



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	994 774 468
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	DNV BUSINESS ASSURANCE GROUP AS
Forretningsadresse:	Veritasveien 1 1363 HØVIK

Regnskapsår

Årsregnskapets periode:	01.01.2020 - 31.12.2020
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Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Christine Sørлие
Dato for fastsettelse av årsregnskapet:	25.06.2021

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 15.09.2022



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Operating revenue	4	61 641 000	55 057 000
Sum inntekter		61 641 000	55 057 000
Kostnader			
Payroll expenses	5	14 612 000	14 406 000
Depreciation and amortization	19,20	178 000	204 000
Other operating expenses	11	17 161 000	29 056 000
Sum kostnader		31 951 000	43 666 000
Driftsresultat		29 690 000	11 391 000
Finansinntekter og finanskostnader			
Financial income	8	125 746 000	124 796 000
Sum finansinntekter		125 746 000	124 796 000
Financial expenses	8	40 757 000	38 517 000
Sum finanskostnader		40 757 000	38 517 000
Netto finans		84 989 000	86 279 000
Ordinært resultat før skattekostnad		114 679 000	97 670 000
Tax expense	10	15 042 000	8 439 000
Ordinært resultat etter skattekostnad		99 637 000	89 231 000
Årsresultat		99 637 000	89 231 000
Currency translation differences/Translation differences foreign operations		1 578 000	-387 000
Sum resultatkomponenter for IFRS-foretak		1 578 000	-387 000
Totalresultat		101 215 000	88 844 000



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	10		82 000
Sum immaterielle eiendeler			82 000
Varige driftsmidler			
Office equipment, fixtures and fittings	19	245 000	363 000
Sum varige driftsmidler		245 000	363 000
Finansielle anleggsmidler			
Investering i datterselskap	2	551 869 000	560 309 000
Lån til foretak i samme konsern	17	11 664 000	11 095 000
Other long-term receivables	14	73 000	227 000
Sum finansielle anleggsmidler		563 606 000	571 631 000
Sum anleggsmidler		563 851 000	572 076 000
Omløpsmidler			
Varer			
Fordringer			
Trade receivables	13	11 762 000	14 143 000
Contract assets		408 000	33 000
Other receivables		1 289 000	846 000
Konsernfordringer	17	243 585 000	183 934 000
Sum fordringer		257 044 000	198 956 000
Bankinnskudd, kontanter og lignende			
Cash and bank deposits	15	2 685 000	4 667 000
Sum bankinnskudd, kontanter og lignende		2 685 000	4 667 000
Sum omløpsmidler		259 729 000	203 623 000
SUM EIENDELER		823 580 000	775 699 000



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	22	500 000	500 000
Overkurs		533 000	533 000
Sum innskutt egenkapital		1 033 000	1 033 000
Opptjent egenkapital			
Other equity		644 531 000	693 401 000
Sum opptjent egenkapital		644 531 000	693 401 000
Sum egenkapital		645 564 000	694 434 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt	10	38 000	
Sum avsetninger for forpliktelser		38 000	
Annen langsiktig gjeld			
Other non-current liabilities		3 491 000	3 761 000
Sum annen langsiktig gjeld		3 491 000	3 761 000
Sum langsiktig gjeld		3 529 000	3 761 000
Kortsiktig gjeld			
Leverandørgjeld		161 000	553 000
Tax payable	10	560 000	579 000
Public duties payable		49 000	
Kortsiktig konserngjeld	17	167 672 000	71 581 000
Other current liabilities		6 045 000	4 791 000
Sum kortsiktig gjeld		174 487 000	77 504 000
Sum gjeld		178 016 000	81 265 000
SUM EGENKAPITAL OG GJELD		823 580 000	775 699 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Operating revenue	4	3 714 927 000	3 353 811 000
Sum inntekter		3 714 927 000	3 353 811 000
Kostnader			
Payroll expenses	5	1 469 419 000	1 380 159 000
Depreciation and amortization	19, 20	42 722 000	37 792 000
Other operating expenses	11	1 983 416 000	1 754 651 000
Sum kostnader		3 495 557 000	3 172 602 000
Driftsresultat		219 370 000	181 209 000
Finansinntekter og finanskostnader			
Financial income	8	10 703 000	6 338 000
Sum finansinntekter		10 703 000	6 338 000
Financial expenses	8	13 187 000	25 619 000
Sum finanskostnader		13 187 000	25 619 000
Netto finans		-2 484 000	-19 281 000
Ordinært resultat før skattekostnad		216 886 000	161 928 000
Tax expense	10	77 292 000	43 003 000
Ordinært resultat etter skattekostnad		139 594 000	118 925 000
Årsresultat		139 594 000	118 925 000
Actuarial gains/(losses) on defined benefit pension plans	7	-5 270 000	-7 388 000
Currency translation differences/Translation differences foreign operations		20 843 000	4 952 000
Sum resultatkomponenter for IFRS-foretak		15 573 000	-2 436 000
Totalresultat		155 167 000	116 489 000



Konsernets balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Other intangible assets	20	113 851 000	115 673 000
Utsatt skattefordel	10	82 349 000	94 220 000
Goodwill	20,21	329 263 000	324 013 000
Sum immaterielle eiendeler		525 463 000	533 906 000
Varige driftsmidler			
Buildings and other property	19	10 364 000	11 408 000
Right-of-use asset	19	29 814 000	36 291 000
Office equipment, fixtures and fittings	19	11 105 000	15 762 000
Sum varige driftsmidler		51 283 000	63 461 000
Finansielle anleggsmidler			
Lån til foretak i samme konsern	17	6 658 000	12 064 000
Net pension assets	7	14 130 000	15 828 000
Other long-term receivables	14	58 821 000	60 215 000
Sum finansielle anleggsmidler		79 609 000	88 107 000
Sum anleggsmidler		656 355 000	685 474 000
Omløpsmidler			
Varer			
Fordringer			
Trade receivables	13	709 971 000	725 344 000
Contract assets		171 671 000	261 724 000
Other receivables		65 334 000	118 972 000
Konsernfordringer	17	718 528 000	281 561 000
Sum fordringer		1 665 504 000	1 387 601 000
Bankinnskudd, kontanter og lignende			
Cash and bank deposits	15	112 397 000	110 351 000
Sum bankinnskudd, kontanter og lignende		112 397 000	110 351 000



