equivalents during year		750	18
Cash reserve at 1 Jan.		(40)	(58)
Cash reserve at 31 Dec.		710	(40)
Specification of cash reserve at 31 Dec.			
Means of payment	12	774	32
Overdraft / current market loans	18	(64)	(72)
Cash reserve at 31 Dec.		710	(40)

Accounting policies

The consolidated financial statements present financial information about the Group as a whole when group companies are treated as a single accounting unit. The companies that Møller Mobility Group has a controlling influence over are consolidated. The consolidated financial statements include the parent company Møller Mobility Group AS and the companies listed in note 5 to Møller Mobility Group AS's accounts, and their subsidiaries. Subsidiaries are consolidated from the moment control is transferred to the Group [acquisition date], and consolidation ceases when control of the subsidiary ceases.

Elimination of internal transactions

All transactions and balances between group companies are eliminated. Stock and other business assets are adjusted for unrealised internal profit.

Elimination of shares in subsidiaries

Shares in subsidiaries are consolidated using the acquisition method. The cost price of the shares in the individual subsidiary is eliminated against the subsidiary's equity on the acquisition date. The subsequent increase or decrease in value is added to the assets and liabilities on the balance sheet as increased / reduced value associated with and accounted for during the asset's remaining lifetime.

Increased / reduced values that cannot be attributed to specific assets or liabilities are recognised as goodwill / badwill on the balance sheet and depreciated / recognised as income over their financial lifetime.

In the case of acquisitions of subsidiaries with a minority, 100% of identifiable assets and liabilities are recognised on the balance sheet, while for goodwill only the majority share is recognised.

Disposal of subsidiaries

Where the Group reduces its stake to 50% or lower, profit/ (loss) is recorded as though the entire company had been sold. This means that the remaining stake is measured at fair value.

Conversion of foreign subsidiaries

Balance sheet items in foreign subsidiaries are translated using the closing rate, while earnings are translated using the weighted average exchange rate. Translation differences relating to foreign subsidiaries are charged to equity.

Minority interests

Minority interests are extracted as separate items in the income statement and on the balance sheet. In the income statement the minorities' share of the result after tax is calculated and shown.

Minority interests on the balance sheet

represent the minorities' share of the companies' equity, taking into account the minorities' share of increased / reduced values and internal profits.

Associated companies and joint ventures

Shares in companies in which the Group holds between 20% and 50%, and over which the Group has significant influence and where the investment is long term in nature are consolidated in accordance with the equity method in the consolidated financial statements. This means the Group's share of the net profit after tax and depreciation of any increased values are recognised under financial items and added to the carrying amount of the share. Internal sales of the business assets of associated companies are corrected for unrealised internal profit.

Stakes in joint ventures are treated according to the same policy. In the company accounts, associated companies are accounted for using the cost method. The investment is valued at the lower of cost and fair value.

Individual stakes in smaller companies with limited value and profit are treated as ordinary share investments, which are assessed at the lower of cost price and fair value.

ACCRUALS, CLASSIFICATION AND MEASUREMENT POLICIES

Fundamental accounting policies

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting policies based on the fundamental principles of historical cost, comparability, going concern, congruence and prudence. Transactions are recognised at the value of the remuneration on the transaction date. Income is recognised when earned, and costs are matched with earned income.

Classification of assets and liabilities

Goods, current receivables and current liabilities include items due for payment within one year of their acquisition, and items related to goods circulation. The current portion of non-current liabilities due within one year is classified as non-current liabilities. Other items are classified as non-current assets or non-current liabilities.

Estimates

Estimates are used to measure income, costs, balance sheet items and other liabilities for which there are no market values. This applies to the measurement of warranty liabilities, obsolete stock, pensions, and goodwill, other long-term provisions and deferred losses on repurchase liabilities. Future events may lead

to changes in the estimates. Estimates and underlying conditions are assessed continually. Changes to accounting estimates are recognised in the period the change occurs.

Income recognition

The Group sells products and services, which are recognised on delivery. For sales of new cars with repurchase agreements, the sale is recognised on delivery. Subsequent repurchases and sales of repurchased cars are recognised as separate transactions. Total repurchase liabilities are detailed in note 15.

For sales of new cars, vehicle import duty to the State comprises a significant amount. This is not shown as revenue, but is only included as current liabilities in the financial statements. The proportion of sales revenue related to future aftersales contracts is recognised as unearned income upon the sale and is recognised as income as the services are provided.

Tangible and intangible fixed assets

Tangible fixed assets and intangible assets on the balance sheet are stated at cost less ordinary depreciation. Ordinary depreciation and amortisation in the income statement is on a straight-line basis and is based on estimates of the financial and technical lifespan.

On indication that the carrying amount of a fixed asset is higher than its fair value, a test for impairment will be conducted. The test is conducted for the lowest level of the fixed

assets that have independent cash flow. If the carrying amount is higher than both the value and the recoverable amount (present value of continued use or ownership), the asset is written down to the higher of sales value and recoverable amount. Write-downs are reversed if the basis for the write-down no longer exists.

Lease agreements that are not recognised (operational leasing) are presented in the financial statements as an operational cost and the annual leasing amount is presented in note 6. Leased assets are recognised on the balance sheet if the lease transfers substantially all the risks and rewards incidental to ownership of the assets.

Shares and units

Shares in subsidiaries of a strategic nature and other long-term investments are classified as fixed assets and recognised at the lower of cost price and fair value. Dividends from subsidiaries are recognised in the same year as the company sells them. Dividends from other companies are recognised as income when the dividends are paid.

Short-term investments are classified as current assets and are measured at the lower of cost price and fair value.

Stock

Stocks of cars are assessed at the lower of cost price and assumed retail price after sales costs. An individual assessment is made of each car.

Parts and equipment are recognised at average procurement cost (in accordance with the FIFO principle). Write-downs are made for obsolescence.

Accounts receivable and other receivables

Accounts receivable and other receivables are recognised on the balance sheet at their nominal rate after the deduction of confirmed and expected losses.

Other financial investments

Short-term financial investments are recognised at market value.

Taxes

Taxes consist of tax payable and changes to deferred tax. Tax payable is fixed based on the year's taxable result. Deferred tax on the balance sheet is calculated based on temporary differences between taxable and accounting values and tax losses carried forward. Deferred tax assets where future use is uncertain are not recorded. Deferred tax and deferred tax assets are presented net on the balance sheet when there is a basis for offsetting. If the tax rate has changed since the previous year, the new tax rate is used to calculate deferred tax.

Deferred tax and deferred tax assets on acquisitions are calculated based on the difference between fair value and book value in acquired companies for identifiable assets and liabilities. Deferred tax is not calculated on goodwill and increased value of properties

upon acquisition. Deferred tax on temporary differences associated with investments in subsidiaries is included, unless the temporary difference is unlikely to be reversed in the immediate future.

Pensions

The Norwegian companies have a defined-contribution group pension scheme, which is covered by insurance companies.

In addition, the Norwegian companies have a few unfunded pension liabilities, which are charged directly to operations and calculated by an actuary. Most of the Norwegian companies are covered by the contractual early retirement scheme (the "AFP" scheme) through the Norwegian Federation of Trade Unions (LO) and the Confederation of Norwegian Enterprise (NHO). Although this is a defined-benefit scheme, there is no direct allocation of assets and liabilities for each individual company. The scheme is therefore treated as a defined-contribution plan for accounting purposes where premiums are charged as a cost as they are incurred.

The Swedish companies have group pension schemes (defined-benefit and defined-contribution schemes), which are governed by collective agreements. The companies in Lithuania, Latvia and Estonia do not have pension plans.

The accounting for pensions has now changed from following the Norwegian Accounting Standard (NRS 6) to accounting

in accordance with IAS 19. This means that on the transition date actuarial gains and/or losses were set to zero and charged to equity. In accordance with the new policy, the year's actuarial gains and/or losses were charged to equity.

Defined-contribution pensions are calculated on an ongoing basis in the financial statements, with the Group contributing a certain percentage share of the employee's salary to the insurance company. The contributions are invested in funds, and employees can choose between various savings profiles. Apart from this, the Group has no other liabilities to its employees in this scheme.

Financial instruments

When hedging future interest costs, where the hedging instruments are intended to protect the Group from variations in future cash flows, the hedging instrument is not recorded in the balance sheet as long as the hedging is considered effective. Gains or losses are recorded at net in line with the result for the hedged item. For interest rate swap agreements where the hedging is not considered effective, the hedging instrument is recorded at market value in the balance sheet. Changes in market value are recorded in the income statement as they arise.

For currency forward contracts, the intention of which is to hedge assets and liabilities, where the hedge is considered to be effective, both the hedging instrument and

the hedged item are evaluated at fair value, and gains and losses are recognised. When hedging net investments in foreign currency and where the hedge is considered effective, the currency forward contract is evaluated at fair value. Changes to fair value are charged directly to equity.

Foreign currency

Monetary items denominated in foreign currencies are measured at the balance sheet date, and related foreign exchange gains/(losses) are recognised as financial items. This applies to cash and cash equivalents, receivables and liabilities. For non-cash items, the price at the transaction date is used as a basis for the acquisition cost and is not translated later. This applies mainly to stock and tangible fixed assets. The sale and purchase of goods and services in foreign currencies is calculated at the exchange rate on the date of the transaction.

The Group uses Norwegian kroner (NOK) as its presentation currency. The Group is exposed to changes in currency in SEK and EUR. Within the Group loans are granted in SEK and EUR.

Warranty allocations

The Group incurs warranty liabilities through sales of new cars in accordance with the warranties provided by the various manufacturers and regulations in the individual country. The manufacturers normally provide warranties according to applicable guidelines,

but importers and dealers provide warranties in addition to these in accordance with local laws and any goodwill payment. Warranty periods vary from one to 12 years.

With the sale of used cars, the dealer generally handles the warranty liabilities, in addition to the remaining manufacturer's warranty.

Ongoing provisions and assessments are made for future liabilities.

Contingent liabilities

Contingent liabilities are not recognised in the financial statements. Contingent liabilities are recognised when it is more than 50% likely that a liability will be incurred and the liability can be measured reliably.

Repurchase agreements

The Group has a portfolio of sold new cars with guaranteed repurchase prices. The repurchase prices vary from 50–70% depending on the rental period, mileage and model of car. The agreements are not recognised on the balance sheet. The liabilities are continuously assessed, and provisions are made for any anticipated losses.

Cash flow statement

The indirect method is used when preparing the cash flow statement. Liquid assets include cash, cash equivalents, financial investments [money market funds] and bank overdrafts.

LONG-TERM PARTNERSHIP CONTRACTS

Volkswagen AG, Audi AG, and Škoda automobilava s (companies in the Volkswagen group)

Harald A. Møller AS's contracts with Volkswagen, Volkswagen Commercial Vehicles, Škoda and Audi have an average notice period of two years.

The contracts with Audi and Volkswagen in the Baltic States have an average notice period of two years. The Volkswagen contract applies to Estonia, Latvia and Lithuania, while the Audi contract applies to Latvia and Lithuania.

Volkswagen Financial Services AG (company in the Volkswagen Group)

In 2009, Volkswagen Financial Services AG and Møller Mobility Group AS set up the company Volkswagen Møller Bilfinans AS to sell car financing products in Norway. Volkswagen Financial Services AG owns 51% and Møller Mobility Group AS 49% of the company. The current shareholders have preferential rights if shares are put up for sale.

Volkswagen Møller Bilfinans AS is treated as an associated company and incorporated using the equity method.

Notes

All figures are in NOK millions.

