

# Husqvarna Danmark A/S

Lejrvej 19, st.  
3500 Værløse  
CVR No. 26205328

## Annual report 2022

The Annual General Meeting adopted the annual report on 2023-07-07

Chairman of the General Meeting:

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Name: Eric Stegemyr

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## **Entity details**

### **Entity**

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

CVR No: 26205328  
Registered in: Furesø  
Financial year: 01.01.2022 - 31.12.2022

### **Board of Directors**

Eric Stegemyr  
Rob Van Poppelen  
Sara Thored  
Michael Schösser

### **Executive Board**

Eric Stegemyr

### **Entity auditors**

KPMG Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
2100 Copenhagen  
CVR no. 25 57 81 98

## 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 2022.

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 31.12.2022 and of the results of the Company's operations for the financial year 01.01.2022 - 31.12.2022.

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 07.07.2023

### Executive Board

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Eric Stegemyr  
CEO

### Board of Directors

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Sara Thored  
Chairman

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Rob Van Poppelen

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Michael Shösser

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Eric Stegemyr



## 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 2022 comprising income statement, balance sheet, statement of changes in equity 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 Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company 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 responsibility 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, that 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.



## Independent auditor's report

### 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 the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these 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 company 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 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.



## Independent auditor's report

### 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, 07 July 2023

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

Martin Eiler  
State Authorised  
Public Accountant  
mne32271



## Management's review

	2022	2021	2020	2019	2018
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
<b>Financial highlights</b>					
<b>Key figures</b>					
Revenue	637 430	632 375	534 402	445 991	459 177
Gross profit	128 456	117 063	111 186	91 687	92 443
Operating profit/loss	30 515	20 252	21 135	9 486	9 184
Net financials	-13	-173	-1 518	-7	80
Profit/loss for the year	<b>23 701</b>	<b>15 478</b>	<b>14 995</b>	<b>-182</b>	<b>7 444</b>
Total assets	186 040	130 047	122 638	79 722	75 265
Investment in property, plant and equipment	460	955	158	36	554
Equity	<b>27 979</b>	<b>19 728</b>	<b>19 065</b>	<b>4 070</b>	<b>11 694</b>
Employee in average	54	51	50	45	42
<b>Ratios</b>					
Operating margin	4,8%	3,2%	4,0%	2,1%	2,0%
Gross margin	20,2%	18,5%	20,8%	20,6%	20,1%
Solvency ratio	15,0%	15,2%	15,5%	5,1%	15,5%

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

Ratios	Calucation 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 Flymo, Universal and Gardena and in the professional line the brand Husqvarna. For the construction industry, circular cross-cut saws and diamond tools of the brand Husqvarna is 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 with focus on sustainable solutions.

### Development in activities and finances

In 2022, the company's revenue came in at DKK **637.430** thousand against DKK **632.375** thousand last year. The income statement for 2022 shows a profit of DKK **23.701** thousand against DKK **15.478** thousand last year, and the balance sheet at 31 December 2022 shows equity of DKK **27.979** thousand.

Strong customers demand for our products on Husqvarna as well as Gardena continued in 2022. However, the lack of supply of electronic components impacted the sales of robotics mowers battery-powered products.

In 2022 there were some succesfull product launches. To name few, Husqvarna CEORA for the professional turf care was introduced and Husqvarna Construction Division expanding its proprietary Husqvarna PACE battery system into additional applications.

During the year, the Company has executed price increases to offset increased cost of raw materials and logistis costs. The annual report for 2022, the level of activity and the results of operations are slightly higher than 2021. Management therefore considers the Company's financial performance (revenue) in the year to be good and meeting the expectations.

### Outlook

Management expects in 2023 a smaller decrease in revenue of around 2-5% due to marcoenomical factors. Therefore the profit for the year is expected to be a bit lower compared to the level of 2022.

### 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 2022

For the period 1 January - 31 December

	Notes	2022 DKK '000	2021 DKK '000
Revenue		637 430	632 375
Cost of sales		-508 974	-515 312
<b>Gross profit</b>		<b>128 456</b>	<b>117 063</b>
Selling and distribution expenses	2	-93 161	-89 705
Administrative expenses	2	-4 780	-7 106
<b>Operating profit</b>		<b>30 515</b>	<b>20 252</b>
Other financial income	3	119	30
Other financial expenses	4	-131	-203
<b>Profit before tax</b>		<b>30 502</b>	<b>20 079</b>
Tax on profit for the year	5	-6 802	-4 601
<b>Profit/loss for the year</b>	6	<b>23 701</b>	<b>15 478</b>

## Balance sheet per 31.12.2022

	<u>Notes</u>	<u>2022</u> <u>DKK '000</u>	<u>2021</u> <u>DKK '000</u>
Other fixtures and fittings, tools and equipment		1 033	859
Leasehold improvements		109	138
<b>Property, plant and equipment</b>	7	<u>1 142</u>	<u>997</u>
Other receivables		694	659
<b>Fixed assets investments</b>		<u>694</u>	<u>659</u>
<b>Fixed assets</b>		<u>1 835</u>	<u>1 656</u>
Manufactured goods and goods for resale		9 787	10 519
<b>Inventories</b>		<u>9 787</u>	<u>10 519</u>
Trade receivables		154 462	36 336
Receivables from group entities		18 854	80 882
Deferred tax assets	8	294	256
Prepayments	9	807	398
<b>Receivables</b>		<u>174 417</u>	<u>117 872</u>
<b>Current assets</b>		<u>184 204</u>	<u>128 391</u>
<b>Assets</b>		<u>186 040</u>	<u>130 047</u>

## Balance sheet per 31.12.2022

	<u>Notes</u>	<u>2022</u> <u>DKK '000</u>	<u>2021</u> <u>DKK '000</u>
Share capital	10	4 250	4 250
Retained earnings		29	28
Proposed dividend		23 700	15 450
<b>Equity</b>		<b><u>27 979</u></b>	<b><u>19 728</u></b>
Other provisions	11	17 280	18 168
<b>Provisions</b>		<b><u>17 280</u></b>	<b><u>18 168</u></b>
Trade payables		3 290	4 511
Payables to group entities		67 115	33 327
Other payables	12	47 837	37 007
Income tax payable		5 471	2 691
Deferred income		17 068	14 615
<b>Current liabilities other than provisions</b>		<b><u>140 780</u></b>	<b><u>92 151</u></b>
<b>Liabilities and provisions</b>		<b>140 780</b>	<b>92 151</b>
<b>Equity and liabilities</b>		<b><u>186 040</u></b>	<b><u>130 047</u></b>
Events after the balance sheet date		1	
Unrecognised rental and lease commitments		13	
Assets charged and collateral		14	
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**Statement of changes in equity for 2022**

	<b>Share capital</b>	<b>Retained earnings</b>	<b>Dividend proposed for the year</b>	<b>Total</b>
	<b>DKK '000</b>	<b>DKK '000</b>	<b>DKK '000</b>	<b>DKK '000</b>
Equity beginning of year	4 250	0	15 478	19 728
Dividend distributed	0	0	-15 450	-15 450
Profit/loss for the year	0	1	23 700	23 701
<b>Equity end of year</b>	<b>4 250</b>	<b>1</b>	<b>23 728</b>	<b>27 979</b>

Notes

**1 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

	<b>2022</b>	<b>2021</b>
	<b>DKK '000</b>	<b>DKK '000</b>
<b>2 Staff costs</b>		
Wages and salaries	32 761	34 691
Pension costs	2 880	2 658
Other social security costs	409	408
	<u>36 050</u>	<u>37 757</u>
Average number of employees	<b>54</b>	<b>51</b>

Staff costs are recognised as follows in the financial statements:

	<b>2022</b>	<b>2021</b>
	<b>DKK '000</b>	<b>DKK '000</b>
Distribution	34 742	36 407
Administration	1 308	1 350
	<u>36 050</u>	<u>37 757</u>

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

	<b>2022</b>	<b>2021</b>
	<b>DKK '000</b>	<b>DKK '000</b>
<b>3 Other financial income</b>		
Financial income from group enterprises	134	0
Other financial income	-15	30
	<u>119</u>	<u>30</u>

Notes

	<b>2022</b>	<b>2021</b>	
	<b>DKK '000</b>	<b>DKK '000</b>	
<b>4 Other financial expenses</b>			
Financial expenses from group enterprises	5	0	
Other financial expenses	126	203	
	<u>131</u>	<u>203</u>	
	<b>2022</b>	<b>2021</b>	
	<b>DKK '000</b>	<b>DKK '000</b>	
<b>5 Tax on profit/loss for the year</b>			
Tax on current year taxable income	6 840	4 109	
Change in deferred tax for the year	-38	348	
Tax adjustmenst, prior years	0	144	
	<u>6 802</u>	<u>4 601</u>	
	<b>2022</b>	<b>2021</b>	
	<b>DKK '000</b>	<b>DKK '000</b>	
<b>6 Proposed distribution of profit/loss</b>			
Dividend proposed for the year	23 700	15 450	
Retained earnings	1	28	
	<u>23 701</u>	<u>15 478</u>	
	<b>Other fixtures and fittings, tools and equipment</b>	<b>Leasehold improve- ments</b>	<b>Total</b>
	<b>DKK '000</b>	<b>DKK '000</b>	<b>DKK '000</b>
<b>7 Property, plant and equipment</b>			
Cost beginning of year	1 625	892	2 517
Additions	460	0	460
Disposals	-473	-118	-591
<b>Cost end of year</b>	<b>1 611</b>	<b>774</b>	<b>2 386</b>
Depreciation and impairment losses beginning of year	766	754	1 520
Depreciation for the year	285	30	315
Reversal of depreciaion of disposals	-473	-118	-591
<b>Depreciation and impairment losses end of the year</b>	<b>578</b>	<b>666</b>	<b>1 244</b>
<b>Carrying amount end of year</b>	<b>1 033</b>	<b>108</b>	<b>1 142</b>



Notes

	2022	2021
	DKK '000	DKK '000
<b>8 Deferred tax</b>		
Deferred tax, beginning of year	256	604
Deferred tax, adjustments of the year	38	-348
<b>Deferred tax, end of year</b>	<b>294</b>	<b>256</b>

**9 Prepayments**

Prepayments relates mainly to prepaid insurances, marketing and refund of PVC fee.

**10 Contributed capital**

The share capital consists of the following:

	2022	2021
	DKK '000	DKK '000
42.500 shares of DKK 100 each	4 250	4 250
	<b>4 250</b>	<b>4 250</b>

The Company's share capital has remained DKK 4.250 thousand over the past 5 years.

No shares carries special rights.

**11 Other provisions**

The Company offers a 2-year product warranty, under which it is obliged to repair or replace unsatisfactory products. Warranty commitments totaling to DKK 16.876 thousand (2021: 17.874 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 8 289 thousand (2021: DKK 8.187 thousand), within 2 years DKK 5.919 thousand (2021: DKK 5.816 thousand) and above 2 years the level is 2.668 thousand (2021: DKK 3.871 thousand).

Other provision concern operating leases, recognized by DKK 404 thousand (2021: DKK 294 thousand). The due date for provisions for operating leases is expected to be as follows: Within 1 year DKK 102 thousand (2021: DKK 74 thousand), over 1 year DKK 302 thousand (2021: DKK 220 thousand)

**12 Other Payables**

Of the total liabilities, other payables of DKK 0 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

### 13 Unrecognised rental and lease commitments

	2022 DKK '000	2021 DKK '000
Premises mature under 1 year	1 075	966
Cars mature under 1 year	1 830	2 267
Premises mature over 1 year	1 635	2 069
Cars mature over 1 year	1 394	1 287
Hereof liabilities under rental or lease agreements until maturity in total	<u>5 935</u>	<u>6 589</u>

### 14 Assets charged and collateral

The Company had not put up any security or provided other collateral in assets at 31.12.2022

### 15 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 Husqvarna, Sverige	Participating interest

### 16 Transactions with related parties

	2022 DKK '000	2021 DKK '000
Purchase of goods from parent company	-530 922	-553 873
Purchase of goods from other group entities	-3 961	-1 780
Reimbursement for warranty costs	58	10 069
Cost of management fee to parent company	-1 294	-4 313
Receivables from group companies (Trade and Cash Pool)	18 662	79 640
Payables to group companies (Trade)	-67 115	-33 327

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

### 17 Group relations

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

Parent	Domicile	Requisitioning of the parent's consolidated financial statements
Husqvarna AB	Drottninggatan 2, SE-561 82 Husqvarna, 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 2022 has been prepared in accordance with the provisions applying to medium-size reporting class C enterprises under the Danish Financial Statements Act

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 2020.

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.

## 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.

## 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.

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
Other fixtured and fitting, tools and equipment	5-10 years

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.

## 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

Provision 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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## Michael Qvirinius Schösser

### Bestyrelsesmedlem

På vegne af: Husqvarna

Serienummer: dc0239ed-ed01-40e9-a58c-b91531b50379

IP: 165.225.xxx.xxx

2023-07-07 12:34:14 UTC



## ERIC STEGEMYR

### Direktionsmedlem

På vegne af: Husqvarna

Serienummer: 19670613xxxx

IP: 176.10.xxx.xxx

2023-07-07 12:59:16 UTC



## ERIC STEGEMYR

### Bestyrelsesmedlem

På vegne af: Husqvarna

Serienummer: 19670613xxxx

IP: 176.10.xxx.xxx

2023-07-07 12:59:16 UTC



## Sara Maria Thored Sandwall

### Bestyrelsesformand

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IP: 98.128.xxx.xxx

2023-07-07 13:24:23 UTC



## Rob Van Poppelen

### Bestyrelsesmedlem

På vegne af: Husqvarna

Serienummer: rob.van.poppelen@husqvarnagroup.com

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2023-07-07 13:58:24 UTC



## Martin Melchior Eiler

### Statsautoriseret revisor

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## ERIC STEGEMYR

### Dirigent

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