Konsernets balanse

Beløp i: NOK	Note	2020	2019
Sum omløpsmidler		1 777 901 000	1 497 952 000
SUM EIENDELER		2 434 256 000	2 183 426 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	22	500 000	500 000
Overkurs		533 000	533 000
Sum innskutt egenkapital		1 033 000	1 033 000
Opptjent egenkapital			
Other equity		1 094 007 000	1 094 836 000
Sum opptjent egenkapital		1 094 007 000	1 094 836 000
Sum egenkapital		1 095 040 000	1 095 869 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	7	115 515 000	100 632 000
Utsatt skatt	10	7 665 000	7 080 000
Sum avsetninger for forpliktelser		123 180 000	107 712 000
Annen langsiktig gjeld			
Langsiktig konserngjeld		106 827 000	140 082 000
Lease liabilities	18	23 814 000	28 255 000
Other non-current liabilities		41 093 000	37 475 000
Sum annen langsiktig gjeld		171 734 000	205 812 000
Sum langsiktig gjeld		294 914 000	313 524 000
Kortsiktig gjeld			
Leverandørgjeld		61 283 000	69 973 000
Tax payable	10	33 034 000	42 147 000
Public duties payable		119 090 000	50 834 000
Kortsiktig konserngjeld	17	443 053 000	287 684 000
Lease liabilities	18	9 557 000	10 558 000



Konsernets balanse

Beløp i: NOK	Note	2020	2019
Other current liabilities	12	378 285 000	312 837 000
Sum kortsiktig gjeld		1 044 302 000	774 033 000
Sum gjeld		1 339 216 000	1 087 557 000
SUM EGENKAPITAL OG GJELD		2 434 256 000	2 183 426 000



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To the General Meeting of DNV Business Assurance Group AS

Independent auditor's report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of DNV Business Assurance Group AS, which comprise:

- The financial statements of the parent company DNV Business Assurance Group AS (the Company), which comprise the balance sheet as at 31 December 2020, 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 DNV Business Assurance Group AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2020, 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 are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

Basis for Opinion

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

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

Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

Offices in:

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

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DNV Business Assurance Group AS

Other information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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DNV Business Assurance Group AS

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

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

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

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

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

Opinion on Registration and Documentation

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

Oslo, 28 June 2021
KPMG AS

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

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The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Mona Irene Larsen

State Authorised Public Accountant

Serial number: 9578-5999-4-1026781

IP: 80.232.xxx.xxx

2021-06-28 09:02:29Z



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Skattedirektoratet

Saksbehandler Rune Tystad	Deres dato 25.10.2012	Vår dato 17.01.2013
Telefon 977 59 464	Deres referanse 133-0576/AGSe	Vår referanse 2012/639213

DNV BUSINESS ASSURANCE GROUP AS
Postboks 300
1322 HØVIK

Dispensasjon fra kravet om utarbeidelse av årsregnskap og årsberetning på norsk språk for DNV Business Assurance Group AS, org.nr. 994 774 468

— Vi viser til deres brev av 25. oktober 2012 hvor dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for DNV Business Assurance Group AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering DNV Business Assurance Group AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

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

Bakgrunn

Fra søknaden gjengis:

DNV Business Assurance Group AS (org.nr. 945 748 931) er en del av konsernet Det Norske Veritas (DNV) som har omkring 300 kontorer i omkring 100 land. Av konsernets 10 000 ansatte arbeider 2 600 ved kontorer i Norge. Selskapet er eier av DNVs internasjonale sertifiseringsvirksomhet og har 29 datterselskap rundt om i verden. Konsernspissen, Stiftelsen Det Norske Veritas, er en selveiende stiftelse.

Konsernet opererer innenfor internasjonale industrisektorer, hvor engelsk er det dominerende språket. Konsernets arbeidsspråk er engelsk og har vært det i en årrekke. I sertifiseringsvirksomheten som DNV Business Assurance Group opererer innenfor, er også engelsk det dominerende språket. Administrerende direktør for selskapet er italiensk og forstår ikke norsk.

DNV Business Assurance Group AS utarbeider i dag selskapsregnskap og konsernregnskap på både engelsk og norsk. Det engelske regnskapet benyttes overfor kunder og kreditorer. Det norske regnskapet utarbeides primært for å tilfredsstille kravene i regnskapsloven § 3-4 og for innsendelse til Brønnøysund.

Det er vår oppfatning at hensynet til alle brukere av regnskapet til DNV Business Assurance Group AS vil være ivaretatt ved at årsregnskapet og årsberetningen avlegges på engelsk.

Postadresse Postboks 9200 Grønland 0134 Oslo For elektronisk henvendelse se www.skatteetaten.no	Besøksadresse: Se www.skatteetaten.no Org.nr: 996250318	Sentralbord 800 80 000 Telefaks 22 17 08 60
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Skattedirektoratets vurdering

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

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

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


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

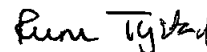
Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

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

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen


Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet


Rune Tystad



Admincontrol

List of Signatures Page 1/1

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Name	Method	Signed at
Vogth-Eriksen, Thomas	BANKID_MOBILE	2021-06-25 18:49 GMT+02
Eriksen, Harry Remi	BANKID_MOBILE	2021-06-25 13:41 GMT+02
Gotteberg, Gro	BANKID	2021-06-25 13:39 GMT+02
Luca Crisciotti	One-Time-Password	2021-06-25 13:09 GMT+02



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DNV Business Assurance Group AS

Report of the Board of Directors 2020

BUSINESS ACTIVITIES

DNV Business Assurance Group provides customers worldwide across industry sectors with assurance services, including but not limited to certification, training, assessment, supply chain services and digital assurance solutions. Being among the top three certification bodies in the world and with the ambition to become a global leading assurance provider, DNV Business Assurance Group continued to improve its position in 2020 on a global basis with an agile response to the support companies during the pandemic, considerable performance improvements and new digital solutions in a tough market.

At the end of 2020, DNV Business Assurance Group AS performed services in more than 170 countries through its subsidiaries and branches. The parent company, DNV Business Assurance Group AS, performs primarily parent company functions, in addition to certification activities performed through 3 smaller branches located in Dubai, Abu Dhabi and Egypt. Remaining operations are run through wholly owned subsidiaries.

Despite the challenges posed by the pandemic, DNV Business Assurance Group put up a solid revenue and EBITA but the 2020 growth was negative. Almost all the service lines suffered a contraction mitigated by moving large shares of audits remotely and a strong pick-up in Q4. The ISO management system certification market remained tough and expansion of the assurance portfolio in supply chain services, product certification and assurance services, in particular, was moderate. The same applied to the targeted sectors food & beverage and healthcare. The positive EBITA result was achieved despite the contraction by innovating means of portfolio delivery, timely cost control actions and dedicated focus immediately after the COVID-19 outbreak and lockdowns hit.

FINANCIAL PERFORMANCE

DNV Business Assurance Group shows consolidated operating revenue of NOK 3 715 million in 2020, an increase of NOK 361 million from 2019. Earnings before interests, tax, depreciation, amortization, and impairment (EBITDA) amounts to NOK 262 million, which represent an EBITDA margin of 7%. After this year's depreciation, amortization, and impairment of NOK 43 million, the operating profit for 2020 ended at NOK 219 million.

