



Choose Scandinavian trust



20

Annual Performance



Contents

Message from the CEO	2
Nemko Cyber Assurance – Demonstrated Compliance	4
Our services	6
Industries we serve	6
Nemko in figures	8
Circling in on sustainability	10
Our vision	12
Mission statement	12
Our commitments	13
How we are organised	14
Ownership structure	15
Group Management Team (GMT)	18
Our organisation	19
Board of Directors	20
Income statment Nemko Group	23
Balance sheet Nemko Group	24
Cashflow statement Nemko Group	26
Auditor’s report	27
Contact information	32

Message from the CEO



Dear customers, colleagues and other stakeholders.

I am proud to share the good results of the Nemko Group in 2020. It was a challenging year for us all – for organisations, communities, families and each and every individual. However, Nemko benefited from a sustained demand for conformity assessment services, combined with our ability to adapt swiftly to a changing business environment. We ended the fiscal year by increasing our revenue by 20% while at the same time increasing our profitability. As a result, Nemko confirms its position as a strong and reliable partner, even in challenging times.

Continuous learning and competence development helped us adapt to new ways of working and interacting with customers during the pandemic. The digital journey within our organisation gained momentum, resulting in both internal productivity gains and a better customer experience. Our newly launched customer portal

allows laser focus on the customer experience and cost-effective delivery of services and information, further differentiating our brand in a competitive market.

Despite the pandemic, we did not lose sight of another fundamental challenge for humanity that has, to a certain extent, been overshadowed in 2020: Climate change. At the end of the year, the Foundation Board formally decided that the purpose of the NEMKO Foundation shall be changed from working for product safety alone, to working for product safety, sustainability and the environment. This means that Nemko is expanding the reach of our mission to make the world a safer place.

In 2020, we conducted integrity workshops worldwide to address integrity challenges that arise in our conduct of business and provision of services. Doing what is right is not always easy, and in particular not in times of crisis! The workshops will represent the basis for the launch of a new Nemko Code of Conduct in 2021.

Nemko continues to systematically explore opportunities to expand our service offerings, either organically or inorganically. New lines of service shall support Nemko's role as an independent third party and have the potential to scale up. In late 2019 we identified cyber security as a growth opportunity, and last year saw the acquisition of System Sikkerhet AS, a boutique provider of assessment and consultancy services within the fields of information technology and cyber security. In cooperation with the resources in System Sikkerhet, Nemko developed a new IoT certification scheme based on a European ETSI standard. The cyber assurance services represent a valuable addition to our portfolio of product and system conformity assessment services. It also demonstrates our ability to expand our service portfolio to meet future customer demands, and we hope to benefit from the experiences made last year, targeting expansion into functional safety evaluation and the battery value chain.

Finally, I would like to thank customers, my colleagues everywhere in the Nemko Group and our business partners for their cooperation, fortitude, positive outlook and support in 2020. Due to the circumstances, I also use the opportunity to wish you all the best for 2021. Stay safe!



Nemko Cyber Assurance – Demonstrated Compliance

The Nemko Cyber journey

In the beginning of 2020, Nemko acquired the Arendal-based company System Sikkerhet AS, an accredited Common Criteria laboratory. Their certification body is SERTIT, controlled by the Norwegian National Security Authority.

Since the acquisition, dedicated personnel in Lysaker and Arendal have cooperated closely through the drafting of schemes, building of governance, qualification, competence building and external recruitment. The result is the establishment of a global Nemko Cyber Assurance service. The service will be offered through hubs in Europe, North America and Asia.

The service portfolio consists of Common Criteria evaluations leading to NSM certification, IoT certification and security advisory services. The cyber certification program for IoT products was developed mid 2020. It is based on the new ETSI/EN standard 303 645 and the ISO guidance for development of certification schemes. End 2020, the first IoT certificate was issued after a successful pilot project.



The Nemko IoT scheme

Cyber security services consist for most practical purposes of preventive and mitigating actions related to criminal activity. It is food for thought and fuels investment that the world-wide cost of cybercrime is expected to reach 6 Trillion US dollars in 2021. Cybercrime is not only larger than the global drug market, it also represents a threat against our civil societies, for instance, harming critical infrastructure and essential services. In light of the increasing interactive capabilities of our customers' products, cyber security is in the foreseeable future a necessary concern for the design, manufacture and distribution of electrical products and components and a natural addition to the Nemko service portfolio.

Meeting IoT cyber security requirements is now mandatory in many countries, even though only a few require the involvement of third parties or certification. Cyber requirements are no longer just a "nice to have". One example is the EU, where IoT-related cyber requirements are already an integral part of Community sector legislation within the field of data protection (GDPR).

In a global market where products are sold worldwide, it is necessary to meet mandatory requirements wherever they may be found, and to document compliance when necessary. A need for documentation may arise for instance, in case of public procurement processes, customer complaints, litigation, recourse actions from insurers, as well as requests from national customs and market surveillance authorities. As the nature and extent of the requirements vary from one country to another,



manufacturers may struggle to identify and understand the expectations. In addition, many do not have in place robust frameworks for compliance work and corresponding procedures for documentation. This means in the worst case; they are not able at a later stage to demonstrate all the good work that has actually been carried out.

