Science.
Applied to Life.™

Annual Report 2019
3M Norge AS

Transforming for the future

Table of contents

To the General Meeting of 3M Norge AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of 3M Norge AS, which comprise the balance sheet as at 31 December 2019, 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 accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2019, 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 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.

Other information

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

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

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

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

PricewaterhouseCoopers AS, Jessheim Storsenter, plan 4, Furusethgata 5, 2050 Jessheim
T: 02316, org. no.: 987 009 713 VAT, www.pwc.no
State authorised public accountants, members of The Norwegian Institute of Public Accountants, and authorised accounting firm

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 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.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to https://revisorforeningen.no/revisjonsberetninger

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 concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements *(ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Gardermoen, 29 June 2020
PricewaterhouseCoopers AS

Vegard H. Løvlien
State Authorised Public Accountant

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

Organization

Board of Directors:
Lars Petter Plaaterud, chair of the board
Malik Mohammad Irfan, Managing Director and board member
Monica Sturtzel, employee-elected board member
Daniel Georg Jensen Gjøystdal, employee-elected board member

Deputy board members:
Terje Knudsen
Merete Cecilie Boug Olufsen
Cecilie Hjørnstad, employee-elected board member
Kathrine Gammelsæter Bråten, employee-elected board member

Site management:
Malik Mohammad Irfan, Managing Director North Europe Region
Ketil Nordengen, Country manager
Lone Laurberg, HR manager
Lars Petter Plaaterud, Finance manager

Key financial figures

	2019	2018	2017
Total Revenue	664,2	635,8	689,7
Operating result	27,9	2,5	21,4
Ordinary result before tax	31,6	3,9	23,0
Return on assets *)	9,3 %	0,9 %	4,9 %
Equity ratio **)	30,6 %	26,1 %	55,5 %
Number of employees at year-end	75	95	109

In NOK million.

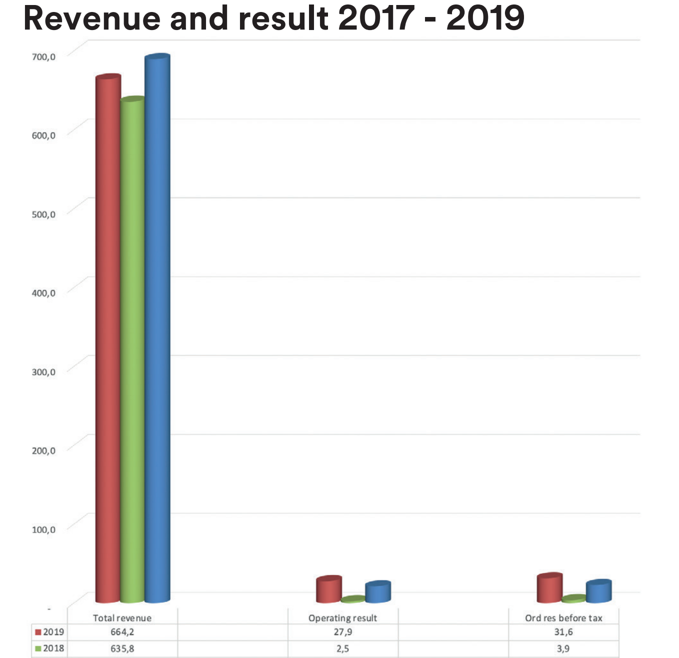
*) **Return on assets:**

$$\frac{\text{(Operating result + net financial items) x 100}}{\text{Average total assets}}$$

