ANNUAL REPORT 2021
FOR STIFTELSEN
DET NORSKE VERITAS

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About Stiftelsen Det Norske Veritas

Stiftelsen Det Norske Veritas is a free-standing, autonomous and independent foundation whose purpose is to safeguard life, property and the environment. This purpose is achieved through its ownership of subsidiaries – of which the most important is DNV Group AS, a global assurance and risk management company.

Stiftelsen Det Norske Veritas owns 100% of DNV Group AS through Det Norske Veritas Holding AS.

CEO'S INTRODUCTION

Stiftelsen Det Norske Veritas' purpose is to safeguard life, property, and the environment. This purpose is first and foremost realized through the ownership of the DNV Group AS. Stiftelsen Det Norske Veritas also manages a portfolio of financial investments to ensure sufficient financing, liquidity, and flexibility, in support of its strategy.

2021 will go down in DNV's 158-year history as one of the most extraordinary years ever. DNV has continued to deliver assurance and trust to customers in highly unusual circumstances. Despite lockdowns, despite being isolated and working remotely, and despite having to rethink the way DNV provides services, customer satisfaction has increased, and the company has delivered the best results ever.

As many of us were planning for a new normal after the pandemic, the outbreak of the war in Ukraine sent shock waves across the world. Some of our colleagues have been directly affected by the situation and are worried about their loved ones. During this difficult time, I am proud to see the deep concern colleagues at DNV have for each other and for our communities, and how colleagues from different backgrounds and nationalities continue to collaborate with mutual respect. We are one team in DNV. Our purpose of safeguarding life, property, and the environment, and our values, is what unites us. DNV has reviewed all ongoing contracts and operations with Russian entities and is winding down all related business.

Performing well and standing together through adversity is a sign of resilience and reliability, and I am confident that DNV is very well positioned to serve customers in the decades ahead. Indeed, over the past couple of years of tackling the pandemic, I have been reminded time and time again of the dedication and excellence of the people working at DNV. They have strengthened relations with customers, increased sales, and progressed well with research, development, and innovation work – particularly within the field of digitalization. Internal surveys have also shown that DNV's employees have coped relatively well during the pandemic, establishing new routines for balancing work and private life while working from home.

At the start of 2021, DNV launched a new strategy and implemented significant organizational changes. This also included changing the company's name from DNV GL to DNV in March 2021. The new strategy makes DNV even better suited to support customers and deliver on the shared purpose with Stiftelsen Det Norske Veritas' to safeguard life, property, and the environment. The strategy includes strong growth ambitions towards 2025 and an aspiration to both strengthen and expand DNV's role as a trusted assurance provider. During 2021, DNV acquired six companies in the energy, healthcare, medical technology, and cyber security sectors.

Throughout the year, DNV also made significant progress when it comes to its strategic sustainability goals. The company has set itself the objective of having a positive impact by making its operations climate net positive, reduce its carbon footprint in line with the Science Based Targets initiative, as well as helping customers to decarbonize, become more energy efficient and contribute to the Sustainable Development Goals. Moreover, both Stiftelsen Det Norske Veritas and DNV maintain the commitment to uphold the ten principles of the UN Global Compact on human rights, labour, environment, and anti-corruption. DNV will also continue to invest in research and development to accelerate the energy transition, in line with the Sustainable Development Goals, to create a better future.

Two years ago, DNV launched its new vision – to be "a trusted voice to tackle global transformations". I can say with confidence and pride that DNV has made a very promising start on the journey to realize this vision. With a strong balance sheet and an expanding customer base, and not least a strong unity, DNV is well-positioned for further growth, shape the future of assurance, and offer a working environment where employees can unleash their full potential and make a meaningful difference.

Remi Eriksen
Chief Executive Officer

BOARD OF DIRECTORS' REPORT 2021

Stiftelsen Det Norske Veritas is a free-standing, autonomous and independent foundation whose purpose is to safeguard life, property, and the environment.

Det Norske Veritas Holding AS is a fully owned subsidiary of Stiftelsen Det Norske Veritas and Det Norske Veritas Holding AS owns 100% of DNV Group AS. The board members of Stiftelsen Det Norske Veritas are also elected as the members of the Board of Norske Veritas Holding AS and DNV Group AS.

ABOUT STIFTELSEN DET NORSKE VERITAS

Stiftelsen Det Norske Veritas' purpose is achieved through its ownership of subsidiaries – of which the most important is DNV Group AS (DNV), a global independent expert company in assurance and risk management. DNV is a trusted voice for many of the world's most successful organizations, using its knowledge to advance safety and performance, set industry benchmarks, and inspire and invent solutions to tackle global transformations.

DNV is the world's leading classification society and a recognized advisor for the maritime industry. DNV delivers world-renowned testing, certification and technical advisory services to the energy value chain including renewables, oil and gas, and energy management. Moreover, DNV is one of the world's leading certification bodies, helping businesses assure the performance of their organizations, products, people, facilities, and supply chains.

DNV is also a world-leading provider of digital solutions for managing risk and improving safety and asset performance for ships, pipelines, processing plants, offshore structures, electric grids, smart cities and more. The open industry assurance platform Veracity, cyber security and software solutions support business-critical activities across many industries, including maritime, energy and healthcare.

BOARD OF DIRECTORS' REPORT 2021

The strategy of Stiftelsen Det Norske Veritas is to realize Stiftelsen Det Norske Veritas' purpose through the ownership of DNV and to grow and expand the business of DNV. The strategy of DNV is also the strategy of Stiftelsen Det Norske Veritas.

DNV's market goal is to be the leading maritime classification society through major transformations, to enable customers to tackle the energy transition, to lead the assurance of management systems, supply chains, products, medical technology, and aquaculture, and to strengthen the company's digital platforms, software solutions and cyber security portfolio.

The strategy is centred on decarbonization and digitalization trends, along with an increased need – reinforced by the COVID-19 pandemic – for trust and transparency in products, services, and value chains.

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

In addition to the ownership of DNV Holding, Stiftelsen Det Norske Veritas maintains funds of about 5% of the group's consolidated revenues in the previous calendar year, allocated to a portfolio of financial investments managed in accordance with Stiftelsen Det Norske Veritas' Financial Investment Policy.

Very strong financial results in 2021 despite the pandemic, paired with DNV's customer-centric and robust strategy, have created a strong foundation for further growth in this decade of transformations. The Stiftelsen Det Norske Veritas group of companies (Det Norske Veritas) achieved revenues of NOK 21,464 million in 2021 and a net profit after tax of NOK 2,502 million.

DNV GROUP AS (DNV)

While DNV's Maritime business area experienced a small contraction at actual exchange rates, all DNV's business areas recorded growth at comparable exchange rates. This was driven by a combination of a rebound effect following the COVID-19 outbreak in 2020 and strong market developments in most of our businesses and impressing efforts from our close to 12,000 employees.

- Maritime recorded revenues of NOK 7,464 million in 2021, corresponding to a growth of -1.2% compared to 2020.
- Energy Systems reported revenues of NOK 7,897 million, representing a growth of 3.2%.
- Business Assurance (BA) achieved revenues of NOK 2,892 million in its first year, with sole focus on management system certification and related training services.
- Supply Chain and Product Assurance (SCPA) ended the year with revenues of NOK 1,009 million. The combined BA and SCPA business areas achieved a growth of 8.5%.
- Digital Solutions had a growth of 2.2% in 2021 and delivered revenues of NOK 1,121million.
- The newly established Accelerator came in at NOK 977 million.

Further information about DNV's achievements in 2021 and its key markets can be found in the Board of Directors' Annual report for DNV.

FINANCIAL INVESTMENTS

The financial investment portfolio is constructed to achieve a satisfactory risk adjusted return through highly liquid investments in the financial markets. The group's willingness to take on risk is in DNV, while the willingness to take risk on the financial investments in Stiftelsen Det Norske Veritas is limited.

Stiftelsen Det Norske Veritas is committed to support the transition towards sustainable business environments in its financial investments. The investments are made using asset managers with investment processes that meet certain environmental, social, and governance (ESG) requirements and that have the capacity, competence and ethical set of rules that are required for prudent management of Stiftelsen Det Norske Veritas' investments. The requirements are applicable for all investments and asset classes.

Stiftelsen Det Norske Veritas performs an annual review to ensure that its financial investments are compliant with high ambitions in respect of ESG standards. All managers are subject to ESG due diligence to ensure they meet the requirements. All available information on ethical guidelines and policies are obtained, assessed against several reference criteria, and benchmarked against other managers. As per 31 December 2021, Stiftelsen Det Norske Veritas had a financial investment portfolio of NOK 1,126 million which corresponds to 5.25 % of the group's consolidated revenue in 2021. The return on the financial investment portfolio in 2021 was NOK 115.4 million, or 11.3% of the average amount invested.

The 2021 return was extraordinarily good – both absolute and relative. All investment funds in the portfolio delivered a return better than their own benchmark.

FINANCIAL PERFORMANCE

The consolidated statements for Det Norske Veritas include Stiftelsen Det Norske Veritas and the companies in which Stiftelsen Det Norske Veritas 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.

Det Norske Veritas recorded operating revenues of NOK 21,464 million in 2021, NOK 553 million more than in 2020, representing a growth of 2.6%. Adjusted for changes in exchange rates, the growth was 7.8%.

Earnings before interest, taxes, depreciation, and amortization (EBITDA) grew by NOK 178 million from NOK 3,470 million in 2020 to NOK 3,648 million in 2021. The operating profit (EBIT) for 2021 ended at NOK 2,621 million, an increase of NOK 226 million compared to the NOK 2,395 million recorded in 2020. The enhanced EBITDA primarily relates to higher revenues, improved margins across all businesses, and reduced costs related to travelling and restructuring. A special focus on low performing units has also contributed strongly to the improvements. Following a stronger EBIT before profit share (DNVs employee incentive scheme), compared to 2020, the profit share to the employees increased significantly.

The net financial income was NOK 614 million in 2021, compared to net financial expenses of NOK 228 million in 2020. The change from 2020 is primarily caused by the sales gains of NOK 599 million from the sale of shares in the company StormGeo Holding AS and reduced net currency losses.

The 2021 tax expense of NOK 732 million represents an average tax cost of 23% down from 31% in 2020, mainly due to the tax-exempt gains of NOK 599 million from the sale of the shares in StormGeo Holding AS. The net profit for the year was NOK 2,502 million, compared to last year's net profit of NOK 1,502 million.

The Group has a strong balance sheet, with an equity ratio of 55.1% end 2021. As of 31 December 2021, Stiftelsen DNV consolidated has total assets of NOK 35 229 million and total equity of NOK 19 398 million. In December 2021 DNV Group AS entered into a NOK 3,000 million revolving credit facility agreement, replacing two existing facilities totalling NOK 2,500 million. There was no draw on the new credit facility at the end of 2021 and the facility has a tenor of five years with extension options of 1+1 year. At year-end, Det Norske Veritas had a liquidity of 6,986 million in addition to the financial investment portfolio in Stiftelsen Det Norske Veritas.

A net actuarial gain of NOK 902 million from defined benefit pension plans and negative exchange differences from net investments in foreign subsidiaries of NOK 464 million were recognized in equity at the year-end.

The cash flow from operations came to NOK 2,808 million in 2021, compared with NOK 4,104 million in 2020. The NOK 351 million increase in the working capital is mainly explained by the revenue growth. The cash flow from investments was NOK -460 million in 2021. This includes the acquisitions of Imatis, and Applied Risk and the proceeds from the divestment of the StormGeo shares of NOK 786 million. The invest-ments of NOK 198 million in intangible assets mainly relates to the development of commercial software by Digital Solutions, in-house Oracle enterprise resource planning (ERP) implementation and system integration in the business areas.

Financing activities produced a negative cash flow of NOK 705 million, of which NOK 271 million relates to the early down payment on an external loan. Following from IFRS 16, change in lease liabilities caused a negative impact of NOK 437 million in cash flow from financing activities, with a positive effect in cash flow from operations.

The total net positive cash flow for the year was NOK 1,643 million.

The accounts of the parent company, Stiftelsen Det Norske Veritas, show a net profit for the year of NOK 93million, mainly generated from the return on the financial investment portfolio. As of 31 December 2021, Stiftelsen Det Norske Veritas had total assets of NOK 1,349 million and total equity of NOK 1,336 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 and status as strong and the liquidity as very good. The parameters contribute to a robust platform for achieving our strategic targets as well as 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 Stiftelsen Det Norske Veritas for the period. To the best of the Boards knowledge there are no material events after the balance sheet date affecting the 2021 financial statements.

SPONSORSHIP AGREEMENTS

Stiftelsen Det Norske Veritas' purpose to safeguard life, property, and the environment is first and foremost realized through the ownership of the DNV Group AS.

Stiftelsen Det Norske Veritas may enter sponsorship agreements which support the purpose of safeguarding life, property and environment related to our heritage within the maritime, oil and gas and energy space and our long-term positioning of Stiftelsen Det Norske Veritas as a forward looking and responsible organization. Central objects will be non-commercial NGOs (non-governmental organizations) close to our business, and sponsorships related to culture which will target relationship building with prioritized stakeholders, authorities, administration and collaborating partners.

Sponsorships from Stiftelsen Det Norske Veritas shall be complementary to the sponsorships of DNV.

In 2021, the Board decided that Stiftelsen Det Norske Veritas will have a more active donation/sponsorship approach in the 2025 strategy period than in the previous strategy period.

Global Center for Maritime Decarbonization Stiftelsen Det Norske Veritas has become a founding member of the new Global Center for Maritime Decarbonization established by an International Advisory Panel (IAP) put together by the Singapore Maritime Foundation. The founding members will become members of the governing body with a commitment to fund SGD 2 million (NOK 12-13 million) per year over 5 years in cash.

The decarbonization centre aims be the central place to drive maritime decarbonization initiatives in South-East Asia as well as to coordinate and execute research and development projects. It will also be aligning with other funding mechanisms in Singapore to enable pilot projects, as well as implement and demonstrate technologies in full scale. DNV's experience from the Norwegian Green Shipping Program is particularly valuable in this respect.

The Singaporean authorities (represented by the Singapore Maritime Foundation, Singapore's National Research Foundation, and the Port Authority of Singapore) are all on the Board of the new Global Center for Maritime Decarbonization. Industrial members also include BW Group, Eastern Pacific Shipping, SempCorp Marine, BHP, Ocean Network Express. Professor Lynn Loo is appointed Chief Executive Officer.

The Windjammer program
Stiftelsen Det Norske Veritas has sponsored the Windjammer program at the sailing ship Christian Radich every year from the first program in 2018. In 2021 the contribution from Stiftelsen Det Norske Veritas was NOK 1 million. The aim of the program is partly to secure activity on the historic sailing ship, but mainly to offer a program to young people between the ages of 18 and 25, who have dropped out from school or have trouble finding work.

The program is a journey designed to help the participants develop and challenge themselves and discover their strengths during a month at sea aboard the historic sailing ship Christian Radich. The program's goal is to help young people make a new start for themselves through active learning and by developing better self-esteem and mastery.

ORGANIZATION

DNV is the main component of Det Norske Veritas group. The legal entity Stiftelsen Det Norske Veritas does not have any employees. All employees are employed by DNV. Management and administrative services for Stiftelsen Det Norske Veritas and Det Norske Veritas Holding AS are provided by resources in the Norwegian subsidiary DNV AS pursuant to a Management Services Agreement entered on arm's length terms.

For further information about Det Norske Veritas employees, please refer to the DNV Annual Report.

To maintain a lean management structure, Stiftelsen Det Norske Veritas applies DNV's management system to the extent that this is relevant. For selected areas, the Board has decided on specific management policies for Stiftelsen Det Norske Veritas and Det Norske Veritas Holding AS.

