



Hagens A/S

Hagensvej 13
9530 Støvring
CVR No. 89490413

Annual report 01.10.2023 - 30.09.2024

The Annual General Meeting adopted the
annual report on 18.12.2024

Henrik Emil Hagens
Chairman of the General Meeting

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Entity details

Entity

Hagens A/S

Hagensvej 13

9530 Støvring

Business Registration No.: 89490413

Registered office: Rebild

Financial year: 01.10.2023 - 30.09.2024

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 01.10.2023 - 30.09.2024.

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 30.09.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.10.2023 - 30.09.2024.

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, 18.12.2024

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 01.10.2023 - 30.09.2024, 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 30.09.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.10.2023 - 30.09.2024 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 by relevant law and regulations.

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 in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Aalborg, 18.12.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Sami Nikolai El-Galaly

State Authorised Public Accountant
Identification No (MNE) mne42793

Management commentary

Financial highlights

	2023/24	2022/23	2021/22	2020/21	2019/20
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Gross profit/loss	134,716	144,398	127,533	109,574	87,625
Operating profit/loss	25,504	34,341	34,888	22,816	7,229
Net financials	(4,121)	(4,255)	(2,059)	(377)	(1,022)
Profit/loss for the year	15,863	23,641	26,859	18,101	5,077
Balance sheet total	239,047	263,384	262,826	169,017	150,757
Investments in property, plant and equipment	14,348	10,997	23,136	8,219	8,979
Investments in intangibles assets	107	2,905	17,500	0	0
Equity	144,460	134,191	120,028	98,940	81,990
Ratios					
Return on equity (%)	11.39	18.60	24.53	20.01	6.21
Equity ratio (%)	60.43	50.95	45.67	58.54	54.39

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 group's 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 interest of DKK 25,5m and the equity amounts to DKK 144,5m as of 30 September 2024. The cash flow from operating activities has increased from DKK 19,1m in 2022/23 to DKK 56,7m in 2023/24 which is a result of the strong focus on reducing the working capital in the group.

Profit/loss for the year in relation to expected developments

Even though the global activity where challenged, we expected both a higher revenue and a slightly higher profit before interest in the level of +0-10 % for 2023/24 compared to 2022/23, where the reported profit before interest was DKK 30,1m.

The profit before interest of DKK 25,5m is a little lower than announced in the annual report 2022/23.

This is primarily due to a decrease in activities across the Group, with a lower overall activity level in certain segments. In the short term, this decline has not been offset enough by cost savings or other initiatives to improve profits compared to last year, as we focus on positioning ourselves for future growth.

Outlook

Over the past years, HAGENS has made considerable investments, which has supplemented the product range and production setup in the best possible way for the pleasure and benefit of customers. There is still a high demand from customers to utilize HAGENS' wide product range of metal parts, springs and strip steel components as well as our automated solutions as a full-line and system supplier. We continue to see increased customer activity in targeted advisory services and product development, which creates added value for our customers.

We continue to focus on efficient production with a high level of quality using both IATF 16949, ISO 9001, ISO 14001 and ISO 45001, 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.

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

Although the global market remains challenged, we expect an increase in activity of 5-10% in 2024/25. Combined with an expectation of continued improved earnings and a retention of other fixed costs at the current level, we expect a profit before interest in the range of DKK 30-35 million in 2024/25.

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 make 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. Furthermore, we work with Ecovadis as an external sustainability rating company and received the rating "Committed" December 2024. "Committed" corresponds to a good performance.

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 a 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 and a significant reduction of emission on Scope 2.

