National Oilwell Varco Denmark I/S

Prioparken 480
2605 Brøndby

CVR no. 24 25 52 98

Annual report for the period 1. januar to 31. december 2019

Adopted at the annual general meeting on 10 September 2020

Michael Wellington Hart
chairman

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Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of National Oilwell Varco Denmark I/S for the financial year 1. januar - 31. december 2019.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31. december 2019 and of the results of the company's operations for the financial year 1. januar - 31. december 2019.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Brøndby, 10 September 2020

Executive board

Michael Wellington Hart President, Subsea Production System	Alastair James Fleming VP Finance	Michael Halberg VP Operations

Supervisory board

Robbert Oudendijk chairman	Trevor Brian Martin deputy chairman

Independent auditor's report

To the shareholder of National Oilwell Varco Denmark I/S

Opinion

We have audited the financial statements of National Oilwell Varco Denmark I/S for the financial year 1. januar - 31. december 2019, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the company at 31. december 2019 and of the results of the company's operations for the financial year 1. januar - 31. december 2019 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, 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, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's 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 in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent auditor's report

We communicate with those charged with governance 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.

Statement on management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Copenhagen, 10 September 2020

EY
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Rasmus Bloch Jespersen
state authorised public accountant
MNE no. mne35503

Company details

National Oilwell Varco Denmark I/S
Prioparken 480
2605 Brøndby

Telephone:	+45 4349 3000
Website:	www.nov.com/flexibles
CVR-no.	24 25 52 98
Financial year:	1. januar - 31. december 2019
Incorporated:	1. July 1999
Domicile:	Brøndby

Supervisory Board
Robbert Oudendijk, chairman
Trevor Brian Martin, deputy chairman

Executive Board
Michael Wellington Hart
Alastair James Fleming
Michael Halberg

Auditors
EY
Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
2000 Frederiksberg

Bankers
DNB Bank AS

General meeting

The annual general meeting is held at the Company's adress on 10 September 2020.

Financial highlights

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

	2019	2018	2017	2016	2015
	MDKK	MDKK	MDKK	MDKK	MDKK
Key figures					
Revenue	1,146	1,057	1,594	1,754	1,959
Profit/loss before amortisation/depreciation and impairment losses	-97	121	375	262	435
Profit/loss before net financials	-190	21	284	171	354
Profit/loss for the year	-154	58	325	181	379
Non-current assets	2,324	2,477	2,327	2,308	2,000
Current assets	700	1,007	1,191	958	1,596
Investment in property, plant and equipment	78	29	20	37	56
Investments in intangible items	12	6	11	16	29
Balance sheet total	3,024	3,484	3,518	3,267	3,596
Equity	2,552	3,220	3,272	2,897	2,981
Short-term liabilities other than provision	472	265	246	370	616
Financial ratios					
EBIT margin	-16.6%	2.0%	17.8%	9.7%	18.1%
ROIC	-5.8%	0.6%	8.4%	5.0%	9.7%
Gross margin	27.9%	47.1%	48.6%	39.5%	46.9%
Current ratio	148.5%	380.7%	484.0%	259.0%	259.0%
Solvency ratio	84.4%	92.4%	93.0%	88.7%	82.9%
Return on equity	-5.3%	1.8%	10.5%	6.2%	12.9%
Average number of employees	694	594	659	763	840

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies.

Key figures and ratioes for 2018, have been changed due to a material misstatement.

Management's review

Presentation of the company

National Oilwell Varco Denmark I/S engineers, manufactures and delivers flexible pipe systems for the purpose of recovering hydrocarbon oil and gas from offshore fields as well as solutions for the purpose of transporting chemicals and water to in-shore installations based on the use of flexible pipe products. The company is ultimately owned by National Oilwell Varco Inc. National Oilwell Varco Denmark I/S has established a subsidiary in Brazil with a fully operational production plant.

The existing product range consists of flexible pipe solutions ranging from 2” – 16” (approx. 50 – 406 mm inside diameter) and designed to operate under very demanding offshore conditions in all parts of the world. The products are unique, because they remain flexible even under very high working pressure, up to 1,000 bars, and at the same time they are able to withstand working temperatures up to 130° Celsius. Flexible pipe systems are superior to other pipe solutions in respect of flexibility, ability to withstand different design conditions and capability to convey challenging mixtures of liquid and gaseous fluids.

Today, flexible pipe systems are used to recover oil and gas at water depths down to 2,500 meters, and National Oilwell Varco Denmark I/S’ products are qualified for use in water depths down to 2,000 meters.

National Oilwell Varco Denmark I/S also offers a unique condition monitoring solution for its flexible pipe systems based on the use of optical fibers embedded in the pipes' steel armor wires.

Apart from the flexible pipe products manufactured at the Kalundborg factory, National Oilwell Varco Denmark I/S also supplies a wide range of additional equipment to the market, such as accessories and steel structures required in a given system configuration. The ability to correctly design and to procure such elements is an important part of being a solution provider to the offshore oil and gas market.

