

Husqvarna Danmark A/S

Lejrvej 19, st.
3500 Værløse
CVR No. 26205328

Annual report 2020

The Annual General Meeting adopted the annual report on 12.05.2021

Chairman of the General Meeting:

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Name: Thomas Sølvsten

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Entity details**Entity**

Husqvarna Danmark A/S
Lejrvej 19, st.
3500 Værløse

CVR No: 26205328
Registered in: Furesø
Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Eric Stegemyr
Claus Andersen
Thomas Sølvsten
Michael Schösser

Executive Board

Thomas Sølvsten

Entity auditors

EY Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
P O Box 250
2000 Fredriksberg

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Husqvarna Danmark A/S for the financial year 1 January - 31 December 2020.

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

In our opinion the financial statements give a true and fair view of the Company's financial position at 31.12.2020 and of the results of the Company's operations for the financial year 01.01.2020 - 31.12.2020.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Værløse, 12.05.2021

Executive Board

Thomas Sølvsten
CEO

Board of Directors

Eric Stegemyr
Chairman

Claus Andersen

Michael Shösser

Thomas Sølvsten



Independent auditor's report

To the shareholders of Husqvarna Danmark A/S

Opinion

We have audited the financial statements of Husqvarna Danmark A/S for the financial year 1 January – 31 December 2020, which comprise income statement, balance sheet and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020 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 financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and 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 the financial statements.

As part of an audit conducted in accordance with ISAs and 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 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 Company's internal control.



- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Copenhagen, 12 May 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Martin Alsbæk
State Authorised
Public Accountant
mne28627

Management's review

	2020	2019	2018	2017	2016
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Financial highlights					
Key figures					
Revenue	534 402	445 991	459 177	437 726	376 498
Gross profit	111 186	91 687	92 443	90 404	69 888
Operating profit/loss	21 135	9 486	9 184	15 004	-14 327
Net financials	-1 518	-7	80	107	295
Profit/loss for the year	14 995	-182	7 444	11 119	-11 581
Total assets	122 638	79 722	75 265	66 284	50 330
Investment in property, plant and equipment	158	36	554	0	37
Equity	19 065	4 070	11 694	13 239	2 121
Employee in average	50	45	42	39	34
Ratios					
Operating margin	4,0%	2,1%	2,0%	3,5%	-3,9%
Gross margin	20,8%	20,6%	20,1%	19,4%	17,2%
Solvency ratio	15,5%	5,1%	15,5%	20,0%	4,2%

The Financial ratios stated in the survey of financial highlights have been calculated as follows:

Ratios	Calculation formula
Operating margin	$\frac{\text{Operating profit} * 100}{\text{Revenue}}$
Gross margin	$\frac{\text{Gross profit} * 100}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Equity at year end} * 100}{\text{Total equity and liabilities at year end}}$

Management's review

Primary activities

Husqvarna Danmark A/S markets the Husqvarna Group's products for gardens, parks, woods as well as construction. In the consumer line the brands Jonsered, Flymo, McCulloch and Gardena and in the professional line the brands Husqvarna and Klippo. For the construction industry, circular cross-cut saws and diamond tools of the brands Husqvarna and Diamant Boart are marketed.

The product line covers private individuals' and professionals' need for state-of-the art equipment making outdoor tasks easier. The products include chain saws, security clothing and products for gardens/parks such as lawn mowers, front riders, automowers (robots), brush cutters and grass trimmers.

It is the Company's objective to stay a leading player when it comes to profitable, innovative, reliable products that can solve tasks in an efficient way, thus making our customers' life easier and more comfortable.

Development in activities and finances

In 2020, the company's revenue came in at DKK 534,402 thousand against DKK 455,991 thousand last year. The income statement for 2020 shows a profit of DKK 14,995 thousand against DKK -182 thousand last year, and the balance sheet at 31 December 2020 shows equity of DKK 19,065 thousand.

2020 was highly affected by the global Covid-19 pandemic. High customers demand for our products on Gardena as well as Husqvarna has due to a combination of good weather and look down during Covid-19 resulted in delayed delivery during the year.

Husqvarna Construction continued to increase business activities and has in 2020 incorporated new brands such as HTC in Denmark.