GOVERNANCE

Stiftelsen Det Norske Veritas considers sound corporate governance to be fundamental for ensuring trust in the company and a cornerstone for achieving sustainable value creation in the best interests of its stakeholders.

Stiftelsen Det Norske Veritas issues an annual Corporate Governance Report to verify corporate governance in accordance with the Norwegian Code of Practice for

Corporate Governance (Code of Practice) to the extent relevant for a foundation with no shareholders or owners. The Code of Practice relates to 15 topics, and Stiftelsen Det Norske Veritas' report covers each of these topics and describes its adherence to the Code of Practice. The Corporate Governance report also describes the legal basis and principles for the corporate governance structure of Stiftelsen Det Norske Veritas. The full report can be accessed on the company website **www.detnorskeveritas.com**.

Stiftelsen Det Norske Veritas Council ("the Council") has 45 members who represent customer industries and other stakeholders. 19 members are appointed by 7 Norwegian stakeholder organizations, 19 of the members are elected by the Council and seven of the members are elected by and among the employees of DNV.

The Council's main function is to supervise the Board's management of Stiftelsen Det Norske Veritas, to elect the members of the Board of Directors and to determine their remuneration, to approve amendments to the Statutes of Stiftelsen Det Norske Veritas, to appoint the external auditor and to state its opinion on the Board's annual report and financial statements.

The Council's Control Committee supervises the Board's management of Stiftelsen Det Norske Veritas on behalf of the Council.

The Council's Nomination Committee nominates candidates to all elections to be held by the Council and proposes remunerations to be decided by the Council.

The Board of Directors of Stiftelsen Det Norske Veritas consists of ten members. Six of these are elected by the Council while four are elected by and from among DNV employees worldwide. The Nomination Committee proposed no change for the 2021 election year. The composition of the Council -elected Board members hence remained unchanged and is as follows:

- Jon Fredrik Baksaas, Chair of the Board
- Lasse Kristoffersen, Vice-Chair of the Board
- Ingvild Sæther, Board Member
- Christian Venderby, Board Member
- Birgit Aagaard-Svendsen, Board Member
- Silvija Seres, Board Member

During the election by and among the employees, one new member was elected. The composition of the employee-elected Board members is as follows:

- Nina Ivarsen, Board Member
- Jon Eivind Thrane, Board Member
- David McKay, re-elected as Board Member in constituency "Worldwide (except Europe)"
- Thomas Reimer, elected as Board Member in constituency "Europe (except Norway)"

The Board comprises six men and four women from four nationalities, with an average age of 57.2 years. The Board's combined expertise represents a range of stakeholders, markets, and competences.

ENTERPRISE RISK MANAGEMENT

The Board underlines the importance of continuously having a comprehensive understanding of the risks facing Det Norske Veritas that could affect its financial performance, reputation, and key business objectives. Det Norske Veritas 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 – as part of the strategy revision and annual planning processes.

DNV calculates its risk-adjusted equity on an annual basis, considering the most important risk factors. Based on value-at-risk methodology, the analysis includes potential losses from operations, foreignexchange exposure 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 new risk.

In addition to the operational risks in DNV, Det Norske Veritas' main risks are financial market risks (interest rate and foreign currency risks), credit risks, liquidity risk and political risks related to trade sanctions. All these risks are monitored and managed within the framework of DNV's risk management system and processes. Financial risks outside DNV are limited to the financial investment portfolio in Stiftelsen Det Norske Veritas. The risk related to the financial investment portfolio is calculated and reported based on a value-at-risk methodology.

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 DNV Group AS, and DNV's forward exchange contracts. The NOK 2,998 million bank loan in DNV Group AS has a fixed interest rate of 2.12 % until December 2022.

Foreign currency risk: Det Norske Veritas has revenues and expenses in approximately 60 currencies. Of these, six (NOK, EUR, USD, CNY, KRW, and GBP) make up 78% 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. In most currencies, the company has a natural hedge through a balance of revenues and expenses. However, a significant portion of DNV's net income is based on the USD or currencies closely correlated to the USD. DNV 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 credit risk concentrations within the company. With respect to the credit risk resulting from the other financial assets, which comprise cash, cash equivalents, and certain derivative instruments, Det Norske Veritas' exposure arises from any default of the counterparty, with the maximum exposure equal to the market value of these instruments.

Liquidity risk: In addition to the financial investment portfolio in Stiftelsen Det Norske Veritas, DNV Group AS maintains a liquidity reserve where the targeted amount shall correspond to 15% of the Group's annual revenue plus a certain amount 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 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. The Group is also exposed to interest rate volatility affecting the assessment of the pension commitments. Lower interest rates over several years have led to an increase in the calculated value of the pension commitments while the situation at year end 2021 shows a minor increase in interest rates and a corresponding reduction in the calculated value of the pension commitments.

Political risk: The diverse locations of our operations around the world expose Det Norske Veritas to a wide range of political developments, instabilities, changes to the regulatory environment and consequent changes to Det Norske Veritas' economic and operating environment (including for example the war in Ukraine, the continued impact of the COVID-19 pandemic or any future epidemic/pandemic and new and existing trade sanctions). These risks require close and continuous monitoring and are being closely followed up both locally and at Group level.

Information and cyber security risk: As the delivery of services is increasingly digitally enabled, we also see increased risk in securing technical-, business- and customer critical information. Generally, this risk is considered moderate but growing, and a single breech could be critical. Itis therefore a high priority to continuously monitor and mitigate information- and cyber security risks within the Group and business areas. DNV's information security management systems for GSS IT, Energy Solutions, Digital Solutions and Maritime are certified to the ISO 27001 information security standard. The Board continues to review Det Norske Veritas' cyber security risk twice per year.

Climate risk: International concerns about climate change are high on the world's agenda. Addressing these concerns is a major driver of the energy transition and will affect both Det Norske Veritas and its customers.

Det Norske Veritas conducts significant research into this area. The research is then fed into the company's strategy development.

SUSTAINABILITY AND CLIMATE

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

The Board maintains that the integration of the United Nations Global Compact ten principles on human rights, labour standards, environmental performance, and anticorruption is critical for achieving long-term value, and that the UN Sustainable Development Goals (SDGs) are to be used to set goals for the business community.

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. DNV reports in accordance with the Global Reporting Initiative Core Level, and a third party has conducted a limited assurance of the report.

BUSINESS ETHICS AND ANTI-CORRUPTION

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

The Code of Conduct covers anti-corruption, antitrust, export controls, sanctions, and personal data protection, and processes to handle cases are in place. Information on how to report potential misconduct is published on DNV's website and intranet, and there is also an ethical helpline and anonymous whistleblowing channel. The DNV Group Compliance Officer reports on performance to the DNV Board annually, to DNV's Board Audit Committee quarterly, and to DNV's Executive Committee when relevant. In 2021, no potential compliance cases were reported and handled for Stiftelsen Det Norske Veritas. For further information on compliance cases with regards to DNV, please see the DNV Annual Report.

OUTLOOK

Despite some signs of normalization of the global situation related to the ongoing pandemic, the world will live with the effects and consequences of COVID-19, also in 2022. Although many countries have gradually reopened, and many sectors have experienced revitalization, some countries keep significant restrictions, and the pandemic has caused significant disturbance in several global supply chains. This has resulted in longer lead times and shortages in the availability of critical materials and components, ultimately impacting economic growth. These global bottlenecks are expected to continue to have an impact on many sectors and the economy throughout 2022. Moreover, the ongoing war in Ukraine means that the strains and complexities regarding supply chains are expected to be further negatively impacted in addition to exceptional volatility in energy prices. The war has a direct impact on several of DNV's customers and business contracts. DNV has issued a statement saying that, as a result of the invasion of Ukraine, DNV will follow international sanctions and the intentions behind them, is reviewing all ongoing contracts and operations with Russian entities and is winding down all related business. This is expected to have a minor financial impact on DNV, however indirect effects from the war may have broader consequences on the different sectors and regions where DNV operate.

The effects of the spread of COVID-19 have proven to be longer-lasting than expected. Although most Western countries have managed to keep up the pace of vaccination, the virus has mutated several times, causing flare-ups, and increased infection rates, and triggering the need for the frequent reinstatement of national and global measures to limit the spread of the virus. This will clearly further impact the growth outlooks and represent an additional uncertainty related to DNV's global market conditions. However, the proven relevance of DNV's services, including during pandemic times, is expected to continue to create business opportunities. Combined with the company's demonstrated ability to deliver services and generate new business, we expect DNV to have favourable market conditions in 2022 relative to the average growth expectations in global markets. Except for some specific sectorial challenges, and generally competitive markets, the outlook for 2022 is still considered to be good, although ongoing efforts to contain COVID-19 and increasing geopolitical tensions represent continued and somewhat hard to predict risks to the outlook.

NEAR-TERM MARKET OUTLOOK

DNV plays a significant role in the ongoing and fast-paced global energy transition. Through its monitoring, verification and advisory services, the company works to assure energy systems and their infrastructure work safely and effectively. The energy transition is high-risk, regulatorily demanding and cross-sectoral. The war in Ukraine has significantly and urgently altered Europe's energy agenda, which will have a further impact on the speed of the transition. This inherent complexity plays well to DNV's strength and makes the company well positioned to translate its knowledge and expertise into value for customers. In 2021 we saw an increased demand for DNV's renewable energy, power grid, storage, and energy efficiency services. Despite challenging profitability across the sector, there is expected to be an increased demand for DNV's services within the renewable and green-energy sectors in 2022, as Europe urgently seeks to reduce dependency on Russian energy.

In the fossil-based energy sectors, DNV is expected to experience a continued modest growth. Furthermore, demand relating to offshore wind, hydrogen, and low carbon fuels, including carbon capture and storage (CCS), is expected to continue to grow in 2022, fuelled also by the new energy agenda in Europe.

The maritime market outlook for 2022 is impacted by the uncertain global trade dynamics. After positive developments during 2021, which led to a significant increase in newbuilding contracts, 2022 is expected to be marked by a softening related to increasing material costs, shortages of components, and limitations in slot availabilities in the yards. The outlook for 2022 is still positive as it is expected that DNV will experience increased activity and higher workload in areas such as mobile offshore units in operations and maritime advisory services. For 2022, DNV aims to secure 25% of all global newbuilding contracts for the classification of ships measured in gross tonnes and 50% of mobile offshore units in target segments. Moreover, the company 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 2021, despite the pandemic. This is expected to continue in 2022 thanks to the accelerated transformation of DNV's products, services, and operations to support the energy transition and deliver a superior customer experience to both existing and new customers. Our attention will remain on growing recurring business as well as on continuing to move towards software-as-a-service solutions.

The demand for DNV's management system certification services is expected to decline due to the cyclical challenge of a lower baseline of recertification audit days following a peak year in 2021. The effects of these developments are moderated by initiatives to increase market shares and reduce attrition.

The demand for product assurance and, supply chain assurance services, is expected to be strong in 2022, supported by the increasing global focus on sustainable business (ESG) and growth in healthrelated services. Moreover, growth in supply chain management services is driven by increased demand for transparency related to, among other things, environmental footprints, food security, originations and hazardous material and human labour declarations, as well as by global supply chain disruptions. DNV will continue to strengthen its industry position, especially within the food & beverage, medical technology, and healthcare sectors.

LONGER TERM STRATEGIC OUTLOOK

The 2020's are often referred to as the exponential decade. It is a decade that will set the pace for the energy transition and where global food, health and transport systems are expected to drastically change. This is also the decade when digital technologies underpinning "Industry 4.0", also known as the fourth industrial revolution, will mature and emerge from experimentation-stage to large-scale deployment. Most importantly, this is the decade in which humanity will succeed or fail to deliver on the Sustainable Development Goals (SDG). It will also be a decade with more geopolitical challenges that must be both closely monitored and addressed, not least related to the war in Ukraine and its consequences.

DNV's capabilities have never been more relevant, and the decade ahead will be about renewing and strengthening core services, introducing new services, and scaling rapidly so that the company can take important steps towards delivering on DNV's vision of being "a trusted voice to tackle global transformations".

DNV will continue to develop 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 2021 demonstrates that the company's business models are quite resilient in the short to medium term. Thanks to a dedicated and competent work force, a strong balance sheet, and newly established strategy, DNV has an excellent foundation for growth. The company is more robust than ever and can confidently take on the coming decade of transformation.

Høvik
March 23, 2022

Jon Fredrik Baksaas
Chair

Lasse Kristoffersen
Vice-Chair

Christian Venderby
Board Member

Ingvild Sæther
Board Member

Silvija Seres
Board Member

David McKay
Board Member

Birgit Aagaard-Svendsen
Board Member

Thomas Reimer
Board Member

Jon Eivind Thrane
Board Member

Nina Ivarsen
Board Member

Remi Eriksen
Group President & CEO

REPORT ON CORPORATE GOVERNANCE 2021

REPORTING STANDARDS
Stiftelsen Det Norske Veritas annually issues a report on corporate governance where principles that apply to listed public limited companies in Norway are applied to the extent relevant for Stiftelsen Det Norske Veritas as a foundation without shareholders or owners.

This report was approved by the Board of Directors on 23 March 2022 and is based on:

- The 15 sections of the Norwegian Code of Practice for Corporate Governance ("the Code of Practice"). The report includes a detailed discussion of each of the 15 individual sections of the Code of Practice. The Code of Practice provides recommendations and requires the company to describe how it fulfils the recommendations, state the sections from which it deviates, and provide an explanation for the deviations. The full Code of Practice with comments is available on the web site of the Norwegian Corporate Governance Board, **www.nues.no**.
- The Norwegian Accounting Act, section 3-3b, which stipulates obligatory requirements for Norwegian listed public limited companies to report on corporate governance.

This report fulfils the reporting obligations as if Stiftelsen Det Norske Veritas were a listed company.

More details on the reporting requirements are included in this report, see page 28.

The Norwegian Association of Foundations has also issued guidelines for the governance of foundations, available on **http://www.stiftelsesforeningen.no/** (in Norwegian only). These guidelines are based upon the Code of Practice, with adjustments to make them suitable for more traditional foundations with a distribution purpose. A corporate governance review of Stiftelsen Det Norske Veritas performed in 2012 concluded that the Code of Practice is more comprehensive and more suitable to a large business entity like Stiftelsen Det Norske Veritas than the guidelines issued by the Association of Foundations. Stiftelsen Det Norske Veritas considers that it complies with the guidelines issued by the Association of Foundations by following the Code of Practice.

OVERVIEW OF THE CORPORATE GOVERNANCE STRUCTURE OF DET NORSKE VERITAS GROUP
Stiftelsen Det Norske Veritas is incorporated as a Norwegian foundation (No: "Stiftelse") whose purpose is "to safeguard life, property, and the environment". Stiftelsen Det Norske Veritas does not have a "beneficial owner"/"ultimate beneficial owner" and is not subject to obligations to register, report, and/or maintain an overview of beneficial ownerships.

In 2019, Stiftelsen det Norske Veritas decided to update and modernize its vision and values to guide the organization through the coming decade and beyond. The new vision is "A trusted voice to tackle global transformations", and complements the abovementioned purpose. The new values are "We care. We dare. We share".

Stiftelsen Det Norske Veritas mainly fulfils its purpose through ownership of 100% of Det Norske Veritas Holding AS ("DNV Holding"), which in turn owns 100% of DNV Group AS ("DNV Group"). DNV Group is the management company of the DNV companies worldwide ("DNV"). In addition to its ownership of DNV Group, Stiftelsen Det Norske Veritas also owns financial assets.

