

Annual report

HAGENS A/S

CVR No. 89490413

01.10.2022 — 30.09.2023



The Annual General Meeting adopted the annual report on 18.12.2023

Henrik Emil Hagens
Chairman of the General Meeting

HAGENS

Hagens A/S

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Entity details

Entity

Hagens A/S
Hagensvej 13
9530 Støvring

Business Registration No.: 89490413
Registered office: Rebild
Financial year: 01.10.2022 - 30.09.2023

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 A/S for the financial year 01.10.2022 - 30.09.2023.

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 30.09.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.10.2022 - 30.09.2023.

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, 18.12.2023

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 A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Hagens A/S for the financial year 01.10.2022 - 30.09.2023, 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 30.09.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.10.2022 - 30.09.2023 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, 18.12.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Sami Nikolai El-Galaly

State Authorised Public Accountant
Identification No (MNE) mne42793

Management commentary

	2022/23	2021/22	2020/21	2019/20	2018/19
Financial highlights	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Gross profit/loss	144,398	127,533	109,574	87,625	98,056
Operating profit/loss	34,341	34,888	22,816	7,229	14,840
Net financials	(4,255)	(2,059)	(377)	(1,022)	(1,105)
Profit/loss for the year	23,641	26,859	18,101	5,077	11,334
Balance sheet total	263,384	262,826	169,017	150,757	157,004
Investments in property, plant and equipment	10,997	23,136	8,219	8,979	16,401
Equity	134,191	120,028	98,940	81,990	81,433
Ratios					
Return on equity (%)	18.60	24.53	20.01	6.21	14.46
Equity ratio (%)	50.95	45.67	58.54	54.39	51.87

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

Return on equity (%):

Profit/loss for the year * 100

Average equity

Equity ratio (%):

Equity * 100

Balance sheet total

Primary activities

As in previous years, the groups primary activity is manufacturing and selling products within the spring, metal parts and other parts of the segments automotive, health, agriculture and the industry in general, cf. www.hagens.com.

Development in activities and finances

The Group reported a profit before tax of DKK 30,1m, which we consider satisfactory in the market.

Profit/loss for the year in relation to expected developments

The profit is in line with the expectation announced in the annual report 2021/22.

Outlook

The increased activity is from both acquisition and should furthermore be seen in the light of higher demands from customers to utilize HAGENS' 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 years, HAGENS has made considerable investments, 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 a focus on sustainability in areas where we can make a positive impact including making actions to reach a zero direct emission (Scope 1) in 2030.

Unfortunately, we see that the prices of raw materials, salary cost, inflation etc. have been and still are at a high level, so we also try to optimize the processes as best as possible to minimize the cost level for the benefit of the customers.

Even though the global activity is challenged, we expect both a higher revenue and a slightly higher Profit before interest for the coming year, both in the level of 0-10% more than 2022/23.

Voluntary disclosures on corporate social responsibility

HAGENS 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 we have started with making internal ESG reports, including but not limited to the Group's CSR policy and environmental policy at www.hagens.com.

As mentioned HAGENS has focus on sustainability in selected areas where HAGENS 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 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 Europe and abroad. We participate in relevant industry-related courses, congresses, and development trials on an international level.