By the end of December 2019 National Oilwell Varco Denmark I/S counted approx. 694 employees 50% of the employees work at the Kalundborg factory primarily concerned with the production of flexible pipe products. The remaining 50% of the employees work in the headquarters in Brøndby and are engaged in research and development, project management, engineering work, general management and administration. In addition, National Oilwell Varco Denmark I/S has a small department in Aalborg primarily focused on research and development as well as a subsidiary in Brazil

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Management's review

Development in activities and financial conditions

In 2019, National Oilwell Varco Denmark I/S realized revenue of 1,146 million DKK compared to revenue of 1,057 million DKK in 2018, equivalent to an increase of 8.4%.

The loss for the year before amortization and depreciation amounts to 97 million DKK compared to a profit of 121 million DKK in 2018, equivalent to a decrease of 180%.

The net loss for 2019 amounts to 154 million DKK compared to a net profit of 58 million DKK in 2018, equivalent to a decrease of 368.4%.

Given the prevailing market conditions, Management considers the 2019 profit to be satisfactory.

Unusual risks

Project-related risks

On a current basis the company evaluates the need for provisions for technical risks on the individual projects.

Customer contracts typically contain a late-delivery clause enabling day fines of up to 10 % of the contract value. If the production schedules indicate delays, the need to make provision is evaluated on a case-by-case basis.

Contracts entered into by the company typically include a provision that the company will be indemnified for consequential losses caused by the use of the company’s products.
In the event of a breach of the contract obligations, the overall and cumulative liability of the company is normally limited to the contract amount or lower.

The oil price is the main driver in the SURF (Subsea, umbilical’s, riser, flowline) market. Fluctuation in the oil price has a significant impact on the activity in the market.

Currency related risks

Activities abroad result in earnings and equity to be affected by exchange rate and interest rate developments for a number of currencies. According to the company's policy the company may hedge commercial currency risks. Hedging takes place primarily through forward exchange hedge to hedge expected sales and purchases. The company does not engage in speculative currency positions.

Management's review

Significant events and matters affecting the Financial tatement
During the year raw materials and consumables are affected by a write down of 83,661 TDKK, primarily due to change in market conditions.

In 2019, management concluded that the contract terms applied for one contract with a costumer was incorrectly determined in prior years. Due to the significance of the matter, the Company has treated the matter in accordance with the provisions in section 52(2) of the Danish Financial Statements Act regarding correction of material misstatements. Consequently, the comparatives and the equity as at 31 December 2018 have been restated in these financial statements.

The restatement impacts the comparatives and the opening equity as follows:

- Revenue arising from contracts with customers in 2018 increased by DKK 34,684 thousand.

- Profit for the year 2018 increased by DKK 8,560 thousand and the balance sheet total decreased by DKK 13,821 thousand at 1 January 2019.

The opening equity at 1 January 2019 increased by DKK 8,560 thousand.

Profit for the year compared to previous expectations
The revenue and profit for 2019 was in line with expectations and does represent a decline on performance compared to 2018. As mentioned in last year's report, projects won in an exceptionally competitive market in 2017 and 2018 flowed into production in 2019 reducing the comparative Gross Profit % between 2019 and 2018. During late 2018, Management also made the commitment to heavily increase investment in Research & Development activities in future years (further details below) **–** this effort commenced in 2019.

Research and development activities

National Oilwell Varco Denmark I/S has its own laboratory and testing facilities in Denmark located at the Kalundborg factory and at the headquarters in Brøndby. The company's R&D department employs more than 90 development engineers and technicians working with material technology, process optimization and methodology for determining service life of flexible pipe systems under different design conditions.

Management's review

R&D activities are focused on value creating activities meeting the existing or expected future demands in the market. The R&D strategy is organized in line with the corporate strategy as follows:

- Improved technology and cost base are pursued through incremental development of better materials as well as more stable and efficient processes.

- Improved profitability is pursued through the development of escalating technologies.

- Expansion of capabilities is pursued through development of new products and new solutions.

Representative examples of the successful development of new technologies include single layer unplasticized PVDF for high temperature applications, XLPE which is cross-linked as part of the extrusion process, integrated optical condition monitoring systems, appliance of multiple layers of insulation in serial production with tensile armour process, flexible pipe structures for use in water depths down to 2,500 meters, qualification of flexible pipe solutions to be used with super-critical CO_2 levels, etc.

Knowledge resources

It is imperative for National Oilwell Varco Denmark I/S' continued development to attract and maintain highly skilled and specialized employees, including engineers possessing knowledge within the offshore business.

Corporate social responsibility

Corporate social responsibility is an integrated part of the NOV group's strategy. The group will always focus on acting responsibly in terms of clients, employees, business partners as well as surroundings and environment.

Human Rights

For National Oilwell Varco Denmark I/S, the most material risk of violating human rights will exist within our supply chain. As an international company, we value the varied backgrounds and perspectives of each of our employees and we are committed to providing a work environment free of unlawful discrimination and harassment based on any status or activity protected by applicable law. We uphold human rights in all of our facilities and throughout all our commercial (supply chain and client base) and employment (pre-, during and post-) activities.

The company performs annual conduct & ethics training for all employees who have a company email address to ensure everyone has a clear understanding of their obligations in this area. This training was maintained throughout 2019 and no known violations recorded.