Net financial expenses amount to NOK 2 million in 2020. The tax expense is NOK 77 million, representing a 36% average tax rate for the DNV Business Assurance Group. Profit for the year is NOK 140 million. The net cash-flow for the year was positive by NOK 2 million.

The DNV Business Assurance Group has revenue and expenses in 24 different currencies. In many countries, the DNV Business Assurance Group has a natural hedge through a balance of revenue and expenses. Other currency exposures have been unhedged in 2020 but are included in the hedge portfolio of the DNV Group.

At year-end, DNV Business Assurance Group had NOK 2 434 million in total assets, and a total equity of NOK 1 095 million representing an equity share of 45%. In addition to accrued dividend of NOK 120 million, group contributions of NOK 36 million, net actuarial losses from defined benefit pension plans of NOK 5 million and positive exchange differences of NOK 20 million were also reflected in the equity in 2020.

The accounts of the parent company DNV Business Assurance Group AS show a profit after tax of NOK 100 million which has been allocated as follows:

DNV Headquarters, Veritasveien 1, P.O.Box 300, 1322 Høvik, Norway. Tel: +47 67 57 99 00. www.dnv.com

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Group Contribution (after tax)	NOK 30 million
Dividend accrued	NOK 120 million
Transferred from other equity	- NOK 50 million
Total allocated/ net profit	NOK 100 million

The Board of Directors confirms that the going concern assumption applies, and that the financial statements have been prepared on this assumption.

STRATEGY

DNV Business Assurance Group's strategic choices, goals and enablers reflect our role(s) as a global assurance provider across industries outside those targeted by other DNV Group business areas. The purpose of assurance is to provide transparent information demonstrating performance (e.g. effectiveness, efficiency, quality, safety, risk) of business processes, organisations, products, supply chains, assets and the like. This includes, but is not limited to, stakeholder requirements, compliance to policies, guidelines, regulations, standards, statutory obligations and the like. Assurance is communicated to stakeholders by various means, e.g. statement letters, reports, ISO certificates and digital applications.

Customers buy assurance services in response to the need to demonstrate and communicate performance and traceability to a wide range of users, these being direct stakeholders such as companies with whom they do business, investors and regulatory bodies but also increasingly consumers and indirect stakeholders such as employee organisations and watchdogs. Thus, the audience of assurance extends far beyond customers; the realities of the connected world increase the expectations of trust and transparency communicated in an authenticated way to both assurance buyers, providers and consumers.

Digital technologies combined with the power of digital connectivity drive new assurance needs. Digitalization gives rise to new calls for assurance, e.g. validation of data quality, interoperability, security, reliability, integrity, traceability, ethics and transparency in supply chains. This includes the exploitation of digital technologies such as blockchain, IoT, AI, Big Data and advanced analytics. This is becoming game changers in many industries, providing opportunities for new assurance roles, services and to expand or change the competitive spaces. In 2020, focus was on upgrading My Story™, ecosystems and digital assurance solutions. Leveraging on blockchain technology, new digital business models and our risk management expertise, solutions were developed to help companies implement infection risk management in their daily operations.

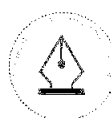
ORGANIZATION

At year-end 2020, DNV Business Assurance Group had 1 921 employees compared to 1 974 at year-end 2019. COVID-19 required a cautious approach and the recruitment freeze continued for remainder of 2020. Positioning ourselves for 2021, a number of people actions were processed in December 2020. Turnover of personnel was 5.77% voluntary and 2.56% involuntary; hence, at total turnover of 8.33% in 2020.

DNV Business Assurance Group has an equal opportunity policy for all employees, irrespective of their nationality, gender or age. As a result of a systematic approach to improving diversity in the organization, 86% of all managers are from countries outside Scandinavia. The percentage of female employees is 47% of the total workforce, while 32% of all managers are female.

Total absence due to sickness was 1.8% of total hours worked in 2020. There was a total of 36 incidents reported in 2020; 6 car accidents with no injuries and 30 others related to exposure to Covid and difficult working environments at

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home. There has been an increased focus on well-being and employees adapting to working from home due to the pandemic throughout 2020.

Employee engagement has seen positive improvements throughout 2020 with a score of 7.2 at the end of 2020 which is slightly behind the external benchmark of 7.5. Both the resilience and transformation index show small improvements through 2020.

The activities of DNV Business Assurance Group do not have a significant negative impact on the environment.

OUTLOOK

The Corona virus (COVID-19) has brought vast human impact and economic disruption. The effect of the pandemic in the first quarter 2021 was limited in the sense that results were above targets. However, different DNV Business Assurance Group markets continue to be hit by new waves of the virus and countries going into full or partial lockdown. This will make for a challenging year, although with a more positive outlook than in 2020 as vaccination programs are progressing.

The COVID-19 effect on consumer trust is a considerable increased focus on health and safety. This provides for a different foundation on which to build a consumer dialogue around products in particular. As countries are gradually returning to a new normal, innovation and digital tools continue to add value to the delivery of existing services as well as in development of new offerings and customer service. While the situation differs from early 2020, the situation continues to be monitored closely and the impact on employees, customers and business is assessed continuously. However, given an outlook where the pandemic impact is easing, DNV Business Assurance Group's growth prospects for 2021 and 2022 seem challenging but more certain.

Høvik, 25 June 2021

Remi Eriksen
Chair

Thomas Vogth-Eriksen
Board Member

Gro Gotteberg
Board Member

Luca Crisciotti
Managing Director

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DNV BUSINESS ASSURANCE GROUP AS

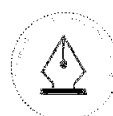
Income statement

(Amounts in 1 000 NOK)

DNV BUSINESS ASSURANCE GROUP AS				DNV BUSINESS ASSURANCE GROUP CONSOLIDATED	
2020	2019		Note	2020	2019
Operating revenue					
61 641	55 057	Operating revenue	4	3 714 927	3 353 811
61 641	55 057	Total operating revenue		3 714 927	3 353 811
Operating expenses					
14 612	14 406	Payroll expenses	5	1 469 419	1 380 159
17 161	29 056	Other operating expenses	11	1 983 416	1 754 651
29 869	11 595	EBITDA		262 092	219 002
178	204	Depreciation and amortization	19, 20	42 722	37 792
0	0	Impairment	19, 20, 21	0	0
29 690	11 391	Operating profit		219 370	181 210
Financial income and expenses					
125 746	124 796	Financial income	8	10 703	6 338
(40 757)	(38 517)	Financial expenses	8	(13 187)	(25 619)
84 989	86 279	Net financial income (expenses)		(2 484)	(19 281)
114 680	97 669	Profit before tax		216 886	161 929
(15 043)	(8 438)	Tax expense	10	(77 292)	(43 004)
99 637	89 231	Profit for the year		139 594	118 925