The Nemko IoT certification scheme is a fit for all current requirements. It allows manufacturers to demonstrate and document compliance. First of all, this means that the application of the scheme provides regulatory comfort and market access for the product. In addition, the solutions implemented to meet the requirements are easily reproduced for new generations of products. Finally, in case of a cyber incident involving the product concerned, certification provides a better platform for defending own work.

Certification or not – Compliance must be demonstrated

Over the last years, there has been a broad consensus that there is a need for coordinated regulatory action to fight cybercrime. Globally, we see the contours of more mandatory requirements for market access, which add to existing voluntary schemes with limited market uptake. Whether certification is required or not, is not decisive in this context: Manufacturers must be prepared to provide evidence of compliance, whether there is a certification scheme in place or not.

In Europe in particular, the EU has introduced a draft certification scheme of three security levels (the Cyber Security Act). It uses the principles from Common Criteria for the two highest levels. ETSI/EN 303 645 is expected to apply for the most basic level, consumer-grade products. As mentioned, this is the standard chosen as the basis for the Nemko IoT scheme, and we see that this standard is chosen as a basis for national and regional, mandatory and voluntary requirements, worldwide.

Our services

Pre-compliance

Expert assistance in every stage of the product development process, saving your company time and money

Product certification

As your certification partner, we provide certification marks that cover numerous multinational and national certification schemes

Product testing

Make sure that risk and safety are taken care of by our internationally accredited organisation of engineers and testing laboratories

International approval

Get worldwide market access for your products through Nemko Direct

Cyber assurance

Ensure that you understand potential cyber risk levels so that assets are efficiently and effectively protected

Management system certification

Our auditors have decades of experience contributing to robust quality management and mitigation of risk in operations and supply chains

Field evaluation

When timing is essential, you can rely on Nemko Field Services for a fast and economical alternative to traditional product safety certification

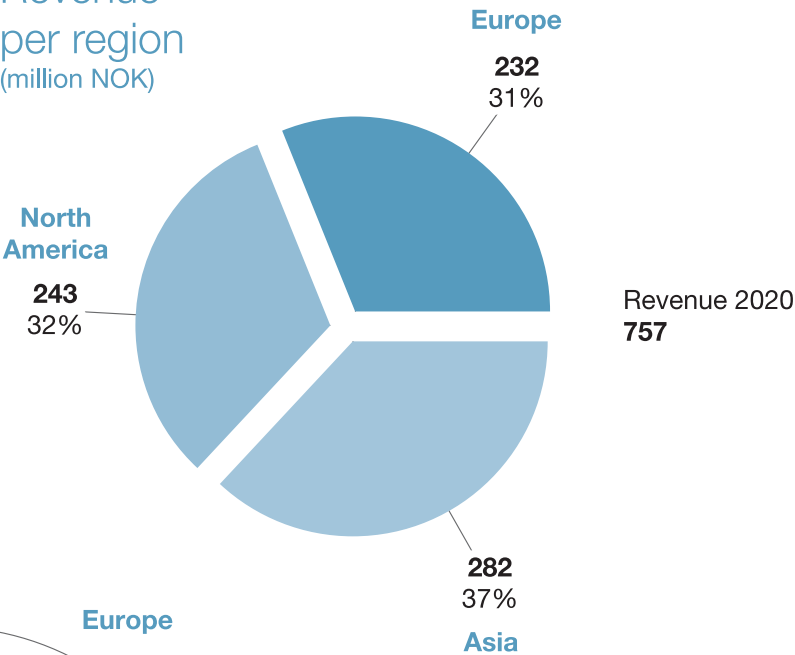
Industries we serve

- Automotive
- Battery
- Building Inspection
- Energy
- Fire & Security
- Healthcare Equipment
- Household Appliances
- Installation Materials
- Industrial Machinery
- IT & Audio Video
- Lighting Equipment
- Maritime, Oil & Gas
- Military & Aerospace
- Laboratory, Test & Measurement
- Wireless & Telecom



Nemko
in figures

Revenue
per region
(million NOK)