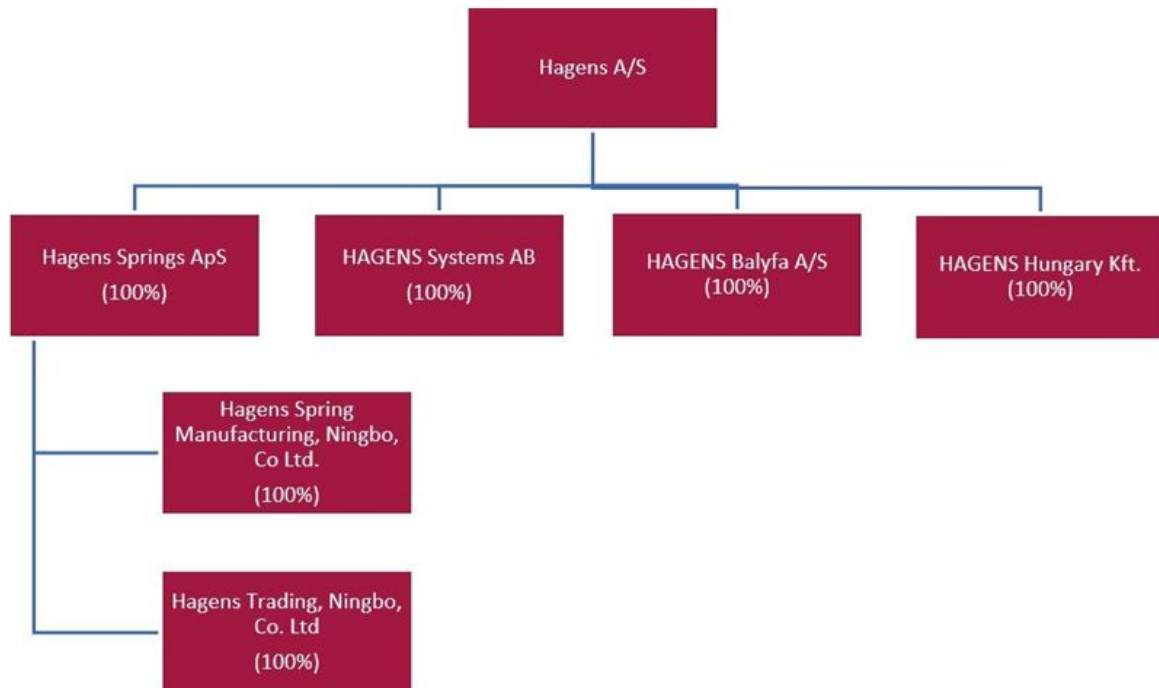
Research and development activities

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

In 2023/24, HAGENS started the development and customization of a new ERP system. The main development is expected to be completed during the coming financial year and afterwards the new ERP system will be implemented continuously in the Group in the coming financial years. The costs for the development of the new ERP system are capitalized as a development project.

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 2023/24

	Notes	2023/24 DKK	2022/23 DKK
Gross profit/loss		134,716,311	144,398,253
Staff costs	1	(95,298,086)	(95,762,189)
Depreciation, amortisation and impairment losses	2	(13,913,978)	(14,295,311)
Operating profit/loss		25,504,247	34,340,753
Other financial income	3	1,677,542	4,543,032
Other financial expenses	4	(5,798,091)	(8,797,781)
Profit/loss before tax		21,383,698	30,086,004
Tax on profit/loss for the year	5	(5,520,328)	(6,445,012)
Profit/loss for the year	6	15,863,370	23,640,992

Consolidated balance sheet at 30.09.2024

Assets

	Notes	2023/24 DKK	2022/23 DKK
Acquired rights		341,486	428,686
Goodwill		15,990,366	17,796,166
Development projects in progress	8	53,994	0
Intangible assets	7	16,385,846	18,224,852
Land and buildings		15,893,476	16,792,489
Plant and machinery		36,054,565	42,212,187
Other fixtures and fittings, tools and equipment		3,037,290	3,216,067
Property, plant and equipment in progress		10,532,702	996,440
Property, plant and equipment	9	65,518,033	63,217,183
Deposits		1,197,795	1,183,933
Financial assets	10	1,197,795	1,183,933
Fixed assets		83,101,674	82,625,968
Raw materials and consumables		47,656,287	55,827,721
Work in progress		5,593,190	6,794,885
Manufactured goods and goods for resale		31,331,818	35,869,845
Inventories		84,581,295	98,492,451
Trade receivables		50,978,903	66,835,223
Other receivables		2,169,367	4,141,299
Tax receivable		645,622	2,358,691
Prepayments	11	2,152,947	1,878,406
Receivables		55,946,839	75,213,619
Cash		15,417,510	7,051,978
Current assets		155,945,644	180,758,048
Assets		239,047,318	263,384,016

