



Einhell Nordic A/S

Rokhøj 26
8520 Lystrup
CVR No. 31622875

Annual report 2023

The Annual General Meeting adopted the annual report on 30.04.2024

Lars Christian Bærentsen
Chairman of the General Meeting

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Entity details

Entity

Einhell Nordic A/S

Rokhøj 26

8520 Lystrup

Business Registration No.: 31622875

Registered office: Aarhus

Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Lars Christian Bærentsen

Jan Ravn Kristoffersen

Andreas Kroiss

Heinz Walter Adolf Hoffmann

Alexander Schweikl

Executive Board

Lars Christian Bærentsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Einhell Nordic A/S for the financial year 01.01.2023 - 31.12.2023.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations and cash flows for the financial year 01.01.2023 - 31.12.2023.

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

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

Lystrup, 30.04.2024

Executive Board

Lars Christian Bærentsen

Board of Directors

Lars Christian Bærentsen

Jan Ravn Kristoffersen

Andreas Kroiss

Heinz Walter Adolf Hoffmann

Alexander Schwei Kl

Independent auditor's report

To the shareholders of Einhell Nordic A/S

Opinion

We have audited the financial statements of Einhell Nordic A/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant 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 Entity's financial position at 31.12.2023 and of the results of its operations and cash flows for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Our objectives are to obtain reasonable assurance about 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 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 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 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 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 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 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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the 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 financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the 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 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.

Lystrup, 30.04.2024

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Jonas Thøstesen Svensson

State Authorised Public Accountant

Identification No (MNE) mne47824

Management commentary

Financial highlights

	2023	2022	2021	2020	2019
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Gross profit/loss	7,080	7,513	11,169	2,953	(686)
Operating profit/loss	1,665	5,533	10,744	2,684	(851)
Net financials	(3,443)	(1,821)	(573)	(194)	(7)
Profit/loss for the year	(1,392)	2,891	7,933	6,320	(859)
Total assets	70,299	90,991	78,670	36,874	20,181
Investments in property, plant and equipment	1,148	0	0	102	0
Equity	5,455	8,322	10,290	5,225	(1,554)
Ratios					
Equity ratio (%)	7.76	9.15	13.08	14.17	(7.70)

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

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Total assets

Primary activities

The main activities are trade of Einhell products for DIY and garden enthusiasts.

The Einhell Group employs some 1,800 people in over 43 countries across the globe. The company's products are sold in over 90 countries.

Outstanding service and innovative products, such as the Power X-Change battery system, should impress customers in the Nordic region and contribute to sustainable, international growth through long-term planning and sound business practices.

Development in activities and finances

The company's income statement for the financial year 1. January 2023 - 31 December 2023 shows a loss of DKK 1.392k.

Profit/loss for the year in relation to expected developments

The level of activity in the company in 2023 was as expected in relation to market conditions.

Outlook

The level of activity in the company is expected to increase in the coming financial year, and the profit before tax is expected to be in the range of DKK 0 - 2 million.

Knowledge resources

The company is a trading company, and it is therefore very crucial that you can attract and retain the right employees.

The employees must be able to develop the company and provide the best service and advice now and in the future for the benefit of the customers.

Environmental performance

The company is environmentally aware and continuously works to improve the environmental impact of the company's activity.

Research and development activities

The company does not have any direct research and development activities, but continuously adapts the product range and concepts for the benefit of customers.

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.

Income statement for 2023

	Notes	2023 DKK	2022 DKK
Gross profit/loss		7,080,205	7,512,745
Staff costs	2	(5,161,120)	(1,720,827)
Depreciation, amortisation and impairment losses	3	(254,378)	(259,176)
Operating profit/loss		1,664,707	5,532,742
Other financial income	4	635,026	625,287
Financial expenses from group enterprises		(2,047,466)	(1,291,272)
Other financial expenses		(2,030,287)	(1,155,344)
Profit/loss before tax		(1,778,020)	3,711,413
Tax on profit/loss for the year	5	386,000	(820,003)
Profit/loss for the year	6	(1,392,020)	2,891,410

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Other fixtures and fittings, tools and equipment		1,044,549	151,178
Property, plant and equipment	7	1,044,549	151,178
Deferred tax	8	1,314,000	928,000
Financial assets		1,314,000	928,000
Fixed assets		2,358,549	1,079,178
Manufactured goods and goods for resale		41,537,583	69,582,346
Inventories		41,537,583	69,582,346
Trade receivables		11,344,759	16,025,440
Other receivables		0	55
Tax receivable		24,000	0
Prepayments	9	4,127,712	158,616
Receivables		15,496,471	16,184,111
Cash		10,906,579	4,144,977
Current assets		67,940,633	89,911,434
Assets		70,299,182	90,990,612

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital	10	500,000	500,000
Retained earnings		4,955,220	6,347,240
Proposed dividend		0	1,474,619
Equity		5,455,220	8,321,859
Other provisions	11	630,040	612,855
Provisions		630,040	612,855
Prepayments received from customers		0	234,122
Trade payables		815,152	2,161,221
Payables to group enterprises		30,742,926	42,019,088
Payables to shareholders and management		32,027,201	37,494,540
Other payables		628,643	146,927
Current liabilities other than provisions		64,213,922	82,055,898
Liabilities other than provisions		64,213,922	82,055,898
Equity and liabilities		70,299,182	90,990,612
Events after the balance sheet date	1		
Related parties with controlling interest	13		
Non-arm's length related party transactions	14		
Group relations	15		

Statement of changes in equity for 2023

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	500,000	6,347,240	1,474,619	8,321,859
Ordinary dividend paid	0	0	(1,474,619)	(1,474,619)
Profit/loss for the year	0	(1,392,020)	0	(1,392,020)
Equity end of year	500,000	4,955,220	0	5,455,220

Cash flow statement for 2023

	Notes	2023 DKK	2022 DKK
Operating profit/loss		1,664,707	5,532,742
Amortisation, depreciation and impairment losses		254,378	259,176
Working capital changes	12	20,638,440	(24,183,013)
Cash flow from ordinary operating activities		22,557,525	(18,391,095)
Financial income received		635,026	625,287
Financial expenses paid		(4,077,753)	(2,446,616)
Taxes refunded/(paid)		(24,000)	(155,751)
Cash flows from operating activities		19,090,798	(20,368,175)
Acquisition etc of property, plant and equipment		(1,147,749)	0
Cash flows from investing activities		(1,147,749)	0
Free cash flows generated from operations and investments before financing		17,943,049	(20,368,175)
Loans raised		0	14,129,350
Repayments of loans etc		(4,756,346)	0
Incurrence of debt to group enterprises		0	14,411,937
Repayment of debt to group enterprises		(4,950,482)	0
Dividend paid		(1,474,619)	(4,045,668)
Cash flows from financing activities		(11,181,447)	24,495,619
Increase/decrease in cash and cash equivalents		6,761,602	4,127,444
Cash and cash equivalents beginning of year		4,144,977	17,533
Cash and cash equivalents end of year		10,906,579	4,144,977
Cash and cash equivalents at year-end are composed of:			
Cash		10,906,579	4,144,977
Cash and cash equivalents end of year		10,906,579	4,144,977

Notes

1 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.

2 Staff costs

	2023	2022
	DKK	DKK
Wages and salaries	4,899,610	1,596,881
Pension costs	232,884	112,394
Other staff costs	28,626	11,552
	5,161,120	1,720,827
Average number of full-time employees	5	2

The board of directors and management have not received any remuneration.

3 Depreciation, amortisation and impairment losses

	2023	2022
	DKK	DKK
Depreciation of property, plant and equipment	254,378	259,176
	254,378	259,176

4 Other financial income

	2023	2022
	DKK	DKK
Other interest income	107,852	0
Exchange rate adjustments	527,174	625,287
	635,026	625,287

5 Tax on profit/loss for the year

	2023	2022
	DKK	DKK
Change in deferred tax	(386,000)	820,003
	(386,000)	820,003

6 Proposed distribution of profit and loss

	2023 DKK	2022 DKK
Ordinary dividend for the financial year	0	1,474,619
Retained earnings	(1,392,020)	1,416,791
	(1,392,020)	2,891,410

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	1,269,281
Additions	1,147,749
Cost end of year	2,417,030
Depreciation and impairment losses beginning of year	(1,118,103)
Depreciation for the year	(254,378)
Depreciation and impairment losses end of year	(1,372,481)
Carrying amount end of year	1,044,549

8 Deferred tax

	2023 DKK	2022 DKK
Intangible assets	(19,000)	(4,000)
Provisions	139,000	0
Tax losses carried forward	1,194,000	932,000
Deferred tax	1,314,000	928,000

	2023 DKK	2022 DKK
Changes during the year		
Beginning of year	928,000	1,518,408
Recognised in the income statement	386,000	(820,003)
Recognised directly in equity	0	229,595
End of year	1,314,000	928,000

Deferred tax assets

Deferred tax consist of temporary differences between tangible assets and tax losses, which are expected to be used within 3 - 5 years.

9 Prepayments

Prepayments recognised under assets include expenses incurred relating to subsequent financial years. Prepayments are measured at cost.

10 Share capital

	Number	Par value DKK	Nominal value DKK
A-shares	255,000	1	255,000
B-shares	245,000	1	245,000
	500,000		500,000

11 Other provisions

Other provisions constitute of costs to cover complaint cases that are not borne by the supplier.

12 Changes in working capital

	2023 DKK	2022 DKK
Increase/decrease in inventories	28,044,763	(1,383,864)
Increase/decrease in receivables	711,640	(7,508,879)
Increase/decrease in trade payables etc	(8,135,148)	(14,246,670)
Other changes	17,185	(1,043,600)
	20,638,440	(24,183,013)

13 Related parties with controlling interest

Einhell Germany AG, Wiesenweg 22, 94405 Landau, owns the majority of the shares in the Entity, thus exercising control.

14 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

15 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Einhell Germany AG, 94405 Landau

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Einhell Germany AG, 94405 Landau

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 financial statements are consistent with those applied last year, with some reclassifications.

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.

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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer.

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 salaries and wages, 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 comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property, plant and equipment.

Other financial income

Other financial income comprises payables and transactions in foreign currencies etc.

Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

Other financial expenses

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

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**Property, plant and equipment**

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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
Other fixtures and fittings, tools and equipment	3 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.

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.

Inventories

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

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 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.

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments and returns.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

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.