

HAGENS SPRING GROUP

Hagens Fjedre A/S

Hagensvej 13
9530 Støvring
CVR No. 89490413

Annual report 01.10.2021 - 30.09.2022

The Annual General Meeting adopted the
annual report on 15.12.2022

Henrik Emil Hagens
Chairman of the General Meeting

Contents

Entity details	2
Statement by Management on the annual report	3
Independent auditor's report	4
Management commentary	7
Consolidated income statement for 2021/22	11
Consolidated balance sheet at 30.09.2022	12
Consolidated statement of changes in equity for 2021/22	14
Consolidated cash flow statement for 2021/22	15
Notes to consolidated financial statements	16
Parent income statement for 2021/22	21
Parent balance sheet at 30.09.2022	22
Parent statement of changes in equity for 2021/22	24
Notes to parent financial statements	25
Accounting policies	29

Entity details

Entity

Hagens Fjedre A/S

Hagensvej 13

9530 Støvring

Business Registration No.: 89490413

Registered office: Rebild

Financial year: 01.10.2021 - 30.09.2022

Board of Directors

Ole Juul Jørgensen

Mads Peter Lübeck

Carsten Wengel

Jørgen Bech Madsen

Henrik Emil Hagens

Johnny Brejner Hansen

Executive Board

Henrik Emil Hagens

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Østre Havnepromenade 26, 4th floor

9000 Aalborg

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Hagens Fjedre A/S for the financial year 01.10.2021 - 30.09.2022.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30.09.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.10.2021 - 30.09.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Støvring, 15.12.2022

Executive Board

Henrik Emil Hagens

Board of Directors

Ole Juul Jørgensen

Mads Peter Lübeck

Carsten Wengel

Jørgen Bech Madsen

Henrik Emil Hagens

Johnny Brejner Hansen

Independent auditor's report

To the shareholders of Hagens Fjedre A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Hagens Fjedre A/S for the financial year 01.10.2021 - 30.09.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30.09.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.10.2021 - 30.09.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group 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 consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent 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 Group's and the Entity'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 consolidated financial statements and the parent 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 Group's and the Entity'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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives 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 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 the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

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

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

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

Aalborg, 15.12.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Sami Nikolai El-Galaly

State Authorised Public Accountant
Identification No (MNE) mne42793

Management commentary

Financial highlights

	2021/22	2020/21	2019/20	2018/19	2017/18
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Gross profit/loss	127,533	109,574	87,625	98,056	100,937
Operating profit/loss	34,888	22,816	7,229	14,840	18,977
Net financials	(2,059)	(377)	(1,022)	(1,105)	(1,486)
Profit/loss for the year	26,859	18,101	5,077	11,334	14,080
Balance sheet total	262,826	169,017	150,757	157,004	147,829
Investments in property, plant and equipment	23,136	8,219	8,979	16,401	11,488
Equity	120,028	98,940	81,990	81,433	75,371
Ratios					
Return on equity (%)	24.53	20.01	6.21	14.46	19.85
Equity ratio (%)	45.67	58.54	54.39	51.87	50.99

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Average equity

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Balance sheet total}}$

Balance sheet total

Primary activities

As in previous years, the Company's primary activity is manufacturing and selling products within the spring industry, cf. www.hagens.com.

Development in activities and finances

The Company reported a profit before tax of DKK 32,829k, which we consider very satisfactory.

Profit/loss for the year in relation to expected developments

The profit is higher than expected as a result of increased activity, improvements, and enhanced efficiency.

Outlook

We have a special focus on making an extraordinary effort towards our customers despite long delivery times and price increases from suppliers, and we maintain an extraordinarily large inventory in order to be able to provide the best possible service in a difficult market.

The increased activity should also be seen in the light of higher demands from customers to utilise the Company's wide product range of springs and strip steel components, but also automated solutions as a full-line and system supplier. We also continue to see increased customer activity in targeted advisory services and product development, which creates added value for our customers.

Over the past few years, Hagens Spring Group has made considerable investments, such as the acquisition of Balyfa A/S with effect from 1 July 2022 with production sites in Denmark as well as Hungary, which supplements the present product range and production setup in the best possible way for the pleasure and benefit of customers.

We continue to focus on efficient production with a high level of quality using both IATF 16949, ISO 9001 and ISO 14001, including an increased focus on sustainability in areas where we can make a positive impact.