Environmental performance

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

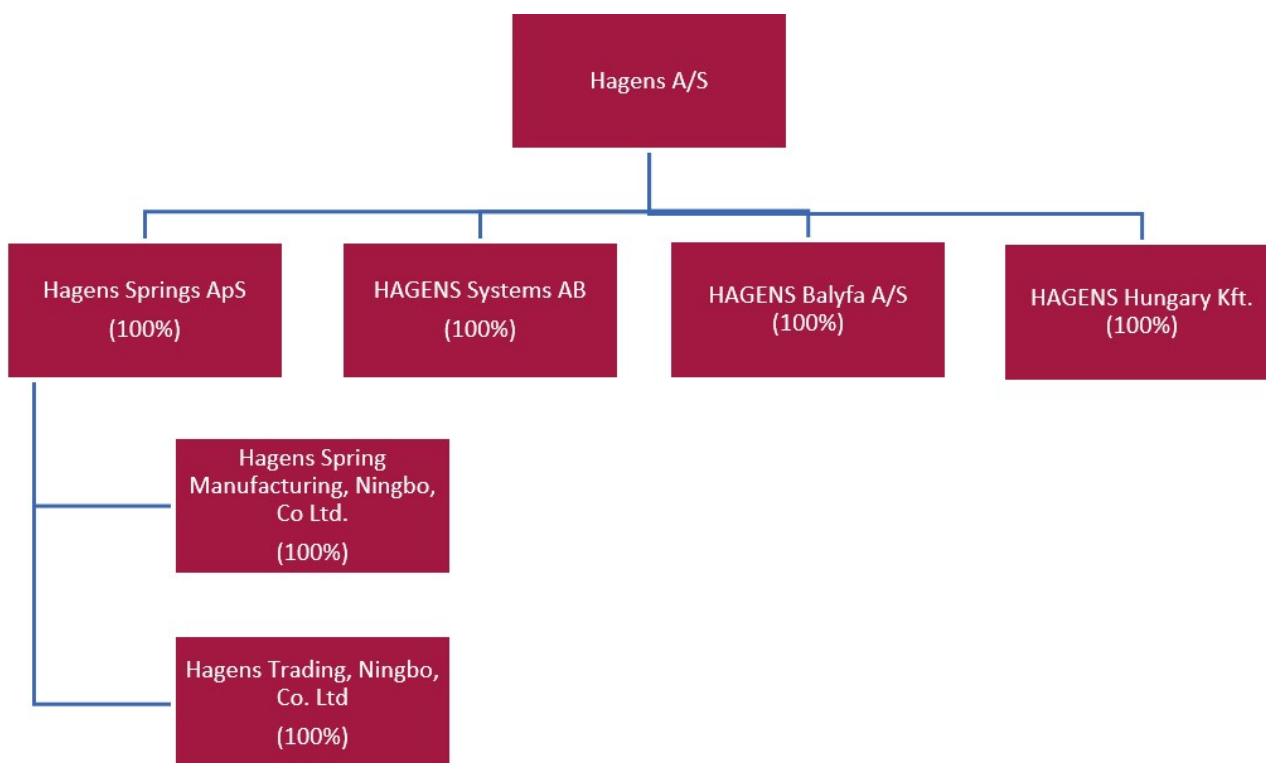
HAGENS has a continuous focus on improving environmental conditions. We are particularly focused on how much our products affect the CO2 impact and continuously try to minimize emissions and making actions to reach zero emissions on Scope 1 in 2030.

Research and development activities

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

Group relations

From the 1st of October company names in the group have been changed and we have optimized the Group structure to:



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 2022/23

	Notes	2022/23 DKK	2021/22 DKK
Gross profit/loss		144,398,253	127,533,337
Staff costs	1	(95,762,189)	(82,409,222)
Depreciation, amortisation and impairment losses	2	(14,295,311)	(10,236,120)
Operating profit/loss		34,340,753	34,887,995
Other financial income		4,543,032	1,419,418
Other financial expenses		(8,797,781)	(3,478,208)
Profit/loss before tax		30,086,004	32,829,205
Tax on profit/loss for the year	3	(6,445,012)	(5,970,221)
Profit/loss for the year	4	23,640,992	26,858,984

Consolidated balance sheet at 30.09.2023

Assets

	Notes	2022/23 DKK	2021/22 DKK
Acquired rights		428,686	0
Goodwill		17,796,166	17,313,663
Intangible assets	5	18,224,852	17,313,663
Land and buildings		16,792,489	16,476,889
Plant and machinery		42,212,187	45,629,578
Other fixtures and fittings, tools and equipment		3,216,067	2,477,112
Property, plant and equipment in progress		996,440	0
Property, plant and equipment	6	63,217,183	64,583,579
Deposits		1,183,933	1,183,933
Financial assets	7	1,183,933	1,183,933
Fixed assets		82,625,968	83,081,175
Raw materials and consumables		55,827,721	53,839,810
Work in progress		6,794,885	8,142,828
Manufactured goods and goods for resale		35,869,845	35,864,908
Inventories		98,492,451	97,847,546
Trade receivables		66,835,223	65,749,215
Other receivables		4,141,299	2,398,045
Tax receivable		2,358,691	1,254,068
Prepayments	8	1,878,406	5,103,305
Receivables		75,213,619	74,504,633
Cash		7,051,978	7,392,691
Current assets		180,758,048	179,744,870
Assets		263,384,016	262,826,045