Equity and liabilities

		2023/24	2022/23
	Notes	DKK	DKK
Contributed capital	12	600,000	600,000
Translation reserve		(2,361,307)	(2,767,493)
Retained earnings		139,221,694	130,358,324
Proposed dividend for the financial year		7,000,000	6,000,000
Equity		144,460,387	134,190,831
Deferred tax	13	2,896,560	3,488,278
Provisions		2,896,560	3,488,278
Mortgage debt		3,795,007	4,204,554
Lease liabilities		3,327,230	6,354,201
Debt to other credit institutions		15,368,103	32,048,333
Joint taxation contribution payable		2,656,780	4,202,643
Non-current liabilities other than provisions	14	25,147,120	46,809,731
Current portion of non-current liabilities other than provisions	14	7,827,873	16,712,985
Bank loans		22,795,222	23,210,113
Prepayments received from customers		117,066	474,247
Trade payables		19,180,426	20,978,023
Payables to group enterprises		1,307,496	0
Tax payable		750,809	0
Other payables		14,564,359	17,519,808
Current liabilities other than provisions		66,543,251	78,895,176
Liabilities other than provisions		91,690,371	125,704,907
Equity and liabilities		239,047,318	263,384,016
Unrecognised rental and lease commitments	16		
Contingent liabilities	17		
Assets charged and collateral	18		
Non-arm's length related party transactions	19		
Group relations	20		
Subsidiaries	21		

Consolidated statement of changes in equity for 2023/24

	Contributed capital DKK	Translation reserve DKK	Retained earnings DKK	Proposed dividend for the financial year DKK	Total DKK
Equity beginning of year	600,000	(2,767,493)	130,358,324	6,000,000	134,190,831
Ordinary dividend paid	0	0	0	(6,000,000)	(6,000,000)
Exchange rate adjustments	0	406,186	0	0	406,186
Profit/loss for the year	0	0	8,863,370	7,000,000	15,863,370
Equity end of year	600,000	(2,361,307)	139,221,694	7,000,000	144,460,387

Consolidated cash flow statement for 2023/24

	Notes	2023/24 DKK	2022/23 DKK
Operating profit/loss		25,504,247	34,340,753
Amortisation, depreciation and impairment losses		13,913,978	14,295,311
Working capital changes	15	27,662,138	(11,433,160)
Other adjustments		(1,034,962)	(4,948,662)
Cash flow from ordinary operating activities		66,045,401	32,254,242
Financial income received		1,677,542	4,543,032
Financial expenses paid		(5,798,091)	(8,797,781)
Taxes refunded/(paid)		(5,215,765)	(8,942,370)
Cash flows from operating activities		56,709,087	19,057,123
Acquisition etc. of intangible assets		(107,299)	0
Acquisition etc. of property, plant and equipment		(13,348,039)	(10,977,327)
Sale of property, plant and equipment		542,397	61,751
Acquisition of fixed asset investments		(13,862)	0
Reassessment of acquisition		0	(2,322,363)
Cash flows from investing activities		(12,926,803)	(13,237,939)
Free cash flows generated from operations and investments before financing		43,782,284	5,819,184