The annual report for 2020, the level of activity and the results of operations are significantly higher than 2019. Management therefore considers the Company's financial performance in the year to be very good and exceeds our expectations in the budget for 2020.

As a result of improved earnings in 2020 the company has paid back 100% of the government salary support received earlier in the year.

Outlook

Management expects in 2021 an increase in revenue of around 5-10% as the growth continues and Covid-19 still to affect the year positively. Therefore the profit for the year is expected to be at the same level as 2020.

Particular risks

Price risks:

The price level for goods for resale is relatively stable, just as potential price increases may be included in the selling price. Thus the price risk is considered moderate.

Foreign exchange risks:

As only an immaterial portion of the Company's purchases take place in foreign currency, the exchange risk is considered minimal.

Environmental performance

In the opinion of the Company, its activities does not impact the environment in any significant manner.

Post balance sheet events

No post balance sheet events have occurred that could materially affect the assessment of the Company's financial position

Income Statement for 2020

For the period 1 January - 31 December

	Notes	2020 DKK '000	2019 DKK '000
Revenue		534 402	445 991
Cost of sales		-423 216	-354 304
Gross profit		<u>111 186</u>	<u>91 687</u>
Selling and distribution expenses	3	-86 351	-78 732
Administrative expenses	3	-3 700	-3 469
Operating profit		<u>21 135</u>	<u>9 486</u>
Other financial income	4	65	67
Other financial expenses	5	-1 582	-74
Profit before tax		<u>19 618</u>	<u>9 479</u>
Tax on profit/loss for the year	1, 6	-4 623	-9 661
Profit/loss for the year	7	<u><u>14 995</u></u>	<u><u>-182</u></u>

Balance sheet per 31.12.2020

	<u>Notes</u>	<u>2020</u> <u>DKK '000</u>	<u>2019</u> <u>DKK '000</u>
Other fixtures and fittings, tools and equipment		247	242
Leasehold improvements		54	137
Property, plant and equipment	8	<u>301</u>	<u>379</u>
Other receivables		574	555
Fixed assets investments		<u>574</u>	<u>555</u>
Fixed assets		<u>875</u>	<u>934</u>
Manufactured goods and goods for resale		2 621	1 733
Inventories		<u>2 621</u>	<u>1 733</u>
Trade receivables		33 982	31 230
Receivables from group entities		83 930	45 238
Deferred tax assets	9	604	146
Other receivables		0	63
Prepayments	10	625	378
Receivables		<u>119 141</u>	<u>77 055</u>
Cash		0	0
Current assets		<u>121 762</u>	<u>78 788</u>
Assets		<u><u>122 637</u></u>	<u><u>79 722</u></u>

Balance sheet per 31.12.2020

DKK '000	Notes	2020 DKK '000	2019 DKK '000
Share capital	11	4 250	4 250
Retained earnings		14 815	-180
Equity		19 065	4 070
Other provisions	12	16 380	15 720
Provisions		16 380	15 720
Trade payables		2 233	2 118
Payables to group entities		31 876	21 951
Other payables	13	41 104	22 884
Income tax payable		4 186	7 691
Deferred income		7 794	5 288
Current liabilities other than provisions		87 193	59 932
Liabilities other than provisions		87 193	59 932
Equity and liabilities		122 638	79 722
Special items		1	
Events after the balance sheet date		2	
Unrecognised rental and lease commitments		14	
Assets charged and collateral		15	
Related parties with controlling interest		16	
Transactions with related parties		17	
Group relations		18	

Statement of changes in equity for 2020

	Share capital	Retained earnings	Dividend proposed for the year	Total
DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Equity beginning of year	4 250	-180	0	4 070
Profit/loss for the year	0	180	14 815	14 995
Dividend distributed	0	0	0	0
Equity end of year	4 250	0	14 815	19 065

Notes**1 Special items**

The Danish Tax Authorities initiated an audit of the Company's transfer pricing agreements in July 2019 for the income years 2015-2016. Management assessed that this would lead to changes of the taxable income for the income years 2015-2016 and therefore a provision of income tax of DKK 6,998 thousand was recognized as tax on profit for the year 2019 and income tax payable for the same year.

