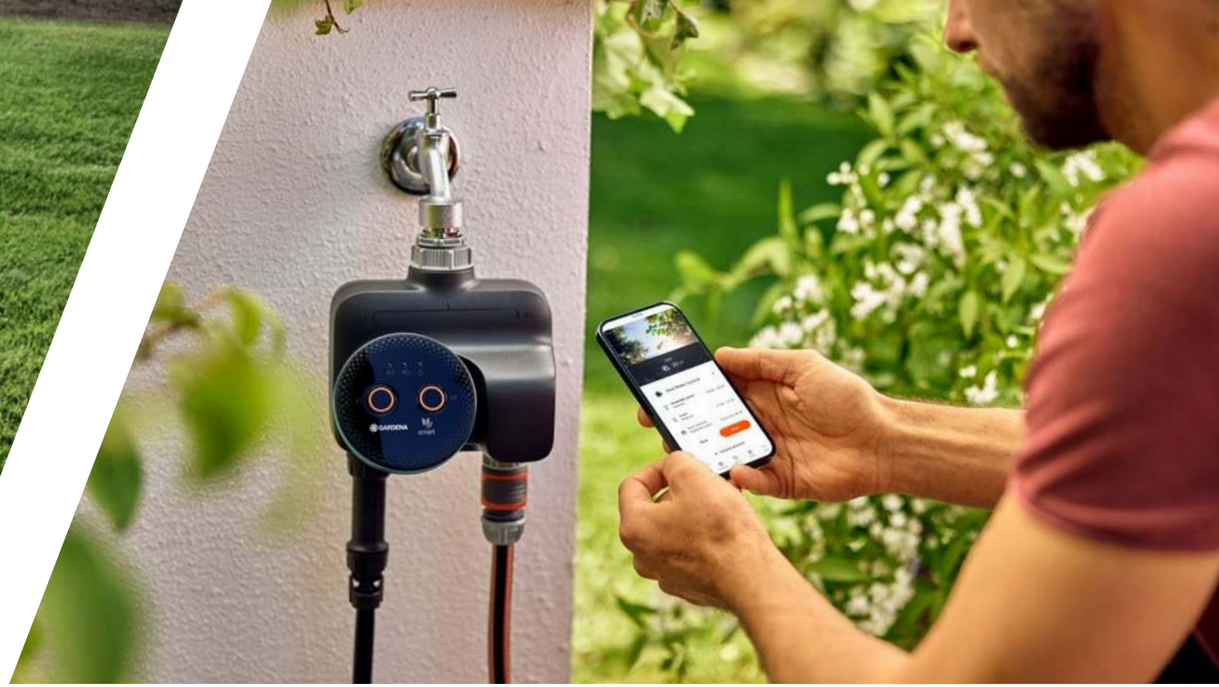
Husqvarna Group



ANNUAL REPORT 2025

Contents

INTRODUCTION

3 About Husqvarna Group
5 The year in brief
6 CEO statement
8 Investment case
9 Financial targets

MARKET AND TRENDS

11 Market overview
12 Trends

STRATEGY

13 Transforming to profitable growth

DIVISIONS

18 Husqvarna Forest & Garden Division
20 Gardena Division
22 Husqvarna Construction Division

BOARD OF DIRECTORS' REPORT

24 Board of Directors' Report
32 Risk Management

Sustainability Statement

38 Sustainability introduction
39 General disclosures
48 Environmental information
57 Social information
63 Governance information
66 Appendix

Corporate Governance Report

73 Corporate Governance Report
79 Internal Control over Financial and Sustainability Reporting
80 Board of Directors and auditors
83 Group Management

FINANCIAL STATEMENTS

84 Financial statements – Group
88 Notes – Group
108 Financial statements – Parent Company
112 Notes – Parent Company
120 Declaration by the Board of Directors and the CEO
121 Auditor's report
124 Auditor's limited assurance report of Husqvarna AB (publ):s Sustainability Statement

OTHER INFORMATION

126 Financial definitions
128 Five-Year review
129 Quarterly Data
130 The Share
132 2026 Annual General Meeting
133 Contacts

ABOUT HUSQVARNA GROUP

A global leader

Founded in 1689, Husqvarna Group is a global leader in outdoor power products, watering solutions, autonomous lawn care and light construction equipment. Operating mainly under the global Husqvarna and Gardena brands, the products and solutions reach consumers and professional users through direct sales, dealers, retailers and e-commerce across more than 100 countries.

The Group offers a broad and differentiated product portfolio, including robotic lawn mowers, chainsaws, trimmers, riding lawn mowers, hand tools, watering solutions, smart water management, and light construction equipment. In addition, the Group provides a comprehensive aftermarket and solutions offering across its entire portfolio.

HUSQVARNA GROUP'S CORE BRANDS

Husqvarna GARDENA

Key figures

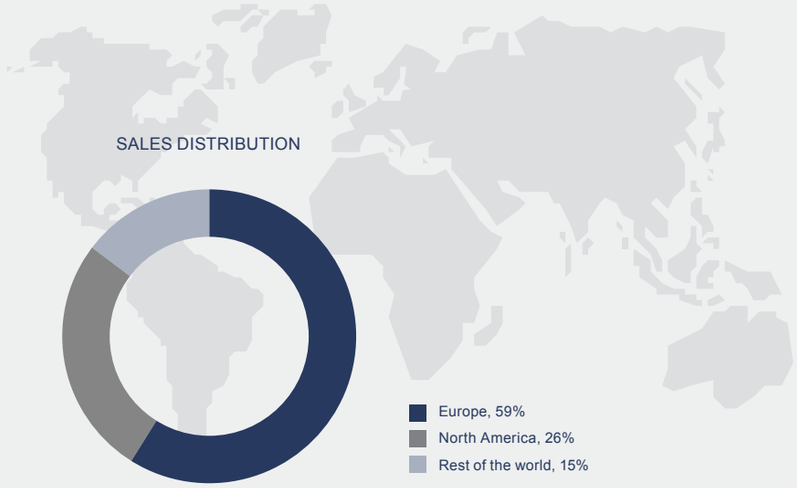
46.6
NET SALES SEK, BN

56%
CARBON REDUCTION SINCE 2015

>100
SALES IN NUMBER OF COUNTRIES

12k
EMPLOYEES

SALES DISTRIBUTION



Three autonomous divisions

HUSQVARNA FOREST & GARDEN DIVISION
Offering forest, landscaping and garden products as well as services for professionals and residential customers.

Market position (examples)
- Global leader in robotic lawn mowers for residential and professional customers.
- A leading position, ranking second globally, in professional handheld products, such as chainsaws, brush cutters, trimmers, and leaf blowers.

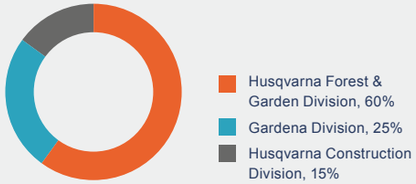
GARDENA DIVISION
Offering residential watering solutions, garden hand tools, and smart garden systems for garden passionates and professionals.

Market position (examples)
- Global leader in residential watering and smart watering solutions.
- Strong market position in gardening tools, such as tools for lawn, tree, and shrub care, as well as soil cultivation.

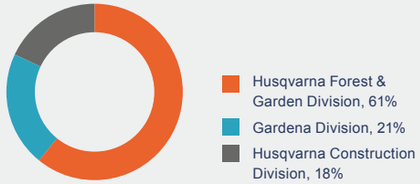
HUSQVARNA CONSTRUCTION DIVISION
Offering equipment and diamond tool solutions for professionals in the light construction industry and diamond tools for the natural stone processing industry.

Market position (examples)
- Leading positions in power cutters, floor saws, surface preparation equipment, and dust and slurry solutions.
- Strong market positions in demolition robots and diamond tools for the light construction industry.

SHARE OF GROUP NET SALES



SHARE OF GROUP OPERATING INCOME



ABOUT HUSQVARNA GROUP

Driving value through a differentiated product offering

HANDHELD	WHEELED	ROBOTIC LAWN MOWERS	WATERING	LIGHT CONSTRUCTION	HAND TOOLS
• Chainsaws • Brush cutters • Trimmers • Leaf blowers • Pole saws • Tillers and cultivators • Scarifiers and dethatchers • Pressure and power washers	• Front riders • Zero-turn mowers	• Robotic lawn mowers, for both residential and professional users	• Sprinklers/nozzlers/sprayers • Irrigation systems • Smart watering solutions • Water controls • Hoses • Cleansystem • Pumps	• Sawing & drilling equipment • Surface preparation equipment • Dust & slurry solutions • Demolition robots • Diamond tools	• Hand tools for lawn, tree, and shrub care, as well as soil cultivation • Manual, electric and battery product portfolio
Share of sales 2025 **23%**	Share of sales 2025 **18%**	Share of sales 2025 **17%**	Share of sales 2025 **15%**	Share of sales 2025 **15%**	Share of sales 2025 **3%**

AFTERMARKET AND SOLUTIONS

Service agreements, financial and lease solutions, circular services, accessories and spare parts

Share of sales 2025: **~20%**

DISTRIBUTION OF SALES

Note: Shares indicate distribution of total Group sales. The "Other" category represents 9 percent of total Group sales, and mainly includes accessories and spare parts.

THE YEAR IN BRIEF

Highlights 2025

FINANCIAL PERFORMANCE

- Organic sales growth despite soft consumer sentiment.
- Net sales totaled SEK 46,613m (48,352).
- Operating income, excluding items affecting comparability (IAC), amounted to SEK 2,901m (3,195). The operating margin was 6.2 percent (6.6) and included significant impact from tariffs and currency.
- Direct operating cash flow was SEK 3,267m (6,905).
- Net debt/EBITDA ratio, excluding IAC was 2.1 (2.5).
- The Board of Directors has proposed a dividend for 2025 of SEK 1.25 per share (1.00) to the Annual General Meeting.

1%
ORGANIC GROWTH

2,901
OPERATING INCOME EXCL. IAC

6.2%
OPERATING MARGIN EXCL. IAC

REINFORCED INNOVATION AND MARKET LEADERSHIP

- Expansion of the boundary wire-free robotic mower range, adding 13 new models in 2025.
- The launch of AI vision technology marked a new step in innovation, introducing a scalable, camera-based platform for robotic mowers with advanced object and edge detection and night vision.
- Launch of the all-in-one smart irrigation system Gardena AquaPrecise, a complete and convenient solution for automatic lawn irrigation in residential gardens.
- Sustainability leadership through successful reduction of CO_2 emissions by 56 percent since 2015.

STRATEGY AND TARGETS

- The new Husqvarna Group 2030 strategy with a clear roadmap for the transformation to profitable growth was launched.
- The Group announced new financial and sustainability targets.

ENHANCED COST-EFFECTIVENESS

- Completion of the divestment of the Orangeburg site and decision to close the Brastad factory.
- Announcement of a transformative cost-out program of SEK 4bn throughout 2026–2030.

ORGANIZATIONAL CHANGES

- The Board of Directors appointed Glen Instone as CEO of Husqvarna Group, effective as of August 2025.
- Sophie Elfstadius (Jonsson) was appointed General Counsel and Maria Rönnberg CHRO People, Organization & Communication.
- Three new Board members were elected at the Annual General Meeting: Claes Boustedt, Marlies Gebetsberger and Magnus Jarlegren and Torbjörn Lööf was elected as new Chair of the Board.

Group, SEKm	2025	2024	2023
Net sales	46,613	48,352	53,261
Organic growth*, %	1	–7	–5
Operating income (EBIT)	2,898	2,597	3,880
Operating margin, %	6.2	5.4	7.3
Operating income excl. items affecting comparability*	2,901	3,195	4,970
Operating margin excl. items affecting comparability*, %	6.2	6.6	9.3
Income after financial items	2,149	1,733	2,878
Net income for the period	1,769	1,326	2,177
Earnings per share after dilution, SEK	3.09	2.31	3.81
Earnings per share excl. items affecting comparability after dilution, SEK	3.09	3.12	5.28
Direct operating cash flow*	3,267	6,905	6,541
Operating working capital/net sales*, %	31.6	37.5	36.9
Return on capital employed, excl. items affecting comparability*, %	7.1	7.2	10.8

*Alternative Performance Measure, refer to "Definitions".

CEO STATEMENT

Transforming to profitable growth

I am honored and excited to assume the role of CEO of Husqvarna Group as of August 2025. This past year brought both challenges and opportunities, and in December we introduced our new strategy with a clear ambition: to transform the Group toward profitable growth. With strong global brands and leading technology, we have a solid foundation to build on, and we are fully committed to enhancing customer and shareholder value, and delivering on our new financial targets.

2025 was marked by an exceptional level of uncertainty in the global economy, driven by rising trade tariffs and ongoing geopolitical instability, which dampened consumer sentiment. However, the long-term trends, including growing demand for automation and electrification, continued.

These market dynamics were reflected in our financial performance, with mixed developments across regions and product categories. During the year, we saw strong momentum in the professional segment, fueled by innovative solutions such as boundary wire-free robotic mowers, handheld products, and power cutters. The watering segment also delivered solid growth, reinforcing our position in categories with positive structural demand. Meanwhile, we faced headwinds in residential handheld products, hand tools, and petrol-powered wheeled products, particularly in North America, where restrained consumer spending impacted demand.

Sales increased organically by 1 percent. Net sales decreased by 4 percent to SEK 46,613 million and included an impact of –5 percent from changes in exchange rates. By division, sales increased organically by 3 percent for Husqvarna Forest & Garden, and declined by 3 percent for Gardena, and by 2 percent for Husqvarna Construction.

Operating income, excluding IAC amounted to SEK 2,901 million (3,195), and the operating margin was 6.2 percent (6.6).

The decline was mainly a result of changes in exchange rates, a negative impact from tariffs as well as price effects.

Direct operating cash flow amounted to SEK 3.3 billion (6.9). We continued to strengthen our financial position, reducing net debt to SEK 11.8 billion (14.5).

Strengthened customer offering through new innovations

During the year, we strengthened our product offering in several key areas. As part of our innovation agenda, we introduced 13 new boundary wire-free robotic lawn mower models, our largest launch yet. This milestone reinforces our global leadership in robotic mowing, delivering the most comprehensive product lineup on the market. We took another significant leap with the introduction of our scalable AI vision technology, enabling camera-based navigation, advanced object detection and classification, edge detection, and night vision for robotic mowers.

We also advanced our position in smart watering with the launch of Gardena AquaPrecise, a convenient solution for automatic lawn irrigation in residential gardens. Equipped with innovative technology and intelligent features, it ensures precise and even watering for optimal lawn care.

In addition, we enhanced our offering to the construction industry through the introduction of Husqvarna Autogrinder™, a self-operating floor grinder engineered to enhance workplace productivity and operational efficiency.

"In 2026, we will begin a new strategic period with a focus on boosting competitiveness and driving profitable growth. Our strategy targets operational excellence, aftermarket and solutions, and strategic portfolio management."

CEO STATEMENT

Improved cost efficiency
We successfully completed the cost-savings programs launched in 2022, delivering annual savings of nearly SEK 2 billion. One important milestone in the programs was the divestment of our operations in Orangeburg, South Carolina, USA, which was completed during the year.

Transforming to profitable growth
We have now entered a new strategic period with a focus on boosting competitiveness and driving profitable growth. Our strategy, outlined at the Capital Markets Day in December, targets operational excellence, aftermarket and solutions, and strategic portfolio management to strengthen market positions and deliver customer and shareholder value.

Operational excellence involves a cost-out program aiming to achieve SEK 4 billion in annual savings by 2030. This will drive the Group's growth, improve margins, and fund ongoing investments in innovation and our leading brands. Main actions include cost reductions from sourcing, product design, manufacturing, logistics and organizational efficiency including outsourcing and strategic partnerships.

In October, we announced the decision to close the Brastad factory in Sweden and move handheld petrol engine component production to reliable third-party partners. By shifting to externally sourced components, we are accelerating our transition toward a more asset-light business model, enhancing flexibility and efficiency throughout our value chain.

Our extensive global reach and market-leading aftermarket solutions provide a strong competitive advantage and tangible customer benefits, and our network of more than 100,000 points of sale creates a significant barrier to entry. We aim to grow aftermarket sales, providing a profitable and resilient revenue stream that will help reduce earnings volatility. Key initiatives include strengthening service capabilities and expanding digital and connectivity solutions.

A more structured governance model has been implemented. Each division now includes business portfolio units with P&L responsibility, thereby improving performance oversight. The units are clearly organized according to their focus on profitable growth, profitability improvement, or turnaround, which enables more effective capital allocation and reinforces a more strategic approach to portfolio management.

Across the portfolio, we are also increasing our emphasis on professional solutions, which offer higher margins, stronger aftermarket opportunities, and reduced seasonality.

Introduction of new financial targets
During the year, we announced new financial targets: organic growth of 3 to 5 percent, operating margin of at least 10 percent, and return on capital employed of 15 percent, all targets over a business cycle. We believe these targets are both realistic and achievable, supported by the strong roadmap and operational activities set out.

Sustainability leadership
I am proud to conclude that between 2015 and 2025, we reduced our absolute CO_2 emissions across the value chain by 56 percent. This is a remarkable achievement, which is why we are setting a new target that aims for a 60 percent reduction by 2030. In addition, our focus shifts from piloting circular solutions to scaling and monetizing them, with circular offerings targeted to account for 25 percent of net sales by 2030.

We are accelerating decarbonization across the value chain and redesigning products, services, and business models to use less resources, last longer, and deliver higher value. Key steps include expanding electrification, increasing recycled and biobased materials, extending product life through repair and refurbishment. These actions aim to decouple growth from environmental impact and strengthen business resilience.

> "Our strong global reach and leading aftermarket solutions give us a clear competitive advantage."

A strong foundation to build on
The Group has faced significant challenges in recent years, but we are now taking decisive steps toward profitable growth, utilizing our strong global brands and leading technology. To succeed, we must transform so we can become faster, bolder, and more agile. I want to thank all employees for their hard work throughout the year and for the shared determination to make this transformation happen. I would also like to extend my gratitude to our customers, partners, and shareholders for their trust. It is both reassuring and inspiring to see the energy and forward-looking spirit that permeates our organization. In times of change, this is what truly makes the difference.

Stockholm, March 2026

Glen Instone, CEO

INVESTMENT CASE

Husqvarna Group as an investment

Husqvarna Group is advancing its transformation toward profitable growth and increased shareholder value. This journey is anchored in market-leading brands, strong innovation capabilities, and a focused portfolio strategy, supported by a clear roadmap for margin expansion and a robust financial foundation.

GLOBAL LEADER BASED ON STRONG BRANDS AND TECHNOLOGY

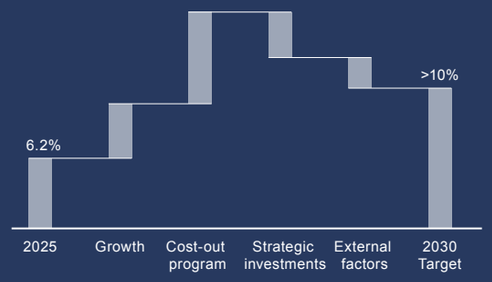
Husqvarna Group is a global leader in outdoor power equipment and watering solutions, fueled by premium brands and advanced innovation in robotics, battery systems, and smart technologies.

*Market positions refer to market shares. Source: Group's own assessments

CLEAR PATH TO MARGIN EXPANSION THROUGH OPERATIONAL EXCELLENCE AND GROWTH

Through disciplined cost-out and complexity reduction programs, Husqvarna Group is strengthening competitiveness, improving profitability, and enabling reinvestment in growth, innovation and brand equity.