Environmental Issues

As a large manufacturing company, there is a risk of negatively impacting the environment due our manufacturing activities and testing procedures. At National Oilwell Varco Denmark I/S, we want to avoid any unintentional events that can have an adverse effect on the environment and identify the areas where a positive impact on the environment can be made.

During 2019 we established a small number of goals to reduce polymer waste and energy consumption in our production process. The polymer waste target was a challenging target at 4% and it was achieved late in 2019. In relation to energy consumption, the target was to reduce consumption by 750,000kWh compared to 2016. This was achieved and a new target will be established for 2020.

Social & Employee Conditions

As a manufacturing company, the most material risk related to employees is the risk of injuries at work or work-related illnesses. National Oilwell Varco Denmark I/S is committed to providing safe and healthy working conditions for our employees, contractors, customers and vendors in order to achieve zero serious injuries and near misses and work-related illness (both physical and mental). The company is also committed to consult and engage employees, employees' representatives, customers and suppliers to ensure strong partnerships, high satisfaction and long-term sustainability.

During 2019, the company launched the 'Capture Zero' safety initiative to publicize this commitment throughout the organization. Unfortunately the safety target was not met during 2019 but the company was able to record a significant improvement compared to 2018.

Anticorruption

The most material risks in this area relate to the risk of unethical behavior amongst our commercial agents who operate on our behalf in certain jurisdictions. It is the policy of National Oilwell Varco Denmark I/S that the company, its subsidiaries and affiliates and all directors, officers, employees, agents, representatives and joint venture partners of the company shall comply fully with all anti-corruption and anti-bribery laws that are applicable to them.

The company performs annual conduct & ethics training for all employees who have a company email address to ensure everyone has a clear understanding of their obligations in this area. There have been no known breaches of this policy.

Management's review

Equal opportunities

National Oilwell Varco Denmark I/S is obliged to set target figures and policies for the gender composition cf. the Act on Gender Equality.

The objective of the company is to be a workplace with equal opportunities and rights for women and men. The company policy is based on well-established principles with focus on equal rights, when it comes to recruitment, remuneration and promotion. When employing and promoting managers we strive that both genders are represented amongst the final candidates.

National Oilwell Varco Denmark I/S has the following management levels: 1) Board of Directors, 2) Senior Leadership Team (SLT), 3) Operational Management Team (OPS) and 4) Management Team (MGMT).

Board of Directors

Target figures are only set for those members (Board of Directors) elected at an Annual General Meeting (AGM). The company is run as a partnership where the members of the board are appointed rather than elected at an AGM. The company has set a 33 % goal for the underrepresented gender corresponding to 1 out of 3 members of the board. Similar to last year, all members of the board are still men. The 33 % goal has not been reached in 2019, as no new members were appointed to the Board of Directors during the period. The company is working to achieve the 33 % goal by the end of 2020/21.

Other Management Levels: Senior Leadership team, Operational management team and Management team

The company policy regarding the underrepresented gender in management levels is also based on well-established principles with focus on equal rights. For other management levels a qualitative as well as a quantitative level has been set for management level 2 (SLT), management level 3 (OPS) and management level 4 (MGMT).

Qualitative Goals

The Company continuously strive for all employees to experience equal opportunities for development, internal career and promotion. The company posts all positions internally and encourage all relevant candidates to apply, regardless of gender. Any promotion is based on the criteria's – competence, value creation and attitude, but the company has a strong focus on promoting diversity at all levels of the company, and hence the company put special emphasis on identifying and promoting all talents for specialist positions as well as management positions.

The qualitative goals are identical for all three management levels and are

- All employees in the company should feel that they have equal opportunities with regards to career and management positions.
- Employees should experience that the company has an open and unbiased culture, where everyone can leverage his or her skills regardless of gender or race. This is supported by

NOV's equal opportunity policies – locally as well as globally.

Quantitative Goals

The Company has set an 20% goal for representation of the underrepresented gender in level 2, 20% for level 3 and 20% for level 4.

For the Senior Leadership Team (Level 2), which is a team set by the President, women represent 18% of the team which is unchanged from 2018.

At level 3, women are represented by 20% which is unchanged from 2018.

At level 4, women represent 24% of the Management Team compared to 17% representation in 2018.

The total gender distribution of females in the company is 20%.

Uncertainty in connection with recognition or measurement

The company's revenue from contracts with customers is primarily generated from contract work in progress. To a considerable extent the valuation of remaining costs for completion of projects is based on an estimate.

Unusual circumstances

Management assesses that during the financial year there have not been any unusual circumstances affecting the company's financial position.

Events after the balance sheet date

On March 31st 2020 the company recorded an impairment on fixed assets. This is a result of several market indicators hitting new decade-lows during early 2020. The reduced demand for oil and gas caused by international restrictions put in place to combat the spread of COVID-19 and the disagreement between the two largest oil and gas producers (Russia and Saudi Arabia) on how to react to this reduced demand combined to cause the oil price to crash in early March 2020. The impairment charge to be reported in the annual financial statements for 2020 is 292 million DKK.