Equity and liabilities

	Notes	2022/23 DKK	2021/22 DKK
Contributed capital	9	600,000	600,000
Translation reserve		(2,767,493)	577,208
Retained earnings		130,358,324	112,850,393
Proposed dividend for the financial year		6,000,000	6,000,000
Equity		134,190,831	120,027,601
Deferred tax	10	3,488,278	4,103,705
Provisions		3,488,278	4,103,705
Mortgage debt		4,204,554	4,611,598
Lease liabilities		6,354,201	13,542,290
Debt to other credit institutions		32,048,333	34,801,359
Tax payable		0	631,664
Joint taxation contribution payable		4,202,643	5,415,391
Non-current liabilities other than provisions	11	46,809,731	59,002,302
Current portion of non-current liabilities other than provisions	11	16,712,985	10,542,785
Bank loans		23,210,113	19,192,051
Prepayments received from customers		474,247	0
Trade payables		20,978,023	31,377,919
Other payables		17,519,808	18,579,682
Current liabilities other than provisions		78,895,176	79,692,437
Liabilities other than provisions		125,704,907	138,694,739
Equity and liabilities		263,384,016	262,826,045
Unrecognised rental and lease commitments	13		
Contingent liabilities	14		
Assets charged and collateral	15		
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Consolidated statement of changes in equity for 2022/23

	Contributed capital DKK	Translation reserve DKK	Retained earnings DKK	Proposed dividend for the financial year DKK	Total DKK
Equity beginning of year	600,000	577,208	112,850,393	6,000,000	120,027,601
Ordinary dividend paid	0	0	0	(6,000,000)	(6,000,000)
Exchange rate adjustments	0	(3,344,701)	0	0	(3,344,701)
Other entries on equity	0	0	(133,061)	0	(133,061)
Profit/loss for the year	0	0	17,640,992	6,000,000	23,640,992
Equity end of year	600,000	(2,767,493)	130,358,324	6,000,000	134,190,831

Consolidated cash flow statement for 2022/23

	Notes	2022/23 DKK	2021/22 DKK
Operating profit/loss		34,340,753	34,887,995
Amortisation, depreciation and impairment losses		14,295,311	10,236,120
Working capital changes	12	(11,433,160)	(16,077,597)
Other adjustments		(4,948,662)	(1,266,859)
Cash flow from ordinary operating activities		32,254,242	27,779,659
Financial income received		4,543,032	1,419,418
Financial expenses paid		(8,797,781)	(3,478,208)
Taxes refunded/(paid)		(8,942,370)	(5,488,386)
Cash flows from operating activities		19,057,123	20,232,483
Acquisition etc. of property, plant and equipment		(10,977,327)	(10,019,159)
Sale of property, plant and equipment		61,751	0
Acquisition of enterprises		0	(45,879,914)
Reassessment of acquisition		(2,322,363)	0
Cash flows from investing activities		(13,237,939)	(55,899,073)
Free cash flows generated from operations and investments before financing		5,819,184	(35,666,590)
Loans raised		4,018,062	43,897,504
Repayments of loans etc.		(4,177,959)	(3,131,625)
Dividend paid		(6,000,000)	(4,500,000)
Cash flows from financing activities		(6,159,897)	36,265,879
Increase/decrease in cash and cash equivalents		(340,713)	599,289
Cash and cash equivalents beginning of year		7,392,691	6,793,402
Cash and cash equivalents end of year		7,051,978	7,392,691
Cash and cash equivalents at year-end are composed of:			
Cash		7,051,978	7,392,691
Cash and cash equivalents end of year		7,051,978	7,392,691

Notes to consolidated financial statements

1 Staff costs

	2022/23	2021/22
	DKK	DKK
Wages and salaries	84,745,433	73,845,037
Pension costs	7,750,791	5,474,602
Other social security costs	3,265,965	3,089,583
	95,762,189	82,409,222
Average number of full-time employees	229	187