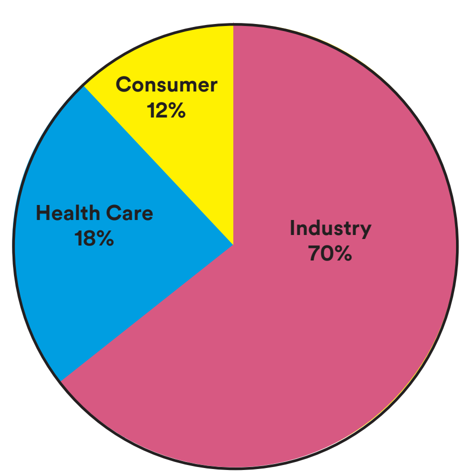
) **Equity ratio:

$$\frac{\text{(Total equity) x 100}}{\text{Total assets}}$$

Revenue and result 2017 - 2019



Revenue by business area 2019



REPORT FROM THE BOARD OF DIRECTORS OF 3M Norge AS FOR THE YEAR 2019

BUSINESS ACTIVITY

3M Norge AS is a trading company. The company sells goods to the industrial sector, the health sector, the transport, decoration and security sectors, as well as to the office and consumer markets.

Headquarter is located in Lillestrøm The Board believes that the accounts give a true picture of 3M Norge AS 'assets and liabilities, financial position and results.

CONTINUED OPERATIONS

The Board confirms that it is appropriate to place preconditions on the going concern basis for the financial year. The company is in a healthy financial position.

STATEMENT OF ACCOUNTS

In the year 2019 turnover was NOK 664.164,8 million compared to NOK 635.776.8 million in 2018. The increase in revenues is explained by a larger increase in the Industry market, related to project business. Profit is mainly increased due lower operating expense in combination with the sales growth. Cash flow from operations continue to be good, and the company is well set for the future

Financial ratios:	**2019**	**2018**
Profit before tax	31,6 MNOK	3,8 MNOK
Equity in million	89.452,7 MNOK	100.464,6 MNOK
Equity in %	30,6%	26,1%

An extra-ordinary dividend of NOK 15M were paid to parent in 2019.
The company's liquid assets are virtually unchanged, but the funds are mainly invested in 3M's internal bank. See also note 4 on the corresponding decreased deposit in the Group's internal bank, due to the above-mentioned dividend payout.

The resulting difference between operating profit and cash flow from operational activities in the cash flow is mainly due to the tax paid during the period and other time-limiting items.

WORK ENVIRONMENT

The company had 75 employees at the end of 2019, a decrease compared with the previous year partly due natural attrition, but mainly as a result of alignment to new regional/global structure.

Sick leave in the company is 1.028 days, equivalent to 5,1% of which the main part is long-term sick leave above 15 days. This is at same level as 2018, with 5,0%. There are no reports of serious accidents or sickness due to the work environment. The Board considers the working environment to be satisfactory. Employee ombudsmen have held regular meetings during the year 2019.

ENVIRONMENTAL

The company do not conduct any production that emit dangerous or harmful substances that could involve environmental damage. The company's operations are not regulated by licenses or restrictions of an environmental nature. The company has established arrangements for the return of waste and recycling of waste and is ISO certified.

REPORT ON BUSINESS OUTLOOK / EVENTS AFTER YEAR END

The company was late 2018 organized into a North Europe region, together with UK/Ireland, Nordics and Baltics. Operational organization has been under continued realignment to the new region, and new structure s are in place by end 2019.
3M Company as a global corporation, has established global IT-infrastructure, functional organization and work and process', to ensure cost effectiveness and basis for continued growth and profits.
As mentioned, the company has downsized the workforce moderately to align to new global and regional structure.

PROFIT AND APPROPRIATION

Net profit in 3M Norge AS at NOK 25.974.930,- is proposed to be allocated as follows - NOK:

Proposed dividend / group:	
Transferred to other equity:	NOK 25.974.930,-
Total allocations:	NOK 25.974.930,-

EQUALITY

The company employed 31 women at year end 2019, which represents 44% of the total workforce.

There are women represented in senior management, and both the Board and Management are proactively aware of society's expectations for measures to promote equality in the company and the Board. The Company actively work towards prevention of discrimination for any disability, ethnicity, national origin, skin color, religion or life choice. These measures are included in recruitment, pay and work-related issues, promotions, individual development and harassment.

FINANCIAL RISK

The Company is exposed for a moderate credit risk and currency risk and as part of Company procedures, potential currency hedges and contracts are evaluated to reduce exposure. The contracts are usually signed with the delivery date in the distant future.

Forward contracts are helping to ensure that the risks related to buying and selling in foreign currency reduced.