Management's review

Expected development

In early 2020, the market for flexible pipes was showing some positive signs for a prosperous future. However, the reduced demand for oil and gas caused by international restrictions put in place to combat the spread of COVID-19 and the disagreement between the two largest oil and gas producers (Russia and Saudi Arabia) on how to react to this reduced demand combined to cause the oil price to crash in early March 2020. By late April, WTI was trading at negative prices which is unprecedented. Whereas these market headwinds have not affected our existing backlog it has delayed potential future projects with our customers.

Management believe that there will continue to be an oversupplied market for the foreseeable future and hence pricing will remain competitive.

The specific impact of COVID-19 in this early period of 2020 has been limited with our manufacturing plant continuing to full function throughout the local restrictions. Risks related to supply chain and sales pipelines, although insignificant, have been mitigated.

Based on the visibility of projects then management feels confident that 2020 revenue will remain flat compared to 2019 and in the range of 1,100 million DKK and 1,200 million DKK. Unfortunately management still expect a loss before financial items to be recorded in 2020 in the region of 60 million DKK to 80 million DKK. The company continues to offer innovative flexible pipe designs and structures that are appealing to our customers however, we continue to operate in a very competitive environment.

The long-term potential of the company continues to be very exciting and will be realized via continued implementation of new technologies improving the company's global competitiveness.

Income statement 1 January - 31 December

	Note	2019	2018
		DKK	DKK
Revenue	1	**1,146,186,505**	**1,056,938,709**
Raw materials and consumables	11	-579,458,020	-392,110,797
Other external expenses		-246,335,400	-166,377,656
Gross profit		**320,393,085**	**498,450,256**
Staff costs	2	-417,387,404	-377,619,912
Profit/loss before amortisation/depreciation and impairment losses		**-96,994,319**	**120,830,344**
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	-92,535,475	-99,346,997
Financial income	4	35,750,292	54,926,549
Financial costs	5	-177,311	-18,604,238
Profit/loss for the year		**-153,956,813**	**57,805,658**
Distribution of profit	6		

Balance sheet 31 December

	Note	2019 DKK	2018 DKK
Assets			
Completed development projects		42,379,845	54,116,208
Patents		0	0
Development projects in progress		47,489,506	44,457,133
Intangible assets	7	**89,869,351**	**98,573,341**
Land and buildings		109,376,772	116,079,965
Plant and machinery		327,959,603	358,368,095
Other fixtures and fittings, tools and equipment		336,370	3,704,716
Property, plant and equipment in progress		43,953,731	36,218,891
Tangible assets	8	**481,626,476**	**514,371,667**
Investments in subsidiaries	9	500,000	500,000
Receivables from group enterprises	10	1,751,887,844	1,863,292,616
Fixed asset investments		**1,752,387,844**	**1,863,792,616**
Total non-current assets		**2,323,883,671**	**2,476,737,624**
Raw materials and consumables		214,252,603	236,179,504
WIP inventory		13,007,789	59,044,653
Inventory	11	**227,260,392**	**295,224,157**
Trade receivables		165,755,470	202,093,722
Contract work in progress	12	185,123,352	179,389,804
Receivables from group enterprises		69,052,313	256,031,308
Other receivables		8,604,535	67,471,464
Prepayments	13	6,795,810	7,247,154
Receivables		**435,331,480**	**712,233,452**
Cash at bank and in hand		**37,108,305**	**0**
Total current assets		**699,700,177**	**1,007,457,609**

Balance sheet 31 December (continued)

	Note	2019	2018
		DKK	DKK
Assets			
Total assets		**3,023,583,848**	**3,484,195,233**

Balance sheet 31 December

	Note	2019	2018
		DKK	DKK
Equity and liabilities			
Contributed capital		779,808,000	779,808,000
Reserve for development costs		89,869,351	98,573,341
Retained earnings		1,704,694,505	2,341,376,484
Proposed dividend		-22,000,000	0
Hedging instruments		0	-214,701
Equity		**2,552,371,856**	**3,219,543,124**
Prepayments received from customers		9,272,663	706,596
Trade payables		103,981,327	55,646,425
Prepayments work in progress	12	243,117,252	96,928,586
Payables to group enterprises		20,569,588	28,324,352
Other payables		94,271,162	83,046,150
Total current liabilities		**471,211,992**	**264,652,109**
Total liabilities		**471,211,992**	**264,652,109**
Total equity and liabilities		**3,023,583,848**	**3,484,195,233**
Rent and lease liabilities	14		
Contingent liabilities	15		
Financial instruments	16		
Fee to auditors appointed at the general meeting	17		
Related parties and ownership structure	18		
Subsequent event	19		

Statement of changes in equity

	Contributed capital	Reserve for development costs	Retained earnings	Proposed dividend	Hedging instruments	Total
Equity at 1 January 2019	779,808,000	98,573,341	2,332,816,923	0	-214,701	3,210,983,563
Net effect from adjustment of error	0	0	8,559,569	0	0	8,559,569
Adjusted equity at 1 January 2019	779,808,000	98,573,341	2,341,376,492	0	-214,701	3,219,543,132
Development projects capitalised	0	11,576,089	-11,576,089	0	0	0
Value adjustments of hedging intruments	0	0	0	0	214,701	214,701
Net profit/loss for the year	0	-20,280,079	-625,105,898	-22,000,000	0	-667,385,977
Equity at 31 December 2019	**779,808,000**	**89,869,351**	**1,704,694,505**	**-22,000,000**	**0**	**2,552,371,856**

