



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer:	999 231 950
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	DET NORSKE VERITAS HOLDING AS
Forretningsadresse:	Veritasveien 1 1363 HØVIK

### Regnskapsår

Årsregnskapets periode:	01.01.2020 - 31.12.2020
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### Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

### Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Forenklet IFRS
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	Forenklet IFRS

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Christine Sørлие
Dato for fastsettelse av årsregnskapet:	25.03.2021

### Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert  
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 29.05.2022



## Resultatregnskap

Beløp i: NOK	Note	2020	2019
<b>RESULTATREGNSKAP</b>			
<b>Kostnader</b>			
Other operating expenses	6	5 000 000	8 000 000
<b>Sum kostnader</b>		<b>5 000 000</b>	<b>8 000 000</b>
<b>Driftsresultat</b>		<b>-5 000 000</b>	<b>-8 000 000</b>
<b>Finansinntekter og finanskostnader</b>			
Financial income	9	2 060 000 000	2 329 000 000
<b>Sum finansinntekter</b>		<b>2 060 000 000</b>	<b>2 329 000 000</b>
Financial expenses	9	102 000 000	161 000 000
<b>Sum finanskostnader</b>		<b>102 000 000</b>	<b>161 000 000</b>
<b>Netto finans</b>		<b>1 958 000 000</b>	<b>2 168 000 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>1 953 000 000</b>	<b>2 160 000 000</b>
Tax expense	11	2 000 000	25 000 000
<b>Ordinært resultat etter skattekostnad</b>		<b>1 951 000 000</b>	<b>2 135 000 000</b>
<b>Årsresultat</b>		<b>1 951 000 000</b>	<b>2 135 000 000</b>



### Balanse

Beløp i: NOK	Note	2020	2019
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel	11	6 000 000	
<b>Sum immaterielle eiendeler</b>		<b>6 000 000</b>	
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	2	12 128 000 000	12 128 000 000
Lån til foretak i samme konsern		1 300 000 000	2 100 000 000
Other long-term receivables		30 000 000	37 000 000
<b>Sum finansielle anleggsmidler</b>		<b>13 458 000 000</b>	<b>14 265 000 000</b>
<b>Sum anleggsmidler</b>		<b>13 464 000 000</b>	<b>14 265 000 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Other receivables			46 000 000
Konsernfordringer		2 085 000 000	1 105 000 000
<b>Sum fordringer</b>		<b>2 085 000 000</b>	<b>1 151 000 000</b>
<b>Sum omløpsmidler</b>		<b>2 085 000 000</b>	<b>1 151 000 000</b>
<b>SUM EIENDELER</b>		<b>15 549 000 000</b>	<b>15 416 000 000</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	24	11 000 000	11 000 000
Overkurs		200 000 000	200 000 000
<b>Sum innskutt egenkapital</b>		<b>211 000 000</b>	<b>211 000 000</b>
<b>Opptjent egenkapital</b>			



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
Other equity		12 018 000 000	10 147 000 000
<b>Sum opptjent egenkapital</b>		<b>12 018 000 000</b>	<b>10 147 000 000</b>
<b>Sum egenkapital</b>		<b>12 229 000 000</b>	<b>10 358 000 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	11		18 000 000
<b>Sum avsetninger for forpliktelser</b>			<b>18 000 000</b>
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	22	3 250 000 000	5 000 000 000
<b>Sum annen langsiktig gjeld</b>		<b>3 250 000 000</b>	<b>5 000 000 000</b>
<b>Sum langsiktig gjeld</b>		<b>3 250 000 000</b>	<b>5 018 000 000</b>
<b>Kortsiktig gjeld</b>			
Taxes payable	11	4 000 000	26 000 000
Kortsiktig konserngjeld		5 000 000	9 000 000
Other current liabilities		61 000 000	5 000 000
<b>Sum kortsiktig gjeld</b>		<b>70 000 000</b>	<b>40 000 000</b>
<b>Sum gjeld</b>		<b>3 320 000 000</b>	<b>5 058 000 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>15 549 000 000</b>	<b>15 416 000 000</b>



## Konsernets resultatregnskap

Beløp i: NOK	Note	2020	2019
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Sales revenue	4	20 911 000 000	21 410 000 000
Gain divestment (sale of operations)	3		141 000 000
<b>Sum inntekter</b>		<b>20 911 000 000</b>	<b>21 551 000 000</b>
<b>Kostnader</b>			
Payroll expenses	5,7,8	12 088 000 000	11 716 000 000
Depreciation and amortization	12,14	1 060 000 000	1 185 000 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	12,13, 14	15 000 000	9 000 000
Other operating expenses	6,7	5 346 000 000	6 314 000 000
<b>Sum kostnader</b>		<b>18 509 000 000</b>	<b>19 224 000 000</b>
<b>Driftsresultat</b>		<b>2 402 000 000</b>	<b>2 327 000 000</b>
<b>Finansinntekter og finanskostnader</b>			
Gain/ (Loss) from associates	15	4 000 000	-6 000 000
Financial income	8,9	58 000 000	48 000 000
<b>Sum finansinntekter</b>		<b>62 000 000</b>	<b>42 000 000</b>
Financial expenses	8,9	329 000 000	491 000 000
<b>Sum finanskostnader</b>		<b>329 000 000</b>	<b>491 000 000</b>
<b>Netto finans</b>		<b>-267 000 000</b>	<b>-449 000 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>2 135 000 000</b>	<b>1 878 000 000</b>
Tax expense	11	665 000 000	599 000 000
<b>Ordinært resultat etter skattekostnad</b>		<b>1 470 000 000</b>	<b>1 279 000 000</b>
<b>Årsresultat</b>		<b>1 470 000 000</b>	<b>1 279 000 000</b>
Minoritetsinteresser		14 000 000	14 000 000
<b>Årsresultat etter minoritetsinteresser</b>		<b>1 456 000 000</b>	<b>1 265 000 000</b>
Actuarial gains/(losses) on defined benefit pension plans	8	-363 000 000	460 000 000



## Konsernets resultatregnskap

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
Currency translation differences/Translation differences foreign operations		604 000 000	44 000 000
Change in fair value of interest rate swap		-80 000 000	10 000 000
Share of other comprehensive income from associates			5 000 000
Sum resultatkomponenter for IFRS-foretak		161 000 000	519 000 000
<b>Totalresultat</b>		<b>1 617 000 000</b>	<b>1 784 000 000</b>



### Konsernets balanse

Beløp i: NOK	Note	2020	2019
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Other intangible assets	12	2 396 000 000	2 536 000 000
Utsatt skattefordel	11	1 077 000 000	996 000 000
Goodwill	12,13	9 290 000 000	8 657 000 000
<b>Sum immaterielle eiendeler</b>		<b>12 763 000 000</b>	<b>12 189 000 000</b>
<b>Varige driftsmidler</b>			
Land, buildings and other property	14	1 716 000 000	1 813 000 000
Right-of-use assets	14	1 584 000 000	1 797 000 000
Office equipment, fixtures and fittings	14	434 000 000	563 000 000
<b>Sum varige driftsmidler</b>		<b>3 734 000 000</b>	<b>4 173 000 000</b>
<b>Finansielle anleggsmidler</b>			
Investeringer i tilknyttet selskap	15	187 000 000	182 000 000
Equity instruments		45 000 000	27 000 000
Net pension asset	8	1 366 000 000	1 484 000 000
Other long-term receivables	18	364 000 000	441 000 000
<b>Sum finansielle anleggsmidler</b>		<b>1 962 000 000</b>	<b>2 134 000 000</b>
<b>Sum anleggsmidler</b>		<b>18 459 000 000</b>	<b>18 496 000 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Trade receivables	17	3 757 000 000	4 479 000 000
Contract assets		2 356 000 000	2 631 000 000
Other receivables		952 000 000	932 000 000
Konsernfordringer		2 000 000	
<b>Sum fordringer</b>		<b>7 067 000 000</b>	<b>8 042 000 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and bank deposits	21	5 364 000 000	3 809 000 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>5 364 000 000</b>	<b>3 809 000 000</b>



## Konsernets balanse

Beløp i: NOK	Note	2020	2019
Sum omløpsmidler		12 431 000 000	11 851 000 000
<b>SUM EIENDELER</b>		<b>30 890 000 000</b>	<b>30 347 000 000</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	24	11 000 000	11 000 000
Overkurs		200 000 000	200 000 000
<b>Sum innskutt egenkapital</b>		<b>211 000 000</b>	<b>211 000 000</b>
<b>Opptjent egenkapital</b>			
Other equity		15 135 000 000	13 512 000 000
Minoritetsinteresser		36 000 000	42 000 000
<b>Sum opptjent egenkapital</b>		<b>15 171 000 000</b>	<b>13 554 000 000</b>
<b>Sum egenkapital</b>		<b>15 382 000 000</b>	<b>13 765 000 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Pensjonsforpliktelser	8	2 993 000 000	2 689 000 000
Utsatt skatt	11	350 000 000	375 000 000
Lease liabilities	20	1 307 000 000	1 551 000 000
Non-current provisions	19	102 000 000	95 000 000
<b>Sum avsetninger for forpliktelser</b>		<b>4 752 000 000</b>	<b>4 710 000 000</b>
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	22	3 250 000 000	5 000 000 000
Other non-current liabilities		340 000 000	359 000 000
<b>Sum annen langsiktig gjeld</b>		<b>3 590 000 000</b>	<b>5 359 000 000</b>
<b>Sum langsiktig gjeld</b>		<b>8 342 000 000</b>	<b>10 069 000 000</b>
<b>Kortsiktig gjeld</b>			
Overdrafts		13 000 000	22 000 000
Leverandørgjeld		490 000 000	428 000 000



## Konsernets balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
Taxes payable	11	391 000 000	541 000 000
Public duties payable		593 000 000	439 000 000
Kortsiktig konserngjeld		1 000 000	10 000 000
Lease liabilities	20	426 000 000	410 000 000
Current provisions	19	238 000 000	163 000 000
Other current liabilities	16	5 014 000 000	4 500 000 000
<b>Sum kortsiktig gjeld</b>		<b>7 166 000 000</b>	<b>6 513 000 000</b>
<b>Sum gjeld</b>		<b>15 508 000 000</b>	<b>16 582 000 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>30 890 000 000</b>	<b>30 347 000 000</b>



**Skattedirektoratet**

Saksbehandler Torstein Kinden Helleland	Deres dato 16.10.2013	Vår dato 04.11.2013
Telefon 22078139	Deres referanse 133-0652/AGSe	Vår referanse 2013/816293

DET NORSKE VERITAS HOLDING AS  
Postboks 300  
1322 HØVIK

**Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Det Norske Veritas Holding AS, org. nr. 999 231 950**

Vi viser til deres brev av 16. oktober 2013 der det søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Det Norske Veritas Holding AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Det Norske Veritas Holding AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at det benyttes engelsk språk ved utarbeidelsen av årsregnskapet og årsberetningen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

**Bakgrunn**

Fra søknaden gjengis:

*Det Norske Veritas Holding AS med datterselskaper tilbyr tjenester globalt innen klassifikasjon, verifikasjon og rådgivning samt innenfor sertifisering. Selskapet er en del av konsernet Det Norske Veritas og eierselskap for konsernets datterselskap. Konsernet er representert i omkring 100 land og har 17 000 ansatte hvorav 2 600 arbeider ved kontorer i Norge. Konsernspiss og morselskap, Stiftelsen Det Norske Veritas, er en selveiende stiftelse.*

*Konsernet opererer innenfor internasjonale industrisektorer, f.eks. maritim og olje og gass, hvor engelsk er det dominerende språket. Konsernets arbeidsspråk er engelsk og har vært det i en årrekke.*

*Det Norske Veritas Holding AS er et nystiftet eierselskap i konsernet som vil utarbeide selskapsregnskap og konsernregnskap på både engelsk og norsk. Det engelske regnskapet benyttes overfor kunder og kreditorer samt overfor konsernets intensjonale bank- og finansforbindelser. Det norske regnskapet utarbeides primært for å tilfredsstille kravene i regnskapsloven § 3-4 og for innsendelse til Brønnøysund.*

*Det er vår oppfatning at hensynet til alle brukere av regnskapet til Det Norske Veritas Holding AS vil være ivaretatt ved at årsregnskapet og årsberetningen avlegges på engelsk.*

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0134 Oslo  
skatteetaten.no/sendepost

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Se [www.skatteetaten.no](http://www.skatteetaten.no)  
Org.nr: 996250318

Sentralbord  
800 80 000  
Telefaks  
22 17 08 60



### Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal årsregnskapet og årsberetningen være på norsk. Departementet kan ved forskrift eller ved enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

*Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.*

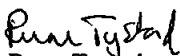
Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “informative regnskaper for ulike grupper av regnskapsbrukere”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapenes virksomhet er utpreget internasjonal og arbeidsspråket er engelsk. Videre er det vektlagt at selskapet kun har en eier.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen



Rune Tystad

seniorrådgiver

Rettsavdelingen, foretaksskatt

Skattedirektoratet

  
Torstein Kinden Helleland



Holding BoD report 2020 final SIGNING VERSION.pdf

**Signers:**

<b>Name</b>	<b>Method</b>	<b>Date</b>
Eriksen, Harry Remi	BANKID_MOBILE	2021-03-25 12:38 GMT+1
Kristoffersen, Lasse	BANKID_MOBILE	2021-03-25 12:38 GMT+1
Pseudonym	NEMID	2021-03-25 12:38 GMT+1
Seres, Silvija	BANKID_MOBILE	2021-03-25 12:39 GMT+1
Thrane, Jon Eivind	BANKID_MOBILE	2021-03-25 12:40 GMT+1
Clemens Keuer	One-Time-Password	2021-03-25 12:42 GMT+1
Ivarsen, Nina	BANKID_MOBILE	2021-03-25 12:46 GMT+1
Baksaas, Jon Fredrik	BANKID_MOBILE	2021-03-25 13:35 GMT+1
Birgit Aagaard-Svendsen	NEMID	2021-03-25 15:07 GMT+1
Sæther, Ingvild	BANKID_MOBILE	2021-03-25 15:07 GMT+1
David McKay	One-Time-Password	2021-03-25 15:10 GMT+1

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## DET NORSKE VERITAS HOLDING AS

### Board of Director's report 2020

Det Norske Veritas Holding AS (DNV Holding) is 100% owned by Stiftelsen Det Norske Veritas.