Covid 19

Please ref. note 14

Lillestrøm, June 29 2020

The Board of Directors of 3M Norge AS

Lars P. Plaaterud	Monica Stürtzel
Lars Petter Plaaterud	Monica Stürtzel
Chairman of the Board	Board member
Malik Mohammad Irfan	Daniel Georg Jensen Gjøystdal
Managing Director and Board member	Board member

Income statement

	Note	2019	2018
Revenue			
Sales revenue	11, 13	663 954 374	635 625 289
Other operating income	11	210 472	151 558
Total revenue		664 164 846	635 776 847
Operating expenses			
Cost of stocks	13	482 120 686	434 009 965
Payroll expenses	9, 12	96 026 356	127 860 615
Depreciation of tangible and intangible fixed assets	2, 3	10 891 453	10 574 668
Other operating expenses	12, 13	47 195 677	60 830 366
Total operating expenses		636 234 172	633 275 614
Operating result		27 930 674	2 501 233
Financial income and expenses			
Interest income from group companies		2 456 829	1 655 217
Other financial income		2 394 246	1 959 984
Other financial expenses		1 167 657	2 254 813
Net financial items		3 683 418	1 360 388
Ordinary result before tax		31 614 092	3 861 621
Tax on ordinary result	10	5 639 162	1 740 848
Net profit or loss for the year		**25 974 930**	**2 120 773**
Allocated as follows			
Transferred to other equity	7	25 974 930	2 120 773

Balance sheet as of December 31

	Note	2019	2018
Fixed assets			
Intangible assets			
Concessions, patents, licences, trade marks and similar rights	2	24 792 105	34 090 496
Deferred tax asset	10	18 939 766	13 034 269
Total intangible assets		43 731 871	47 124 765
Tangible assets			
Machinery and plant	3	6 522 616	7 416 996
Total tangible assets		6 522 616	7 416 996
Total fixed assets		50 254 487	54 541 761
Current assets			
Inventories	4	13 160	0
Receivables			
Trade receivables	13	59 275 903	82 204 139
Other receivables	5, 13	130 251 780	207 401 448
Total accounts receivable		189 527 683	289 605 587
Cash and cash equivalents	6	52 112 691	40 727 033
Total current assets		241 653 534	330 332 620
Total assets		291 908 021	384 874 381

Balance sheet as of December 31

	Note	2019	2018
Equity			
Paid-in capital			
Share capital	7, 8	20 000 000	20 000 000
Share premium reserve	7	46 152 734	46 152 734
Total paid-in capital		66 152 734	66 152 734
Retained earnings			
Other equity	7	23 299 969	34 311 722
Total retained earnings		23 299 969	34 311 722
Total equity		89 452 703	100 464 456
Liabilities			
Provisions			
Pension liabilities	9	107 081 787	77 782 356
Deferred tax liability	10	0	1 674 943
Other provisions		707 605	677 192
Total provisions		107 789 392	80 134 491
Current liabilities			
Trade creditors		2 085 767	32 816 746
Trade creditors from group companies	5	39 400 455	102 206 986
Tax payable	10	7 018 229	6 792 507
Public duties payable		30 323 694	28 801 136
Other short-term liabilities	13	15 837 781	33 658 059
Total current liabilities		94 665 926	204 275 434
Total liabilities		202 455 318	284 409 925
Total equity and liabilities		291 908 021	384 874 381