Notes

		2019	2018
		DKK	DKK
1	**Revenue**		
	The production value of completed and ongoing construction contracts	1,065,997,999	931,934,864
	Other revenue	80,188,506	125,003,845
	Total revenue	**1,146,186,505**	**1,056,938,709**
	Revenue allocated to geographical segments:		
	Scandinavia	427,014,243	265,383,856
	Other European countries	77,207,397	83,034,337
	Other countries in rest of the world	641,964,865	708,520,516
	Total revenue	**1,146,186,505**	**1,056,938,709**

		2019	2018
2	**Staff costs**		
	Wages and salaries	353,576,261	331,419,529
	Pensions	36,215,421	32,429,975
	Other social security costs	27,595,722	13,770,408
		417,387,404	**377,619,912**
	including remuneration to the Supervisory Board		
	Supervisory Board and executive board	12,080,277	8,221,340
		12,080,277	**8,221,340**
	Average number of employees	694	594

Notes

		2019	2018
		DKK	DKK
3	**Depreciation, amortisation and impairment of intangible assets and property, plant and equipment**		
	Depreciation intangible assets	20,280,079	23,400,612
	Depreciation tangible assets	72,255,396	75,946,385
		92,535,475	**99,346,997**
	which breaks down as follows:		
	Completed development projects	20,280,079	23,400,612
	Buildings	12,963,875	13,991,509
	Plant and machinery	59,215,193	61,875,736
	Other fixtures and fittings, tools and equipment	76,328	79,140
		92,535,475	**99,346,997**
4	**Financial income**		
	Interest from group enterprises	33,155,985	33,075,315
	Exchange adjustments	2,594,307	21,851,234
		35,750,292	**54,926,549**
5	**Financial costs**		
	Exchange adjustments costs	177,311	18,604,238
		177,311	**18,604,238**
6	**Distribution of profit**		
	Proposed dividend for the year	-22,000,000	0
	Payment of dividend declared in 2019	513,429,164	0
	Transfer for the year for development costs	-20,280,079	-23,400,612
	Retained earnings	-625,105,898	81,206,270
		-153,956,813	**57,805,658**

Notes

7 Intangible assets

	Completed development projects	Patents	Development projects in progress
Cost at 1 January 2019	202,407,278	12,859,399	44,457,133
Additions for the year	0	0	11,576,089
Transfers for the year	8,543,716	0	-8,543,716
Cost at 31 December 2019	210,950,994	12,859,399	47,489,506
Impairment losses and amortisation at 1 January 2019	148,291,070	12,859,399	0
Amortisation for the year	20,280,079	0	0
Impairment losses and amortisation at 31 December 2019	168,571,149	12,859,399	0
Carrying amount at 31 December 2019	**42,379,845**	**0**	**47,489,506**

8 Tangible assets

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress
Cost at 1 January 2019	316,465,952	1,203,601,568	14,310,879	36,218,891
Reclassification	621,767	8,425,064	-9,046,831	0
Additions for the year	0	0	0	42,870,748
Disposals for the year	0	-11,797,653	0	0
Transfers for the year	279,789	34,856,119	0	-35,135,908
Cost at 31 December 2019	317,367,508	1,235,085,098	5,264,048	43,953,731

Notes

8 Tangible assets (continued)

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress
Impairment losses and depreciation at 1 January 2019	200,385,987	845,233,473	10,606,162	0
Reclassification	-5,359,126	11,113,939	-5,754,812	0
Depreciation for the year	12,963,875	59,215,193	76,328	0
Disposals of the year	0	-8,437,110	0	0
Impairment losses and depreciation at 31 December 2019	207,990,736	907,125,495	4,927,678	0
Carrying amount at 31 December 2019	**109,376,772**	**327,959,603**	**336,370**	**43,953,731**

Tangible assets have been affected by an impairment in 2020, refer to note 19.

	2019	2018
	DKK	DKK
9 Investments in subsidiaries		
Cost at 1 January 2019	500,000	500,000
Cost at 31 December 2019	500,000	500,000
Carrying amount at 31 December 2019	**500,000**	**500,000**

Notes

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest	Equity	Profit/loss for the year
NOV Flexibles Holding ApS	Brøndby, Denmark	100.0%	411,515,144	962,452
NOV Flexibles Equipamentos e Serviços Ltda.	Rio de Janeiro, Brazil	99.9%	1,377,280,177	44,630,183

10 Fixed asset investments

	Receivables from group enterprises
Cost at 1 January 2019	1,863,292,617
New loans for the year	149,247,415
Payment for the year	-293,808,173
Interest for the year	33,155,985
Cost at 31 December 2019	1,751,887,844
Carrying amount at 31 December 2019	**1,751,887,844**

Loans/receivables falling due between 1 and 5 years amount to 0 TDKK (0 TDKK) and loans/receivables falling due efter 5 years amount to 1,751,888 TDKK (1,863,293 TDKK).