The Board of Directors ("the Board") is the principal body of Stiftelsen Det Norske Veritas. This deviates from the governance of public limited companies, where the General Meeting is the principal body. Pursuant to the Norwegian Foundation Act (No: "Stiftelsesloven"/Eng: "Foundation Act") only tasks and responsibilities which are specifically listed in the Foundation Act may be vested in bodies other than the Board. In Stiftelsen Det Norske Veritas, all such tasks and responsibilities have, to the extent permitted by the Foundation Act, been delegated by the Board to Stiftelsen Det Norske Veritas Council ("the Council").

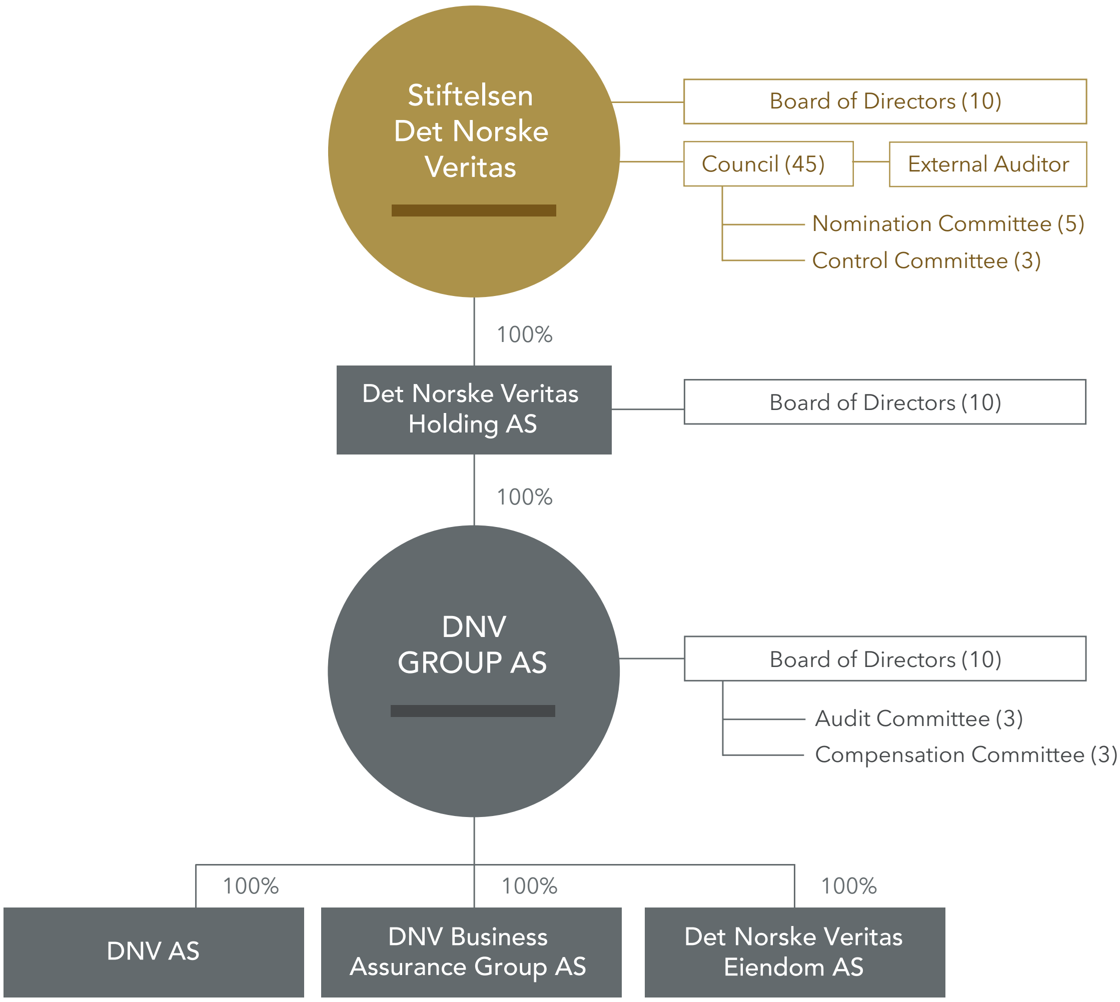

Figure 1: Governance structure as per 1st March 2022

The Council's main function is to supervise the Board's management of Stiftelsen Det Norske Veritas, to elect the members of the Board of Directors and determine their remuneration, to approve amendments to the statutes of Stiftelsen Det Norske Veritas, to appoint the external auditor, and to state its opinion on the Board's annual report and financial statements.

The Council has 45 members who represent customer industries and other stakeholders. Nineteen of the members are elected by the Council. Seven of the members are elected by and from among the employees of DNV and its subsidiaries worldwide. Nineteen members are appointed by seven Norwegian stakeholder organizations.

The Council and Board are described in section 8 of this report. The Council's Control Committee supervises the Board's management of Stiftelsen Det Norske Veritas on behalf of the Council. The Control Committee is also described in section 8.

The Council's Nomination Committee nominates candidates to all elections to be held by the Council and proposes remunerations to be decided by the Council. The Nomination Committee is described in section 7 of this report.

The external auditor of Stiftelsen Det Norske Veritas and its subsidiaries is elected by the Council and reports to the Board.

Stiftelsen Det Norske Veritas operates through its wholly owned holding company, DNV Holding, which is governed by the Norwegian Private Limited Companies Act. The Board of DNV Holding consists of the same members as the Board of Stiftelsen Det Norske Veritas. These Board members are also elected as members of the Board of DNV Group AS.

B. THE 15 SECTIONS OF THE CODE OF PRACTICE.

1. IMPLEMENTATION AND REPORTING OF CORPORATE GOVERNANCE

Corporate Governance policy – deviations from the Code of Practice

The Board has decided that it will comply with the Code of Practice to the extent relevant for a foundation.

This report includes information on

- the sections of the Code of Practice with which Stiftelsen Det Norske Veritas complies,
- information on where the Code of Practice is not considered relevant for a foundation, and
- explanations of sections in relation to which Stiftelsen Det Norske Veritas deviates from the Code of Practice.

As Stiftelsen Det Norske Veritas is incorporated as a foundation without shareholders, parts of the Code of Practice will not be applicable for DNV. The reporting is adjusted accordingly. The following sections are either not applicable for Stiftelsen Det Norske Veritas, or the reporting has been adjusted accordingly:
section 3 (Equity and dividends); section 4 (Equal treatment of shareholders); section 5 (Shares and negotiability); section 6 (General meetings); section 12 (Remuneration of executive personnel); section 13 (Information and communications); and section 14 (Take-overs).
All adjustments and deviations are explained in the relevant sections in this report.

To some extent, relevant topics related to these sections of the Code of Practice will still be discussed in the report. For instance, the Code of Practice's references to "shareholders" may in some cases be replaced with a discussion relating to Stiftelsen Det Norske Veritas' stakeholders. Further, the Code of Practice's references to the "General Meeting" or "Corporate Assembly" may in some cases be replaced with references to the Council. Some deviations from the Code of Practice are justified where the statutory legislation for a foundation deviates from that for a public limited company. All adjustments and deviations are explained in the relevant sections in the report.

Stiftelsen Det Norske Veritas has no shareholders, but answers to the purpose of Stiftelsen Det Norske Veritas and to society at large. Fundamental functions for the corporate governance of Stiftelsen Det Norske Veritas are therefore on the one hand to protect the foundation's independence and integrity in order to fulfil the foundation's purpose, and on the other hand to honour the legitimacy the foundation earns from its stakeholders and the foundation's moral responsibilities towards society.

Stiftelsen Det Norske Veritas and other foundations lack the ownership control which is normally embedded in corporate governance for companies with owners. This lack of control is, however, mitigated by other measures. The Foundation Act prescribes public supervision of foundations by the Norwegian Foundation Authority. This is a supervisory measure not found in relation to limited liability companies. In addition, Stiftelsen Det Norske Veritas' corporate governance includes supervision of the Board's management by the Council and by the Control Committee acting on behalf of the Council.

Corporate values, ethical guidelines and corporate sustainability

Stiftelsen Det Norske Veritas places great emphasis on its corporate purpose, vision, and values. Its statutes state that the purpose may be fulfilled through the ownership of subsidiaries. Stiftelsen Det Norske Veritas' purpose is fulfilled through its ownership of DNV Group AS.

Stiftelsen Det Norske Veritas adheres to DNV's ethical guidelines. The basis of DNV's ethical guidelines is the DNV Code of Conduct. The Code of Conduct describes the requirements and expectations for the business and personal conduct of employees and officers of the Group and its subcontractors while performing work on behalf of DNV. The Code of Conduct further describes DNV's commitment to its stakeholders, and how the requirements of responsible business practices and ethics are embedded in the core of DNV's business.

In 2003, Stiftelsen Det Norske Veritas signed the UN Global Compact ("Global Compact"), which requires a commitment to ten universal principles related to human rights, labour rights, environmental standards, and anti-corruption. It requires the company to make the principles an integral part of its business strategy, day-to-day management, and organizational culture, and the principles to be integrated into the Board's decision-making process. This commitment is maintained in DNV Group.

DNV has established a governing document on external annual sustainability reporting which regulates the responsibilities for the stakeholder engagement process.

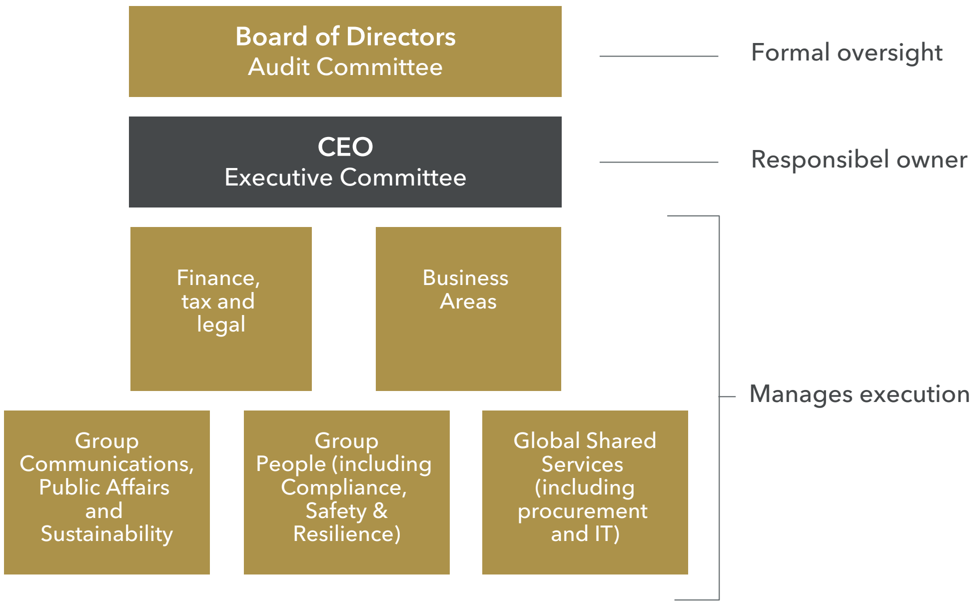

Figure 2: Graphical presentation of the governance structure for sustainability, including reporting lines to the Board as per 23 March 2022.

DNV's definition of sustainability is broad, and we report on performance related to all our material topics. Responsibility for DNV's sustainability performance lies with the DNV's Group President and CEO and our Executive Committee. Our Board of Directors has the formal oversight of DNV performance, and this is executed by the Board Audit Committee. DNV's corporate sustainability initiatives that relate to our impact on the environment and climate are managed by the Group Sustainability Development and Climate team, supported by DNV's health, safety and environment network and our business areas. Other material topics are managed by our Group People and Global Shared Services functions and our ethics and compliance organization.

2. BUSINESS

The overall purpose of Stiftelsen Det Norske Veritas is *"To safeguard life, property, and the environment".* The business of Stiftelsen Det Norske Veritas is stated in the Statutes, section 1, as follows: *"The Foundation undertakes classification, quality assurance and certification of ships, facilities, and systems, and carries out research in connection with these functions. Moreover, provided its integrity is not impaired, the Foundation may perform assignments which exploit its know-how, or which contribute to the development of know-how that may be required for the performance of these tasks. This purpose may be achieved through participation by the Foundation in wholly or partly owned companies."*

The complete Statutes are available on Stiftelsen Det Norske Veritas' website **www.detnorskeveritas.com**.

Stiftelsen Det Norske Veritas' purpose is achieved through the ownership of DNV Group AS. The business and main functions of Stiftelsen Det Norske Veritas are therefore to manage the ownership of DNV Group AS and its other assets.

DNV Group's main objectives and strategies are described in the DNV Group AS Board of Directors' annual report.

3. EQUITY AND DIVIDENDS

As of 31 December 2021, Stiftelsen Det Norske Veritas had total equity of NOK 19,398 million, up from NOK 16,413 million in 2020. The Board continually reviews Stiftelsen Det Norske Veritas' capital situation considering its objectives, strategies, and risk profile. The Board considers the total equity to be satisfactory.

Being a foundation, Stiftelsen Det Norske Veritas does not have any owners or share capital. The Code of Practice's references to dividend policy and board mandates to increase share capital are therefore not relevant.

Since Stiftelsen Det Norske Veritas as a foundation cannot raise capital by issuing shares, prudent management of the capital base is of great importance. The Board has adopted a financial policy to ensure that the capital of Stiftelsen Det Norske Veritas is managed in a way that enables the foundation to fulfil its purpose as this is stated in the Statutes. The subsidiaries distribute dividend of their annual net profits based on an assessment of the cash flow, capital expenditure plans, financing requirements, and financial flexibility. Received dividends and capital reductions contribute to Stiftelsen Det Norske Veritas' capital base.

4. EQUAL TREATMENT OF SHAREHOLDERS

As Stiftelsen Det Norske Veritas does not have owners, equal treatment of shareholders is not a relevant topic.

5. SHARES AND NEGOTIABILITY

Given that Stiftelsen Det Norske Veritas is a foundation without shares or owners, the transfer of shares is not relevant.

6. GENERAL MEETINGS

Given that Stiftelsen Det Norske Veritas is a foundation with no owners or shareholders, there is no general meeting in Stiftelsen Det Norske Veritas. The Code of Practice, Section 6 (concerning general meeting) is therefore not relevant.

For the sake of completeness, please note that the Council has some functions that resemble a general meeting of a limited company, but in fact the Council has more in common with a corporate assembly (*No: "Bedriftsforsamling"*) regulated by the Public Limited Companies Act. We have therefore chosen to discuss the Council considering the Code of Practice, Section 8 (see below).

7. NOMINATION COMMITTEE

The Council elects the members of the Board who are not elected by and from among the employees and fixes the remuneration for all Board members. Stiftelsen Det Norske Veritas therefore applies the recommendations in the Code of Practice related to nomination committees, adjusted so that reference to "shareholders" in the Code of Practice is replaced by references to Stiftelsen Det Norske Veritas' stakeholders, and references to the "General Meeting" in the Code of Practice is replaced by reference to the Council. Further, details of the procedure for determining the remuneration to "committee members" in Stiftelsen Det Norske Veritas are adjusted as described below.

The Nomination Committee's composition and role are defined in the Statutes of Stiftelsen Det Norske Veritas (section 10) and the Committee works under instructions from the Council. The Council has adopted instructions for the Nomination Committee that specify guidelines for the Committee's procedures and considerations. These include the obligation to present its justified recommendations to the Council. Gender diversity is observed in the nomination process, as is the expertise and experience of the Board member candidates to ensure the right competence for the team that constitutes the Board of Directors for current and future DNV business. Relevant economic, environmental, and social aspects, such as human resource, safety, health, environmental, and climate factors, business ethics and integrity, and supply chain and stakeholder management, are also taken into consideration. The chair of the Nomination Committee shall invite discussion on, and shall discuss, matters of principle with the Council. Council members shall be given the opportunity to propose candidates for the Nomination Committee.