Unfortunately, we see that the prices of raw materials, energy, etc. are still at a very high level, so we also try to optimize the processes as best as possible to minimise the cost level for the benefit of the customers.

Profit before interest for the coming year is thus expected to reach the level of 2021/22, but with increased activity.

Voluntary disclosures on corporate social responsibility

Hagens Spring Group is focused on treating stakeholders, including customers, suppliers and employees, with a high ethical code. Therefore, only suppliers who live up to the high standards are used. In support of this and for further information, refer to the Group's CSR policy and environmental policy at www.hagens.com.

Hagens Spring Group has put focus on sustainability in selected areas where the Company can make an impact, which continuously leads to investments in sustainability.

Use of financial instruments

Hagens Spring Group is particularly exposed to currencies of countries where the Company has subsidiaries. We hedge 50% of the ongoing currency risk through forward contracts on currencies for which we assess the risk to be of most significance to Hagens Spring Group.

Knowledge resources

Hagens Spring Group is a global subsupplier producing specialty products tailored to the customer's needs and preferences. This creates a large technical platform and knowledge of the products, product development, quality, choice of material and the right manufacturing methods, which are decisive to provide the customers with the best advice.

Our knowledge is continuously maintained through contacts and development projects with customers as well as researchers and professionals in Denmark and abroad. We participate in relevant industry-related courses, congresses, and development trials on an international level.

Environmental performance

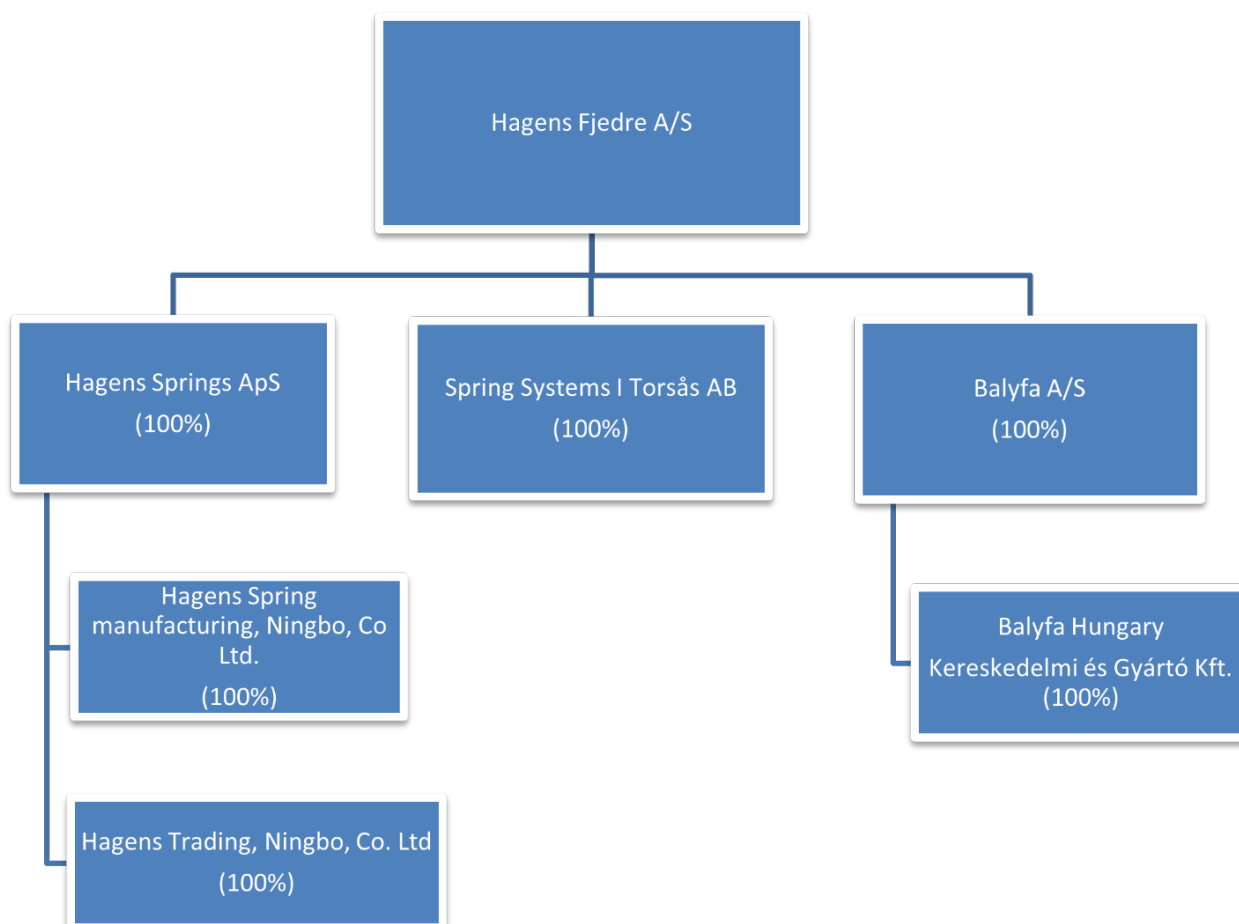
Hagens Spring Group focuses on good environment and has obtained all environmental approvals required for the current activities.