Statement of comprehensive income

99 637	89 231	Profit for the year		139 594	118 925
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
0	0	Actuarial gains/(losses) on defined benefit pension plans	7	(5 270)	(7 388)
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
1 578	(387)	Currency translation differences/Translation differences foreign operations		20 843	4 952
1 578	(387)	Other comprehensive income for the period, net of tax		15 573	(2 435)
101 214	88 844	Total comprehensive income for the period		155 167	116 490



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DNV BUSINESS ASSURANCE GROUP AS

Statement of financial position

(Amounts in 1 000 NOK)

DNV BUSINESS ASSURANCE GROUP AS			DNV BUSINESS ASSURANCE GROUP CONSOLIDATED		
2020	2019	ASSETS	Note	2020	2019
Non-current assets					
Intangible assets					
0	82	Deferred tax assets	10	82 349	94 220
0	0	Goodwill	20, 21	329 263	324 013
0	0	Other intangible assets	20	113 851	115 673
0	82	Total intangible assets		525 464	533 906
Tangible fixed assets					
0	0	Buildings and other property	19	10 364	11 408
245	363	Office equipment, fixtures and fittings	19	11 105	15 762
0	0	Right-of-use asset	19	29 814	36 291
245	363	Total tangible fixed assets		51 283	63 461
Non-current financial assets					
551 869	560 309	Investments in subsidiaries	2	0	0
0	0	Net pension assets	7	14 130	15 828
11 664	11 095	Long term receivables group companies	17	6 658	12 064
73	227	Other long-term receivables	14	58 821	60 215
563 607	571 630	Total non-current financial assets		79 609	88 106
563 851	572 075	Total non-current assets		656 355	685 474
Current assets					
Receivables					
11 762	14 143	Trade receivables	13	709 971	725 344
408	33	Contract assets		171 671	261 724
243 585	183 934	Other receivables group companies	17	718 528	281 561
1 289	846	Other receivables		65 334	118 972
257 043	198 955	Total receivables		1 665 503	1 387 601
2 685	4 668	Cash and bank deposits	15	112 398	110 351
259 728	203 624	Total current assets		1 777 901	1 497 952
823 580	775 699	TOTAL ASSETS		2 434 256	2 183 426



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DNV BUSINESS ASSURANCE GROUP AS

Statement of financial position

(Amounts in 1 000 NOK)

DNV BUSINESS ASSURANCE GROUP AS				DNV BUSINESS ASSURANCE GROUP CONSOLIDATED	
2020	2019	EQUITY AND LIABILITIES	Note	2020	2019
Equity					
Paid-in capital					
500	500	Share capital	22	500	500
533	533	Share premium		533	533
1 033	1 033	Total paid-in capital		1 033	1 033
Retained earnings					
644 531	693 401	Other equity		1 094 007	1 094 836
645 564	694 434	Total equity		1 095 040	1 095 869
Liabilities					
Non-current liabilities					
0	0	Pension liabilities	7	115 515	100 632
38	0	Deferred tax	10	7 665	7 080
0	0	Long term liabilities group companies		106 827	140 082
0	0	Lease liabilities	18	23 814	28 255
3 491	3 761	Other non-current liabilities		41 093	37 475
3 529	3 761	Total non-current liabilities		294 914	313 524
Current liabilities					
161	553	Trade creditors		61 283	69 973
9 102	12 706	Trade creditors group companies	17	287 056	244 679
560	579	Tax payable	10	33 034	42 147
49	0	Public duties payable		119 090	50 834
158 570	58 875	Other current liabilities group companies	17	155 997	43 005
0	0	Lease liabilities	18	9 557	10 558
6 045	4 792	Other current liabilities	12	378 286	312 837
174 487	77 504	Total current liabilities		1 044 303	774 034
178 016	81 265	Total liabilities		1 339 216	1 087 558
823 580	775 699	TOTAL EQUITY AND LIABILITIES		2 434 256	2 183 426

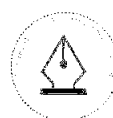
DNV Business Assurance Group AS
Høvik, 25 June 2021

Remi Eriksen
Chair

Thomas Vogth-Eriksen
Board Member

Gro Gotteberg
Board Member

Luca Crisciotti
Managing Director



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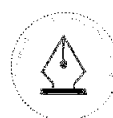
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DNV BUSINESS ASSURANCE GROUP AS

Statement of cash flow

(Amounts in 1 000 NOK)

DNV BUSINESS ASSURANCE GROUP AS			DNV BUSINESS ASSURANCE GROUP CONSOLIDATED	
2020	2019	Note	2020	2019
CASH FLOW FROM OPERATIONS				
114 680	97 669		216 886	161 929
0	0		(154)	116
40 530	37 204		0	0
178	204	19,20	42 722	37 793
(116 873)	(122 883)		0	0
(14 923)	(8 443)		(48 670)	(30 159)
(1 990)	2 188		139 114	598
(294)	34 744		(1 859)	(34 235)
21 308	40 684		348 039	136 041
CASH FLOW FROM INVESTMENTS				
(32 091)	(58 158)		0	0
(52)	0	19	(3 554)	(3 344)
0	0	20	(19 003)	(29 558)
0	0		396	253
154	186		0	0
(31 989)	(57 972)		(22 160)	(32 649)
CASH FLOW FROM FINANCING ACTIVITIES				
0	0		0	0
(49 301)	(103 620)		(246 977)	(130 799)
0	0		(11 481)	(14 741)
0	25 927		(22 369)	(5 605)
116 873	122 883		0	0
(58 875)	(29 026)		(43 005)	(29 096)
8 698	16 164		(323 832)	(180 241)
LIQUIDITY				
21 308	40 684		348 039	136 041
(31 989)	(57 972)		(22 160)	(32 649)
8 698	16 164		(323 832)	(180 241)
(1 984)	(1 125)		2 047	(76 850)
4 668	5 793		110 351	187 201
2 685	4 668		112 398	110 351


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DNV BUSINESS ASSURANCE GROUP AS

Statement of changes in equity

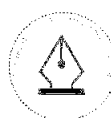
(Amounts in 1 000 NOK)

Changes in equity in DNV Business Assurance Group AS

	Share capital	Share premium	Other equity	Currency translation differences	Total
Equity at 1 January 2019	500	533	614 446	(1 938)	613 543
Profit for the period			89 231		89 231
Group contribution given			(7 952)		(7 952)
Exchange differences				(387)	(387)
Equity at 31 December 2019	500	533	695 725	(2 325)	694 434
Profit for the period			99 637		99 637
Group contribution given			(30 085)		(30 085)
Accrued dividend			(120 000)		(120 000)
Exchange differences				1 578	1 578
Equity at 31 December 2020	500	533	645 278	(747)	645 564