The Nomination Committee's mandate is to submit recommendations to the Council with respect to elections and remuneration as further detailed below.

The Nomination Committee submits recommendations to the Council for the election of:

- Members of the Board of Directors, including the Chair and Vice-Chair who shall be nominated separately;
- Chair and Vice-Chair of the Council;
- Council members that according to the Statutes shall be elected by the Council;
- Chair and members of the Control Committee, and
- Members of the Nomination Committee.

To promote governance proximity between the Council and DNV Group, the directors of Stiftelsen Det Norske Veritas are elected by the respective general meetings of both DNV Holding and DNV Group AS. The Nomination Committee's mandate includes a duty to take this proximity into account in its assessments.

In respect of appointments to the Council, the Nomination Committee shall ensure that the Council contains representatives of major industry customer groups served by Stiftelsen Det Norske Veritas or its subsidiaries. The Nomination Committee shall communicate with the associations that, according to the Statutes, also appoint members to the Council to ensure that the associations' appointments meet the needs of the Council.

The Nomination Committee shall submit recommendations for the remuneration of members of the Board of Directors as well as members of the Council and its committees. The remuneration of members of the Board of Directors is determined by the Council. With respect to the remuneration of members of the Council and its committees, the Council forwards its recommendation to the Board of Directors for the Board's decision.

The Nomination Committee makes its recommendation for remuneration to directors of Stiftelsen Det Norske Veritas, DNV Holding, and DNV Group AS respectively. If directors serve on more than one board, then the Nomination Committee shall consider the total workload and the commitment expected.

All decisions regarding remuneration to Board members of DNV Holding and DNV Group AS are vetted by the Council to ensure proximity and a solid decision process. This process related to remuneration is further described under Chapter 11 Remuneration of the Board of Directors and Council.

The Code of Practice recommends that the General Meeting determines the remuneration to "committee members". The Board of Stiftelsen Det Norske Veritas does not have any committees. Committees in Stiftelsen Det Norske Veritas will therefore be the committees of the Council, i.e. the Control Committee and Nomination Committee. The Foundation Act does not permit the task of determining remuneration to Council Members and Council Committee Members to be vested with bodies other than the Board. The remuneration to the members of Council committees is therefore determined by the Board following the recommendations of the Council.

The Nomination Committee is composed of the Chair and Vice-Chair of the Council, and three additional members elected by and from among the Council members. The Statutes provide for a rotation of one member of the Committee at least every second year. If no other member of the Committee resigns, the member of the Committee elected by and from among the Council members with the longest service may not take re-election.

The Nomination Committee currently consists of:

- **Rebekka Glasser Herlofsen,**
  Chair of the Council and the Nomination Committee since 2021. CEO, Ferdinand Invest AS
- **Harald Solberg,**
  Vice-Chair of the Council and the Nomination Committee since 2018. CEO, Norwegian Shipowners' Association
- **Kristin Færøvik,**
  Member of the Council and the Nomination Committee since 2019. Managing Director, Lundin Norway
- **Steffen Syvertsen,**
  Member of the Council and the Nomination Committee since 2020. Managing Director, Agder Energi
- **Harald Serck-Hanssen,**
  Member of the Council and the Nomination Committee since 2020. Group EVP Corporate Banking, DNB

The Committee members represent industries with different stakeholder interests in Stiftelsen Det Norske Veritas. All members are independent of the Board and executive management.

8. COUNCIL AND BOARD OF DIRECTORS – COMPOSITION AND INDEPENDENCE

The Council
Stiftelsen Det Norske Veritas does not have a corporate assembly. The Council in many ways resembles the corporate assembly of a public limited company. The Council is therefore described in this section.

The Council's main functions are to supervise the activities of Stiftelsen Det Norske Veritas, to elect the Board of Directors, to decide on remuneration for the Board of Directors, to approve amendments to the Statutes, and to state its opinion on the Board's annual report and financial statements.

The Council has 45 members, of whom 19 are appointed by associations which represent customer industries and other stakeholders, seven are elected by and from among the employees of DNV and its subsidiaries worldwide, and 19 are elected by the Council itself.

Due to a late nomination of a candidate for the Chair of the Council position, the Nomination Committee unintentionally ended up completing the nomination process with one additional member of the Council compared to the assigned number of Council members in the Statutes. The nominations for the 2021 election process brought the Council to a total of 46 members, instead of the normal 45. The Nomination Committee saw no reason for this to cause any problem, formally or otherwise. Rather than making a last-minute change to the nominations, the Nomination Committee therefore proposed that the 2021 elections should be based on the original nominations and that the number of Council members should be reduced to 45 again in the 2022 elections. This proposal was approved by the Council.

The Statutes regulate the composition of the Council (section 6) and ensure that it represents a broad cross-section of Stiftelsen Det Norske Veritas' stakeholders.

The Council members and the associations electing or appointing the members are (as per end of December 2021):

Appointed by: ***The Norwegian Shipowners' Association (Norges Rederiforbund)***
- **Harald Solberg,** Managing Director, Norges Rederiforbund
- **Thomas Wilhelmsen,** Group CEO, Wilh. Wilhelmsen Holding ASA
- **Paul-Christian Rieber,** Managing Director, GC Rieber Gruppen
- **Trond Kleivdal,** CEO, Color Line AS
- **Ivar Brandvold,** CEO, Fred.Olsen Renewables AS
- **Synnøve Seglem,** Managing Director, Knutsen OAS Shipping AS

Appointed by: ***The Nordic Association of Marine Insurers (CEFOR)***
- **Hans Christian Seim,** CEO, Norwegian Hull Club
- **Ståle Hansen,** President and CEO, SKULD
- **Tony Karlström,** CEO, Alandia Insurance
- **Rolf Thore Roppestad,** CEO, GARD AS

Appointed by: ***The Norwegian Oil and Gas Association (Norsk Olje og Gas)***
- **Kristin Færøvik,** Managing Director, Lundin Norway AS
- **Øystein Arvid Håland,** Senior VP, Equinor
- **Erik Sæstad,** CEO, Oceaneering AS

Appointed by: ***The Confederation of Norwegian Enterprise (NHO)***
- **Arvid Moss,** Executive VP Energy, Hydro, and President, NHO
- **Tore Ulstein,** Chair of the Board, Ulstein Group ASA

Appointed by: ***The Federation of Norwegian Industries (Norsk Industri)***
- **Liv-Runi Syvertsen,** Senior VP, Aker Solutions
- **Elizabeth Heuch Olbjørn,** Head of Account Management, ABB

Appointed by: ***Energy Norway (Energi Norge)***
- **Steffen Syvertsen,** CEO, Agder Energy

Appointed by: ***The Norwegian Fishing Vessel Owners' Association (Fiskebåt)***
- **Jonny Berfjord,** Chair, Fiskebåt

Appointed by: ***The Council***
- **Claes Berglund,** Director Public Affairs & Sustainability, Stena AB
- **Sigve Brekke,** President and CEO, Telenor Group
- **Raymond Carlsen,** CEO, Scatec Solar
- **John Coustas,** President and CEO, Danaos Shipping Co. Ltd.
- **Rebekka Glasser Herlofsen,** CEO, Ferdinand Invest AS
- **Søren Greve,** CEO, Fearnleys
- **Anniken Hauglie,** Deputy CEO, NHO
- **Jannicke Hilland,** CEO, BKK
- **Geir Håøy,** President and CEO, Kongsberg Gruppen ASA
- **Sun Jiakang**, Senior Vice President, COSCO Shipping Group
- **Magnus Krogh Ankarstrand,** President, Yara Clean Ammonia
- **Valborg Lundegaard,** CEO, Aker Carbon Capture
- **Wenche Nistad,** Former Managing Director, GIEK
- **Arne Sigve Nylund,** Executive VP, Equinor
- **Chris Ong,** CEO, Keppel Offshore & Marine Ltd
- **Svein A. Ringbakken,** Managing Director, The Norwegian Shipowners' Mutual War Risks Insurance Association
- **Dr. Maximilian Rothkopf,** COO, Hapag-Lloyd AG
- **Harald Serck-Hanssen,** Group Executive Vice President, DNB
- **Christine Spiten,** Senior Advisor, Plastic & Circular Economy, WWF
- **Irene Waage Basili,** CEO, Shearwater GeoServices

Appointed by: ***Employees of DNV worldwide***
- **Hege Halseth Bang,** Senior Principal Engineer
- **Nadine Grace Mosteiro Halvorsen,** Senior Approval Engineer
- **Rocio Herrera,** Project Manager, Wind Independent Engineering
- **Elizabeth Traiger,** Senior Researcher

- **Tatiana Tzeferakou,** Senior Engineer, *On leave*
- **Kristine Prøsch,** Project Manager Approval, *Deputy member*
- **Grethe Valdø,** Senior Engineer
- **Rob Vonk,** Senior Surveyor

The term of office for the members of the Council is two years, with re-appointment or re-election possible. No member may serve for more than twelve years. If a Council member has been out of the Council for more than five years, he or she may be appointed/elected for another period of maximum 12 years. The Chair and Vice-Chair are elected by and from among Council members.

Rebekka Glasser Herlofsen has been the Chair of the Council since 2021. Harald Solberg has been the Vice-Chair since 2019.

The Statutes regulate the Council's tasks and procedures. The procedures are aligned with those of a corporate assembly of a public limited company. The Council has two committees: the Control Committee, which is described below, and the Nomination Committee, which is described in section 7.

Control Committee
The Control Committee's composition and role are defined in the Statutes of Stiftelsen Det Norske Veritas (section 9) and the Committee works under the instructions of the Council. The Council has adopted instructions for the Control Committee that specify guidelines for the Committee's procedures and considerations.

The Control Committee's mandate is to supervise the Board's management of Stiftelsen Det Norske Veritas on behalf of the Council. The Control Committee shall oversee that:

- the management is performed in an appropriate and reassuring way, and in accordance with laws, regulations, and the statutes; and
- the Board of Directors has established proper external and internal control and risk management systems.

The Control Committee's function is to oversee the Board's safeguarding of Stiftelsen Det Norske Veritas' purpose and management of its assets. The Control Committee's functions are further described in Chapter 10 of this report, "Risk management and internal control".

The Control Committee consists of a Chair and two other members elected by and from among the Council members. Per the Council's instructions for the Control Committee, the Control Committee composition shall be such that the Committee has financial and legal expertise and general knowledge of the services provided by Stiftelsen Det Norske Veritas. The Control Committee currently consists of:

- **Ivar Brandvold,**
  Member of the Council since 2011 and Chair of the Control Committee since 2013.
  CEO Fred Olsen Renewables AS
- **Tore Ulstein,**
  Member of the Council since 2016 and the Control Committee since 2017.
  Chair of the Board, Ulstein Group
- **Anniken Hauglie,**
  Member of the Council and the Control Committee since 2021. Deputy Director General/Director Politics, NHO

All members are considered to be independent of the Board and executive management and the Committee is deemed to have the relevant expertise and knowledge.

The Board of Directors
The Board members of Stiftelsen Det Norske Veritas are also elected as Board members of DNV Holding and DNV Group AS. The Board has closely assessed whether, as an alternative governance model, Stiftelsen Det Norske Veritas should be governed by a board composed of directors who have no roles in the subsidiaries. The assessments concluded that, in the current situation, it is preferable for the fulfilment of Stiftelsen Det Norske Veritas' purpose and the management of DNV Group that there is proximity between the stakeholders represented in the Council and the group management. This proximity is achieved through the multiple directorship arrangement. The Board has also concluded that the Board's normal exercise of ownership of - and arrangements with - these subsidiaries do not impact the directors' impartiality.

Six members of the Board (including the Chair and Vice-Chair) are elected by the Council. The Nomination Committee makes recommendations per guidelines set by the Council. The nominations are sent to the Council members prior to the election. Board elections are based on a simple majority, with a quorum formed if at least half of the Council members are present.

Four members of the Board are elected by and from among the employees of DNV worldwide. The elections take place in three separate constituencies and elections are staggered. The employee representation scheme is approved by the Norwegian Working Democracy Committee (i.e. "Tvisteløsningsnemnda").
The constituencies are:

- Norway (elects two members of the Board)
- Europe – excluding Norway
  (elects one member of the Board
- Worldwide – excluding Europe
  (elects one member of the Board)

The Board currently consists of ten members and has the following composition:

- **Jon Fredrik Baksaas,**
  Vice-Chair of the Board since 2019 and
  Chair of the Board of Directors since 2020.
  Professional Board member
- **Lasse Kristoffersen,**
  Member of the Board of Directors since 2017 and
  Vice-Chair of the Board since 2020.
  Torvald Klaveness Group
- **Birgit Aagaard-Svendsen,**
  Member of the Board of Directors since 2017.
  Professional Board member
- **Silvija Seres,**
  Member of the Board of Directors since 2017.
  Professional Board member
- **Christian Venderby,**
  Member of the Board of Director since 2020.
  Vestas Wind Systems
- **Ingvild Sæther,**
  Member of the Board of Directors since 2020.
  Altera Infrastructure
- **Jon Eivind Thrane,**
  Member of the Board of Directors since 2018.
  DNV (Norway)
- **Nina Ivarsen,**
  Member of the Board of Directors since 2016.
  DNV (Norway)
- **Thomas Reimer,**
  Member of the Board of Directors since 2021.
  DNV (Germany)
- **David McKay.**
  Member of the Board of Directors in 2006–2007,
  2010–2011, 2014–2015 and since 2019.
  DNV (USA)

More details about the individual Board members can be found in the DNV Annual Report 2021.

The Board believes that its composition is such that it can attend to the common interests of all stakeholders and meet Stiftelsen Det Norske Veritas' need for expertise, capacity, and diversity. Emphasis is placed on the Board functioning effectively as a collegial body.

As per the 2021 elections, Board members are elected for periods of up to two years, or until removed by the General Meeting, with the possibility for re-election. According to the Statutes, directors cannot be a member for more than 12 years in total.

Amongst the Board members elected by the Council, each gender shall be represented by at least three members. Both genders shall be represented by Board members and deputy members elected by and from among the employees. As a foundation, Stiftelsen Det Norske Veritas is not subject to mandatory legislation on gender diversity. However, in accordance with its aim of complying with principles that apply to listed public limited companies in Norway, the statutes of Stiftelsen Det Norske Veritas include such requirements. Currently there is a 50/50 gender representation on the Board among the Council-elected members, and both genders are represented by Board members and deputy members elected by and from among the employees. Under-represented social groups as referred to in the GRI standards are currently not represented on the Board.

Being a foundation, Stiftelsen Det Norske Veritas does not issue shares, and members of the Board cannot therefore own shares in the company. The Code of Practice's recommendation regarding share ownership is therefore not relevant.

The Board's Independence
All Council-elected Board members are considered autonomous and independent of Stiftelsen Det Norske Veritas' executive management and material business contacts. The guidelines for the Nomination Committee's work instruct the committee to consider that the composition of the Board should be such that no specific industry, stakeholder group, or customer group has dominance in the Board. The Board does not include executive personnel.

9. THE WORK OF THE BOARD OF DIRECTORS

Board responsibilities
The Board of Directors is Stiftelsen Det Norske Veritas' principal authority, and the Board is authorized to make decisions regarding all matters that the statutes do not explicitly vest with the Council or other governing bodies. The rights, duties, and responsibilities of the Board follow from the Foundation Act, the Accounting Act, and other relevant legislation, the statutes of Stiftelsen Det Norske Veritas, and the Board's own instructions.