31 December 2019
29 June 2020

Lars P. Plaaterud

Lars Petter Plaaterud
Chairman

Monica Stürtzel

Monica Sturtzel
Board member

Daniel Georg Jensen Gjøystdal
Board member

Malik Mohammad Irfan
Board Member

Cash flow statement

	Note	2019	2018
Cash flow from operating activities			
Profit before tax		31 614 092	3 861 621
Taxes paid		-6 792 508	-8 613 000
Depriciation and amortisation	2,3	10 891 453	10 574 668
Difference in expensed pensions and payments		1 111 375	2 998 949
Changes in inventories, trade receivables and trade payables		-70 622 434	27 240 000
Changes in other current balance sheet items		-11 903 016	3 492 000
Net cash flow from operating activities		-45 701 038	39 554 238
Cash flow from investing activities			
Purchase of tangible fixed assets	3	-698 682	-1 602 000
Change receivable group	5	72 785 378	0
Net cash flow from investing activities		72 086 696	-1 602 000
Cash flow from financing activities			
Repayment of short term loans group companies		0	173 487 000
Dividends paid	7	-15 000 000	-200 000 000
Net cash flow from financing activities		-15 000 000	-26 513 000
Net change in cash and cash equivalents		11 385 658	11 439 238
Cash and cash equivalents at 01.01		40 727 033	29 287 795
Cash and cash equivalents at 31.12		52 112 691	40 727 033

Notes to the accounts for 2019

Note - 1 Accounting Principles

The annual accounts have been prepared in compliance with the Accounting Act and accounting principles generally accepted in Norway.

Sales revenue
Income from sale of goods and services are recognised at fair value of the consideration, net after deduction of VAT, returns, discounts and reductions. Sales are taken to income when the company has delivered its products to the customer and there are no unsatisfied commitments which may influence the customer's acceptance of the product. Delivery is not completed until the products have been sent to the agreed place, and risks relating to loss and obsolescence have been transferred to the customer. Historical data is applied to estimate and recognise provisions for quantity rebates and returns at the sales date. Provisions for expected guarantee work are recognised as expenses and provisions for liabilities upon sh. Services are recognised in proportion to the work performed.

Notes to the accounts for 2019

Balance sheet classification
Assets intended for long term ownership or use have been classified as fixed assets. Assets relating to the trading cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. First year's instalment on long term liabilities and long term receivables are, however, not classified as short term liabilities and current assets.

The purchase cost of assets includes the cost price for the asset, adjusted for bonuses, discounts and other rebates received, and purchase costs (freight, customs fees, public fees which are non-refundable and any other direct purchase costs). Purchases in foreign currencies are reflected in the balance sheet at the exchange rate at the transaction date.

For fixed assets and intangible assets purchase cost also includes direct expenses to prepare the asset for use, such as expenses for testing of the asset.

Intangible assets:
R&D expenses are taken into the balance sheet providing a future financial benefit relating to the development of an identifiable intangible asset can be identified and the expenses can be reliably measured. Otherwise such expenses are expensed as and when incurred. R&D expenses are depreciated on a straight-line basis over the asset's expected useful life.

Fixed assets:
Land is not depreciated. Other fixed assets are reflected in the balance sheet and depreciated to residual value over the asset's expected useful life on a straight-line basis. If changes in the depreciation plan occur the effect is distributed over the remaining depreciation period. Direct maintenance of an asset is expensed under operating expenses as and when it is incurred. Additions or improvements are added to the asset's cost price and depreciated together with the asset. The split between maintenance and additions/improvements is calculated in proportion to the asset's condition at the acquisition date.

Leased assets are reflected in the balances sheet as assets if the leasing contract is considered a financial lease.

Asset impairments:
Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent cashflows can be identified. If the carrying amount is higher than both the fair value less cost to sell and recoverable amount (net present value of future use/ownership), the asset is written down to the highest of fair value less cost to sell and the recoverable amount.
Previous impairment charges, except writedown of goodwill, are reversed in later periods if the conditions causing the write-down are no longer present.

Guarantee commitments /complaints
Guarantee commitments relating to completed sales are valued at the estimated cost of such work. The estimate is made on the basis of historical figures for guarantee work, but adjusted for expected differences due to, for instance, changes in quality assurance routines and changes in product range. The provision is recognised under 'Other short term liabilities' and changes in the provision are recognised in income.

Notes to the accounts for 2019

Inventories
Inventories are valued at the lower of purchase cost (according to the FIFO principle) and fair value. Recoverable amount has been used as approximation to net realisable value for raw mateials and work in progress. For finished goods and work in progress purchase cost comprises cost of product design, material consumption, direct payroll expenses and other direct and indirect production expenses (based on normal capacity). Fair value is estimated sales costs less expenses for completion and sale. Only variable expenses are considered necessary to sell finished goods, whilst fixed production expenses are also included as necessary for not finished goods.