Changes in equity in DNV Business Assurance Group Consolidated

	Share capital	Share premium	Other equity	Currency translation differences	Non-controlling interests	Total
Equity at 1 January 2019	500	533	857 818	155 063	1 228	1 016 420
Profit for the period			118 925			118 925
Group contribution given			(36 152)			(36 152)
Exchange differences				4 952		4 952
Actuarial gains/(losses) on defined benefit pension plans			(7 388)			(7 388)
Other equity changes			339		(1 228)	(889)
Equity at 31 December 2019	500	533	933 542	160 016	0	1 095 869
Profit for the period			139 594			139 594
Group contribution given			(35 997)			(35 997)
Accrued dividend			(120 000)			(120 000)
Exchange differences				20 843		20 843
Actuarial gains/(losses) on defined benefit pension plans			(5 270)			(5 270)
Equity at 31 December 2020	500	533	911 869	180 859	0	1 095 040



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DNV BUSINESS ASSURANCE GROUP AS

Notes to the financial statements

(Amounts in 1 000 NOK)

2. Investments in subsidiaries

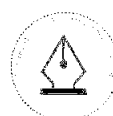
At year-end 2020 DNV Business Assurance Group AS had the following subsidiaries:

Company	Business office	Share capital		Ownership	Book value
		local currency			
1 - DNV GL Business Assurance France SARL	Marseille	EUR	1 098 674	100.0 %	3 110
2 - DNV Business Assurance Norway AS	Oslo	NOK	811 300	100.0 %	32 817
3 - DNV GL Business Assurance Australia PTY LTD	Sydney	AUD	750 000	100.0 %	21 947
4 - DNV GL Business Assurance (China) Co. Ltd.	Beijing	CNY	32 990 549	100.0 %	30 828
5 - DNV GL Business Assurance Slovakia s.r.o.	Bratislava	EUR	33 194	100.0 %	208
6 - DNV GL Business Assurance Vietnam Co., Ltd	Vung Tau City	VND	14 460 819 108	100.0 %	4 728
7 - DNV GL Business Assurance USA, Inc.	Houston	USD	1 000	100.0 %	98 532
8 - DNV GL Business Assurance Korea Ltd.	Seoul	KRW	300 000 000	100.0 %	2 462
9 - DNV GL Business Assurance Denmark A/S	Copenhagen	DKK	3 000 100	100.0 %	35 205
10 - DNV GL Business Assurance Italia S.r.l.	Milan	EUR	1 000 000	100.0 %	1 631
11 - DNV GL Business Assurance Avaliações e Certificações Brasil Ltda.	Rio de Janeiro	BRL	4 765 116	99.0 %	12 107
12 - DNV GL Business Assurance España, S.L.U.	Madrid	EUR	1 008 261	100.0 %	1 346
13 - DNV GL Business Assurance Poland Sp.z.o.o	Gdansk	PLN	50 000	99.0 %	0
14 - DNV GL Business Assurance GmbH, Austria	Wien	EUR	59 592	100.0 %	439
15 - Det Norske Veritas (Hungary) Kft	Budapest	HUF	3 000 000	100.0 %	59
16 - DNV GL Business Assurance UK Ltd.	London	GBP	4 200 000	100.0 %	14 852
17 - DNV GL Business Assurance Sweden AB	Stockholm	SEK	100 000	100.0 %	41 198
18 - DNV GL Business Assurance Finland Oy Ab	Helsinki	EUR	8 409	100.0 %	35 689
19 - DNV GL Business Assurance B.V	Rotterdam	EUR	90 756	100.0 %	54 676
20 - DNV GL Business Assurance Japan K.K.	Kobe	JPY	350 000 000	100.0 %	23 766
21 - DNV GL Business Assurance Ltd.	Hong Kong	HKD	3 001 000	100.0 %	1 930
22 - DNV GL Business Assurance Singapore Pte Ltd	Singapore	SGD	700 000	100.0 %	3 102
23 - DNV GL Business Assurance Co., Ltd	Taipei	TWD	1 000 000	100.0 %	303
24 - DNV GL Business Assurance Zertifizierung und Umweltgutachter GmbH	Essen	EUR	26 000	100.0 %	36 293
25 - DNV GL Business Assurance India Pvt. Ltd.	Mumbai	INR	250 000 000	100.0 %	30 937
26 - DNV Business Assurance Lanka Pvt. Ltd.	Colombo	LKR	3 101 565	100.0 %	139
27 - DNV GL Business Assurance Czech Republic s.r.o	Prague	CZK	200 000	100.0 %	60
28 - DNV GL Business Assurance Services UK Ltd.	London	GBP	2 600 000	100.0 %	26 303
29 - DNV GL Business Assurance Romania Srl	Bucharest	RON	95 500	0.1 %	0
30 - DNV Business Assurance South Africa (Pty) Ltd.	Durban	ZAR	9 000 000	100.0 %	0
31 - DNV Product Assurance AS	Oslo	NOK	440 000	100.0 %	37 204
Total					551 869

3. Business Combinations

Significant changes in group structure

There have been no significant changes in the group structure in 2019 and 2020



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DNV BUSINESS ASSURANCE GROUP AS

Notes to the financial statements

(Amounts in 1 000 NOK)

4. External operating revenue

DNV BUSINESS ASSURANCE GROUP AS			DNV BUSINESS ASSURANCE GROUP CONSOLIDATED	
2020	2019		2020	2019
		Geographical area:		
23 869	15 561	Nordic countries	808 999	673 026
5 364	7 000	Europe and Africa	1 518 506	1 316 952
32 408	32 495	Asia Pacific	993 814	915 893
0	0	North and South America	393 608	447 941
61 641	55 057	Total sales revenue¹	3 714 927	3 353 811
28 889	17 847	1) hereof sale of services to group companies	48 182	64 863

5. Payroll expenses

DNV BUSINESS ASSURANCE GROUP AS			DNV BUSINESS ASSURANCE GROUP CONSOLIDATED	
2020	2019		2020	2019
7 628	8 162	Salaries	1 114 741	1 026 836
672	0	Bonus expenses	55 674	56 800
104	60	Payroll tax	112 019	105 028
645	534	Pension costs (note 7)	79 436	92 687
5 563	5 650	Other contributions	107 549	98 808
14 612	14 406	Total payroll expenses	1 469 419	1 380 159
20	22	Full time equivalent	1 734	1 763

6. Remunerations and loans to Managing Director, Board of Directors and financial auditor.

Remuneration to the Managing Director for 2020:

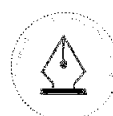
Name	Salary	Other benefits	Pension cost	Bonus
Luca Crisciotti	3 562	108	939 ¹	609

1) Statutory payments to the Italian social security institute INPS

Luca Crisciotti has the right to retire at 67 years and has no agreements for severance pay at change or end of employment.