The Board directs and oversees the activities of Stiftelsen Det Norske Veritas. The Board determines the objectives and strategies for Stiftelsen Det Norske Veritas in collaboration with the Group President and CEO. The Board approves Stiftelsen Det Norske Veritas' strategy and annual plans and has established policies and guidelines for the operations, including economic, environmental, and social topics. The Board appoints the Group President and CEO of Stiftelsen Det Norske Veritas. Matters to be handled by the Board are further outlined in the Board instructions. The Board's work in 2021 is described below and in Stiftelsen Det Norske Veritas' Board of Directors' report 2021.

The Board instructions also cover the following items: instructions for the Group President and CEO, Board meeting procedures, and rules on minutes of meetings, working committees, impartiality, confidentiality, the Code of Conduct, and group governance.

Board meetings
The Board adopts an annual meeting and activity plan each year. This plan includes agenda items for each meeting and stipulates six ordinary meetings to be held per year. Additional meetings are held when considered necessary.

In 2021, the Board held six ordinary meetings and two extraordinary meetings. Attendance at the Board meetings in 2021 was close to 100%. Due to the Covid-19 situation, no Board meetings were held with all Board members physically present. One meeting was held as a combination of physical attendance and electronic participation (October), while at the remaining meetings all Board members attended by electronic means (video conferencing). Due to the Covid-19 situation, the Board did not travel to a foreign location for any Board meetings in 2021.

The notice of meetings and the agenda are prepared by the Group President and CEO and the Chair of the Board. The notice of the meeting, agenda and supporting documentation, including information on Stiftelsen Det Norske Veritas' financial status, are made available to the Board members well in advance of each meeting. The Board instructions state that, at the beginning of each meeting or agenda item, the Chair shall inform the Board of discussions he/she has had with the Group President and CEO prior to the Board meeting about relevant issues. To ensure a more independent consideration of matters of a material nature in which the Chair of the Board is, or has been, personally involved, the Board considers if the deliberations of such matters should be chaired by some other member of the Board.

In addition to the Board members, the Board meetings are attended by the Group President and CEO, the Group Chief Financial Officer, the Secretary to the Board and other persons from the executive management and/or other type of experts as decided by the Chair and the Group President and CEO from time to time.

The Board is bound by the rules regarding disqualification/conflicts of interest stated in section 37 of the Foundation

Act. The guidelines for efficient practice of these rules are further specified in the Board's instructions.

The Board's self-evaluation
The aim is that the Board shall evaluate its own performance and expertise once per year. The evaluation is normally performed at least bi-annually in cooperation with the Nomination Committee appointed by the Council. In 2021, the self-evaluation was performed through regular self-evaluations at the end of Board meetings and individual interviews of the Board members by the Council's Nomination Committee.

The Group President and CEO
The Group President and CEO ("CEO") of Stiftelsen Det Norske Veritas is appointed by the Board of Directors and conducts the day-to-day management of Stiftelsen Det Norske Veritas. The current arrangement is that the CEO of DNV Group AS is seconded to also be the CEO of Stiftelsen Det Norske Veritas as well as of DNV Holding AS. As Stiftelsen Det Norske Veritas does not have any employees, management services, including those of the CEO, are provided to Stiftelsen Det Norske Veritas by DNV AS in accordance with a management service agreement entered into on an arm's length basis.
The current CEO, Remi Eriksen, was appointed by the Board in 2015.

There is a clear division of duties between the Board and the CEO. The CEO is responsible for ensuring that Stiftelsen Det Norske Veritas is organized, run, and developed in accordance with the Foundation Act, the Statutes, and decisions adopted by the Board. The overall functions and duties of the CEO are set out in the Board's instructions.

Transactions with related parties
Any agreements between Stiftelsen Det Norske Veritas and a board member or the Group President and CEO are subject to Board approval. Agreements between Stiftelsen Det Norske Veritas and third parties in which a Board member or the Group President and CEO may have a special interest are also subject to Board approval.

The disqualification rules in the Foundation Act apply to the Board's handling of agreements mentioned above.

DNV's Code of Conduct sets forth rules for transactions between Stiftelsen Det Norske Veritas and DNV. With respect to transactions between Stiftelsen Det Norske Veritas and DNV Group AS or other subsidiaries, possible conflicts of interest between the companies, including extraordinary transactions between the entities, are handled with due care to ensure arm's length terms.

10. RISK MANAGEMENT AND INTERNAL CONTROL

The Board performs an annual review of all relevant risk areas as described in more detail below. Regular reporting to the Board is ensured by a systematic approach using an annual wheel which is approved by the Board each year.

Risk management and internal control are important for Stiftelsen Det Norske Veritas in respect of the separate activities of both Stiftelsen Det Norske Veritas and DNV Group. The corporate governance report for DNV Group describes the risk management and internal control for the Group.

As for its own activities, Stiftelsen Det Norske Veritas has decided to be part of the risk management and internal control system established for DNV Group. Stiftelsen Det Norske Veritas adheres to DNV's management systems, corporate systems, and policy documents, including the Code of Conduct to the extent relevant. The services provided by DNV AS to Stiftelsen Det Norske Veritas include those of the compliance officer, internal auditor, and ombudsman as described in the DNV Group's Corporate Governance Report. The Board will on an ongoing basis consider whether to establish a separate internal auditor for Stiftelsen Det Norske Veritas, but has to date not found this necessary.

Stiftelsen Det Norske Veritas has significant financial investments and has established a policy document and risk management procedures for the financial management of these, including guidelines on and requirements regarding sustainability.

The supervision by the Council's Control Committee is considered to be a tool for the Council to oversee Stiftelsen Det Norske Veritas' specific interests. The Control Committee's mandate was amended in 2013 to focus on the Board's role as the caretaker of Stiftelsen Det Norske Veritas' specific interests. The role of the Control Committee, as described in chapter 8 above, is to oversee and supervise the Board of Directors of Stiftelsen Det Norske Veritas. The Committee's tasks particularly include overseeing that the Board has established proper external and internal control and risk management systems. The Committee's tasks include:

- monitoring transactions and other possible conflicts of interest between Stiftelsen Det Norske Veritas and DNV, and between Stiftelsen Det Norske Veritas and other companies in DNV Group, and
- reviewing the following documents from the DNV Board: minutes, group risk reports, internal auditor's reports, compliance reports, and other documents considered relevant for the Control Committee's functions.

The oversight and supervisory functions apply to Stiftelsen Det Norske Veritas and the companies fully owned by it.

11. REMUNERATION OF THE BOARD OF DIRECTORS AND THE COUNCIL

The remuneration of Board members is decided by the Council following a recommendation from the Nomination Committee. The remuneration of the Council leadership and committee members is decided by the Board following a recommendation from the Council, based on input from the Nomination Committee.

Per the Council's instructions for the Nomination Committee, the Nomination Committee shall base its recommendation on information regarding levels of remuneration paid to board and committee members of comparable companies and for a scope of work and commitment comparable to those which the members are expected to devote to Stiftelsen Det Norske Veritas and its subsidiaries. The remuneration is not linked to Stiftelsen Det Norske Veritas' or DNV Group's performance.

The Chair and Vice-Chair of the Council as well as the Committee members are remunerated. The Chair and Vice-Chair of the Council receive remuneration in their capacities as such, and not in their capacities as Nomination Committee members. The ordinary Committee members receive remuneration based on the activity in the Committees. There is also a compensation policy for Council members' travel.

None of the directors elected by the Council work for Stiftelsen Det Norske Veritas outside of their directorships and none have any agreement regarding a pension plan or severance pay from Stiftelsen Det Norske Veritas. If such assignments should become relevant, the Board's instructions state that any such agreement between Stiftelsen Det Norske Veritas and a Board member is subject to Board approval.

See note 7 to the 2021 financial statements for a breakdown of the remuneration paid to the directors in 2021.

12. SALARY AND OTHER REMUNERATION FOR EXECUTIVE PERSONNEL

Stiftelsen Det Norske Veritas and DNV Holding have no employees or executive personnel. Management services are provided to Stiftelsen Det Norske Veritas by DNV AS pursuant to a management services agreement. The Code of Practice, section 12, on remuneration of executive personnel is therefore not relevant for Stiftelsen Det Norske Veritas. DNV Group's Board has prepared a declaration on executive management remuneration in accordance with the obligation applicable to public limited companies.

13. INFORMATION AND COMMUNICATIONS

Guidelines for reporting financial and other information to shareholders and the securities market do not apply to a foundation. However, Stiftelsen Det Norske Veritas continues its long tradition of issuing a comprehensive publication which includes the annual report with externally audited financial reporting.

The annual report of Stiftelsen Det Norske Veritas is distributed to the Council and freely available on request. The report is publicly available on the website www.detnorskeveritas.com.

14. TAKE-OVERS

A foundation by definition has no owners, and as such may not be subject to take-over bids as described in the Code of Practice, section 14. This section is therefore not relevant.

In principle, a foundation may not be subject to any take-over, other than by it being terminated or converted, which may only take place on certain extremely restricted conditions as further specified in the Foundation Act. Conversion or termination is subject to approval by the Norwegian Foundation Authority and such approval can only be granted on very restrictive conditions specified in the Foundation Act.

According to the Statutes of Stiftelsen Det Norske Veritas, termination is subject to a resolution passed by the Council with a two-thirds majority at two successive ordinary Council meetings, and pursuant to a proposition by the Board of Directors exclusively.

Stiftelsen Det Norske Veritas' purpose as stated in the Statutes bolsters its position as a free-standing, autonomous, and independent entity.

15. AUDITOR

The external auditor is elected by the Council. The Board shall support the Council in such elections and the election is normally based on a proposal by the Board. The Council's Control Committee is invited to state its opinion on the Board's proposal regarding the election and appointment of auditor.

KPMG is currently the external auditor for Stiftelsen Det Norske Veritas.

Pursuant to the Foundation Act, the external auditor shall in its annual audit report provide a statement regarding whether the foundation has been managed and distributions have been made in accordance with legislation, the purpose of the foundation, and the statutes.

The external auditor presents the result of the planned audit, including any internal control deficiencies, at the Board of Directors' meeting where the statutory financial statements are approved by the Board of Directors.

At least one meeting per year is held between the external auditor and the Board without the presence of the CEO or the executive management.

The external auditor submits a written statement to the Board on compliance with the statutory audit and independence requirements stipulated in the Auditors Act.

The Board reviews and monitors the independence of the auditor, and in particular to what extent services other than audits delivered by the external auditor or the audit firm represent a threat to the statutory auditor's independence. Any services other than the audit provided by the external auditor will be considered in coordination with DNV Group AS and the guidelines established by the Board of DNV Group AS.

The remuneration of the external auditor is determined by the Board in accordance with the Foundation Act.
In addition to ordinary auditing of the Foundation and subsidiaries, the external auditor provided tax consulting services, other attestation services, and non-audit services in 2021. For details, see note 7 in the 2021 financial statements.

Adopted by the Board of Directors,
Høvik, 23 March 2022

ATTACHMENT 1 – About reporting standards in the Accounting Act

The reporting requirements of the Accounting Act are included or otherwise considered in the individual sections as listed below:

- *"a statement of the code of practice and regulatory framework on corporate governance to which the company is subject, or with which it has elected to comply".*
  Described in Section 1: Implementation and Reporting of Corporate Governance.

- *"information on where the code of practice and regulatory framework mentioned in no 1 is publicly available".*
  Described in Section 1: Implementation and Reporting of Corporate Governance.

- *"the reasons for any non-conformance with recommendations and regulations mentioned in no 1".*
  Described in Section 1: Implementation and Reporting of Corporate Governance.

- *"a description of the main elements of the company's internal control and risk management systems associated with the financial reporting process, and where the entity that is required to prepare accounts also prepares consolidated accounts, the description must include the main elements of the group's internal control and risk management systems associated with the financial reporting process".*
  Described in Section 10: Risk Management and Internal Control.

- *"an account of any provisions in the articles of associations that completely or partially extend or depart from the provisions stipulated in Chapter 5 of the Public Limited Companies Act".*
  Described in Section 6: General Meetings.

- *"the composition of the board of directors, the corporate assembly, the committee of representatives and the control committee, and of any committee of such corporate bodies, and a description of the main elements in the prevailing instructions and guidelines for the work of these corporate bodies and of any committees thereof".*
  Described in Section 8: Council and Board of Directors - composition and independence, and Section 9: The Work of the Board of Directors.

- *"the provisions of the articles of association that regulate the appointment and replacement of members of the board of directors".*
  Described in Section 8: Council and Board of Directors - Composition and Independence.

- *"an account of any provisions in the articles of association or authorizations that allow the board to decide that company is to repurchase or issue its own shares or its own equity certificates".*
  Described in Section 3: Equity and Dividends.

According to the Accounting Act, section 3-3c, large enterprises shall report what they do to integrate considerations relating to human rights, labour rights, and social conditions, the external environment, and anti-corruption efforts in their business strategies, in their daily operations, and in relation to their stakeholders (the "Corporate Sustainability Report").

The Corporate Sustainability Presentation was introduced as a mandatory rule in 2013. As DNV reports in accordance with existing international reporting schemes such as the United Nations Global Compact and Global Reporting Initiative, DNV's reporting is assumed to be fully compliant with the obligations stipulated in the Accounting Act, section 3-3c.

The Foundation's Corporate Sustainability Presentation is described in Section 1: Implementation and Reporting of Corporate Governance.

FINANCIAL STATEMENTS

On May 15th 2014 Stiftelsen Det Norske Veritas received formal approval from the Norwegian Ministry of Finance to submit its annual financial statements in English only.