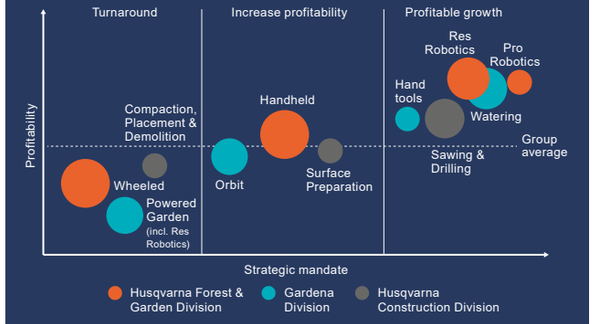
Growth, cost-out and investments for increased profitability
(illustrative)



POSITIONED FOR STRUCTURAL GROWTH THROUGH A TARGETED PORTFOLIO STRATEGY

Through a focused portfolio strategy, the Group aims to capture growth opportunities across professional and residential segments. Disciplined capital allocation toward high-potential areas, such as robotic lawn mowers, smart watering and aftermarket offerings, will further strengthen competitiveness and drive profitable growth. For product categories with lower growth or profitability, the priority is to enhance cost efficiency to reinforce margins and overall financial performance.

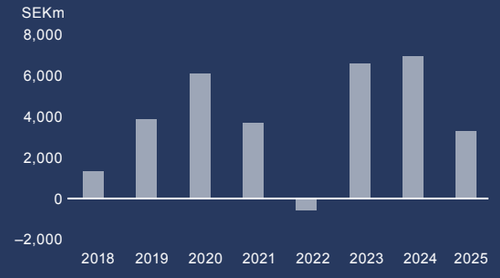
Business portfolio units with actions
(illustrative)



ENHANCING SHAREHOLDER VALUE THROUGH SOLID FINANCIAL POSITION AND CAPITAL DISCIPLINE

The Group's solid financial position and consistent cash flow generation provide resilience in a dynamic market environment. This strength enables funding of growth initiatives and the delivery of competitive returns to shareholders, ensuring sustainable value creation.

Strong cash flow to reinvest into prioritized initiatives
(Direct operating cash flow)



Financial targets

During the year, the Group announced new financial targets.

3–5%

ORGANIC SALES GROWTH

Average annual organic sales growth of 3–5 percent over a business cycle.
Outcome 2025: 1 percent

>10%

OPERATING MARGIN

Operating margin excluding IAC of >10 percent over a business cycle.
Outcome 2025: 6.2 percent

15%

RETURN ON CAPITAL EMPLOYED

Return on capital employed excluding IAC of 15 percent over a business cycle.
Outcome 2025: 7.1 percent

≥40%

DIVIDEND POLICY

Dividend policy of ≥40 percent of net income.
Outcome 2025: Proposal of SEK 1.25 per share (40 percent of net income)

Market and trends

Husqvarna Group operates in markets for outdoor power products, watering solutions, and equipment and diamond tools for the light construction industries.

MARKET OVERVIEW

About the market

The total market for Husqvarna Group's products and services is valued at approximately SEK 270bn.

Husqvarna Group operates in markets for outdoor power products, watering solutions, and equipment and diamond tools for the light construction industries. The market for forest and garden products amounts to around SEK 230bn (SEK 160bn for the Husqvarna Forest & Garden Division and SEK 70bn for the Gardena Division). The light construction equipment and diamond tools market is estimated at roughly SEK 40bn (relating to the Husqvarna Construction Division). For all categories, aftermarket services and consumables represent a significant share of the business, with stable growth over time in line with the overall market.

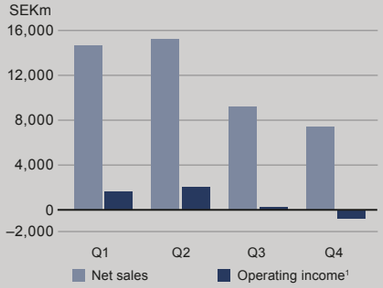
Market drivers
Demand across the Group's markets remains closely tied to overall economic conditions, driven by factors such as consumer purchasing power, consumer confidence, employment levels, and construction activity. For watering solutions and certain outdoor power segments, weather patterns also play a critical role, shaping the gardening season and influencing demand both positively and negatively. In the light construction market, demand follows economic cycles and the performance of new builds, renovation, infrastructure, and selected commercial segments.

Strong position in mature regions, potential in emerging markets
Europe and North America represent the largest markets across all product categories. In other regions, gardening opportunities are more limited due to factors such as climate, high urban population density, cultural gardening practices, and varying levels of purchasing power. Nevertheless, emerging markets present significant growth potential, driven primarily by the light construction and light agriculture industries' adoption of modern techniques.

SEASONALITY AFFECTING SALES OF FOREST AND GARDEN PRODUCTS AND SERVICES

Forest and garden products and services, representing around 85 percent of the Group's total sales, are highly seasonal due to end-user buying patterns. The majority of sales occur during spring and summer, when most lawn care and gardening activities take place. Since the main markets are in the northern hemisphere, sales are highest toward the end of the first quarter and in the second quarter. Given average weather patterns, the third quarter generally marks the end of the gardening season. Demand for forestry products, such as chainsaws, tends to be somewhat higher during the second half of the year. For light construction, demand is evenly distributed throughout the year, with slightly lower demand during the winter months.

AVERAGE DISTRIBUTION (2021-2025) PER QUARTER



¹ Excl. Items affecting comparability

Trends shaping the industry

Several new trends are shaping the industry, opening new market opportunities and setting the scene for the Group's strategy going forward.

SUSTAINABILITY & ELECTRIFICATION

Increased awareness of climate change is reshaping the global landscape, driving innovation across industries, and changing customer demand. Across sectors, the move toward electrification and resource-efficient solutions is clear. Demand for battery-powered products is growing quickly, driven by advances in battery technology and rising demand for low-carbon and user-friendly solutions. Regulations on petrol-powered equipment and increased health and safety requirements (around noise, pollution and vibration) further reinforce this transition. In parallel, scarce resources, such as water, are imposing demands on responsible use and increasing the demand for smart watering solutions.

Husqvarna Group's approach

Sustainability is an integral part of the strategy and a key brand differentiator. Growing demand for battery-powered products and smart watering solutions offering ease of use, lower noise, and reduced environmental impact, creates significant growth opportunities. The Group's ambition is to capture this potential through continued product development, geographic expansion, and deeper penetration across residential and professional segments.

AUTOMATION & ROBOTICS

Automation is reshaping industries, enabling significant cost savings, as well as productivity, scalability and sustainability gains, through smarter, faster and more efficient operations. Technologies such as robotic lawn care, smart watering and autonomous construction solutions are more than operational equipment and tools, they are catalysts that provide competitive advantages and sustainable growth.

Husqvarna Group's approach

The Group is strongly committed to advancing autonomous, self-operating systems. This commitment spans from robotic mowers and smart watering to light construction solutions, enabling customers to boost productivity while reducing their carbon footprint through more resource-efficient solutions. Automation also provides clear health and safety benefits for customers. The strategy includes building value-adding ecosystems around these products and integrating smarter hardware, connected solutions and AI, and service-based business models.

ONLINE & RETAIL

Customer behavior is shifting toward online channels, yet most sales in the Group's core segments occur through physical dealers and retailers. Maintaining strong performance in traditional channels while expanding online capabilities will be essential to meet evolving expectations and secure long-term growth.

Husqvarna Group's approach

The Group serves customers through a strong and well-established multichannel strategy that includes dealers, retailers, and direct-to-consumer online platforms. To address evolving customer preferences and meet customers where they are, the Group continues to strengthen its presence in both retail and digital channels. This approach expands the market reach, builds resilience against shifting trends, and enables growth opportunities across all segments.

DIGITAL ACCELERATION, CONNECTIVITY & AI

The digital acceleration is transforming how businesses operate and deliver value. It enables productivity gains and new opportunities to differentiate offerings, from smarter products and automated workflows to data-driven insights and new business models.

Husqvarna Group's approach

Digitalization and connectivity are transforming not only product innovation but also how the Group operates, sells, and engages with customers. Smarter, connected products deliver enhanced performance, reduced downtime, and actionable insights that fuel innovation and enable deeper customer relationships. This integrated approach creates value across both consumer and professional markets. The Group invests in AI as a powerful enabler for efficiency and value creation. This includes integrating AI into products to deliver smarter solutions as well as leveraging generative AI to enhance customer experience and drive operational efficiency. This ensures technology works hand in hand with people to create sustainable innovation.

Transforming to profitable growth

During the year, the Group launched a new execution-oriented strategy to increase competitiveness, strengthen leading market and brand positions, and ultimately create customer value while driving a transformation toward profitable growth.

THE STRATEGY FOCUSES ON THREE CORE THEMES:

1. Drive operational excellence by improving efficiency, reducing costs and becoming more asset light
2. Accelerate the aftermarket and solutions offering as a key differentiator
3. Execute on the portfolio strategy through clear capital allocation and targeted actions

These themes are supported by a commitment to sustainability, fostering a high-performing and execution-oriented culture, and continued investments in innovation and brand – all critical enablers for progress and long-term success.

OPERATIONAL EXCELLENCE

Key focus areas for profitable growth

OPERATIONAL EXCELLENCE:
MAIN ENGINE FOR PROFITABLE GROWTH

Operational excellence is about improving capital efficiency, and ensuring long-term competitiveness. It serves as the growth engine and key enabler for profitability. The theme includes initiatives to secure a more competitive offering and funding of growth initiatives by reducing product cost and complexity. The Group will combine its manufacturing expertise with asset-light business models that leverage partnerships to drive efficiency and speed and ensure a premium quality end-to-end supply chain.

Transformational cost-out program
A transformational cost-out program will be implemented throughout the 2026–2030 period. Activities include cost reductions from sourcing, product design, manufacturing, logistics and organizational efficiency, including outsourcing and strategic partnerships. The program is expected to result in annual run-rate savings of SEK 4bn by the end of 2030, with a total of SEK 1.5bn in non-recurring costs impacting reported operating income (EBIT) over the full period.

Complexity reduction
A crucial enabler is achieving a 20 percent reduction in portfolio complexity across the Group. This involves streamlining the portfolio by removing lower-performing models and increasing modular design. The initiative will sharpen focus across both back-end and front-end operations, thereby supporting the Group's growth objectives.

SEK 4bn

IN ANNUAL RUN-RATE SAVINGS BY THE END OF 2030

CENTRAL OPERATIONAL EXCELLENCE LEVERS TO DELIVER SIGNIFICANT COST OUT FOR THE GROUP BY 2030

Sourcing: Optimize material costs through best-cost sourcing and strategic partnerships. This will make the largest contribution to the cost-out program.

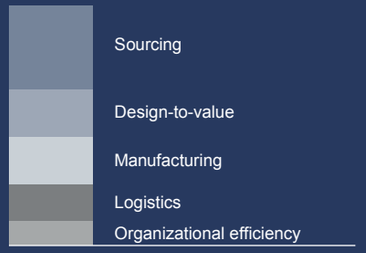
Design-to-value: Simplify platforms to increase portfolio focus and improve product design to enable cost-out.

Manufacturing: Increase manufacturing efficiencies, reduce costs and adapt to an asset-light footprint.

Logistics: Leverage best-in-class partners to optimize footprint and improve service quality and cost.

Organizational efficiency: Step-change productivity by harmonizing processes and leveraging digital and AI solutions.

DISTRIBUTION OF SAVINGS, %



STRATEGIC PORTFOLIO MANAGEMENT, AFTERMARKET AND SOLUTIONS

Key focus areas for profitable growth

STRATEGIC PORTFOLIO MANAGEMENT:
CLEAR CAPITAL ALLOCATION AND TARGETED ACTIONS

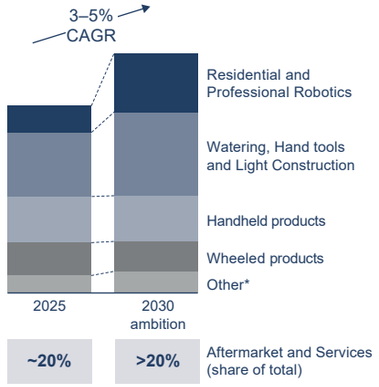
The portfolio strategy ensures that investments are steered toward prioritized categories with highest potential for profitable growth. For product categories with lower growth or profitability, the focus is on cost efficiency and margin improvement. Across the portfolio, professional solutions is a prioritized growth area, offering higher margins, stronger aftermarket potential, and reduced seasonality. This approach is creating a more balanced portfolio mix for the Group and addresses different portfolio roles through the following priorities:

Invest in categories characterized by high structural demand and profitable growth
The main growth drivers in this category are robotic lawn mowers for residential and professional use. Other categories with stable growth are watering, hand tools, aftermarket services, and selected light construction categories. The Group will continue to capitalize on strong structural demand, driving growth through targeted investments and strategic initiatives.

Improve profitability through cost efficiency in categories with lower growth and profitability
Categories in this area include primarily handheld products. While underlying growth is somewhat lower for the overall category, the Group's offering remains strong. The main objective is improving profitability through efficiency improvements and cost reductions.

Turnaround categories with limited growth and profitability
Product categories in this area include wheeled products, certain electric products for gardening as well as certain products for the light construction industry. The historical performance of these categories has been weaker than the Group average. Primary focus is cost efficiency, with the intention of either reversing the trend, adopting asset-light business models or exiting to ensure profitable growth.

ILLUSTRATIVE PORTFOLIO MIX
Share of sales

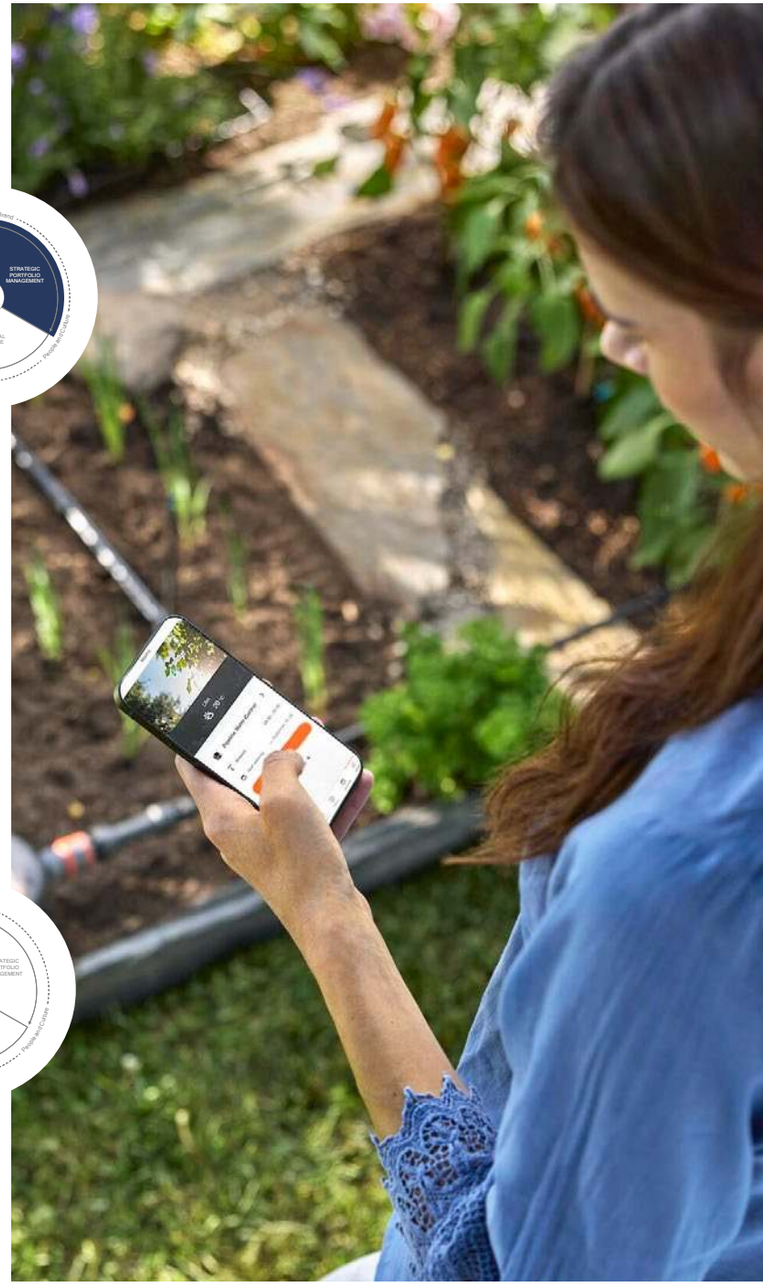


*Mainly includes accessories and spare parts

AFTERMARKET AND SOLUTIONS:
REINFORCING COMPETITIVE ADVANTAGES

The Group's extensive global reach through a network of more than 100,000 points of sale and market-leading aftermarket solutions provides a strong competitive advantage and tangible customer benefits. The ambition is to strengthen this competitive advantage further by deepening customer engagement and leveraging the installed base and global network. The aftermarket business provides a growing, profitable, and resilient revenue stream, reducing volatility in earnings. Key focus areas to expand aftermarket sales include:

- Enhance traditional aftermarket offering of service, parts, accessories, and aftermarket support
- Strengthen service offering, e.g. flexible leasing options and all-inclusive robotic mower subscriptions
- Accelerate digital solutions, connected devices for predictive maintenance and online capabilities
- Drive supply chain excellence to ensure parts availability, product uptime and customer satisfaction



INNOVATION & BRAND, SUSTAINABILITY, PEOPLE & CULTURE

Key enablers for long-term success

INNOVATION & BRAND

The Group aims to accelerate innovation and reduce time-to-market, focusing on prioritized product categories. Partnerships will play a key role in adding capabilities and increasing speed in execution. Special emphasis will be placed on electrification, automation, connectivity and circularity. The Group also aims to strengthen the leading position of its Husqvarna and Gardena brands by deepening customer connections and insights. This includes increasing brand and marketing investments, leveraging leading partnerships which – combined with an expanded multichannel presence – will strengthen brand awareness and engagement.

SUSTAINABILITY

The Group's strategy positions it to lead the transition to a low-carbon and resource-efficient future. The Group is accelerating decarbonization and redesigning products and business models to use fewer resources and deliver longer-lasting value. Growth is supported by expanding robotic mowers and smart connectivity, thereby reducing emissions and enhancing performance. The Group is also advancing circular solutions by increasing recycled and biobased materials and extending product life through repair and refurbishment. These actions help decouple growth from environmental impact and strengthen long-term resilience. Read more in the Sustainability Statement on pages 37–72.

PEOPLE & CULTURE

Husqvarna Group's people agenda plays a vital role in driving the transformation of the business. It focuses on accelerating the capability shifts required to meet future demands, developing critical competencies and leadership to navigate change, and ensuring organizational capacity that supports long-term performance. Guided by the core values – Bold, Dedicated and Care – the strategy is shaping a culture that embraces new ways of working, strengthens leadership and collaboration, and fosters continuous learning and growth across the Group.

Three autonomous and customer-centric divisions

Husqvarna Group operates through three divisions, each equipped with full value-chain capabilities to drive sustainable growth.

HUSQVARNA FOREST & GARDEN DIVISION

A global leader in forest and garden products

The Husqvarna Forest & Garden Division offers products and solutions that increase efficiency and enhance user experience in forestry, tree care, landscaping, and other lawn and garden services. The offering mainly targets professional users and premium consumer segments.

Husqvarna's rich heritage has established the Group as a trusted leader in the industry. Driven by deep expertise in forestry and landscaping, the Husqvarna Forest & Garden Division delivers innovative products and outstanding customer service for homeowners, landowners, and professionals worldwide.

Husqvarna is the global leader in robotic lawn mowers for residential and professional use. With a strong heritage in tree care and forestry, the brand excels in handheld products such as chainsaws, trimmers, leaf blowers, and cutting equipment. Husqvarna is also market leader in high-performance battery-powered products and connected digital services.

Markets, sales channels and brands

The annual global market for the division's products is estimated at approximately SEK 160bn, with Europe and North America representing the largest geographical markets across all categories. Segments with strong long-term growth potential include robotic lawn mowers and battery-powered products, supported by accelerating trends in electrification, automation, and sustainability.

The Husqvarna Forest & Garden Division targets three customer segments:

- Professional users (green space and tree professionals).
- Residential landowners and suburban customers.
- Light agricultural customers (mainly in emerging markets).

The Husqvarna brand is primarily sold through independent servicing dealers, with most sales taking place in Europe and North America.

The year in brief

Financial development

Organic sales increased by 3 percent. Net sales were SEK 27,788m (28,152), including an impact of –4 percent from changes in exchange rates. The growth was mainly driven by robotic mowers and professional handheld products. Sales increased in Europe and decreased in North America. Operating income, excluding IAC, was SEK 2,156m (2,208) representing a margin of 7.8 percent (7.8). Increased sales volumes and continued cost savings had a positive effect, partly offsetting negative effects from tariffs, exchange rates, and cost inflation.