No remuneration has been paid to the Board of Directors in 2020. There are no agreements for options or similar arrangements for the benefit of the Managing Director or the Chairman of the Board of Directors.

Fees to the auditors for 2020:	DNV Business Assurance Group AS	Group auditor other Norwegian entities	Group auditor non-Norwegian entities	Other auditors
Statutory audit	318	423	3 718	16
Tax consulting services	0	0	0	0
Other audit related services	0	0	0	0
Non-audit services	0	0	0	0
Total	318	423	3 718	16



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DNV BUSINESS ASSURANCE GROUP AS
Notes to the financial statements
(Amounts in 1 000 NOK)
7. Pension costs, plan assets and defined benefit pension liabilities

The Group has both defined contribution pension plans and defined benefit pension plans. 1 719 employees are covered by the defined contribution pension plans while 66 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 schemes 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 schemes 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 through a separate pension fund. The other defined benefit pension plans are financed through independent administrative funds/insurance companies. The basis for calculating the pension cost and the pension liabilities as included in the accounts and in this note, is 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 in the country where the pension plan is administered. Total pension costs for 2020 are NOK 79 436 thousand, of which NOK 5 450 thousand are related to the net present value of this year's pension contribution for the defined benefit pension plans and NOK 73 986 thousand are related to the contribution pension plans.

The Norwegian companies in the Group are subject to the Norwegian Pension Act. The companies' pension schemes 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	31.12.2020	31.12.2019
Buildings and property	2 588	2 300
Mutual equity funds and hedge funds	67 397	53 278
Norwegian bonds and bond funds	36 120	22 554
Non-Norwegian bonds and bond funds	822	1 349
Money market, bank accounts, other assets and liabilities	(7 284)	2 803
Total market value of plan assets	99 642	82 284
Actual return/ (loss) on plan assets	7 922	11 754

	Funded Norwegian defined benefit pension plans		Other defined benefit pension plans	
	2020	2019	2020	2019
Net present value of this year's pension contribution	1 214	972	3 980	3 276
Effect of plan changes/ curtailments	0	0	85	0
Payroll tax	171	137	0	0
Net present value of this year's pension contribution	1 385	1 109	4 065	3 276
Net interest on the net defined benefit liability (asset)	(342)	(72)	1 336	1 479
Payroll tax	(48)	(10)	0	0
Net interest on the net defined benefit liability (asset)	(390)	(83)	1 336	1 479
Market value of plan assets	99 642	82 284	173 488	159 222
Actuarial present value of pension liabilities	(85 451)	(68 706)	(287 662)	(256 769)
Payroll tax	(1 402)	(835)	0	0
Net pension assets (liabilities)	12 790	12 743	(114 174)	(97 546)
Hereof recorded as plan assets	12 790	12 743	1 340	3 085
Hereof recorded as pension liabilities	0	0	(115 515)	(100 632)



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DNV BUSINESS ASSURANCE GROUP AS

Notes to the financial statements

(Amounts in 1 000 NOK)

The assumptions (discount rate, covered bonds) for calculation of the pension liabilities in Norway has been changed from 2.3% to 1.7%. The changed assumptions lead to increased pension liabilities of NOK 5 770 thousand in 2020.

End of service benefit schemes, in some countries outside Norway, considered to be defined benefit schemes, have been actuarially calculated. The total liability at year-end is NOK 47 702 thousand (NOK 39 491 thousand for 2019) for the Group.

NOK 5 270 thousand actuarial losses on defined benefit pension plans have been reflected in other comprehensive income/ other equity in 2020.

The final calculation of the defined benefit pension liabilities is based on the following assumptions:

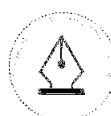
	Norwegian schemes		Other schemes	
	2020	2019	2020	2019
Discount rate	1.7%	2.3%	0.9-1.4%	0.9-2.1%
Projected annual salary adjustment	2.3%	2.3%	2.5%-3.9%	2.5%-3.9%
Projected annual increase in pension benefit	2.0%	1.6%	1.5%-2.7%	1.5%-2.1%
Proj. annual incr. of Norw. Governm. basis pension	1.5%	1.8%	-	-
Expected annual return on plan assets	1.7%	2.3%	0.9-1.4%	0.9-2.1%

Ordinary retirement age in the group is 67 years. Some managers and employees are entitled to retire before the age of 67.

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) benefit obligation year-end.

Assumptions	Discount rate		Future salary increases	
	0.5 % increase	0.5 % decrease	0.5 % increase	0.5 % decrease
Sensitivity level				
Impact on defined benefit obligation Norwegian plans	5 880	(6 602)	(2 643)	2 357



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DNV BUSINESS ASSURANCE GROUP AS
Notes to the financial statements
(Amounts in 1 000 NOK)
8. Financial income and financial expenses

DNV BUSINESS ASSURANCE GROUP AS			DNV BUSINESS ASSURANCE GROUP CONSOLIDATED	
2020	2019		2020	2019
1 338	1 885	Net interest expense group companies	(2 265)	(2 765)
116 873	122 883	Dividend from subsidiaries	0	0
0	0	Net interest cost/ return on plan assets pension (note 7)	(946)	(1 397)
(40 530)	(37 204)	Write down of investment in subsidiaries	0	0
(10)	(3)	Other net interest income (expenses)	(1 136)	(2 001)
0	0	Interest expense lease liabilities	(1 386)	(2 141)
(191)	(129)	Other financial expense	193	(2 509)
7 510	(1 154)	Currency gains (losses)	3 055	(8 468)
84 989	86 279	Net financial income (expenses)	(2 484)	(19 281)

9. 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 24 currencies. Of these, five currencies (EUR, NOK, USD, CNY and DKK) make up for approximately 70% of the total revenue. In many currencies the group has a natural hedge through a balance of revenue and expenses. Other currency exposures have in 2020 been unhedged in DNV Business Assurance Group, but is included in the currency hedge portfolio of the DNV Group.

Credit risk

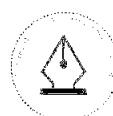
Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is limited. There are no significant concentrations of credit risk within the Group. With respect to credit risk arising from the other financial assets of the Group, which comprises cash and cash equivalents, 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 risk of changes in market interest rates within DNV Business Assurance Group AS is immaterial.