KEY FIGURES

Amounts in NOK million

	2021	2020	2019[1]	2018	2017
Income statement:					
Operating revenue	**21 464**	20 911	21 551	19 644	19 591
EBITDA	**3 648**	3 470	3 517	1 963	1 562
Depreciation	**613**	641	765	358	358
Impariment of fixed assets	**0**	0	0	552	14
EBITA	**3 035**	2 830	2 753	1 053	1 190
Amortization	**387**	420	420	513	503
Impairment of goodwill and other intangible assets	**28**	15	9	0	15
EBIT/ Operating profit	**2 620**	2 395	2 323	540	671
Net financial income (expenses)	**614**	(228)	(392)	(462)	(8)
Profit before tax	**3 234**	2 167	1 930	77	663
Profit for the year	**2 502**	1 503	1 310	(39)	284
Balance sheet:					
Non-current assets	**19 660**	18 464	18 502	17 313	18 019
Current assets	**15 569**	13 467	12 854	11 572	12 832
Total assets	**35 229**	31 931	31 356	28 884	30 850
Equity	**19 398**	16 414	14 765	13 121	13 035
Non-current liabilities	**8 080**	8 342	10 068	9 573	11 811
Current liabilities	**7 751**	7 175	6 523	6 191	6 005
Cash flow items:					
Net cash flow from operations	**2 808**	4 104	2 572	939	780
Net cash flow from investments	**(460)**	(305)	733	(385)	(12 550)
Net cash flow from financing activities	**(705)**	(2 224)	(1 680)	(1 764)	8 377
Net cash flow	**1 643**	1 575	1 624	(1 210)	(3 393)
Liquidity	**8 112**	6 402	4 812	3 188	4 395
Financial ratios:					
Profitability:					
EBITDA margin	**17.0%**	16.6%	16.3%	10.0%	8.0%
EBITA margin	**14.1%**	13.5%	12.8%	5.4%	6.1%
EBIT/ Operating margin	**12.2%**	11.5%	10.8%	2.7%	3.4%
Pre-tax profit margin	**15.1%**	10.4%	9.0%	0.4%	3.4%
Net profit margin	**11.7 %**	7.2%	6.1%	-0.2%	1.4%
Leverage:					
Equity ratio	**55.1%**	51.4%	47.1%	45.4%	42.3%
Number of employees	**11 795**	11 614	11 832	12 101	12 715

Definition of ratios:

Profitability:

EBITDA:
Earnings before financial items. tax, depreciation, amortization and impairment

EBITDA margin:
EBITDA x 100/Operating revenue

EBITA:
Earnings before financial items, tax, amortization and impairment

EBITA margin:
EBITA x 100/Operating revenue

Operating margin:
Operating profit x 100/ Operating revenue

Pre-tax profit margin:
Profit before tax x 100/ Operating revenue

Net profit margin:
Profit for the year x 100/ Operating revenue

Cash flow:

Net cash flow:
Net change in liquidity from cash flow statement

Liquidity:
Cash and bank deposits

Leverage:

Equity ratio:
Equity x 100/Total assets

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

INCOME STATEMENT

Amounts in NOK million

STIFTELSEN DET NORSKE VERITAS				STIFTELSEN DET NORSKE VERITAS CONSOLIDATED	
2021	2020		Note	**2021**	2020
		Operating revenue			
0.0	0.0	Sales revenue	2	**21 463.9**	20 910.9
0.0	0.0	**Total operating revenue**		**21 463.9**	20 910.9
		Operating expenses			
0.0	0.0	Payroll expenses	3, 4	**12 100.4**	12 088.5
11.7	5.8	Other operating expenses	5	**5 715.4**	5 352.3
(11.7)	(5.8)	**EBITDA**		**3 648.1**	3 470.1
0.0	0.0	Depreciation and amortization	8, 10	**999.9**	1 060.1
0.0	0.0	Impairment	8	**27.7**	15.0
(11.7)	(5.8)	**Operating profit**		**2 620.5**	2 395.0
		Financial income and expenses			
0.0	0.0	Gain/(loss) from associates	12	**0.0**	4.5
115.4	39.5	Other financial income	6	**762.8**	97.4
0.1	(0.0)	Financial expenses	6	**(149.0)**	(329.5)
115.5	39.5	Net financial income (expenses)		**613.8**	(227.6)
103.8	33.7	**Profit before tax**		**3 234.3**	2 167.3
(10.7)	(1.2)	Tax expense	7	**(732.1)**	(664.6)
93.0	32.5	**Profit for the year**		**2 502.2**	1 502.7
		Profit for the period attributable to:			
		Non-controlling interest		**17.7**	11.8
		Equity holders of the parent		**2 484.4**	1 491.0
		Total		**2 502.2**	1 502.7

STATEMENT OF COMPREHENSIVE INCOME

93.0	32 .5	**Profit for the year**		**2 502.2**	1 502.7
		Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
		Actuarial gains/(losses) on defined benefit pension plans	15	**902.1**	(363.2)
		Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
		Currency translation differences/Translation differences foreign operations		**(464.0)**	604.6
		Change in fair value of interest rate swap		**38.9**	(79.9)
0 .0	0.0	**Other comprehensive income for the period, net of tax**		**477.0**	161.5
93.0	32 .5	**Total comprehensive income for the period**		**2 979.2**	1 664.2
		Total comprehensive income attributable to:			
		Non-controlling interest		**17.7**	11.8
		Equity holders of the parent		**2 961.4**	1 652.5
		Total		**2 979.2**	1 664.2

STATEMENT OF FINANCIAL POSITION

Amounts in NOK million

STIFTELSEN DET NORSKE VERITAS				STIFTELSEN DET NORSKE VERITAS CONSOLIDATED	
2021	2020	**ASSETS**	Note	**2021**	2020
		Non-current assets			
		Intangible assets			
0.7	0.0	Deferred tax assets	7	**1 011.1**	1 076.6
0.0	0.0	Goodwill	8, 9	**9 599.9**	9 290.1
0.0	0.0	Other intangible assets	8	**2 358.4**	2 396.2
0.7	0.0	**Total intangible assets**		**12 969.3**	12 762.9
		Tangible fixed assets			
5.4	5.4	Land, buildings and other property	10	**1 673.1**	1 721.9
0.0	0.0	Office equipment, fixtures and fittings	10	**404.1**	434.3
0.0	0.0	Right-of-use assets	10	**1 603.3**	1 583.7
5.4	5.4	Total tangible fixed assets		**3 680.5**	3 739.9
		Non-current financial assets			
211.4	211.4	Investments in subsidiaries	11	**0.0**	0.0
0.0	0.0	Investments in associates	12	**0.0**	186.8
0.0	0.0	Equity instruments	13	**106.5**	44.9
0.0	0.0	Net pension asset	15	**2 593.9**	1 366.0
0.5	0.5	Other long-term receivables	16	**309.3**	364.0
211.9	211.9	Total non-current financial assets		**3 009.7**	1 961.7
217.9	217.3	**Total non-current assets**		**19 659.5**	18 464.4
		Current assets			
0.0	0.0	Trade receivables	17	**4 058.4**	3 756.6
0.0	0.0	Contract assets		**2 546.0**	2 355.9
4.7	1.5	Other receivables group companies		**0.0**	0.0
0.0	0.0	Other receivables		**853.0**	951.9
1 126.0	1 037.1	Cash and bank deposits	19	**8 111.9**	6 402.1
1 130.7	1 038.6	**Total current assets**		**15 569.3**	13 466.5
1 348.6	1 255.8	**TOTAL ASSETS**		**35 228.8**	31 931.0

STATEMENT OF FINANCIAL POSITION

Amounts in NOK million

STIFTELSEN DET NORSKE VERITAS				STIFTELSEN DET NORSKE VERITAS CONSOLIDATED	
2021	2020	**EQUITY AND LIABILITIES**	Note	**2021**	2020
		Equity			
		Paid-in capital			
283.5	283.5	Foundation capital		**283.5**	283.5
		Retained earnings			
1 052.0	958.9	Other equity		**19 055.6**	16 094.4
0.0	0.0	Non-controlling interest		**59.2**	35.9
1 335.5	1 242.4	**Total equity**		**19 398.3**	16 413.8
		Liabilities			
		Non-current liabilities			
0.0	0.0	Interest bearing loans and borrowings	20	**2 998.0**	3 250.0
0.0	0.0	Pension liabilities	15	**2 727.7**	2 994.9
0.0	0.0	Deferred tax liabilities	7	**518.8**	349.6
0.0	0.0	Lease liabilities	21	**1 410.7**	1 307.1
0.0	0.0	Non-current provisions	22	**71.1**	101.9
0.0	0.0	Other non-current liabilities		**353.4**	338.6
0.0	0.0	**Total non-current liabilities**		**8 079.8**	8 342.1
		Current liabilities			
0.0	0.0	Overdrafts		**15.5**	13.3
0.1	0.0	Trade creditors		**498.6**	490.0
11.2	11.5	Taxes payable	7	**566.3**	402.5
(0.1)	(0.0)	Public duties payable		**532.4**	593.1
1.9	1.9	Current liabilities group companies		**0.0**	0.0
0.0	0.0	Lease liabilities	21	**342.3**	426.1
0.0	0.0	Current provisions	22	**156.4**	238.1
0.0	0.0	Other current liabilities	23	**5 639.4**	5 012.0
13.2	13.4	**Total current liabilities**		**7 750.8**	7 175.1
13.2	13.4	**Total liabilities**		**15 830.5**	15 517.2
1 348.6	1 255.8	**TOTAL EQUITY AND LIABILITIES**		**35 228.8**	31 931.0

Høvik, 23 March 2022

Jon Fredrik Baksaas
Chair

Lasse Kristoffersen
Vice-Chair

Nina Ivarsen
Board member

Jon Eivind Thrane
Board member

Birgit Aagaard-Svendsen
Board member

Thomas Reimer
Board member

Ingvild Sæther
Board member

Christian Venderby
Board member

Silvija Seres
Board member

David McKay
Board member

Remi Eriksen
Group President & CEO

STATEMENT OF CASH FLOW

Amounts in NOK million

STIFTELSEN DET NORSKE VERITAS				STIFTELSEN DET NORSKE VERITAS CONSOLIDATED	
2021	2020		Note	**2021**	2020
		CASH FLOW FROM OPERATIONS			
103.8	33.7	Profit before tax		**3 234.3**	2 167.3
0.0	0.0	Gain on disposal of tangible fixed assets	10	**2.8**	(1.3)
0.0	0.0	Loss (gain) on divestments	14	**(599.4)**	2.8
0.0	0.0	Loss (gain) on equity instruments		**0.0**	(9.2)
0.0	0.0	Loss (gain) from change of defined benefit pension plans	15	**0.0**	(6.9)
0.0	0.0	Depreciation, amortization and impairment	8, 10	**1 027.7**	1 075.1
(11.1)	(9.2)	Tax payable	7	**(818.3)**	(616.9)
0.0	0.0	Change in contract assets, contract libilities, trade receivables and trade creditors		**(350.7)**	1 419.2
(3.7)	9.3	Change in accruals, provisions and other		**311.7**	73.7
88.9	33.9	**Net cash flow from operations**		**2 808.0**	4 103.9
		CASH FLOW FROM INVESTMENTS			
0.0	0.0	Acquisitions	14	**(892.0)**	(136.4)
0.0	0.0	Divestments of subsidiaries	14	**0.0**	178.9
0.0	0.0	Divestment of associates	12	**786.2**	0.0
0.0	0.0	Investments in tangible fixed assets	10	**(153.2)**	(118.3)
0.0	0.0	Investments in intangible assets	8	**(198.2)**	(237.2)
0.0	0.0	Sale of tangible fixed assets (sales value)		**9.1**	16.9
0.0	0.0	Change in other investments		**(11.9)**	(8.3)
0.0	0.0	**Net cash flow from investments**		**(460.1)**	(304.5)
		CASH FLOW FROM FINANCING ACTIVITIES			
0.0	0.0	Change in overdraft		**2.1**	(8.7)
0.0	0.0	Repayment of external loans		**(270.7)**	(1 749.5)
0.0	0.0	Change in lease liabilities		**(436.8)**	(465.9)
0.0	0.0	**Net cash flow from financing activities**		**(705.4)**	(2 224.1)
88.9	33.9	**Net increase/ (decrease) in cash and bank deposits**		**1 642.6**	1 575.3
1 037.1	1 003.2	Liquidity at beginning of period		**6 402.1**	4 812.2
0.0	0.0	Cash in acquired companies	14	**67.2**	14.6
1 126.0	1 037.1	**Liquidity at end of period**		**8 111.9**	6 402.1

STATEMENT OF CHANGES IN EQUITY

Amounts in NOK million

Changes in equity in Stiftelsen Det Norske Veritas

	Foundation capital	Other equity	**Total**
Equity at 1 January 2020	283.5	926.4	1 209.9
Profit for the period		32.5	32.5
Equity at 31 December 2020	**283.5**	**958.9**	**1 242.4**
Profit for the period		93.0	93.0
Equity at 31 December 2021	**283.5**	**1 052.0**	**1 335.5**

Changes in equity in Stiftelsen Det Norske Veritas - Consolidated

Amounts in NOK million	Foundation capital	Other equity	Currency translation differences	Non-controlling interest	**Total**
Equity at 1 January 2020	**283.5**	11 228.6	3 210.6	42.1	**14 764.8**
Profit for the period		1 491.0		11.8	**1 502.7**
Actuarial gains/(losses) on defined benefit pension plans		(363.2)			**(363.2)**
Exchange differences			604.3	0.3	**604.6**
Change in fair value of interst rate swap		(79.9)			**(79.9)**
Other equity changes		3.0		(18.2)	**(15.2)**
Equity at 31 December 2020	**283.5**	**12 279.5**	**3 814.8**	**35.9**	**16 413.8**
Profit for the period		2 484.4		17.7	**2 502.2**
Actuarial gains/(losses) on defined benefit pension plans		902.1			**902.1**
Exchange differences			(464.2)	0.2	**(464.0)**
Change in fair value of interst rate swap		38.9			**38.9**
Other equity changes				5.4	**5.4**
Equity at 31 December 2021	**283.5**	**15 705.0**	**3 350.6**	**59.2**	**19 398.3**

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 Stiftelsen Det Norske Veritas 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.

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.

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.

Long-term shareholdings
Long-term shareholdings where DNV Group does not exercise significant influence are recognised at cost. Each investment is written down to net realisable value if lower than cost.

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.

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 re-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.

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.

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.

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
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.

NOTES TO THE FINANCIAL STATEMENTS

Amounts in NOK million

2. External sales revenue

	STIFTELSEN DET NORSKE VERITAS CONSOLIDATED	
Geographical area:	**2021**	2020
Nordic countries	**5 942.7**	5 617.7
Europe and Africa	**5 804.6**	5 777.8
Asia Pacific	**5 108.5**	5 167.8
North and South America	**4 608.2**	4 347.6
Total sales revenue	**21 463.9**	20 910.9
Business areas:		
Maritime	**7 464.3**	7 556.7
Energy Systems	**7 897.2**	7 654.5
Business Assurance [1]	**2 892.3**	3 595.0
Supply Chain & Product Assurance [1]	**1 009.2**	
Digital Solutions	**1 121.0**	1 097.0
The Accelerator [2]	**977.0**	861.0
Real Estate	**7.5**	15.5
Other	**95.4**	131.2
Total operating revenue	**21 463.9**	20 910.9

1) From the beginning of 2021, business area Business Assurance was split into two new business areas - Business Assurance and Supply Chain & Product Assurance. Due to the reorganization the 2021 figures are not comparable with the 2020 figures.

2) From the beginning of 2021 the new business area The Accelerator was launched. The Accelerator operates the independent business units, Inspection, Digital Health and Cyber Security.

For management purposes, the DNV Group is organized into business areas based on the industries in which the group operates. DNV Group is structured into six business areas; Maritime, Energy Systems, Business Assurance, Supply Chain & Product Assurance, Digital Solutions and The Accelerator, and one independent business unit, Real Estate.

3. Payroll expenses

	STIFTELSEN DET NORSKE VERITAS CONSOLIDATED	
	2021	2020
Salaries	**8 732.8**	9 187.4
Bonus expenses	**1 000.0**	546.0
Payroll tax	**1 006.7**	1 020.8
Pension costs	**780.0**	759.5
Effect of pension plan changes/curtailment effects	**0.0**	(6.9)
Other contributions	**580.8**	581.7
Total payroll expenses	**12 100.4**	12 088.5
Full time equivalent	**11 601**	11 405

4. 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 4 in the financial statements for DNV Group AS for further disclosures.