Loans raised	0	4,018,062
Repayments of loans etc.	(29,416,752)	(4,177,959)
Dividend paid	(6,000,000)	(6,000,000)
Cash flows from financing activities	(35,416,752)	(6,159,897)
Increase/decrease in cash and cash equivalents	8,365,532	(340,713)
Cash and cash equivalents beginning of year	7,051,978	7,392,691
Cash and cash equivalents end of year	15,417,510	7,051,978
Cash and cash equivalents at year-end are composed of:		
Cash	15,417,510	7,051,978
Cash and cash equivalents end of year	15,417,510	7,051,978

Notes to consolidated financial statements

1 Staff costs

	2023/24	2022/23
	DKK	DKK
Wages and salaries	83,951,826	84,745,433
Pension costs	7,865,020	7,750,791
Other social security costs	3,481,240	3,265,965
	95,298,086	95,762,189

Average number of full-time employees	220	229
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	Remuneration of management 2023/24	Remuneration of management 2022/23
	DKK	DKK
Total amount for management categories	3,342,372	3,591,622
	3,342,372	3,591,622

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

	2023/24	2022/23
	DKK	DKK
Amortisation of intangible assets	1,945,246	1,993,339
Depreciation on property, plant and equipment	11,968,732	12,301,972
	13,913,978	14,295,311

3 Other financial income

	2023/24	2022/23
	DKK	DKK
Financial income from group enterprises	322	0
Other interest income	1,677,220	4,543,032
	1,677,542	4,543,032

4 Other financial expenses

	2023/24 DKK	2022/23 DKK
Financial expenses from group enterprises	51,596	0
Other interest expenses	5,746,495	8,797,781
	5,798,091	8,797,781

5 Tax on profit/loss for the year

	2023/24 DKK	2022/23 DKK
Current tax	6,133,780	6,651,861
Change in deferred tax	(613,452)	(206,849)
	5,520,328	6,445,012

6 Proposed distribution of profit/loss

	2023/24 DKK	2022/23 DKK
Ordinary dividend for the financial year	7,000,000	6,000,000
Retained earnings	8,863,370	17,640,992
	15,863,370	23,640,992

7 Intangible assets

	Acquired rights DKK	Goodwill DKK	Development projects in progress DKK
Cost beginning of year	693,846	20,350,626	0
Exchange rate adjustments	(660)	(1,385)	0
Additions	53,305	0	53,994
Disposals	0	(639,581)	0
Cost end of year	746,491	19,709,660	53,994
Amortisation and impairment losses beginning of year	(265,160)	(2,554,460)	0
Exchange rate adjustments	252	734	0
Amortisation for the year	(140,097)	(1,805,149)	0
Reversal regarding disposals	0	639,581	0
Amortisation and impairment losses end of year	(405,005)	(3,719,294)	0
Carrying amount end of year	341,486	15,990,366	53,994

8 Development projects

Development projects in progress comprises the development and adaptation of a new ERP system. The relating cost at this point of time consists of external costs to consultants. The development project will help ensure that the Group continues to meet local requirements and is expected to lead to both efficiency benefits locally and synergy benefits on a group level. Thus this is a relevant factor in maintaining the cost at the current level and to

optimize the service to the costumers of the Group.

Management has not identified indications of impairment to the carrying amount of the development projects in process.

9 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	36,216,961	151,695,538	12,304,398	996,440
Exchange rate adjustments	169,584	1,548,327	(57,675)	0
Additions	330,895	3,441,417	1,039,466	9,536,262
Disposals	(107,943)	(4,326,564)	(1,374,121)	0
Cost end of year	36,609,497	152,358,718	11,912,068	10,532,702
Depreciation and impairment losses beginning of year	(19,424,472)	(109,483,351)	(9,088,331)	0
Exchange rate adjustments	(234,421)	(1,160,305)	54,769	0
Depreciation for the year	(1,158,255)	(9,595,140)	(1,215,337)	0
Reversal regarding disposals	101,127	3,934,643	1,374,121	0
Depreciation and impairment losses end of year	(20,716,021)	(116,304,153)	(8,874,778)	0
Carrying amount end of year	15,893,476	36,054,565	3,037,290	10,532,702
Recognised assets not owned by Entity	0	9,553,795	0	0

10 Financial assets

	Deposits DKK
Cost beginning of year	1,183,933
Additions	13,862
Cost end of year	1,197,795
Carrying amount end of year	1,197,795

11 Prepayments

Prepayments consists of licens, insurance and other prepaid costs realting the coming financial year.