Stiftelsen Det Norske Veritas is a free-standing, independent Norwegian foundation whose purpose is to safeguard life, property and the environment. This purpose is realized mainly through Det Norske Veritas Holding AS' ownership of DNV Group AS.

2020 was a different and difficult year in many ways as a result of the COVID-19 pandemic, and this is the main explanation for the 3% reduction in revenues compared to 2019. The Det Norske Veritas Holding group of companies (Det Norske Veritas) achieved revenues of NOK 20,911 million in 2020 and a net profit after tax of NOK 1,470 million.

#### STRATEGY

DNV Holding's purpose is to safeguard life, property and the environment. The strategy is to realize this purpose through its 100% ownership of DNV Group AS (DNV). On 1 March 2021, DNV GL Group AS changed its name to DNV Group AS. In this report we refer to DNV throughout.

DNV is an independent expert in risk management and assurance, operating in more than 100 countries. Through its broad experience and deep expertise DNV advances safety and sustainable performance, sets industry benchmarks, and inspires and invents solutions. Further information about DNV and its key markets can be found in the Board of Directors' Annual report for DNV.

DNV Holding will ensure that its equity and available funds are sufficient and provide the required financing, liquidity, and flexibility for it to be a long-term owner of DNV.

#### FINANCIAL PERFORMANCE

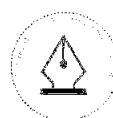
The consolidated statements for DNV Holding include Det Norske Veritas Holding AS and all companies in which DNV Holding directly or indirectly has a controlling interest. The financial statements have been prepared in accordance with the Norwegian Accounting Act and Regulations on Simplified IFRS.

DNV Holding consolidated recorded operating revenues of NOK 20,911 million in 2020, NOK 640 million less than in 2019, representing a decline of 3.0%. Adjusted for exchange rate fluctuations and the sale of Power TIC Laboratories in December 2019, the decrease was 5.1%. This was mainly driven by negative market effects following COVID-19 and a drop in the activity in the oil & gas industry caused by a sharp fall in the oil price, which was partly compensated by growth in the renewable energy sector.

Business Area Maritime recorded revenues of NOK 7,557 million in 2020, corresponding to a decline of 2.4% compared to 2019. Oil & Gas reported revenues of NOK 3,715 million, representing a drop of 5.2%. Energy achieved revenues of NOK 3,939 million, equal to growth of 11.4%. Business Assurance ended the year with revenues of NOK 3,595 million, a decline of 0.9%, while Digital Solutions had a growth of 8.4% in 2020 and delivered external revenues of NOK 1,135 million.

Earnings before interest, taxes, depreciation and amortization (EBITDA) fell by NOK 45 million from NOK 3,521 million in 2019 to NOK 3,476 million in 2020. The operating profit (EBIT) for 2020 ended at

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NOK 2,401 million, NOK 74 million up from NOK 2,327 million in 2019. The reduction in EBITDA relates primarily to COVID-19's market impact, weaker oil & gas markets and the continued decline in ship newbuilding activity.

The net financial expenses were NOK 267 million in 2020, compared to NOK 448 million in 2019. The change from 2019 is primarily due to lower bank loans after part-repayment, lower net currency losses and reduced net interest on defined benefit pension liabilities.

The 2020 tax expense of NOK 663 million represents an average tax cost of 31%. The average corporate income tax is 25% of the pre-tax profit from operations, while the additional tax cost is caused by withholding taxes on remitted earnings, losses from operations without recognition of tax assets and non-tax-deductible items. The net profit for the year was NOK 1,470 million, compared to last year's net profit of NOK 1,279 million.

The cash flow from operations ended at NOK 4,077 million in 2020, compared with NOK 2,538 million in 2019. The cash flow was significantly impacted by the reduction in working capital of NOK 1,419 million. The cash flow from investments was NOK -305 million in 2020. Investments of NOK -237 million in intangible assets mainly relate to the development of commercial software by Digital Solutions, in-house Oracle ERP implementation, and system integration in the business areas. The cash flow from investments also includes NOK -136 million to the acquisition of US energy management company Energy and Resource Solutions (ERS) in December 2020. The positive cash effect of the divestment of the US Energy laboratories in February 2020 was NOK 179 million.

Financing activities produced a negative cash flow of NOK 2,231 million. NOK 1,750 million pertained to Det Norske Veritas Holding AS's down payment of an external loan. Following from IFRS 16, change in lease liabilities caused a negative impact of NOK 466 million in cash flow from financing activities, with the opposite effect in cash flow from operations.

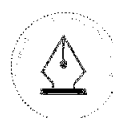
The total net positive cash flow for the year was NOK 1,541 million.

At year-end, DNV Holding had liquidity of NOK 5,365 million plus unused credit lines of NOK 2,500 million. A net actuarial loss of NOK 363 million from defined benefit pension plans and positive exchange differences from net investments in foreign subsidiaries of NOK 605 million were recognized in equity at the year-end.

The Group has a strong balance sheet, with an equity ratio of 50%.

The accounts of the parent company, Det Norske Veritas Holding AS, show a net profit for the year of NOK 1,951 million, mainly generated from 1,950 million dividend and NOK 42 million group contribution received. As at 31 December 2020, Det Norske Veritas Holding AS had total assets of NOK 15,549 million and total equity of NOK 12,230 million. The Board proposes to transfer the profit for the year to other equity.

The Board confirms that the going concern assumption applies and that the financial statements have been prepared on this basis. The Board regards Det Norske Veritas' financial performance as strong and liquidity as good, even more so considering the challenging operating conditions during 2020. Both parameters contribute to a robust platform for achieving our strategic targets and maintaining our independence as a financially strong and autonomous company. The Board also confirms that, to the best of its knowledge, the information presented in the financial statements gives a true and fair view of the assets, liabilities, financial position and results of Det Norske Veritas



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Holding AS for the period, and that there are no material events after the balance sheet date affecting the 2020 financial statements.

## ORGANIZATION

DNV makes up the main component of DNV Holding's consolidated accounts. All employees are employed in the DNV subsidiaries. Management and administrative services for DNV Holding are provided by resources in the Norwegian subsidiary DNV AS pursuant to a Management Services Agreement entered on arm's length terms.

A dedicated management resource is seconded from DNV AS to DNV Holding as advisor to the Chairman of the Board under the Management Services Agreement.

## GOVERNANCE

DNV Holding considers sound corporate governance to be fundamental for securing trust in the company and a cornerstone for achieving sustainable value creation in the best interests of its stakeholders.

The Board maintains its practice of reporting annually on corporate governance according to principles that apply to listed public limited companies in Norway. It applies these corporate governance principles to the extent relevant for DNV Holding.

The Board of Directors of DNV Holding consists of ten Board members. Six of these are elected by the shareholder while four are elected by and among DNV employees worldwide. The Board consists of six men and four women from four nationalities, with an average age of 57.4 years. The Board's combined expertise represents a range of stakeholders, markets, and competences.

In 2020, Leif-Arne Langøy and Liselott Kilaas informed the Nomination Committee that they were not available for re-election. Due to the COVID-19 situation, the 2020 elections were postponed from June to October.

The results of the 2020 Board elections are as follows:

- Jon Fredrik Baksaas was elected Chair of the Board
- Lasse Kristoffersen was elected Vice-Chair of the Board
- Ingvild Sæther was elected as a Board Member
- Christian Venderby was elected as a Board Member
- Nina Ivarsen was re-elected by the employees in the constituency 'Norway'
- Jon Eivind Thrane was re-elected by the employees in the constituency 'Norway'.

The Board sincerely thanks Leif-Arne Langøy and Liselott Kilaas for their contributions.

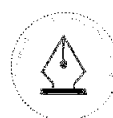
## CORPORATE RISK MANAGEMENT

The Board underlines the importance of continuously having a comprehensive understanding of the risks facing DNV Holding that could affect its reputation and key business objectives.

DNV Holding has processes in place to proactively identify such risks at an early stage and initiate adequate mitigating measures and actions. The Board formally reviews the risk management status and outlook, both risks and opportunities twice a year - as part of the strategy revision process and annual plan process.

The operational risk related to the activities outside DNV is moderate. DNV calculates its risk-adjusted equity on an annual basis, taking into consideration the most important risk factors. Based

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on value-at-risk methodology, the analysis includes potential losses from operations, foreign-exchange exposure, financial investments and pension plan assets and liabilities. The book equity less the maximum calculated loss illustrates DNV's total risk exposure and the amount that can be lost in a worst-case scenario. This exercise gives the Board a measurable overview of the key quantified risks and DNV's capacity to take on additional risk.

In addition to the operational risks in DNV, DNV Holding's main risks are financial market risks (interest rate and foreign currency risks), credit risks, liquidity risks and political risks related to trade sanctions.

**Interest rate risk:** The exposure to interest rate risk is primarily connected to the risk of changes in market interest rates for the bank loan in Det Norske Veritas Holding AS, and DNV's forward exchange contracts. The NOK 3,250 million bank loan in Det Norske Veritas Holding AS has a fixed interest rate of 2.12 % until December 2022.

**Foreign currency risk:** Det Norske Veritas has revenues and expenses in approximately 70 currencies. Of these, six (NOK, EUR, USD, CNY, KRW, and GBP) make up 77% of the total revenue. In most currencies, the company has a natural hedge through a balance of revenues and expenses. The foreign currency policy is to focus on hedging expected cash flows, primarily in US dollars. However, Det Norske Veritas is also materially exposed to the re-evaluation of balance sheet items, including net investments in foreign subsidiaries.

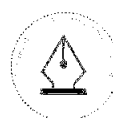
**Credit risk:** Receivable balances are monitored on an ongoing basis, with the result that the company's exposure to bad debts is limited. There are no significant concentrations of credit risk within the company. With respect to the credit risk arising from the other financial assets, which comprise cash, cash equivalents and certain derivative instruments, Det Norske Veritas's exposure arises from any default of the counterparty, with maximum exposure equal to the market value of these instruments.

**Liquidity risk:** Det Norske Veritas maintains a liquidity reserve where the targeted amount shall correspond to 15 % of the annual revenue for the Group plus NOK 500 million in an acquisition and investment reserve. Det Norske Veritas monitors its liquidity risk on a continuous basis. The liquidity planning considers the maturity of the financial assets (e.g. accounts receivable, other financial assets) and projected cash flows from operations.

**Pension plan risk:** The company has closed all existing defined benefit pension schemes to new entrants. However, Det Norske Veritas is exposed to volatility in the financial markets affecting the value of the pension plan assets and is also exposed to interest rate volatility affecting the pension commitments. Lower interest rates over the past years have led to an increase in the pension commitments.

**Political risk:** Det Norske Veritas' operation is global and exposed to fluctuations in economic growth and world trade development. Compliance with applicable trade sanctions is monitored at business area and Group level.

**Climate risk:** The international concern about the climate emergency has moved up the agenda. Addressing these concerns is a major driver of the energy transition which will affect both Det Norske Veritas and its customers. Det Norske Veritas conducts significant research into this which is fed into their strategy plan.