	Remuneration of management 2022/23 DKK	Remuneration of management 2021/22 DKK
Total amount for management categories	3,591,622	3,356,352
	3,591,622	3,356,352

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

	2022/23	2021/22
	DKK	DKK
Amortisation of intangible assets	1,993,339	426,546
Depreciation on property, plant and equipment	12,301,972	9,809,574
	14,295,311	10,236,120

3 Tax on profit/loss for the year

	2022/23	2021/22
	DKK	DKK
Current tax	6,651,861	6,430,699
Change in deferred tax	(206,849)	(459,304)
Adjustment concerning previous years	0	(1,174)
	6,445,012	5,970,221

4 Proposed distribution of profit/loss

	2022/23 DKK	2021/22 DKK
Ordinary dividend for the financial year	6,000,000	6,000,000
Retained earnings	17,640,992	20,858,984
	23,640,992	26,858,984

5 Intangible assets

	Acquired rights DKK	Goodwill DKK
Cost beginning of year	0	18,139,944
Transfers	530,036	(530,036)
Additions	163,810	2,740,718
Cost end of year	693,846	20,350,626
Amortisation and impairment losses beginning of year	0	(826,281)
Transfers	(113,758)	113,758
Amortisation for the year	(151,402)	(1,841,937)
Amortisation and impairment losses end of year	(265,160)	(2,554,460)
Carrying amount end of year	428,686	17,796,166

6 Property, plant and equipment

	Land and buildings DKK	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Property, plant and equipment in progress DKK
Cost beginning of year	34,748,569	145,853,775	10,731,765	0
Additions	1,468,392	6,555,335	1,977,160	996,440
Disposals	0	(713,572)	(404,527)	0
Cost end of year	36,216,961	151,695,538	12,304,398	996,440
Depreciation and impairment losses beginning of year	(18,271,680)	(100,224,197)	(8,254,653)	0
Depreciation for the year	(1,152,792)	(9,937,427)	(1,211,753)	0
Reversal regarding disposals	0	678,273	378,075	0
Depreciation and impairment losses end of year	(19,424,472)	(109,483,351)	(9,088,331)	0
Carrying amount end of year	16,792,489	42,212,187	3,216,067	996,440
Recognised assets not owned by Entity	0	13,235,030	0	0

7 Financial assets

	Deposits DKK
Cost beginning of year	1,183,933
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

	2022/23 DKK	2021/22 DKK
Changes during the year		
Beginning of year	4,103,705	4,157,111
Recognised in the income statement	(206,849)	(459,304)
Recognised directly in equity	(408,578)	405,898
End of year	3,488,278	4,103,705

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

11 Non-current liabilities other than provisions

	Due within 12 months 2022/23 DKK	Due within 12 months 2021/22 DKK	Due after more than 12 months 2022/23 DKK	Outstanding after 5 years 2022/23 DKK
Mortgage debt	407,044	1,424,645	4,204,554	2,552,100
Lease liabilities	3,095,502	2,164,256	6,354,201	0
Debt to other credit institutions	13,210,439	6,953,884	32,048,333	0
Joint taxation contribution payable	0	0	4,202,643	0
	16,712,985	10,542,785	46,809,731	2,552,100

12 Changes in working capital

	2022/23	2021/22
	DKK	DKK
Increase/decrease in inventories	(502,208)	(19,058,081)
Increase/decrease in receivables	244,110	(12,141,938)
Increase/decrease in trade payables etc.	(11,175,062)	15,122,422
	(11,433,160)	(16,077,597)

13 Unrecognised rental and lease commitments

	2022/23	2021/22
	DKK	DKK
Total liabilities under rental or lease agreements until maturity	9,891,381	18,578,412

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. 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 17.2m nominal.

The carrying amount of mortgaged plant is DKK 9.457k.

For bank loans and leasing agreements, DKK 9.829k, the company has provided security in company assets representing a nominal value of DKK 8.700k.