12 Contributed capital

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

13 Deferred tax

	2023/24 DKK	2022/23 DKK
Changes during the year		
Beginning of year	3,488,278	4,103,705
Recognised in the income statement	(613,453)	(206,849)
Exchange rate adjustments	21,735	(408,578)
End of year	2,896,560	3,488,278

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

14 Non-current liabilities other than provisions

	Due within 12 months 2023/24 DKK	Due within 12 months 2022/23 DKK	Due after more than 12 months 2023/24 DKK	Outstanding after 5 years 2023/24 DKK
Mortgage debt	409,547	407,044	3,795,007	2,132,845
Lease liabilities	1,262,120	3,095,502	3,327,230	0
Debt to other credit institutions	6,156,206	13,210,439	15,368,103	0
Joint taxation contribution payable	0	0	2,656,780	0
	7,827,873	16,712,985	25,147,120	2,132,845

15 Changes in working capital

	2023/24 DKK	2022/23 DKK
Increase/decrease in inventories	13,911,155	(502,208)
Increase/decrease in receivables	17,553,711	244,110
Increase/decrease in trade payables etc.	(3,802,728)	(11,175,062)
	27,662,138	(11,433,160)

16 Unrecognised rental and lease commitments

	2023/24 DKK	2022/23 DKK
Total liabilities under rental or lease agreements until maturity	7,904,420	9,891,381

17 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.

18 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.

The carrying amount of mortgaged plant is DKK 12,114k.

For bank loans and leasing agreements there is a floating charge on DKK 28,998k. The Group has provided security in part of the Group's assets and regards part of the Group's inventory, plant and machinery and trade receivables.

19 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.

20 Group relations

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

21 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

Parent income statement for 2023/24

	Notes	2023/24 DKK	2022/23 DKK
Gross profit/loss		66,565,557	76,812,577
Staff costs	1	(48,540,893)	(46,857,227)
Depreciation, amortisation and impairment losses	2	(3,766,247)	(4,010,418)
Operating profit/loss		14,258,417	25,944,932
Income from investments in group enterprises		5,535,471	4,590,816
Other financial income	3	1,391,983	1,004,070
Other financial expenses	4	(2,405,833)	(2,527,476)
Profit/loss before tax		18,780,038	29,012,342
Tax on profit/loss for the year	5	(2,916,668)	(5,371,350)
Profit/loss for the year	6	15,863,370	23,640,992

Parent balance sheet at 30.09.2024

Assets

	Notes	2023/24 DKK	2022/23 DKK
Development projects in progress	8	53,994	0
Intangible assets	7	53,994	0
Land and buildings		8,904,420	9,457,328
Plant and machinery		7,808,278	8,959,338
Other fixtures and fittings, tools and equipment		1,659,144	2,220,638
Property, plant and equipment in progress		3,272,006	0
Property, plant and equipment	9	21,643,848	20,637,304
Investments in group enterprises		89,310,544	83,333,298
Deposits		681,241	681,241
Financial assets	10	89,991,785	84,014,539
Fixed assets		111,689,627	104,651,843
Raw materials and consumables		13,460,703	19,821,018
Work in progress		3,163,286	3,880,056
Manufactured goods and goods for resale		20,784,044	23,065,583
Inventories		37,408,033	46,766,657
Trade receivables		22,423,342	23,374,280
Receivables from group enterprises		20,599,182	25,324,718
Other receivables		813,535	0
Prepayments	11	432,385	254,086
Receivables		44,268,444	48,953,084
Cash		1,700,372	21,675
Current assets		83,376,849	95,741,416
Assets		195,066,476	200,393,259

