

# Husqvarna Commercial Solutions Danmark A/S

Lejrvej 19, st.  
3500 Værløse  
CVR No. 41829184

## Annual report 2022

The Annual General Meeting adopted the annual report on 06.07.2023

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: 01.01.2022 - 31.12.2022

#### Board of Directors

Eric Stegemyr  
Henrik Samuelsson  
Thomas Sølvsten

#### Executive Board

Michael Schösser  
Thomas Sølvsten

#### 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 2022 - 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, 06.07.2023

### Executive Board

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Thomas Sølvsten  
Admin director

\_\_\_\_\_  
Michael Schösser  
Director

### Board of Directors

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Eric Stegemyr  
Chairman

\_\_\_\_\_  
Thomas Sølvsten  
Admin director

\_\_\_\_\_  
Henrik Samuelsson



## 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 2022, 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 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, Date: 06.07.2023

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 Denmark 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 2022 the company's gross profit in at DKK 4 116 thousand. The income statement for 2022 shows a profit of DKK 1 226 thousand, and the balance sheet at 31 December 2022 shows equity of DKK 986 thousand. The Company received a Transfer Pricing adjustment of 2 702 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 2022 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 2023 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

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 2022

	<b>Notes</b>	<b>2022 DKK '000</b>	<b>2021 DKK '000</b>
<b>Gross profit</b>		<b>4 116</b>	<b>29</b>
Other external costs		<u>-875</u>	<u>-287</u>
<b>Operating profit</b>		<b>3 241</b>	<b>-258</b>
Depreciation, amortization and impairment of intangible and tangible assets	2.1, 2.2	- 1 316	- 382
Interest expenses		-353	0
<b>Profit before tax</b>		<u>1 572</u>	<u>-640</u>
Tax on profit/loss for the year		<u>-346</u>	<u>0</u>
<b>Profit/loss for the year</b>		<u><b>1 226</b></u>	<u><b>-640</b></u>
 <b>Proposed distribution of profit/loss</b>			
Retained earnings		<u>1 226</u>	<u>- 640</u>
		<u><u>1 226</u></u>	<u><u>- 640</u></u>

**Balance sheet per 31.12.2022**

	<u>Notes</u>	<u>2022 DKK '000</u>	<u>2021 DKK '000</u>
Intangible assets	2.1	1 847	1 955
Tangible assets	2.2	1 599	123
Finance lease receivables		709	1752
<b>Fixed assets</b>		<b><u>4 155</u></b>	<b><u>3 830</u></b>
Finance lease receivables		33 249	0
Accounts receivables		5 521	88
Other receivables		44	107
Receivables from group entities		1 565	0
<b>Receivables</b>		<b><u>40 379</u></b>	<b><u>195</u></b>
<b>Current assets</b>		<b><u>40 379</u></b>	<b><u>195</u></b>
<b>Assets</b>		<b><u>44 534</u></b>	<b><u>4 025</u></b>

Notes with no reference

1. Events after the balance sheet date
3. Related parties with controlling interest
4. Group relations
5. Staff
6. Accounting policies

**Balance sheet per 31.12.2022**

DKK '000	<u>Notes</u>	<u>2022 DKK '000</u>	<u>2021 DKK '000</u>
<b>Share capital</b>		400	400
<b>Retained earnings</b>		586	- 640
<b>Equity</b>		<u>986</u>	<u>- 240</u>
Payables to group entities		42 935	4 252
Other payables		267	13
<b>Current liabilities</b>		<u>43 202</u>	<u>4 265</u>
<b>Income tax payable</b>		346	0
<b>Equity and liabilities</b>		<u>44 534</u>	<u>4 025</u>

**Statement of changes in equity for 2022**

<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	- 640	- 240
Profit/loss for the year	0	1 226	1 226
<b>Equity end of year</b>	<b>400</b>	<b>586</b>	<b>986</b>

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

## 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>2.1 Intangible assets</b>	<b>2022</b>	<b>DKK '000</b>	<b>2021</b>	<b>DKK '000</b>
Cost beginning of year		2 331		0
Additions		849		2 331
Disposals		0		0
<b>Cost end of year</b>		<b>3 180</b>		<b>2 331</b>
Depreciation and impairment losses beginning of year		376		0
Depreciation for the year		957		376
Reversal of depreciation of disposals		0		0
<b>Depreciation and impairment losses end of the year</b>		<b>1 333</b>		<b>376</b>
<b>Carrying amount end of year</b>		<b>1 847</b>		<b>1 955</b>
<b>2.2 Tangible assets</b>	<b>2022</b>	<b>DKK '000</b>	<b>2021</b>	<b>DKK '000</b>
Cost beginning of year		129		0
Additions		1 833		129
Disposals		0		0
<b>Cost end of year</b>		<b>1 962</b>		<b>129</b>
Depreciation and impairment losses beginning of year		6		0
Depreciation for the year		357		6
Reversal of depreciation of disposals		0		0
<b>Depreciation and impairment losses end of the year</b>		<b>363</b>		<b>6</b>
<b>Carrying amount end of year</b>		<b>1 599</b>		<b>123</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 does not have its own employed 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 2022 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.

### 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 concern 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. 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.

The period of use is normally 36 months. Amortization is reported as an expense in the income statement.

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 is 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.

**Corporation tax and deferred tax**

Current tax payable and receivable is recognised 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 recognised 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, including the tax value of tax loss carryforwards, are recognised 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 recognised in the income statement or equity, respectively