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 effecting the pension liabilities. In addition, inflation and real wages development will have impact on the pension liabilities.



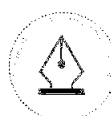
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DNV BUSINESS ASSURANCE GROUP AS
Notes to the financial statements
(Amounts in 1 000 NOK)
10. Tax

DNV BUSINESS ASSURANCE GROUP AS		DNV BUSINESS ASSURANCE GROUP CONSOLIDATED	
2020	2019	2020	2019
Tax expense consists of:			
1	18	2	19
8 485	4 153	10 153	9 461
6 436	3 793	6 436	3 793
0	479	32 079	16 886
14 923	8 443	48 670	30 159
120	(4)	(1 125)	(2 225)
0	0	29 747	15 069
120	(4)	28 622	12 844
15 043	8 438	77 292	43 004
25 229	21 487	47 715	35 624
Tax on profit at 22%			
Tax effect of:			
0	0	6 436	3 793
(10 186)	(13 528)	5 739	(3 778)
0	0	1	0
0	0	5 683	734
0	0	3 646	2 260
0	479	8 073	4 371
15 043	8 438	77 292	43 004
13 %	9 %	36 %	27 %
Effective tax rate			
Net tax-reducing/tax-increasing temporary differences:			
0	0	6 547	12 993
173	(373)	(7 197)	(14 781)
0	0	(242 846)	(275 794)
0	0	(65 791)	(44 485)
173	(373)	(309 286)	(322 067)
22 %	22 %	12.8%-36.5%	12.8%-36.5%
Tax rates applied			
0	82	82 349	94 220
(38)	0	(7 665)	(7 080)
Deferred tax asset		Deferred tax liability	

The deferred tax asset is included in the balance sheet on the basis of expected future income.



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DNV BUSINESS ASSURANCE GROUP AS
Notes to the financial statements
(Amounts in 1 000 NOK)
11. Other operating expenses

DNV BUSINESS ASSURANCE GROUP AS			DNV BUSINESS ASSURANCE GROUP CONSOLIDATED	
2020	2019		2020	2019
1 247	3 751	Travel expenses (refundable and non-refundable)	151 085	320 318
4 581	3 545	External hired assistance	568 525	581 615
231	243	IT and communication expenses	14 463	15 978
411	292	Rent and real estate expenses	26 171	26 067
(4 735)	3 945	Losses on accounts receivables	7 738	17 414
13 423	15 294	Expenses to group companies ¹	904 434	514 040
2 003	1 986	Other expenses (refundable and non-refundable)	311 000	279 219
17 161	29 056	Total other operating expenses	1 983 416	1 754 651

1) Other intercompany expenses are primarily services purchased and common cost allocations from other group companies in DNV Group.

12. Other current liabilities

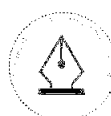
DNV BUSINESS ASSURANCE GROUP AS			DNV BUSINESS ASSURANCE GROUP CONSOLIDATED	
2020	2019		2020	2019
0	21	Contract liabilities	9 189	3 611
6 045	4 770	Accrued expenses	328 972	247 875
0	0	Accrued holiday allowances	31 783	54 735
0	0	Other short-term liabilities	8 342	6 616
6 045	4 792	Total other current liabilities	378 285	312 837

13. Trade receivables

DNV BUSINESS ASSURANCE GROUP AS			DNV BUSINESS ASSURANCE GROUP CONSOLIDATED	
2020	2019		2020	2019
11 974	15 252	Gross trade receivables	728 446	745 605
(213)	(1 109)	Provision for bad debts	(18 476)	(20 261)
11 762	14 143	Net trade receivables	709 971	725 344

14. Other long-term receivables

DNV BUSINESS ASSURANCE GROUP AS			DNV BUSINESS ASSURANCE GROUP CONSOLIDATED	
2020	2019		2020	2019
0	0	Loans to employees	1 768	1 821
73	227	Other long-term receivables	57 054	58 394
73	227	Total other long-term receivables	58 821	60 215



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DNV BUSINESS ASSURANCE GROUP AS

Notes to the financial statements

(Amounts in 1 000 NOK)

15. Cash and bank deposits

The parent company of DNV Business Assurance Group AS, DNV Group AS, has the following cashpool systems:

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

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

Bank	Overdraft facility (mill)	Participating entity	Drawn 31 Dec 2020 (mill NOK)
Citibank India	INR 40 + INR 30	DNV GL Business Assurance India Private Ltd	Undrawn
Citibank Brazil	BRL 5	DNV GL Business Assurance Avaliacoes e Certi Brasil Ltda	Undrawn

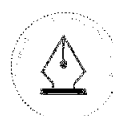
Balances on bank accounts participating in the cash pooling systems are considered as internal assets or liabilities vis-à-vis other Group participants. Cash pool balances 31 December are included in Cash and bank deposits in the balance sheet at 31 December.

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.

16. Guarantees

DNV BUSINESS ASSURANCE GROUP AS		DNV BUSINESS ASSURANCE GROUP CONSOLIDATED	
2020	2019	2020	2019
0	8 000	10 967	12 848

These guarantees are not secured by mortgage.



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DNV BUSINESS ASSURANCE GROUP AS
Notes to the financial statements
(Amounts in 1 000 NOK)
17. Intercompany balances

DNV BUSINESS ASSURANCE GROUP AS			DNV BUSINESS ASSURANCE GROUP CONSOLIDATED	
2020	2019		2020	2019
		Long-term receivables:		
11 664	11 095	Group internal loans receivable	6 658	12 064
		Short-term receivables:		
30 976	20 626	Trade receivables group companies	262 678	72 688
212 609	163 308	Cash pools	455 850	208 873
243 585	183 934	Total short-term receivables	718 528	281 561
255 249	195 029	Total receivables group companies	725 185	293 625
		Current liabilities:		
9 102	12 706	Trade creditors group companies	287 056	244 679
120 000	0	Dividend	120 000	0
38 570	58 875	Group contribution	35 997	43 005
167 672	71 581	Total current liabilities group companies	443 053	287 684

18. Lease liabilities

Overview of future minimum lease:	2020	2019
Within one year	9 557	10 558
After one year but not more than five years	18 224	20 539
More than five years	7 149	9 135
Future minimum lease	34 930	40 232
Summary of the lease liabilities in the financial statements:		
Total lease liabilities at 1 January	38 813	40 016
New lease liabilities recognised in the year	5 934	10 152
Cash payments for the principal portion of the lease liability	(11 481)	(14 741)
Interest expense on lease liabilities	1 386	2 141
Reassessment of the discount rate on previous lease liabilities	(1 538)	1 538
Currency exchange differences	257	(293)
Total lease liabilities at 31 December	33 371	38 813
Non-current lease liabilities	23 814	28 255
Current lease liabilities	9 557	10 558