Note 1 - Segment information

The business consists of the following business areas: Car Imports (Norway and Baltics), Car Dealers (Norway, Sweden and Baltics) and Car Finance (Norway). The note on the segments for 2016 has been restated to match the new management structure.

The business areas report the following key figures:

	Car Imports	Car Dealers	Car Finance	Other companies	Eliminations	Group
Operating revenue	16 247	21 784	-	318	(10 076)	28 273
Operating profit/(loss)	858	391	-	(126)	(85)	1 038
Depreciation and write-downs	22	123	-	87	2	234
Income from investments in associated companies	-	-	117	-	-	117
EBITDA	881	514	117	(39)	(83)	1 389
Other financial results	(4)	(29)	-	(1)	-	(34)
Profit/(loss) before tax	854	362	117	(127)	(85)	1 121
Assets	3 094	5 028	518	3 880	(4 471)	8 050

	Car Imports		Car Dealers				Baltics
	Norway	Baltics	Oslo	West-Norway	Mid-Norway	Sweden	
Operating revenue	14 070	2 177	6 550	5 003	3 683	4 158	2 332
EBITDA	831	50	163	151	94	124	52
Profit/(loss) before tax	806	48	122	106	71	100	41
Assets	2 777	317	1 465	1 087	902	707	535

	Car Imports	Car Dealers	Car Finance	Other companies	Eliminations	Group
Operating revenue	15 455	20 490	-	69	(9 627)	26 387
Operating profit/(loss)	759	480	-	(64)	(106)	1 069
Depreciation and write-downs	83	126	-	6	(1)	213
Income from investments in associated companies	-	-	126	-	-	126
EBITDA	842	606	126	(59)	(107)	1 408
Other financial results	(1)	(25)	-	11	-	(15)
Profit/(loss) before tax	758	455	126	(54)	(106)	1 180
Assets	2 872	5 211	401	2 749	(3 967)	7 267

* Includes the effect of a change in the method for provisions for losses in VWMBF of NOK 35 million.

	Car Imports		Car Dealers				
	Norway	Baltics	Oslo	West-Norway	Mid-Norway	Sweden	Baltics
Operating revenue	13 457	1 998	6 356	4 672	3 371	4 012	2 041
EBITDA	794	48	227	176	121	96	37
Profit/(loss) before tax	712	46	181	135	100	71	25
Assets	2 553	319	1 534	1 170	961	621	499

Note 2 - Payroll and other personnel costs

	2017	2016
Salaries	2 197	2 044
Employer's NI contributions	345	334
Pension costs	157	138
Other personnel costs	114	100
Total payroll and other personnel costs	2 812	2 616
Average number of employees	4 296	4 191
Loans to employees	29	30
	2017	2016
Salaries, bonuses, pension costs and other remuneration for the CEO	7	8
Board fees	2	2
Total remuneration of senior executives	9	10

At 31 December 2017 the CEO and board members own 0.34% and 0.44% stakes, respectively, in Møller MI AS. Møller MI AS is an investment company where senior executives have the opportunity to invest. The CEO is the CEO of Møller Mobility Group AS and is employed and paid by the parent company. Bonus schemes have been established here where the size of the payment depends on the results achieved for the year, combined with other qualitative assessment criteria, and where the bonus is considered to be part of the normal remuneration for this type of position. Two executives are entitled to two years' salary in the event of major reorganisations.

Loans to employees are mainly interest-bearing car loans where the companies have security in a car. The interest rate on these loans is 2.5%. In the event of sale, liquidation or other reorganisation, general managers in the Group are entitled to salary for one year, under certain terms.

	2017	2016
Audit fees and audit-related services	4	4
Tax, fees and other consultancy services	1	1
Total auditor's fees (excl. VAT)	5	5

Note 3 - Other operating costs

	2017	2016
Operating costs (rent, electricity, maintenance, car costs, etc.)	949	880
Sales costs (advertising, warranties, etc.)	758	705
Administration costs (IT services, fees, travel expenses, gifts, bad debts)	257	199
Total other operating costs	1 964	1 783

Note 4 - Investments in associated companies

Company name	Voting rights/ stake	Equity in company 31.12.17	Carrying amount 01.01.17	Internal profit	Additions disposals	Share of profit after tax 2017	Carrying amount 31.12.17
Volkswagen Møller Bilfinans AS	49 %	2 373	753	(56)	74	117	888
UAB Baltic Auto, Lithuania	35 %		5	-	(5)	-	-
Total			758	(56)	69	117	888

Investments in associated companies are incorporated in accordance with the equity method. The stake in UAB Baltic Auto was sold in 2017.

Note 5 - Other financial income and financial costs

	2017	2016
Interest income	5	4
Currency gains	34	44
Other financial income	2	2
Total other financial income	40	50

Interest costs	23	22
Currency losses	42	36
Other financial costs	10	7
Total other financial costs	75	65

Note 6 - Tangible fixed assets, intangible assets and goodwill

	Machinery and fixtures	Vehicles	Buildings	Intangible assets	Goodwill*	Total
Acquisition cost at 1 Jan.	977	112	424	458	183	2 154
Disposals in connection with sale of companies	(2)	-	(17)	-	-	(19)
Additions	84	93	54	146	2	379
Disposals	(86)	(69)	(41)	(38)	(86)	(319)
Currency translation difference	14	-	1	1	6	22
Acquisition cost at 31 Dec.	988	136	422	566	106	2 218
Accumulated depreciation at 1 Jan.	656	19	213	237	145	1 270
Disposals in connection with sale of companies	(1)	-	(1)	-	-	(2)
Year's depreciation and write-downs	90	27	29	80	8	234
Disposals	(84)	(25)	(15)	(27)	(86)	(237)
Currency translation difference	9	-	1	-	5	15
Depreciated at 31 Dec.	670	21	227	290	73	1 281
Carrying amount at 31 Dec.	318	116	194	276	33	937

* Goodwill in connection with acquisition of new companies, and goodwill in company financial statements.

Straight-line depreciation plan	3-7 years	3-7 years	20-50 years	3-10 years	5-10 years	
Annual rental of off balance sheet business assets	25		344			369
Duration of rental of business assets	1-5 years	1-5 years	1-15 years			

Depreciation time on goodwill that represents strategic investments is normally over 10 years. These are investments where Møller Mobility Group has a long-term perspective and that are within the Group's core business. Other items are depreciated over 5 years. Intangible assets of NOK 276 million concern software and development costs for IT systems.

Specification of goodwill in connection with acquisitions:

Business unit	Acquisition date	Depreciation period	Acquisition cost*	Accumulated depreciation*	Carrying amount*	Year's depreciation
Car Dealers Norway	2016	10 years	4	-	4	-
Car Dealers Sweden	2014	10 years	23	5	18	2
Car Dealers Baltics	2011	10 years	32	21	11	3
Car Dealers Sweden	2008	10 years	40	40	0	1
Car Dealers Sweden	2007	10 years	7	7	0	2
Total goodwill in connection with acquisitions			106	73	33	8

* Incl. currency translation difference

Note 7 - Investments in other shares and units

Some subsidiaries in Møller Mobility Group have a number of minor equity investments with holdings of 20-35%, such as repair and lacquer workshops and the tyre hotel. These are not treated as associated companies since they have limited value and small profits. At 31 December 2017 these investments had a total carrying amount of NOK 2 million.

Note 8 - Pensions

The Norwegian and Swedish companies in the Group have secured collective pension agreements. The companies in the three Baltic states do not have pension plans. In Norway we have an ongoing defined-contribution scheme. The defined-contribution plan is charged as a cost on an ongoing basis in the financial statements as the Group pays an amount of savings to the insurance company based on the individual employee's salary. The scheme has been adapted to comply with the new Act on occupational pensions, and the threshold between the lower and the higher savings rate is 7.1 x the National Insurance basic amount ("G"). In addition to saving for a retirement pension, disability pension and surviving children's pension are also covered. These payments do not have a paid-up policy element, meaning there is no future liability related to disability and children's pensions beyond the current premium payments.

The Group is a member of the contractual early retirement scheme (the "AFP" scheme) through the Norwegian Federation of Trade Unions (LO) and the Confederation of Norwegian Enterprise (NHO). The AFP scheme provides a life-long supplement to the standard pension. Employees can choose to start drawing on the AFP pension scheme from the age of 62. The new pension scheme is a defined-benefit, multi-employer pension plan funded by premiums that are determined as a percentage of the individual's salary. There is no reliable measurement and allocation of liabilities and assets in the scheme. Therefore, in the financial statements the scheme is treated as a defined-contribution pension scheme where the premium payments are charged as a cost on an ongoing basis and no provisions are made in the financial statements. In 2016, premiums were paid into the new scheme for employees up to the age of 61 at a rate of 2.5% of the total salary payments between 1 G and 7.1 G.

Our Swedish companies have pension plans in accordance with a collective agreement. The scheme in Sweden is a combination of defined-benefit and defined-contribution plans based on job category, age and income. The defined-benefit plan is partially financed by means of premium payments, while the rest is financed through the accumulation of pension liabilities in the balance sheet. The pension liabilities related to the part of the scheme that is not insured are calculated by an actuary. These liabilities will be reduced in line with the ongoing pension payments. All future pension savings are now insured, but these amounts are not calculated by an actuary, as the scheme is such that assets and liabilities are not allocated directly to the individual company in the collective pension fund. Møller Mobility Group bases its accounting of defined-benefit pensions on IAS 19 (see the note on accounting policies). This entails that the year's actuarial gains and/or losses are charged to equity.

	2017	2016
Interest cost of pension liabilities	3	1
Year's pension costs for funded and unfunded pensions	3	1
Defined-contribution pension	107	94
Defined-benefit pension not calculated by an actuary	46	43
Total pension costs	157	138
Carrying amount pension obligations calculated by an actuary		
Calculated pension liabilities at 1 Jan. 2017	(51)	(57)
The year's pension costs	(3)	(1)
The year's pension payments	2	2
Currency translation difference	(2)	4
Pension liabilities	(54)	(51)
Number of people covered by all pension plans	3 500	3 305
Financial assumptions		
Return on pension assets	-	0,0 %
Discount rate	3,8 %	2,3 %
Annual salary growth / annual G adjustment	2,0 %	0,0 %

The actuarial assumptions relating to demographic factors are the normal assumptions used by the insurance industry, adapted to the Group's age structure and retirement. All pension liabilities include the employers' National Insurance contribution.

Note 9 - Stock

	2017	2016
New cars	1 373	1 569
Used cars and demonstration cars	1 688	1 715
Parts and equipment	264	255
Other stock	10	7
Total stock	3 335	3 546

Note 10 - Accounts receivable

	2017	2016
Accounts receivable	1 345	1 449
Provisions for bad debt	(11)	(10)
Accounts receivable Aars Group	11	-
Total accounts receivable	1 345	1 439

Note 11 - Other receivables

	2017	2016
Loans to employees	13	14
Total non-current receivables	13	14

	2017	2016
Advances to suppliers	9	9
Loans to employees	16	17
Net VAT credit	3	3
Other prepaid expenses	101	116
Accrued income	181	124
Other current receivables	202	87
Total current receivables	513	356

Note 12 - Bank deposits

The Group has bank deposits totalling NOK 774 million. There are no restricted funds to cover tax owed. Tax deductions are secured by a bank guarantee (see note 16).