Long term contacts
Work in progress on long term fixed-price contracts is valued according to the percentage of completion method. The degree of completion is calculated as expenses incurred as a percentage of estimated total expense. Total expenses are reviewed on a regular basis. If projects are expected to result in losses, the total estimated loss is recognised immediately.

Foreign currency translation
Assets and liabilities in foreign currencies are valued at the exchange rate on the balance sheet date.

Forward contracts:
The company and the group use forward contracts for foreign currencies to secure a future exchange rate on existing (balance sheet) assets/liabilities (hedging), or in a reasonable manner securing future transactions in foreign currencies (cash flow hedging).

Short term investments
Short term investments in listed companies the fair value principle is used. The value in the balance sheet corresponds to the market value of the investments at the period end. Dividends received, and both realised and unrealised gains/losses are recognised as other financial income.

Pensions
The company has various pension schemes. The pension schemes are financed through payments to insurance companies, with the exception of the early retirement pension scheme (AFP). The company has both defined contribution plans and defined benefit plans.

Defined contribution plan
With a defined contribution plan the company pays contributions to an insurance company. After the contribution has been made the company has no further commitment to pay. The contribution is recognised as payroll expenses. Prepaid contributions are reflected as an asset (pension fund) to the degree the contribution can be refunded or will reduce future payments.

The early retirement pension scheme (AFP) is an unsecured defined benefit multi-enterprise scheme. Such a scheme is de facto a defined benefit plan, but is for accounting purposes treated as a defined contribution plan as the result of the administrator of the scheme not providing sufficient information to calculate the liability in a reliable manner.

Defined benefit plan
A defined benefit plan is a pension scheme which is not a defined contribution plan. A defined benefit plan is a pension scheme which defines a pension payment which an employee will receive at pension age. The pension payments are normally dependent on one or more factors such as age, number of years in the company, and salary. The commitment relating to the defined benefit plan on the balance sheet is the present value of the defined benefits at the balance sheet date less fair value of the pension funds (amount paid to an insurance company), adjusted for estimate differences and expenses relating to former period's

Notes to the accounts for 2019

pension earnings not recognised in the income statement. The pension commitments are calculated annually by an independent actuary on a straight-line earning profile basis.
Changes to the pension plan are expensed over the expected remaining earning period. The same applies to estimate differences due to new information or changes in the actuarial assumptions, if they exceed 10% of the largest of the pension commitments and pension funds (corridor).

Income tax
The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at 22 percent on the basis of the temporary differences which exist between accounting and tax values, and any carryforward losses for tax purposes at the year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been eliminated. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and carryforward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net.
Tax reduction on group contributions given and tax on group contribution received, booked as a reduction of cost price or taken directly to equity, are booked directly against tax in the balance sheet (offset against payable taxes if the group contribution has affected payable taxes, and offset against deferred taxes if the group contribution has affected deferred taxes).
Deferred tax is reflected at nominal value.

Cash flow statement
The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits, and other short term investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.

Use of estimates
The preparation of financial statements in compliance with the Accounting Act requires the use of estimates. The application of the company's accounting principles also require management to apply assessments. Areas which to a great extent contain such assessments, a high degree of complexity, or areas in which assumptions and estimates are significant for the financial statements, are described in the notes.

Notes to the accounts for 2019

Note 2 - Intangible assets

	Other int. assets	Goodwill	Total
Acquisition cost at 01.01.	87 029 496	20 037 026	107 066 522
Retirement	-1 174 759	0	-1 174 759
Acquisition cost 31.12	85 854 737	20 037 026	105 891 763
Acc.amortization at 31.12	-61 062 632	-20 037 026	-81 099 658
Net carrying amount at 31.12.	24 792 105	0	24 792 105
Amortization for the year	9 298 391	0	9 298 391
Useful economic life	3-14 years	5 years	
Amortization plan	Straight line	Straight line	