## SUSTAINABILITY AND CLIMATE

For DNV Holding, corporate sustainability is about delivering long-term value in financial, environmental, social, and ethical terms and this is embedded in its purpose. DNV Holding mainly manages corporate sustainability through its ownership of DNV.

The Board refers to DNV's Annual Report for a complete account of corporate sustainability, including information on the priorities, management approach, targets and performance relating to sustainable leadership; health and safety; business ethics and anti-corruption; people, environment and climate; sustainable procurement; and partnerships for sustainability.

## BUSINESS ETHICS AND ANTI-CORRUPTION

Det Norske Veritas has a zero-tolerance policy for corruption and unethical behaviour that applies to all employees, subcontractors, agents, and suppliers. Integrity and ethics are important to DNV Holding and its stakeholders and the Board emphasizes the necessity of remaining professionally objective and independent in the services it delivers to customers and society.

DNV Holding's compliance programme and related instructions are based on DNV's Code of Conduct. Please see DNV's annual report for more details.

## OUTLOOK

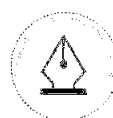
Despite massive efforts, COVID-19 is not yet contained and growth prospects for 2021 and 2022 remain uncertain. After a sharp decline in the financial markets in the initial months following the first global lockdowns, the markets have picked up throughout 2020 and are at the beginning of 2021 at a higher level than when entering the crisis. As a result, both business and consumer confidence have picked up slightly. Provided COVID-19 is gradually contained with the help of vaccines during 2021, the GDP of most economies is expected to start recovering in 2021 and return to growth no later than 2022.

However, the short-term downside risk is probably higher and more explicit than we have experienced in modern times. With interest rates at around zero, and a sharp rise in public spending and debts, there are fewer financial tools available to fight another major set-back.

Although some market segments (such as the fossil-based energy sector and personal travel industries) have been significantly hit and recovery will take time, other segments have thrived and the need for our assurance services is more important than ever. The company's ability to deliver services and secure new orders during the pandemic has been remarkably good, largely owing to focus on digital transformation the past five year. Further development of these digital capabilities will be critical going forward.

### Near term market outlook

DNV already has a significant role in the ongoing energy transition. The company's work in assuring that energy systems work safely and effectively through monitoring, verifying and advising on energy infrastructure has a global bearing on the scale and pace of the decarbonization efforts. The energy transition is high risk, regulatorily demanding and cross-sectoral - making it a good fit for the company's knowledge and expertise to create value for customers. It is expected that the trend of increased demand for the company's renewable energy, power grid, storage and energy efficiency services observed during 2020 will continue into 2021.



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Oil and gas prices remain highly volatile. Modest growth is forecasted in midstream and downstream parts of the industry, while the upstream investment will be at 2020 levels following a 30% contraction from 2019 to 2020. The existing infrastructure will continue to require operations support services, providing growth opportunities for DNV. The oil & gas industry is facing increasing demands to reduce emissions from its production and to make end-products cleaner. Many oil & gas companies will transform into integrated energy companies with an increased focus on sector coupling. As consequence, growth in activities related to offshore wind, hydrogen, and low carbon fuels as well as carbon capture and storage (CCS) is expected. Positioning our services towards these markets will be key in 2021.

The maritime market outlook for 2021 remains uncertain, with significant political, financial, technological, and environmental risk factors impacting the sentiment. Global ship newbuilding orders remained low throughout 2020, and is expected to stay at low levels throughout 2021. The medium- to long-term outlook is however more optimistic, and growth rates are expected from 2022 onwards. For 2021, DNV aims to win 25% of all global newbuilding contracts for classification of ships measured in gross tonnes and 40% of the mobile offshore units ordered and will continue to attract new tonnage from targeted customers and minimize the transfer of DNV classed ships to other classification societies.

The revenue from DNV's portfolio of software products and digital services grew in 2020, despite COVID-19. This trend is expected to be amplified in 2021 based on the upgrade of several applications and continued move towards Software-as-a-Service solutions. We expect an increased uptake of services powered by our Veracity platform in the maritime and energy sectors.

The demand for DNV's management system certification services are expected to be strong in 2021. The same goes for product assurance, supply chain assurance and digital assurance services which are expected to see even more opportunities post COVID-19. DNV will continue to strengthen its industry position, especially within the food & beverage, medical and healthcare sectors.

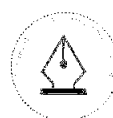
#### Longer term strategic outlook

The 2020s is being named the exponential decade, where the pace of the energy transition will be set and where our food, health and transport systems will change immensely. This is the decade where the digital technologies underpinning Industry 4.0 will mature from experimentation into large-scale application. Most importantly, this is the decade where humanity will succeed or fail to deliver on the Sustainable Development Goals.

DNV's capabilities have never been more relevant, and the decade ahead will be about renewing and strengthening the core and scaling rapidly so that the company can take the first big step in delivering on the vision of DNV as a trusted voice to tackle global transformations.

DNV wants to continue developing its broad competence and resource base to provide guidance and support to customers in a business environment where trust comes at a premium and where the need for independent technical expertise and risk management will be in increasing demand.

The Board believes that DNV's performance in 2020 demonstrates that the company's business models are resilient, and that the strong balance sheet and the new strategy create a good foundation for growth. The company is more robust than ever and poised to tackle a decade of transformation.



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HØVIK, 25 March 2021

Jon Fredrik Baksaas, Chair

Lasse Kristoffersen, Vice-Chair

Birgit Aagaard-Svendsen

Silvija Seres

Clemens Keuer

Nina Ivarsen

Ingvild Sæther

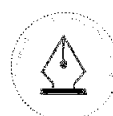
Christian Venderby

Jon Eivind Thrane

David McKay

Remi Eriksen, Group President & CEO

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**Signers:**

<b>Name</b>	<b>Method</b>	<b>Date</b>
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## DET NORSKE VERITAS HOLDING AS

### Key Figures

Amounts in NOK million

	2020	2019 <sup>1</sup>	2018	2017	2016	
<b>Income statement:</b>						<b>DEFINITION OF RATIOS:</b>
Operating revenue	20 911	21 551	19 639	19 591	20 852	<b>Profitability:</b>
EBITDA	3 476	3 521	1 962	1 566	1 781	EBITDA: Earnings before financial items, tax, depreciation amortization and impairment
Depreciation	641	765	358	358	380	EBITDA margin:
Impairment of fixed assets	0	0	552	14	4	EBITDA x 100 / Operating revenue
EBITA	2 835	2 756	1 051	1 194	1 397	EBITA: Earnings before interest, tax and amortisation and impairment
Amortization	420	420	513	503	519	EBITA margin:
Impairment of goodwill and other intangible assets	15	9	0	15	311	EBITA x 100 / Operating revenue
EBIT/ Operating profit	2 401	2 327	538	675	568	Operating margin:
Net financial income (expenses)	(267)	(448)	(462)	(32)	801	Operating profit x 100 / Operating revenue
Profit before tax	2 134	1 878	77	643	1 368	Pre-tax profit margin:
Profit (loss) for the year	1 470	1 279	(33)	288	877	Profit before tax x 100 / Operating revenue
<b>Balance sheet:</b>						
Non-current assets	18 459	18 496	17 307	18 012	16 899	Net profit margin:
Current assets	12 431	11 851	11 024	12 230	14 800	Profit for the year x 100 / Operating revenue
Total assets	30 890	30 347	28 330	30 242	31 700	
Equity	15 382	13 766	12 552	11 859	22 328	<b>Cash flow:</b>
Non-current liabilities	8 342	10 068	9 573	11 811	3 600	Net cash flow:
Current liabilities	7 166	6 513	6 206	6 572	5 772	Net change in liquidity from cash flow statement
<b>Cash flow items, working capital and investments:</b>						Liquidity:
Net cash flow from operations	4 077	2 538	968	776	775	Cash and bank deposits
Net cash flow from investments	(305)	733	(391)	(12 550)	(194)	<b>Leverage:</b>
Net cash flow from financing activities	(2 231)	(2 092)	(1 743)	8 977	(285)	Equity ratio:
Net cash flow	1 541	1 178	(1 166)	(2 797)	297	Equity x 100 / Total assets
Liquidity	5 365	3 809	2 631	3 793	6 590	Net interest bearing debt:
<b>Financial ratios:</b>						Interest bearing debt - Cash and bank deposits
<b>Profitability:</b>						NIBD / EBITDA
EBITDA margin	16.6%	16.3%	10.0%	8.0%	8.5%	Net interest bearing debt / EBITDA
EBITA margin	13.6%	12.8%	5.4%	6.1%	6.7%	
EBIT/ Operating margin	11.5%	10.8%	2.7%	3.4%	2.7%	
Pre-tax profit margin	10.2%	8.7%	0.4%	3.3%	6.6%	
Net profit margin	7.0%	5.9%	-0.2%	1.5%	4.2%	
<b>Leverage:</b>						
Equity ratio	49.8%	45.4%	44.3%	39.2%	70.4%	
Net interest bearing debt	(2 100)	1 222	3 672	4 852	(6 590)	
NIBD / EBITDA	-0.60	0.35	1.87	3.10	-3.70	
Number of employees	11 614	11 832	12 101	12 715	13 550	

1) The group implemented IFRS 16 from 01.01.2019 by applying the modified retrospective approach. Previous years have not been restated.



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DET NORSKE VERITAS HOLDING AS

**Income statement**

Amounts in NOK million

DET NORSKE VERITAS HOLDING AS		DET NORSKE VERITAS HOLDING AS CONSOLIDATED		
2020	2019	Note	2020	2019
<b>Operating revenue</b>				
0.0	0.0		20 910.9	21 409.9
0.0	0.0	3	0.0	141.1
<b>0.0</b>		<b>4</b>	<b>20 910.9</b>	<b>21 551.0</b>
<b>Operating expenses</b>				
0.0	0.0	5,7,8	12 088.5	11 715.6
4.8	7.7	6,7	5 346.5	6 314.4
<b>(4.8)</b>			<b>3 475.9</b>	<b>3 521.0</b>
0.0	0.0	12,14	1 060.1	1 185.1
0.0	0.0	12,13,14	15.0	9.3
<b>(4.8)</b>			<b>2 400.8</b>	<b>2 326.6</b>
<b>Financial income and expenses</b>				
0.0	0.0	15	4.5	(5.6)
2 059.5	2 329.1	8,9	57.8	48.0
(101.6)	(160.8)	8,9	(329.5)	(490.7)
1 957.9	2 168.3		(267.2)	(448.4)
1 953.1	2 160.6		2 133.6	1 878.3
(2.0)	(25.4)	11	(663.4)	(598.9)
1 951.0	2 135.2		1 470.3	1 279.3
<b>Profit for the period attributable to:</b>				
Non-controlling interest			14.1	14.1
Equity holders of the parent			1 456.2	1 265.2
<b>Total</b>			<b>1 470.3</b>	<b>1 279.3</b>

**Statement of comprehensive income**

1 951.0	2 135.2	<b>Profit (loss) for the year</b>	1 470.3	1 279.3	
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial gains/(losses) on defined benefit pension plans			8	(363.2)	460.2
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Currency translation differences/Translation differences foreign operations			604.2	44.4	
(79.9)	10.0	Change in fair value of interest rate swap	(79.9)	10.0	
Share of other comprehensive income from associates			0.0	4.6	
<b>(79.9)</b>		<b>10.0</b>	<b>161.1</b>	<b>519.1</b>	
1 871.2	2 145.2	<b>Total comprehensive income for the period</b>	1 631.3	1 798.5	
<b>Total comprehensive income attributable to:</b>					
Non-controlling interest			14.1	14.1	
Equity holders of the parent			1 617.2	1 784.4	
<b>Total</b>			<b>1 631.3</b>	<b>1 798.5</b>	



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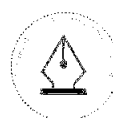
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## DET NORSKE VERITAS HOLDING AS