The tax audit by the Danish Tax Authorities of the Company's transfer pricing agreements for the income years 2015-2016 was settled in May 2020. The settlement was in line with the provision of income tax in 2019.

2 Events after the balance sheet date

No post balance sheet events have occurred that could materially affect the assessment of the Company's financial position

3 Staff costs**Staff costs**

	2020	2019
	DKK '000	DKK '000
Wages and salaries	32 441	24 868
Pension costs	2 229	2 032
Other social security costs	243	384
Other staff costs	2 394	1 490
	<u>37 307</u>	<u>28 774</u>

Average number of employees	50	45
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Staff costs are recognised as follows in the financial statements:

	2020	2019
	DKK '000	DKK '000
Distribution	36 105	28 087
Administration	1 202	687
	<u>37 307</u>	<u>28 774</u>

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to management is not disclosed.

4 Other financial income

	2020	2019
	DKK '000	DKK '000
Financial income from group enterprises	0	0
Other financial income	65	67
	<u>65</u>	<u>67</u>

Notes

	2020 DKK '000	2019 DKK '000	
5 Other financial expenses			
Financial expenses from group enterprises	0	0	
Other financial expenses	1 582	74	
	<u>1 582</u>	<u>74</u>	
	2020 DKK '000	2019 DKK '000	
6 Tax on profit/loss for the year			
Tax on current year taxable income	4 780	2 139	
Change in deferred tax for the year	-458	45	
Tax adjustmenst, prior years	301	7 477	
	<u>4 623</u>	<u>9 661</u>	
7 Proposed distribution of profit/loss			
Dividend distributed	0	-7 442	
Dividend proposed for the year	14 815	0	
Retained earnings	180	-182	
	<u>14 995</u>	<u>-7 624</u>	
	DKK '000	DKK '000	DKK '000
8 Property, plant and equipment			
Cost beginning of year	967	804	1 771
Additions	158	0	158
Disposals	-255	-60	-315
Cost end of year	870	744	1 614
Depreciation and impairment losses beginning of year	723	667	1 391
Depreciation for the year	149	82	231
Reversal of depreciaition of disposals	-250	-60	-310
Depreciation and impairment losses end of the year	623	690	1 313
Carrying amount end of year	247	54	301

Notes

	2020	2019
	DKK '000	DKK '000
9 Deferred tax		
Deferred tax, beginning of year	146	101
Deferred tax, adjustments of the year	459	45
Deferred tax, end of year	604	146

10 Prepayments

Prepayments relates mainly to prepaid rent and insurances.

11 Contributed capital

The share capital consists of the following:

	2020	2019
	DKK '000	DKK '000
42.500 shares of DKK 100 each	4 250	4 250
	4 250	4 250

The Company's share capital has remained DKK 4,250 thousand over the past 5 years.

12 Other provisions

The Company offers a 2-year product warranty, under which it is obliged to repair or replace unsatisfactory products. In addition, yet another year is granted in respect to certain products, provided that a service check has been performed before the end of the two first years after the acquisition date. Warranty commitments totaling to DKK 15,733 thousand (2019: 15,034 thousand), have been recognized in respect of expected warranty claims based on prior years' experience regarding the level of repairs and returns. They are estimated as follows: The due date for warranty commitments is expected to be: within 1 year DKK 8,050 thousand (2019: DKK 8,036 thousand), within 2 years DKK 5,780 thousand (2019: DKK 5,665 thousand) and above 2 years the level is 2,003 thousand (2019: DKK 1,333 thousand).

Other provision concern operating leases, recognized by DKK 647 thousand (2019: DKK 686 thousand). The due date for provisions for operating leases is expected to be as follows: Within 1 year DKK 162 thousand (2019: DKK 176 thousand), over 1 year DKK 485 thousand (2019: DKK 510 thousand).

13 Other Payables

Of the total liabilities, other payables of DKK 3,167 thousand, is due later than 1 year from the balance sheet date, of which DKK 0 thousand is due later than 5 years from the balance sheet date.