Launch of AI vision technology in robotic lawn mowers

In 2025, the division accelerated its innovation journey with the launch of camera-based AI navigation in robotic mowers. This technology enables advanced object detection, classification, obstacle avoidance, edge detection, and night vision. The launch represents a milestone in intelligent, low-carbon lawn care and establishes a scalable platform that will extend across residential and commercial segments, reinforcing Husqvarna's leadership in autonomous and sustainable technologies.

In 2025, Husqvarna expanded its wire-free robotic mower range with new models and launched AI vision technology reflecting the Group's focus on innovation and usability.

HUSQVARNA FOREST & GARDEN DIVISION

Strengthened chainsaw lineup
Husqvarna strengthened its chainsaw lineup with the launch of the 60 cc 564 XP petrol model and the battery-powered 550i XP, reinforcing its position among professional users. The 564 XP's advanced fuel-injection system enhances performance and maneuverability, meanwhile the 550i XP advances electrification by delivering professional-grade power and performance.

Global Partnership – Husqvarna & Liverpool FC
Husqvarna is continuing its global partnership with Liverpool FC as Official Lawn Care and Turf Care Partner, uniting two premium brands with shared values in innovation and sustainability. Leveraging LFC's global reach, 186 million followers and a TV audience of over 583 million, Husqvarna boosts visibility and credibility, reinforcing its leadership in professional turf and lawn care solutions.

Scaling the global premium segment – 1,900+ golf courses
With a presence on more than 1,900 golf courses worldwide, Husqvarna demonstrates that the Group's autonomous solutions are firmly established in a premium grass maintenance, high-margin segment. This highlights scalability and technological leadership in electrification and automation. The golf market is a high-profile arena where quality and sustainability are essential, reinforcing brand strength and creating long-term value.

Initiatives for increased flexibility and long-term profitability
To enhance cost efficiency and profitability, the Group announced major changes to its manufacturing footprint during 2025, including the divestment of operations in Orangeburg, South Carolina, USA, and the decision to close the Brastad factory in Sweden, with production moving to third-party partners. These steps support the Group's asset-light strategy and strengthen long-term competitiveness.

Priorities going forward
Driving profitable growth in robotics
Building on strong market potential and a leading position, the focus is on accelerating profitable growth in robotics. In residential robotics, low penetration in key markets offers significant growth opportunities. Focus areas include expansion of sales channels, and enhanced aftermarket services. Innovation remains a priority, supported by partnerships to accelerate time-to-market. A key milestone will be the launch of a new wire-free platform, featuring AI vision technology. In professional robotics, the ambition is to accelerate penetration across key markets in Europe, North America, and the Pacific. Growth will be driven by increased penetration of segments such as golf, sports, and facility, as well as expansion into adjacent areas. Key initiatives include rapid technological advancements to further improve uptime, enhanced premium aftermarket and solutions offering, targeted investments in brand and marketing, and continued development of the dedicated Pro dealer channel.

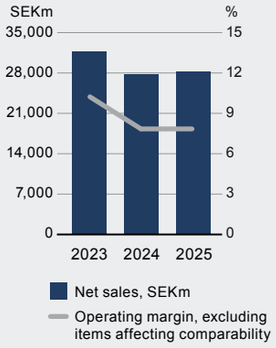
Increase profitability in handheld products
Handheld solutions remain a strategic priority and a core part of the portfolio. In the professional segment, the ambition is to grow market share through leading innovations, while also capitalizing on the rapid shift toward electrification through strategic partnerships. As this transition accelerates, profitability will be improved by reducing product cost, enabled via redesign, cost-saving initiatives, and complexity reduction.

Turnaround in the wheeled segment
The focus in the wheeled segment is to maintain market leadership in Europe by continuing to drive innovation, expanding the product range, and balancing petrol and battery solutions to capture growth and protect profitability. In parallel, decisive actions are being taken to significantly turnaround profitability in North America. These measures include strategic partnerships, rationalizing the portfolio, and implementing significant cost-reduction initiatives.

Significant aftermarket growth opportunities
The aftermarket represents a major growth opportunity, with significant potential to capture a larger share of customer spending. Customer experience will be elevated through a premium, multichannel approach, ensuring better spare parts availability and fast, reliable service. Data and AI will enable a shift to proactive maintenance, while enhanced self-service tools and remote diagnostics will help customers resolve issues quickly and efficiently.

Financial development 2025

NET SALES AND MARGIN



NET SALES BY REGION

KEY FIGURES

SEKm	2025	2024	2023
Net sales	27,788	28,152	31,759
Organic growth, %	*3*	*–8*	*–4*
Operating income	2,147	2,065	2,706
Operating margin, %	*7.7*	*7.3*	*8.5*
Operating income excl. items affecting comparability	2,156	2,208	3,236
Operating margin excl. items affecting comparability, %	*7.8*	*7.8*	*10.2*

During the year, the chainsaw lineup was extended, strengthening the offering for professional loggers and arborists.

Husqvarna & Liverpool FC

GARDENA DIVISION

Driving the adoption of smart watering practices

The Gardena Division is the global market leader in residential watering and smart gardening systems. The comprehensive portfolio includes solutions and products for lawn, tree, hedge, and surface care, as well as advanced digital and connected solutions that enable efficient planning and automation of gardening tasks.

The Gardena Division offers the market's most comprehensive range of gardening products for residential customers. Gardena is the global leader in watering and pioneers in smart gardening, integrating hardware and software to automate tasks such as watering and mowing. The products cater to garden passionates who value convenience, sustainability, and low-carbon solutions.

The division's success is largely built on a system-based approach, like the Original Gardena System for easy click-on watering solutions and the Gardena Combisystem, which integrates various hand tools with interchangeable handles. Products such as Gardena AquaPrecise, the compact all-in-one smart irrigation system, or smart water controls under both Gardena and Orbit brands drive adoption of responsible water usage.

Markets, sales channels and brands

The annual residential global market for the division's products is estimated at approximately SEK 70bn, with Europe and North America representing the largest geographical markets. Segments with strong long-term growth potential include smart watering solutions, driven primarily by increased convenience and a growing focus on resource efficiency.

The customer base consists primarily of residential users, with a clear ambition to expand the professional irrigation market position primarily in the U.S. under the Husqvarna brand. Gardena is Europe's leading residential gardening brand, recognized for high-quality, innovative solutions. In the U.S., Orbit holds a dominant position in the residential watering market, while B-hyve leads in smart watering technology. The Gardena, Orbit, Flymo and Neta brands are primarily sold through retailers and online sales.

The year in brief

Financial development

Organic sales decreased by 3 percent. Net sales totaled SEK 11,493m (12,281), including an impact of –3 percent from changes in exchange rates. The decline was primarily driven by electric products as well as lower sales of watering products in North America. However, sales of watering products increased in Europe. Operating income, excluding IAC, was SEK 730m (823), representing a margin of 6.4 percent (6.7). Cost savings and efficiencies had a positive effect, while lower volumes had a negative impact.

Smarter, more convenient solutions for garden care

Gardena launched the smart SILENO sense robotic mower with camera-based AI navigation, simplifying lawn care and delivering precise mowing for lawns up to 600 m². The camera-led system removes the need for boundary wires,

Gardena AquaPrecise is the complete and convenient solution for automatic lawn irrigation in residential gardens.

antennas, or beacons, using automatic edge detection additionally supported by satellite-based positioning for easy installation and reliable performance.

Launch of Gardena AquaPrecise
– the all-in-one smart irrigation system
Gardena AquaPrecise is the complete and convenient solution for automatic lawn irrigation in residential gardens, equipped with innovative technology and clever features designed to water lawns precisely and evenly. Where previously many individual sprinklers had to be laid underground, the new Gardena AquaPrecise is now a compact system. The functions of sprinklers, valves, and smart irrigation control are combined in one single device that can easily be installed both above and below ground.

Spare parts search with AI-boosted image recognition
Identifying the right spare part to order may be a difficult task for online shoppers. To simplify the shopping experience, customers at gardena.com can now take a photo of the part to be replaced, and the website will instantly identify it using the latest AI technology. This is not only convenient for the user, but it also prevents wrong orders resulting in costly returns. The solution simultaneously enhances customer satisfaction while optimizing cost efficiency.

Gardena and UNICEF – partnering for a better water supply
About 770 million people still lack basic drinking water services, and 3.6 billion lack safe sanitation. Since 2018, the Gardena Division has supported UNICEF's water, sanitation, and hygiene programs, helping provide clean drinking water to around 330,000 children and families. The partnership is planned to continue in 2026.

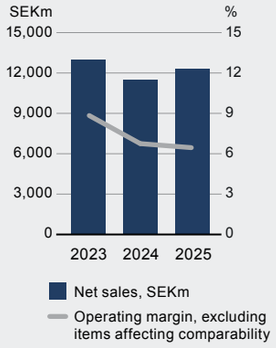
Priorities going forward
Profitable growth – expanding watering and hand tools
The ambition is to accelerate profitable growth in the watering and hand tools segments, where the Gardena Division holds leading positions in parts of Europe and North America. In watering, the focus is on strengthening market leadership through consumer-driven innovation in drip irrigation, smart watering, and water management for both residential and professional segments, supported by e-commerce expansion and entry into professional irrigation. For hand tools, priorities include reinforcing market leadership in Europe and selectively expanding beyond core markets to drive accelerated growth.

Achieving profitable growth also requires improving profitability in the North American market.

Decisive turnaround in Powered Garden
Decisive transformations in Battery & Electric and Robotics are essential to restore profitability under the Gardena brand. Priorities include establishing a new operating model that delivers speed and cost competitiveness, supported by product cost reductions, logistics improvements, and stronger supply chain capabilities. Competitiveness will be further enhanced through strategic partnerships for advanced technologies, and increased manufacturing efficiency. Profitability will be enhanced by a reinforced market presence, leadership in e-commerce, brand and marketing investments, and a more comprehensive aftermarket offering.

Financial development 2025

NET SALES AND MARGIN

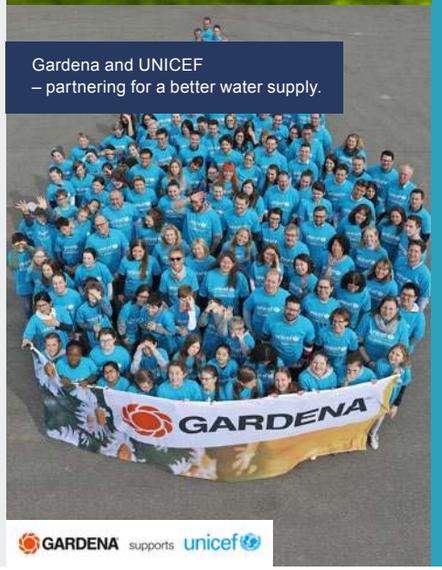


NET SALES BY REGION

KEY FIGURES

SEKm	2025	2024	2023
Net sales	11,493	12,281	12,964
Organic growth, %	*–3*	*–5*	*–10*
Operating income	729	742	950
Operating margin, %	*6.3*	*6.0*	*7.3*
Operating income excl. items affecting comparability	730	823	1,136
Operating margin excl. items affecting comparability, %	*6.4*	*6.7*	*8.8*

In 2025, Gardena launched the smart SILENO sense robotic mower with camera-based AI navigation.



Gardena and UNICEF
– partnering for a better water supply.

HUSQVARNA CONSTRUCTION DIVISION

A full-service provider in the light construction industry

The Husqvarna Construction Division provides market-leading equipment and diamond tools for the light construction industry and diamond tools for the natural stone processing industry.

The Husqvarna Construction Division offers products and solutions for professionals in three core areas: sawing and drilling equipment; surface preparation equipment including diamond tools; and light compaction, concrete placement and light demolition equipment. The range of products and solutions is continuously developed with customer productivity in mind. The objective is to be a trusted business partner and support professional customers' business needs by providing equipment and diamond tools that are effortless to own and easy to use. The equipment and diamond tools are developed and optimized to work seamlessly together, ensuring superior performance, reliability, and productivity.

Markets and customer segments

The annual global market for the division's products is estimated at approximately SEK 40bn.

The division primarily serves infrastructure, residential, and commercial segments, as well as selected industrial sectors. A significant share of revenue comes from recurring sales of diamond tools, spare parts, and accessories. Key markets include North America, Europe, and Australia, while strategic investments are being made to capture growth in emerging regions.

To meet customer needs, a customer-focused global network of distributors and dealers complements the in-house sales force and service centers.

The year in brief

Financial development

Organic sales declined by 2 percent. Net sales totaled SEK 7,177m (7,766), including an impact of –6 percent from changes in exchange rates. The decline was mainly driven by lower sales in North America. Operating income, excluding IAC, was SEK 641m (649), representing a margin of 8.9 percent (8.4). The improvement in operating income was mostly driven by cost savings, a favorable product mix and improved operational efficiency.

Promising introduction of Autogrinder, Husqvarna's first self-operating floor grinder

The division introduced Husqvarna Autogrinder™, a floor grinder designed to enhance workplace productivity and operational efficiency through automation. With a unique navigation system and safety settings, Husqvarna Autogrinder™ can self-navigate while grinding and polishing, freeing up operators to attend to other floor finishing tasks. Feedback from field testing and demonstrations during the pre-launch confirms that the innovative solution provides genuine value to customers.

Sustainable construction and deconstruction in action

In 2025, Husqvarna demolition robots and air cleaners were deployed at the world's first large-scale, all-electric

Husqvarna Autogrinder™ is an advanced, self-operating floor grinder that increases daily productivity by freeing up operators to focus on other critical tasks.

deconstruction project at the Siemens Technology Campus in Erlangen, Germany. The project helped demonstrate that emission-free demolition is already achievable on an industrial scale.

Leadership in dust management
With the introduction of the latest air cleaners – A 25, A 45, and A 100 – alongside the advanced DE 130 H dust extractor, Husqvarna Construction is demonstrating commitment to constant innovations increasing customers' productivity. These innovations deliver real value through smarter, more efficient dust management solutions. Growing awareness of silica dust hazards and increasingly stringent regulations are driving the demand for effective dust control related to concrete cutting, drilling, and grinding.

Every cut counts
With over 60 years of field-proven experience, Husqvarna is a global leader in sawing equipment and diamond tools, offering the industry's broadest range of heavy-duty petrol, hydraulic, pneumatic, battery and corded electric power cutters on the market. In 2025, the battery-powered power cutter K 1 PACE was upgraded to deliver even more power and productivity on the 94V battery platform. In addition, the top-selling K 770 power cutter was enhanced to reduce fuel consumption while maintaining outstanding performance.

Priorities going forward
Profitable growth in sawing and drilling
Sawing and drilling will remain a key area for profitable growth, building on a leadership position in mature markets and a strong portfolio of diamond tools and sawing and drilling equipment. This position will be strengthened through enhanced productivity and customer value, including further reductions in carbon emissions, noise, and vibration. Key initiatives include next-generation combustion engine applications, accelerating electrification through new applications for the PACE battery platform, and enhanced technology for positioning diamonds in diamond cutting segment. Growth will be supported by a multichannel strategy with a strong emphasis on aftermarket and service.

Improve profitability in surface preparation
Improving profitability in surface preparation is a key priority. The approach focuses on leveraging the acquired product portfolio while unlocking growth potential in alternative surface preparation techniques and in dust and slurry management. Margin improvement will be driven by increased modularity and innovation across the product range.

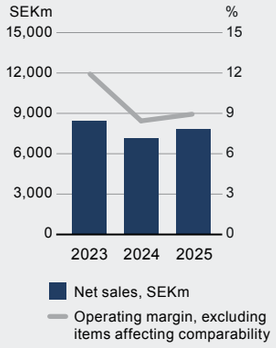
Turnaround of compaction, placement and light demolition
The performance in the compaction, placement, and light demolition area is currently mixed, and the primary objective is to achieve a significant turnaround. While the division holds strong market positions in the light demolition category, the focus remains on driving growth through its direct sales force, enhancing agile and responsive aftersales services, and expanding into new applications.

In compaction and placement, market positions are softer, and the goal is to restore profitability by strengthening channel partnerships, implementing aggressive product cost reductions, and leveraging regionally tailored offerings. This segment will also see an expanded battery-powered product range.

An enhanced aftermarket offering
Uptime and productivity are critical for customers. By providing rapid support and a comprehensive range of services, the division enables customers to maximize productivity and profitability. Looking ahead, the customer experience will be enhanced through a stronger service footprint, more proactive maintenance, improved parts availability, and faster, more efficient field support. These initiatives will strengthen customer loyalty, create predictable revenue streams, and deliver measurable improvements in customer productivity and profitability.

Financial development 2025

NET SALES AND MARGIN

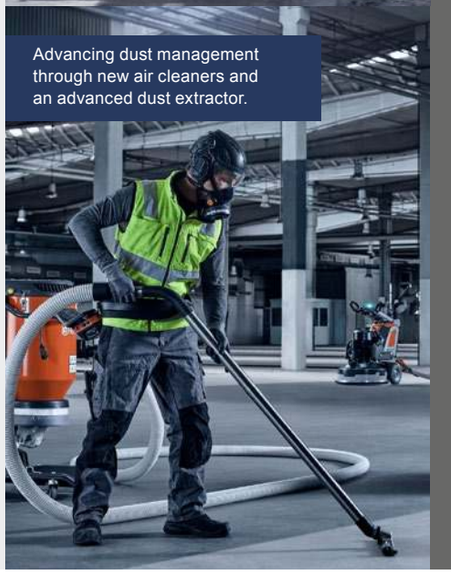


NET SALES BY REGION

KEY FIGURES

SEKm	2025	2024	2023
Net sales	7,177	7,766	8,398
Organic growth, %	*–2*	*–7*	*–3*
Operating income	639	318	755
Operating margin, %	*8.9*	*4.1*	*9.0*
Operating income excl. items affecting comparability	641	649	1,002
Operating margin excl. items affecting comparability, %	*8.9*	*8.4*	*11.9*

Upgraded and enhanced power-cutter offering in 2025.


Advancing dust management through new air cleaners and an advanced dust extractor.

Board of Directors' Report

Founded in 1689, Husqvarna Group has evolved into a global leader in innovative products and solutions for managing forests, parks, and gardens. The product range includes robotic mowers, battery- and petrol-powered chainsaws, trimmers, riding lawn mowers, as well as watering solutions. Husqvarna Group is also a leader in equipment for sawing and drilling in concrete surfaces, floors preparation as well as diamond tools for the light construction industry. Operating mainly under the global Husqvarna and Gardena brands, the products and solutions reach consumers and professional users through direct sales, dealers, and retailers across more than 100 countries. The Group has a brand-driven organization and structure with three separate reporting divisions. The Board of Directors (Board) and the CEO of Husqvarna AB (publ), corporate registration number 556000-5331, with its registered office in Jönköping, Sweden, hereby submit the Annual Report and consolidated financial statements for the 2025 financial year.

The year in brief 2025

- Sales increased organically by 1 percent.
- Net sales decreased by 4 percent to SEK 46,613m (48,352). Changes in exchange rates impacted with –5 percent.
- Operating income increased to SEK 2,898m (2,597), representing a margin of 6.2 percent (5.4).
- Operating income, excluding IAC, was SEK 2,901m (3,195) representing a margin of 6.2 percent (6.6).
- Earnings per share after dilution amounted to SEK 3.09 (2.31) and earnings per share excluding IAC and after dilution amounted to SEK 3.09 (3.12).
- Cash flow from operations and investments was SEK 2,316m (4,372). Direct operating cash flow was SEK 3,267m (6,905).
- The Board of Directors proposed a dividend for 2025 of SEK 1.25 per share (1.00) to the Annual General Meeting.

Net sales and income

Net sales

Sales increased organically by 1 percent. Net sales decreased by 4 percent to SEK 46,613m (48,352), and included an impact of –5 percent from changes in exchange rates. The organic sales growth was mainly driven by robotic mowers, both professional and residential, professional handheld products and watering products.