Note 13 - Share capital and shareholder information

Shareholders in Møller Mobility Group AS at 31 Dec. 2017	Number	Stake
A shares:		
Jan H. Møller	103	0,375 %
B shares:		
Jan H. Møller	1	0,004 %
Aars AS	24 778	90,102 %
Møller MI AS	2 618	9,520 %
Total	27 500	100,00 %

The share capital consists of 27,500 shares with a nominal value of NOK 1,734, in total NOK 48 million. There are two classes of share. All shares have equal voting rights. Aars AS votes for 82.3% of the shares directly and indirectly through Møller MI AS. Class A shares are guaranteed an annual dividend of NOK 5 million, collected from Møller Mobility Group AS and Møller Eiendom Holding AS.

Note 14 - Other current liabilities

	2017	2016
Provision for warranties and other liabilities	699	537
Accrued costs and prepaid income	485	453
Holiday pay and accrued salary	349	319
Advances from customers	146	80
Other current liabilities	-	6
Total other current liabilities	1 678	1 396

Note 15 - Related parties

Company	Company relationship	Transaction type	2017	2016
Volkswagen Møller Bilfinans AS	Associated company	Sale of cars	4 227	3 392
Total sales			4 227	3 392
Volkswagen Møller Bilfinans AS	Associated company	Purchase of cars	1 587	1 061
Møller Eiendom	Associated group	Rent costs	187	165
Total purchases			1 774	1 226
Volkswagen Møller Bilfinans AS	Associated company	Outstanding at 31 Dec.	150	128
Aars AS	Parent	Outstanding at 31 Dec.	183	147

Note 16 - Pledges, guarantees and commitments

	2017	2016
Fixtures	45	42
Accounts receivable and stock	458	532
Total carrying amount of assets with encumbrances	503	574

Guarantees	2017	2016
Repurchase agreements for cars	7 063	6 646
Vehicle import duty, Customs Region Oslo and Akershus	135	135
Withholding tax	115	111
Employees	8	5

Møller Mobility Group AS has a committed credit facility totalling NOK 1,000 million. Subsidiaries that comprise more than 80% of the gross turnover and equity in the Group are guarantors. At 31 December 2017 no withdrawals had been made from this facility. In addition, Møller Mobility Group also has an overdraft facility of NOK 100 million for Norway and Sweden, which is secured through joint and several liability (group account scheme). At 31 December 2017 no withdrawals had been made from this facility either. The Group's company in Latvia has an overdraft facility of EUR 4 million, which is also secured by a guarantee from Møller Mobility Group. At 31 December 2017, EUR 3.5 million of this facility had been drawn. The companies in Latvia have an overdraft facility of EUR 9.5 million, on which EUR 3 million had been drawn at 31 December 2017.

The guarantees for employees concern shareholders in Møller MI AS who have loans in Nordea that amounted to NOK 8 million at 31 December 2017. The guarantee is secured by collateral in shares. The Group companies included in the joint registration of VAT have joint and several liability for any debt. At 31 December 2017 Møller Mobility Group AS owes NOK 513 million in VAT, via the joint registration registered in Aars AS.

In 2014 the Group's companies in Latvia were imposed a corporate fine totalling EUR 7 million because of alleged price-fixing. Møller Mobility Group strongly disagrees with the grounds for the fine and holds that the fine is disproportionate and discriminatory in relation to the alleged violations. The case has been brought before the Latvian courts, and the trial started in January 2016. A ruling is expected in 2018. No provisions have been made for this in the financial statements for 2017.

Note 17 - Share capital

2017	Majority	Minorities	Total
Equity at 1 Jan. 2017	2 880	53	2 934
Profit/(loss) for the year	852	9	861
Annual dividend	(578)	(6)	(584)
Group contributions	(22)	-	(22)
Currency translation differences this year, etc.	36	-	36
Equity at 31 Dec. 2017	3 169	56	3 225

* Includes an additional dividend of NOK 400 million

Accumulated translation differences at 31 December 2017 amounted to NOK 97 million.

2016	Majority	Minorities	Total
Equity at 1 Jan. 2016	2 580	44	2 624
Profit/(loss) for the year	897	15	912
Annual dividend*	(548)	(6)	(554)
Group contributions	(7)	-	(7)
Currency translation differences this year, etc.	(40)	-	(40)
Equity at 31 Dec. 2016	2 881	53	2 934

* Includes an additional dividend of NOK 390 million

Note 18 - Debt, financing and financial risk

	2017	2016
Withdrawals from committed credit facilities	-	300
Overdraft	64	72
Total current interest-bearing liabilities	64	372
Bond issue	800	600
Arrangement costs	(3)	(3)
Total bond issue	797	597
Other long-term interest-bearing liabilities	17	16
Total non-current interest-bearing liabilities	815	613
Maturity		
Due in less than 2 years	64	372
Due in 2-5 years	815	613
Total	878	985
Key figures		
Unused committed credit facilities	1 168	860

Current liabilities

Møller Mobility Group has a committed credit facility of NOK 1,000 million that runs to 2021. The credit facilities are not secured, but all significant companies in Møller Mobility Group are jointly and severally liable for the liabilities. Møller Mobility Group AS is the registered borrower. At 31 December 2017 no withdrawals had been made from this facility. There are requirements (covenants) concerning financial key figures in the contract, linked to equity and cash flow, which are fulfilled at the end of the year. These liabilities are classified as current liabilities since all withdrawals from the facility will be of a short-term nature. For further information, see note 16.

Non-current liabilities

Møller Mobility Group has long-term financing through two bond issues of together NOK 1,000 million, of which NOK 200 million is owned by the company itself. These bonds will mature in November 2019 and March 2022. The bond issue is not secured, but is coordinated with the syndicated bank loan in terms of joint and several liability within the Group, and has the same equity ratio requirements.

Financial risk

The Group has companies involved in selling, financing and servicing cars. The Group's activities involve financial risk associated with currency, rates, credit and liquidity. The Group manages risk with the objective of ensuring predictable cash flows and sufficient liquidity to meet natural fluctuations in working capital.

Currency risk

The Group sells products in local currency. In Norway, the Group is exposed to short-term currency risk relating to imports of products in EUR. Car manufacturers bear significant long-term currency risk through agreements. Short-term currency risk is hedged in the spot and forwards market. The forward contracts are market-assessed (mark-to-market) and the value is recorded as foreign exchange gains at year-end. Unrealised exchange losses of NOK 2.4 million were recognised in the income statement at year-end.

In addition the Group has currency risk associated with the Swedish and Baltic companies. The risks are mitigated by having local external liabilities in the local currency. Møller Mobility Group does not generally hedge equity in foreign companies, but does strive to secure the expected dividend with a horizon of one year. Møller Mobility Group's total secured amount at year-end was SEK 42 million and EUR 3.6 million. Unrealised exchange losses amounted to NOK 2.2 million at year-end.

Interest rate risk

Møller Mobility Group is largely financed through a long-term bond issue with a floating interest rate. This entails a risk related to developments in interest costs. This risk is partially hedged by a portion of the debt being swapped to fixed interest rates through interest rate swaps. At 31 December 2017 the Group had interest rate swap agreements of NOK 400 million with a fixed interest rate of 2.2% and a remaining term matching the underlying loans. The interest swap agreements hedge 50% of the interest costs related to the bond issue at year-end. The date for determining the liquid element in the hedging contract is adapted according to the rollover of the underlying loans. The agreements were signed with a view to running until maturity. In light of this, Møller Mobility Group has chosen to record the agreements as hedge agreements, which means that ongoing changes in market value are not recorded in the income statement. At the balance sheet date, the market value of the contract was positive in the amount of NOK 1.4 million.

Credit risk

A significant part of the Group's turnover is cash-based. There will be a temporary credit risk associated with sales by importer companies to external dealers and in cases where cars or workshop services are sold on credit. The risks are hedged with tight credit procedures and close monitoring of outstanding accounts receivable. Historically, losses have been low.

Liquidity risk

The Group operates in a cyclical industry with relatively large fluctuations in working capital. There is therefore a risk associated with short-term access to liquidity. This is hedged by having flexible and committed framework financing of NOK 1,000 million where withdrawals are regulated according to need.

Buy back agreements

The Group has risk associated with buy back agreements. Total buy back agreement liabilities were NOK 7 billion at 31 December 2017. The risk is associated with future market prices for used cars. The risk is hedged through certain procedures for entering contracts and returning cars. A continuous assessment of the liabilities is conducted, and provisions are made for any anticipated losses.

Note 19 - Taxes**Taxes in the income statement**

	2017	2016
Profit before tax	1 121	1 180
Tax payable in Norway	232	284
Tax payable abroad	29	20
Tax on paid group contributions	7	2
Total tax payable	267	306
Change in deferred tax	(17)	(48)
Effect of change in tax rate in Norway from 24% to 23%	10	9
Tax cost	260	268
Profit for the year	861	912
Effective tax rate	23,2 %	22,7 %
23% of the profit before tax (24% in 2016)	269	295
Actual tax cost	260	268
Deviation tax cost	9	27
<i>The deviation comprises:</i>		
Permanent differences (including tax-free gains and dividends)	3	6
Profits in associated companies	(28)	(31)
Amortisation goodwill / excess value buildings	2	3
Foreign companies (lower tax rate)	5	(9)
Effect of changed tax rate in Norway	10	9
Shortfall / excess calculated tax in previous years	-	(5)
Total	(9)	(27)

Tax on balance sheet

The calculation of deferred tax takes into account the following temporary differences:	2017	2016
Accounts receivable and other receivables	6	6
Stock	276	285
Tangible fixed assets	(74)	(48)
Current and non-current liabilities	739	691
Pensions	16	15
Deferred losses	-	18
Latent dividend tax – Estonia	(61)	(57)
Total deferred tax	903	908

Norway 23%	240	223
Sweden 22%	(18)	(11)
Lithuania and Latvia 15%	1	13
Estonia 20%	(13)	(11)
Net deferred tax	210	214

Deferred tax asset on balance sheet	243	238
Deferred tax liability on balance sheet	(33)	(24)
Carrying amount net deferred tax	210	214

Deferred tax is included on the balance sheet as net within the various tax groups.

Change in deferred tax on the balance sheet is arrived at as follows:

Deferred tax at 1 Jan.	214	180
Additions / disposals acquired / sold companies	1	1
Deferred tax linked to internal profits in AC during the year*	(13)	(16)
Year's recognised change in deferred tax	7	38
Tax paid on dividends from Estonia	2	10
Net deferred tax at 31 Dec.	210	213

* Deferred tax linked to internal profits in AC (associated companies) is recognised on the balance sheet as part of the investment.

The tax payable on the balance sheet is arrived at as follows:

Tax payable on the income statement	267	306
Prepaid tax abroad	(23)	(11)
Tax on paid group contributions	(7)	(2)
Tax payable owed	238	293

The income tax rates in Norway, Sweden, Lithuania and Latvia in 2017 were 24%, 22%, 15% and 15%, respectively. From 2018, the tax rate in Norway will be 23%. Estonia does not have income tax; it has dividend tax. Latent tax has been allocated for dividends.

Note 20 - Significant transactions in the financial year

Transactions in 2017

Møller Mobility Group has not had any significant transactions in 2017.

Transactions in 2016

On 20 October 2016 Møller Mobility Group bought 100% of the shares in Orkdal Bil AS and Orkdal Eiendom AS, and 52% of the shares in Bilsenteret Bjugn AS.