Hagens Spring Group is environmentally certified according to ISO 14001 and has a continuous focus on improving environmental conditions. We are particularly focused on how much our products affect the CO2 impact and continuously try to minimise emissions.

Research and development activities

The Company has ongoing development activities internally together with customers and relevant organisations. These costs are charged to profit or loss on a continuing basis.

Group relations



Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Consolidated income statement for 2021/22

	Notes	2021/22 DKK	2020/21 DKK
Gross profit/loss		127,533,337	109,574,211
Staff costs	1	(82,409,222)	(77,874,715)
Depreciation, amortisation and impairment losses	2	(10,236,120)	(8,883,030)
Operating profit/loss		34,887,995	22,816,466
Other financial income		1,419,418	578,821
Other financial expenses		(3,478,208)	(956,162)
Profit/loss before tax		32,829,205	22,439,125
Tax on profit/loss for the year	3	(5,970,221)	(4,337,945)
Profit/loss for the year	4	26,858,984	18,101,180

Consolidated balance sheet at 30.09.2022

Assets

	Notes	2021/22 DKK	2020/21 DKK
Goodwill		17,313,663	239,844
Intangible assets	5	17,313,663	239,844
Land and buildings		16,476,889	11,446,712
Plant and machinery		45,629,578	39,009,628
Other fixtures and fittings, tools and equipment		2,477,112	1,810,120
Property, plant and equipment	6	64,583,579	52,266,460
Deposits		1,183,933	681,241
Financial assets	7	1,183,933	681,241
Fixed assets		83,081,175	53,187,545
Raw materials and consumables		53,839,810	31,792,084
Work in progress		8,142,828	8,339,619
Manufactured goods and goods for resale		35,864,908	17,847,224
Inventories		97,847,546	57,978,927
Trade receivables		65,749,215	45,145,949
Other receivables		2,398,045	878,162
Tax receivable		1,254,068	45,516
Prepayments	8	5,103,305	4,987,068
Receivables		74,504,633	51,056,695
Cash		7,392,691	6,793,402
Current assets		179,744,870	115,829,024
Assets		262,826,045	169,016,569

Equity and liabilities

	Notes	2021/22 DKK	2020/21 DKK
Contributed capital	9	600,000	600,000
Translation reserve		577,208	1,848,826
Retained earnings		112,850,393	91,991,409
Proposed dividend for the financial year		6,000,000	4,500,000
Equity		120,027,601	98,940,235
Deferred tax	10	4,103,705	4,157,111
Provisions		4,103,705	4,157,111
Mortgage debt		4,611,598	5,016,243
Lease liabilities		13,542,290	7,191,198
Debt to other credit institutions		34,801,359	1,661,820
Tax payable		631,664	0
Joint taxation contribution payable		5,415,391	1,204,351
Non-current liabilities other than provisions	11	59,002,302	15,073,612
Current portion of non-current liabilities other than provisions	11	10,542,785	3,131,625
Bank loans		19,192,051	8,437,546
Trade payables		31,377,919	22,079,456
Payables to group enterprises		0	171,223
Tax payable		0	941,645
Other payables		18,579,682	16,084,116
Current liabilities other than provisions		79,692,437	50,845,611
Liabilities other than provisions		138,694,739	65,919,223
Equity and liabilities		262,826,045	169,016,569
Unrecognised rental and lease commitments	13		
Contingent liabilities	14		
Assets charged and collateral	15		
Transactions with related parties	16		
Group relations	17		
Subsidiaries	18		