Operating income

Operating income increased to SEK 2,898m (2,597) and the operating margin was 6.2 percent (5.4). Excluding IAC, operating income was SEK 2,901m (3,195). The decline was mainly a result of changes in exchange rates, which impacted by SEK –316m compared with the preceding year, a negative impact from tariffs of SEK 375m, as well as negative price effects. The operating margin, excluding IAC, was 6.2 percent (6.6). Acquisition related amortizations amounted to SEK –207m (–229).

Key figures

SEKm	2025	2024	2023	2022	2021
Net sales	46,613	48,352	53,261	54,037	47,059
Gross margin, %	*30.2*	*29.6*	*30.3*	*27.0*	*33.0*
EBITDA*	5,866	5,505	6,985	6,385	7,987
EBITDA margin, %	*12.6*	*11.4*	*13.1*	*11.8*	*17.0*
Items affecting comparability*[1]	–2	–598	–1,090	–1,810	62
Operating income	2,898	2,597	3,880	3,043	5,746
Operating income, excl. items affecting comparability*	2,901	3,195	4,970	4,853	5,684
Operating margin, %	*6.2*	*5.4*	*7.3*	*5.6*	*12.2*
Operating margin, excl. items affecting comparability, %*	*6.2*	*6.6*	*9.3*	*9.0*	*12.1*
Income after financial items	2,149	1,733	2,878	2,581	5,494
Net income for the period	1,769	1,326	2,177	1,932	4,437
Earnings per share after dilution*, SEK	3.09	2.31	3.81	3.38	7.73
Dividend per share, SEK[2]	1.25	1.00	3.00	3.00	3.00
Return on capital employed, %*[3]	*7.1*	*5.9*	*8.4*	*7.3*	*17.9*
Return on equity, %	*7.2*	*5.3*	*8.5*	*7.9*	*22.2*
Net debt/equity ratio	0.50	0.59	0.66	0.74	0.44
Direct operating cash flow*	3,267	6,905	6,541	–572	3,651
Average number of employees	11,915	13,353	13,755	14,416	13,873

[1] Items affecting comparability* are provided on page 25.
[2] 2025 as proposed by the Board.
[3] The definition of Return on capital employed has been changed and restated. Refer to "Financial definitions".
* Alternative Performance Measure, refer to "Definitions".

BOARD OF DIRECTORS' REPORT

Financial items net
Financial items net amounted to SEK –749m (–863).

Income after financial items
Income after financial items amounted to SEK 2,149m (1,733).

Taxes
Income tax amounted to SEK –380m (–408), corresponding to an effective tax rate of 17.7 percent (23.5).

Earnings per share
Net income for the period attributable to equity holders of the Parent Company amounted to SEK 1,768m (1,325), corresponding to SEK 3.09 (2.31) per share after dilution. Earnings per share excluding IAC and after dilution amounted to SEK 3.09 (3.12).

Net sales by region

%	2025	2024
Germany	15.0	15.1
France	6.9	6.3
Sweden	5.1	4.4
Great Britain	3.4	3.3
Austria	3.4	3.3
Rest of Europe	25.4	23.5
Europe	**59.1**	**55.9**
Asia/Pacific	9.1	9.3
Canada	2.6	3.1
US	23.7	26.4
Latin America	5.0	4.7
Rest of the world	0.7	0.6
Total	**100.0**	**100.0**

*EBITDA**

SEKm	2025	2024
Operating income	2,898	2,597
Reversals		
Depreciation	1,923	2,020
Amortization	1,022	1,019
Impairments	22	–131
Depreciation, amortization and impairment	2,968	2,908
EBITDA*	**5,866**	**5,505**
*Excl. items affecting comparability**	5,888	6,255
EBITDA margin, %	*12.6*	*11.4*
*Excl. items affecting comparability**	*12.6*	*12.9*

* Alternative Performance Measure, refer to "Financial definitions".

*Items affecting comparability**

SEKm	2025	2024	2023	2022	2021
Restructuring costs	–2	–612	–1,002	–1,852	–17
Non-recurring costs relating to Russia	—	14	–88	–137	—
Other	—	—	—	178	79
Total	**–2**	**–598**	**–1,090**	**–1,810**	**62**

* Alternative Performance Measure, refer to "Financial definitions".

SEKm	2025	2024
Restructuring costs		
Write-down/reversal of non-current assets*	19	152
Write-down of inventory*	–43	–410
Other	22	–355
Non-recurring costs relating to Russia		
Other	—	14
Total items affecting comparability*	**–2**	**–598**

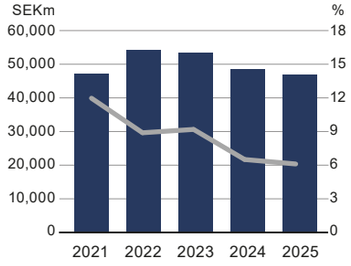
* Alternative Performance Measure, refer to "Financial definitions".

Classification in the income statement

SEKm	2025	2024
Cost of goods sold	–49	–415
Selling expenses	6	–114
Administrative expenses	54	–215
Other operating income/expense	–13	146
Total items affecting comparability*	**–2**	**–598**

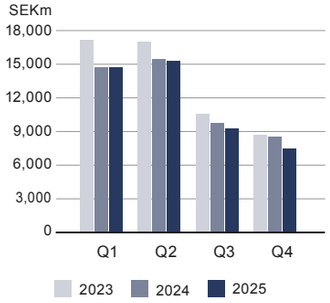
* Alternative Performance Measure, refer to "Financial definitions".

Net sales and operating margin

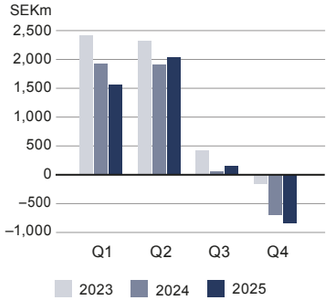


Net sales, SEK m
Operating margin, excluding items affecting comparability*, %
*Alternative Performance Measure, refer to "Financial definitions".

Net sales by quarter

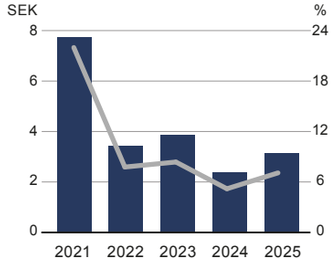


Operating income by quarter[1]



[1] Excluding items affecting comparability*.
* Alternative Performance Measure, refer to "Financial definitions".

Earnings per share and return on equity



Earnings per share after dilution, SEK
Return on equity, %

Cash flow

Cash flow from operations and investments was SEK 2,316m (4,372). The direct operating cash flow was SEK 3,267m (6,905).

*Direct operating cash flow**

SEKm	2025	2024
EBITDA excl. items affecting comparability	5,888	6,255
Change in inventories	–731	3,150
Change in trade receivables	120	–120
Change in trade payables	249	222
Investments in property plant and equipment and intangible assets	–2,258	–2,603
Direct operating cash flow*	**3,267**	**6,905**

* Alternative Performance Measure, refer to "Financial definitions".

Capital expenditure and Research & Development expenses (R&D)

Capital expenditure in 2025 amounted to SEK 2,258m (2,603m), corresponding to 4.8 percent (5.4) of net sales. Investments in property, plant and equipment amounted to SEK 1,276m (1,458) and investments in intangible assets was SEK 982m (1,146), of which SEK 519m (641) was related to product development, SEK 448m (456) to IT/software and SEK 15m (48) was related to other intangibles. Approximately 49 percent (50) of capital expenditure was related to new products, 9 percent (9) to rationalization and replacement of production equipment, 7 percent (8) to expansion of capacity, 22 percent (20) to IT systems and 13 percent (13) to other capital expenditure.

R&D expenses, which are included in cost of goods sold, amounted to SEK 2,452m (2,465), of which SEK 565m (554) was amortization of capitalized product development (intangible assets). The total R&D expenses thus corresponded to 5.3 percent (5.1) of net sales.

Financial position

*Operating working capital**

Operating working capital* at year-end amounted to SEK 13,051m (14,393). Inventories increased to SEK 13,847m (13,828), trade receivables decreased to SEK 4,990m (5,552) and trade payables decreased to SEK 5,786m (5,896).

*Change in operating working capital**

SEKm	
December 31, 2024	14,393
Changes in exchange rates	–1,443
Changes in working capital	101
December 31, 2025	**13,051**

* Alternative Performance Measure, refer to "Financial definitions".

*Net debt**

Net debt as of December 31, 2025, was SEK 11,833m (14,471). The net pension liability decreased to SEK 1,735m (1,834).

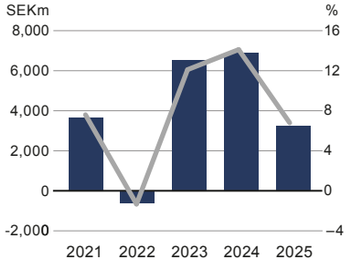
Other interest-bearing liabilities decreased to SEK 12,998m (15,429) and liquid funds and other interest-bearing assets was SEK 2,900m (2,792). The net debt/EBITDA ratio, excluding IAC, was 2.1 (2.5). The equity/assets ratio was 45 percent (43).

*Net debt**

SEKm	2025	2024
Net pension liability	1,735	1,834
Other interest-bearing liabilities	12,998	15,429
Less: Liquid funds and other interest-bearing assets	–2,900	–2,792
Net debt*	**11,833**	**14,471**
Net debt/equity ratio, times	0.50	0.59
Equity/assets ratio, %	45	43
Net debt/EBITDA excl. Item affecting comparability	**2.1**	**2.5**

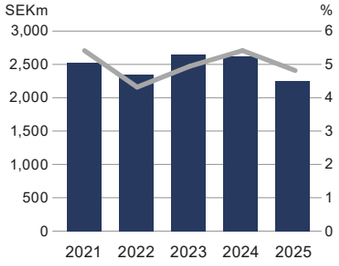
* Alternative Performance Measure, refer to "Definitions".

*Direct operating cash flow**



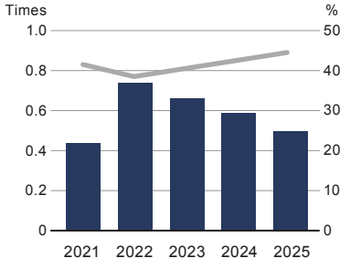
Direct operating cash flow, SEKm
Direct operating cash flow/net sales, %
*Alternative Performance Measure, refer to "Financial definitions".

Capital expenditure



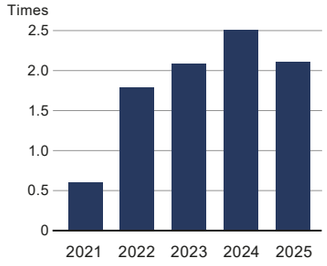
Capital expenditure, SEKm
Capital expenditure/net sales, %

Net Debt/Equity and Equity/Assets ratio



Net debt/equity ratio
Equity/assets ratio, %

Net Debt/EBITDA[1]



Net debt/EBITDA[1], ratio
[1] Excluding items affecting comparability*.
* Alternative Performance Measure, refer to "Financial definitions".

Performance by business segment

Husqvarna Forest & Garden Division

Organic sales increased by 3 percent. Net sales decreased by 1 percent to SEK 27,788m (28,152), including an impact of –4 percent from changes in exchange rates. Growth was mostly driven by robotic mowers and professional handheld products. Sales increased in Europe and decreased in North America. Operating income increased to SEK 2,147m (2,065) and the operating margin was 7.7 percent (7.3). Excluding IAC, operating income was SEK 2,156m (2,208) and the operating margin 7.8 percent (7.8). Increased sales volumes and continued cost savings had a positive effect, partly offsetting negative effects from tariffs, exchange rates, and cost inflation. Changes in exchange rates impacted SEK –176m compared with the preceding year.

Husqvarna Forest & Garden Division

SEKm	2025	2024	Change, %
Net sales	27,788	28,152	–1
Organic growth, %*	*3*	*–8*	
Operating income	2,147	2,065	4
Operating margin, %	*7.7*	*7.3*	
Operating income excl. items affecting comparability*	2,156	2,208	–2
Operating margin excl. items affecting comparability, %*	*7.8*	*7.8*	

Gardena Division

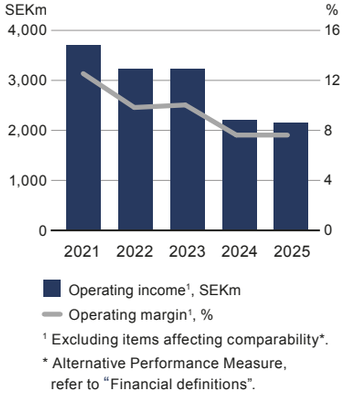
Organic sales decreased by 3 percent. Net sales decreased by 6 percent to SEK 11,493m (12,281), including an impact of –3 percent from changes in exchange rates. The decline was primarily driven by electric products as well as lower sales of watering products in North America. However, sales of watering products increased in Europe. Operating income was SEK 729m (742) and the operating margin 6.3 percent (6.0). Excluding IAC, operating income was SEK 730m (823) and the operating margin 6.4 percent (6.7). Cost savings and efficiencies had a positive effect, while lower volumes had a negative impact. Acquisition-related amortization amounted to SEK –113m (–121). Changes in exchange rates had an impact of SEK –21m compared with the preceding year.

Gardena Division

SEKm	2025	2024	Change, %
Net sales	11,493	12,281	–6
Organic growth, %*	*–3*	*–5*	
Operating income	729	742	–2
Operating margin, %	*6.3*	*6.0*	
Operating income excl. items affecting comparability*	730	823	–11
Operating margin excl. items affecting comparability, %*	*6.4*	*6.7*	

Net sales, Husqvarna Forest & Garden Division

Operating income and margin, Husqvarna Forest & Garden Division

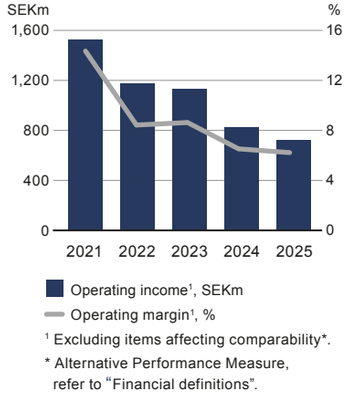


[1] Excluding items affecting comparability*.

* Alternative Performance Measure, refer to "Financial definitions".

Net sales, Gardena Division

Operating income and margin, Gardena Division



[1] Excluding items affecting comparability*.

* Alternative Performance Measure, refer to "Financial definitions".

Husqvarna Construction Division

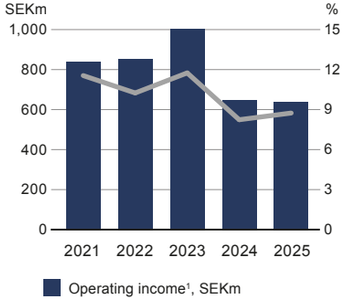
Organic sales declined by 2 percent. Net sales decreased by 8 percent to SEK 7,177m (7,766), including an impact of –6 percent from changes in exchange rates. The decline was mostly driven by lower sales in North America. Operating income increased to SEK 639m (318), and the operating margin was 8.9 percent (4.1). Excluding IAC, the operating income was SEK 641m (649), and the operating margin 8.9 percent (8.4). The improvement in operating income was mainly driven by cost savings, a favorable product mix and improved operational efficiency. Acquisition-related amortization amounted to SEK –92m (–108). Changes in exchange rates had an impact of SEK –125m compared with the preceding year.

Husqvarna Construction Division

SEKm	2025	2024	Change, %
Net sales	7,177	7,766	–8
Organic growth, %*	*–2*	*–7*	
Operating income	639	318	101
Operating margin, %	*8.9*	*4.1*	
Operating income excl. items affecting comparability*	641	649	–1
Operating margin excl. items affecting comparability, %*	*8.9*	*8.4*	

Net sales, Husqvarna Construction Division

Operating income and margin, Husqvarna Construction Division



[1] Excluding items affecting comparability*.

* Alternative Performance Measure, refer to "Financial definitions".

Significant events

Increased flexibility in North America

On February 4, the Group announced a strategic partnership with Flex Ltd., which included the divestment of its manufacturing operations in Orangeburg, South Carolina, USA, effective immediately. The partnership is expected to result in cost-savings of approximately SEK 350m after five years.

Changes in Group Management

On March 18, Sophie Jonsson was appointed General Counsel, effective May 31, 2025.

On April 24, the company announced Pavel Hajman's decision, by mutual agreement with the Board of Directors, to step down as Husqvarna Group CEO and Board Member, effective upon appointment of a permanent successor.

AGM 2025

On April 29, the AGM elected Claes Boustedt, Marlies Gebetsberger and Magnus Jarlegren as new Board members, and Torbjörn Lööf as new Chair of the Board.

Changes in Group Management

On May 16, Maria Rönnberg was appointed EVP People & Organization, effective August 1, 2025.

On July 17, the Board of Directors appointed Glen Instone as CEO of Husqvarna Group, effective August 11, 2025.

Driving cost and operational efficiency

On October 21, the Group announced the closure of its plant in Brastad, Sweden. Expected to generate annual savings of approximately SEK 100m, with full effect from 2027.

Husqvarna Group Capital Markets Day 2025

On December 10, Husqvarna Group held its Capital Markets Day in Stockholm. The new 2030 strategy along with new financial and sustainability targets were presented: organic growth of 3–5 percent over a business cycle, operating margin of at least 10 percent, excluding IAC over a business cycle, and return on capital employed of 15 percent, excluding IAC over a business cycle, as well as reducing CO_2 emissions by 60 percent compared to 2015 levels, and generating 25 percent of net sales from circular offerings. In addition, a cost-out program was announced targeting annual run-rate savings of SEK 4bn by the end of 2030.

Significant events after the period

See Note 28.

Other information

Parent Company

Net sales for January – December 2025 for the Parent Company, Husqvarna AB, amounted to SEK 23,813m (22,427), of which SEK 18,159m (17,103) referred to sales to Group companies and SEK 5,654m (5,324) to external customers. Income after financial items amounted to SEK 2,381m (–2,859). Income for the period amounted to SEK 1,981m (–2,133). Investments in property, plant and equipment and intangible assets amounted to SEK 1,356m (1,594). Cash and cash equivalents amounted to SEK 203m (294) at the end of the quarter. Undistributed earnings in the Parent Company amounted to SEK 25,976m (24,759).

The Husqvarna share

At year-end 2025, the share capital in Husqvarna AB (publ) amounted to SEK 1,153 million (1,153), comprising 107,824,905 A-shares (107,825,205) and 468,518,873 B-shares (468,518,573).

For further information on the change in the number of shares during the year, see note 19. Each A-share carries one vote and each B-share carries 1/10th of a vote. All shares carry equal rights in terms of the assets and earnings. There are no restrictions on the transfer of shares, voting rights or the right to participate in the Annual General Meeting (AGM).

Husqvarna AB (publ) is not aware of any agreements between shareholders that may limit the right to transfer shares. In addition, there are no stipulations in the Articles of Association regarding appointment or dismissal of Board members or agreements between Husqvarna AB (publ) and Board members

or employees that require remuneration if such persons leave their posts, or if employment is terminated, as a result of a public bid to acquire shares in Husqvarna AB (publ).

As of December 31, 2025, the largest shareholders in terms of voting rights were Investor AB, with 33.9 percent (33.9) of the votes, and L E Lundbergföretagen, with 25.8 percent (25.7) of the votes. No other shareholder held more than 5 percent of the votes. Market capitalization amounted to SEK 27bn (33) at the end of 2025. Husqvarna AB (publ) did not have any shares in treasury at the end of 2025. For more information on major shareholders, see section "The share".

Authorization for new share issue and equity swaps of B-Shares
The 2025 AGM resolved to authorize the Board to decide on one or more occasions, until the next AGM, to have the Group enter into one or more share swap agreements with third parties on terms consistent with market practice. The purpose is to secure the Group's obligations under adopted incentive programs.

The participants in the Group's long-term incentive programs have been granted share awards. Subject to fulfilment of the conditions, when the performance period for each program are met, shares are transferred to the participants in accordance with the program terms and without consideration.