Notes

		2019	2018
		DKK	DKK
11	**Inventory**		
	Raw materials and consumables	214,252,603	236,179,504
	WIP inventory	13,007,789	59,044,653
		227,260,392	**295,224,157**

Raw materials and consumables are affected by a write down of 83.661 TDKK in 2019 due to change in market conditions

		2019	2018
		DKK	DKK
12	**Contract work in progress**		
	Work in progress, selling price	3,756,874,124	5,314,852,922
	Work in progress, payments received on account	-3,814,868,024	-5,232,391,704
		-57,993,900	**82,461,218**
	Recognised in the balance sheet as follows:		
	Contract work in progress under assets	185,123,352	179,389,804
	Work in progress third parties Prepayments received under liabilities	-243,117,252	-96,928,586
		-57,993,900	**82,461,218**

13 Prepayments

Prepayments comprise prepaid expenses regarding rent of 1,819 TDKK (2,303 TDKK) and deposits of 4,977 TDKK (4,944 TDKK).

14 Rent and lease liabilities

Operating lease liabilities.
Total future lease payments:

	2019	2018
Within 1 year	6,835	7,384
Between 1 and 5 years	4,823	5,666
	11,658	**13,050**

Rental and lease obligations concerning services, cars, lease of buildings and land.

Notes

14 Rent and lease liabilities (continued)

15 Contingent liabilities

Recourse and non-recourse guarantee commitments
The company has entered into a number of contracts for delivery in 2020 - 2022 committing the company to deliver flexible pipe systems to customers.

The company has granted usual bank guaranties for projects amounting to a total of 159,575 TDKK (197,992 TDKK).

Other contingent liabilities not recognised in balance sheet
The company has no contingent liabilities.

16 Financial instruments

The company uses forward exchange contracts to hedge recognised and non-recognised foreign currency risks. Currencies which are part of the EMU-cooperation are not hedged. At December 31, 2019, the Company has determined that the fair value of its derivative financial instruments (currency related derivatives) representing assets of 0 (57 TDKK) are determined using level 2 inputs (inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability) in the fair value hierarchy as the fair value is based on publicly available foreign exchange and interest rates at each financial reporting date. At December 31, 2019, the net fair value of the Company's foreign currency forward contracts totaled a net asset of 0 (57 TDKK).

Derivative financial instruments	Nom-value	2019	2018		
		DKK	DKK	DKK	DKK
Forward-exchange contracts	806.844	0	57	0	0
		0	**57**	**0**	**0**

Notes

		2019	2018
		DKK	DKK
17	**Fee to auditors appointed at the general meeting**		
	EY		
	Audit fee	1,323	518
	Other assurance engagements	0	77
	Tax advisory services	1,175	15
		2,498	**610**

18 Related parties and ownership structure

Controlling interest

SubSeaFlex Holding ApS
Priorparken 480
2605 Brøndby
Denmark
Equity interest: 51%
(SubSeaFlex Holding ApS is fully owned by National Oilwell Varco Norway AS)

Danco AS
Dvergsnesbakken 25
4604 Kristiansand
Norway
Equity interest: 49 %
(Danco AS is fully owned by National Oilwell Varco Norway AS)

18 Related parties and ownership structure (continued)

Other related parties

In addition, the company's related parties include related entities, associated entities board of directors, executive board, managing employees as well as those persons releted family members. Further, related parties in those entities in which those persons have significant investments.

Companies owned directly or indirectly by National Oilwell Varco Denmark I/S:

NOV Flexibles Holding ApS
Priorparken 480
2605 Brøndby
Denmark
Equity interest: 100%

NOV Flexibles Equipamentos e Serviços Ltda
Avenida Republica do Chile, 500, 24 andar - Centro
Centro de Janeiro
Brazil, 20031-170
Equity interest: 99.9 %

Consolidated financial statements

The ultimate parent company preparing consolidated financial statements is National Oilwell Varco Inc., 7909 Parkwood Circle Drive, Houston, Texas 77036-6565, USA

The consolidated financial statements for National Oilwell Varco Inc. can be obtained from National Oilwell Varco Denmark I/S on request at the company´s address:

Priorparken 480
2605 Brøndby
Denmark
http://investors.nov.com/investor-overview

Notes

18 Related parties and ownership structure (continued)

Transactions	Parent company	Subsidiaries	Group Enterprices
Royalty, revenue		40,240,181	
Sales projects, Goods and service revenue		29,507,434	45,640,519
Management fee, recharge and other costs	-15,911,988	-17,896	-13,797,289
Goods and service, costs		-31,182,111	-47,911,293
Interest, income		32,591,844	564,141

Balance per 31, December 2019			
Loans, receivable		1,602,270,333	149,617,510
Cash pool, receivables			24,388,130
Other receivables		2,267,995	42,396,188
Other liabilities		-121,354	-20,448,233

19 Subsequent event

On March 31st 2020 the company recorded an impairment on fixed assets. This is a result of several market indicators hitting new decade-lows during early 2020. The reduced demand for oil and gas caused by international restrictions put in place to combat the spread of COVID-19 and the disagreement between the two largest oil and gas producers (Russia and Saudi Arabia) on how to react to this reduced demand combined to cause the oil price to crash in early March 2020. The impairment charge to be reported in the annual financial statements for 2020 is 292 million DKK.