Board remuneration paid in 2021:

Name	Stiftelsen Det Norske Veritas	Other Group companies [5]
Jon Fredrik Baksaas	313	518
Nina Ivarsen	80	313
Clemens Keuer [1]	47	183
Lasse Kristoffersen [2]	195	426
David McKay	80	313
Thomas Reimer [3]	33	130
Silvija Seres	80	343
Birgit Aagaard-Svendsen	80	398
Ingvild Sæther [4]	80	357
Jon Eivind Thrane	80	313
Christian Venderby	80	383

1) Member of the Board of Directors until 31 July 2021
2) Member of the Board Audit Committee until 27 October 2021
3) Member of the Board of Directors from 1 August 2021
4) Member of the Board Audit Committee from 28 October 2021
5) Includes remunerations for Board Audit Committee and Board Compensation Committee

Remuneration to the Control Committee paid 2021:

Name	Stiftelsen Det Norske Veritas
Ivar Brandvold	138
Tore Ulstein	93
Åse Aulie Michelet	93

Remuneration to the Nomination Committee paid 2021:

Name	Stiftelsen Det Norske Veritas
Kristin Færøvik	77
Harald Serck-Hanssen	83
Steffen Syvertsen	77

Remuneration to the Council paid 2021:

Name	Stiftelsen Det Norske Veritas
Walter Qvam	190
Harald Solberg	113

Fees to the auditors for 2021 (*amounts in NOK thousand*)	Stiftelsen Det Norske Veritas	Group auditor other Norwegian entities	Group auditor non-Norwegian entities	Other auditors	Total
Statutory audit	184	7 328	29 054	90	36 656
Tax consulting services		-	461	4	465
Other audit related services		449	1 236	20	1 705
Non-audit services		1 277	421	103	1 802

Amounts in NOK million

5. Other operating expenses

STIFTELSEN DET NORSKE VERITAS			STIFTELSEN DET NORSKE VERITAS CONSOLIDATED	
2021	2020		**2021**	2020
0.0	0.0	Travel expenses (refundable and non-refundable)	**454.1**	491.8
0.0	0.0	External hired assistance	**2 040.4**	1 845.8
0.0	0.0	IT and communication expenses	**584.5**	583.8
0.0	0.0	Losses on accounts receivables	**26.8**	40.5
0.0	0.0	Loss on divestment KEMA laboratories US	**0.0**	2.8
11.7	5.8	Other expenses (refundable and non-refundable)	**2 609.5**	2 387.6
11.7	5.8	**Total other operating expenses**	**5 715.4**	5 352.3

6. Financial income and financial expenses

STIFTELSEN DET NORSKE VERITAS			STIFTELSEN DET NORSKE VERITAS CONSOLIDATED	
2021	2020		**2021**	2020
115.4	39.5	Return on financial investments	**132.5**	47.0
0.0	0.0	Gain from sale/profit (2020) from investment in associates (Note 12)	**599.4**	4.5
0.0	0.0	Gain from sale of available for sale investments	**0.0**	9.2
0.0	0.0	Net interest on the net defined benefit liability (asset) (Note 15)	**(6.9)**	(1.6)
0.0	0.0	Net interest income (expense) group companies	**0.0**	0.0
0.0	0.0	Interest expense lease liabilities	**(55.7)**	(58.1)
0.0	0.0	Interest expense and other financial expenses external loan	**(39.6)**	(89.8)
0.0	0.0	Interest rate swap	**(31.5)**	(11.6)
(0.0)	(0.0)	Other net interest	**14.5**	24.0
0.1	(0.0)	Currency gains (losses)	**50.0**	(96.0)
(0.0)	(0.0)	Other financial items	**(48.9)**	(55.2)
115.5	39.5	**Net financial income (expenses)**	**613.8**	(227.6)

Amounts in NOK million

7. Tax

STIFTELSEN DET NORSKE VERITAS 2021	STIFTELSEN DET NORSKE VERITAS 2020		STIFTELSEN DET NORSKE VERITAS CONSOLIDATED 2021	STIFTELSEN DET NORSKE VERITAS CONSOLIDATED 2020
		Tax expense consists of:		
9.8	9.0	Norwegian wealth tax	**9.8**	9.0
1.3	(7.7)	Norwegian income tax	**137.4**	50.2
0.0	0.0	Income tax outside Norway	**671.1**	557.8
11.1	1.2	Total tax payable	818.3	616.9
(0.4)	(0.0)	Change in deferred tax in Norway	**(57.9)**	105.4
0.0	0.0	Effect of changed tax rate	**0.0**	(9.0)
0.0	0.0	Change in deferred tax outside Norway	**(28.3)**	(48.7)
(0.4)	(0.0)	Total change in deferred tax	**(86.2)**	47.7
10.7	1.2	**Tax expense**	**732.1**	664.6
22.8	7.4	Tax on profit at 22%	**711.5**	476.8
		Tax effect of:		
0.0	0.0	Non refundable foreign withholding taxes	**74.6**	65.5
0.0	0.0	Gain sale of shares	**(131.9)**	34.0
(21.7)	(7.2)	Other permanent differences	**2.5**	33.1
0.0	0.0	Effect of changed tax rate	**(0.3)**	(9.0)
(0.3)	(8.0)	Changes of previous years taxes	**10.2**	11.5
0.0	0.0	Tax assets not recognized current year	**12.6**	27.8
0.0	0.0	Differences between tax rates in Norway and abroad	**42.9**	15.9
9.8	9.0	Norwegian wealth tax	**9.8**	9.0
10.7	1.2	**Tax expense**	**732.1**	664.6
		Effective tax rate	**23 %**	31 %
		Net tax-reducing/tax-increasing temporary differences:		
0.1	0.1	Non-current assets	**2 321.2**	1 160.9
0.0	0.0	Current assets	**55.1**	171.0
(3.1)	0.0	Liabilities	**(3 154.1)**	(2 947.9)
0.0	0.0	Tax loss to be carried forward	**(701.0)**	(1 017.8)
(3.0)	0.1	**Basis for (deferred tax asset)/liability**	**(1 478.7)**	(2 633.8)
22 %	22%	Tax rates applied	**17%–42%**	17%–42%
0.7	0.0	**Deferred tax asset**	**1 011.1**	1 076.6
(0.0)	(0.0)	**Deferred tax liability**	**(518.8)**	(349.6)

In addition to the tax loss to be carried forward of NOK 701 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 647 million. As the future utilization of these tax losses cannot be demonstrated, the related deferred tax asset of NOK 118 million has not been recognized in the balance sheet.

NOK 282 million deferred tax expense related to net actuarial losses on defined benefit pension plans and exchange differences, has been reflected in other comprehensive income/ other equity, together with the related net actuarial loss and exchange differences.

Amounts in NOK million

8. Intangible assets

	Goodwill	Customer contracts and relations	Trade-marks	Software and Software develop-ment	Total
Acquisition cost					
1 January 2020	9 016.7	2 641.3	427.4	2 985.7	15 071.1
Additions	0.0	(0.0)	0.0	236.9	236.9
Additions from acquisitions	105.2	33.1	0.0	0.0	138.3
Disposals from divestments (note 14)	(30.4)	0.0	0.0	(65.6)	(96.0)
Currency translation differences	559.3	174.8	25.7	81.5	841.3
Total acquisition cost 31 December 2020	**9 650.7**	**2 849.2**	**453.1**	**3 238.5**	**16 191.5**
Additions	0.0	0.5	0.0	197.7	198.2
Additions from acquisitions	732.4	114.7	0.0	112.1	959.3
Disposals	0.0	0.0	0.0	0.0	0.0
Currency translation differences	(423.3)	(134.5)	(20.0)	(63.9)	(641.8)
Total acquisition cost 31 December 2021	**9 959.9**	**2 830.0**	**433.1**	**3 484.4**	**16 707.3**
Accumulated amortization and impairment					
1 January 2020	(359.6)	(1 876.2)	0.0	(1 642.0)	(3 877.8)
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)
Total accumulated amortization and impairment 31 December 2020	**(360.7)**	**(2 205.4)**	**0.0**	**(1 939.1)**	**(4 505.1)**
Amortization	0.0	(174.8)	0.0	(212.2)	(387.0)
Impairment	0.0	0.0	0.0	(27.7)	(27.7)
Disposals	0.0	0.0	0.0	0.0	0.0
Currency translation differences	0.7	110.1	0.0	60.1	170.8
Total accumulated amortization and impairment 31 December 2021	**(360.0)**	**(2 270.1)**	**0.0**	**(2 118.9)**	**(4 749.0)**
Net book value					
31 December 2021	**9 599.9**	**559.8**	**433.1**	**1 365.5**	**11 958.3**
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 9).
Trademarks has an indefinite useful life and are not amortized but tested for impairment annually.

Amounts in NOK million

9. Impairment testing of 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, Energy Systems, Business Assurance, Supply Chain & Product Assurance, The Accelerator and Digital Solutions. The Accelerator is however organized into the individual business units Inspection, Digital Health and Cyber Security which are considered as separate CGU's. The impairment 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.

From the beginning of 2021, the former business areas Energy and Oil & Gas were combined and formed the new business area Energy Systems. Business area Business Assurance was split into two new business areas - Business Assurance and Supply Chain & Product Assurance. The goodwill has been allocated accordingly.

A new business area, The Accelerator was launched. The Accelerator operates the independent business units, Inspection, Digital Health and Cyber Security.

Comparable figures for 2020 reflect the new business area structure.

Goodwill is allocated to the business areas as follows:	**2021**	2020
Maritime	**3 215.0**	3 364.9
Energy Systems	**4 728.3**	4 973.2
Business Assurance	**152.3**	155.0
Supply Chain & Product Assurance	**34.9**	34.9
The Accelerator - Inspection	**680.0**	714.0
The Accelerator - Digital Health	**433.6**	0.0
The Accelerator - Cyber Secutiry	**307.8**	0.0
Digital Solutions	**47.9**	48.0
Total goodwill	**9 599.9**	9 290.1

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 (WACC) Post-tax	Long-term nominal growth rate
Maritime	6.0%	1.5%
Oil & Gas	5.6%	1.5%
Energy	5.3%	1.5%
Business Assurance	6.6%	1.5%
Digital Solutions	6.5%	1.5%
The Accelerator - Inspection	5.7%	1.5%

Sensitivity analysis
None of the 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.

Amounts in NOK million

10. Fixed assets

	Land, buildings and other property	Office equipment, fixtures and fittings	Right-of-use assets	Total
Acquisition cost				
1 January 2020	3 192.5	3 406.4	2 222.5	8 821.3
Additions	26.0	92.3	167.9	286.2
Additions from business combinations	0.0	0.9	0.0	0.9
Disposals	(13.8)	(67.8)	0.0	(81.6)
Disposals from divestments (note 14)	(92.2)	(180.5)	0.0	(272.7)
Currency translation differences	4.7	20.0	33.0	57.7
Total acquisition cost 31 December 2020	**3 117.2**	**3 271.2**	**2 423.4**	**8 811.7**
Additions	26.7	126.5	428.7	581.9
Additions from business combinations	0.0	2.8	0.0	2.8
Disposals	(7.4)	(80.0)	0.0	(87.4)
Currency translation differences	(10.8)	(18.2)	(7.3)	(36.3)
Total acquisition cost 31 December 2021	**3 125.8**	**3 302.3**	**2 844.7**	**9 272.8**
Accumulated depreciation				
1 January 2020	(1 374.4)	(2 843.4)	(425.7)	(4 643.5)
Depreciation	(66.4)	(160.2)	(413.9)	(640.5)
Disposals	2.5	63.5	0.0	66.0
Disposals from divestments (note 14)	41.5	111.5	0.0	153.0
Currency translation differences	1.7	(8.4)	0.0	(6.7)
Total accumulated depreciation 31 December 2020	**(1 395.1)**	**(2 837.0)**	**(839.6)**	**(5 071.7)**
Depreciation	(64.0)	(147.0)	(401.8)	(612.9)
Disposals	4.4	71.1	0.0	75.4
Currency translation differences	2.3	14.8	0.0	17.1
Total accumulated depreciation 31 December 2021	**(1 452.5)**	**(2 898.1)**	**(1 241.4)**	**(5 592.1)**
Net book value				
31 December 2021	**1 673.1**	**404.1**	**1 603.3**	**3 680.5**
31 December 2020	1 721.9	434.3	1 583.7	3 739.9
Useful life	15–67 years/ indefinite (land)	3–15 years	1–15 years	
Depreciation plan	Linear	Linear	Linear	

NOTES TO THE FINANCIAL STATEMENTS

Amounts in NOK million

11. Investments in subsidiaries

Stiftelsen Det Norske Veritas owns 100 % of the shares in Det Norske Veritas Holding AS.

Company	Business Office		Share capital in 1000 local curr.	Ownership	Book value
Det Norske Veritas Holding AS	Bærum, Norway	NOK	11 138	100%	**211.4**
Total investment in subsidiaries					**211.4**

200 legal entities are consolidated in DNV Group's financial statements at 31 December 2021 of which 5 entities has non-controlling interest.

12. Investment in associates

In June 2021, DNV Group (through DNV AS) sold the 26.4% ownership in Storm Geo Holding AS, the sales amount of NOK 786 million was settled in cash. The gain from the sale of shares in Storm Geo Holding AS was NOK 599.4 million and is recognized as financial income in 2021, ref. note 6.

13. Long-term shareholdings

	Ownership	Book value 31.12.2021	Book value 31.12.2020
Blade Test Centre AS	25.0%	4.6	4.6
Careindexing Aps	25.0%	4.6	0.0
Umotif Limited	9.7%	34.9	12.0
Scout Drone Inspection AS	7.0%	5.0	0.0
Kezzler AS	3.3%	20.0	0.0
VeChain Technology (HK) Company Limited	3.0%	15.6	15.6
Valoritalia S.r.l.	2.0%	11.1	11.1
Provision Analytics Inc.	7.4%	9.1	0.0
Other		1.6	1.6
Total long-term shareholdings		**106.5**	**44.9**

Amounts in NOK million

14. Business Combinations and divestments

Acquisitions 2021

1 July 2021, DNV Group acquired 80% of the shares in Imatis AS, headquartered in Porsgrunn, Norway, in the first step of its plan for rapid expansion into the digital health market. Imatis has 65 employees. Imatis provides digital solutions to hospitals and other care-giving institutions, giving healthcare workers access to structured real time information anywhere. DNV will use its strong brand and global infrastructure to further grow the digital health company internationally and introduce new products and services to the sector.

18 November 2021, DNV Group acquired 100% of the shares in the industrial cyber security specialist Applied Risk Holding BV (Applied Risk), headquartered in the Netherlands, as part of the company's strategic ambition to bolster support to the emerging need for customers to secure the computing systems managing their industrial operations. DNV's cyber security unit and Applied Risk will join forces under the DNV brand aiming to take a leading position within industrial cyber security.

In October 2021 DNV Group acquired Antuko, a leading energy price forecaster and the solar photovoltaic analytics platform from Alteso (acquisition of software related intangible assets, NOK 15.5 million).

Company/ activities	Transaction date	Owner-ship	Purchase currency	Acquisition cost local currency mill.	External revenue incl. in 2021 acct. mill. NOK
Imatis	01.07.2021	80%	NOK	577.0	66.5
Applied Risk	18.11.2021	100%	EUR	36.0	13.4

Purchase price allocation (PPA)	Acquisition cost	Of which: Customer relations	Customer contracts	Technology	Deferred tax	Net assets	Goodwill
Imatis	577.0	20.5	58.9	52.7	(29.1)	40.4	433.6
Applied Risk	363.0	26.4	9.0	0.0	(8.8)	28.7	307.8

The difference between NOK 363/ EUR 36 million acquisition cost of Applied Risk and NOK 300/ EUR 30 million consideration paid is consideration (earn out) expected to be paid out: 30% Q1 2022, 30% Q1 2023 and 40% Q1 2024.

Cash flow from acquisitions:	
Net cash acquired with the subsidiaries	67.2
Consideration paid in cash	(892.0)
Net cash flow from acquisitions	(824.8)

Amounts in NOK million

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 NOK 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.

Acquisitions 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.

Company/ activities	Transaction date	Owner-ship	Purchase currency	Acquisition cost local currency mill.	External revenue incl. in 2020 acct. mill. NOK
Energy and Resource Solutions Inc.	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 acquisitions:	
Net cash acquired with the subsidiaries	14.6
Consideration paid in cash	(136.4)
Net cash flow from acquisitions	(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.