The participants in the Husqvarna LTI 2022 program were granted performance share awards in 2022 and on the vesting day in April 2025, 107,750 share awards were exchanged for Husqvarna AB (publ) shares and transferred to the participants.

At year-end 2025, Husqvarna AB (publ) had equity-swap agreements whereby a third-party bank had acquired 4,574,780 B-shares to cover obligations under Husqvarna's long-term incentive programs.

In addition, the 2025 AGM authorized the Board to resolve to issue not more than 57.6 million B-shares, representing 10 percent of the total number of shares in Husqvarna AB (publ), to facilitate acquisitions where the consideration would be paid with own shares. No such issuance was made in 2025.

Legal matters and compliance
Husqvarna Group and its worldwide subsidiaries are involved in commercial, product liability, regulatory and other disputes in the ordinary course of business. Such disputes may involve claims for compensatory damages, fines and penalties, property damage or personal injury compensation and occasionally also punitive damages. For certain types of claims (primarily product liability litigation), the Group has self-insurance, up to certain limits, as well as external excess coverage. The Group continuously monitors and evaluates pending claims and disputes, and acts when deemed necessary. The Group believes that these activities help to minimize such risks. It is difficult to predict the outcome of each dispute, but based on its present knowledge, the Group estimates that none of the disputes in which it is currently involved will have a material adverse effect on the consolidated financial position or result.

Husqvarna Group is committed to a culture of compliance. Honesty and fairness have always characterized the Group's way of doing business and the highest standards of integrity are expected of every employee in every country where the Group does business.

Husqvarna Group regularly trains and communicates with employees on its Code of Conduct and related policies.

Husqvarna Group requires that suppliers, agents, distributors and other business partners ("third-parties") comply with the business and workplace standards as defined in the Husqvarna Group Code of Conduct and Supplier Code of Business Ethics.

Husqvarna Group's Compliance & Regulatory function routinely evaluates its compliance program in light of changes in the Group's business operations and the regulatory landscape. These efforts influence the function's plan to continuously improve the program. Focus areas for 2025 included risk identification and evaluation of the organization's preparedness for a wide variety of regulations, ongoing expansion of the program's efforts to mitigate bribery and corruption risks, and enhanced training and communications regarding a broad cross-section of compliance-related topics aimed at reinforcing the Group's commitment to business integrity.

Husqvarna Group maintains a confidential alertline channel for employees and external stakeholders, reinforcing the commitment to high integrity standards.

Environmental permits
In 2025, Husqvarna Group operated 30 production facilities, of which 20 were in Europe, 3 in the U.S., 3 in China, and one each in Brazil, Japan, India and Australia. All facilities have the environmental permits required for current operations.

Employees
The average number of employees (full-time equivalents) in 2025 was 11,915 (13,353), of which 2,624 (2,674) were employed in Sweden. At year-end, the total number of employees was 11,307 (12,522). Of the total average number of employees in 2025, 8,031 (9,057) were men and 3,884 (4,296) were women.

Salaries and remuneration in 2025 amounted to SEK 9,595m (9,770), of which SEK 2,815m (2,728) refers to Sweden. For more information on employees, see note 4.

Annual General Meeting 2026
The AGM of Husqvarna AB (publ) will be held at 4:00 p.m. on April 16, 2026 at the Jönköping Concert & Congress hall at Elmia, Elmiavägen 15 in Jönköping, Sweden.

Notification and proposals to the AGM
The notification to attend the 2026 AGM has been available on the Group's website, www.husqvarnagroup.com, since March 13, 2026. The full proposal to the AGM will be published on the Group's website at the latest by March 26, 2026.

Proposed distribution of earnings
The Board proposes a dividend for 2025 of SEK 1.25 per share (1.00), corresponding to a total dividend payment of SEK 720m (572) based on the number of outstanding shares at the end of 2025. It is also proposed that the dividend will be paid in two instalments to better match the Group's cash flow profile, with one payment of SEK 0.50 per share in April and the remaining SEK 0.75 per share in October. The proposed record dates are April 20, 2026, for the first payment and October 20, 2026, for the second payment.

SEKt	
The following profits are at the disposal of the AGM:	
Share premium reserve	2,605,747
Retained earnings	21,338,221
Net income for the period	1,981,059
Total profit available for allocation	**25,925,027**

SEKt	
The Board proposes the following allocation of available profits:	
Dividend to the shareholders of SEK 1.25 per share[1]	714,711
To be carried forward	25,210,316
Total	**25,925,027**

[1] Calculated on the number of outstanding shares as of December 31, 2025.

The Board is of the opinion that the dividend proposed above is justifiable at both the Company and the Group level with regard to the demands on the Company and Group equity imposed by the type, scope and risks of the business and with regard to the Company and the Group's financial strength, liquidity and overall position.

Remuneration Guidelines for Group Management and remuneration to the Board 2025

The Remuneration Guidelines were approved by the 2025 AGM and apply until the 2029 AGM, unless any changes are decided in the period from the 2025 AGM until the 2029 AGM. A proposed minor change regarding 2026 and onwards is described in a later section. These guidelines do not apply to any remuneration otherwise decided or directly approved by the AGM or other general meeting.

The overarching ambition of the Group's strategy is market leadership, of which long-term profitable growth and being an innovation leader are important aspects. Built on a strategy for market leadership, the Group's business model is designed for profitable growth, bringing the best forestry, lawn and garden and construction solutions to the market by maximizing assets and minimizing waste and carbon dioxide from operations.

A prerequisite for the successful implementation of the Group's business strategy and safeguarding of its long-term interests, including its sustainability, is that the Group is able to recruit and retain qualified personnel. Therefore, it is necessary that the Group offers competitive remuneration.

The guidelines shall apply to remuneration and other employment conditions of Group Management. The guidelines shall apply to contracts of employment entered into after the 2025 AGM and also to amendments made thereafter to contracts of employment which are in force.

Remuneration to members of Group Management shall be on market terms and based on the position held, individual performance and Group performance, and shall be on a competitive basis in the country of employment. The overall remuneration package for Group Management include fixed cash salary, variable cash compensation in the form of short-term incentive based on annual performance targets, long-term incentives, pension and other benefits. In addition, there are conditions on notice of termination and sometimes severance pay.

Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

Husqvarna Group shall aim to offer a competitive total remuneration level (i.e., all remuneration elements described below) level with a primary focus on "pay for performance".

For more information on principles for remuneration to Group Management and remuneration to the Board, refer to note 4.

Fixed cash salary

Fixed salary shall constitute the basis for total remuneration and may amount to not more than 70 percent of the total remuneration. The salary shall be related to the relevant market and shall reflect the degree of impact, contribution and knowledge required for the position. The salary levels shall be reviewed regularly (normally annually) in order to ensure continued competitiveness.

Variable cash compensation (Short-term Incentive, "STI")

The satisfaction of criteria for awarding variable cash compensation shall be measured over a period of one year. The variable cash compensation may amount to not more than 150 percent of the fixed salary and not more than 50 percent of the total remuneration. The Board decides whether the maximum levels or a lower level shall be utilized. The level of STI is set by the Board based on the position held, taking into account degree of impact, contribution, and knowledge required for the position but also market conditions in the local country.

Variable cash compensation shall be conditional upon the fulfilment of defined financial criteria – such as operating income, cash flow, cash conversion cycle, operating working capital etc – as well as non-financial criteria, to promote the Group's business strategy including its sustainability. The Board and the People Committee (formerly the People & Sustainability Committee) shall establish these criteria for the Group and/or the business unit for which the member of Group Management is responsible and define the minimum/entry level that must be exceeded for variable cash compensation to be paid, and a maximum/stretch level relevant for the upcoming measurement period.

Up to a maximum of 20 percent of the CEO's and other Group Management member's total STI potential may be based on financial or non-financial individual key performance indicators (KPIs).

The criteria shall be designed so as to contribute to the Group's business strategy and long-term interests, including its sustainability. The extent to which the criteria for awarding variable cash compensation has been satisfied shall be evaluated/determined when the applicable one-year measurement period has ended. The People Committee is responsible for the evaluation and it shall be based on the latest financial information made public by the Group. Any individual KPIs for the CEO shall be determined and evaluated by the Board and the People Committee, while the CEO shall be responsible for determining and evaluating individual KPIs for other members of Group Management.

Long-term incentive

The Board will annually evaluate if a long-term incentive program should be offered and be proposed to the AGM. The award level of such a long-term incentive program may amount to not more than 120 percent of the fixed salary when the program is launched.

Pension and other benefits

Pension and disability benefits shall be designed to reflect regulations and practice in the country of employment. Pension plans shall be defined contribution plans and the employer contribution, including contributions for disability pension/insurance, may amount to not more than 40 percent of the fixed cash salary and not more than 30 percent of the total remuneration.

Other benefits may include, for example, life and health-care insurance, housing allowance and company cars. Costs relating to such benefits may amount to not more than 20 percent of the fixed cash salary and not more than 15 percent of the total remuneration. For employments contracts governed by mandatory rules, pension and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Group Management members who are expatriates may receive additional remuneration and benefits to the extent reasonable in light of the special circumstances associated with the expatriate arrangement, taking into account, to the extent possible, the overall purpose of these guidelines. Such remuneration and benefits may not in total exceed 80 percent of the fixed cash salary.

Termination of employment

The notice period may not exceed 12 months if notice of termination of employment is made by the Group. Fixed cash salary during the period of notice and severance pay may together not exceed an amount equivalent to fixed salary for two years. The period of notice may not exceed six months when termination is made by the Group Management member, unless there is a right to severance pay to compensate for a longer notice period. Members of Group Management shall be obliged not to compete with the Group during the notice period. Based on the circumstances in each case, a non-compete obligation

with continued severance pay may be applied also after the end of the notice period. The non-compete obligation shall not apply for more than 24 months from the end of the notice period and the severance pay during such a non-compete period may not exceed an amount equivalent to the fixed salary.

Additionally, remuneration may be paid for non-compete undertakings to compensate for loss of income and shall only be paid in so far as the previously employed Group Management member is not entitled to severance pay. The remuneration shall amount to not more than 60 percent of the fixed salary at the time of termination of employment, unless otherwise provided by mandatory collective agreement provisions, and be paid during the time the non-compete undertaking applies, however not for more than for 24 months following termination of employment.

Salary and employment conditions for employees
In the preparation of the Board's proposal for these remuneration guidelines, salary and employment conditions for employees of the Group have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the People Committee's and the Board's basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable. The development of the gap between the remuneration to executives and remuneration to other employees will be disclosed in the remuneration report to be published in accordance with the EU Shareholder Rights Directive.

The decision-making process to determine, review and implement the guidelines
The Board has established a People Committee, which until Q4 2025 was known as the People & Sustainability Committee, following the transfer of sustainability matters from the Committee's oversight responsibilities. The People Committee qualifies as a "remuneration committee" within the meaning of the Swedish Code of Corporate Governance. The People Committee's tasks include preparing the Board's decision to propose guidelines for Group Management remuneration. The Board shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The People Committee shall also monitor and evaluate programs for variable remuneration for Group Management, the application of the guidelines for Group Management remuneration as well as the current remuneration structures and compensation levels in the Group.

The members of the People Committee are independent of Husqvarna Group and its Group Management. The CEO and other members of Group Management do not participate in the Board's processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Derogation from the guidelines
The Board may resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the Group's long-term interests, including its sustainability, or to ensure the Group's financial viability. As set out above, the People Committee's tasks include preparing the Board's resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines. Any derogation from the guidelines must not cause any of the remuneration elements to exceed two times the maximum level specified in these guidelines.

Remuneration to the Board 2025
Remuneration to AGM-elected Board members is resolved by the AGM based on proposals from the Nomination Committee. The 2025 AGM resolved on fees of SEK 8,490,000. No consulting fees were paid to Board members and no Board fees are paid to Board members who are also employed by the Group. For more information concerning remuneration, see note 4.

Remuneration Guidelines for Group Management and remuneration to the Board 2026
Proposed Renumeration Guidelines to AGM 2026, to be applicable from 2026 onwards, remain unchanged compared to 2025, except for a minor proposed change in the section "Variable cash remuneration (Short-term Incentive "STI")", second paragraph. The following change is proposed to apply from 2026 onwards: "Variable cash remuneration shall be conditional upon the fulfilment of defined financial criteria – such as operating income, organic sales growth, cash flow, return on capital employed etc. – and can also include non-financial criteria, to promote the Group's business strategy including its sustainability."

Risk Management

In this section

Responsibilities and accountability
Integration in core business processes

Risks across the value chain
A. Product and solutions development
B. Sourcing
C. Manufacturing
D. Transportation
E. Customer interaction
F. Customer use
G. Other risk areas across the value chain

Financial risks
- General risks
- Financing risk
- Interest-rate risk
- Foreign exchange risk
- Credit risk
- Tax risk

All business operations involve risk. The goal of risk management is therefore not to eliminate risk, but rather to identify and optimize an organization's risk portfolio to best secure its business goals. Husqvarna Group has therefore implemented controls and governance processes to identify and prioritize material risks that may affect its operations and to limit, control and proactively manage those risks.

Responsibilities and accountability

The Board is ultimately responsible for ensuring effective risk management. The Board has delegated responsibility, in part, to the CEO, who must act in accordance with the Board's guidelines and instructions. The three divisional Presidents and the other members of Group Management are responsible for risk management implementation within their respective divisions and areas of responsibility. The Group also has a dedicated Risk Management function that:

- oversees the Group's overall Enterprise Risk Management program,
- secures appropriate insurance coverage for insurable risks, and
- assesses and facilitates the prioritization of the Group's risks.

Management of financial risks, including currency exchange rate exposure, is primarily the responsibility of Group Treasury.

Integration in core business processes

The process for identifying, assessing, managing, and reporting risk is an integral part of the Group's core business processes, including periodic strategy updates, the annual budget process and project management. Risk management is integrated in the annual budget process in order to capture events and circumstances with potential for material financial and operational impact. This means quantifying potential impacts and the likelihood of each risk and applying simulations to understand potential exposures to financial targets, thereby supporting a proactive response. Risk management conducted as part of periodic strategy updates (both Group and divisional) helps capture events and circumstances that could significantly hinder long-term strategic priorities and goals. Risk management as part of more day-to-day activities is guided by a comprehensive set of Group policies and related procedures. Husqvarna Group has several specialist functions – notably Internal Audit, Compliance & Regulatory, Information Security, Internal Control and Sustainability – that oversee the effectiveness of risk management activities within their respective competency areas.

Risks across the value chain

The following sections highlight risks across the value chain that are deemed material for the Group over the next five years, unless otherwise indicated. This includes the environmental, social and governance-related risks that are also disclosed in the Group's Sustainability Statement section.

RISK MANAGEMENT

A. Product and solutions development

Time to market

Husqvarna Group, like any company, is subject to the risk that its competitors may introduce products or solutions with superior costs to performance ratios. The increasing pace of product lifecycles necessitates more streamlined and effective product development processes. Some of the Group's offerings require relatively lengthy development lead times, thus requiring a deep understanding of potential future needs of end-customers.

Product compliance

Husqvarna Group is subject to a vast array of laws, regulations and industry standards, which vary from jurisdiction to jurisdiction and frequently change. These laws typically apply to the Group's products in terms of design, operation, cyber security, chemical content, noise, safety and (in the case of petrol products) exhaust emissions. Such regulations have also recently expanded to cover additional aspects of the value chain of the Group's products, including how components and raw materials for such products are sourced, as well as recycling and other end-of-product-life responsibilities. Any failure to comply with such product standards could harm end-customers and result in significant costs, e.g., as a result of "stop sale" orders, product recalls, fines and damage to the Group's brand and reputation. Product standards are often subject to interpretation and frequently change, typically becoming stricter. When appropriate, the Group supplements its existing governance structures with dedicated cross-divisional project teams to proactively mitigate risks associated with major regulatory challenges and/or legislative changes, with regular reporting to Group Management.

Servitization

Many industries are experiencing a shift in customer preference from buying physical products to purchasing services such as subscriptions or leases. This servitzation shift, introduces new financial, credit, and regulatory risks, including compliance, anti-money laundering, and data privacy laws. Likewise, the expansion of online and digital services exposes the Group to increased liability under applicable data and privacy regulations, especially in relation to the processing of customer data. However, the Group is still heavily reliant on traditional business models of selling products to generate revenue and there is a risk that competitors may be able to develop service offerings more quickly or more effectively.

Shift from petrol to battery products

Many traditional market segments are affected by the "petrol-to-battery" shift. Products historically powered by petrol engines now have battery-driven motor alternatives. This trend has accelerated in recent years as batteries have become more powerful, more reliable and less expensive. Steps taken to further promote this shift include a significant expansion of internal resources dedicated to robotics and battery products. At the same time, there is increased competition from new entrants, such as power hand tool players, many of whom have significant scale in designing, manufacturing or sourcing of battery-powered indoor products, such as cordless drills, which can to some extent also be applied to outdoor products. A counterbalance to this risk is the Group's deep application know-how of the products in question (e.g., chainsaws and trimmers). The Group's future success in these market segments will thus depend on its continued ability to design the entire end product with better application functionality and performance than most competitors as well as increased competitiveness from product cost-out.

B. Sourcing

Component supply and quality

Supplier delivery delays or quality problems can disrupt production and deliveries to customers/channel partners, especially when the Group depends on a limited number of key suppliers. To address these risks, the Group has begun to shift its risk management evaluations (e.g. site visits) from its own production sites, which are often already deemed "highly protected", to those of major suppliers. The divisions' purchasing organizations work closely with suppliers to manage deliveries and monitor the suppliers' financial stability, quality-assurance systems and flexibility of production. The Group has also recently initiated efforts to reduce its reliance on certain geographical areas that may have long lead times and/or be subject to the risk of trade tariffs, by securing additional sources of supply that are closer to the Group's manufacturing sites. The divisions build buffer stock of critical components to reduce impacts of potential supply disruption.

Partnerships

Partnerships based on mutual expectations of financial or strategic benefits are expected to become increasingly common and important going forward. However, shortfalls in volumes, lack of commitment, performance gaps, or inadequate governance may prevent the anticipated value of such partnerships from being realized.

Electronic components

Electronic components, including batteries and related parts, are becoming increasingly important for the Group's products and services. Worldwide demand for such components – especially battery cells and computer chips – is also increasing dramatically due to the ongoing electrification of society and expanding use of AI technologies. Batteries and electric motors are highly dependent on nickel, neodymium and several other critical minerals. Supply interruptions, including export restrictions, or lack of capacity may adversely affect the Group's production and deliveries. The Group has taken a number of steps to remediate these risks, including: (1) re-engineering products to enable use of a much wider range of electronic components; (2) developing direct relationships with sub-suppliers of certain critical components (e.g. chips and semi-conductors), with whom the Group previously only had an indirect relationship via the Group's tier 1 suppliers; and (3) where necessary, building additional levels of buffer stock.

Supply chain compliance

A broad supplier base, especially in less developed countries, potentially increases the risk that products or components are not produced sustainably. The Group and its suppliers must share the same high standards for the environment, labor and human rights as stated in Group policies and procedures and in the Supplier Code of Business Ethics. The Group has historically mitigated these risks through supplier audits and supplier self-assessments. The Group will continue to improve and expand its supplier due diligence efforts (including supplier audits).

Prices for materials and components

The Group's operations and its performance are affected by fluctuations in the price of raw materials and components. The most important raw materials are steel, aluminum and various types of plastic. The cost of these raw materials can fluctuate considerably over the course of a year, due to changes in world prices for raw materials or the ability of suppliers to deliver them.

Total consumption is linked to production volume and production mix. The Group does not use financial instruments to hedge raw material prices, but endeavors to manage risks through bilateral agreements with suppliers.

C. Manufacturing

Footprint and fixed costs

The Group maintains a relatively large manufacturing footprint with the corresponding fixed costs and is subject to risks from fluctuations in demand resulting from economical, seasonal and weather variations, as well as the availability and applicable lead times of key components. Handheld products such as chainsaws and trimmers, for which the Group also manufactures engines, contain a higher proportion of specialized components that are produced in-house, as do watering products. Any material decline in overall sales volumes can therefore have a significant negative impact on factory absorption and, in turn, on profitability.