### Statement of financial position

Amounts in NOK million

DET NORSKE VERITAS HOLDING AS			DET NORSKE VERITAS HOLDING AS CONSOLIDATED		
31 Dec 2020	31 Dec 2019	ASSETS	Note	31 Dec 2020	31 Dec 2019
<b>Non-current assets</b>					
<b>Intangible assets</b>					
6.3	0.0	Deferred tax assets	11	1 076.6	995.7
0.0	0.0	Goodwill	12,13	9 290.1	8 657.1
0.0	0.0	Other intangible assets	12	2 396.2	2 536.2
6.3	0.0	<b>Total intangible assets</b>		<b>12 762.9</b>	<b>12 189.0</b>
<b>Tangible fixed assets</b>					
0.0	0.0	Land, buildings and other property		1 716.5	1 812.5
0.0	0.0	Office equipment, fixtures and fittings		434.2	563.0
0.0	0.0	Right-of-use assets		1 583.7	1 796.8
0.0	0.0	<b>Total tangible fixed assets</b>	14	<b>3 734.5</b>	<b>4 172.3</b>
<b>Non-current financial assets</b>					
12 128.3	12 128.3	Investments in subsidiaries	2	0.0	0.0
0.0	0.0	Investments in associates	15	186.8	182.3
0.0	0.0	Equity instruments		44.9	27.4
0.0	0.0	Net pension asset	8	1 366.0	1 483.9
1 300.0	2 100.0	Loan to group companies		0.0	0.0
29.9	37.3	Other long-term receivables	18	363.5	441.2
13 458.2	14 265.6	<b>Total non-current financial assets</b>		<b>1 961.2</b>	<b>2 134.8</b>
13 464.5	14 265.6	<b>Total non-current assets</b>		<b>18 458.6</b>	<b>18 496.1</b>
<b>Current assets</b>					
0.0	0.0	Trade receivables	17	3 756.6	4 479.2
0.0	0.0	Contract assets		2 355.9	2 630.8
2 084.1	1 105.4	Other receivables group companies		2.0	0.0
0.0	45.3	Other receivables		951.9	931.8
0.0	0.0	Cash and bank deposits	21	5 365.1	3 809.0
2 084.1	1 150.8	<b>Total current assets</b>		<b>12 431.4</b>	<b>11 850.9</b>
15 548.6	15 416.4	<b>TOTAL ASSETS</b>		<b>30 890.0</b>	<b>30 347.0</b>



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DET NORSKE VERITAS HOLDING AS

*Statement of financial position*

Amounts in NOK million

DET NORSKE VERITAS HOLDING AS			DET NORSKE VERITAS HOLDING AS CONSOLIDATED		
31 Dec 2020	31 Dec 2019	EQUITY AND LIABILITIES	Note	31 Dec 2020	31 Dec 2019
<b>Equity</b>					
Paid-in capital					
11.1	11.1	Share capital	24	11.1	11.1
200.2	200.2	Share premium		200.2	200.2
Retained earnings					
12 018.3	10 147.1	Other equity		15 135.1	13 512.3
0.0	0.0	Non-controlling interest		35.9	42.0
12 229.6	10 358.4	<b>Total equity</b>		15 382.2	13 765.7
<b>Liabilities</b>					
Non-current liabilities					
3 250.0	4 999.5	Interest bearing loans and borrowings	22	3 250.0	4 999.5
0.0	0.0	Pension liabilities	8	2 993.1	2 689.0
0.0	18.3	Deferred tax liabilities	11	349.6	375.4
0.0	0.0	Lease liabilities	20	1 307.1	1 550.5
0.0	0.0	Non-current provisions	19	102.1	95.0
0.0	0.0	Other non-current liabilities		340.4	358.7
3 250.0	5 017.8	<b>Total non-current liabilities</b>		8 342.2	10 068.0
Current liabilities					
0.0	0.0	Overdrafts		13.3	22.0
0.0	0.0	Trade creditors		490.0	427.8
4.2	26.0	Taxes payable	11	391.0	541.1
0.0	0.0	Public duties payable		593.1	439.2
4.3	9.2	Current liabilities group companies		1.5	9.9
0.0	0.0	Lease liabilities	20	426.1	409.9
0.0	0.0	Current provisions	19	238.2	163.2
60.5	5.0	Other current liabilities	16	5 012.2	4 500.1
69.0	40.2	<b>Total current liabilities</b>		7 165.5	6 513.3
3 319.0	5 058.0	<b>Total liabilities</b>		15 507.7	16 581.3
15 548.6	15 416.4	<b>TOTAL EQUITY AND LIABILITIES</b>		30 890.0	30 347.0

Høvik, 25 March 2021

Jon Fredrik Baksaas  
Chair

Lasse Kristoffersen  
Vice-Chair

Nina Ivarsen

Jon Eivind Thrane

Birgit Aagaard-Svendsen

Clemens Keuer

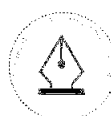
Ingvil Sæther

Christian Venderby

Silvija Seres

David McKay

Remi Eriksen  
Group President & CEO



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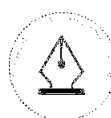


DET NORSKE VERITAS HOLDING AS

**Statement of cash flow**

Amounts in NOK million

DET NORSKE VERITAS HOLDING AS			DET NORSKE VERITAS HOLDING AS CONSOLIDATED	
2020	2019	Note	2020	2019
<b>CASH FLOW FROM OPERATIONS</b>				
1 953.1	2 160.6		2 133.6	1 878.3
0.0	0.0		(1.3)	(2.8)
0.0	0.0	14	2.8	(141.1)
0.0	0.0		(9.2)	0.0
(1 950.0)	(2 100.0)		0.0	0.0
(42.1)	(167.6)		0.0	0.0
0.0	0.0	8	(6.9)	(6.4)
0.0	0.0	14	1 075.1	1 194.4
(23.9)	(0.4)		(615.7)	(615.0)
0.0	0.0		1 419.2	(2.5)
58.6	(33.8)		79.2	233.4
(4.3)	(141.1)		4 076.9	2 538.3
<b>CASH FLOW FROM INVESTMENTS</b>				
0.0	0.0	3	(136.4)	0.0
0.0	0.0	3	178.9	1 138.9
0.0	0.0	14	(118.3)	(146.8)
0.0	0.0	12	(237.2)	(279.9)
0.0	0.0		16.9	20.3
0.0	0.0		(8.3)	0.0
0.0	0.0		(304.5)	732.6
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
800.0	0		0.0	0.0
0.0	0.0		(8.7)	(8.6)
86.2	182.0		(6.9)	(12.6)
(1 749.5)	(1 250.3)		(1 749.5)	(1 250.3)
0.0	0.0		(465.9)	(420.9)
0.0	(400.0)		0.0	(400.0)
167.6	209.4		0.0	0.0
700.0	1 400.0		0.0	0.0
4.3	141.1		(2 231.0)	(2 092.4)
<b>LIQUIDITY</b>				
(4.3)	(141.1)		4 076.9	2 538.3
0.0	0.0		(304.5)	732.6
4.3	141.1		(2 231.0)	(2 092.4)
0.0	0.0		1 541.4	1 178.4
0.0	0.0		3 809.0	2 630.6
0.0	0.0		14.6	0.0
0.0	0.0		5 365.1	3 809.0



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## DET NORSKE VERITAS HOLDING AS

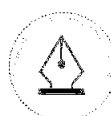
### Statement of changes in equity

#### Changes in equity in Det Norske Veritas Holding AS

Amounts in NOK million	Share Capital	Share Premium	Other equity	Total
Equity at 1 January 2019	11.1	600.2	8 001.9	8 613.2
Profit for the period			2 135.2	2 135.2
Capital reduction		(400.0)		(400.0)
Change in fair value of interest rate swap			10.0	10.0
<b>Equity at 31 December 2019</b>	<b>11.1</b>	<b>200.2</b>	<b>10 147.1</b>	<b>10 358.4</b>
Profit for the period			1 951.0	1 951.0
Change in fair value of interest rate swap			(79.9)	(79.9)
<b>Equity at 31 December 2020</b>	<b>11.1</b>	<b>200.2</b>	<b>12 018.3</b>	<b>12 229.6</b>

#### Changes in equity in Det Norske Veritas Holding AS Consolidated

Amounts in NOK million	Share Capital	Share Premium	Other equity	Currency translation differences	Non-controlling interest	Total
Equity at 1 January 2019 (restated)	11.1	600.2	8 563.4	3 167.4	51.7	12 393.9
Profit for the period			1 265.2		14.1	1 279.3
Capital reduction		(400.0)				(400.0)
Actuarial gains/(losses) on defined benefit pension plans			460.2			460.2
Exchange differences				44.4		44.4
Change in fair value of interest rate swap			10.0			10.0
Share of other comprehensive income from associates			4.6			4.6
Other equity changes			(2.9)		(23.8)	(26.7)
<b>Equity at 31 December 2019</b>	<b>11.1</b>	<b>200.2</b>	<b>10 300.5</b>	<b>3 211.8</b>	<b>42.0</b>	<b>13 765.8</b>
Profit/(loss) for the period			1 456.2		14.1	1 470.3
Actuarial gains/(losses) on defined benefit pension plans			(363.2)			(363.2)
Exchange differences				604.2	0.3	604.5
Change in fair value of interest rate swap			(79.9)			(79.9)
Other equity changes			3.0		(18.2)	(15.2)
<b>Equity at 31 December 2020</b>	<b>11.1</b>	<b>200.2</b>	<b>11 316.6</b>	<b>3 815.9</b>	<b>38.2</b>	<b>15 382.2</b>



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## DET NORSKE VERITAS HOLDING AS

### Notes to the financial statements

Amounts in NOK million

#### 2. Investments in subsidiaries

Det Norske Veritas Holding AS Consolidated consists of the parent company Det Norske Veritas Holding AS and the following subsidiaries:

Company	Business office	share capital		Book value
		in 1000 NOK	Ownership	
DNV Group AS	Bærum	NOK 100 000	100 %	12 128.3
<b>Total investment in subsidiaries</b>				<b>12 128.3</b>

189 legal entities are consolidated in Det Norske Veritas Holding Group's financial statements at 31 December 2020 of which 4 entities has non-controlling interest.

#### 3. Business combinations and divestments

##### Significant changes in group structure 2020

1 March 2020 DNV Group sold the KEMA Laboratories in US (KEMA Powertest LLC and KEMA Realty LLC) to CESI. A sales loss of 3 million from the transaction is included in the income statement for 2020. The net sales amount of NOK 179 million was settled in cash in 2020.

30 December 2020, DNV Group acquired 100% of the shares in Energy and Resource Solutions Inc.(ERS). ERS provides clients with smart energy solutions offering innovative ideas to help client organizations improve energy efficiency, maximize economic performance, and minimize environmental impacts. The company headquartered in Massachusetts, US, has 80 employees mainly located on the east coast. For DNV Group, the acquisition of ERS provides mainly additional market shares in our Policy and Advisory Research services and allows to gain critical mass with capabilities to better cover the US eastern coast.

##### Acquisitions 2020

Company/ activities	Transaction date	Ownership	Purchase currency	Acquisition cost local currency mill	External revenue incl. in 2020 acct. mill NOK
Energy and Resource Solutions	30.12.2020	100 %	USD	19.1	-

The acquisition cost in excess of net book value of the equity, NOK 130 million has been allocated to customer relationship NOK 33.1 million, deferred tax NOK 8.3 million and goodwill NOK 105.2 million.

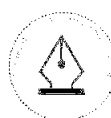
##### Cash flow from acquisition:

Net cash acquired with the subsidiary	14.6
Consideration paid in cash	(136.4)
Net cash flow from acquisition	(121.8)

The difference between NOK 163/ USD 19 million acquisition cost and NOK 136 million/USD 16 million consideration paid is consideration (earn out) expected to be paid over maximum 4 years after the acquisition date.

##### Significant changes in group structure 2019

30 December 2019, the KEMA Laboratories in Arnhem (KEMA B.V.) and Prague (Zkusebnictvi a.s.) were sold to CESI. The transfer comprised KEMA and all the high-voltage and high-power testing and inspection activities performed by its personnel in its own laboratories in Arnhem and Prague. A sales gain of NOK 141 million from the transaction is included in the income statement for 2019. The net sales amount of NOK 1 139 million was settled in cash in 2019.



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## DET NORSKE VERITAS HOLDING AS

### Notes to the financial statements

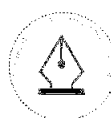
Amounts in NOK million

		DET NORSKE VERITAS HOLDING AS CONSOLIDATED	
		2020	2019
<b>4. External sales revenue</b>			
<b>Geographical area:</b>			
Nordic countries		5 617.7	5 697.7
Europe and Africa		5 777.8	6 298.8
Asia Pacific		5 167.8	5 183.4
North and South America		4 347.6	4 230.0
<b>Total sales revenue</b>		<b>20 910.9</b>	<b>21 409.9</b>
<b>Business area:</b>			
Maritime		7 556.7	7 743.6
Oil & Gas		3 715.1	3 919.5
Energy		3 939.4	3 536.7
Business Assurance		3 595.0	3 626.4
Digital Solutions		1 134.6	1 046.3
Inspection		834.3	919.3
Real Estate		15.5	8.2
Other		120.3	609.9
<b>Total sales revenue</b>		<b>20 910.9</b>	<b>21 409.9</b>

For management purposes, the Group is organized into business areas based on the industries in which the Group operates. DNV is structured into five business areas; Maritime, Oil & Gas, Energy, Business Assurance and Digital Solutions, and two independent business units, Inspection and Real Estate.