Equity and liabilities

		2023/24	2022/23
	Notes	DKK	DKK
Contributed capital		600,000	600,000
Reserve for net revaluation according to equity method		0	7,994,834
Reserve for development costs		42,115	0
Retained earnings		136,818,272	119,595,997
Proposed dividend for the financial year		7,000,000	6,000,000
Equity		144,460,387	134,190,831
Deferred tax	12	1,664,146	1,858,132
Provisions		1,664,146	1,858,132
Mortgage debt		3,795,007	4,204,554
Debt to other credit institutions		13,456,860	18,575,093
Joint taxation contribution payable		2,380,279	3,068,339
Non-current liabilities other than provisions	13	19,632,146	25,847,986
Current portion of non-current liabilities other than provisions	13	3,016,569	9,475,044
Bank loans		5,716,290	10,486,732
Prepayments received from customers		140,636	427,407
Trade payables		10,338,262	9,893,024
Payables to group enterprises		3,265,732	39,016
Other payables		6,832,308	8,175,087
Current liabilities other than provisions		29,309,797	38,496,310
Liabilities other than provisions		48,941,943	64,344,296
Equity and liabilities		195,066,476	200,393,259
Unrecognised rental and lease commitments	14		
Contingent liabilities	15		
Assets charged and collateral	16		
Related parties with controlling interest	17		
Non-arm's length related party transactions	18		

Parent statement of changes in equity for 2023/24

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Reserve for development costs DKK	Retained earnings DKK	Proposed dividend for the year DKK	Total DKK
Equity beginning of year	600,000	7,994,834	0	119,595,997	6,000,000	134,190,831
Ordinary dividend paid	0	0	0	0	(6,000,000)	(6,000,000)
Exchange rate adjustments	0	406,186	0	0	0	406,186
Transfer to reserves	0	(8,401,020)	42,115	8,358,905	0	0
Profit/loss for the year	0	0	0	8,863,370	7,000,000	15,863,370
Equity end of year	600,000	0	42,115	136,818,272	7,000,000	144,460,387

Notes to parent financial statements

1 Staff costs

	2023/24 DKK	2022/23 DKK
Wages and salaries	43,614,082	42,384,717
Pension costs	4,131,652	3,640,995
Other social security costs	795,159	831,515
	48,540,893	46,857,227
Average number of full-time employees	74	75

	Remuneration of Manage- ment 2023/24 DKK	Remuneration of Manage- ment 2022/23 DKK
Total amount for management categories	3,342,372	3,591,622
	3,342,372	3,591,622

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

	2023/24 DKK	2022/23 DKK
Depreciation on property, plant and equipment	3,766,247	4,010,418
	3,766,247	4,010,418

3 Other financial income

	2023/24 DKK	2022/23 DKK
Financial income from group enterprises	1,069,745	806,713
Exchange rate adjustments	322,238	197,357
	1,391,983	1,004,070

4 Other financial expenses

	2023/24	2022/23
	DKK	DKK
Financial expenses from group enterprises	54,321	460
Exchange rate adjustments	370,206	354,279
Other financial expenses	1,981,306	2,172,737
	2,405,833	2,527,476

5 Tax on profit/loss for the year

	2023/24	2022/23
	DKK	DKK
Current tax	3,110,653	5,441,414
Change in deferred tax	(193,985)	(70,064)
	2,916,668	5,371,350

6 Proposed distribution of profit and loss

	2023/24	2022/23
	DKK	DKK
Ordinary dividend for the financial year	7,000,000	6,000,000
Retained earnings	8,863,370	17,640,992
	15,863,370	23,640,992

7 Intangible assets

	Development projects in progress
	DKK
Additions	53,994
Cost end of year	53,994
Carrying amount end of year	53,994

8 Development projects

Development projects in progress comprises the development and adaptation of a new ERP system. The relating cost at this point of time consists of external costs to consultants. The development project will help ensure that the Company continues to meet local requirements and is expected to lead to both efficiency benefits locally and synergy benefits on a group level. Thus this is a relevant factor in maintaining the cost at the current level and to optimize the service to the costumers of the group.