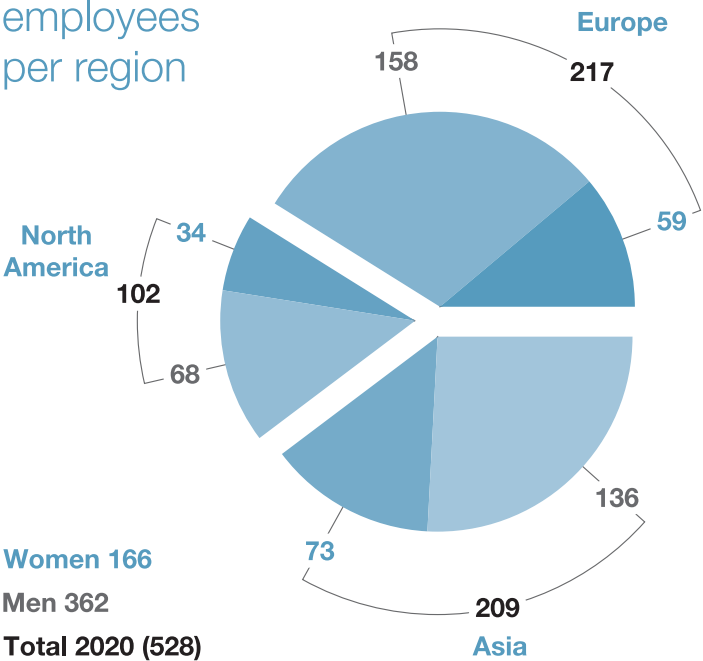
Operating profit margin

2017	6,0 %
2018	4,5 %
2019	3,3 %
2020	5,4 %

Equity ratio

2017	67%
2018	71%
2019	71%
2020	68%

Numbers of
employees
per region



24 locations on 3 continents
International approval service in more than 150 countries
7.000 customers located in 80 countries
Revenue growth 2019 to 2020: 20%

Circling in on sustainability

34 years ago, the UN Brundtland environmental committee agreed on the following definition of sustainability: “Meeting the needs of the present without compromising the ability of future generations to meet their own needs.”

Most companies in the Western World have now defined ambitions for their contributions to sustainability, carbon neutrality or similar through operations, products, and services. In autumn 2020, the NEMKO Foundation amended its statutes so that they clearly state that we work for safety, sustainability and the environment.

Sustainability for Nemko is an opportunity for development and market uptake of new services in addition to the environmental services we already offer. It guides our conduct of business, our prioritisation and directions as well as our role in society.

A key element for Nemko is the commitment to support industry in navigating the landscape of environmental regulations. This landscape reflects not only sustainability concerns but also national and regional geopolitical interests, as illustrated by the European initiatives related to the battery value chain.

Towards a more life cycle-based approach to governmental regulation

In Europe, the change to sustainability has been taken from a focus on reduction in carbon emissions over to circular economy. This is combined with the EU countries’ ambitious target: A 55% reduction of greenhouse gases by 2030 and carbon neutrality in 2050.

The initial focus of one of the key environmental regulations in Europe was the Eco-design Directive, which was bringing down CO₂ levels in the atmosphere by reducing electricity consumption. The link between consumption of electricity and CO₂ was of course Europe’s dependence on fossil-fueled power plants with an average efficiency as low as 40%.

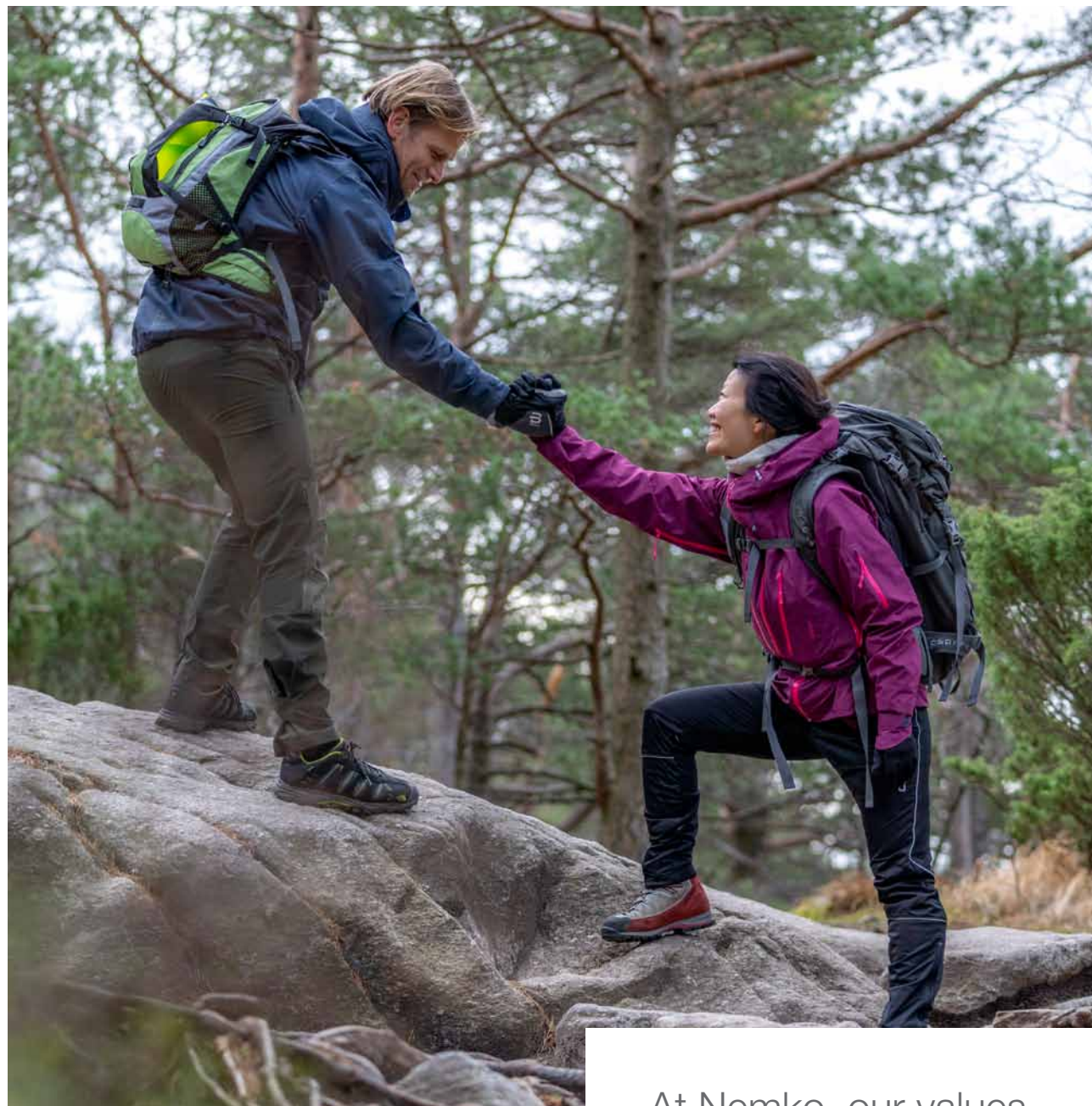
Since then, additional focus has been directed towards the entire lifecycle of products and materials, prolonging the life for products and materials in use and recycling at the end of products’ life. In addition to environmental concerns, this focus also reflects business concerns regarding future regional or global lack of raw materials, both in mines and in the supply chain. We see today enormous resources are spent mining new materials for making electrical, short-lived appliances.