		DET NORSKE VERITAS HOLDING AS CONSOLIDATED	
		2020	2019
<b>5. Payroll expenses</b>			
Salaries		9 187.4	8 696.8
Bonus expenses		546.0	597.0
Payroll tax		1 020.8	1 016.5
Pension costs		759.5	785.4
Effect of pension plan changes		(6.9)	(6.4)
Other contributions		581.7	626.3
<b>Total payroll expenses</b>		<b>12 088.5</b>	<b>11 715.6</b>
Full time equivalent		11 405	11 618

DET NORSKE VERITAS HOLDING AS		DET NORSKE VERITAS HOLDING AS CONSOLIDATED		
2020	2019	2020	2019	
0.0	0.0	Travel expenses (refundable and non-refundable)	491.8	1 091.6
0.0	0.0	External hired assistance	1 845.8	1 890.9
0.0	0.0	IT and communication expenses	583.8	588.5
0.0	0.0	Rent and real estate expenses	378.7	433.6
0.0	0.0	Losses on accounts receivables	40.5	56.2
4.3	7.6	Expenses group companies	0.0	0.0
0.0	0.0	Loss on divestment KEMA laboratories US	2.8	0.0
0.4	0.1	Other expenses (refundable and non-refundable)	2 003.1	2 253.5
<b>4.8</b>	<b>7.7</b>	<b>Total other operating expenses</b>	<b>5 346.5</b>	<b>6 314.4</b>



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## DET NORSKE VERITAS HOLDING AS

### Notes to the financial statements

Amounts in NOK million

#### 7. Remuneration to Group CEO, Board of Directors and auditor fees

##### Remuneration to Group CEO

Remuneration to Group CEO, Remi Eriksen, is paid from DNV AS. Please refer to note 7 in the financial statements for DNV Group AS for further disclosures.

##### Remuneration to Board of Directors

No remuneration has been paid to members of the Board of Directors from Det Norske Veritas Holding AS in 2020.

Board remuneration paid in 2020 from other Group companies: (amounts in NOK thousand)

Name	Remuneration
Leif-Arne Langøy <sup>1</sup>	412
Jon Fredrik Baksaas <sup>2</sup>	461
Nina Ivarsen	302
Clemens Keuer	302
Liselott Kilaas <sup>3</sup>	292
Lasse Kristoffersen	327
David McKay	302
Silvija Seres	339
Birgit Aagaard-Svendsen	368
Ingvild Sæther <sup>4</sup>	82
Jon Eivind Thrane	302
Christian Venderby <sup>4</sup>	66

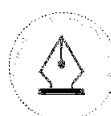
1) Chair of the Board of Directors until 28 October 2020

2) Chair of the Board of Directors from 29 October 2020

3) Member of the Board of Directors until 28 October 2020

4) Member of the Board of Directors from 29 October 2020

Fees to the auditors for 2020 (amounts in NOK thousand)	Det Norske Veritas Holding AS	Group auditor		Other auditors	Total
		other Norwegian entities	Group auditor non-Norwegian entities		
Statutory audit	41	6 306	28 385	850	35 582
Other audit related services		330	32	15	377
Non-audit services		1 466	947	0	2 413



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**DET NORSKE VERITAS HOLDING AS**
**Notes to the financial statements**
*Amounts in NOK million*
**8. Pension costs, plan assets and defined benefit pension liabilities**

DNV Group has both defined contribution pension plans and defined benefit pension plans. 10 076 employees are covered by the defined contribution pension plans while 2 904 persons (employees and pensioners) are covered by defined benefit pension plans. All defined benefit pension plans are closed for new entrants, however active members still build up their pension rights under these plans. End of service benefit plans in some countries outside Norway (mainly Middle East and Asian countries with statutory defined benefit plan requirements) are still open for new entrants. These end of service benefit plans are required by law and fully settled at retirement/ resignation.

The structure of the defined benefit pension plans depends on the legal, tax and economic conditions in the respective countries, and is usually based on length of service and remuneration of the employee. The defined benefit pension plans are covered through separate pension funds, through arrangements with independent insurance companies or through unfunded plans.

The defined benefit pension plans in Norway are financed mainly through a separate pension fund. For defined benefit pension plans in Germany, the major plans are unfunded with the gross liability reflected as a pension liability, however there are also pension plans in Germany financed through independent insurance companies. Of the other defined benefit pension plans, the major UK plans (closed in 2017) are financed through a separate pension fund, while the other plans are mainly financed through independent administrative funds/insurance companies. The pension cost and the pension liabilities as included in the accounts and in this note, are based on the presented actuarial assumptions, together with remuneration of the employee and length of service.

Contribution to the Group's pension plans are made in accordance with common actuarial methods and statutory regulations in the country where the pension plan is administered. Total pension costs for 2020 are NOK 752.6 million of which NOK 172.3 million are related to the defined benefit pension plans and NOK 580.3 million are related to the defined contribution pension plans and end of service benefit plans.

The Norwegian companies in the Group are subject to the Norwegian Pension Act. The companies' pension plans fulfil the requirements of the law. Norwegian employees are covered either by the Norwegian defined contribution pension plan (mainly employees employed after 1 January 2005), or the defined benefit pension plan organized in one Norwegian pension fund (employees employed before 1 January 2005) and in one unfunded pension plan (employees employed before 1 January 2005). The pension assets in the Norwegian pension fund are invested as follows:

<b>Market value of plan assets in Norway</b>	<b>31 Dec. 2020</b>	<b>31 Dec. 2019</b>
Buildings and property	189.0	188.0
Mutual equity funds and hedge funds	4 921.6	4 355.7
Norwegian bonds and bond funds	1 851.3	1 843.8
Non-Norwegian bonds and bond funds	110.7	110.3
Bank accounts, other assets and liabilities	614.7	640.2
<b>Total market value of plan assets Norway (DNV Pension fund)</b>	<b>7 687.3</b>	<b>7 138.0</b>
<b>Actual return/ (loss) on plan assets</b>	<b>578.5</b>	<b>960.9</b>

<b>Pension cost - defined benefit pension plans:</b>	<b>Funded Norwegian defined benefit pension plans</b>		<b>German defined benefit pension plans</b>		<b>Other defined benefit pension plans</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Net present value of this year's pension contribution	118.6	129.0	38.4	39.2	5.5	5.1
Effect of plan changes/ curtailments	0.0	0.0	(5.8)	(6.4)	(1.1)	0.0
Payroll tax	16.7	18.2	0.0	0.0	0.0	0.0
<b>Net present value of this year's pension contr. and curtailm. incl. payroll tax</b>	<b>135.3</b>	<b>147.1</b>	<b>32.6</b>	<b>32.7</b>	<b>4.4</b>	<b>5.1</b>
Net interest on the net defined benefit liability (asset)	(37.1)	(16.1)	41.4	46.8	(0.6)	(1.7)
Payroll tax	(5.2)	(2.3)	0.0	0.0	0.0	0.0
<b>Net interest on the net defined benefit liability (asset) incl. payroll tax</b>	<b>(42.4)</b>	<b>(18.3)</b>	<b>41.4</b>	<b>46.8</b>	<b>(0.6)</b>	<b>(1.7)</b>



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## DET NORSKE VERITAS HOLDING AS

### Notes to the financial statements

Amounts in NOK million

Net pension asset (liabilities) - defined benefit pension plans:	Funded Norwegian defined benefit pension plans		German defined benefit pension plans		Other defined benefit pension plans	
	31 Dec. 2020	31 Dec. 2019	31 Dec. 2020	31 Dec. 2019	31 Dec. 2020	31 Dec. 2019
Market value of plan assets	7 687.3	7 138.0	89.6	75.9	2 402.6	2 185.9
Actuarial present value of pension liabilities	(6 240.0)	(5 617.0)	(3 014.5)	(2 700.8)	(2 454.0)	(2 194.0)
Payroll tax	(99.9)	(93.1)	0.0	0.0	0.0	0.0
<b>Net pension asset (liabilities)</b>	<b>1 347.4</b>	<b>1 427.9</b>	<b>(2 924.9)</b>	<b>(2 624.9)</b>	<b>(51.4)</b>	<b>(8.0)</b>

End of service benefit schemes:	Norwegian schemes		German schemes		Other schemes	
	31 Dec. 2020	31 Dec. 2019	31 Dec. 2020	31 Dec. 2019	31 Dec. 2020	31 Dec. 2019
<b>Net liability</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(256.0)</b>	<b>(184.9)</b>

Hereof recorded in the balance sheet as:						
Net pension asset	1 347.4	1 427.9	0.0	0.0	18.6	56.0
Pension liabilities	0.0	0.0	(2 924.9)	(2 624.9)	(70.0)	(64.1)
Other non-current liabilities	0.0	0.0	0.0	0.0	(256.0)	(184.9)

The assumptions (discount rate, covered bonds) for calculation of the pension liabilities in Norway have been changed from 2.3% to 1.7%, the real income in society have been increased from 0.25% to 0.5%. The changed assumptions led to increased pension liabilities of NOK 522 million in 2020.

The assumptions (discount rate) for calculation of the pension liabilities in Germany have been changed from 2.0% to 1.0%. The changed assumptions led to increased pension liabilities of NOK 164 million in 2020.

NOK 363.2 million net actuarial loss on defined benefit pension plans have been reflected in other comprehensive income/ other equity in 2020.

The calculations of the pension liabilities are based on the following actuarial assumptions:

	Norwegian plans <sup>2</sup>		German plans		Other plans	
	31 Dec. 2020	31 Dec. 2019	31 Dec. 2020	31 Dec. 2019	31 Dec. 2020	31 Dec. 2019
Discount rate <sup>1</sup>	1.70%	2.30%	1.0%	1.3%	0.5-3.0%	0.5-5.3%
Projected annual salary adjustment	2.25%	2.25%	2.5%	2.5%	3.0-5.0%	2.0-5.0%
Projected annual increase in pension benefit	1.50%	1.58%	1.5%	1.5%	0.0-2.7%	0.5-2.9%
Projected annual increase of Norwegian government basis pension	2.00%	1.75%				
Expected annual return on plan assets	1.70%	2.30%	1.0%	2.0%	0.5-3.0%	0.5-5.3%

1) Covered bond rate for Norwegian plans

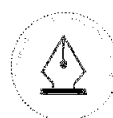
2) The pension liability calculations for the Norwegian plans are based on K20138E (standard best estimate mortality table).

The retirement age in the group differs from country to country. In the most significant pension plans the ordinary retirement age is 67 years (Norway) and 65 - 67 years (Germany). To align with German regulations, the major German pension plans are gradually shifting from 65 to 67 years based on the year of birth of the plan members. Some managers and employees are entitled to early retirement before 67, with full pension rights earned.

#### Sensitivity analysis of pension calculations

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while keeping all other assumptions unchanged. Sensitivities decrease (increase) defined benefit obligation year-end.

Assumptions	Discount rate		Future salary increases	
	0.5 % increase	0.5 % decrease	0.5 % increase	0.5 % decrease
Sensitivity level				
Impact on defined benefit obligation Norwegian plans	495.8	(563.7)	(176.8)	203.2
Impact on defined benefit obligation German plans	218.4	(223.6)	(22.3)	22.1



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**DET NORSKE VERITAS HOLDING AS**
**Notes to the financial statements**
*Amounts in NOK million*
**9. Financial income and financial expenses**

DET NORSKE VERITAS HOLDING AS			DET NORSKE VERITAS HOLDING AS CONSOLIDATED		
2020	2019		2020	2019	
1 950.0	2 100.0	Dividend from subsidiaries	0.0	0.0	
42.1	167.6	Group contribution	0.0	0.0	
0.0	0.0	Return on financial investments	7.5	0.0	
0.0	0.0	Gain/(Loss) from investment in associates (note 15)	4.5	(5.6)	
0.0	0.0	Gain from sale of available for sale investments	9.2	0.0	
0.0	0.0	Net interest on the net defined benefit liability (asset) (Note 8)	(1.6)	(26.8)	
67.4	61.5	Net interest income (expense) group companies	(1.7)	(0.2)	
0.0	0.0	Interest expense for lease liabilities	(58.1)	(66.8)	
(89.8)	-164.3	Interest expense and other financial expenses external loan	(89.8)	(164.3)	
(11.6)	3.6	Interest rate swap	(11.6)	3.6	
(0.2)	0.0	Other net interest income (expense)	25.7	6.5	
0.0	0.0	Currency gains (losses)	(96.0)	(143.2)	
(0.0)	0.0	Other financial items	(55.3)	(51.6)	
1 957.9	2 168.3	<b>Net financial income (expenses)</b>	<b>(267.2)</b>	<b>(448.4)</b>	

**10. Financial market risk**

The Group's main financial market risks are liquidity risk, foreign currency risk, credit risk, interest rate risk and pension plan risk.