Note 3 - Tangible assets

	Machinery	Total
Acquisition cost 01.01.	8 921 996	8 921 996
Purchased tangibles	698 682	698 682
Acquisition cost 31.12.	9 620 678	9 620 678
Acc.depreciation 01.01.	-3 098 062	-3 098 062
Net carrying amount at 31.12.	6 522 616	6 522 616
Depreciation for the year	1 593 062	1 593 062
Useful economic life	3-5 years	
Amortization plan	Straight line	

Annual rental of non-financial assets:

Real estate	2 326 TNOK
Other equipment	299 TNOK

Note 4 - Inventories

	2019	2018
Inventory valued at purchase cost	13 160	0

Notes to the accounts for 2019

Note 5 - Balance with group companies

Receivables	2019	2018
Trade debtors	1 816 345	6 787 592
Other receivables	131 121 621	203 907 000
	132 937 966	210 694 592

Payables		
Trade creditors	39 400 455	102 206 986

*Other receivables on companies in the same group consists entirely of the company's funds in 3M' group account.

Note 6 - Restricted bank deposit

	2019
Restricted bank deposit	3 485 262

3M Norge AS has a total guarantee amount of NOK 6 200 000 related to real estate and buildings.

Note 7 - Owners equity

	Share capital	Share premium	Other equity	Total
Owners equity 01.01.	20 000 000	46 152 734	34 311 722	100 464 456
Profit for the year	0	0	25 974 930	25 974 930
Booked towards OCI	0	0	-21 986 683	-21 986 683
Additional dividend	0	0	-15 000 000	-15 000 000
Owners equity 31.12.	20 000 000	46 152 734	23 299 969	89 452 703

Note 8 - Share capital and shareholder information

Share capital:

	Number of shares	Face value	Book value
3M Interna.Group B.V.	20 000	1 000	20 000 000

Notes to the accounts for 2019

Note 9 - Pensions

The company has pension schemes which cover a total of 145 persons. The company has a closed group pension scheme, and a defined-contribution sheme which covers the remaining employees . Executives also have a +12G pension in addition to the collective defined benefit scheme, and also a closed pre-retirement plan with a limited number of members. The commitment related to the group pension scheme is covered through an insurance company. The additional pension scheme for the executives is financed from the company's operations. The defined-contribution scheme is expensed on an ongoing basis.
The company have a spouse death insurance agreement of 15G, which will have a risk up to 2023.
The company's pension schemes meet the requirements of the law on compulsory occupational pension.

	2019	2018
Present value og pensions earned this year	5 235 227	5 871 885
Interest expense on the pension commitment	7 403 908	6 757 612
Return on pension funds	-5 490 390	-5 771 531
Differences/estimate changes charged to income	341 800	6 626 207
Net pension expenses defined benefits plan	7 490 545	13 484 173

	2019	2018
Pension commitment incurred at 31.12	-270 843 499	-256 472 038
Pension funds 31.12	176 806 146	188 301 700
Social security fees	-13 232 719	-9 612 018
Net pension commitment	-107 270 072	-77 782 356
OCI of pension funds	-28 188 056	38 609 288
Tax effect of OCI adjusted towards equity	6 201 372	-8 832 424
Net pension commmitment booked towards equity	-21 986 684	29 776 864
	21 986 684	-29 776 864
Net pension commitment	-129 256 756	-48 005 492

Principal assumptions:	2019	2018
Discount rate	2,30%	2,90%
Estimated salary increase	2,50%	1,00%
Estimated pension increase	1,00%	2,00%
Expected return on funds	3,00%	3,25%
Social security fee	14,10%	14,10%

Life expectancy schedule = K2013

The actuarial assumptions are based on ordinary assumptions within demographical factors. Discountrate, return on plan asset and salary regulations follow 3M's international basis, which is considered on the FAS 158 for pension shcemes under US GAAP, though adjusted to consider Norwegian factors.
The company have a spouse death insurance agreement of 15G, which will have a risk up to 2023. The company's pension schemes meet the requirements of the law on compulsory occupational pension.