Extreme weather events

The Group's property insurer provides an online tool that monitors all Group locations for potential exposure to increased physical risk due to future climate change. It evaluates climate change impacts on perils (i.e., specific loss-causing events such as flooding, storms, heat stress, and wildfires) using three climate change scenarios (for description on climate change scenarios used, see page 44) and global climate model projections for two time periods: 2021–2040 and 2041–2060, with each period based on 20 years of data. This insight will support the Group to proactively mitigate these future exposures.

D. Transportation

Tariffs and trade disputes

The Group's operations involve the movement of products, components and raw materials across national borders. Such goods may be subject to import and export duties or similar tariffs. Normally, the costs of such tariffs are incorporated into product pricing. However, abrupt changes to – or lack of clarity regarding – such tariffs expose the Group to risks. In some cases, it may be difficult to pass on such higher product costs or it may take a significant period of time to do so. Furthermore, competitors may have a different supply chain structure and be able to produce similar goods that are not subject to such tariffs. In either case, the Group may be forced to absorb such extra tariff costs, thereby lowering the gross margin on products sold. Whenever and wherever possible, the Group strives to adjust its supply chain and manufacturing footprint to minimize the impact from such tariffs.

Logistics disruption

The Group depends on freight forwarders, shipping hubs, ports, and transportation companies for delivery of components and finished products. As a result, the Group is exposed to logistics disruptions and potential increase in freight rates. To mitigate these risks, contracts have been established to secure volumes and rates for major shipping routes.

E. Customer interaction

Customer preferences

The Group's strategy focuses on product innovation, leveraging strong brands and global distribution to create differentiated product and solution offerings for different end-customer segments. Achieving long-term profitability relies on efficiently developing, producing, and marketing new products and solutions that satisfy both the performance needs and pricing expectations of customers. Digitalization has opened up significant opportunities to improve customer interaction and to customize advice and support. The Group works with digital solution providers to ensure that products are integrated with digital platforms preferred by the Group's customers.

Digitalization increases the risk of traditional business models being disrupted by new market entrants that may have new product (or service) offerings and/or more effective go-to-market strategies. However, delivering more circular solutions that reduce waste, extending the product lifecycle and reducing the Group's impact on the environment are also important enablers. Accordingly, the development of circular innovations is a key component of the Group's strategy.

Retail channel

Consumer products are primarily distributed through major retail chains. This market is highly consolidated in North America and the UK, while in the rest of Europe market consolidation is largely still ongoing. The Group's retail customers, such as large DIY chains, are becoming larger and fewer in number, thereby enhancing their bargaining power. Several prominent retailers also source products to be marketed under their own brands. While large retailers provide Husqvarna Group with broader product exposure across an expanded geographic region, this reliance also entails certain commercial and credit-related risks. Failure to establish or sustain relationships with DIY retailers may result in significant declines in sales volumes and, consequently, profitability. Conversely, successfully managing these relationships can result in greater reliance on fewer channel partners, leading to elevated trade receivables and increased credit risk. The Group is taking a number of measures to reduce sales channel risks, including setting annual credit limits for customers and ensuring that the Group develops its overall omnichannel market approach.

Dealer channel

Most of the Group's professional products, as well as a significant portion of its consumer products, are sold through local independent dealers. The dealer channel is increasingly challenged by retail and online alternatives. While dealers offer value through product advice, service, and installation, advances in technology that reduce demand for these value-added services could further shift sales to other channels.

Omnichannel and online

Internet commerce is growing and becoming more important for the Group, partly as a result of increased online sales activities of trade partners in both the dealer and retail channel, but also due to growing, direct-to-consumer e-commerce channels. The shift to online purchasing gives rise to opportunities and risks. The challenge is to ensure that relevant products are offered to all customer segments in all relevant purchasing channels. The failure to build or maintain strong supplier relationships with key online resellers can have significant negative effects on volumes and profitability.

F. Customer use

Product safety

The Group is exposed to product liability in the event that its products are alleged to have caused injury to persons or damage to property. The Group is insured to a large degree against such claims, partly through insurance in its own captive insurance company, and partly through external insurers. However, there is no guarantee that such insurance coverage is in force or sufficient in a specific case or that claims regarding product liability may not have an adverse effect on the Group's earnings and financial position. In addition, such insurances do not cover the costs for warranty repair, recall exposure or any adverse effect on brand value. External insurance

is subject to availability and pricing, which may vary over time. The Group has established a committee on product safety (COPS), the tasks of which include monitoring product safety issues and overseeing any necessary product recalls or related market interventions.

Weather/climate
Demand for the Group's products is dependent on the weather. Unexpected or unusual weather conditions in core markets can affect sales either adversely or positively. Dry weather can reduce demand for products such as lawn mowers and tractors but can also stimulate demand for watering products. However, excessive dry weather or droughts may result in regulatory actions, such as water-bans, which have a negative effect on the sale of watering products. Demand for chainsaws normally increases after storms and during cold winters. Husqvarna Group strives for a flexible production and supplier structure that can be adjusted at short notice to meet actual demand without the burden of excess buffer stock. Reducing lead times and improving responsiveness enhances the Group's agility and helps get the right products to the market by matching not only the season but also current weather conditions.

G. Other risk areas across the value chain

Information systems, personal data and cybercrime risks
The Group relies heavily on its IT systems to operate its business. Disruptions or faults in critical IT systems may have a direct impact on operations, such as production and logistics. Cybersecurity risks are increasing in society in general, especially due to cybercriminals who can use a variety of means, ranging from sophisticated virus attacks to simple email fraud. Any of these criminal activities, if successful, could have an adverse impact on the Group's operations, financial position or reputation. The Group works continuously to keep systems protected and is also investing in a number of cybersecurity measures to reduce these risks, including enhanced disaster recovery capabilities, more robust firewall and access controls, additional in-house cybersecurity expertise and information security awareness and training. In parallel with such efforts and in connection with the EU's General Data Protection Regulation (GDPR), the EU's Data Act and related regulations, the Group continuously works to protect individuals' rights in connection with any data (including personal data) processed by the Group.

Integrity and compliance risks
As with similar multinational companies, the Group faces a number of compliance risks, including risks of corruption or fraud, which tend to be higher in emerging markets with less developed legal systems. These risks expose the Group to both potential financial losses as well as potential negative impacts on its reputation. Accordingly, the Group takes a number of steps to prevent and mitigate such risks, including: (A) training Group staff on the Group Code of Conduct, which outlines a zero-tolerance approach to all forms of corruption and bribery; (B) a robust and global whistleblower platform that provides a number of avenues for employees and external parties to confidentially submit any concerns regarding non-compliant behavior, (including, where required, local reporting channels); (C) the Group Third-Party Due Diligence Policy, which leverages an automated system to vet current and potential third parties doing or potentially doing business with the Group; (D) annual statements from Group Country Officers (and other senior managers) confirming they are unaware of any breaches of the Group Code of Conduct not reported through the whistleblower platform; (E) the data-driven tool, Spotlight model, which leverages reliable international indexes categorizing countries based on bribery, corruption, and trade sanctions risks, enhancing oversight of operations and initiatives in countries classified as high-risk; and; (F) practicing the tone from the top from senior management, underscoring the Group's strong commitment to compliance and integrity.

As part of ongoing efforts to assess the organization's risks, the Group Compliance Program continues to enhance the Group's efforts to combat corruption, bribery and other misconduct. The Group also continues to ensure that EU country-specific requirements are met to satisfy country-specific requirements resulting from the EU Whistleblower Directive.

Acquisition, restructuring and organizational change risks
The Group may, from time to time, undertake acquisitions, divestments, organizational changes or changes in its manufacturing footprint, all of which involve risks. For example, restructuring and organizational changes involve the risk of generating higher costs or lower revenues than anticipated and losing key personnel, or that estimated savings are below announced targets. In the case of acquisitions, sales may be adversely affected, the costs of integration may be higher than anticipated, and synergy effects may be lower than expected. In the case of acquisitions or cessation of operations, environmental risk assessments are always conducted by qualified experts. The Group aims to mitigate these risks by, for example, conducting thorough pre-transaction due diligence as well as having clear post-transaction planning, whereby clear roles and responsibilities are established for post-closing handover and integration matters.

Certain risks in the Husqvarna Construction Division
The construction market is less weather-sensitive than the forest and garden market. On the other hand, it is more sensitive to economic cycles and changes in the political environment. Such cyclicality may have a significant impact on acquisition of capital-intense equipment and on the rental channel overall. However, the specific submarkets addressed by the Husqvarna Construction Division tend to have smaller cyclical amplitudes than the overall construction industry. This is largely because of the high relative share of consumables (diamond tools) and the fact that the Husqvarna Construction Division's products are often used in renovation projects, which is a relatively more stable segment compared to new construction work.

Financial risks
The following sections highlight financial risk areas that are relevant to Husqvarna Group.

General risks
The Group's financial risks are managed on the basis of the Group's financial and credit policies, which are updated annually and approved by the Board. Management of financial risks is based largely on the use of financial instruments and is mainly centralized within the Group Treasury function, which operates in accordance with specified risk mandates and limits. For more information on accounting principles and financial risk management and financial instruments, see notes 1 and 20. The Group operates within and closely monitors the difficult and volatile global macroeconomic climate and is robustly managing liquidity and financial challenges.

Financing risk
Financing risk refers to possible delays, increased costs or cancellations related to financing of the Group's capital requirements and refinancing of outstanding debt. Risks are reduced by maintaining an evenly distributed maturity profile of loans, maintaining access to credit facilities, retaining an investment grade rating and ensuring that short-term borrowings do not exceed the current liquidity reserve.

Interest-rate risk
Interest-rate risk refers to the adverse effects of changes in market interest rates on the Group's net income. The main factor determining this risk is the interest-fixing period. The interest-rate risk is managed by changing the interest from fixed to floating or vice versa using derivatives such as interest-rate swaps.

RISK MANAGEMENT

Foreign exchange risk

As Husqvarna Group sells its products in more than 100 countries, has production in approximately ten countries and sources raw materials and components from various countries across the globe, the Group is exposed to exchange-rate fluctuations. These fluctuations affect the Group's earnings in terms of translation of income statements in foreign subsidiaries, i.e., translation exposure, as well as in the sale of products on the export market and purchases of materials in foreign currencies, i.e., transaction exposure and in terms of the translation of balance sheet items such as trade receivables and trade payables.

Changes in exchange rates also affect Group equity. Assets and liabilities of foreign subsidiaries are affected by changes in exchange rates, generating translation differences that impact equity. To limit negative effects on Group results and equity resulting from transaction exposure and translation differences, part of the Group's transaction exposure and net investments in foreign operations is hedged using foreign-exchange derivatives.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group's credit risks are managed on the basis of standardized credit ratings, credit limits, active monitoring of credits and routines for follow-up of trade receivables. The need for reserves for doubtful trade receivables is monitored continuously. Major credit limits are approved annually by the Board. The Group also utilizes credit insurance to reduce credit risk in trade receivables. Given the difficult macroeconomic climate, the Group is being particularly vigilant in relation to customer payment performance, the build-up of aged debts and the risk of bad debt.

The Group's financial assets are used primarily for the repayment of loans. With limited exceptions, liquid funds are placed in highly liquid interest-bearing instruments issued by institutions with a credit rating of at least A–, according to Standard & Poor's or similar agencies.

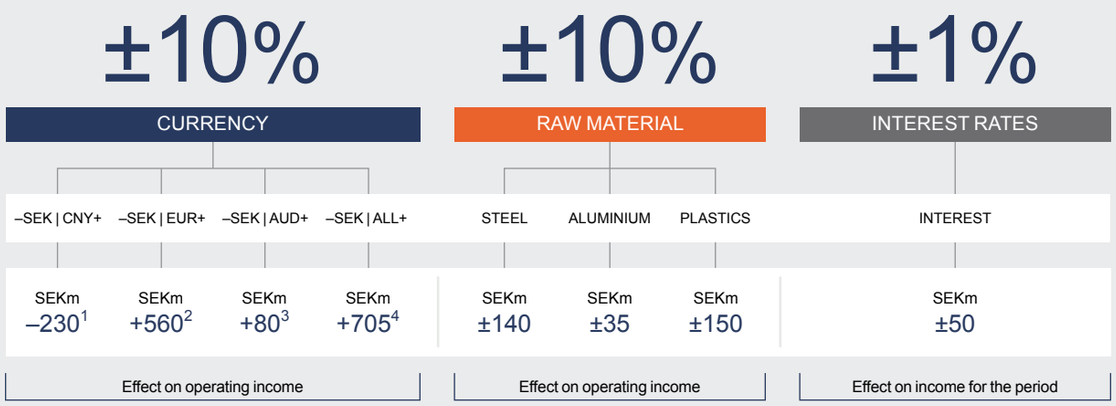
Tax risk

Husqvarna Group operates across multiple jurisdictions and undertakes a great number of cross-border transactions. As a result, the Group is subject to complex and evolving national and international tax rules. The dynamic nature of these tax rules, combined with the varied interpretations by local tax authorities, may create inherent tax risks for multinational corporations, including Husqvarna Group.

Husqvarna Group, like many multinational companies, employs a centralized transfer pricing model aligned with the Group's operating model, which includes centralized functions and global divisions. The model is designed to ensure that intra-group transactions are conducted at arm's length level and in compliance with the OECD guidelines. However, the increased scrutiny from tax authorities worldwide, driven by the evolving regulatory framework, raises the risk of tax audits and potential disputes over the Group's transfer pricing model. A successful challenge by tax authorities may lead to increased tax liabilities, including retroactive adjustments, penalties, and interest, impacting both current and prior periods.

The global regulatory landscape for taxation continues to evolve rapidly, leading to increased compliance requirements for multinational companies such as Husqvarna Group. In light of these developments, the Group faces greater risk exposure related to compliance, including the risk of penalties and increased tax audit activity. Proactively managing these risks is essential to safeguard the Group's financial position and to ensure compliance with increasingly complex tax obligations.

Sensitivity analysis



[1] Excluding hedge effects. SEK –250m refer to effect of transactions and SEK 20m to translation effects.
[2] Excluding hedge effects. SEK 450m refer to effect of transactions and SEK 110m to translation effects.
[3] Excluding hedge effects. SEK –30m refer to effect of transactions and SEK –80m to translation effects.
[4] Excluding hedge effects. SEK 605m refer to effect of transactions and SEK 100m to translation effects.
All other refer to the other currencies including CNY, EUR and AUD.

Sustainability Statement

38 SUSTAINABILITY INTRODUCTION

39 GENERAL DISCLOSURES

48 ENVIRONMENTAL INFORMATION
49 E1 Climate change
54 E5 Resource use and circular economy

57 SOCIAL INFORMATION
58 S1 Own workforce
61 S2 Workers in the value chain
62 S4 Consumers and end-users

63 GOVERNANCE INFORMATION
64 G1 Business conduct

66 APPENDIX
66 EU Taxonomy
70 ESRS Index
72 Data points deriving from other EU legislation

Sustainability introduction

Husqvarna Group's approach to sustainability reflects a long-standing strategic priority, supported by continuous progress in reporting quality and enhanced transparency over time. It explains how sustainability priorities are translated into concrete actions that support business performance, risk management, and long-term value creation, while strengthening our competitive position in markets increasingly shaped by low-carbon and resource-efficient solutions.

Our 2025 strategy focuses on addressing the Group's three priority areas: Carbon, Circular, and People. In Carbon, science-based target guide product development and operational decisions to reduce emissions across our value chain while decoupling growth from environmental impact. In Circular, we advance innovations and evolve products and business models to improve resource efficiency and unlock circular opportunities with clear commercial potential. In People, we empower customers to make informed, responsible choices, reinforcing market relevance, customer loyalty, and a culture of responsibility that supports sustainable growth.

With our 2030 sustainability targets – Carbon and Circular – we are building on a decade of progress with clarity and renewed ambition. These goals accelerate our path toward net zero and a more circular business model that uses resources efficiently. Together, they reflect our belief that lasting sustainability generates long-term value through responsible innovation, broad collaboration and by fostering opportunities for people to thrive.

2025 Sustainability targets

CARBON EMISSIONS REDUCTION SINCE 2015

56%

We have significantly reduced carbon emissions across the value chain, exceeding our 2025 target.

NUMBER OF CIRCULAR INNOVATIONS INTRODUCED

49

We innovate to enhance resource efficiency, extend product lifetimes, and strengthen competitiveness in a resource-constrained future.

NUMBER OF PEOPLE EMPOWERED TO MAKE MORE SUSTAINABLE CHOICES

5.6m

We empower millions of customers to make more sustainable choices, enhancing our competitive relevance and building lasting customer loyalty.

Recognition

Sustainability ratings offer investors and other stakeholders an independent assessment of the Group's sustainability performance and the effectiveness of its strategic direction. They provide an external perspective on how well we identify, manage, and disclose sustainability-related risks and opportunities, supporting transparency and comparability. Positive recognition from rating agencies reinforces confidence in the robustness of our approach and our ability to execute our long-term strategy.

MSCI ESG RATINGS AA
CCC B BB BBB A AA AAA

Climate CDP 2025 B

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General disclosures

Our approach toward sustainability guides the Group's efforts to deliver low-carbon and resource-efficient solutions, while our reporting framework ensures clear, consistent, and decision-useful disclosure. A well-defined governance model ensures active management ownership of sustainability priorities and provides stakeholders with transparent insight into our performance and progress.

ESRS 2 SBM-1 Strategy, business model and value chain

By pioneering innovative solutions that support addressing climate change and resource scarcity, we create sustainable value and deliver returns to all stakeholders. Grounded in prevailing market trends and sustainability impacts, risks and opportunities, our strategy combines customer insights with technological leadership to drive long-term growth and profitability.

The Group offers a wide range of products and solutions through the Husqvarna Forest & Garden, Gardena, and Husqvarna Construction Divisions, with an increasing emphasis on robotic mowers, smart watering systems, and electrified equipment that support the shift to sustainable solutions. Operating mainly under the global Husqvarna and Gardena brands, our products and solutions reach consumers and

Value chain

This model illustrates where Husqvarna Group's material impacts, risks, and opportunities (IROs) arise across its direct and indirect business relationships across the full value chain – upstream, own operations, and downstream – together with its stakeholders. A more detailed description of Husqvarna Group's material topics can be found in the respective sections of this report.

UPSTREAM

PLANET — SUPPLIERS

Material extraction | Components | Business services

Upstream
Husqvarna Group works with a diverse global supplier network that contributes to the resilience and efficiency of our value chain. Our suppliers deliver materials, components, and technologies, and we engage with them to encourage responsible sourcing practices. Through ongoing dialogue, assessments, and shared development efforts, we aim to strengthen transparency, support continuous improvement, and build a supply chain aligned with market and regulatory expectations for sustainable products.

Material topic
E1 – Climate change
E5 – Resource use and circular economy
S2 – Workers in the value chain
G1 – Business conduct

OWN OPERATIONS

EMPLOYEES — INVESTORS

Research and development | Finished goods production

Own operations
Husqvarna Group develops solutions for both professional and residential users, offering products designed for performance, reliability, and efficient operation. The Group operates through the Husqvarna Forest & Garden, Gardena, and Husqvarna Construction Divisions, with a growing emphasis on robotic mowers, smart watering systems, and connected devices that support the shift toward more sustainable solutions and new business opportunities.

Material topic
E1 – Climate change
E5 – Resource use and circular economy
S1 – Own workforce
G1 – Business conduct

DOWNSTREAM

SALES PARTNERS — CUSTOMERS

Lasting partnerships | Low-carbon, resource-smart, and reliable products and services | Great customer experience

Downstream
Sold under the Husqvarna and Gardena brands, our products reach users in more than 100 countries through direct sales, dealers, and retail partners. This network connects our innovations with both professional customers, who rely on durable, high-performance equipment, and residential users seeking convenient, easy-to-use solutions. Working closely with our sales partners, we ensure strong service, market insight, and a seamless customer experience.

Material topic
E1 – Climate change
E5 – Resource use and circular economy
S2 – Workers in the value chain
S4 – Consumers and end-users
G1 – Business conduct

professional users through direct sales, dealers, and retailers across more than 100 countries. For a market overview, refer to page 11.