**Liquidity risk**

The Group monitors its liquidity risk on an ongoing basis. The liquidity forecasting considers planned investments in non-current assets, financing activities, working capital needs, as well as projected cash flows from operations.

**Foreign currency risk**

The Group has revenues and expenses in approximately 65 currencies. Of these, six currencies (EUR, USD, NOK, GBP, CNY and KRW) make up for 76% of the total revenue. In many currencies the group has a natural hedge through a balance of revenue and expenses. The policy of the Group is to hedge significant project exposures and future cash flows through forward exchange contracts. As part of the hedging strategy, the Group has nominal value of forward exchange contracts equivalent to NOK 1 875 million. The Group does not apply hedge accounting and realized and unrealized gains and losses are recognized in the income statement. Unrealized gain at year-end is NOK 149.9 million. The present hedging policy will be discontinued and the plan is to unwind the forward exchange contracts during 2021.

A change in USD exchange rate of +/- 1 percentage point will lead to a change in operating revenue of approximately +/- NOK 37 million and a change in operating profit (EBIT) of approximately +/- NOK 4 million. A change in EUR exchange rate of +/- 1 percentage point will lead to a change in operating revenue of approximately +/- NOK 41 million and a change in operating profit (EBIT) of approximately +/- 1 million.

**Credit risk**

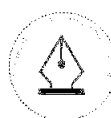
Receivable balances (NOK 3 906 million) are monitored on an ongoing basis with the result that the Group's exposure to bad debts is limited. There are no significant concentrations of credit risk within the Group. With respect to credit risk arising from the other financial assets of the Group, which comprises cash, cash equivalents and money market funds (NOK 5 365 million) and certain derivative instruments (NOK 149.9 million), the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the market value of these instruments.

**Interest rate risk**

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's forward exchange contracts and the multi-currency revolving credit facility. Both risks are considered to have limited effect.

**Pension plan risk**

The Group is exposed to volatility in the financial market affecting the value of the pension plan assets. The Group is also exposed to interest rate volatility affecting the pension liabilities. In addition, inflation and real wages development will have impact on the pension liabilities.



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## DET NORSKE VERITAS HOLDING AS

### Notes to the financial statements

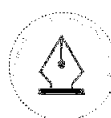
Amounts in NOK million

#### 11. Tax

DET NORSKE VERITAS HOLDING AS			DET NORSKE VERITAS HOLDING AS CONSOLIDATED	
2020	2019		2020	2019
		<b>Tax expense consists of:</b>		
4.2	26.0	Norwegian income tax	57.9	108.7
0.0	0.4	Income tax outside Norway	557.8	532.2
4.2	26.4	<b>Total tax payable</b>	<b>615.7</b>	<b>641.0</b>
(2.1)	(1.0)	Change in deferred tax in Norway	105.4	34.4
0.0	0.0	Effect of changed tax rates	(9.0)	0.0
0.0	0.0	Change in deferred tax outside Norway	(48.7)	(76.4)
(2.1)	(1.0)	<b>Total change in deferred tax</b>	<b>47.7</b>	<b>(42.0)</b>
2.0	25.4	<b>Tax expense</b>	<b>663.4</b>	<b>598.9</b>
429.7	475.3	Tax on profit at 22%	469.4	413.2
		Tax effect of:		
0.0	0.0	Foreign tax exempt branches	0.0	0.0
0.0	0.4	Non refundable foreign withholding taxes	65.5	61.4
0.0	0.0	Gain sale of shares	34.0	(114.3)
0.0	0.0	Changes of previous years taxes	19.5	152.9
0.0	0.0	Effect of changed tax rates	(9.0)	0.0
0.0	0.0	Tax assets not recognized current year	27.8	21.8
0.0	0.0	Differences between tax rates in Norway and abroad	15.9	22.6
(427.7)	(450.3)	Other permanent differences	40.3	41.3
2.0	25.4	<b>Tax expense</b>	<b>663.4</b>	<b>598.9</b>
0 %	1 %	Effective tax rate	31 %	32 %
		<b>Net tax-reducing/tax-increasing temporary differences:</b>		
29.9	83.3	Non-current assets	1 160.7	1 438.5
0.0	0.0	Current assets	171.0	40.1
(58.7)	0.0	Liabilities	(2 947.9)	(2 620.2)
0.0	0.0	Tax loss to be carried forward	(1 017.8)	(1 133.7)
(28.8)	83.3	<b>Basis for deferred tax asset/liability</b>	<b>(2 633.9)</b>	<b>(2 275.4)</b>
22 %	22 %	Tax rates applied	17%-42%	17%-42%
6.3	0.0	<b>Deferred tax asset</b>	<b>1 076.6</b>	<b>995.7</b>
0.0	(18.3)	<b>Deferred tax liability</b>	<b>(349.6)</b>	<b>(375.4)</b>

In addition to the tax loss to be carried forward of NOK 1 017.8 million shown above, which has a related deferred tax asset recognized in the balance sheet, the Group has accumulated tax-loss to be carried forward amounting to NOK 1 047 million. As the future utilization of these tax losses cannot be demonstrated, the related deferred tax asset of NOK 229 million has not been recognized in the balance sheet.

NOK 119.2 million deferred tax income related to net actuarial losses on defined benefit pension plans, has been reflected in other comprehensive income/ other equity, together with the related net actuarial loss.



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**DET NORSKE VERITAS HOLDING AS**
**Notes to the financial statements**
*Amounts in NOK million*
**12. Intangible assets**

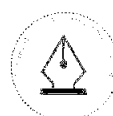
	Goodwill	Customer contracts and relations	Trade- marks	Software development	Total
<b>Acquisition cost</b>					
1 January 2019	9 266.0	2 753.5	561.5	2 718.0	15 298.9
Additions	0.0	0.0	0.0	279.9	279.9
Disposals	(188.5)	(92.8)	-130.5	-3.9	(415.6)
Currency translation differences	(60.8)	(19.4)	(3.6)	(8.3)	(92.1)
<b>Total acquisition cost 31 Dec 2019</b>	<b>9 016.7</b>	<b>2 641.3</b>	<b>427.4</b>	<b>2 985.7</b>	<b>15 071.1</b>
Additions	0.0	0.0	0.0	236.9	236.9
Additions from acquisitions	105.2	33.1			138.3
Disposals from divestments (note 3)	(30.4)	0.0	0.0	(65.6)	(96.0)
Currency translation differences	559.3	174.8	25.7	81.5	841.3
<b>Total acquisition cost 31 Dec 2020</b>	<b>9 650.7</b>	<b>2 849.2</b>	<b>453.1</b>	<b>3 238.5</b>	<b>16 191.5</b>
<b>Accumulated amortization and impairment</b>					
1 January 2019	(359.3)	(1 727.1)	0.0	(1 453.7)	(3 540.1)
Amortization	0.0	(233.8)	0.0	(186.7)	(420.5)
Impairment	0.0	0.0	0.0	(9.3)	(9.3)
Disposals	0.0	72.8	0.0	0.0	72.8
Currency translation differences	(0.3)	11.9	0.0	7.6	19.3
<b>Total accum. amortization and impairment 31 Dec 2019</b>	<b>(359.6)</b>	<b>(1 876.2)</b>	<b>0.0</b>	<b>(1 642.0)</b>	<b>(3 877.8)</b>
Amortization	0.0	(209.4)	0.0	(210.2)	(419.6)
Impairment	0.0	0.0	0.0	(15.0)	(15.0)
Disposals	0.0	0.0	0.0	3.0	3.0
Currency translation differences	(1.1)	(119.8)	0.0	(74.8)	(195.8)
<b>Total accum. amortization and impairment 31 Dec 2020</b>	<b>(360.7)</b>	<b>(2 205.4)</b>	<b>0.0</b>	<b>(1 939.1)</b>	<b>(4 505.1)</b>
<b>Net book value</b>					
At 31 December 2019	8 657.1	765.2	427.4	1 343.6	11 193.3
At 31 December 2020	9 290.1	643.9	453.1	1 299.4	11 686.4
Useful life	Indef.	1-10 years	Indef.	5-10 years	

Other intangible assets are amortized linearly, based on evaluation of useful life.

Other intangible assets mainly consist of capitalized software development costs and acquired software.

Goodwill is not amortized, but is tested annually for impairment (note 13).

Trademarks has an indefinite useful life and are not amortized but tested for impairment annually.



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## DET NORSKE VERITAS HOLDING AS

### Notes to the financial statements

Amounts in NOK million

#### 13. Goodwill

Goodwill obtained through acquisitions is allocated to the Group's business areas and followed up and tested collectively for the group of cash-generating units that constitute the business area. The cash-generating units correspond to DNV Group's business areas Maritime, Oil & Gas, Energy, Business Assurance and Digital Solutions and the independent business unit Inspection. The test is performed at year end. An impairment loss is recognized if the estimated recoverable amount is lower than the carrying amount of the cash generating unit.

Effective 1 January 2020, the Inspection business was separated out of Business Area Oil & Gas into an independent business unit 'IBU Inspection'. The goodwill applicable to IBU Inspection was allocated from Oil & Gas to Inspection based on the relative net present values of the new CGUs.

Goodwill is allocated to the business areas as follows:

	2020	2019
Maritime	3 364.9	3 172.2
Oil & Gas	3 066.0	3 549.5
Energy	1 907.2	1 701.7
Business Assurance	189.9	185.8
Digital Solutions	48.0	47.9
Inspection	714.0	
<b>Total goodwill</b>	<b>9 290.1</b>	<b>8 657.1</b>

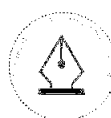
The Group has used value in use to determine recoverable amounts for the cash-generating units. Value in use is determined by using the discounted cash flow method. The expected cash flows are based on the business areas' budgets and long term plans, which are approved by the Board of Directors and executive management. Budgets and long-term plans cover maximum a five year period. The growth rates used to project cash flows beyond the explicit 5 year plan period are based on management's past experience and market development expectations.

Key assumptions per cash-generating unit:	Cost of capital	Long-term
	(WACC) - Post-tax	nominal growth rate
Maritime	6.5 %	1.5 %
Oil & Gas	6.5 %	1.5 %
Energy	6.4 %	1.5 %
Business Assurance	6.5 %	1.5 %
Digital Solutions	7.0 %	1.5 %
Inspection	7.1 %	1.5 %

#### Sensitivity analysis

In connection with impairment test of goodwill, sensitivity analyses are carried out for each individual cash-generating unit. For Energy a decrease in EBITA-margin of 6.3% or an increase in WACC of 8.1% will lead to impairment. For Oil & Gas a decrease in EBITA-margin of 3.2% or an increase in WACC of 2.2% will lead to impairment. For Inspection an EBITA-margin of 3.2% or an increase in WACC of 2.7% will lead to impairment.

None of the other cash-generating units will be in an impairment situation unless there are material changes in the key assumptions, and these changes are considered to be outside the probable outcome.