Regional and national initiatives are being taken. For instance, the EU’s Eco-design Directive is intended to extend the lifetime of existing products and to increase recyclability for products at end of life. Individual nations are also taking unilateral action in the same direction. Another example is the EU transition to LED lamps, giving a double return by both reducing energy consumption by 90% and significantly expanding the lifetime from 1000 hours to more than 25000 hours. There is obvious room for improvement. According to the UN, 53.6 million metric tons (Mt) of electro industry waste (e-waste) was generated worldwide in 2019, having increased with a staggering 21% in just five years. On recycling, the countries in the European Union are by far the best-in-class recycling 42.5% of their 16 Mt generated. Asia comes second with a recycling rate of 12%.

Need for trust

The environmental and sustainable playing field is an arena flooded by self-declared brightness and performance. Nemko’s role as a trusted third party will be more important than ever. New Nemko service lines are being created to enable our customers documented and compliant contribution to sustainable growth. In this manner, Nemko will remain an attractive and trusted employer.





Our vision

Nemko makes the world a safer place.

Mission statement

Nemko safeguards products and systems, by supplying efficient third-party compliance and market access solutions.

At Nemko, our values are clear, we:

- Are passionate about providing a great customer experience
- Believe in continuous learning and competence development
- Care for our customers, colleagues and the environment
- Demonstrate our integrity in everything we do

Our commitments

Our promise

Through our unique combination of local presence, international networks and bi-lateral agreements we obtain regulatory access for our customers products in each and every market globally.

We live in an age of ever-shorter time-to-market requirements and a constant pressure to keep costs down. Globalisation requires products to be sold in more and more countries worldwide. Delays in obtaining access to new markets around the world are costly, resulting in lost sales.

Rules and regulations are changing rapidly, making it time consuming to be up-to-date. Interpretation of new regulations and approvals is often difficult and takes time.

Nemko has local expertise and global knowledge to respond to these challenging needs.

Our ethical commitment

We are loyal to our ethical guidelines by being compliant with professional frameworks, regulations, standards and agreed processes and by abiding to our ethical policy.

Our leaders will

- Set the example. As in any business practice, honesty and integrity must be top priority for our leaders.
- Have an open-door policy and welcome suggestions and concerns from employees. This will allow employees and their leaders to be comfortable in discussing issues and making sound decisions. In addition, employees are herewith in a better position to alert leaders to concerns within their teams.

Our common cultural mind-set

In Nemko, we have embraced six statements describing the way we work and interact.

- We have customer focus!
- We create leadership opportunities!
- We are proactive!
- We support each other!
- We share our knowledge!
- We deliver as promised!

Our employees will

- Treat everyone fairly, have mutual respect and promote a harmonious team environment.
- Challenge harassment and discrimination.
- Support our colleagues in making the right choices ethically, responsibly and based on our values.
- Not use corporate assets or business relationships for personal use or gain.
- Act ethically, responsibly and in accordance with our ethical policy
- Apply their effort and their intelligence in maintaining our values.

Nemko is a private, independent company owned by the NEMKO foundation.

How we are organised

Objective

The objective of the Foundation is to promote product safety and work for sustainability and the environment.

History

Nemko's history goes back to 1933, when it was established as an independent association to promote product safety for electrical products in Norway. Nemko had the monopoly for testing and approval of electrical products and material manufactured, imported and sold in Norway.