Notes to the accounts for 2019

Note 10 - Income taxes

Income tax expenses	**2019**	**2018**
Tax payable	7 018 229	6 792 507
Change deferred tax Peltor	-1 674 941	-263 388
Change in deferred tax	295 874	-4 788 271
Total income tax expense	5 639 162	1 740 848

Tax base estimation	**2019**	**2018**
Ordinary result before tax	31 614 092	3 861 622
Permanent differences	1 631 835	2 069 065
Change in temporary differences	-1 344 888	23 601 953
Tax base	31 901 039	29 532 640
Tax payable in balance sheet	7 018 229	6 792 507

Temporary differences outlined	**2019**	**2018**
Fixed assets	7 918 673	9 924 773
Receivables	-4 738 230	-139 845
Gains and losses	18 519 101	23 148 876
Pension obligation	-107 081 787	-77 782 356
Other accruals	-707 605	-14 398 125
Total	-86 089 848	-59 246 677
Deferred tax asset (22%)	-18 939 767	-13 034 269

Effective tax rate	**2019**
Expected income taxes, statutory tax rate 22%	6 955 100
Peltor tax	-1 674 941
Permanent differences (22%)	359 003
Income tax expense	5 639 162
	17.8 %

Notes to the accounts for 2019

Note 11 - Revenue

	2019	2018
By business area		
Industry	468 277 219	429 473 000
Health	121 836 419	120 607 000
Consumer	80 377 612	85 700 000
Other	-6 326 404	-3 153
	664 164 846	635 776 847

The geographical distribution of revenue is limited to Norway, 100%.

Note 12 - Payroll expenses, number of employees, remuneration, loans to employees and auditor's fee

Payroll expenses	2019	2018
Salaries	66 785 466	76 984 000
Payroll tax	9 227 764	9 564 000
Pension costs	14 128 246	16 098 000
Other payments	5 884 880	25 215 385
Total	96 026 356	127 861 385

The total number of employees in the company during the year: 83

Management remuneration

Neither the chairman of the Board, nor the general manager, has any bonus agreement or any severance pay agreement. 3M Norway AS is organized in a North European structure. The MD is employed in and receives remuneration from 3M UK Plc. The Management has a result-and presentation based payment, and share based schemes in the parent company. The share based payment in 2019 was 3373TNOK. Neither the chairman of the Board, nor the general manager, has received loans or provision of security.

Auditor fee has been divided as follows	2019	2018
Audit fee	307 300	300 000
Other assurance services	70 590	47 000
Tax advisory fee	45 000	45 000
Other assistance	67 900	81 000

VAT is not included in the figures of auditor's fee.

Notes to the accounts for 2019

Note 13 - Related-party transactions

3M Norway AS both sells and purchases goods and services with both the parent company and sister company, which are regarded as related parties. All transactions between the parties are based on market conditions, which imply that transactions are priced at arm's-length principle. Receivables from related parties mainly arise from the sale of goods and services. Accounts payable to related parties essentially come from the purchase of goods and services.

a) Sales of goods and services	**2019**	**2018**
Sales of goods	8 613 040	26 085 312

b) Purchases of goods and services	**2019**	**2018**
Purchases of goods	464 788 152	423 282 000
Parent company (management services)	7 515 093	21 360 000
Total	472 303 245	444 642 000

3M's changes in strategy strengthen a regional/global organization. Human resources are focused stronger to the overall flow of goods, and less supporting local operations.
As a consequence, presentation of expense/income of internal resource sharing will change from being part of "Other Operating Expense", to be included in "Cost of Stocks". The transfer pricing principle will remain unchanged.

Note 14 - Subsequent events

3M, as a global company, is impacted by public health crises such as the global pandemic associated with COVID-19. The outbreak has significantly increased economic and demand uncertainty. In addition, public and private sector policies and initiatives to reduce the transmission of COVID-19, such as the imposition of travel restrictions and the adoption of remote working, have impacted 3M's operations. In these challenging and dynamic circumstances, 3M is working to protect its employees and the public, maintain business continuity and sustain its operations.
Locally, 3M experience relatively limited negative effect of the close down of the Norwegian society and markets. With the broad portfolio of products 3M has and markets we operate in, combined with the current financial solidity, we do not see any risks for 3M as a strong financial going concern.