This transaction had the following effect on the consolidated financial statements at 31 December 2016:

	Sales	Added value	Total
Cash	12		12
Accounts receivable	8		8
Business assets	37	17	54
Stock	34		34
Other assets	2		2
Accounts payable	(12)		(12)
Other interest-free liabilities	(17)		(17)
Interest-bearing liabilities	(27)		(27)
Net identifiable assets	38	17	55
Goodwill		2	2
Sales sum	38	19	57
Paid in cash			57
Acquired cash			12
Net cash out			45

Income statement

<i>(Amounts in NOK millions)</i>	Note	2017	2016
OPERATING REVENUE			
Other operating revenue		36	37
Total operating revenue		36	37
OPERATING COSTS			
Payroll and other personnel costs	1	77	62
Depreciation and write-downs	4	5	5
Other operating costs		38	34
Total operating costs		120	101
OPERATING PROFIT		(85)	(64)
FINANCIAL ITEMS			
Income from investments in subsidiaries	2	828	890
Interest income from group companies		31	28
Other financial income	3	30	36
Interest costs from group companies		(3)	-
Other financial costs	3	(56)	(53)
Total financial items		831	901
PROFIT BEFORE TAX		746	837
Taxes	14	156	211
NET PROFIT		589	626
<i>Proposed allocations in Møller Mobility Group AS:</i>			
Group contributions after tax		(22)	(7)
Dividends		(178)	(158)
Transferred to/(from) other equity		(389)	(461)
Allocated		(589)	(626)
Additional dividends decided before AGM date		(400)	(390)
From other equity		400	390

Assets

(Amounts in NOK millions)

	Note	2017	2016
ASSETS			
Intangible assets	4	11	13
Total intangible assets		11	13
Tangible fixed assets			
Investments in subsidiaries	5	598	558
Investments in associated companies	6	644	571
Investments in shares		1	1
Group receivables	8	1 331	1 220
Other receivables		5	6
Total financial fixed assets		2 579	2 355
TOTAL FIXED ASSETS		2 620	2 391
Other receivables		7	7
Group receivables	8	752	891
Total receivables		760	898
Cash and cash equivalents	10	703	7
TOTAL CURRENT ASSETS		1 462	905
TOTAL ASSETS		4 083	3 296

Equity and liabilities

<i>(Amounts in NOK millions)</i>	Note	2017	2016
EQUITY			
Share capital		48	48
Other paid-in equity		1	1
Other equity		1 884	1 901
TOTAL EQUITY	12	1 933	1 950
LIABILITIES			
Pension liabilities	7	2	1
Total provisions for liabilities		2	1
Bond loans		797	597
Liabilities to group companies	8	907	20
Other non-current liabilities		17	16
Total non-current liabilities		1 721	632
Liabilities to financial institutions		-	300
Accounts payable		5	4
Tax payable	14	141	205
Public duties payable		3	4
Dividends and group contributions	8	207	167
Other current liabilities		29	24
Liabilities to group companies	8	42	9
Total current liabilities		426	713
TOTAL LIABILITIES		2 150	1 346
TOTAL EQUITY AND LIABILITIES		4 083	3 296

I styret i Møller Mobility Group AS
Oslo, 26. april 2018



Harald A. Møller
Chairman of the Board



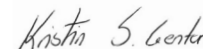
Øyvind Schage Førde
Board member



Jon Morten Møller
Board member



Jacob Schram
Board member



Kristin Solheim Genton
Board member



Jan Tellef Thoreifsson
Board member



Terje Male
CEO

Cash flow statement

<i>(Amounts in NOK millions)</i>		2017	2016
CASH FLOW FROM OPERATIONS			
Ordinary profit before tax		746	837
Recognised dividends / group contributions	2	(828)	(890)
Gains from sale of fixed assets / companies		1	-
Depreciation	4	5	5
Taxes paid during the period		(205)	(1)
Change in accounts receivable and payables		1	3
Change in intra-group receivables / liabilities		759	(79)
Change in other items		-	14
Net cash flow from operations		478	(111)
CASH FLOW FROM INVESTMENTS			
Investment in tangible fixed assets		(19)	(14)
Sales of tangible fixed assets		8	9
Investments in subsidiaries		(11)	-
Capital contributions in AC shares		(74)	-
Received dividends / group contributions		986	631
Net cash flow from investments		892	627
CASH FLOW FROM FINANCING			
Group contributions paid		(17)	(18)
Annual dividend		(158)	(351)
Additional dividends		(400)	(390)
Payment / repayment of private long-term borrowings		1	4
New / repayment of long-term debt		(100)	298
Net cash flow from financing		(673)	(457)
Net change in cash and cash equivalents during year		696	58
Cash reserve at 1 Jan.		7	(52)
Cash reserve at 31 Dec.		703	7
Specification of cash reserve at 31 Dec.			
Means of payment	10	703	7
Cash reserve at 31 Dec.		703	7

Notes

All figures are in NOK millions.

Note 1 - Payroll and other personnel costs

	2017	2016
Salaries	53	48
Employer's NI contributions	8	7
Pension costs	2	2
Other personnel costs	12	5
Total payroll and other personnel costs	77	62
Average number of employees	25	23
Loans to employees	1	1

Loans to employees are mainly interest-bearing car loans where the company has security in a car. The interest rate on these loans is 2.5%.

For information about the remuneration of senior executives, including the salary of the CEO of Møller Mobility Group, see note 2 to the consolidated financial statements.

Remuneration to the auditors in 2017 amounted to NOK 412,900 for auditing and NOK 603,060 for audit-related assistance. All amounts are stated exclusive of VAT.

Note 2 - Income from investments in subsidiaries

	2017	2016
Harald A. Møller AS	610	620
Møller Bil AS	122	270
SE Moller Baltic Import	47	-
Møller Bil Holding AB	49	-
Total income from investments in subsidiaries	828	890

Note 3 - Other financial income and financial costs

	2017	2016
Currency gains	28	34
Other financial income	2	2
Total other financial income	30	36
Currency losses	32	33
Other financial costs	24	20
Total other financial costs	56	53

Note 4 - Tangible fixed assets and intangible assets

	Tangible fixed assets*	Intangible assets	Total
Acquisition cost at 1 Jan.	26	16	42
Additions	19	-	19
Disposals	(12)	-	(12)
Acquisition cost at 31 Dec.	33	16	49
Accumulated depreciation at 1 Jan.	2	3	5
Year's depreciation and write-downs	3	2	5
Disposals	(2)	-	(2)
Depreciated at 31 Dec.	3	5	8
Carrying amount at 31 Dec.	30	11	41
Straight line depreciation plan	3-7 years	3-10 years	

* Cars, fixtures and furnishings

Note 5 - Investments in subsidiaries

Company name	Business office	Stake/ voting rights	Equity 31.12.2017	Profit/(loss) for the year 2017	Carrying amount
Harald A. Møller AS	Oslo	100 %	431	653	330
Møller Bil AS	Oslo	100 %	503	197	109
Møller IT AS	Oslo	100 %	108	(30)	51
Møller Bil Holding AB	Oslo	100 %	112	(6)	87
Møller Synergi AS	Oslo	100 %	4	-	9
Møller Bil Klargjøring AS	Oslo	100 %	11	1	12
Total investments in subsidiaries			1 169	815	598

* Includes dividends received / group contributions from subsidiaries totalling NOK 192 million.

The above table only shows shares owned directly by Møller Mobility Group AS. In total, the Group consists of 41 companies directly and indirectly owned by Møller Mobility Group AS.

Note 6 - Investments in associated companies

Company name	Voting rights/ stake	Equity in company 31.12.2017	Profit/(loss) after tax 2017	Carrying amount 31.12.2017
Volkswagen Møller Bilfinans AS, Oslo	49,0 %	2 373	117	644
Total investments in associated companies		2 373	117	644

The share of the profit/(loss) is not incorporated into the company financial statements; it is only incorporated into the consolidated financial statements of Møller Mobility Group.

Note 7 - Pensions

The company currently has a defined-contribution pension that has been adapted to comply with the new Act on occupational pensions. The defined-contribution pension is covered by the company through ongoing payments to an insurance company. The company has no further obligations beyond this.

The company is affiliated with the contractual early retirement scheme (the "AFP" scheme) through the Norwegian Federation of Trade Unions (LO) and the Confederation of Norwegian Enterprise (NHO). The new AFP scheme is a defined-benefit, multi-employer pension plan, and since the assets cannot be attributed to individual members, the scheme is treated as a defined-contribution pension scheme in the financial statements, and future obligations are not recognised on the balance sheet.

The remaining pension liabilities in the balance sheet relate to a handful of unfunded pensions paid through operations.

Pension costs	2017	2016
Defined-contribution pension	2	2
Pension costs	2	2
Carrying amount net pension obligations		
Calculated pension liabilities	(2)	(1)
Net carrying amount pension liabilities	(2)	(1)
Number of people covered by all pension plans	27	24
Financial assumptions		
Return on pension assets	0,0 %	0,0 %
Discount rate	2,3 %	2,1 %
Annual salary growth / annual G adjustment	0,0 %	2,3 %

All pension liabilities include the employers' National Insurance contribution.

Note 8 - Balances with companies in the Aars Group

	2017	2016
Møller Bil Norge	1 179	1 099
Harald A. Møller	14	-
Møller Bil Sverige	126	113
Moller Auto Baltic	12	9
Total non-current receivables	1 331	1 220

The receivables consist of operating capital and loans to group companies (group account scheme). The receivables are long-term financing of subsidiaries and have no specified repayment structure. The items must, in their entirety, be regarded as continuing for more than one year after the closure of the financial year.

	2017	2016
Bank deposits in subsidiaries (group account scheme)	907	20
Total non-current liabilities	907	20

	2017	2016
Receivables from group companies – dividends / group contributions	732	890
Accounts receivable group	2	1
Other receivables group	19	-
Total current receivables	752	891

	2017	2016
Outstanding group contributions	29	9
Dividends	178	158
Total outstanding group contributions and dividends	207	167

	2017	2016
Group contributions to group companies	38	8
Accounts payable group	4	1
Total current liabilities to group companies	42	9

Note 9 - Related parties

Company	Company relationship	Transaction type	2017	2016
All subsidiaries	Subsidiary	Financial income	31	28
All subsidiaries	Subsidiary	Sale of HR, IMS and administrative services	26	26
Total sales			57	53

All subsidiaries	Subsidiary	Financial costs	3	-
Møller Synergi AS	Subsidiary	Purchase of accounting services, etc.	1	1
Harald A. Møller AS	Subsidiary	Purchase of IT, telephony, switchboard services	2	2
Møller Bil AS	Subsidiary	Purchase of shares in subsidiaries	11	-
Total purchases			5	1

Note 10 - Bank deposits

Møller Mobility Group AS has bank deposits totalling NOK 703 million. The company has provided guarantees for tax owed by the subsidiaries amounting to NOK 115 million.

Note 11 - Guarantees and commitments

Guarantees and commitments	2017	2016
Vehicle import duty, Customs Region Oslo and Akershus	135	135
Withholding tax	115	111
Employees	8	5
Subsidiaries of Møller Mobility Group AS in the Baltic States	133	124

The guarantees for employees concern shareholders in Møller MI AS who have loans in Nordea that amounted to NOK 8 million at 31 December 2017. The guarantee is secured by collateral in shares. Other guarantees concern the subsidiaries.

Note 12 - Share capital

	Share capital	Other paid-in equity	Other equity	Total
Equity at 1 Jan. 2017	48	1	1 901	1 950
Group contributions paid	-	-	(22)	(22)
Additional dividends	-	-	(400)	(400)
Profit/(loss) for the year	-	-	589	589
Currency hedging of equity in foreign subsidiaries	-	-	(6)	(6)
Allocated to dividend	-	-	(178)	(178)
Equity at 31 Dec. 2017	48	1	1 884	1 933
	Share capital	Other paid-in equity	Other equity	Total
Equity at 1 Jan. 2016	48	1	1 830	1 879
Group contributions paid	-	-	(7)	(7)
Additional dividends	-	-	(390)	(390)
Profit/(loss) for the year	-	-	626	626
Allocated to dividend	-	-	(158)	(158)
Equity at 31 Dec. 2016	48	1	1 901	1 950

For information about share capital and shareholder information, see note 13 to the consolidated financial statements.