Accounting policies

The annual report of National Oilwell Varco Denmark I/S for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied are consistent with those of last year.

The annual report for 2019 is presented in DKK

Pursuant to sections §112, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Subsequent event

If the Company receives information after the balance sheet date, but prior to the date of the board of director's approval of the financial statements, about conditions that existed at the balance sheet date, the Company assesses if the information affects the amounts that it recognizes in the financial statements.

The Company will adjust the amounts recognized in its financial statements to reflect any adjusting events after the balance sheet date and update the disclosures that relate to those conditions in the light of the new information.

For non-adjusting events after the balance sheet date, the Company will not change the amounts recognized in its financial statements but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable

Material misstatements with impact on prior years Financial Statements

In accordance with applied accounting policies revenue is measured over time based on the percentage of completion.

In 2019, management concluded that the contract terms applied for one contract with a costumer was incorrectly determined in prior years. Due to the significance of the matter, the Company has treated the matter in accordance with the provisions in section 52(2) of the Danish Financial Statements Act regarding correction of material misstatements. Consequently, the comparatives and the equity as at 31 December 2018, have been restated in these financial statements.

The restatement impacts the comparatives and the opening equity as follows:

- Revenue arising from contracts with customers in 2018 increased by DKK 34,684 thousand.

- Profit for the year 2018 increased by DKK 8,560 thousand and the balance sheet total decreased by DKK 13,821 thousand at 1 January 2019.

Accounting policies

The opening equity at 1 January 2019 increased by DKK 8,560 thousand.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Fair value

The fair value measurement is based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e. the market that maximizes the price of the asset or liability less transaction and/or transport costs.
All assets and liabilities which are measured at fair value, or whose fair value is disclosed, are classified based on the fair value hierarchy, see below:

Level 1: Value in an active market for similar assets/liabilities
Level 2: Value based on recognized valuation methods on the basis of observable market information
Level 3: Value based on recognized valuation methods and reasonable estimates (non-observable market information).

Accounting policies

Segment information

Information is provided on geographical markets. The segment information is based on the company's accounting policies, risks and internal financial management.

Revenue

The Company adopted IFRS 15 as interpretation for recognition of revenue. The Company uses the percentage-of-completion method to account for certain long-term construction contracts in the Completion and productions for special productions of flexible pipes. These long-term construction contracts include the following characteristics:

- The contract include custom designs for customer specific applications

- The structural design is unique and requires significant engineering efforts, and

- Constructions have progress payments

The Company to make estimates regarding the total costs of the project, progress against the project schedule and the estimated completion date, all of which impact the amount of revenue and gross margin the Company. The Company prepares detailed cost to complete estimates at the beginning of each project, taking into account all factors considered likely to affect gross margin. Factors that may affect future project costs and margins include shipyard access, weather, production efficiencies, availability and costs of labor, materials and subcomponents and other factors as mentioned in "Risk Factors." These factors can significantly impact the accuracy of the Company's estimates and materially impact the Company's future reported earnings.

Revenue from royalty is recognized in the income statement if the general criterial are met, e.g. that the service concerned has been provided, that the amounts can be made up reliably, and that the amounts can expected to be received.

Revenue recognition from rental or services of the equipment is recognized in the income statement provided that the delivery and transfer risk to the buyer have taken place before year end and that the income can be reliably measured and is expected to be received.
Revenue is measured ex VAT, taxes and discounts in relation to the sale.

Raw materials and consumables

The item includes raw materials and consumables, wages and salaries used in in production.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, lease payments under operating leases, intercompany charges, as well as research and development costs that do not qualify for capitalization.

Accounting policies

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees including remuneration to the Board of Directors and the Board of Management.

Amortisation, depreciation and impairment losses

The item includes amortisation, depreciation and impairment of non-current assets. Amortisation/depreciation is provided using the straight-line method on the basis of the cost and the assessments of the useful life and residual value of the assets as described in section intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses include interest income and expense, gains and losses on securities, gains and losses on contracts in foreign currency, payables and transactions denominated in foreign currencies.

Tax on profit/loss for the year

National Oilwell Varco Denmark I/S is not a separate taxable entity, and therefore taxes are recognized by the partners. For that reason, no taxes of the profit for the year have been recognized in the income statement, just like no deferred taxes or current/receivable taxes have been recognized in the balance sheet.

Intangible assets

Development projects

Development costs comprise costs, wages/salaries and amortisation losses that are directly and indirectly attributable to the company's development activities. Development projects that are clearly defined and identifiable, where the technical utilization degree, sufficient resources and a potential future market or development opportunities in the company are evidenced, and where the company intends to produce, market or use the project, are recognized as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover operating costs and development costs. Other development costs are recognized in the income statement when incurred.