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
HAGENS SYSTEMS AB	Torsås, Sweden	AB	100.00
HAGENS BALYFA A/S	Albertslund, Denmark	A/S	100.00
HAGENS HUNGARY Kft **)	Tardos, Hungary	Kft	100.00

*) Subsidiary to HAGENS SPRINGS ApS

***) Subsidiary to HAGENS BALYFA A/S

Parent income statement for 2022/23

	Notes	2022/23 DKK	2021/22 DKK
Gross profit/loss		76,789,961	80,649,509
Staff costs	1	(46,857,227)	(48,005,930)
Depreciation, amortisation and impairment losses	2	(3,987,802)	(4,372,098)
Operating profit/loss		25,944,932	28,271,481
Income from investments in group enterprises		4,590,816	4,981,399
Other financial income	3	1,004,070	776,599
Other financial expenses	4	(2,527,476)	(1,139,893)
Profit/loss before tax		29,012,342	32,889,586
Tax on profit/loss for the year	5	(5,371,350)	(6,030,602)
Profit/loss for the year	6	23,640,992	26,858,984

Parent balance sheet at 30.09.2023

		2022/23	2021/22
Assets	Notes	DKK	DKK
Land and buildings		9,457,328	8,922,586
Plant and machinery		8,959,338	11,088,145
Other fixtures and fittings, tools and equipment		2,220,638	1,371,582
Property, plant and equipment	7	20,637,304	21,382,313
Investments in group enterprises		83,333,298	82,695,778
Deposits		681,241	681,241
Financial assets	8	84,014,539	83,377,019
Fixed assets		104,651,843	104,759,332
Raw materials and consumables		19,821,018	19,945,035
Work in progress		3,880,056	4,927,686
Manufactured goods and goods for resale		23,065,583	21,444,081
Inventories		46,766,657	46,316,802
Trade receivables		23,374,280	29,985,607
Receivables from group enterprises		25,324,718	21,754,034
Prepayments	9	254,086	196,471
Receivables		48,953,084	51,936,112
Cash		21,675	26,277
Current assets		95,741,416	98,279,191
Assets		200,393,259	203,038,523

Equity and liabilities

	Notes	2022/23 DKK	2021/22 DKK
Contributed capital		600,000	600,000
Reserve for net revaluation according to equity method		7,994,834	9,679,676
Retained earnings		119,595,997	103,747,925
Proposed dividend for the financial year		6,000,000	6,000,000
Equity		134,190,831	120,027,601
Deferred tax	10	1,858,132	1,928,196
Provisions		1,858,132	1,928,196
Mortgage debt		4,204,554	4,611,598
Debt to other credit institutions		18,575,093	30,581,953
Joint taxation contribution payable		3,068,339	5,468,909
Non-current liabilities other than provisions	11	25,847,986	40,662,460
Current portion of non-current liabilities other than provisions	11	9,475,044	7,072,645
Bank loans		10,486,732	7,772,529
Prepayments received from customers		427,407	0
Trade payables		9,893,024	15,897,460
Payables to group enterprises		39,016	671,225
Other payables		8,175,087	9,006,407
Current liabilities other than provisions		38,496,310	40,420,266
Liabilities other than provisions		64,344,296	81,082,726
Equity and liabilities		200,393,259	203,038,523
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 2022/23

	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	9,679,676	103,747,925	6,000,000	120,027,601
Ordinary dividend paid	0	0	0	(6,000,000)	(6,000,000)
Exchange rate adjustments	0	(3,344,701)	0	0	(3,344,701)
Other entries on equity	0	(133,061)	0	0	(133,061)
Transfer to reserves	0	1,792,920	(1,792,920)	0	0
Profit/loss for the year	0	0	17,640,992	6,000,000	23,640,992
Equity end of year	600,000	7,994,834	119,595,997	6,000,000	134,190,831

Notes to parent financial statements

	2022/23	2021/22
	DKK	DKK
1 Staff costs		
Wages and salaries	42,384,717	43,863,286
Pension costs	3,640,995	3,331,328
Other social security costs	831,515	811,316
	46,857,227	48,005,930
Average number of full-time employees	75	74

	Remuneration of Manage- ment 2022/23	Remuneration of Manage- ment 2021/22
	DKK	DKK
Total amount for management categories	3,591,622	3,386,356
	3,591,622	3,386,356