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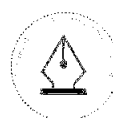
### Notes to the financial statements

Amounts in NOK million

#### 14. Fixed assets

	Land, buildings and other property	Office equip- ment, fixtures and fittings	Right-of-use assets	Total
<b>Acquisition cost</b>				
1 January 2019	3 494.2	4 427.3	1 879.2	9 800.8
Additions	48.8	97.9	318.1	464.9
Additions from business combinations	0.0	0.0	0.0	0.0
Disposals	(8.6)	(48.0)	0.0	(56.5)
Disposals from divestments (note 3)	(355.3)	(1 085.6)	0.0	(1 441.0)
Currency translation differences	7.9	14.7	25.2	47.8
<b>Total acquisition cost 31 December 2019</b>	<b>3 187.0</b>	<b>3 406.4</b>	<b>2 222.5</b>	<b>8 815.9</b>
Additions	26.0	92.3	167.9	286.2
Additions from business combinations		0.9		0.9
Disposals	(13.8)	(67.8)		(81.6)
Disposals from divestments (note 3)	(92.2)	(180.5)		(272.7)
Currency translation differences	4.7	20.0	33.0	57.7
<b>Total acquisition cost 31 December 2020</b>	<b>3 111.7</b>	<b>3 271.2</b>	<b>2 423.4</b>	<b>8 806.3</b>
<b>Accumulated depreciation and impairment</b>				
1 January 2019	1 351.5	3 393.1	0.0	4 744.6
Depreciation	135.5	203.4	425.7	764.6
Impairment	0.0	0.0	0.0	0.0
Disposals	(4.3)	(34.8)	0.0	(39.0)
Disposals from divestments (note 3)	(111.9)	(727.6)	0.0	(839.5)
Currency translation differences	3.7	9.2	0.0	12.9
<b>Total accumulated depreciation and impairment 31 December 2019</b>	<b>1 374.4</b>	<b>2 843.4</b>	<b>425.7</b>	<b>4 643.5</b>
Depreciation	66.4	160.2	413.9	640.5
Impairment	0.0	0.0	0.0	0.0
Disposals	(2.5)	(63.5)		(66.0)
Disposals from divestments (note 3)	(41.5)	(111.5)		(153.0)
Currency translation differences	(1.7)	8.4		6.7
<b>Total accumulated depreciation and impairment 31 December 2020</b>	<b>1 395.1</b>	<b>2 837.0</b>	<b>839.6</b>	<b>5 071.7</b>
<b>Net book value</b>				
31 December 2019	1 812.5	563.0	1 796.8	4 172.3
31 December 2020	1 716.5	434.2	1 583.7	3 734.6
Useful life	15-67 years/ indefinite (land)	3-15 years	1-15 years	
Depreciation plan	Linear	Linear	Linear	

The right-of-use assets consist of leased office premises



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## DET NORSKE VERITAS HOLDING AS

### Notes to the financial statements

Amounts in NOK million

#### 15. Investment in associates

DNV Group AS' ownership (through DNV AS) in StormGeo Holding AS is 26.4 %. The investment is recognized in accordance with the equity method in the consolidated financial statements.

##### Investments in associates:

Company	Business Office	Ownership	Acquisition cost	Share of loss for the year	Book value
StormGeo Holding AS	Bergen	26 %	145.5	4.5	186.8
<b>Total investment in associates</b>				<b>4.5</b>	<b>186.8</b>

#### 16. Other current liabilities

##### DET NORSKE VERITAS HOLDING AS CONSOLIDATED

	31 Dec 2020	31 Dec 2019
Contract liabilities	2 565.3	2 241.8
Accrued bonus to employees	546.0	597.0
Accrued holiday allowances	382.8	428.4
Unrealized loss (gain) and interest related to forward contracts	57.1	0.0
Accrued expenses and other current liabilities	1 461.1	1 232.9
<b>Total other current liabilities</b>	<b>5 012.2</b>	<b>4 500.1</b>

#### 17. Trade receivables

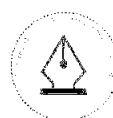
##### DET NORSKE VERITAS HOLDING AS CONSOLIDATED

	31 Dec 2020	31 Dec 2019
Gross trade receivables	3 906.5	4 633.7
Provision for bad debts	(149.9)	(154.5)
<b>Net trade receivables</b>	<b>3 756.6</b>	<b>4 479.2</b>

#### 18. Other long-term receivables

##### DET NORSKE VERITAS HOLDING AS CONSOLIDATED

	31 Dec 2020	31 Dec 2019
Loans to employees	15.8	19.7
Arrangement fee external loan	29.9	37.3
Other long-term receivables	317.9	384.2
<b>Total other long-term receivables</b>	<b>363.5</b>	<b>441.2</b>



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## DET NORSKE VERITAS HOLDING AS

### Notes to the financial statements

Amounts in NOK million

#### 19. Provisions

DET NORSKE VERITAS HOLDING AS CONSOLIDATED

	Claims and contingencies	Restructuring	Other provisions	Total
<b>Balance at 1 January 2019</b>	<b>82.0</b>	<b>127.0</b>	<b>96.7</b>	<b>305.7</b>
Currency translation differences	(0.3)	1.4	(1.2)	(0.2)
Additions	34.1	76.7	16.5	127.2
Utilization	(26.1)	(83.5)	(11.1)	(120.7)
Reversal	(41.5)	(12.4)	0.0	(53.8)
<b>Balance at 31 December 2019</b>	<b>48.2</b>	<b>109.2</b>	<b>100.8</b>	<b>258.2</b>
Current	16.2	109.2	37.8	163.2
Non-current	32.0	0.0	63.0	95.0
<b>Balance at 1 January 2020</b>	<b>48.2</b>	<b>109.2</b>	<b>100.8</b>	<b>258.2</b>
Currency translation differences	0.0	4.2	1.8	6.0
Additions	0.0	176.8	18.0	194.8
Utilization	(13.0)	(84.1)	(15.4)	(112.5)
Reversal	0.0	(4.5)	(1.7)	(6.2)
<b>Balance at 31 December 2020</b>	<b>35.2</b>	<b>201.6</b>	<b>103.5</b>	<b>340.3</b>
Current	10.0	201.6	26.6	238.2
Non-current	25.2	0.0	76.9	102.1

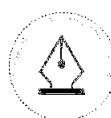
Provisions for claims and contingencies more likely to materialize than not, reflect the financial exposure.

The exposure for other claims classified as contingent liabilities, less likely than not to materialize is considered not to exceed NOK 20 million.

Provisions for restructuring are primarily termination benefits/ severance costs. Included in other provisions are provisions for onerous contracts and lease contract dilapidations.

#### 20. Lease liabilities

Overview of future minimum lease:	31 Dec 2020	31 Dec 2019
Within one year	426.1	409.9
After one year but not more than five years	1046.2	1 148.2
More than five years	341.5	469.9
<b>Future minimum lease</b>	<b>1 813.8</b>	<b>2 027.9</b>
<b>Summary of the lease liabilities in the financial statements:</b>		
Total lease liabilities 01.01	1 960.4	1 976.7
New lease liabilities recognised in the year	213.3	244.9
Cash payments for the principal portion of the lease liability	-465.9	-420.9
Interest expense on lease liabilities	58.1	66.8
Reassessment of the discount rate on previous lease liabilities	-65.7	65.7
Currency exchange differences	33.0	27.2
<b>Total lease liabilities at 31 December</b>	<b>1 733.2</b>	<b>1 960.4</b>
Non-current lease liabilities	1 307.1	1 550.5
Current lease liabilities	426.1	409.9



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## DET NORSKE VERITAS HOLDING AS

### Notes to the financial statements

Amounts in NOK million

#### 21. Cash and bank deposits

Det Norske Veritas Holding AS participates in DNV Group AS' cash pool system with Danske Bank. Balances on bank accounts participating in the cash pool are considered as internal assets or liabilities vis-à-vis DNV Group AS.

DNV Group AS has the following cash pool systems:

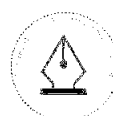
Bank	Overdraft facility (mill)	Participating entities	Balance 31 Dec 2020 (mill NOK)
Danske Bank	NOK 500	All subsidiaries in Norway, Denmark, Sweden, Finland, UK, Ireland, Faroe Islands, and the Baltics	944
Deutsche Bank	EUR 20	Several subsidiaries in Europe	54
Bank of America		Most of the subsidiaries in US	141
Bank of America		Most of the subsidiaries in Canada	47
DNB ASA	NOK 50	Some subsidiaries	338
Handelsbanken	NOK 0	Some subsidiaries in Sweden, Poland, Finland, Estonia, Latvia, Lithuania and Germany	22
Citibank - AED		Some subsidiaries in Middle East	19
Citibank - AUD		Some subsidiaries in Australia	52
Citibank - USD (UAE)		Some subsidiaries in Middle East	158
Citibank - USD (SG)	USD 13	Some subsidiaries in Singapore and South East Asia	60
Citibank - SGD		Some subsidiaries in Singapore and South East Asia	60
Citibank - JPY		Some subsidiaries in Japan	100
Citibank - EUR		Some subsidiaries in the Euro-countries	1

Balances on bank accounts participating in the cash pooling systems are considered as internal assets or liabilities vis-à-vis other Group participants. Cash pool balances 31 December are included in Cash and bank deposits in the balance sheet at 31 December.

The following DNV Group AS' wholly owned subsidiaries have local credit facilities guaranteed by DNV Group AS or DNV AS through parent company guarantees:

Bank	Overdraft facility (mill)	Participating entity	Drawn 31 Dec 2020 (mill)
Citibank China	CNY 50	Det Norske Veritas China Company Ltd	Undrawn
Citibank India	INR 40 + INR 30	DNV GL Business Assurance India Private Ltd	Undrawn
Citibank India	INR 200	Garrad Hassan India Private Ltd	Undrawn
Citibank India	INR 370	DNV GL Shared Services India Private Limited	INR 35
Citibank Korea	KRW 17 000	DNV GL Korea Ltd	Undrawn
Citibank Brazil	BRL 5	DNV GL Business Assurance Avaliacoes e Certi Brasil Ltda	Undrawn
Citibank Brazil	BRL 20	DNV GL Classificacao Certificacao e Consultoria Brasil Ltda	BRL 6

Cash and bank deposits in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.



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**DET NORSKE VERITAS HOLDING AS**
**Notes to the financial statements**
*Amounts in NOK million*
**25. Related party transactions**

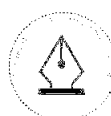
DNV AS has a lease agreement for the office building in Stavanger, Norway with the related party DNV Pension fund, the rent expensed in 2020 amounts to NOK 7.3 million.

DNV AS has a service agreement with the related party DNV Pension fund for management and administrative services. The revenue recognized for these services in 2020 is NOK 0.3 million.

**26. Financial assets and financial liabilities**

DET NORSKE VERITAS HOLDING AS CONSOLIDATED

	Financial instruments at fair value through OCI	Financial instruments at fair value through P&L	Amortized costs	Fair value through P&L	Other financial liabilities
<b>31 December 2020</b>					
<b>Assets - non-current assets</b>					
Equity instruments				44.9	
Loans to employees			15.8		
Other long-term receivables			317.9		
<b>Assets - current assets</b>					
Cash and bank deposits			5 365.1		
Trade debtors			3 756.6		
Other debtors			951.9		
Forward contracts		149.9			
<b>Financial liabilities - non-current</b>					
Other non-current liabilities					340.4
<b>Financial liabilities - current</b>					
Trade creditors					490.0
Overdrafts					13.3
Interest rate swap	57.1				
<b>31 December 2019</b>					
<b>Assets - non-current assets</b>					
Investments available for sale				27.4	
Loans to employees			19.7		
Other long-term receivables			384.2		
<b>Assets - current assets</b>					
Cash and bank deposits			3 809.0		
Trade debtors			4 479.2		
Other debtors			931.8		
Forward contracts		12.7			
<b>Financial liabilities - non-current</b>					
Other non-current liabilities					358.7
<b>Financial liabilities - current</b>					
Trade creditors					427.8
Overdrafts					22.0
Interest rate swap	12.8				



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DET NORSKE VERITAS HOLDING AS

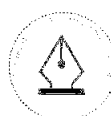
**Notes to the financial statements**

*Amounts in NOK million*

27. Financial instruments

**Interest rate swap**

Det Norske Veritas Holding AS has a NOK 3 250 million Term Loan and a NOK 1 500 million Revolving Credit Facility. The interest on the facilities consist of a floating interest element of NIBOR plus a margin. Hence, Det Norske Veritas Holding AS will have risk related to fluctuations in NIBOR. To limit this risk, the Term Loan NOK 3 250 million) is hedged at a fixed interest rate until December 2022. The interest rate swaps are measured at fair value through Other Comprehensive Income (OCI). Changes in fair value recognized in OCI in 2020 is NOK 80 million loss after tax (NOK 10.1 million gain in 2019).



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## DET NORSKE VERITAS HOLDING AS

### *Notes to the financial statements*

#### 1. Significant accounting policies

##### Basis for preparation

The financial statements are prepared in accordance with the Norwegian Accounting Act § 3-9 and Regulations on Simplified IFRS as enacted by the Ministry of Finance 3 November 2014. In all material aspects, Norwegian Simplified IFRS requires that the IFRS recognition and measurement criteria (as adopted by the European Union) are complied with, but disclosure and presentation requirements (the notes) follow the Norwegian Accounting Act and Norwegian Generally Accepted Accounting Standards.

The financial statements are presented in Norwegian Kroner (NOK) and all values are rounded to the nearest million (NOK million), except when otherwise indicated.

##### Consolidation principles

The consolidated statements include the parent company Det Norske Veritas Holding AS and all companies in which the parent company directly or indirectly has controlling interest. The group controls an entity when the group is exposed to, or has rights to, variable return from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group and deconsolidated from the date that control ceases. The group accounts show the Group's consolidated Income statement, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Statement of Cash Flow as a single economic entity. Subsidiaries follow the same accounting principles as the parent company. All intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between Group entities are eliminated in the consolidated accounts. In the consolidated financial statements, the term 'group companies' include the parent company Stiftelsen Det Norske Veritas which are not part of the DNV Group AS consolidated financial statements.