The NEMKO foundation was established 19 December 1990, as a continuation of the former state-owned company Nemko in connection with Norway's joining the European Economic Area (EEA).

Mission

The foundation shall, through its wholly-owned subsidiary Nemko AS, maintain internationally competitive and recognised test laboratories and certification bodies, which, through their expertise and independent positions, can contribute to safety within the sale and use of electrotechnical equipment and work for sustainability and the environment.

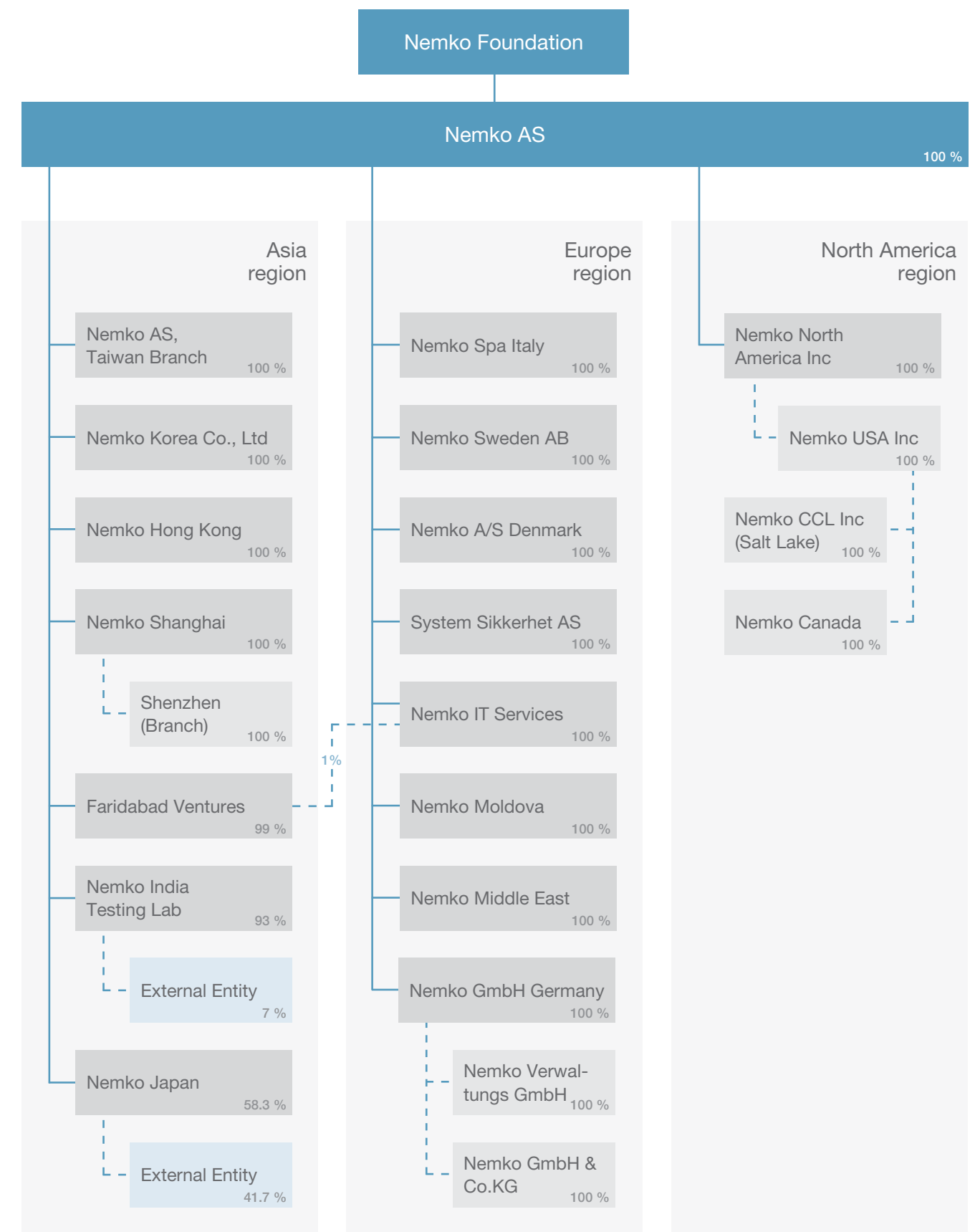
Ownership structure

The foundation ownership structure ensures that Nemko has the necessary independence and integrity towards the authorities, accreditation bodies, customers and safety of the product.