15. Pension costs, plan assets and defined benefit pension liabilities

All employees are employed in subsidiaries of DNV Group AS. DNV Group has both defined contribution pension plans and defined benefit pension plans. 10 465 employees are covered by the defined contribution pension plans while 3 933 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 country, 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 2021 are NOK 780.0 million of which NOK 187.6 million are related to the defined benefit pension plans and NOK 592.5 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:

Market value of plan assets in Norway	**31 Dec. 2021**	31 Dec. 2020
Buildings and property	**170.0**	189.0
Mutual equity funds and hedge funds	**6 063.2**	4 921.6
Norwegian bonds and bond funds	**1 527.7**	1 851.3
Non-Norwegian bonds and bond funds	**112.7**	110.7
Bank accounts, other assets and liabilities	**939.9**	614.7
Total market value of plan assets Norway (DNV Pension fund)	**8 813.5**	7 687.3
Actual return on plan assets	**1 233.7**	578.5

Amounts in NOK million

Pension cost - defined benefit pension plans:	Funded Norwegian defined benefit pension plans		German defined benefit pension plans		Other defined benefit pension plans	
	2021	2020	**2021**	2020	**2021**	2020
Net present value of this year's pension contribution	**130.6**	118.6	**30.5**	38.4	**8.4**	5.5
Effect of plan changes/curtailments	**0.0**	0.0	**0.0**	(5.8)	**0.0**	(1.1)
Payroll tax	**18.4**	16.7	**0.0**	0.0	**0.0**	0.0
Net present value of this year's pension contr. and curtailm. incl. payroll tax	**149.1**	135.3	**30.5**	32.6	**8.4**	4.4
Net interest on the net defined benefit liability (asset)	**(26.3)**	(37.1)	**36.6**	41.4	**0.3**	(0.6)
Payroll tax	**(3.7)**	(5.2)	**0.0**	0.0	**0.0**	0.0
Net interest on the net defined benefit liability (asset) incl. payroll tax	**(30.0)**	(42.4)	**36.6**	41.4	**0.3**	(0.6)

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. 2021	31 Dec. 2020	**31 Dec. 2021**	31 Dec. 2020	**31 Dec. 2021**	31 Dec. 2020
Market value of plan assets	**8 813.5**	7 687.3	**90.0**	89.6	**2 552.9**	2 402.6
Actuarial present value of pension liabilities	**(6 233.0)**	(6 240.0)	**(2 753.1)**	(3 014.5)	**(2 507.2)**	(2 454.0)
Payroll tax	**(96.9)**	(99.9)	**0.0**	0.0	**0.0**	0.0
Net pension asset (liabilities)	**2 483.5**	1 347.4	**(2 663.2)**	(2 924.9)	**45.8**	(51.4)

End of service benefit schemes:	Norwegian schemes		German schemes		Other schemes	
	31 Dec. 2021	31 Dec. 2020	**31 Dec. 2021**	31 Dec. 2020	**31 Dec. 2021**	31 Dec. 2020
Net liability	**0.0**	0.0	**0.0**	0.0	**(270.5)**	(256.0)
Hereof recorded in the balance sheet as:						
Net pension asset	**2 483.5**	1 347.4	**0.0**	0.0	**110.3**	18.6
Pension liabilities	**0.0**	0.0	**(2 663.2)**	(2 924.9)	**(64.6)**	(70.0)
Other non-current liabilities	**0.0**	0.0	**0.0**	0.0	**(270.5)**	(256.0)

The assumptions (discount rate, covered bonds) for calculation of the pension liabilities in Norway have been changed from 1.7% to 1.9%, the real income in society has been increased from 0.5% to 0.75%, inflation has increased from 1.5% to 1.75%. The changed assumptions led to increased pension liabilities of NOK 122 million in 2021.

The assumptions (discount rate, projected annual increase rate in pension benefit) for calculation of the pension liabilities in Germany have been changed from 1.0% to 1.3% (discount rate) and 1.5% to 1.7% (increase rate in pension benefit). The changed assumptions led to increased pension liabilities of NOK 54 million in 2021.

NOK 902.1 million net actuarial gain on defined benefit pension plans have been reflected in other comprehensive income/ other equity in 2021.

Amounts in NOK million

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

	Norwegian plans[2]		German plans		Other plans	
	31 Dec. 2021	31 Dec. 2020	**31 Dec. 2021**	31 Dec. 2020	**31 Dec. 2021**	31 Dec. 2020
Discount rate[1]	**1.90%**	1.70%	**1.3%**	1.0%	**0.5–1.9%**	0.5–3.0%
Projected annual salary adjustment	**2.75%**	2.25%	**2.5%**	2.5%	**3.0–3.9%**	3.0–5.0%
Projected annual increase in pension benefit	**1.75%**	1.50%	**1.7%**	1.5%	**0.0–3.1%**	0.0–2.7%
Projected annual increase of Norwegian government basis pension	**2.50%**	2.00%				
Expected annual return on plan assets	**1.90%**	1.70%	**1.3%**	1.0%	**0.5–1.9%**	0.5–3.0%

1. Covered bond rate for Norwegian plans.

2. The pension liability calculations for the Norwegian plans are based on K2013BE (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**	
Sensitivity level	**0.5% increase**	**0.5% decrease**	**0.5% increase**	**0.5% decrease**
Impact on defined benefit obligation Norwegian plans	492.6	(548.3)	(206.4)	212.7
Impact on defined benefit obligation German plans	191.6	(195.9)	(17.6)	17.7

16. Other long-term receivables

	STIFTELSEN DET NORSKE VERITAS CONSOLIDATED	
	2021	2020
Loans to employees	**12.6**	15.8
Arrangement fee external loan	**16.5**	29.9
Other long-term receivables	**280.3**	318.3
Total other long-term receivables	**309.3**	364.0

17. Trade receivables

	STIFTELSEN DET NORSKE VERITAS CONSOLIDATED	
	2021	2020
Gross trade receivables	**4 208.6**	3 906.5
Provision for bad debts	**(150.2)**	(149.9)
Net trade receivables	**4 058.4**	3 756.6

18. 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 2021 amounts to NOK 7.1 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 2021 is NOK 0.3 million.

19. Cash and bank deposits

Stiftelsen Det Norske Veritas 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 2021 NOK million**
Danske Bank	NOK 500	Most subsidiaries in Norway, Denmark, Sweden, Finland, UK, Ireland, and the Baltics	1 687
Deutsche Bank	EUR 20	Several subsidiaries in Europe	-116
Bank of America		Most of the subsidiaries in US	32
Bank of America		Most of the subsidiaries in Canada	22
DNB ASA	NOK 50	DNV AS and DNV Group AS	174
Citibank - AED		Some subsidiaries in Middle East	23
Citibank - AUD		Some subsidiaries in Australia	38
Citibank - USD	USD 13	Some subsidiaries in Middle East and South East Asia	139
Citibank - SGD		Some subsidiaries in South East Asia	-9
Citibank - JPY		Some subsidiaries in Japan	40
Citibank - CNY		DNV China Company Limited	277
Citibank - EUR		Some subsidiaries in the Euro-countries	11

Balances on bank accounts participating in the cash pooling systems are considered as internal assets or liabilities vis-à-vis DNV Group AS. 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 entities**	**Drawn 31 Dec 2021**
Citibank China	CNY 50	DNV 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 130
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	Undrawn

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.

Amounts in NOK million

20. Interest bearing loans and borrowings

The 100% shareholder of DNV Group AS, Det Norske Veritas Holding AS, had an agreement for a NOK 1 500 million multi-currency revolving credit facility and a NOK 3 250 million term loan with a bank syndicate consisting of Danske Bank, Norwegian Branch, Handelsbanken Norwegian branch of Svenska Handelsbanken AB and Nordea Bank Abp, filial i Norge. The facilities were secured with a pledge in properties belonging to Det Norske Veritas Eiendom AS.

26 March 2021, the facilities were transferred from Det Norske Veritas Holding AS to DNV Group AS. In June 2021, the term loan was reduced to NOK 2 998 million following a mandatory prepayment due to proceeds from the sale of the shareholding in Storm Geo. The NOK 3 250 million term loan was exchanged with NOK 1 300 million Group internal loan from and NOK 1 950 million dividend liability to Det Norske Veritas Holding AS.

Consequently, DNV Group AS now has an agreement for a NOK 2 998 million term loan with a bank syndicate consisting of Danske Bank, Norwegian Branch, Handelsbanken Norwegian branch of Svenska Handelsbanken AB and Nordea Bank Abp, filial i Norge. The loan expires in December 2024. The credit agreement supporting this loan has certain covenants. DNV Group AS was well within all covenants at year-end 2021. The facilities are secured with a pledge in properties belonging to Det Norske Veritas Eiendom AS.

DNV Group AS has an agreement for a NOK 3 000 million multi-currency revolving credit facility with a bank syndicate consisting of Handelsbanken Norwegian branch of Svenska Handelsbanken AB, Danske Bank, Norwegian Branch and Nordea Bank Abp, filial i Norge. The facility expires in December 2026 and was undrawn per year-end 2021. The credit agreement supporting this facility has certain covenants, including a negative pledge clause, and also restrict DNV Group AS' ability to freely dispose of material assets. The credit agreement requires that DNV Group AS' net interest bearing debt on a consolidated basis does not exceed a set level relative to EBITDA. DNV Group AS was well within all covenants at year-end.

Following the establishment of this facility, both the NOK 1 000 million revolving credit facility with Handelsbanken Norwegian branch of Svenska Handelsbanken AB and the NOK 1 500 million facility with Danske Bank, Norwegian Branch, Handelsbanken Norwegian branch of Svenska Handelsbanken AB and Nordea Bank Abp, filial i Norge were cancelled.

21. Lease liabilities

Overview of future minimum lease:	**2021**	2020
Within one year	**342.3**	426.1
After one year but not more than five years	**843.1**	1046.2
More than five years	**559.5**	341.5
Future minimum lease	**1 744.8**	**1 813.8**

Summary of the lease liabilities in the financial statements:		
Total lease liabilities 1 January	**1 733.2**	1 960.4
New lease liabilities recognised in the year	**408.2**	213.3
Cash payments for the principal portion of the lease liability	**(436.8)**	(465.9)
Interest expense on lease liabilities	**55.7**	58.1
Reassessment of the discount rate on previous lease liabilities	**0.0**	(65.7)
Currency exchange differences	**(7.3)**	33.0
Total lease liabilities at 31 December	**1 753.0**	**1 733.2**
Non-current lease liabilities	**1 410.7**	1 307.1
Current lease liabilities	**342.3**	426.1

Amounts in NOK million

22. Provisions

	STIFTELSEN DET NORSKE VERITAS CONSOLIDATED			
	Claims and contingencies	**Restructuring**	**Other provisions**	**Total**
Balance at 1 January 2020	**47.9**	**109.2**	**100.8**	**257.9**
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)
Balance at 31 December 2020	**34.9**	**201.6**	**103.5**	**340.0**
Current	9.9	201.6	26.6	238.1
Non-current	25.0	0.0	76.9	101.9
Balance at 1 January 2021	**34.9**	**201.6**	**103.5**	**340.0**
Currency translation differences	0.0	(3.5)	0.1	(3.4)
Additions	0.0	24.9	24.8	49.7
Utilization	(1.1)	(114.3)	(13.0)	(128.4)
Reversal	0.0	(12.9)	(17.5)	(30.4)
Balance at 31 December 2021	**33.8**	**95.8**	**97.9**	**227.5**
Current	33.8	95.8	26.8	156.4
Non-current	0.0	0.0	71.1	71.1

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 be material.

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

23. Other current liabilities

	STIFTELSEN DET NORSKE VERITAS CONSOLIDATED	
	2021	2020
Contract liabilities	**2 698.0**	2 565.3
Accrued bonus to employees	**1 000.0**	546.0
Accrued holiday allowances	**393.5**	382.8
Unrealized loss (gain) and interest related to forward contracts	**0.0**	57.1
Accrued expenses and other short-term liabilities	**1 547.9**	1 460.5
Total other current liabilities	**5 639.4**	5 011.7

Amounts in NOK million

24. Guarantees

STIFTELSEN DET NORSKE VERITAS			STIFTELSEN DET NORSKE VERITAS CONSOLIDATED	
2021	2020		**2021**	2020
0.0	0.0	Guarantee commitments not included in the accounts	**473.3**	388.5

These guarantees are not secured by mortgage.

Guarantee commitments are mainly related to customer contracts entered into by DNV Group AS subsidiary companies.

DNV Group AS has an agreement for a NOK 2 998 million term loan with a bank syndicate consisting of Danske Bank, Norwegian Branch, Handelsbanken Norwegian branch of Svenska Handelsbanken AB and Nordea Bank Abp, filial i Norge. The facilities are secured with a pledge in properties belonging to Det Norske Veritas Eiendom AS.

25. 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 60 currencies. Of these, six currencies (NOK, EUR, USD, CNY, GBP and KRW) make up for 78% 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. The Group has no open forward exchange contracts at year end. 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 17.8 million.

A change in USD exchange rate of +/- 1 percentage point will lead to a change in operating revenue of approximately +/- NOK 39 million and a change in operating profit (EBIT) of approximately +/- NOK 7 million. A change in EUR exchange rate of +/- 1 percentage point will lead to a change in operating revenue of approximately +/- NOK 42 million and a change in operating profit (EBIT) of approximately +/- 4 million.

Credit risk
Receivable balances (NOK 4 209 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 and cash equivalents and money market funds (NOK 8 112 million) and certain derivative instruments (NOK 17.8 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 outstanding term loan. The rate on this loan is fixed with an interest rate swap until December 2022. A change in the interest rate of +/- 1 percentage point will lead to a change in net financial items of +/ - NOK 30 million.

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.

Amounts in NOK million

26. Financial assets and financial liabilities

STIFTELSEN DET NORSKE VERITAS CONSOLIDATED

31 December 2021	Financial instruments at fair value through P&L	Amortized costs	Fair value through P&L	Other financial liabilities
Assets – non-current assets				
Long-term shareholdings			106.5	
Loans to employees		12.6		
Other long-term receivables		280.3		
Assets – current assets				
Cash and bank deposits		8 111.9		
Trade receivables		4 058.4		
Other receivables		853.0		
Forward contracts	17.8			
Financial liabilities – non-current				
Interest bearing loans and borrowings				2 998.0
Other non-current liabilities				353.4
Financial liabilities – current				
Trade creditors				498.6
Overdrafts				15.5

31 December 2020	Financial instruments at fair value through P&L	Amortized costs	Fair value through P&L	Other financial liabilities
Assets – non-current assets				
Long-term shareholdings			44.9	
Loans to employees		15.8		
Other long-term receivables		317.9		
Assets – current assets				
Cash and bank deposits		5 365.1		
Trade receivables		3 756.6		
Other receivables		966.8		
Forward contracts	149.9			
Financial liabilities – non-current				
Interest bearing loans and borrowings				3 250.0
Other non-current liabilities				**338.6**
Financial liabilities – current				
Trade creditors				490.0
Overdrafts				13.3

27. Financial instruments

Interest rate swap
The Group has a NOK 2 998 million Term Loan. The interest on the loan consist of a floating interest element of NIBOR plus a margin. Hence, the Group will have risk related to fluctuations in NIBOR. To limit this risk the loan 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 2021 is NOK 38.9 million gain after tax.

28. Subsequent events

As a result of the ongoing war in Ukraine, DNV is continuously following up on risk and mitigation activities to reduce the impact on the DNV Group. In 2021, the revenue from Russian and Ukrainian customers represented less than 0.5% of Total operating revenue in the DNV Group. Total assets in the subsidiaries in Russia and Ukraine are minor (0.1% of total assets in the DNV Group).

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

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

- The financial statements of the parent company Stiftelsen Det Norske Veritas (the Foundation), which comprise the statement of financial position as at 31 December 2021, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Stiftelsen Det Norske Veritas and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2021, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Foundation as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with 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 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 Foundation and the Group as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

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

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

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report
- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

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

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, and for 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 Foundation's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

Opinion on Distribution and Governance
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 the Foundation is governed and distributions are made in accordance with the law, the Foundation's purpose and the articles of association.

Oslo, 23 March 2022
KPMG AS

Mona Irene Larsen

State Authorised Public Accountant
(This document is signed electronically)

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