Consolidated statement of changes in equity for 2021/22

	Contributed capital DKK	Translation reserve DKK	Retained earnings DKK	Proposed dividend for the financial year DKK	Total DKK
Equity beginning of year	600,000	1,848,826	91,991,409	4,500,000	98,940,235
Ordinary dividend paid	0	0	0	(4,500,000)	(4,500,000)
Exchange rate adjustments	0	(1,271,618)	0	0	(1,271,618)
Profit/loss for the year	0	0	20,858,984	6,000,000	26,858,984
Equity end of year	600,000	577,208	112,850,393	6,000,000	120,027,601

Consolidated cash flow statement for 2021/22

	Notes	2021/22 DKK	2020/21 DKK
Operating profit/loss		34,887,995	22,816,466
Amortisation, depreciation and impairment losses		10,236,120	8,883,030
Working capital changes	12	(16,077,597)	(14,040,104)
Other adjustments		(1,266,859)	2,142,715
Cash flow from ordinary operating activities		27,779,659	19,802,107
Financial income received		1,419,418	260,366
Financial expenses paid		(3,478,208)	(746,095)
Taxes refunded/(paid)		(5,488,386)	(1,860,845)
Cash flows from operating activities		20,232,483	17,455,533
Acquisition etc. of property, plant and equipment		(10,019,159)	(8,218,508)
Sale of property, plant and equipment		0	160,175
Acquisition of enterprises		(45,879,914)	0
Cash flows from investing activities		(55,899,073)	(8,058,333)
Free cash flows generated from operations and investments before financing		(35,666,590)	9,397,200
Loans raised		43,897,504	0
Repayments of loans etc.		(3,131,625)	(4,496,177)
Dividend paid		(4,500,000)	(3,000,000)
Cash flows from financing activities		36,265,879	(7,496,177)
Increase/decrease in cash and cash equivalents		599,289	1,901,023
Cash and cash equivalents beginning of year		6,793,402	4,892,379
Cash and cash equivalents end of year		7,392,691	6,793,402
Cash and cash equivalents at year-end are composed of:			
Cash		7,392,691	6,793,402
Cash and cash equivalents end of year		7,392,691	6,793,402

Notes to consolidated financial statements

1 Staff costs

	2021/22 DKK	2020/21 DKK
Wages and salaries	73,845,037	70,832,647
Pension costs	5,474,602	4,608,628
Other social security costs	3,089,583	2,433,440
	82,409,222	77,874,715
Average number of full-time employees	187	173
	Remuneration of manage- ment 2021/22 DKK	Remuneration of manage- ment 2020/21 DKK
Total amount for management categories	3,356,352	2,738,670
	3,356,352	2,738,670

With reference to section 98B(2)no.3 of the Danish Financial Statement Act, management remuneration is presented in total.

2 Depreciation, amortisation and impairment losses

	2021/22 DKK	2020/21 DKK
Amortisation of intangible assets	426,546	79,947
Depreciation on property, plant and equipment	9,809,574	8,963,258
Profit/loss from sale of intangible assets and property, plant and equipment	0	(160,175)
	10,236,120	8,883,030

3 Tax on profit/loss for the year

	2021/22 DKK	2020/21 DKK
Current tax	6,430,699	3,673,414
Change in deferred tax	(459,304)	639,415
Adjustment concerning previous years	(1,174)	25,116
	5,970,221	4,337,945

4 Proposed distribution of profit/loss

	2021/22 DKK	2020/21 DKK
Ordinary dividend for the financial year	6,000,000	4,500,000
Retained earnings	20,858,984	13,601,180
	26,858,984	18,101,180

5 Intangible assets

	Goodwill DKK
Cost beginning of year	639,579
Addition through business combinations etc	17,500,365
Cost end of year	18,139,944
Amortisation and impairment losses beginning of year	(399,735)
Amortisation for the year	(426,546)
Amortisation and impairment losses end of year	(826,281)
Carrying amount end of year	17,313,663