Notes**14 Unrecognised rental and lease commitments**

	2020	2019
	DKK '000	DKK '000
Hereof liabilities under rental or lease agreements until maturity in total	<u>10 052</u>	<u>8 242</u>

15 Assets charged and collateral

The Company had not put up any security or provided other collateral in assets at 31.12.2020

16 Related parties with controlling interest

Husqvarna Danmark A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Husqvarna AB	Drottninggatan 2, SE-561 82 Huskvarna, Sverige	Participating interest

17 Transactions with related parties

	2020	2019
	DKK '000	DKK '000
Purchase of goods from parent company	-412 844	-271 757
Purchase of goods from other group entities	-13 141	-81 428
Cost of management fee to parent company	-4 025	-3 557
Receivables from group companies (Trade and Cash Pool)	83 930	45 238
Payables to group companies (Trade)	-31 876	-21 951

Besides the above listed transactions, no other transactions were carried through with shareholders or other group companies in the year.

18 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Parent	Domicile	Requisitioning of the parent's consolidated financial statements
Husqvarna AB	Drottninggatan 2, SE-561 82 Huskvarna, Sverige	The consolidated financial statement can be obtained at the parent company's address

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Parent	Domicile	Requisitioning of the parent's consolidated financial statements
Husqvarna AB	Drottninggatan 2, SE-561 82 Huskvarna, Sverige	The consolidated financial statement can be obtained at the parent company's address

Accounting policies

Reporting class

The annual report of Husqvarna Danmark A/S for 2020 has been prepared in accordance with the provisions applying to medium-size reporting class C enterprises under the Danish Financial Statements Act

Effective from the financial year 2020, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Recognition and measurement

Income is recognized in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortized cost. Equally, expenses incurred to generate the year's earnings are recognized, including depreciation, amortization, impairment losses and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognized in the income statement.

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be reliably measured.

Liabilities are recognized in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

In recognizing and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Foreign currency translation

The financial statements are presented in Danish kroner.

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognized in the invoice statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognized in the latest financial statements is recognized in the income statement as financial income or financial expenses.

Income statement

Revenue

Income from the sale of goods for resale and finished goods is recognized in revenue when transfer of the most significant rewards and risks to the buyer has taken place and provided that the invoice can be reliably measured and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on the standardized terms of delivery based on Incoterms 2010.

Revenue is measured at fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognized in revenue.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Selling and distribution expenses

Distribution expenses include expenses relating to sale and distribution in the year, including expenses relating to sales staff, advertising, exhibitions and amortization/depreciation of assets that are related to sale and distribution of the company's products.

The basis of amortization, which is calculated as cost less any residual value, is amortized on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Leashold improvements	5 years
Plant and machinery	7 years
Other fixtured and fitting, tools and equipment	5-10 years
Computer hardware	3 years

The basis of depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In case of changes in the amortisation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Administrative expenses

Administrative expenses include expenses incurred in the year for purpose of managing and administering the company, including expenses relating to administrative staff, management, office/premises expenses as well as amortisation/depreciation of assets used for administrative purposes.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Leashold improvements	5 years
Plant and machinery	7 years
Other fixtured and fitting, tools and equipment	5-10 years
Computer hardware	3 years

The basis of depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognized.

In case of changes in the amortization period or the residual value, the effect on the depreciation charges is recognized prospectively as a change in accounting estimates.

Other financial income

Other financial income are recognized in the income statements at the amounts that concern the financial year. Financial income include interest income as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Other financial expenses

Other financial expenses are recognized in the income statements at the amounts that concern the financial year. Financial income include interest income as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax on profit/loss for the year

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. In addition, this year's tax consists of previous year's taxes and changes in the assessment of provisions for uncertain tax positions. The portion of the tax for the year that relates to the profit/loss for the year is recognized in the income statement, whereas the portion that relates to transactions taken to equity is recognized in equity.

Balance sheet**Property, plant and equipment**

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost include the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Impairment of non-current assets

Every year property, plant and equipment are reviewed for impairment. Where there is indication of impairment, and impairment test is made for each individual asset or group of assets, respectively, generating independent cash flows. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount. Where an impairment loss is recognized on a group of assets, a loss must first be allocated to goodwill and then to the other assets on pro rata basis.