At the core of our 2025 strategy is our approach to embedding sustainability across the business and value chain through innovation in low-carbon and resource-efficient solutions. We focus on addressing our most material impacts and key challenges across three priority areas: Carbon, Circular, and People, driving tangible progress within the Group while enabling more sustainable choices for our customers and partners. In Carbon, we are committed to reducing emissions across our operations and value chain while decoupling growth from environmental impact. In Circular, we continuously develop innovations and redesign products and business models to improve resource efficiency and promote circularity. In People, we empower our employees, customers, and partners to adopt more sustainable behaviors, fostering a culture of responsibility and supporting the transition to a low-carbon, resource-smart society. Our 2030 Carbon and Circular targets build on a decade of progress and establish a clear direction, accelerating our transition to net zero and a more resource-efficient circular business model.

Husqvarna Group operates through a global network of suppliers and customers that form the backbone of its value chain. Our suppliers deliver raw materials, components, logistics, and technology solutions across diverse regions, including areas where sustainable sourcing remains a challenge. We collaborate with them to strengthen environmental and social standards throughout the supply chain.

Our customers include professional users and consumers worldwide, reached through a multi-channel approach spanning dealers, retail partners, and online sales.

Information about the Group's employees can be found in section S1-6. The revenue breakdown per division is presented on pages 27-28.

The company is a market leader in outdoor power equipment. It also supplies an alkylate fuel to guarantee optimal efficiency, and prolong the life of Husqvarna machines. Revenue from alkylate fuel sales totaled SEK 1,022m at December 31, 2025.

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Double materiality assessment outcome

In 2024, Husqvarna Group conducted a double materiality assessment (DMA). Using EFRAG's guidance alongside our own interpretation of the standards, we applied a structured approach to assess both impact and financial materiality, ensuring a robust identification of our material topics. The Group addresses its material IROs through a combination of defined policies, concrete actions, and, in some areas, measurable targets. These elements are incorporated into the Group's regular risk management processes and form part of the input to strategic planning. In 2025, no material changes were made to the strategy or business model based on the DMA results.

The following tables outline the results of our double materiality assessment. The identified material topics are categorized as impacts on the environment and society (impact materiality topics) and sustainability-related risks and opportunities that we are exposed to (financial materiality topics).

For each material impact topic, we indicate which part of the value chain it relates to. Unless explicitly stated as potential impacts, all impacts listed are actual. All disclosed impacts are connected to the Group's strategy and business model and are considered material in the short, medium, and long term. All impacts identified in E1 and E5 are generated through our own operations and business relationships. For S1, impacts arise from our own operations, while impacts for S2, S4, and G1 are generated through business relationships.

For E5 Resource use and circular economy, S2 Workers in the value chain and S4 Consumers and end-users, the Group applies entity-specific disclosures. The set of material IROs remains unchanged from the previous reporting period. By the end of 2025, the Group had not conducted a resilience analysis of its business model in relation to these material IROs.

Information on the current financial effects of risks is available in the Financial Statements, Note 22 Other provisions. The risks described therein are not linked to the identified material IROs addressed in this report.

Material Impacts, Risks and Opportunities

Material topic	Material IRO	Type of IRO	Value chain	Description
E1 Climate change				
Climate change adaptation	Extreme weather patterns	Risk	Downstream	The demand for the Group's products is influenced by weather conditions. Unanticipated or atypical weather patterns in core markets can impact sales both negatively and positively. For example, dry weather may reduce lawn mower demand but increase irrigation product needs, though prolonged droughts could trigger regulatory restrictions.
	Growing market for smart irrigation systems	Opportunity	Downstream	Smart irrigation systems enable customers to conserve water and maintain healthy plants, supporting sustainable resource management in response to increasingly frequent droughts and water scarcity challenges.
Climate change mitigation	Carbon emissions in own operations and across our value chain	Negative impact	Upstream Own operations Downstream	Carbon emissions are generated across Husqvarna Group's value chain, contributing to climate change. The most significant impact, according to the GHG Protocol, is from Category 11: Use of Sold Products, which covers emissions generated when customers operate motorized products.
	Limited customer acceptance of robotic and battery products	Risk	Downstream	End-user adoption of robotic and battery-powered products may be limited due to performance concerns and preferences for traditional petrol-powered alternatives.
	Growing market for robotic and battery-powered products	Opportunity	Downstream	The rising demand for robotic and battery-powered products presents Husqvarna Group with an opportunity to accelerate CO_2 reduction. Technological advances in battery performance, reliability, and cost-efficiency enable the Group to offer sustainable solutions that align with the global energy transition and meet evolving customer needs.
Energy	Energy consumption in own operations and across our value chain	Negative impact	Upstream Own operations Downstream	Energy derived from fossil fuels consumed in our operations and across the value chain is a primary contributor to climate change and global temperature rise.
E5 Resource use and circular economy				
Resource inflow	Virgin resources consumption	Negative impact	Upstream Own operations	The use of virgin materials in our supply chain leads to significant environmental impacts, including resource depletion. Additionally, the extraction and processing of these materials contribute to environmental issues such as global warming.
	Availability of materials and components	Risk	Upstream Own operations Downstream	The shortage of scarce materials – including those used in circuit boards, magnets and batteries – may result in increased costs, margin erosion, and a long-term risk of supply disruption.

GENERAL DISCLOSURES

Material topic	Material IRO	Type of IRO	Value chain	Description
E5 Resource use and circular economy				
Resource outflows related to products and service	Circular design trade-offs	Negative impact	Upstream Own operations Downstream	Through our product design, we influence factors that affect circularity. When applying certain trade-offs, these decisions impact product and component lifespan, as well as the ability to recycle materials at the end of their life cycle.
	New business models	Opportunity	Own operations Downstream	Introducing new business models, such as leasing, sharing, and refurbishment, offers substantial opportunities by fostering sustainability through extended product life cycles, reduced waste, and minimized resource extraction. These models can also enhance customer engagement and loyalty by providing flexible usage options that adapt to evolving consumer preferences.
	Aftermarket and solutions	Opportunity	Downstream	Aftersales support and the availability of spare parts are critical components of the circular economy, as they facilitate product longevity and minimize waste. By enabling repairs and maintenance, these services extend the life cycle of products, thereby reducing the necessity for new resource extraction.
S1 Own workforce				
Working conditions	Shift in capabilities resulting from the transition to a low-carbon economy	Negative impact	Own operations	The transition from petrol to battery technology, alongside the growing automation of our processes, necessitates a significant shift in competencies within the workforce. This evolution leads to certain redundancies as we adapt to new technological requirements and operational efficiencies.
	Workload-related pressure can adversely affect the mental well-being of employees	Negative impact	Own operations	Continuous transformations and excessive workloads create heightened pressure on employees, often resulting in increased overtime. This sustained pressure occasionally leads to mental health issues and burnout, negatively impacting both individual well-being and organizational productivity.
	Health and safety incidents impacting our workforce	Negative impact	Own operations	Ensuring employee health and safety is crucial for creating a secure and productive work environment, thereby enhancing organizational performance and mitigating risks. Despite these efforts, the organization still experience regrettable accidents that affect its workforce.
Equal treatment and opportunities for all	Representation of women in the workforce and top management	Negative impact	Own operations	It is essential to ensure that women are adequately represented at all levels of employment to promote diversity and address important social considerations. Despite the actions taken, the representation of women in top management and the overall workforce remains below the Group's ambitions.

Material topic	Material IRO	Type of IRO	Value chain	Description
S2 Workers in the value chain				
Working conditions	Excessive working hours for workers in the value chain	Negative impact	Upstream Downstream	Workers in the value chain, particularly within certain geographies, industries, or commodities, are exposed to excessive working hours, resulting in violations of their labor rights, including the right to reasonable working hours and adequate rest periods.
	Health and safety of workers in the value chain	Negative impact	Upstream Downstream	Sourcing from regions with weak health and safety standards leads to injuries and illnesses and undermines workers' rights and job security.
Other work-related rights	Child labor in the value chain	Negative impact	Upstream Downstream	Sourcing from geographical regions or industries where child labor persists contributes to the continuation of such practices, particularly in relation to minerals essential for the transition to a low-carbon economy.
	Forced labor in the value chain	Negative potential impact	Upstream Downstream	Sourcing from regions or industries where forced labor remains widespread may inadvertently perpetuate these practices, especially in the supply of minerals critical to the low-carbon transition.
S4 Consumers and end-users				
Personal safety of consumers and end-users	Safe operation of products by customers and end-users	Negative potential impact	Downstream	There are inherent hazards involved with the operation of powered equipment. These hazards are managed through product design, guarding, warnings, and instructions. Failure to obey warnings and instructions can result in death or serious injury to operators or bystanders.
G1 Business conduct				
Management of relationships with suppliers	Challenges of enforcing sustainable sourcing	Negative impact	Upstream	We engage with suppliers at various stages of the implementation of sustainable business practices, which includes suppliers located in regions where enforcing sustainable sourcing standards present significant challenges.
Corruption and bribery	Operating in geographies where bribery and corruption risks exist	Negative impact	Upstream Downstream	We conduct business in countries where exposure to bribery and corruption persists, particularly in emerging markets where such practices are more prevalent.

E1 ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model related to climate change

Climate-related physical risks

Acute risks – event-driven climate factors

Husqvarna Group has identified one acute climate-related risk considered material in the downstream value chain: temperature-related risks such as extreme heatwaves. This may affect the Group through reduced revenues in the watering and mowing segment. To mitigate these exposures, Husqvarna Group is expanding its geographical presence. Such diversification reduces vulnerability to regional weather volatility and market fluctuations. At the same time balancing sales across multiple regions and broadening the product offering enhances resilience to climate-related impacts.

Chronic risks – long-term climate trends

Husqvarna Group has identified a set of chronic climate-related risks considered material across the value chain, including temperature-related risks such as increased heat stress and prolonged heatwaves, as well as water-related risks such as long-term shifts in precipitation patterns, droughts, or intensified rainfall. These risks may impact the Group through reduced revenues in the watering and mowing segments, while extended droughts may also trigger regulatory measures, such as water restrictions, that could negatively affect sales of watering products. To address these risks, Husqvarna Group maintains a flexible production and supplier structure that can be adjusted at short notice, enabling the management of demand fluctuations while reducing reliance on excess buffer inventory.

Climate-related transition risks

The Group recognizes the potential risk associated with customer acceptance of the transition from petrol to battery-powered products in several traditional market segments. The Group addresses this risk by actively demonstrating the performance of battery-powered products and emphasizing their advantages, including reduced noise and zero emissions during use. To further support customer adoption, the Group continues to invest in advancing battery technology and product durability, while offering a comprehensive portfolio of products and accessories designed to meet the requirements of both professional and consumer segments. These initiatives are reinforced by a robust aftersales service, ensuring product reliability and building customer confidence throughout the transition.

Resilience analysis

Global decarbonization efforts are reshaping market dynamics, regulatory expectations, and investment priorities across industries. As the global energy mix accelerates toward renewables, short-term volatility and long-term efficiency gains are expected. Advances in battery technology, digitalization, and automation will continue to transform product design and operations. These trends collectively reinforce the Group's strategic focus on electrification, circularity, and operational efficiency as key enablers of competitiveness in an evolving economic landscape.

In 2025, the Group conducted a climate resilience analysis to assess potential risks and opportunities across the value chain, considering three time horizons: short term (1–3 years), medium term (up to 2030), and long term (up to 2050). The time horizons applied are consistent with the Group's strategic targets for 2030.

The analysis is qualitative in nature, focusing on identifying exposures and potential vulnerabilities and recognizes uncertainties linked to regulation, technology, market dynamics, and weather variability. These are incorporated into strategy and investment planning, with the assessment of asset exposure, supply chain diversification, and business continuity. Climate-related risks are embedded in strategic initiatives such as electrification, automation, and sustainable materials. The Group maintains strong adaptability over the short, medium, and long term through asset upgrades, product portfolio shifts, and workforce reskilling. Supported by a solid financial position and access to sustainable financing, the Group continues to align its business model with a low-carbon and climate-resilient economy. The Group has not re-assessed the financial impacts of material risks and opportunities within this analysis. Mitigation actions and the required resources have been integrated into strategic planning, as most of these measures are strategic in nature and form part of the Group's overall strategy execution.

The analysis was performed by a group of internal subject matter experts, including representatives from the risk management function. The scenarios applied are those disclosed in the IRO-1 section.

The upstream analysis focuses on suppliers and their activities related to the production and delivery of products and services, including raw material sourcing, component manufacturing, and logistics. The scope covers major supplier regions, with particular emphasis on Asia, Europe, and the U.S.

The analysis of the Group's own operations includes all activities directly under its control relating to the manufacturing, assembly, and distribution of products and services. Rather than being defined by geography, this scope is site-specific, covering all key production and operational facilities worldwide.

The downstream analysis covers the Group's end-users and the management of products during their use phase. The focus is on Europe and the U.S., which represent key markets for the Group's products and services.

Based on the qualitative climate scenario analysis, Husqvarna Group concludes that its business model is resilient to material climate-related risks. The Group's inherent agility and flexibility – particularly in product design, material selection, and sourcing strategies – together with proactive measures embedded in its climate strategy to help customers make more sustainable choices, are expected to strengthen resilience against reputation-related risks.

Extreme weather events may occasionally disrupt Husqvarna Group's value chain. However, the Group's ongoing efforts to strengthen its ability to anticipate, prepare for, respond to, and adapt to such disruptions have helped limit business interruptions and avoid material losses.

S1 ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model related to own workforce

Husqvarna Group's workforce reflects the diversity and specialization required to operate across a global industrial and innovation-driven value chain. The Group's activities are supported by both employees and non-employee workers, including self-employed individuals and workers provided by third-party undertakings primarily engaged in employment services.

While performing the Double Materiality Assessment, the Group considered its own workforce that could be materially impacted. The Group applies the simplification option under the ESRS S1 standard and therefore discloses information only in relation to its employees.

The Group's material adverse impacts are primarily systemic and relate to the ongoing business transformation and shifts in customer preferences, which require significant workforce reskilling and may occasionally lead to selected redundancies. Periods of transformation and high workload can contribute to increased employee stress levels and a higher risk of health and safety incidents, which the Group actively mitigates through dedicated internal programs and preventive measures. Despite continuous focus on diversity and inclusion, the representation of women remains relatively low, reflecting a challenge common across the industry. Based on current assessments, the Group has not identified any specific group of empoyees at greater risk.

The Group has not identified any positive material impacts or material risks related to this matter, nor any operations at significant risk of incidents of forced or child labor.

S2 ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model related to workers in the value chain

Husqvarna Group relies on a global network of suppliers and sub-suppliers across categories such as raw materials, components and parts, transport and logistics, and IT and technology. This multi-tiered supply chain operates across diverse regions, including areas where the enforcement of sustainable

sourcing standards remains a significant challenge. Therefore, the workers that we are prioritizing in our due diligence activities are those employed by entities in the Group's upstream value chain. The Group applies sustainability considerations across its purchasing processes, using a risk-based approach to engage with high-risk suppliers identified by their operating location, operational profile, and significance to the Group's purchasing expenditure. These suppliers report their sustainability performance through a dedicated platform managed by a third-party assessment provider, with assessments conducted on a triennial basis. Newly identified high-risk suppliers are subject to sustainability assessments or on-site audits. The outcomes of these assessments enhance the Group's understanding of where greater risks may arise. As a result of the Double Materiality Assessment, the Group identified actual and potential negative impacts on value chain workers relating to child and forced labor, health and safety conditions, and excessive working hours. With its focus on electrical and battery-powered products, the Group recognizes the human rights risks associated with conflict minerals in its supply chain. Minerals such as tin, tungsten, tantalum, gold (3TGs), cobalt, as well as mica, nickel, lithium, copper, and graphite, pose significant sourcing risks, particularly in high-risk regions. To mitigate these risks, the Group carries out conflict minerals due diligence beyond its direct suppliers, requiring detailed sourcing information through industry-standard reporting templates, supported by a third-party provider and aligned with OECD guidelines and the Responsible Minerals Initiative.

The Group has not identified any positive impacts or material risks related to this matter.

S4 ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model related to customers and end-users

Husqvarna Group serves a diverse, global customer base through a multi-channel approach. The Group's customers include professional users and pro-grade experts, who rely on high-performance and durable products for demanding applications, as well as consumers seeking convenient, easy-to-use, and low-maintenance solutions. Across all segments, Husqvarna Group focuses on innovation, quality, and long-term customer value. Safety is a hallmark of our brands. Products such as chainsaws, mowers, and power cutters must be reliable and operated by informed users. In addition, as with any major manufacturer of goods, on rare occasions a given product (or batch of products) may be determined to pose a potential risk due to a previously unknown issue, or upon notice by a subcomponent supplier. When we learn of any such issue, our Group is committed to evaluating the information and taking immediate and effective measures to remediate concerns. These actions may include product recalls, safety warnings, and other necessary interventions. While these measures are essential for maintaining customer trust and safety, they may also result in increased costs and potential financial impacts.

The Group has not identified any positive impacts, material risks, or opportunities related to this matter.

ESRS 2 SBM-2 Interests and views of stakeholders

Husqvarna Group maintains structured, topic-specific engagement with its stakeholders to understand their perspectives and expectations. Insights from these interactions help shape both operational improvements and strategic decision-making, while also informing our Double Materiality Assessment. Internal subject matter experts support this process, ensuring that our approach is grounded in deep knowledge across key areas, including our own workforce, workers in the value chain, and customers and end-users. Group Management receives regular updates on stakeholder perspectives from the functions responsible for maintaining engagement with specific stakeholder groups. Depending on the topic, the Board of Directors is briefed on these stakeholder perspectives at varying intervals. In 2025, no material changes were made to the strategy or business model based on stakeholders' interests. The Group will continue to engage with its stakeholders in the ordinary course of business.

Key stakeholders and how we engage with them

Key stakeholder group	How engagement is organized	Purpose of engagements	Examples of outcomes from the engagements
Employees	• Performance and personal development dialogues; regular manager-employee check-ins • Regular team meetings and employee townhalls and leadership calls, including Q&A sessions • Cooperation with unions, workers representatives and employee-elected Board members • Employee networks • Surveys and workplace assessments	• Understand employees' perceptions and experiences • Identify areas of strength to leverage in building engagement; identify and address barriers to engagement	• Policy updates • Improvement and action plans • Global initiatives and campaigns • Targeted actions at manager, team or unit level to foster engagement • Additional pulse surveys or other means to monitor progress
Customers	• Divisional customer dialogue and surveys • Partnerships with corporate customers and ongoing engagement to share learnings and discuss sustainability in relation to our products and services	• Understand customers' expectations related to sustainability • Build brand awareness • Inform about and promote products contributing to combating climate change	• Product/service improvements • Adaptation of marketing strategies
Suppliers and supply chain employees	• Supplier due diligence • On-site assessments • Industry collaborations	• Compliance with Code of Business Ethics for Suppliers • Promote responsible sourcing, including minerals and metals • Decarbonize our supply chain	• Supplier improvement plans • Internal policies and procedures updates
Investors	• Ongoing activities of Investor Relations function • Periodic investor updates • Capital markets days	• Understand expectations of sustainability • Attract investors interested in sustainability • Enhance transparency	• Responses to investor queries • Inclusion of sustainability component in quarterly reporting
Sales partners	• Workshops and training programs • Advisory boards • Surveys and feedback mechanisms • Digital platforms	• Ensure strong and lasting business partnerships • Increase sales and profitability • Co-innovate products and services	• Enhanced services delivered through the dealership network • Broadened dealer offerings with a cross-divisional product portfolio

ESRS 2 IRO-1 Description of the process to identify and assess material impacts, risks and opportunities

As part of our reporting preparation, we have carried out a Double Materiality Assessment (DMA). The process was informed by the guidance provided by EFRAG, complemented by our own interpretation of the standards. The DMA evaluates impacts, risks, and opportunities (IROs) related to the Group's global operations and considers IROs across the value chain. The impacts, risks, and opportunities have been mapped to where in the value chain they occur considering geographical areas, facilities, and types of assets. The DMA is subject to an annual review cycle to monitor how IROs and related mitigation activities develop over time.