The foundation is managed by a board of 10 members, of which three are representatives elected by the employees of Nemko in Norway and seven representatives designated by the following Norwegian industry and trade associations:

- Elektroforeningen (Norwegian association of electrical manufacturers, importers and wholesalers)
- Energi Norge (Energy Norway)
- NFEA, Norsk Forening for Elektro og Automatisering (Norwegian Society of Electric and Automatic Control)
- IKT-Norge (The voice of the Norwegian ICT industry)
- Elektronikkbransjen (Consumer Electronics Trade Foundation)
- NELFO (Norwegian Electrical Contractors' Association)
- Norsk Industri (Federation of Norwegian Industries)

Ownership structure





Group Management Team (GMT)



Per Ove Øyberg
Nemko Group President and CEO



Aqsa Butt
Nemko Group CFO & Senior Vice President Business Support



John Bakken
Senior Vice President Nemko Group Operations



Yngvar Sjoner
Senior Vice President Nemko Group HR & Organisational Development



Kristian Syverstad Myrbakk
Nemko Group General Counsel & Senior Vice President New Business

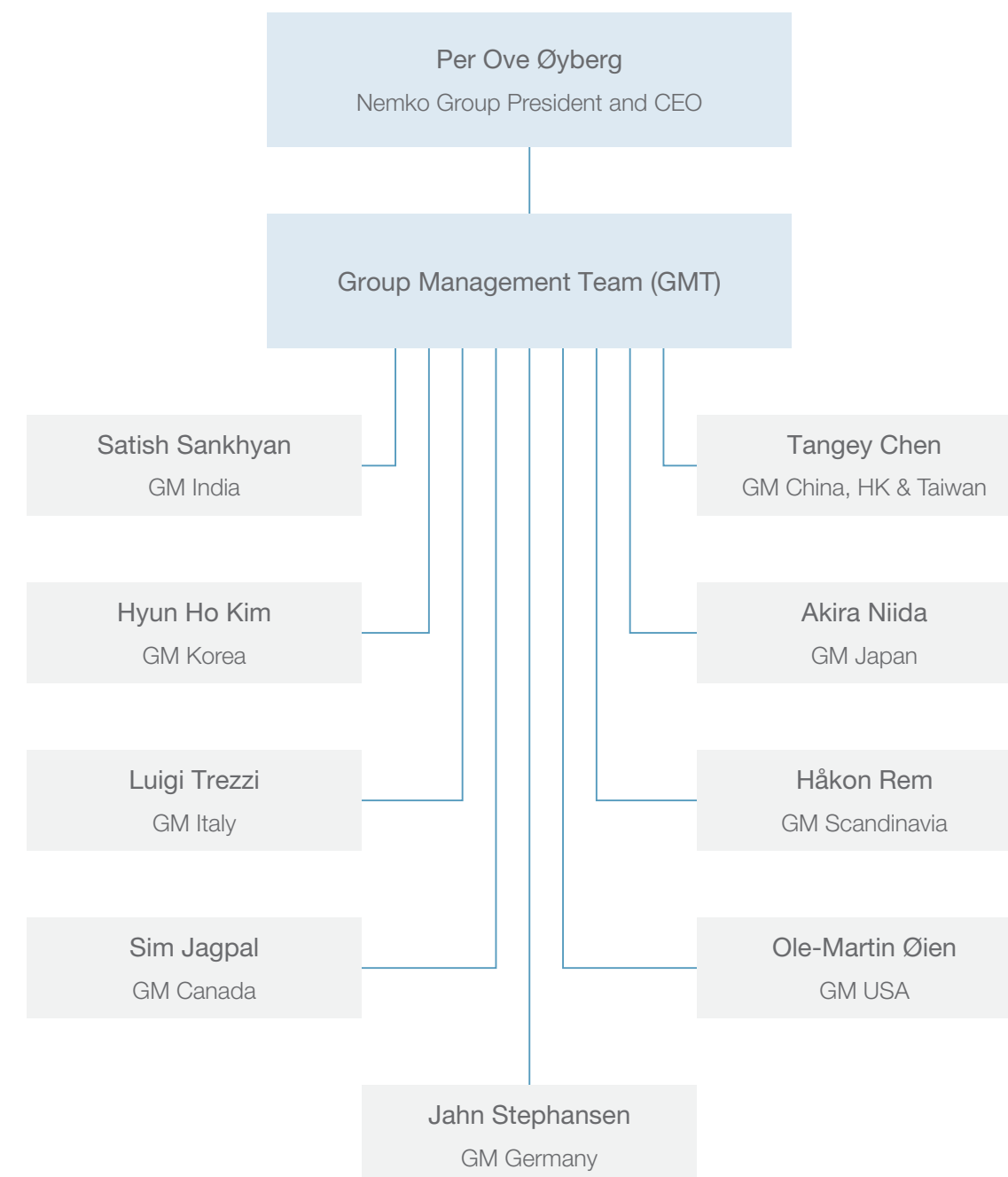


Grant Schmidbauer
Senior Vice President QM & Nemko Group Market Services



Choi Yong Beom
Senior Vice President Region Asia

Our organisation



Board of Directors

Nemko AS is owned by the NEMKO Foundation, which is a private and independent foundation with the purpose of working for safety in trade and use of electronic equipment, sustainability and the environment. The Nemko Group has separate subsidiaries in 13 countries in Europe, North America and Asia, and is a world-leading provider of test, certification and inspection (TIC) services within electrotechnical products. Nemko's headquarters are in Oslo, Norway. The global network is supplemented by several strategic alliances and partnerships.