6 Property, plant and equipment

	Land and buildings DKK	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	29,797,672	142,864,025	9,675,079
Addition through business combinations etc	7,179,566	5,130,476	806,491
Exchange rate adjustments	(1,017,473)	(4,692,837)	150,443
Transfers	(1,211,196)	1,211,196	0
Additions	0	9,438,439	580,720
Disposals	0	(8,097,524)	(480,968)
Cost end of year	34,748,569	145,853,775	10,731,765
Depreciation and impairment losses beginning of year	(18,350,960)	(103,854,397)	(7,864,959)
Exchange rate adjustments	878,450	3,797,668	(125,250)
Depreciation for the year	(799,170)	(8,264,992)	(745,412)
Reversal regarding disposals	0	8,097,524	480,968
Depreciation and impairment losses end of year	(18,271,680)	(100,224,197)	(8,254,653)
Carrying amount end of year	16,476,889	45,629,578	2,477,112
Recognised assets not owned by Entity	0	10,784,935	0

7 Financial assets

	Deposits DKK
Cost beginning of year	681,241
Addition through business combinations etc	502,692
Cost end of year	1,183,933
Carrying amount end of year	1,183,933

8 Prepayments

Prepayments consists of prepaid costs.

9 Contributed capital

	Number	Par value DKK	Nominal value DKK
Stocks	6,000	100.00	600,000
	6,000		600,000

10 Deferred tax

	2021/22 DKK	2020/21 DKK
Changes during the year		
Beginning of year	4,157,111	3,356,800
Recognised in the income statement	(459,304)	639,415
Recognised directly in equity	405,898	160,896
End of year	4,103,705	4,157,111

Deferred tax relates to property, plant and equipment, inventories and other provisions.

11 Non-current liabilities other than provisions

	Due within 12 months 2021/22 DKK	Due within 12 months 2020/21 DKK	Due after more than 12 months 2021/22 DKK	Outstanding after 5 years 2021/22 DKK
Mortgage debt	1,424,645	402,260	4,611,598	2,969,000
Lease liabilities	2,164,256	2,096,840	13,542,290	0
Debt to other credit institutions	6,953,884	632,525	34,801,359	6,660,000
Tax payable	0	0	631,664	0
Joint taxation contribution payable	0	0	5,415,391	0
	10,542,785	3,131,625	59,002,302	9,629,000

12 Changes in working capital

	2021/22 DKK	2020/21 DKK
Increase/decrease in inventories	(19,058,081)	(9,708,660)
Increase/decrease in receivables	(12,141,938)	(7,938,363)
Increase/decrease in trade payables etc.	15,122,422	3,606,919
	(16,077,597)	(14,040,104)

13 Unrecognised rental and lease commitments

	2021/22 DKK	2020/21 DKK
Total liabilities under rental or lease agreements until maturity	18,578,412	11,565,000

14 Contingent liabilities

The Parent and the Danish subsidiaries participate in a Danish joint taxation arrangement in which H. Hagens Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Parent and the Danish subsidiaries are therefore secondarily liable for income taxes etc. for the jointly taxed entities, limited to the equity interest by which the Entity participates in the Group. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

15 Assets charged and collateral

Mortgage debt is secured by way of mortgage on properties of DKK 16,662k. The mortgage also comprises the plant and machinery deemed part of the property.

Bank loans are secured by way of a deposited mortgage deed registered to the mortgagor on plant of DKK 9.211k nominal.

The carrying amount of mortgaged properties is DKK 9.640k and the carrying amount of mortgaged plant is DKK 20.004k.

For bank loans and leasing agreements, DKK 9.423k, the company has provided security in company assets representing a nominal value of DKK 13.000k. This security comprises inventories DKK 6.849k, trade receivables DKK 5.108k and property, plant, and equipment DKK 1.028k.

16 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

17 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
H. Hagens Holding ApS, Randers

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
H. Hagens Holding ApS, Randers

18 Subsidiaries

	Registered in	Corporate form	Ownership %
Hagens Springs ApS	Rebild, Denmark	ApS	100.00
Hagens Springs Manufacturing (Ningbo) Co., Ltd	Ningbo, China	Ltd	100.00
Hagens Trading (Ningbo) Co., Ltd	Ningbo, China	Ltd	100.00
Spring Systems i Torsås AB	Torsås, Sweden	AB	100.00
Balyfa A/S	Albertslund, Denmark	A/S	100.00
Balyfa Hungary Kft	Tardos, Hungary	Kft	100.00

Parent income statement for 2021/22

	Notes	2021/22 DKK	2020/21 DKK
Gross profit/loss		80,649,509	57,315,905
Staff costs	1	(48,005,930)	(45,139,470)
Depreciation, amortisation and impairment losses	2	(4,372,098)	(4,300,832)
Operating profit/loss		28,271,481	7,875,603
Income from investments in group enterprises		4,981,399	11,864,135
Other financial income	3	776,599	649,138
Other financial expenses	4	(1,139,893)	(527,668)
Profit/loss before tax		32,889,586	19,861,208
Tax on profit/loss for the year	5	(6,030,602)	(1,760,028)
Profit/loss for the year	6	26,858,984	18,101,180