The consolidated financial statements have been prepared on the basis of going concern.

##### Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at the acquisition date at fair value. Acquisition-related costs are expensed in Income statement as incurred.

Identifiable assets acquired and liabilities assumed are recognized at their fair value at the acquisition date. Goodwill is recognized as the residual value between fair value of the consideration transferred and the fair value of the identifiable net assets.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

The allocation of costs in a business combination is changed if new information on the fair value becomes available and is applicable on the date when control is assumed. The allocation may be altered within one year from acquisition date.

##### Subsidiaries

Investments in subsidiaries are recognized at cost in the accounts of the parent company. Investments carried at cost are measured at the lower of their carrying amount and fair value less costs to sell. The fair values of the investments are tested annually based on external and/or internal indicators implying revaluation. If estimated fair value is less than the carrying amount, the investments are impaired in the Balance sheet statement and the corresponding cost is recognized in the income statement. Impairment losses recognized in prior periods are reversed if the basis for the impaired value no longer exists or have decreased.

In the accounts of the parent company, dividends, group contributions and other distributions are recognized in the same year as they are recognized in the financial statement of the subsidiary according to the Norwegian Regulation of simplified IFRS § 3-1. If dividends / group contribution exceed withheld profits after acquisition, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the Balance sheet statement for the parent company.

##### Dividend to equity holders of the parent company

Dividends declared to shareholders are recognized as a liability at the end of the reporting period according to the Norwegian Regulation of simplified IFRS § 3-1.

##### Investments in associates and joint ventures

An associate is an entity in which the Group has a significant influence but does not control the management of its financial and operating policy decisions (normally when the Group owns 20%-50% of the company).

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.



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## DET NORSKE VERITAS HOLDING AS

### *Notes to the financial statements*

The considerations made in determining significant influence or joint control, are similar to those necessary to determine control over subsidiaries.

Investments in associated companies and joint ventures are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The income statement reflects the Group's share of profits after tax of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The aggregate of the Group's share of profits (or losses) of an associate and a joint venture is shown in the income statement as financial items.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group.

The recognized value of the associate or joint venture in the Statement of Financial Position is tested for impairment annually or more frequently when deemed necessary.

#### Non-controlling interest

The non-controlling interest in the consolidated financial statements, represent the minority's share of the carrying amount of the equity in entities with minority shareholders.

#### Classification and valuation of assets and liabilities

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period

or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

Current and non-current liabilities are classified correspondingly.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Current assets are valued at the lower of cost and net realizable value. Short-term debt is recognized at fair value and subsequently measured at amortized cost. Transaction cost on short-term borrowings are usually minor, and the value of short-term debt at amortized cost is therefore normally identical with face value.

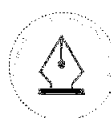
Fixed assets are valued at cost. However, if a decline in value is expected not to be temporary, fixed assets are impaired to the recoverable amount. Fixed assets with a limited useful economic life are depreciated in accordance with a linear depreciation plan.

#### Revenue recognition

Revenue is recognized when control of a product or service is transferred to the customer. For sale of services, the revenue is recognized over time by applying percentage of completion method. Stage of completion is measured by reference to actual expenses incurred to date as a percentage of total estimated expenses for each contract. When the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable. A contract asset is recognized for all work performed, not yet invoiced.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

Revenue from sale of software licenses are recognized at a point of time. For software maintenance services delivered in the maintenance period, revenue is recognized over time based on the stage of completion of the contract.



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## DET NORSKE VERITAS HOLDING AS

### *Notes to the financial statements*

#### Receivables

Trade receivables and other current receivables are recorded in the balance sheet initially at fair value and subsequently measured at amortized cost less provision for impairment. The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. The Group use a provision matrix as a practical expedient to calculate the expected credit losses on trade receivables. The provision matrix represents the group's expected credit risk. Impairment of trade receivables are recognized in the income statement.

#### Taxes

Income tax expense comprises both current tax and deferred tax, including effects of changes in tax rates. Current and deferred tax is recognized in income statement, except to the extent that they relate to items recognized in equity or other comprehensive income, of which the tax is also recognized in equity or other comprehensive income.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The current and deferred income tax is calculated based on tax rates (and tax laws) that have been enacted or substantively enacted, in the countries where the Group operates and generates taxable income at the end of the reporting period. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is recognized on temporary differences between the carrying amount of assets and liabilities and the corresponding tax bases as well as on tax losses carried forward at the reporting date. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets for temporary differences and tax loss carry forwards are recognized to the extent that it is probable that future taxable income will be available at the level of the relevant tax authority for utilization. Tax increasing and tax reducing temporary differences expected to reverse in the same period are offset and calculated on a net basis as far as this relate to the same taxable entity and the same taxation authority.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

#### Foreign currencies

The Group's consolidated financial statements are presented in Norwegian Kroner (NOK), which is also the parent company's functional currency. The functional currency of an entity is the currency of the economic environment in which the company primarily operates. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in the Income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Forward exchange contracts are included at market value at the reporting date.

On consolidation, the assets and liabilities of foreign operations, including goodwill and fair value adjustments are translated into NOK at the rate of exchange prevailing at the reporting date. The Income statements are translated at the average exchange rate for the financial year. Exchange rate differences arising are recognized in other comprehensive income (OCI). On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in the Income statement.

Realized and unrealized currency effects not reflected in OCI are included on a net basis in either other financial income or other financial expenses.

#### Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on a straight-line basis over the expected useful life of the assets. The estimated useful life, residual values and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. Periodic maintenance costs are capitalized and depreciated over the expected maintenance period. Other repair and maintenance costs are recognized in the Income statement as incurred. Improvement and upgrading are assigned to the purchase cost/ carrying amount and depreciated along with the asset.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gains or losses is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.



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## DET NORSKE VERITAS HOLDING AS

**Notes to the financial statements**Leases

The Group has applied IFRS 16 using the modified retrospective approach.

*Identifying a lease*

At the inception of a contract, The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A contract conveys the right to control the use of the identified asset if the lessee has the right to obtain substantially all the economic benefits from the use of the identified asset (e.g. by having the exclusive right to use the asset throughout that period) and the right to direct the use of the identified asset throughout the period of use.

*Recognition of leases and exemptions*

At the lease commencement date, the Group recognises a lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for the following practical exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low value assets

For these leases, the Group recognises the lease payments as other operating expenses in the statement of profit or loss when they incur.

*Measuring the lease liability*

The lease liability is initially measured at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. The lease term represents the non-cancellable period of the lease, together with periods covered by an option to extend the lease when the Group is reasonably certain to exercise this option, and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

The lease payments included in the measurement comprise of:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- Amount expected to be payable by the Group under residual value guarantees
- The exercise price of a purchase option, if the Group is reasonably certain to exercise that option
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The Group do not include variable lease payments in the lease liability arising from contracted index regulations subject to future events, such as inflation. Instead, the Group recognises these costs in profit or loss in the period in which the event or condition that triggers those payments occurs.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in an index or rate.

Group presents its lease liabilities as separate line items in the statement of financial position.

*Measuring the right-of-use asset*

The right-of-use asset is initially measured at cost. The cost of the right-of-use asset comprise:

- The amount of the initial measurement of the lease liability
- Any lease payments made at or before the commencement date, less any lease incentives received
- Any initial direct costs incurred by the Group
- An estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories .

The right-of-use asset is subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated on a straight-line basis over the lease term or the useful life of the leased asset, whichever is shorter.

Group presents it's right-of-use assets as separate line items in the consolidated statement of financial position.



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## DET NORSKE VERITAS HOLDING AS

*Notes to the financial statements*Borrowing costs

Borrowing costs are recognized in the Income statement in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Except for capitalized development costs, all other internally generated intangibles are reflected in the Income statement in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. The asset is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Income statement.

Goodwill is tested for impairment annually as part of the Group's annual plan process and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.



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## DET NORSKE VERITAS HOLDING AS

### *Notes to the financial statements*

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

#### Cash and bank deposits

Cash and bank deposits in the Balance sheet comprise petty cash and cash at bank and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash and bank deposits are initially and subsequently measured at fair value.

#### Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable (more likely than not) that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a financial expense.

#### Restructuring provisions

Restructuring provisions are recognized only when the Group had a constructive obligation, which is when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and an appropriate timeline, and the employees affected have been notified of the plan's main features.

#### Post employment benefits

The group operates various post-employment schemes, including both defined benefit and defined contribution pension plans.

A defined contribution plan is a pension plan under which the Group pays fixed contribution into a separate entity (a fund/insurance company) and will have no legal or constructive obligation to pay further contributions. The pension cost related to the defined contribution plans is equal to the contributions to the employee's pension savings in the accounting period.

Multi-employer plans are accounted for as defined contribution plans.

A defined benefit plan is a pension plan that is not a defined contribution plan. In the defined benefit plans, the Group's obligation is to provide the agreed benefit to current and former employees, actuarial risk and investment risk fall in substance on the Group. The Group's defined benefit plans are both funded and unfunded.

Actuarial assumptions are made to measure the pension obligation and the pension expense. Actuarial assumptions are mutually compatible and reflect the economic relationship between factors such as inflation, rate of salary increase and discount rate. The actuarial assumptions comprise: demographic assumptions such as mortality and employee turnover and financial assumptions such as discount rate, rate of salary- and pension benefit increase.

The pension obligations are measured on a discounted basis. Pension plan assets are valued at their fair value. The fair value of plan assets is deducted from the present value of the defined benefit obligation when determining the net defined benefit liability or assets.

Actuarial gains and losses are recognized through other comprehensive income (OCI). Actuarial gains and losses are not reclassified to profit or loss in subsequent periods.

Changes to existing defined benefit plans that will lead to changes in pension obligation are recognized in the statement of income as they occur. Gains or losses linked to changes or terminations of pension plans are also recognized in the statement of income when they arise.

Net interest on the net defined benefit/ assets is presented as part of financial items.

Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements is presented as part of payroll expenses.

#### Use of estimates

The preparation of the Group's consolidated financial statements in accordance with simplified IFRS requires management to make judgements, estimates and assumptions about the carrying amount of assets and liabilities at the end of the reporting period that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experiences and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Update of accounting estimates are recognized in the period of which the estimate is updated, if the update affects only that period, or in the period of the update if the update affects both current and future periods.

#### Contingent liabilities and assets



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## DET NORSKE VERITAS HOLDING AS

### *Notes to the financial statements*

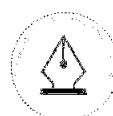
Contingent liabilities are not recognized in the annual accounts. Significant contingent liabilities are disclosed, with the exception of contingent liabilities that are unlikely to be incurred. Contingent assets (unless virtually certain) are not recognized in the annual accounts but are disclosed if the inflow of economic benefits is probable.

#### Events after the reporting period

New information on the company's financial position on the end of the reporting period which becomes known after the reporting period is recorded in the annual accounts. Events after the reporting period that do not affect the company's financial position on the end of the reporting period but which will affect the company's financial position in the future are disclosed if significant.

#### Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short-term, highly liquid financial assets with maturities of three months or less.



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To the General Meeting of Det Norske Veritas Holding AS

## Independent auditor's report

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Det Norske Veritas Holding AS, which comprise:

- The financial statements of the parent company Det Norske Veritas Holding AS (the Company), which comprise the statement of financial position as at 31 December 2020, the income statement, statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Det Norske Veritas Holding AS and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2020, the income statement, statement of comprehensive income, statement of cash flows and statement of changes in equity 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 Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

#### 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.

KPMG AS, a Norwegian limited liability company and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

#### Offices in:

Oslo	Elverum	Mo i Rana	Stord
Ållå	Finnsnes	Molde	Straume
Arendal	Hamar	Skien	Tromsø
Bergen	Haugesund	Sandefjord	Trondheim
Bodo	Knarvik	Sandnessjøen	Tynset
Drammen	Kristiansand	Stavanger	Ålesund

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## 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.

## Responsibilities of the Board of Directors and the Group President and CEO for the Financial Statements

The Board of Directors and the Group President and CEO (Management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists

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related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## 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, the going concern assumption and the proposed allocation of the result 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.

Oslo, 25 March 2021  
KPMG AS

Mona Irene Larsen  
*State Authorised Public Accountant*  
(This document is signed electronically)

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## Mona Irene Larsen

Partner

På vegne av: KPMG AS

Serienummer: 9578-5999-4-1026781

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## Mona Irene Larsen

Statsautorisert revisor

På vegne av: KPMG AS

Serienummer: 9578-5999-4-1026781

IP: 80.232.xxx.xxx

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