Note 13 - Liabilities, financing and financial risk

Current liabilities	2017	2016
Withdrawals from committed credit facilities	-	300
Total current interest-bearing liabilities	0	300
Non-current liabilities		
Bond loans	800	600
Arrangement costs	(3)	(3)
Total bond issue	797	597
Other long-term interest-bearing liabilities	17	16
Debt to Møller Mobility Group	907	20
Total non-current interest-bearing liabilities	1 721	632
Maturity		
Due in less than 2 years	-	300
Due in 2-5 years	1 721	632
Total	1 721	932
Key figures		
Unused committed credit facilities	1 168	860

Møller Mobility Group AS is Møller Mobility Group's internal bank.

Note 14 - Taxes

Taxes in the income statement

	2017	2016
Profit before tax	746	837
Tax payable in Norway	150	207
Corrections from previous years	-	1
Tax on paid group contributions	7	2
Total tax payable	157	210
Change in deferred tax	-	1
Tax cost	157	211
Profit for the year	589	626
Effective tax rate	21,0 %	25,2 %
24% of the profit before tax	179	209
Actual tax cost	157	211
Deviation tax cost	22	(2)
<i>The deviation comprises:</i>		
Permanent differences	(22)	(2)
Gains, losses, shares and dividends	-	-
Total	(22)	(2)

Tax on balance sheet

The calculation of deferred tax takes into account the following temporary differences:	2017	2016
Tangible fixed assets	4	4
Unrealised exchange rate losses on forward contracts	(5)	(3)
Amortised borrowing costs	3	-
Pension	(2)	-
Total deferred tax	0	1
Norway 23%	-	-
Net deferred tax	0	0

Change in deferred tax on the balance sheet is arrived at as follows:

Deferred tax at 1 Jan.	-	1
Year's change in deferred tax	-	(1)
Net deferred tax at 31 Dec.	0	0

The tax payable on the balance sheet is arrived at as follows:

Tax payable on the income statement	156	210
Corrections from previous years	-	(1)
Tax on paid group contributions	(16)	(4)
Tax payable owed	(141)	(205)

In 2017, income tax was 24%. This has been changed to 23% with effect from 2018.

Auditor's Report



To the General Meeting of Møller Mobility Group AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Møller Mobility Group AS showing a profit of mNOK 589 in the financial statements of the parent company and profit of mNOK 861 in the financial statements of the group. The financial statements comprise:

- The financial statements of the parent company, which comprise the balance sheet as at 31 December 2017, and the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the group, which comprise the balance sheet as at 31 December 2017, and the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the parent company as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying financial statements give a true and fair view of the financial position of the group as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

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

PricewaterhouseCoopers AS, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Independent Auditor's Report - Møller Mobility Group AS

Other information

Management is responsible for the other information. The other information comprises the Board of Directors' report and statement on Corporate Social Responsibility and list of key statistics, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and

(2)

Independent Auditor's Report - Møller Mobility Group AS



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 and 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 or 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 or 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 fair presentation.
- 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.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report and in the statements on Corporate Social Responsibility concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, it is our opinion that management has fulfilled its duty to produce a proper and clearly

(3)

Independent Auditor's Report - Møller Mobility Group AS



set out registration and documentation of the Company and the Group's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 26 April 2018

PricewaterhouseCoopers AS

Thomas Fraurud
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.

(4)

Moller Mobility Group

CSR report 2017





Paul Hegna
Vice President Communication and CSR

Our sustainable social mission

In autumn 2016 the holding company Aars and Møller Mobility Group conducted a stakeholder and materiality analysis, with the purpose of defining a strategic framework for our social mission.

The following social strategy focus areas were defined as priorities:

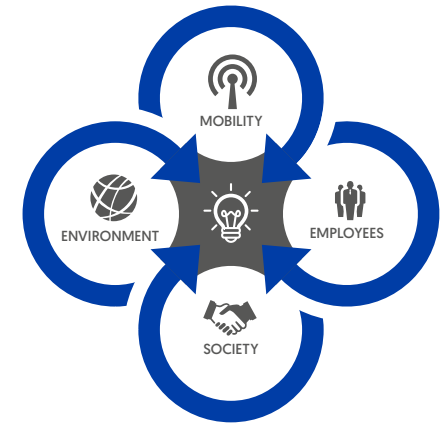
- Møller Mobility Group's core values and culture
- Energy-smart mobility and associated infrastructure
- Equality, diversity, inclusion and development
- Integration and measures for people who fall outside the labour market

These four areas were later reformulated into three concrete ambitions:

- Be recognized for our contribution to one greener society
- Take a central role within smart urban MOBILITY solutions and urban concepts
- Be known as an enterprising company that cares about its EMPLOYEES and SOCIETY in general

The four pillars: Society, Environment, Employees and Mobility form the basis of our social mission and have been translated into concrete, scheduled measures that together reflect our ambitions.

Our overarching ambition is that our social mission becomes an integral part of how we conduct long-term, profitable business in all our operations. At the same time, we have a responsibility to contribute to sustainable development. This is why we have chosen to call our CSR work our "sustainable social mission".



“Our overarching ambition is that our social mission becomes an integral part of how we conduct long-term, profitable business in all our operations”

An aerial night photograph of a city featuring a complex, multi-level highway interchange with glowing light trails from traffic. A river flows through the scene, reflecting the city lights. Modern buildings with illuminated windows are scattered throughout the urban landscape.

«Binding social
responsibility with
four perspectives»

Environment

Møller Mobility Group wants to be a resource on automotive and environmental issues, enable customers to make good environmental choices, and be a market leader in chargeable cars.



In only three years the market for electric cars and chargeable hybrids in Norway has grown from being a niche market to a very significant part of the new car market. Møller Mobility Group's position in Norway has never been better. We are now the leading player in our market and are thus living up to our ambition.

Volkswagen Group has launched the automotive industry's most ambitious electrification initiative with "Roadmap E", whereby the Group's brands will launch 80 electric models by 2025. Some 50 will be fully electric and 30 will be chargeable hybrids. The Roadmap E electrification initiative also entails that Volkswagen will have an electric version of all the models in its entire portfolio by 2030. It is therefore also our clear ambition to remain a leader in this area in the future.

Proportion of all registered new passenger cars that are chargeable (electric and plug-in hybrids): Almost 39% [29%]

Our brands

In 2017 Volkswagen's electric cars had a market share of 22.7%.

Volkswagen and Audi had a combined share of 25.9% of all sold chargeable hybrids.

Carbon emissions

In 2017 newly registered passenger cars in Norway emitted an average of 82 g of CO₂ per kilometre. This is 11 g lower than in 2016. Average CO₂ emissions have been reduced by 41 g/km in the past five years and by 76 g/km in the past ten years. In 2017 the share of electric vehicle reached an all-time high of 20.8% [27.5% in December]. [Source: Information Council for Road Traffic OFV].

Over half of all sales of Volkswagen passenger cars in 2017 were chargeable vehicles.

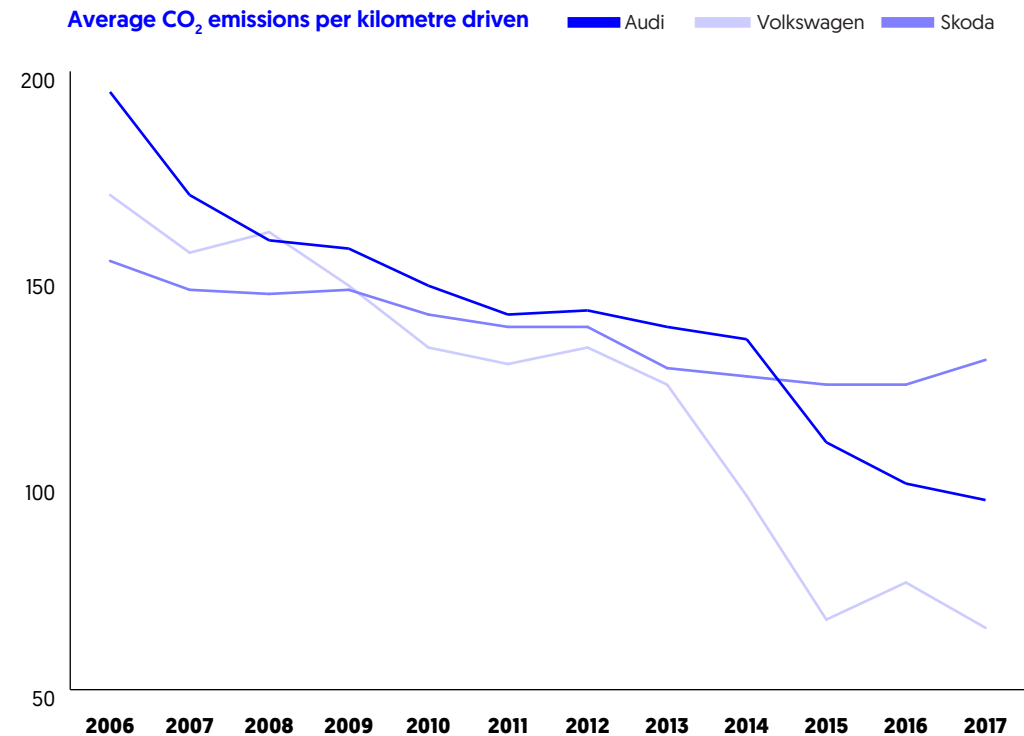
CO₂ emissions our brands, passenger cars

Volkswagen 65 g CO₂/km [76 g] Audi 96 g CO₂/km [100 g] ŠKODA 130 g CO₂/km [124 g]

Møller Bil Klargjøring

Møller Bil Klargjøring's main task is to install equipment and technically and cosmetically prepare all the cars that arrive in the country. The company provides services to all 42

Average CO₂ emissions per kilometre driven



dealers in Møller Mobility Group, as well as on the basis of major customer agreements via Harald A. Møller. In 2009, Møller Bil Klargjøring invested in a new washing and finishing facility. Before this investment was made, around 180 litres of water were consumed per car. Water consumed per finished car is now 26 litres. In the same period, the consumption of chemicals has been reduced from an average of 1.9 litres per car to the current level of 0.8 litres. Møller Bil Klargjøring is also Eco-Lighthouse certified.

In 2017, Møller Bil Klargjøring prepared 27,500 vehicles, which constitutes an average of 120 vehicles per day with a lead time of two days.

Waste – car recovery – 2017

The Norwegian car industry has developed an excellent tool for the collection and recovery of scrapped cars through Autoretur. Autoretur recycled 143,664 vehicles in 2017, and more than 97% of the vehicles' weight is recovered through material or energy recovery and reuse of parts. It is the car importers who are

responsible for the collection and recovery of scrapped vehicles.

The Autoretur scheme is intended to ensure the proper recovery and recycling of scrapped cars. It is important to reduce CO₂ and emissions of environmental toxins, and to increase the reuse of metals, which are a limited resource. The Autoretur scheme reduced Norway's emissions by 220,000 tonnes of CO₂ in 2016. This corresponds to roughly 1.5 billion vehicle kilometres, or roughly 98,000 cars' annual emissions, assuming an annual driving distance of 15,000 kilometres (ref. Economics Norway's environmental accounts). Autoretur also ensures that heavy metals such as lead, cadmium and mercury are properly treated.