Parent balance sheet at 30.09.2022

Assets

	Notes	2021/22 DKK	2020/21 DKK
Land and buildings		8,922,586	9,371,793
Plant and machinery		11,088,145	12,556,658
Other fixtures and fittings, tools and equipment		1,371,582	1,491,257
Property, plant and equipment	7	21,382,313	23,419,708
Investments in group enterprises		82,695,778	36,942,480
Receivables from group enterprises		0	1,987,000
Deposits		681,241	681,241
Financial assets	8	83,377,019	39,610,721
Fixed assets		104,759,332	63,030,429
Raw materials and consumables		19,945,035	15,683,475
Work in progress		4,927,686	4,676,485
Manufactured goods and goods for resale		21,444,081	13,107,264
Inventories		46,316,802	33,467,224
Trade receivables		29,985,607	24,053,822
Receivables from group enterprises		21,754,034	15,380,881
Other receivables		0	2,165
Tax receivable		0	45,516
Prepayments	9	196,471	114,041
Receivables		51,936,112	39,596,425
Cash		26,277	271,034
Current assets		98,279,191	73,334,683
Assets		203,038,523	136,365,112

Equity and liabilities

	Notes	2021/22 DKK	2020/21 DKK
Contributed capital		600,000	600,000
Reserve for net revaluation according to equity method		9,679,676	12,513,262
Retained earnings		103,747,925	81,326,973
Proposed dividend for the financial year		6,000,000	4,500,000
Equity		120,027,601	98,940,235
Deferred tax	10	1,928,196	1,859,313
Provisions		1,928,196	1,859,313
Mortgage debt		4,611,598	5,016,243
Debt to other credit institutions		30,581,953	1,473,783
Joint taxation contribution payable		5,468,909	1,257,336
Non-current liabilities other than provisions	11	40,662,460	7,747,362
Current portion of non-current liabilities other than provisions	11	7,072,645	402,260
Bank loans		7,772,529	5,256,155
Trade payables		15,897,460	12,028,962
Payables to group enterprises		671,225	399,357
Other payables		9,006,407	9,731,468
Current liabilities other than provisions		40,420,266	27,818,202
Liabilities other than provisions		81,082,726	35,565,564
Equity and liabilities		203,038,523	136,365,112
Unrecognised rental and lease commitments	12		
Contingent liabilities	13		
Assets charged and collateral	14		
Related parties with controlling interest	15		
Transactions with related parties	16		

Parent statement of changes in equity for 2021/22

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Proposed dividend for the year DKK	Total DKK
Equity beginning of year	600,000	12,513,262	81,326,973	4,500,000	98,940,235
Ordinary dividend paid	0	0	0	(4,500,000)	(4,500,000)
Exchange rate adjustments	0	(1,271,618)	0	0	(1,271,618)
Transfer to reserves	0	(1,561,968)	1,561,968	0	0
Profit/loss for the year	0	0	20,858,984	6,000,000	26,858,984
Equity end of year	600,000	9,679,676	103,747,925	6,000,000	120,027,601

Notes to parent financial statements

1 Staff costs

	2021/22 DKK	2020/21 DKK
Wages and salaries	43,863,286	41,508,985
Pension costs	3,331,328	2,896,796
Other social security costs	811,316	733,689
	48,005,930	45,139,470

Average number of full-time employees	74	69
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	Remuneration of Manage- ment 2021/22 DKK	Remuneration of Manage- ment 2020/21 DKK
Total amount for management categories	3,386,356	2,710,000
	3,386,356	2,710,000

With reference to section 98B(2)no.3 of the Danish Financial Statement Act, management remuneration is presented in total.