Management has not identified indications of impairment to the carrying amount of the development projects in process.

9 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	28,467,145	95,728,160	9,453,256	0
Additions	329,316	1,112,050	66,235	3,272,006
Disposals	(83,112)	(3,366,587)	(1,330,836)	0
Cost end of year	28,713,349	93,473,623	8,188,655	3,272,006
Depreciation and impairment losses beginning of year	(19,009,817)	(86,768,822)	(7,232,618)	0
Depreciation for the year	(875,408)	(2,263,110)	(627,729)	0
Reversal regarding disposals	76,296	3,366,587	1,330,836	0
Depreciation and impairment losses end of year	(19,808,929)	(85,665,345)	(6,529,511)	0
Carrying amount end of year	8,904,420	7,808,278	1,659,144	3,272,006

10 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	75,338,464	681,241
Additions	19,635,590	0
Cost end of year	94,974,054	681,241
Revaluations beginning of year	7,994,834	0
Exchange rate adjustments	406,186	0
Amortisation of goodwill	(1,659,874)	0
Share of profit/loss for the year	7,283,763	0
Adjustment of intra-group profits	(88,419)	0
Dividend	(19,600,000)	0
Revaluations end of year	(5,663,510)	0
Carrying amount end of year	89,310,544	681,241

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

11 Prepayments

Prepayments consists of licens, insurance and other prepaid costs realting the coming financial year.

12 Deferred tax

	2023/24 DKK	2022/23 DKK
Changes during the year		
Beginning of year	1,858,132	1,928,196
Recognised in the income statement	(193,986)	(70,064)
End of year	1,664,146	1,858,132

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

13 Non-current liabilities other than provisions

	Due within 12 months 2023/24 DKK	Due within 12 months 2022/23 DKK	Due after more than 12 months 2023/24 DKK	Outstanding after 5 years 2023/24 DKK
Mortgage debt	409,547	407,044	3,795,007	2,132,845
Debt to other credit institutions	2,607,022	9,068,000	13,456,860	0
Joint taxation contribution payable	0	0	2,380,279	0
	3,016,569	9,475,044	19,632,146	2,132,845

14 Unrecognised rental and lease commitments

	2023/24 DKK	2022/23 DKK
Total liabilities under rental or lease agreements until maturity	5,680,397	6,979,829

15 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.

16 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 11,000k nominal. The carrying amount of mortgaged plant is DKK 12,114k.

Collateral provided for group enterprises

A guarantee of a nominal amount of DKK 27,053k has been provided for Hagens Systems AB's balance with Danske Bank. The debt amounts to DKK 5,847k at 30.09.2024.

A guarantee of unlimited amount has been provided for Hagens Balyfa A/S' balance with Danske Bank. The debt amounts to DKK 12,316 k at 30.09.2024.

A guarantee of unlimited amount has been provided for Hagens Hungary KFT.'s balance with Danske Bank. The debt amounts to DKK 4,442k at 30.09.2024.

17 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

18 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.

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 to the group, 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.

Usage of book value method

The book value-method is applied on acquisition of enterprises, mergers and exchanges of shares, etc. in which the enterprises traded are controlled by the Parent, and thus already included in the group financial statement. Under these circumstances the combination is considered completed at the original date of acquisition without restatement of comparative figures.

Under the book value-method, the acquired assets and liabilities are recognized at their initial carrying amounts in the group financial statement, adjusted for any differences in accounting policies and accounting estimates.

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, other operating income, costs of sales 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 development projects in progress.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs that are directly and indirectly attributable to the development projects.

Development projects are measured at cost less accumulated amortisation.

Development projects 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	5-33 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.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

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.