In 2017, 141,153 vehicles were scrapped in Norway. A total of 180,884 tonnes of waste was treated. Of this, 145,030 tonnes underwent material recovery (80.7%), 19,876 tonnes underwent energy recovery (11.0%) and 9,924 tonnes were reused (5.5%). This means that 97.2% of the cars' weight was recovered and only 2.8% was sent to waste disposal in 2017.

An average of approximately 914 kg of

metals are recovered from a single scrapped car. Autoretur's environmental accounts for 2017 were not available until April 2018, after the deadline for this report. Autoretur is supervised by the Norwegian Environment Agency. [Source: Autoretur]

Waste management – Norway

Møller Mobility Group has a waste management contract with Ragnsells. The figures show a total waste volume and source separation rate in line with 2016.

The result of 2017 collection of waste, scrap and recyclable resources:

• Total volume of waste:	3,430 tonnes
• Source separation rate:	78%

The largest fractions are:

> Oil and fuel:	22%
> Metals:	17%
> Cardboard and paper:	15%
> Wood:	5%
> Plastic packaging:	4%

Waste management – Sweden

Sweden sorted more than 60% of all non-hazardous waste during the year, in line with the target. The total volume of non-hazardous waste was 605.44 tonnes in 2017. This business unit has reduced its emissions by 515.2 tonnes of CO₂ through recycling. Some 92% of the permanent employees have completed an interactive environmental course that is tailored to individual companies and organisations.

Waste management – Baltics

The dealers in the Baltic States comply with the waste management and reporting requirements that apply in Lithuania, Estonia and Latvia. This means that all dealers have procedures for waste management and have also signed agreements with companies that utilise this waste. This also applies to hazardous waste such as batteries and tyres. No centralised form of reporting for this has been established in Møller Mobility Group yet.

TEMPERATURE CORRECTED CONSUMPTION STATISTICS / CONSUMPTION PER SQUAREMETER (kWh/m²)

Norway	2013	2014	2015	2016	2017
Specific consumption temperature corrected	218	212	205	217	212
Endring		-6	-7	12	-5

Sweden (e.g. Uppsala)	2013	2014	2015	2016	2017
Specific consumption temperature corrected	186	190	183	189	163
Change		4	-8	7	-26
Uppsala	417	379	382	469	442
		-39	3	86	-27

The Baltics	2013	2014	2015	2016	2017
Specific consumption temperature corrected	278	272	248	251	217
Change		-6	-24	3	-34

Energy management in Møller Mobility Group

Environmental protection is firmly anchored in the Group, and considerable resources have been invested to reduce energy consumption and thus our environmental footprint. Active energy monitoring at all our sites seeks to deal with excessive energy consumption promptly. Measures are considered by local managers and operational personnel in collaboration with centrally contracted experts. In 2017 the scheme has been expanded so that the central experts can now access the central operations control systems in some buildings, enabling them to make adjustments more efficiently. The work in Norway has had good support from the Norwegian state's energy fund Enova.

Monitoring shows that energy consumption is now more closely linked to the level of activity at the facilities. This is especially true of the repair centres, but there is also increasing energy use linked to the charging of electric vehicles. In the future, energy accounts must therefore take such considerations into greater account and allow reporting of such purposes. Møller Bil has active energy monitoring in 56

buildings in Norway, 17 buildings in Sweden and 14 buildings in the Baltics.

Energy saving in Norway

A four-year energy-saving project involving 51 premises in Norway was concluded on 31 December 2017. Investments totalling NOK 15.6 million have been recorded. We are waiting for support from Enova in the order of NOK 4.4 million, which will be deducted from this amount. The total decrease in energy consumption during the period was 8.6 million kWh, while the corresponding temperature-corrected savings amounted to 4.6 million kWh. Overall, the project has thus yielded access to capital for the Group in the order of NOK 10 million, in addition to the environmental benefits.

A temperature-corrected savings of 800,000 kWh has been registered for 2017, compared with the level in 2016. The change in energy consumption is very unevenly distributed among the premises. The total savings at facilities that have reduced their energy consumption has been calculated to



1,500,000 kWh, while others have seen energy consumption increase by 700,000 kWh. One facility has reduced its energy consumption by 46% from 2016 to 2017. Going forwards, work will focus on explaining and evening out these differences, while ensuring that the most energy-efficient facilities maintain their low levels.

Energy saving in Sweden

Energy monitoring in Sweden requires a great deal of input by local operating technicians who commute between the facilities. At the annual planning meeting, all the facilities have been analysed and a set of action lists has been drawn up on the basis of the findings. Central experts have been contracted in to collaborate on further efforts, as required.

Average specific energy consumption was 163 kWh per square metre, if the facility in Uppsala is excluded. The facility in Uppsala is old and has an energy-intensive repair workshop. Specific energy consumption for Uppsala alone was 442 kWh per square metre. Since the corresponding index for the facilities in Norway for 2017 is 212 kWh per square metre,

the facilities in Sweden (apart from Uppsala) are reasonably energy-efficient. However, like in Norway, there are quite large variations between the individual scores. With variation between 140 and 442 kWh per square metre, in Sweden too the focus going forwards will be on improving energy efficiency in the least efficient facilities, while maintaining the low levels at the most efficient facilities.

The facilities in Örebro and Västerås are still being remodelled, and the energy initiatives here have thus been more strongly focused on ensuring energy-efficient solutions for the construction phase.

Energy saving in the Baltics

The energy statistics cover 10 out of 14 dealers. The dealers in Vilnius have been left out of the statistics due to poor data. Energy-saving measures in the Baltics have achieved good results using fairly simple means. The task going forwards will be to maintain these levels. Work will also be stepped up to enable automatic data collection for energy statistics, to ensure we have complete data for all the facilities.

The UN's sustainable development goals are a global plan of action for social development and a basis for prioritising efforts over the next 15 years. There are a total of 17 goals with a number of underlying targets. Volkswagen AG has committed to these goals. Four goals are particularly relevant to Møller Mobility Group.



The UN's sustainable development goal 13. "Take urgent action to combat climate change and its impacts."

"By 2025 we all think all Group passenger cars will be zero-emission cars"

Terje Male, CEO

> Chargeable car sales

More than half of the sales of Volkswagen's passenger cars were rechargeable in 2017

> Zero emission 2025

Møller Mobility Group has an ambition that all new passenger cars sold by The Group shall be emissions free in 2025.

> Active energy buildings

Møller Bil now has active energy follow-up at all dealers, both in Norway, Sweden and the Baltic countries. In Norway there are 56 buildings to be followed up, in Sweden 17 buildings and in the Baltics 14 buildings.

Mobility

In 2017 we changed our name to Møller Mobility Group – a well thought-out name. The idea behind the name “Møller Mobility Group” is rooted in the strategy that in the future we must be a proactive service provider of smart mobility solutions as well as physical products.

Mobility has rapidly become an integral part of Volkswagen AG's and our own strategy, and our goal is to take a key position within urban smart mobility solutions and urban concepts. Møller Mobility Group is preparing to replace more than 30% of our current revenues with earnings from new mobility services by 2030. Climate change is an important driver behind this decision. Norway has ratified the international Paris Agreement on climate change, thereby committing to making necessary, forward-looking changes in the transport sector in order to reduce greenhouse gas emissions. In a nutshell, we must make much smarter use of what we have than we do today. Therefore, new, energy-efficient mobility solutions are also part of our social mission.

Doing things on our own and with others

Møller Mobility Group is going to make major investments in new mobility services in order both to learn and to position ourselves to develop tomorrow's mobility solutions. We are going to launch our own services, but even though we have knowledge and expertise

that will be important to come up with the best solutions for the future, it is unrealistic to expect to find all the solutions ourselves. Together with our owners in Aars and the people at StartupLab, we have therefore taken the initiative to establish MobilityLab. MobilityLab is a collaboration involving a number of other major players, including Cirkle K, Telenor, Posten, If, NSB, the Norwegian Institute of Transport Economics (TØI) and the City of Oslo.

The aim of the project is to foster more technology companies with a capacity for growth that contribute to solutions to the major transport challenges in the future, related to the movement of both goods and people, in addition to creating new jobs in Norway and new mobility solutions that can yield major socio-economic benefits. MobilityLab aims to be an important arena for our success in this area.

Car sharing

We have also launched a car sharing service “Hyre”, whereby customers can easily share their car with others when they are not using it

themselves, thanks to a digital key. Through a mobile application, Hyre provides a safe, easy way to rent a car with automatic settlement of toll road charges and fuel consumption. We have already piloted Hyre in certain parts of Oslo and will market and roll out the service more broadly once we have gained experience and learned from the users' feedback. This car sharing service represents the first of several initiatives that Møller Mobility Group is going to launch in the coming years. Hyre currently has approximately 100 cars in the capital.

Strong commitment from the factory

Volkswagen Group is the world's largest automaker. The group has formulated a new strategy, “Together 2025”, where half of the business will be as we know it today, while the other half will focus on new areas. The Volkswagen Group itself states that this marks the start of the biggest change process in the company's history, with a focus on changing the group's core business and tapping potential new revenue streams. The Volkswagen Group has also established the company MOIA to develop mobility services.

“Møller Mobility Group is preparing to replace more than 30% of our current revenues with earnings from new mobility services by 2030.”



UN sustainable development goal 9. “Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation.”



Employees

Møller Mobility Group maintains a continuous, systematic focus on the working environment, monitoring employee satisfaction, the opportunities they have to use their skills, and how they are followed up.



At year-end 2017, the Group had a total of 4,345 employees – an increase of 71 from the previous year. There were 663 employees in Sweden, a total of 694 in the three Baltic States, and 2,988 in Norway.

Values and culture

Møller Mobility Group's core values are the cornerstones of the Group's corporate culture and provide important guidelines for managers and employees on how to treat one another and our customers. The ethical principles upon which the core values are based have provided the platform for our growth and work ever since the company was founded. Our employees are deeply imbued with our core values, and there is a constant focus on this in Sweden, Estonia, Lithuania, Latvia and Norway.

Ever since the company was founded by Harald A. Møller in 1936, our core values have been a cornerstone of the company. After all these years, these values are still just as relevant and important to us. Ultimately it is about living up to founder Harald A. Møller's

eternally relevant motto: "Stick to the straight and narrow road".

Code of conduct

The work on the new Code of Conduct and new whistleblowing channel in 2016, involving all the employees in our five countries, was followed up in autumn 2017 through an internal Questback survey, carried out by Deloitte. The Questback survey showed good results in respect of familiarity with the Code of Conduct, the management's compliance with the core values, familiarity with the whistleblowing channel, etc. However, the survey also revealed that some employees were afraid to report unacceptable matters and that some employees had experienced bullying or other forms of harassment.

The management has taken these results very seriously, and there have been thorough discussions in key management teams to agree on a plan for tackling these negative findings. A plan has now been drawn up and approved for work on this in 2018.

Independently of the Code of Conduct, it

Distribution men, women & average age:

Country	Total no. of employees	Men	%	Average age	Women	%	Average age
Norway	2,988	2,536	85 %	38,5	452	15 %	40,2
Sweden	663	574	86.5 %	–	89	13.5 %	–
Estonia	181	152	84 %	–	29	16.1 %	–
Lithuania	221	191	86.5 %	–	30	13.5 %	–
Latvia	292	226	77.4 %	–	66	22.6 %	–



was decided to initiate a survey of the situation in Møller Norway in the wake of the worldwide #metoo movement. The head office at Frysja has the highest proportion of female employees, and all 153 received an e-mail on the subject and were encouraged to share their experiences with the health and safety adviser.

129 women responded [eight of the women who did not respond were on maternity leave.]

- 120 women responded “not me”
- 9 responded “#metoo”

The feedback showed that the women who have felt they had been subjected to unwanted sexual behaviour have either sorted the matter out on their own or received help from the HR department. The survey also found that there was more unwanted sexual behaviour ten or more years ago. Although no instructions were issued centrally, several of the major dealers have also followed up on the #metoo movement.

Whistleblowing

In 2017, twenty-odd unacceptable circumstances with varying degrees of severity were reported. When a matter is reported, our internal whistleblowing unit starts processing the matter immediately and at the latest within three working days. It is a priority for us that no-one should be afraid to report anything untoward in Møller Mobility Group. If a matter is reported non-anonymously, the whistleblower gets feedback on the case and is informed on an ongoing basis about the treatment of the matter.

Given the results of the Questback survey in autumn 2017, which also showed that some people did not trust the whistleblowing channel, there is a chance that there are perhaps more instances of improper conduct than were reported. Work will therefore be undertaken in 2018 to assure all our employees that it is 100% safe to report something via the whistleblowing channel. This will be included as part of the planned work relating to the Code of Conduct and the core values, at the same time as it is clearly the responsibility of

the management in all the business areas to encourage the employees to report anything untoward.

Health and safety

Systematic work on occupational health, safety and the working environment is a governmental requirement. The purpose of this work is to make sure that the working methods used at all levels in Møller Mobility Group ensure that health, safety and the working environment are systematically assessed and taken into account in the planning, preparation and execution of work. In this way, health and safety work also functions as a tool to improve the Group’s results by preventing injuries and sickness absence and improving the quality of the work that is done.

Møller Mobility Group works specifically and systematically to reduce both short-term and long-term sickness absence and to avoid injuries. It is important to emphasise the positive aspects of the company’s health and safety work – a good working environment benefits all the employees.

In 2017 a total of 29 incidents and minor accidents were reported by Møller Bil and Harald A. Møller AS. They were distributed evenly throughout the year, and no dealer stands out. Damage to property and materials is reported locally and discussed in the Working Environment Committee. No major damage to property or materials has been reported.

Møller Mobility Group has established a body of procedures that forms a practical health and safety tool in the day-to-day work of managers, safety representatives, working environment committees and, of course, all other employees. The various procedures describe the responsibilities of each employee and how individuals with a managerial responsibility for health and safety should proceed.

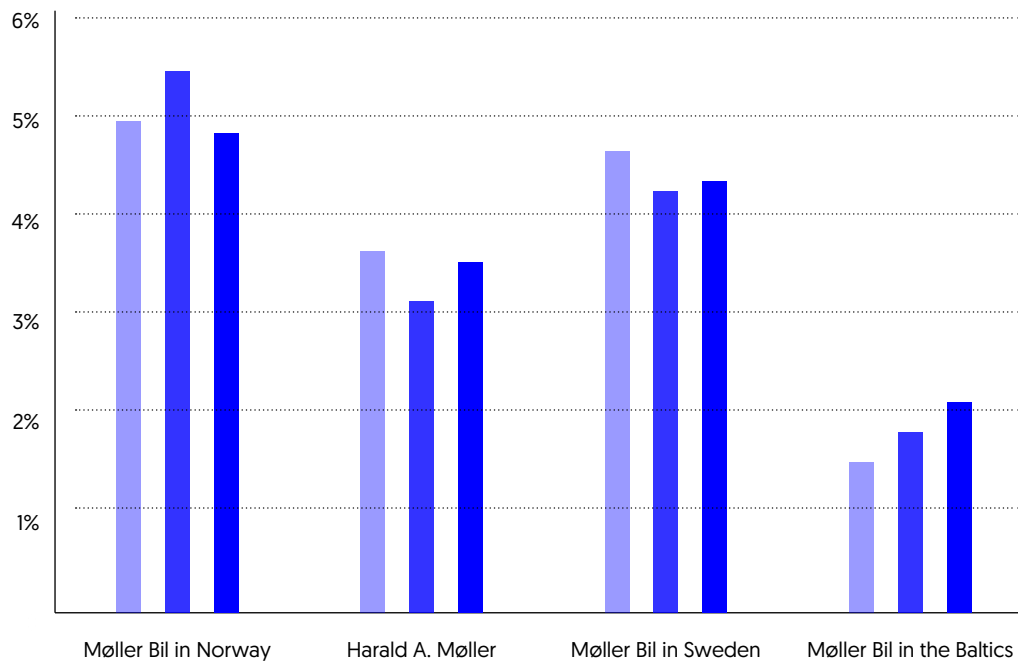
Preventive health protection

All our companies in Norway have an occupational health service (OHS) agreement, and our high-risk groups – mechanics, technicians, painters and panel beaters – are offered a targeted health check every third year. In



Development in sickness absence 2015–2017 (%)

2015 2016 2017



Oslo, Arsana AS provides occupational health services for all the risk groups in the region. In addition to Arsana, Møller Mobility Group has a special in-house health and safety adviser in the Group's HR Department who is available to all the companies in Norway.

In 2017, 117 employees in high-risk positions in Oslo and Akershus have undergone a targeted health check-up. People found to have physiological symptoms within a defined range are referred to a specialist. No job-related issues within this range were detected in 2017.

Follow-up of sickness absence

The occupational health service has worked on an individual, departmental and organisational level to help the companies with various challenges linked to sickness absence. The in-house health and safety adviser has attached importance to close collaboration with employees' doctors, the Norwegian Labour and Welfare Administration (NAV) and treatment institutions, as well as taking part in dialogue meetings arranged by the employer and NAV.

Health and safety courses

- The in-house health and safety adviser has held five health and safety courses for managers at various dealerships. In addition, all the apprentices have taken health and safety courses – a total of seven courses.
- Thirteen first aid courses have been held for a total of 494 employees.

Company democracy

Møller Bil's Norwegian works council [SU] held three meetings during the year and the group committee [KU] one meeting. The cooperation between the trade union representatives and the management is characterised by openness and a shared vision in the vast majority of areas, and is therefore considered fruitful and useful by both parties. At a time when staff cuts are on the cards, it is especially important that the trade union representatives are well informed and consulted.

Several Møller Mobility Group representatives have participated in works council meetings to provide briefings on measures that are being worked on centrally in Møller



Mobility Group and on Møller Mobility Group's strategy.

In Sweden, the employer's duty to provide information and the trade unions' right to negotiate are regulated by legislation such as the law regarding employee participation in the labour market. The duty to provide information means that Møller Bil Sverige has to keep the three trade unions with which the company has collective agreements continuously informed. The information provided should be about the financial and production-related development of the company and HR policy guidelines. The purpose is to provide employees with an opportunity to assess the current situation and future prospects.

No formal collaboration with employee representatives has been established in the Baltic States. National regulations and practices here differ greatly from Norway and Sweden.

Manager development

Our Group has many operational units that to

a great extent have to be run as independent profit centres, and developing our managers and recruiting new ones is therefore a high-priority area.

Møller Mobility Group has focused on developing its own managers for almost 30 years. Internal recruitment and the transfer of competence between the companies, especially between importers and dealers, are important cornerstones for the company's growth and development.

In 2017 we have conducted a Manager Programme (no. 20) for 19 middle managers in Norway. This has been held over a period of eight months with a total of five sessions. At the same time, we have completed a manager development programme for 10 middle managers in the Baltic States and started a new Manager Candidate Programme (no. 18) for 22 participants in autumn 2017. The senior management team (TLP) met twice in 2017, focusing on strategic challenges and learning, with content from external speakers.

Courses and training provided by the importer Harald A. Møller AS

Year	TMD (Training Man Day)
2012	6.608
2013	5.122
2014	5.385
2015	5.652
2016	6.517
2017	4.725

TMD = Training Man-Day (for example: 10 participants on courses for two days equals 20 TMD).



Courses and training – non-technical training

In 2017 the following numbers of employees achieved certification: 115 customer advisers (workshop and bodywork), 27 parts staff, 29 guarantee coordinators, 27 aftersales market managers and parts managers, a total of 80 sales staff, all brands, 37 used car sales staff and a total of 13 sales managers, all brands.

Technical training

In 2017 the Servicing School provided 4,725 training man-days (TMD), compared with 6,517 TMD in 2016.

Technical and non-technical training are now going to be merged into a single training department, called The Harald A. Competence Centre. The new department will be located in the premises of our current training academy, the Servicing School in Skedsmo, which has been responsible for all technical training on all models of Audi, Škoda, Volkswagen passenger cars and Volkswagen commercial vehicles that are imported into Norway. Technical training has also been

provided for our customer advisers and sales staff. Once SEAT is back, this brand will also be included in the training.

Great place to work

Volkswagen Møller Bilfinans was ranked the 14th best place to work in the category for companies with 50–199 employees. Through a comprehensive analysis of the corporate culture and a survey among the employees, focusing on credibility, respect, fairness, pride and camaraderie, Great Place to Work ranks the best businesses within four categories: more than 500 employees, 200–499 employees, 50–199 employees and 20–50 employees.

Møller Bil Skolen

Møller Mobility Group companies invest in the talent of the future. The Møller Bil School is an accredited training office where pupils from upper secondary schools sign an apprenticeship contract that normally lasts for 24 months. During this time, the apprentice has to combine the theory he or she has learned at school with the practical knowledge necessary

to take their apprenticeship examination and thereby become a skilled craftsperson. The Møller Bil School follows an accredited curriculum for an automotive technical education as a car mechanic, motor vehicle body repair technician, painter and spare parts adviser. At the Møller Bil School, we guarantee that the pupils will work using the latest techniques and equipment that are used to service and diagnose cars that are technical leaders in areas such as safety, the environment, etc. The Møller Bil School had 170 apprentices at year-end 2017 (admitted in 2016 and 2017). The best students are offered a full-time job in Møller Bil once they have passed their apprentice examination.

“The era we are entering requires restructuring to ensure we are best equipped to raise the competence of the entire organisation.



UN sustainable development goal 3, target 3.6: “By 2020, halve the number of global deaths and injuries from road traffic accidents.”

Society

We will be leaders in diversity, creating an inclusive workplace, develop staff and give them opportunities.



Historically, businesses' corporate social responsibility has evolved from simply providing financial support for chosen causes to actively developing projects and initiatives that are closely linked to the business – ideally as an integrated part of the company. This is also our ambition. We are in the process of working out the concrete details of many exciting projects, signalling that we are changing the way in which we execute our social mission.

We believe that the best way to help our fellow human beings is to give them work in our businesses. This has been done at many dealerships previously, but after the good experience from the vocational training at the vehicle preparation plant in Bekkelaget in autumn 2016 and 2017, this is now going to be done more systematically. Candidates recruited through NAV take a programme consisting of both practical vocational training and more theoretical education in relevant subjects, with the aim of getting people outside the employment market into work, either with us or elsewhere. The trainees work on the technical or cosmetic preparation of

cars. This autumn, three people who took this programme have been offered permanent employment with us.

Møller Medvind – our first major own scheme

Building on the good results from other schemes, Møller Medvind ("Møller Tailwind") was established in spring 2017. We are confident in our ability to run this scheme, because creating workplaces is part of our core business. At the same time, we can help resolve one of the greatest challenges in society: young people under the age of 30 who are outside the labour market. Møller Medvind will create permanent, profitable workplaces for this target group, and at the same time develop employees for work in other parts of the group.

The aim is to hire a significant number of new employees in 2018. For example, in 2018 Møller Medvind will build capacity and competence for the preparation of used cars in Oslo. We expect to prepare up to 6,000 used cars a year in the future, entailing a need for

many new employees. Møller Medvind will train young people so that we can continuously build the capacity and competencies we need in this area. We are also going to develop a certificate of competence in the preparation of used cars for people who wish to take a "learning candidate" programme. In addition, our new employees will also receive training in other subjects related to the preparation of cars. In this way, we will create attractive workers who can also be employed elsewhere in our business or at other companies.