2 Depreciation, amortisation and impairment losses

	2021/22 DKK	2020/21 DKK
Depreciation on property, plant and equipment	4,372,098	4,461,007
Profit/loss from sale of intangible assets and property, plant and equipment	0	(160,175)
	4,372,098	4,300,832

3 Other financial income

	2021/22 DKK	2020/21 DKK
Financial income from group enterprises	310,204	295,085
Exchange rate adjustments	466,395	354,053
	776,599	649,138

4 Other financial expenses

	2021/22	2020/21
	DKK	DKK
Financial expenses from group enterprises	1,384	6,086
Exchange rate adjustments	586,020	225,794
Other financial expenses	552,489	295,788
	1,139,893	527,668

5 Tax on profit/loss for the year

	2021/22	2020/21
	DKK	DKK
Current tax	5,961,719	1,812,336
Change in deferred tax	68,883	(52,308)
	6,030,602	1,760,028

6 Proposed distribution of profit and loss

	2021/22	2020/21
	DKK	DKK
Ordinary dividend for the financial year	6,000,000	4,500,000
Retained earnings	20,858,984	13,601,180
	26,858,984	18,101,180

7 Property, plant and equipment

	Land and buildings DKK	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	26,782,416	94,073,601	7,627,271
Additions	343,544	1,528,919	462,240
Cost end of year	27,125,960	95,602,520	8,089,511
Depreciation and impairment losses beginning of year	(17,410,623)	(81,516,943)	(6,136,014)
Depreciation for the year	(792,751)	(2,997,432)	(581,915)
Depreciation and impairment losses end of year	(18,203,374)	(84,514,375)	(6,717,929)
Carrying amount end of year	8,922,586	11,088,145	1,371,582

8 Financial assets

	Investments in group enterprises DKK	Receivables from group enterprises DKK	Deposits DKK
Cost beginning of year	24,429,218	1,987,000	681,241
Additions	48,586,883	0	0
Disposals	0	(1,987,000)	0
Cost end of year	73,016,101	0	681,241
Revaluations beginning of year	12,513,262	0	0
Exchange rate adjustments	(1,271,618)	0	0
Amortisation of goodwill	(426,546)	0	0
Share of profit/loss for the year	5,053,940	0	0
Adjustment of intra-group profits	354,006	0	0
Dividend	(4,336,887)	0	0
Investments with negative equity value depreciated over receivables	(2,206,480)	0	0
Revaluations end of year	9,679,677	0	0
Carrying amount end of year	82,695,778	0	681,241
Goodwill or negative goodwill recognised during the financial year	16,636,732		

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

9 Prepayments

Prepayments consists of prepaid costs.

10 Deferred tax

	2021/22 DKK	2020/21 DKK
Changes during the year		
Beginning of year	1,859,313	1,911,621
Recognised in the income statement	68,883	(52,308)
End of year	1,928,196	1,859,313

Deferred tax relates to property, plant and equipment, inventories and other provisions.

11 Non-current liabilities other than provisions

	Due within 12 months 2021/22 DKK	Due within 12 months 2020/21 DKK	Due after more than 12 months 2021/22 DKK	Outstanding after 5 years 2021/22 DKK
Mortgage debt	404,645	402,260	4,611,598	2,969,000
Debt to other credit institutions	6,668,000	0	30,581,953	6,660,000
Joint taxation contribution payable	0	0	5,468,909	
	7,072,645	402,260	40,662,460	9,629,000

12 Unrecognised rental and lease commitments

	2021/22 DKK	2020/21 DKK
Total liabilities under rental or lease agreements until maturity	7,819,732	8,565,000

13 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which H. Hagens Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore secondarily liable for income taxes etc. for the jointly taxed entities, limited to the equity interest by which the Entity participates in the Group. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

14 Assets charged and collateral

Mortgage debt is secured by way of mortgage on properties.

Bank loans are secured by way of a deposited mortgage debt registered to the mortgage on plant of DKK 12,500k nominal.

The carrying amount of mortgaged plant is DKK 8.923k.

A guarantee of a nominal amount of DKK 23,676k has been provided for Spring Systems i Torsås AB's balance with Danske Bank. The debt amounts to DKK 15,697k at 30.09.2022.

15 Related parties with controlling interest

Related parties with controlling interest consist of:
H. Hagens Holding ApS, Randers, parent company
Henrik Emil Hagens, Randers, ultimate owner

16 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Business combinations

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised in intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful lives. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in the translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in the translation reserve in equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, costs of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet**Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed

annually. The amortisation periods used are 8 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life Years
Buildings	5-25 years
Plant and machinery	3-10 years
Other fixtures and fittings, tools and equipment	3-25 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

Goodwill is the difference between cost of investments and fair value of the pro rata share of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 8 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Lease liabilities

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash.