

# Husqvarna Commercial Solutions Danmark A/S

Lejrvej 19, st.  
3500 Værløse  
CVR No. 41829184

## Annual report 2023

The Annual General Meeting adopted the annual report on 28.06.2024

Chairman of the General Meeting:

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Name: Eric Stegemyr

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## Entity details

### Entity details

#### Entity

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

CVR No: 41829184

Registered in: Furesø

Financial year: 01.01.2023 - 31.12.2023

#### Board of Directors

Eric Stegemyr  
Henrik Samuelsson  
Karl-Magnus Ekesund

#### Executive Board

Michael Schösser  
Henrik Samuelsson

#### Entity auditors

KPMG P/S  
Dampfærgevej 28  
2100 København Ø

## 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 Commercial Solutions Denmark A/S for the financial year 1 January 2023 - 31 December 2023

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 31.12.2023 and of the results of the Company's operations for the financial year 01.01.2023 - 31.12.2023.

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, 28.06.2024

### Executive Board

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Henrik Samuelsson  
Director

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Michael Schösser  
Director

### Board of Directors

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Eric Stegemyr  
Chairman

\_\_\_\_\_  
Karl-Magnus Ekesund  
Board member

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Henrik Samuelsson  
Board member



## Independent auditor's report

### To the shareholder of Husqvarna Commercial Solutions Danmark A/S

#### Opinion

We have audited the financial statements of Husqvarna Commercial Solutions Danmark A/S for the financial year 1 January – 31 December 2023, comprising 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 Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 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 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, Date: 28.06.2023

KPMG

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

Martin Eiler  
State Authorised  
Public Accountant  
mne32271

## Management's review

### Management's review

#### Primary activities

Husqvarna Commercial Solutions Danmark A/S provides customer financing solutions to consumers and corporates and dealer financing programs to the Husqvarna dealer network. Products involved in the financing solutions are Husqvarna Group's products for gardens, parks, woods (chain saws, lawn mowers, front riders, auto mowers (robots), brush cutters and grass trimmers) as well as its products for the construction industry (circular crosscut saws).

It is the Company's objective to support Husqvarna Danmark A/S sales of products marketed in Denmark and other service solutions and to further increase the demand for integrated solutions.

#### Development in activities and finances

In 2023 the company's gross profit amounted to 4 683 TDKK. The income statement for 2023 shows a profit of 538 TDKK, and the balance sheet at 31 December 2023 shows equity of 1 525 TDKK. The Company received a Transfer Pricing adjustment of 1 382 TDKK to balance the negative result. Going forward the management expect that the Share Capital will be maintained through future earnings.

2021 was a start-up year of the Company's business activities mid-year, and in 2023 the company has had an increased level of activity, even if there were some effects resulting from the global Covid-19 pandemic and delayed delivery during the year. During the year the Company's costs are not covered by the volume generated, but as the business grows it is expected that income will cover cost and the Company will make a profit going forward.

#### Outlook

Management expects higher volumes and an increased financial performance for 2024 as the financing solutions will be extended to a wider range of customers and dealers.

#### Particular risks

Price risks:

The price level for products and the financial solutions extended is relatively stable. As financing cost might also increase price to customer or dealer will be adjusted, thus the price risk is considered moderate.

#### Post balance sheet events

In support of growing the business the Parent company has provided a DKK 10 million loan facility in May 2024.



**Income Statement for 2023**

For the period 1 January - 31 December 2023

	<u>Notes</u>	<u>2023</u> <u>DKK '000</u>	<u>2022</u> <u>DKK '000</u>
<b>Gross profit</b>		4 683	4 116
Other external costs		- 1 464	- 875
<b>Operating profit</b>		<u>3 219</u>	<u>3 241</u>
Depreciation, amortization and impairment of intangible and tangible assets	2.1, 2.2	- 1 462	- 1 316
Interest expenses		- 1 067	- 353
<b>Profit before tax</b>		<u>690</u>	<u>1 572</u>
Tax on profit/loss for the year		<u>- 152</u>	<u>-346</u>
<b>Profit/loss for the year</b>		<u>538</u>	<u>1 226</u>
<b>Proposed distribution of profit/loss</b>		<u>538</u>	<u>1 226</u>
Retained earnings		<u>538</u>	<u>1 226</u>

**Balance sheet per 31.12.2023**

	<u>Notes</u>	<u>2023 DKK '000</u>	<u>2022 DKK '000</u>
Intangible assets	2.1	1 881	1 847
Tangible assets	2.2	7 551	1 599
Finance lease receivables long term		453	590
<b>Non-current assets</b>		<b><u>9 885</u></b>	<b><u>4 036</u></b>
Finance lease receivables short term		32	119
Accounts receivables		5 924	5 521
Other receivables		1 093	33 293
Receivables from group entities		220	1 565
<b>Receivables</b>		<b><u>7 269</u></b>	<b><u>40 498</u></b>
<b>Current assets</b>		<b><u>7 269</u></b>	<b><u>40 498</u></b>
<b>Assets</b>		<b><u>17 154</u></b>	<b><u>44 534</u></b>

Notes with no reference

3. Related parties with controlling interest
4. Group relations
5. Staff
6. Accounting policies

**Balance sheet per 31.12.2023**

DKK '000	<u>Notes</u>	<u>2023 DKK '000</u>	<u>2022 DKK '000</u>
<b>Share capital</b>		400	400
<b>Retained earnings</b>		1 124	586
<b>Equity</b>		<u>1 524</u>	<u>986</u>
Trade payables		4	0
Payables to group entities		14 674	42 935
Other payables		454	267
<b>Current liabilities</b>		<u>15 132</u>	<u>43 202</u>
<b>Income tax payable</b>		498	346
<b>Equity and liabilities</b>		<u>17 154</u>	<u>44 534</u>

**Statement of changes in equity for 2023**

<b>DKK '000</b>	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>DKK '000</b>	<b>DKK '000</b>	<b>DKK '000</b>
Equity beginning of year	400	586	986
Profit/loss for the year	0	538	538
<b>Equity end of year</b>	400	1 124	1 524

The share capital has not been changed since the foundation of the Company.

## Notes

### 1. Events after the balance sheet date

In support of growing the business the Parent company has provided a DKK 10 million loan facility in May 2024.

<b>2.1 Intangible assets</b>	<b>2023</b>	<b>DKK '000</b>	<b>2022</b>	<b>DKK '000</b>
Cost beginning of year		3 180		2 331
Additions		599		849
Disposals		0		0
<b>Cost end of year</b>		<b>3 779</b>		<b>3 180</b>
Depreciation and impairment losses beginning of year		1 333		376
Depreciation for the year		565		957
Reversal of depreciation of disposals		0		0
<b>Depreciation and impairment losses end of the year</b>		<b>1 898</b>		<b>1 333</b>
<b>Carrying amount end of year</b>		<b>1 881</b>		<b>1 847</b>
<b>2.2 Tangible assets</b>	<b>2023</b>	<b>DKK '000</b>	<b>2022</b>	<b>DKK '000</b>
Cost beginning of year		1 962		129
Additions		6 831		1 833
Disposals		0		0
<b>Cost end of year</b>		<b>8 793</b>		<b>1 962</b>
Depreciation and impairment losses beginning of year		363		6
Depreciation for the year		879		357
Reversal of depreciation of disposals		0		0
<b>Depreciation and impairment losses end of the year</b>		<b>1 242</b>		<b>363</b>
<b>Carrying amount end of year</b>		<b>7 551</b>		<b>1 599</b>

### 3. Related parties with controlling interest

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

#### Parties exercise control

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

### 4. 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

### 5. Staff

The company's functions are delivered from Husqvarna AB and a 3rd party service provider.

## 6. Accounting policies

### Reporting class

The annual report of Husqvarna Commercial Solutions Danmark A/S for 2023 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

The accounting policy is unchanged compared to last year except for amortization period for intangible assets. As of 2023 the amortization period for intangible assets was revised from 36 month to 60 month. The background to the change is that the investments in the operating platform and business concept was deemed to be possible to generate business value for at least 60 months. As of 2023-01-01 future amortizations were recalculated based on the book value 2022-12-31, to reflect the new monthly amortization amount for the remaining period of life. There were no retroactive changes to the amortization for the period up to 2022-12-31. The change decreases amortization in 2023 with 176 479 TDKK.

### 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.

### Income statement

In accordance with the Danish Financial statements act revenue, costs of goods sold, other income and other expenses are added together and shown as gross profit.

### Revenue

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes.

Revenue is generated from rent and interest and are recognized when the Company has delivered the service and fulfilled its performance obligations. At end of lease the Company normally sells the relevant equipment back to the Dealer at booked value, without any capital gain/loss.

### Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year.

### 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 expenses.

### Other financial expenses

Other financial expenses are recognized in the income statements at the amounts that relate to the financial year.

**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 as relevant. 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****Intangible assets**

Intangible assets are reported at acquisition value less accumulated amortization and any write-downs. Amortization is done using the linear method over the asset's estimated useful life because it reflects the expected consumption of the asset's future economic benefits. Amortization is reported as an expense in the income statement. The change decreases amortization in 2023 with 176 479 TDKK.

Additions and developments to the platform and concept are done when there is a business rational. Further a 60-month amortization plan is normal for an asset of this kind.

The intangible asset consists of HCS Denmark's externally acquired operational platform and contains development and Set-up costs for the platform.

**Tangible assets**

Tangible fixed assets are reported at acquisition value less accumulated depreciation and any write-downs. Depreciation is done using the annuity method over the asset's estimated useful life because it reflects the expected consumption of the asset's future economic benefits.

The period of use is normally 24–60 months. Depreciation is reported as an expense in the income statement.

**Receivables**Accounts receivables

Accounts receivables are 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 are made to the lower of net realizable value and the carrying amount.

Loan receivables

The company's Loan receivables consist of loans to Husqvarna Dealers for their acquisition of Husqvarna equipment to be sold to customers. The loan receivables are reported at loan amount less accumulated amortization and any write-downs.

The loans are normally up to maximum 12 months.

Other payables

Other payables are reported to the nominal value. The post relates to other accrued expenses related to the main business.

**Corporation tax and deferred tax**

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.

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 measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognized on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets as relevant, including the tax value of tax loss carryforwards, are recognized at the expected value of their utilisation within the foreseeable future; 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. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognized in the income statement or equity, respectively