Based on the fact that we have workplaces and NAV has job seekers, Møller Medvind and NAV Oslo entered into a unique new form of collaboration on the qualification and distribution of young job seekers in autumn 2017. A secondary aim of the collaboration agreement is to provide a framework for more sustainable and targeted collaboration between NAV and the private sector – locally and throughout Norway. A similar agreement was entered into with NAV Akershus in February 2018 for candidates for Møller Logistics in Skedsmo.

EXTERNAL PARTNERS

Lønn som fortjent

In 2017 we bought 3,500 car books / children's activity books and 1,000 books for the Red Cross's "Ferie for alle" holiday scheme from the Church City Mission's "Lønn som fortjent" work scheme. The activity book for children in cars is handed out at some of our dealerships.

Ferie for alle

The Red Cross's "Ferie for alle" (*Holiday for everyone*) scheme gives children and parents in a difficult financial situation the chance to have a week's holiday during the school holidays at one of the Red Cross's activity centres. In 2017 one Møller Mobility Group employee took part in a holiday under this scheme. The Group has supported this project since 2007. The contract expired at year-end 2017.

Mentor

MENTOR is a pilot project for young people aged 13–19 years who want someone to inspire and guide them. The project was started in 2015 and is being run by the Red



Cross. Møller Mobility Group supports the project financially, has members on the steering committee, and provides mentors from among its own employees. During the period, we had six mentors in the project that will end next year. The final group will finish in October 2018. The pilot project has met all the goals set for it, according to a halfway evaluation conducted by the Red Cross. The project is also now on its way to other parts of the country.

SOS-barnebyer

Møller Mobility Group is the main partner and supports SOS Children's Villages' activities in the Baltic States. This collaboration is a natural extension of our core values and our desire to be a socially responsible and engaged company in Estonia, Latvia and Lithuania. Now the partnership in the Baltic States is more locally anchored and is tied more closely to the core operations. This has generated greater enthusiasm for the scheme and higher use.

The Møller Bil children and young people's fund (Sweden)

The purpose of this fund is to support local initiatives that help improve living conditions, prevent loneliness and bullying, and give children and young people the opportunity to do things with other children. The Children and Young People's Fund supports up to 12 projects a year with a grant of up to SEK 100,000 each. The fund shall contribute to better everyday life in the communities where we operate (started in 2015), and the scheme is now well known locally. In 2017, 30 applications were received, of which nine received support from the fund.

Christian Radich

Møller Mobility Group has supported the ship and Norwegian maritime heritage since 2000. This full-rigged ship is used on 17 May for Constitution Day celebrations for Møller employees, and reduced rates are offered on selected cruises. The current agreement expires in 2019.



UN sustainable development goal 12.
"Ensure sustainable consumption and production patterns."

"It's as if I am born again. The future looks very bright with Møller Medvind."

Anas, car preparer, Møller Bil Logistikk

"It feels like someone has stretched out a hand and I really want to use this opportunity. If I'm asked to continue in Møller Bil, I will certainly accept"

Michael, Møller Bil Logistikk

GRI index

Møller Mobility Group has reported on its sustainability performance in 2017 on the basis of the Global Reporting Initiative (GRI) template. The GRI indicators that the Group reports on, in whole or in part, are presented in the GRI index below with reference to where more detailed information about the specific indicator can be found. This report has not been externally verified.

This year's report is largely based on GRI G4, but Møller Mobility Group has also five new indicators, adapted to the Group's operations.

GENERAL INFORMATION

GRI indicator	Description	Møller Mobility Group's reporting	Partial reporting
Strategy and analysis			
G4-1	Statement from the CEO	p. 5	
Organisational profile			
G4-3	Name of the organisation	p. 3	
G4-4	Primary products, and/or services	p. 3, 8 and 9	
G4-5	Location of the organisation's headquarters	Frysjavaen 31, NO-0884 Oslo, Norway	
G4-6	Number of countries where the organisation operates	p. 3, 8 and 9	
G4-7	Nature of ownership and legal form	p. 27	
G4-8	Markets served [geographic breakdown, sectors served and types of customers / beneficiaries]	p. 3, 8-9	
G4-9	Scale of the organisation	p. 3	
G4-10	Total number of employees by employment type, employment contract, and region, broken down by gender	See also the financial statements for 2017	Partially reported
G4-11	Percentage of total employees covered by collective bargaining agreements	p. 73	
G4-12	Description of the organisation's supply chain	Not reported	
G4-13	Significant changes during the reporting period regarding size, structure, ownership, etc.	p. 8	
G4-14	Description of whether and how the precautionary approach or principle is addressed by the organisation	None	
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses	p. 70	
G4-16	Memberships of associations and national or international advocacy organisations in which the organisation holds a position on the governance body, participates in projects or committees, or provides substantive funding	p. 78-79	
Identified material aspects and boundaries			
G4-17	List of all entities included in the organisation's consolidated financial	p. 3	

G4-18	statements or equivalent documents	See also the financial statements for 2017	Partially reported
G4-19	Description of process for defining the report content and the aspect boundaries and implementation of the reporting principles for defining report content	p. 66	
G4-20	List of all the material aspects identified in the process for defining report content	p. 66	
G4-21	Report on the aspect boundary within the organisation	All material aspects concern the entire group and the companies under our control	
G4-22	Any restatements of information provided in previous reports	None	
G4-23	Significant changes from previous reporting periods in the scope and aspect boundaries or measurement methods applied in the report	None	
Stakeholder engagement			
G4-24	Stakeholder groups engaged by the organisation	p. 66	
G4-25	Description of the basis for identification and selection of stakeholders with whom to engage	p. 66	Partially reported
G4-26	Approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group	p. 66	Partially reported
G4-27	Key topics and concerns that have been raised through stakeholder engagement and the company's response	p. 66	Partially reported
Report profile			
G4-28	Reporting period	2017	
G4-29	Date of most recent previous report (if any)	April 2017	
G4-30	Reporting cycle (annual, biennial, etc.)	Annual	
G4-31	Contact point for questions regarding the report or its contents	p. 18 paul.hegna@moller.no	
G4-32	The 'in accordance' option the organisation has chosen and GRI content index for the chosen option	p. 80	Partially reported
G4-33	Policy and current practice with regard to seeking external assurance for the report	p. 80	
Governance			
G4-34	The governance structure of the organisation, including committees of the highest governance body responsible for decision-making on economic, environmental and social impacts	p. 17 Paul Hegna, Vice President Communication and CSR, has the ultimate responsibility. Performance is reported to the Board twice a year.	
Ethics and integrity			
G4-56	The organisation's values, principles, standards and norms of behaviour	p. 73, and the Group's website www.moller.no	

SPECIFIC STANDARD DISCLOSURES

GRI indicator	Description	Møller Mobility Group's reporting	Partial reporting
ECONOMIC			
Økonomiske resultater			
G4-EC1	Direct economic value generated and distributed	See the financial statements for 2017, p. 33	
G4-EC3	Coverage of the organisation's pension obligations	Note 8 to the financial statements, p. 44	
G4-EC8	Examples of initiatives in the local community and positive indirect economic impacts the organisation has	p. 77-79	
ENVIRONMENT			
Energy			
G4-EN3	Energy consumption within the organisation	p. 70	Partially reported
G4-EN6	Reduction of energy consumption	p. 70-71	Partially reported
Emissions			
G4-EN19	Reduction of CO ₂ emissions	p. 68-69	Partially reported
Effluents and waste			
G4-EN23	Total weight of waste by type and disposal method	p. 69	Partially reported
Products and services			
G4-EN27	Impact mitigation of environmental impacts of products and services	p. 68	
Compliance			
G4-EN29	Significant violations of environmental laws and regulations	No fines during the reporting period	
LABOUR PRACTICES			
Employees			
G4-LA1	Number of employees and employee turnover	p. 73	Partially reported
Occupational health and safety			
G4-LA6	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender	p. 74-75	Partially reported
Training and education			
G4-LA9	Average hours of training per year per employee by gender, and by employee category	p. 76	Partially reported
G4-LA10	Programmes for skills management and lifelong learning	p. 20 and 76	Partially reported
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	p. 77 All employees shall have a performance assessment interview each year	Partially reported

SOCIETY			
Anti-corruption			
G4-SO4	Communication and training on anti-corruption policies and procedures	p. 73	Partially reported
G4-SO5	Confirmed incidents of corruption	None	
G4-SO7	Any violations of anti-competitive, anti-trust and monopoly legislation, etc.	None	
G4-SO8	Compliance with anti-corruption and competition laws	No incidents in the reporting period	
Grievance mechanisms for impacts on society			
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	p. 74	Partially reported
PRODUCT RESPONSIBILITY			
Product and service labelling			
G4-PR5	Results of surveys measuring customer satisfaction	p. 10, 11	Partially reported
G4-PR7	Incidents of non-compliance with regulations and voluntary codes concerning marketing communications	No incidents in the reporting period	
MØLLER MOBILITY GROUP – OWN INDICATORS			
MMG 1	Proportion of all registered new cars that are chargeable (electric and hybrids)	p. 68	
MMG 2	Proportion of electric cars	p. 68	
MMG 3	Number of vehicle charging stations	p. 18	
MMG 4	Water consumption per finished car	p. 69	
MMG 5	Chemical consumption per finished car	p. 69	

Companies in Møller Mobility Group as of 31.12.2017

Company	Country	Org. nr.
Møller Mobility Group AS (parent company)	NO	984 599 730
Møller Synergi AS	NO	974 784 556
Møller IT AS	NO	918 320 547
Harald A. Møller AS	NO	943 733 988
Moller Baltic Import SE	LV	40103176283
Møller Bil AS (holding company)	NO	986 130 861
Møller Bil Øst AS	NO	917 805 717
Møller Bil Vest AS	NO	928 481 638
Møller Bil Molde AS	NO	915 555 292
Møller Bil Jessheim AS	NO	983 054 412
Møller Bil Bergen AS	NO	834 083 922
Møller Bil Ensjø AS	NO	980 173 569
Møller Bil Follo AS	NO	912 174 786
Møller Bil Oppland AS	NO	919 781 491
Møller Bil Haugesund AS	NO	944 904 069
Møller Bil Hedmark AS	NO	976 951 336
Møller Bil Romerike AS	NO	964 995 923
Møller Bil Sør-Rogaland AS	NO	933 625 583
Møller Bil Trøndelag AS	NO	834 874 482
Møller Bil Vestfold AS	NO	946 967 874
Møller Bil Ålesund AS	NO	921 494 866
Møller BilPartner AS	NO	968 222 678
Møller Bil Klargjøring AS	NO	968 237 403
AutoArena AS	NO	974 480 581

Company	Country	Org. nr.
Orkdal Bil Eiendom AS	NO	813 865 262
SIA Moller Auto Latvia	LV	40003055104
SIA Moller Auto Krasta	LV	40003570184
SIA Moller Auto Ventspils	LV	41203010445
SIA Moller Auto	LV	40103847187
UAB Moller Auto	LT	110430994
UAB Moller Auto Keturi Ziedai	LT	224234070
UAB Moller Auto Alytus	LT	149655665
Moller Auto Tallinn OÜ	EE	10195513
Moller Auto Pärnu OÜ	EE	10931969
Moller Auto Viru OÜ	EE	11131478
Møller Bil Holding AB (holding company)	SE	556719-8212
Møller Bil Sverige AB	SE	556298-7510
Volkswagen Møller BilFinans AS (Associated company)	NO	992 873 183