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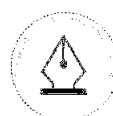
DNV BUSINESS ASSURANCE GROUP AS

Notes to the financial statements

(Amounts in 1 000 NOK)

19. Fixed assets

DNV BUSINESS ASSURANCE GROUP AS		DNV BUSINESS ASSURANCE GROUP CONSOLIDATED		
Office equipment, fixtures and fittings		Buildings and other property	Office equipment, fixtures and fittings	Right-of-use asset
	Acquisition cost			
2 409	1 January 2019	26 230	96 283	40 016
0	Additions	1 422	1 922	11 690
0	Disposals	(2 620)	(5 346)	0
124	Translation differences	(240)	(508)	(293)
2 533	Total acquisition cost 31 December 2019	24 793	92 351	51 414
52	Additions	2 044	1 510	4 396
(1)	Disposals	0	(3 115)	0
(2)	Translation differences	602	101	257
2 582	Total acquisition cost 31 December 2020	27 439	90 846	56 066
	Accumulated depreciation			
1 901	1 January 2019	13 133	74 911	0
204	Depreciation	2 792	7 249	15 123
0	Disposals	(2 392)	(5 207)	0
67	Translation differences	(149)	(365)	0
2 172	Total accumulated depreciation 31 December 2019	13 384	76 589	15 123
178	Depreciation	3 726	6 226	11 129
0	Disposals	0	(2 873)	0
(12)	Translation differences	(36)	(201)	0
2 338	Total accumulated depreciation 31 December 2020	17 074	79 742	26 252
	Net book value			
245	31 December 2020	10 364	11 105	29 814
363	31 December 2019	11 408	15 762	36 291
3-10 years Linear	Useful life Depreciation plan	10 years Linear	3-10 years Linear	



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DNV BUSINESS ASSURANCE GROUP AS
Notes to the financial statements
(Amounts in 1 000 NOK)
20. Intangible assets

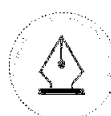
	DNV BUSINESS ASSURANCE GROUP CONSOLIDATED		
	Goodwill	Other intangible assets	Total
Acquisition cost			
1 January 2019	462 636	119 211	581 847
Additions	0	29 558	29 558
Disposals	0	0	0
Translation differences	1 070	(60)	1 009
Total acquisition cost 31 December 2019	463 706	148 708	612 415
Additions	0	19 003	19 003
Disposals	0	0	0
Translation differences	5 250	786	6 037
Total acquisition cost 31 December 2020	468 957	168 497	637 454
Accumulated amortization and impairment			
1 January 2019	139 693	20 406	160 100
Amortization	0	12 629	12 629
Disposals	0	0	0
Translation differences	0	0	0
Total accumulated amortization and impairment 31 December 2019	139 693	33 036	172 729
Amortization	0	21 639	21 639
Disposals	0	0	0
Translation differences	0	(29)	(29)
Total accumulated amortization and impairment 31 December 2020	139 693	54 646	194 340
Net book value			
31 December 2020	329 263	113 851	443 114
31 December 2019	324 013	115 673	439 686

Useful life

2-10 years

Goodwill is not amortized, but is tested annually for impairment (note 21).

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


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DNV BUSINESS ASSURANCE GROUP AS

Notes to the financial statements

(Amounts in 1 000 NOK)

21. Goodwill

Goodwill obtained through acquisitions is allocated to the Group's regions and followed up and tested collectively for the group of cash-generating units that constitute the region. The cash generating units correspond to DNV Business Assurance's regions. Goodwill is allocated to the regions as follows:

	2020	2019
Central Europe	42 185	40 200
Northern Europe	195 782	191 593
Asia & Pacific	87 768	88 699
Greater China	3 528	3 521
Total goodwill	329 264	324 012

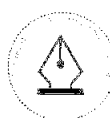
The Group has used value in use to determine recoverable amounts for the cash-generating units. Value in use is determined by using the discounted cash flow method. The expected cash flows are based on the business areas' budgets and long term plans, which are approved by the Board of Directors and executive 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:

Cost of capital (WACC)	6.5 %
Long-term nominal growth rate	1.5 %

Sensitivity analysis:

In connection with impairment test of goodwill, sensitivity analysis are carried out for each individual cash-generating unit. None of the cash-generating units will be in an impairment situation before there are material changes in the key assumptions, and these changes are considered to be outside probable outcome.



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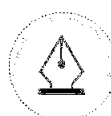
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DNV BUSINESS ASSURANCE GROUP AS
Notes to the financial statements
(Amounts in 1 000 NOK)
22. Share capital and owners

The share capital of DNV Business Assurance Group AS consist of 1 000 shares, with par value of NOK 500 each. The company is wholly owned by DNV Group AS, with business office in Bærum, Norway.

23. Financial assets and financial liabilities

	DNV BUSINESS ASSURANCE GROUP CONSOLIDATED	
	Amortized costs	Other financial liabilities
31 December 2020		
Assets - non-current assets		
Loans to employees	1 768	
Other long-term receivables	57 054	
Assets - current assets		
Cash and bank deposits	112 398	
Trade receivables	709 971	
Other receivables	783 862	
Financial liabilities - non-current		
Other non-current liabilities		41 093
Financial liabilities - current		
Trade creditors		61 283
31 December 2019		
Assets - non-current assets		
Loans to employees	1 821	
Other long-term receivables	58 394	
Assets - current assets		
Cash and bank deposits	110 351	
Trade receivables	725 344	
Other receivables	400 532	
Financial liabilities - non-current		
Other non-current liabilities		37 475
Financial liabilities - current		
Trade creditors		69 973



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DNV BUSINESS ASSURANCE GROUP AS

Notes to the financial statements

1. Significant accounting policies

Basis for preparation

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

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

Consolidation principles

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

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.

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



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DNV BUSINESS ASSURANCE GROUP AS

Notes to the financial statements

- 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.

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. DNV 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



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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

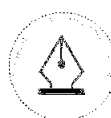
The lease liability is initially measured at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. The lease term represents the non-cancellable period of the lease, together with periods covered by an option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



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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 its right-of-use assets as separate line items in the consolidated statement of financial position. Borrowing costs

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

Intangible assets

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

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

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

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

Research and development costs

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

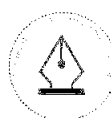
- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the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

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

Impairment of non-financial assets

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

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



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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.

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) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. 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

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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

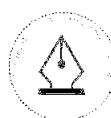
Contingent liabilities are not recognized in the annual accounts. Significant contingent liabilities are disclosed, with the exception of contingent liabilities that are unlikely to be incurred. Contingent assets (unless virtually certain) are not recognized in the annual accounts but are disclosed if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



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