Nemko has continued to strengthen its global position as a main supplier of global market access services through development of new services and expansion into new markets. With the acquisition of System Sikkerhet AS, Nemko now holds unique competence in the field of cyber security evaluations. A field expected to be even more important in the years to come.

Optimisation of sales activities and laboratory operations has been high on the agenda also in 2020 and several important initiatives has been initiated. Initiatives that are expected to further enhance our service deliveries and to manifest Nemko's position as one of the main global players in our industry.

The process of developing and implementing new strategic priorities that began in 2018 continues to give considerable employee involvement. This is proof of the organisation's

constructive and solution-oriented mindset. It also shows how the Group works well with employees and maintains productive relationships with employee representatives and unions.

Nemko in Norway has for several years worked systematically to strengthen profitability and customer satisfaction. Focus on the customer is strong and one of the main areas has been to further develop our project management services.

Our customers need support to navigate complex rules and regulations to bring their products to global markets. This makes it possible for Nemko to continue expanding. Demands related to delivery times and quality are growing, and by becoming more integrated with our customers' value chain, Nemko can help in this area. Through Nemko's well-established network, our customers have access to one of the most complete services in market access for electrical and other products on the global market.

During a demanding year with the pandemic, Nemko has gained valuable experience in how to handle unexpected situations and to act rapidly to unforeseen changes. Nemko will utilise this experience and continue to operate in accordance with national requirements and guidelines in the coming year.



Ingvild Myhre
Chairman of the board



Bjørn Ove Skjeie
Board member



Arne Jorde
Board member



Ove Guttormsen
Board member



Siv Hege Solheim
Board member



Espen Eriksen
Board member



Grethe Spongsveen
Board member



Per Ove Øyberg
President & CEO



Income statement Nemko Group

(NOK 1 000)

	2020	2019
Revenue	720.037	601.669
Other revenue	35.592	30.195
Total revenue	755.629	631.864
Salary and other personnel costs	401.770	349.978
Other operating and administrative expenses	280.343	230.960
Depreciation	28.680	25.921
Amortization	670	586
Total operating costs	711.463	607.445
Operating profit	44.166	24.419
Finance income	38.493	21.908
Finance costs	-31.091	-18.676
Net finance	7.402	3.232
Profit before tax	51.568	27.651
Tax	10.373	6.745
Profit after tax	41.195	20.906
Minority	595	92
Profit after minority	40.600	20.814

Balance sheet Nemko Group

(NOK 1 000)

	2020	2019
ASSETS		
Fixed assets		
Deferred tax assets	18.456	17.646
Goodwill	3.491	430
Other intangible assets	0	
Intangible assets	21.947	18.076
Land and buildings	24.831	20.722
Lab equipment and machines	80.446	76.624
Inventory	7.143	8.337
Office and IT equipment	16.052	18.205
Fixed assets	128.472	123.888
Investment in subsidiaries	0	0
Investment in joint ventures	0	0
Fixed financial assets	5.664	0
Long term receivables	0	7.186
Long term receivables joint venture	0	0
Financial assets	6.701	7.186
Total fixed assets	157.120	149.150
Current assets		
Accounts receivables	110.752	109.584
Short term receivables intercompany	257	316
Short term receivables joint venture	0	0
Other short term receivables	28.225	30.557
Receivables	139.234	140.457
Market based financial assets	83.375	78.542
Cash and cash equivalents	259.019	187.757
Current assets	481.628	406.756
Total assets	638.748	555.906

(NOK 1 000)

	2020	2019
EQUITY		
Share capital	55.000	55.000
Premium	251.825	251.825
Paid-in capital	306.825	306.825
Other equity	120.853	82.862
Minority interests	3.592	2.936
Retained earnings	124.445	85.798
Equity	431.270	392.623
LIABILITIES		
Liabilities to credit institutions	179	138
Deferred tax liabilities	5.300	4.944
Pension liabilities	43.215	33.114
Statutory redundancy payments to employees	0	0
Long term liabilities intercompany	0	0
Long term liabilities joint venture	0	0
Other long term liabilities	3.711	314
Long term liabilities	52.405	38.510
Account payables	23.116	20.353
Short term payables intercompany	0	0
Short term payables joint venture	0	0
Provision for loss in joint venture	0	0
Tax payables	4.920	1.125
Government taxes etc	30.422	22.444
Other short term payable	96.615	80.851
Short term payables	155.073	124.773
Liabilities	207.478	163.283
Total liabilities and equity	638.748	555.906

Oslo, 13. April 2021


Ingvald Ragna Myhre
Chairman of the board


Arne Jorde
Board member


Grethe Spangsvaen
Board member


Ove Guttormsen
Board member


Espen Eriksen
Board member


Bjørn Ove Skeie
Board member


Siv Hege Solheim
Board member


Per Ove Øyberg
President & CEO

Cashflow statement Nemko Group

(NOK 1 000)

