



B a a g ø e | S c h o u
statsautoriseret revisionsaktieselskab

North European Modularization Network FMBA
Jernbanegade 77, 5500 Middelfart

Company reg. no. 42 04 53 06

Annual report

2020/21

The annual report was submitted and approved by the general meeting on the 27 April 2022.

Ulrik Fleischer-Michaelsen
Chairman of the meeting



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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.



Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of North European Modularization Network FMBA for the financial year 2020/21.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Association at 31 December 2021 and of the results of the Association's operations for the financial year 15 December 2020 – 31 December 2021.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Middelfart, 22 March 2022

27/4

Managing Director

Christian Eskildsen

Board of directors

Finn Jäger-Kaschnussen
Chairman of the Board

Jens Døntveder

Håkan Lennart Eriksson

Niels Lauge Lund
Vice Chairman

John Paulsen Lund Houe

Frederik Delby

Gert Kjær

Mika Tapani Yli-Salomäki



Independent auditor's report

To the Shareholders of North European Modularization Network FMBA

Opinion

We have audited the financial statements of North European Modularization Network FMBA for the financial year 15 December 2020 - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Association. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Association at 31 December 2021, and of the results of the Association's operations for the financial year 15 December 2020 - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Association in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of 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 Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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



Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, 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, 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association'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 Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on Management's Review

Management is responsible for Management's Review.

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



Independent auditor's report

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

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

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

Copenhagen, 27 April 2022

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State Authorised Public Accountants
Company reg. no: 21 14 81 48

Søren Larsen
State Authorised Public Accountant
mne10850



Company information

The Association

North European Modularization Network FMBA
Jernbanegade 77
5500 Middelfart

Company reg. no. 42 04 53 06

Domicile: Middelfart

Financial year: 15 December 2020 - 31 December 2021

Board of directors

Finn Jäger-Rasmussen, Chairman of the Board
Bjørn Langeland, Vice Chairman
Gert Kjær
Jens Demtröder
John Teglborg Lund Houe
Mika Tapani Yli-Salomäki
Håkan Lennart Eriksson
Frederik Delby

Managing Director

Christian Eskildsen

Auditors

Baagøe | Schou
statsautoriseret revisionsaktieselskab
Fiolstræde 44, 3. th.
1171 København K



Management's review

The principal activities of the association

The Association must serve to extend knowledge of and promote the application of “modularization” within industrial, production and service businesses and public institutions.

Development in activities and financial matters

In this first year of operation and with some limitations due to Corona we have managed to develop a high level of activities with a new Board, extended memberlist, increased Partner collaboration and new offerings like our unique certification program. This first year has also taken major resources on managing the project where we partner with Danish Industry.

Income from ordinary activities after tax totals DKK 306.

Management is satisfied with the results for 2021.

Events occurring after the end of the financial year

No events have occurred after the end of the financial year that could significantly affect the Association's financial position.



Income statement

All amounts in DKK.

<u>Note</u>	15/12 2020 - 31/12 2021
Revenue	2.599.853
Direct costs	-2.175.639
Other external expenses	-414.850
Gross profit	9.364
Other financial expenses	-9.058
Pre-tax net profit or loss	306
1 Tax on net profit or loss for the year	0
Net profit or loss for the year	306
Proposed appropriation of net profit:	
Transferred to retained earnings	306
Total allocations and transfers	306



Balance sheet

All amounts in DKK.

Assets

<u>Note</u>	<u>31/12 2021</u>
Current assets	
Trade receivables	<u>739.120</u>
Total receivables	<u>739.120</u>
Cash and cash equivalents	<u>153.054</u>
Total current assets	<u>892.174</u>
Total assets	<u>892.174</u>
Equity and liabilities	
Equity	
Retained earnings	<u>306</u>
Total equity	<u>306</u>
Long term liabilities other than provisions	
Trade payables	864.337
Other payables	<u>27.531</u>
Total short term liabilities other than provisions	<u>891.868</u>
Total liabilities other than provisions	<u>891.868</u>
Total equity and liabilities	<u>892.174</u>



Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 15 December 2020	0	0	0
Retained earnings for the year	0	306	306
	0	306	306



Notes

All amounts in DKK.

	15/12 2020 - 31/12 2021
1. Tax on net profit or loss for the year	
Tax on net profit or loss for the year	0
Adjustment of deferred tax for the year	0
	<u>0</u>



Accounting policies

The annual report for North European Modularization Network FMBA has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises.

The annual report is presented in DKK. The annual report comprises the first financial year and hence comparative figures are not available.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Revenue

Revenue consists of membership fees and services that are recognized in the income statement if the income can be calculated reliably and is expected to be received. Revenue is recognized excluding VAT and less discounts in connection with sales.

Direct costs

Direct costs comprise costs concerning NEM Services.

Other external expenses

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.



Accounting policies

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The Association has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the Association's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Liabilities other than provisions

Liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.