Developments projects recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses. Following the completion of a development project, the capitalized development project is allocated and reclassified to completed development projects and amortized on a straight-line basis over the estimated useful life. The amortization period is usually five years.

Patents are measured at cost less accumulated amortization and impairment. Patents are amortized on a straight-line basis over the remaining patent period, although not exceeding 8 years.

Accounting policies

The residual value of intangible assets is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further amortization charges are recognized. In case of changes in the residual value, the effect on the amortization charges is recognized prospectively as a change in accounting estimates.

Intangible assets are written down to the recoverable amount if this is lower than the carrying amount. Impairment tests of development projects in progress are conducted annually. Gains and losses on the disposal of development projects, patents and licences are determined as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Tangible assets

Items of land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

The cost is supplemented by the present value of estimated liabilities related to dismantling and removing the asset and restoring the site on which the asset was utilized.
The cost of a total asset is divided into separate elements, which are depreciated separately if the useful lives of the separate elements are different.

Subsequent costs, e.g. relating to replacement of parts of an item of property, plant and equipment, are recognized in the carrying amount of the asset if it is probable that the costs will result in future economic benefits for the group. The carrying amount of the replaced parts is derecognized in the balance sheet and recognized in the income statement. All costs incurred for ordinary repair and maintenance are recognized in the income statement as incurred.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	
Buildings	25	years
Plant and machinery	8-15	years
Fixtures and fittings, tools and equipment	3-8	years
Computer hardware	4	years
Cars	3-5	years

Accounting policies

Assets costing less than DKK 13,800 are expensed in the year of acquisition.

Property, plant and equipment are written down to the recoverable amount if this is lower than the carrying amount. Impairment tests are conducted annually of each individual asset or group of assets. Residual values of property, plant and equipment is determined at the time of acquisition and are subject to annual reassessment. The Company has no significant residual values relating to property, plant and equipment.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the sales price less disposal costs and the carrying amount at the date of disposal. The gains or losses are recognized in the income statement as revenue or other operating expenses

Leases

Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The company's total obligation relating to operating leases and other leases is disclosed in contingent liabilities, etc.

Investments in subsidiaries and associates

Investment in subsidiaries and associates are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value. Dividend from investments in subsidiaries are always be recognised in the income statement going forward. If the carrying amount of the net assets of subsidiaries exceeds cost, or if dividend exceeding the profit for the year is distributed, there will be evidence of impairment, meaning that an impairment test must be conducted.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is tested for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets, respectively. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price and the value in use. The value in use is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

Inventory

Inventory are measured at cost using the weighted average method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as maintenance and depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not recognized.

The net realisable value of inventory is calculated as the selling price less costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Receivables
Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows.

Contract work in progress
Contract work in progress is measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and the expected aggregate income from the individual work in progress. The stage of completion is determined as the share of the expenses incurred relative to the expected total expenses for the individual work in progress.

Where the selling price of work in progress cannot be estimated reliably, the selling price is measured at the lower of costs incurred and net realisable value.

Payments on account are set off against contract work in progress. Progress billings received in excess of the contract work performed are calculated separately for each contract and recognized as prepayments from customers under short-term liabilities other than provisions.

Selling costs and costs incurred in securing contracts are recognised in the income statement as incurred.

Accounting policies

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and bank deposits.
Cash-pool deposits are, based on the characteristics of the cash-pool, not considered a part of the cash balance, but as part of receivables from group enterprises.

Equity

Reserve for development costs

The reserve for development costs comprises recognized development costs. The reserve cannot be used to distribute dividends or cover losses. The reserve will be reduced or dissolved if the recognized development costs are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Positive and negative fair values of derivative financial instruments are included in 'Other receivables' or 'Other payables', respectively.

Fair value adjustments of derivative financial instruments designated as and qualifying for recognition as a fair value hedge of recognised assets and liabilities are recognised in the income statement together with fair value adjustments of the hedged asset or liability.

Accounting policies

Fair value adjustments of derivative financial instruments designated as and qualifying for hedging of future cash flows are recognised in other receivables or other payables and in equity. If the future transaction results in recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or the liability, respectively. If the future transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects the income statement.

As for derivative financial instruments that do not qualify for hedge accounting, fair value adjustments are recognised in the income statement on a current basis.

Cash flow statement

With reference to § 86 paragraph 4 of the Danish Financial Statements Act, no cash flow statement has been prepared. The entity's cash flows are part of the consolidated cash flow statement prepared in a higher-ranking group.

Financial highlights

Definitions of financial ratios.

Gross margin ratio $\dfrac{\text{Gross profit x 100}}{\text{Revenue}}$

EBIT margin $\dfrac{\text{Profit/loss before financials x 100}}{\text{Revenue}}$

Solvency ratio $\dfrac{\text{Equity at year-end x 100}}{\text{Total assets at year-end}}$

Return on equity $\dfrac{\text{Net profit for the year x 100}}{\text{Average equity}}$

ROIC $\dfrac{\text{EBITA x 100}}{\text{Average invested capital excluding goodwill}}$

Current ratio $\dfrac{\text{Total current assets x 100}}{\text{Short-term liabilities}}$