	2020	2019
Cash flow from operating activities		
Profit before tax	51.568	27.651
Taxes paid	-3.904	-5.586
Depreciation and amortization	29.350	26.507
Loss/(gain) on sale of fixed assets	0	0
Share of profit from joint ventures	0	0
Difference in cost and payments in pension	5.546	122
Change in accounts receivables	-1.168	-21.352
Change in accounts payables	2.763	502
Change in balance with group companies	0	0
Change in other accruals, including currency effects	18.195	-1.371
Net cash flow from operating activities	102.350	26.473
Cash flow from investing activities		
Sale of fixed assets	0	0
Purchase of fixed assets	-31.319	-42.518
Purchase of stocks	-1.789	0
Sale of stocks	0	0
Change in loan to group companies	0	0
Net cash flow from investing activities	-33.108	-42.518
Cash flow from financing activities		
Change in long term liability	2.020	1.915
Dividend paid to minority	0	0
Change in short term liability	0	0
Net cash flow from financing activities	2.020	1.915
Net change in cash and cash equivalents	71.262	-14.130
Cash and cash equivalents pr. 01.01	187.756	201.886
Currency effect on net change in cash and cash equivalents	0	0
Cash and cash equivalents per 31.12	259.018	187.756

Auditor's report



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To the General Meeting of Nemko AS

Independent auditor's report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Nemko AS showing a profit of NOK 23 618 000 in the financial statements of the parent company and profit of NOK 41 195 000 in the financial statements of the group. The financial statements comprise:

- The financial statements of the parent company Nemko AS (the Company), which comprise the balance sheet as at 31 December 2020, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Nemko AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2020, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The 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 the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- 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 the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company 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.

Statautoriserede revisorer - medlemmer av Den norske Revisorforening

Offices in:

Oslo	Elverum	Mo i Rana	Stord
Alta	Finnsnes	Mo i Rana	Strømsund
Årendal	Hamar	Skien	Trondheim
Bergen	Haugesund	Sandnessjøen	Tynset
Bodo	Karvik	Sandnessjøen	Tynset
Drammen	Kristiansund	Stavanger	Ålesund



Nemko 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 the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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 scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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



Nemko 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, 21 April 2021
KPMG AS

John Thomas Sørhaug
State Authorised Public Accountant

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



481235 OPERATIONAL 100% / 100%
START: 23.06.2015 15:15
FUNKTION: 100% W. H. 100%
END: 2015.07.14

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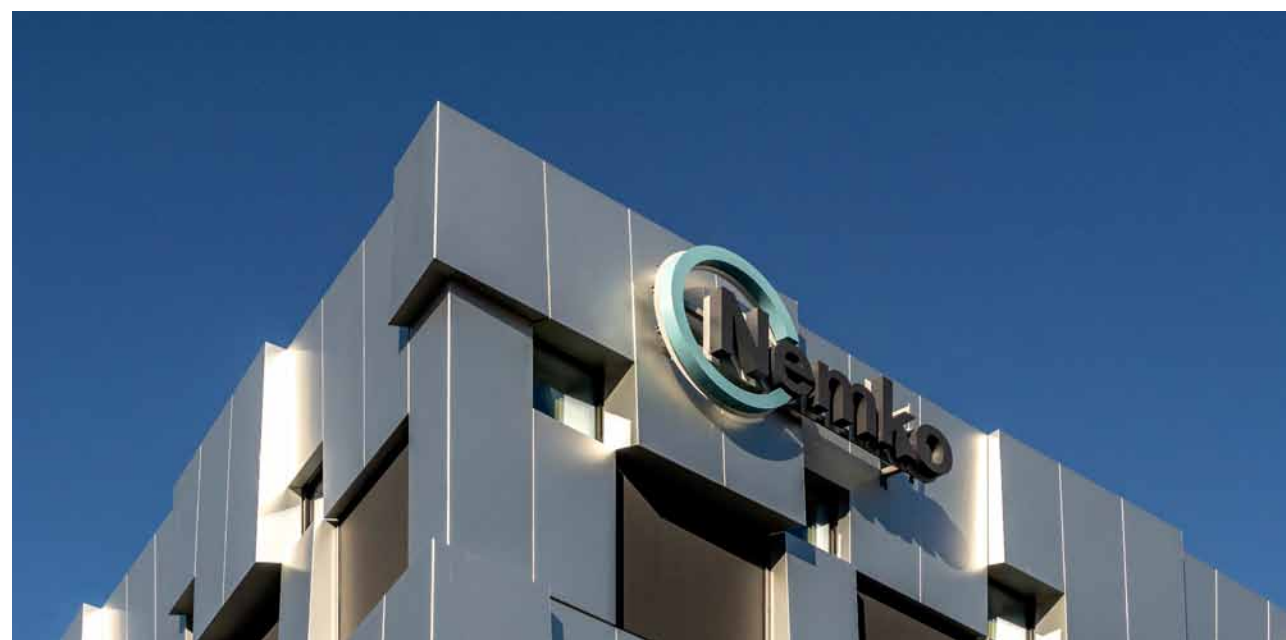
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