Receivables

Receivables are measured at amortized cost, which is usually equivalent to the nominal value. An impairment loss is recognized based on objective evidence that a receivable or a group of receivables is impaired. Impairment write-downs is made to the lower of net realizable value and the carrying amount.

Inventories

Inventories are measured at the lower of cost, measured by reference to the FIFO method, and net realizable value. The net realizable value of inventories is made up as the sum of the future sales income which inventories at the balance sheet date are expected to generate as part of the normal course of business, fixed with due regard to negotiability, obsolescence and development in the expected selling price less the expenses relating to sales.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other costs directly attributable to the acquisition.

Deferred tax

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognized on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rate applicable at the balance sheet date when the deferred tax is expected to crystallize as current tax. Deferred tax assets are recognized at the expected value of their utilization; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognized in the income statement.

Income tax payable or receivable

Current tax payable and receivable is recognized in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Uncertain tax positions are measured depending on the type, either as a probability-weighted average of possible outcomes, or as the most likely outcome. Uncertain tax positions are recognized in the tax items to which they relate, that means under current tax payable or receivables respectively deferred tax liabilities or deferred tax assets.

Prepayments

Prepayments recognized under 'Assets' comprise prepaid expenses regarding subsequent financial reporting years. This is typically prepaid expenses relating to rent of equipment and exhibition expenses.

Other provisions

Provisions comprise expected expenses relating to guarantee commitments, losses on work in progress, restructurings, etc. Provisions are recognized when the company has a legal or constructive obligation as a result of a past event at the balance sheet date and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realizable value or at fair value if the obligation concerned is expected to be settled far into the future.

Guarantee commitments comprise expected costs of repairs within the guarantee period and are recognized based on previous experience with work performed under guarantees. In addition, yet another year is granted in respect of the brands Husqvarna and Jonsered provided that a service check has been performed before the end of the two first years after the acquisition date. Provisions are measured and recognized based on experience with warranty work.

Other financial liabilities

Other financial liabilities are recognized at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortized cost, corresponding to the capitalized value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognized in the income statement over the term of the loan. Financial liabilities also include the capitalized residual liability in respect of finance leases. Other liabilities are measured at net realizable value.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other leases are recognized in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other leases are disclosed under contingencies, etc.

Deferred income

Deferred income recognised as a liability comprises of payments received concerning income in subsequent financial reporting years.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The entity's cash flows are part of the consolidated cash flow statement for the parent company, Husqvarna AB.

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"By my signature I confirm all dates and content in this document."

Thomas Hviid Kobbernagel Sølvsten

Executive Board

On behalf of: Husqvarna Danmark A/S

Serial number: PID:9208-2002-2-430034300486

IP: 165.225.xxx.xxx

2021-05-12 08:42:17Z

NEM ID 

Thomas Hviid Kobbernagel Sølvsten

Chairman

On behalf of: Husqvarna Danmark A/S

Serial number: PID:9208-2002-2-430034300486

IP: 165.225.xxx.xxx

2021-05-12 08:42:17Z

NEM ID 

Michael Qvirinius Schösser

Board of Directors

On behalf of: Husqvarna Danmark A/S

Serial number: PID:9208-2002-2-555118208959

IP: 165.225.xxx.xxx

2021-05-12 12:36:39Z

NEM ID 

The name is withheld (SSN validated)

Board of Directors

On behalf of: Husqvarna Danmark A/S

Serial number: PID:9208-2002-2-207346037809

IP: 165.225.xxx.xxx

2021-05-12 12:59:17Z

NEM ID 

Thomas Hviid Kobbernagel Sølvsten

Board of Directors

On behalf of: Husqvarna Danmark A/S

Serial number: PID:9208-2002-2-430034300486

IP: 62.44.xxx.xxx

2021-05-12 15:27:30Z

NEM ID 

ERIC STEGEMYR

Board of Directors

On behalf of: Husqvarna Danmark A/S

Serial number: 19670613xxxx

IP: 165.225.xxx.xxx

2021-05-14 09:11:57Z



Martin Alsbaek

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: CVR:30700228-RID:12451029

IP: 93.160.xxx.xxx

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