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

	2022/23	2021/22
	DKK	DKK
Depreciation on property, plant and equipment	4,010,418	4,372,098
Profit/loss from sale of intangible assets and property, plant and equipment	(22,616)	0
	3,987,802	4,372,098

3 Other financial income

	2022/23	2021/22
	DKK	DKK
Financial income from group enterprises	806,713	310,204
Exchange rate adjustments	197,357	466,395
	1,004,070	776,599

4 Other financial expenses

	2022/23	2021/22
	DKK	DKK
Financial expenses from group enterprises	460	1,384
Exchange rate adjustments	354,279	586,020
Other financial expenses	2,172,737	552,489
	2,527,476	1,139,893

5 Tax on profit/loss for the year

	2022/23	2021/22
	DKK	DKK
Current tax	5,441,414	5,961,719
Change in deferred tax	(70,064)	68,883
	5,371,350	6,030,602

6 Proposed distribution of profit and loss

	2022/23	2021/22
	DKK	DKK
Ordinary dividend for the financial year	6,000,000	6,000,000
Retained earnings	17,640,992	20,858,984
	23,640,992	26,858,984

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	27,125,960	95,602,520	8,089,511
Additions	1,341,185	455,778	1,503,745
Disposals	0	(330,138)	(140,000)
Cost end of year	28,467,145	95,728,160	9,453,256
Depreciation and impairment losses beginning of year	(18,203,374)	(84,514,375)	(6,717,929)
Depreciation for the year	(806,443)	(2,549,286)	(654,689)
Reversal regarding disposals	0	294,839	140,000
Depreciation and impairment losses end of year	(19,009,817)	(86,768,822)	(7,232,618)
Carrying amount end of year	9,457,328	8,959,338	2,220,638

8 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	73,016,101	681,241
Additions	2,322,363	0
Cost end of year	75,338,464	681,241
Revaluations beginning of year	9,679,677	0
Exchange rate adjustments	(3,344,701)	0
Adjustments on equity	(133,061)	0
Amortisation of goodwill	(1,659,872)	0
Share of profit/loss for the year	3,617,124	0
Adjustment of intra-group profits	(164,333)	0
Revaluations end of year	7,994,834	0
Carrying amount end of year	83,333,298	681,241
Goodwill or negative goodwill recognised during the financial year	2,322,363	

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

	2022/23 DKK	2021/22 DKK
Changes during the year		
Beginning of year	1,928,196	1,859,313
Recognised in the income statement	(70,064)	68,883
End of year	1,858,132	1,928,196

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

11 Non-current liabilities other than provisions

	Due within 12 months 2022/23 DKK	Due within 12 months 2021/22 DKK	Due after more than 12 months 2022/23 DKK	Outstanding after 5 years 2022/23 DKK
Mortgage debt	407,044	404,645	4,204,554	2,552,100
Debt to other credit institutions	9,068,000	6,668,000	18,575,093	0
Joint taxation contribution payable	0	0	3,068,339	0
	9,475,044	7,072,645	25,847,986	2,552,100

12 Unrecognised rental and lease commitments

	2022/23	2021/22
	DKK	DKK
Total liabilities under rental or lease agreements until maturity	6,979,829	7,819,732

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 17,300k nominal.

The carrying amount of mortgaged plant is DKK 9.457k.

A guarantee of a nominal amount of DKK 22,680k has been provided for Hagens Systems AB's balance with Danske Bank. The debt amounts to DKK 19,176k at 30.09.2023.

A guarantee of unlimited amount has been provided for Hagens Balyfa A/S' balance with Danske Bank. The debt amounts to DKK 11,181k at 30.09.2023.

A guarantee of unlimited amount has been provided for Hagens Hungary KFT.'s balance with Danske Bank. The debt amounts to DKK 0 k at 30.09.2023.

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.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal 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 8-12 years.

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

Intellectual property rights etc.

Intellectual property rights etc. comprise acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Property rights are amortised on a straight-line basis over their remaining duration.

Intellectual property rights etc. are 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
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 8-12 years.

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

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.

Receivables

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

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.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

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.