Identification of impacts, risks, and opportunities

We engaged relevant stakeholders to ensure the accurate identification and validation of sustainability IROs. We included internal subject matter experts across all three Divisions and Group functions, as well as the Enterprise Risk Management (ERM) function. Although no external stakeholders were directly consulted during the DMA process, their perspectives were indirectly reflected through insights gathered by internal teams, following the stakeholder engagement approach outlined in the SBM-2 section on page 43.

The assessment was informed by various inputs to evaluate the Group's most significant impacts, risks, and opportunities. For our own operations, we utilized internal reports from relevant business areas and previous materiality assessments. For value chain IROs, we drew upon internal expertise in sourcing and sales, as well as publicly available reports, particularly concerning workers in the value chain. The list below presents examples of input data used in the assessment:

- Environmental performance data across current and prior years,
- Greenhouse gas (GHG) inventory,
- Climate risk assessment covering both physical and transition risks,
- Biodiversity screenings at manufacturing sites,
- Employee engagement surveys and health and safety records,
- Supplier engagement outcomes, including sustainability audit results,
- Product compliance reports,
- Corporate compliance reports, where factors such as geography, sector, type of activity, and transaction structure are considered,
- Annual risk assessment from our Enterprise Risk Management process.

We conducted a mapping exercise to determine where each IRO arises within the value chain, identifying whether it results from the Group's own operations or, for example, through interactions with business partners and other stakeholders.

In our impact identification, we considered both positive and negative impacts, as well as actual and potential sustainability-related matters. The process included an assessment of the identified impacts and how they may be connected to risks and opportunities. From a financial perspective, we identified potential sustainability-related risks and opportunities that could significantly affect our business and incorporated these into the annual ERM review.

Assessment of impacts, risks, and opportunities

We conducted multiple materiality assessment workshops for each ESRS topic. Participants refined a predefined gross list and added relevant IROs, identifying and scoring IROs across the value chain according to our established scoring methodology.

Our scoring methodology for the severity of actual impacts comprises three parameters: (i) scale – assessing the severity of negative impacts or the benefits of positive impacts for people or the environment on a scale from 1 to 5, with 1 being 'minimal' and 5 being 'very serious', (ii) scope – evaluating the extent of these impacts based on factors such as share of employee or geographical coverage on a scale from 1 to 5, with 1 being 'limited' and 5 being 'global', and (iii) irremediable character – considering the difficulty of reversing damage in terms of cost and time on a scale from 1 to 5, with 1 being 'easy to remediate' and 5 being 'irreversible'. For potential impacts, we also assessed an additional parameter of 'likelihood' following the ERM methodology, on a scale from 1 to 5, with 1 being 'rare' and 5 being 'almost certain'.

When scoring risks and opportunities, we evaluated the potential magnitude of financial effects on EBIT and the likelihood of occurrence, weighting both parameters equally. The potential magnitude of financial effects was rated on a scale from 1 to 5, with 1 being 'minor' and 5 being 'severe'. Likelihood was similarly rated from 1 'rare' to 5 'almost certain'.

Validation of material impacts, risks and opportunities

The results from the workshops were aggregated in a dedicated template. Participants were consulted on IROs within their respective functional areas before finalizing the assessment, making adjustments as necessary.

The thresholds that the Group has applied for the impacts that are deemed material is that their overall score is either 'high' or 'very high'. The overall score is made up of two determining factors, namely the highest score of the impact categories (scale, scope and irremediability) in combination with the likelihood.

During the evaluation of impact materiality, certain factors indicated potential risks for the Group. In such instances, corresponding risks were included in the financial materiality assessment for additional review.

Each risk and opportunity was evaluated using the ERM methodology. The overall score combined assessed financial impact with likelihood. Risks and opportunities rated as 'high' or 'very high' were deemed material from a financial materiality perspective.

Risk management is embedded in Husqvarna Group's core processes, including strategy updates, the annual budget cycle, and project management. Risks and opportunities are assessed by quantifying potential impacts and likelihoods, with simulations applied to evaluate exposure in relation to financial targets. This methodology is applied consistently across all risks and opportunities, regardless of their nature. Material Group-level risks and opportunities reviews capture issues that could affect long-term goals and are incorporated into the annual ERM review, while daily activities are supported by Group policies and procedures. Specialist functions such as Internal Audit, Compliance & Regulatory, Information Security, Internal Control, and Sustainability oversee risk management within their respective areas. Risks deemed material in the DMA are informed by the annual ERM review and approved by the Board of Directors on an annual basis.

DMA review and approval

The outcome of the DMA was approved by the Board of Directors in December 2024. Applying the established materiality threshold, 23 IROs were identified as material, corresponding to 12 sustainability-related matters defined in the topical ESRS standards presented on pages 40-41. IROs related to E2 Pollution, E3 Water, E4 Biodiversity, and S3 Affected Communities were not assessed as material and are therefore not included in the Sustainability Statement.

E1 ESRS 2 IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities

Impacts related to climate change

Climate change is one of the most pressing challenges of our time, and greenhouse gas (GHG) emissions represent Husqvarna Group's most material environmental impact. Emissions occur across every stage of our value chain, from raw material extraction and manufacturing to logistics, customer use, and end-of-life treatment. We regularly review our activities and plans to identify both current and potential future GHG emission sources across our operations and value chain. This process covers all material emission categories and enables proactive management of climate impacts.

According to the Greenhouse Gas Protocol, the largest share of emissions is classified under Category 11: Use of Sold Products. This category covers the emissions generated when customers operate motorized equipment. Given the

nature of our product portfolio, particularly those powered by internal combustion engines, this stage of the value chain significantly outweighs emissions from other categories.

Our dependency on fossil-based energy remains a key driver of emissions. Fossil fuels are consumed directly in our operations, such as manufacturing processes and logistics, as well as indirectly throughout the supply chain and in the use phase of our fossil-powered products. This reliance on fossil energy contributes to the continued accumulation of greenhouse gases in the atmosphere, accelerating global warming and intensifying the risk of climate-related disruptions.

To ensure the accuracy and completeness of our GHG reporting, we maintain a comprehensive GHG inventory, assess long-term volume plans, and project future CO_2 emissions to inform mitigation priorities and guide strategic planning.

Assessment of climate-related risks

The Group has performed the assessment of climate-related risks using three time horizons (1–3 years, 2030 and 2050) and covered the entire value chain, including upstream activities, Husqvarna Group's own operations, and downstream use of sold products. The selected time horizons are considered relevant as they align with strategic planning cycles, climate targets, and investment horizons. The medium term reflects the Group's 2030 sustainability and decarbonization goals, while the long term corresponds to the 2050 net-zero ambition.

For the physical risk assessment, three climate scenarios – Representative Concentration Pathways (RCP) 2.6, RCP4.5, and RCP8.5 – were applied to capture a broad range of potential climate outcomes, from strong mitigation to high-emission futures. RCP4.5, representing a stabilization pathway, was used specifically to assess physical risks for the Group's own operations. For the transition risk assessment, only RCP2.6 and RCP8.5 were applied, as they illustrate two distinct yet plausible pathways for global policy and market developments. Applying multiple scenarios allows the Group to stress-test its strategy, assess exposure to both physical and transition risks, and strengthen resilience under varying future climate conditions.

The applied climate scenarios are subject to certain limitations. For the physical risk assessment, all three scenarios were used, applying site-specific coordinates of our locations to evaluate potential local climate risks. For the transition risk assessment, only RCP2.6 and RCP8.5 were used, focusing on global policy, market, and technological developments rather than site-level detail. The scenarios are based on assumptions that may not fully capture real-world conditions or future socioeconomic and policy changes. Despite these constraints, they provide a robust directional foundation for assessing resilience and informing long-term strategic and investment planning.

Since 2015, Husqvarna Group has reduced absolute CO_2 emissions by more than 50 percent and set a 2030 target to cut emissions by 60 percent, aiming for net-zero by 2050. No assets or activities have been identified as incompatible with this ambition, though significant investments and external dependencies remain. The Group's decarbonization efforts focus on electrification, product efficiency, and low-carbon materials, supported by supplier collaboration to expand renewable energy use and by continued innovation in battery technology, charging infrastructure, and alternative fuels.

Assessment of climate-related physical risks

Husqvarna Group has completed a quantitative assessment to identify which of its current locations may be exposed to increased physical risks due to future climate change. The analysis focused on acute and chronic climate-related risks at the sites assessed and was carried out under three different RCP scenarios:

- Low (RCP 2.6): Radiative forcing stabilizes at approximately 2.6 W/m² by 2100. This pathway is consistent with stringent climate mitigation, requiring rapid, deep, and sustained reductions in greenhouse gas emissions, leading to a peak and subsequent decline in emissions within the next decades.
- Intermediate (RCP 4.5): Radiative forcing stabilizes at approximately 4.5 W/m² by 2100. This pathway assumes the implementation of moderate mitigation measures, resulting in greenhouse gas emissions peaking around mid-century and gradually declining thereafter.
- High (RCP 8.5): Radiative forcing rises to approximately 8.5 W/m² by 2100. This pathway reflects continued growth in greenhouse gas emissions over the century, with limited or no climate policy intervention, leading to high-emission outcomes.

The Group has conducted a simplified qualitative assessment of physical climate risks across its broader value chain, focusing on identifying key exposures and vulnerabilities while applying the same scenarios used for transition risk analysis. For the supply chain, an internal assessment was performed for selected key suppliers within the most material product groups. The Group has also evaluated the likelihood and potential impact of identified climate-related risks and opportunities.

Assessment of climate-related transition risks

The analysis assessed potential impacts under both a Net-zero scenario and a Business-as-usual scenario to capture a range of plausible futures.

- Net-zero scenario (RCP2.6): By 2050, global net-zero greenhouse gas emissions are achieved. This pathway is enabled by the rapid deployment of low-carbon technologies, comprehensive policy frameworks, shifts in market structures, and increasing consumer demand for sustainable solutions. Emissions peak in the near term and decline steeply, consistent with limiting warming to 1.5°C.
- Business-as-usual scenario (RCP8.5): In the absence of significant mitigation efforts, global emissions continue to rise throughout the century. By 2050, this high-emissions pathway results in widespread and irreversible impacts on ecosystems and economies. Physical climate risks intensify, with more frequent extreme weather events, resource stress, and economic disruption. Adaptation responses are predominantly reactive, with limited capacity to reduce systemic vulnerabilities.

The assessment identified material risks and opportunities in both climate scenarios.

E5 ESRS 2 IRO-1 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

Husqvarna Group has identified IROs across the full value chain, including upstream, downstream, and internal operations. With respect to circularity, the most material IROs are associated with the use of virgin materials in the supply chain and their availability in the context of technological transitions – factors that are often beyond direct operational control. The identification and assessment of these IROs have been informed by publicly available information as well as insights derived from prior supply chain experience.

For the Group's own operations, IROs have been defined through contributions from subject matter experts engaged in product development. Particular attention has been given to IROs linked to products offered to end customers, including the development of new circular business models and the availability of spare parts. Internal data sources have further supported the evaluation of circularity-related IROs that directly affect customers.

Husqvarna Group has not commissioned an external consultancy for this process, but has instead drawn upon the expertise of internal specialists in the field.

G1 ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

In identifying material impacts, risks, and opportunities related to business conduct matters, the Group considered location, activity, and sector as relevant criteria, in line with the Anti-Bribery and Anti-Corruption Policy, which forms the foundation for due diligence activities.

ESRS 2 IRO-2 Disclosure Requirements in ESRS covered by the undertaking's sustainability statements

Each impact, risk, and opportunity was assessed to determine whether it met the materiality threshold. IROs with a result of high or very high were deemed material. Sustainability matters linked to risks or opportunities with such results are considered material from a financial perspective, while those linked to impacts are considered material from an impact perspective. IROs below the threshold were not included in the Sustainability Statement, ensuring focus on the issues most relevant to the Group and its stakeholders.

ESRS 2 GOV-1 The role of the administrative, management and supervisory bodies

In total, there are 10 members of the Board of Directors, all of them are non-executive members. The current gender diversity ratio in the Board stands at 40 percent female and 60 percent male. The proportion of independent members on the Board of Directors is 50 percent, supporting robust governance and impartial decision-making processes. The Board consists of 2 employee representatives. Husqvarna Group's governance structure is designed to ensure that the Board of Directors and Group Management collectively possess, or can access and further develop, the expertise required to oversee the Group's material sustainability impacts, risks and opportunities. The Board – supported by the Audit Committee and the People Committee – comprises individuals with extensive backgrounds in global industrial operations, consumer markets, finance, risk management, governance and strategic transformation. The Board further enhances its expertise through regular briefings from internal specialists and external subject-matter experts, ensuring continuous development of sustainability-related competencies.

Group Management contributes operational and functional expertise across product development, electrification and robotics, supply-chain management, procurement, HR, legal and compliance. These capabilities ensure that leaders can interpret and act on the sustainability topics most relevant to the Group's long-term performance. Experience in developing and commercializing innovative products helps management understand how climate change influences customer demand, operational resilience and the transition toward low-carbon and robotic solutions. Their familiarity with global supply chains enables them to anticipate challenges linked to scarce materials, circularity expectations and emerging business models that extend product life. The close engagement of leadership with the workforce equips them to manage the people-related impacts of ongoing workforce transformation, while their understanding of international labor conditions supports responsible sourcing across diverse geographies. Similarly, the Group's legal and compliance experience allows leaders to manage product safety risks for customers and end-users and navigate integrity risks in markets subject to a higher risk of corruption pressures. In combination, these skills ensure that management can translate complex sustainability challenges into operational decisions and strategic direction.

Both the Board and Group Management regularly evaluate whether the existing skills remain adequate for evolving sustainability challenges. Where gaps are identified, targeted development – including training, recruitment or specialist advisory support – is used to strengthen capabilities and ensure robust governance of sustainability across the Group.

The Board holds overall responsibility for the Group's sustainability agenda. This responsibility is supported by the Audit Committee, which oversees the Group's broader sustainability ambitions, the determination of appropriate skills and expertise, target-setting and progress monitoring, as well as sustainability-related disclosures in the Group's periodic reports.

For other material sustainability topics, oversight is embedded in specialized governance structures:

- Sourcing-related sustainability matters are addressed by the Sourcing Board, a sub-committee of Group Management;
- Ethics and integrity issues are reported quarterly to the Audit Committee;
- Product safety is overseen by the Committee on Product Safety, chaired by a Group Legal Affairs representative appointed by the Group General Counsel.

Day-to-day responsibility for sustainability has been delegated by the Board to the Group CEO and Group Management, and further cascaded throughout the organization in accordance with the Group's delegation of authority and Group governance policies.

In 2025, the Group continued to operate a Sustainability Committee, a sub-committee of Group Management, where performance in relation to sustainability strategy and material IROs is reviewed. This includes the due diligence approach, as well as the results and effectiveness of related policies, actions, metrics, and targets.

Operational execution of the Group's sustainability strategy is driven by the cross-divisional Sustainability Network. This network includes representatives from each division and Group core functions and is responsible for implementing initiatives and fostering engagement with relevant internal stakeholders.

In 2025, the Group continued to strengthen internal control over sustainability reporting for the most material sustainability matters. The approach to internal controls established to manage the IROs is described in the section "Internal Control over Financial and Sustainability Reporting" in the Board of Directors' report on page 79.

G1 ESRS 2 GOV-1 The role of the administrative, management and supervisory bodies

The Board of Directors and Group Management play a central role in overseeing Husqvarna Group's commitment to responsible business conduct and ethical practices. They ensure that policies and controls related to anti-bribery, anti-corruption, and ethical behavior are effectively implemented across all operations, including in regions where such risks are more prevalent. The Board is responsible for approving the Group Code of Conduct, while monitoring compliance performance and providing regular reports on ethics and integrity matters to the Board are the responsibilities of Group Management.

Members of the Board and executive leadership possess relevant expertise in governance, compliance, and risk management, enabling them to provide effective oversight of business conduct. They receive regular updates on regulatory developments, ethical standards, and compliance risks to support informed decision-making. Through this governance structure, Husqvarna Group maintains a strong ethical foundation and embeds integrity into its global operations.

ESRS 2 GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The Husqvarna Group involves several bodies in managing material impacts, risks, and opportunities. Through the Double Materiality Assessment process, the identified material IROs are reviewed and approved by the Group Management and Board of Directors. The DMA is conducted on a periodic basis, with additional yearly interim reviews.

Each material ESRS topic has a designated "Topic-owner" within the organization. The Topic-owner leads a cross-divisional Topic team responsible for operationalizing the policies into relevant metrics and targets where applicable. The Topic team plans and executes actions to achieve the defined targets or ambition levels. The progress of their work is documented in recurring reports presented to all levels of sustainability management, with varying levels of detail provided. In 2025, performance related to material IROs was discussed quarterly with Group Management during meetings of the Sustainability Committee. Several sessions were also held with the Board of Directors in connection with the establishment of the 2030 strategy, covering decarbonization levers, trade-offs related to decoupling emissions from business growth, and circular offerings aimed at strengthening both the circular business model and overall profitability. Risks related to the operationalization of the strategy were likewise addressed and included in the annual ERM reviews. The evaluations and conclusions reached are duly recorded in the minutes of the meeting and subsequently circulated among all participants.

ESRS 2 GOV-4 Statement on due diligence

Information about Husqvarna Group's due diligence is found in the below sections.

Core elements of due diligence	Paragraphs in the Sustainability Statement
a) Embedding due diligence in governance, strategy and business model	GOV-2 GOV-3 SBM-3
b) Engaging with affected stakeholders in all key steps of the due diligence	GOV-2 SBM-2 SBM-3 S1-2
c) Identifying and assessing those adverse impacts	GOV-2 SBM-2 IRO-1 E1 ESRS 2 IRO-1 E5 ESRS 2 IRO-1 S1-2
d) Taking action to address those adverse impacts	SBM-3 E1-3 E5-2 S1-4 S2 Actions S4 Actions
e) Tracking the effectiveness of these efforts and communicating	E1-4 E5-3 S1-5 S2 Targets S4 Targets

ESRS 2 BP-1 General basis for preparation of the sustainability statements

The Sustainability Statement in the Board of Directors' Report constitutes Husqvarna Group's statutory sustainability report according to the requirements of the Swedish Annual Accounts Act and has been prepared according to the European Sustainability Reporting Standards (ESRS). It also serves as the Global Compact Communication on Progress (CoP) for Husqvarna Group and all its subsidiaries. In addition, sustainability content is integrated into other sections of this report – as highlighted in section BP-2 Disclosures in relation to specific circumstances.

Our Sustainability Statement is prepared on a consolidated basis and the scope of consolidation is the same as for the Financial Statements, as stated in Note 1 to the Financial Statements.

The Sustainability Statement covers upstream and downstream information, as well as Group's own operations. Impacts, risks and opportunities have been assessed for all three parts of the value chain, to a varying degree depending on the topic.

The Group has not exercised the option to omit specific information relating to intellectual property, know-how, or the results of innovation, nor has it used the exemption from disclosing impending developments or matters under negotiation.

The metrics presented in the Sustainability Statement were subject to external assurance in accordance with the assurance report. No additional external assurance was performed.

ESRS 2 BP-2 Disclosures in relation to specific circumstances

Time horizons

For the purposes of this report, we apply the following definitions for the time horizons, which are aligned with our strategic planning cycle: (i) Short term: one year; (ii) Medium term: one to five years; (iii) Long term: over five years, unless otherwise specified.

Value chain estimation

The following metrics include upstream and/or downstream value chain data estimated using various sources of information or assumptions: (i) GHG emissions in Scope 3, (ii) material inflows, and (iii) material outflows. For own operations, this includes (i) GHG emissions in Scope 1 and (ii) waste. The basis of preparation is disclosed in the accounting principles for the respective metrics, including the assumptions, judgments, and levels of uncertainty.

Changes in preparation or presentation of sustainability information

In the 2025 Sustainability Statement, the Group has introduced three changes to the presentation of sustainability information. In the prior year's report, we disclosed in line with the GRI Standards, whereas this year the report is prepared in accordance with the ESRS. Therefore, the difference in presentation results from the change in reporting standards applied. This specifically relates to own workforce indicators, where different data breakdowns were required.

In the E1 Climate Change 2025 Sustainovate section, we disclose information aligned with the current strategic horizon. Scope 3, Category 1 – Purchased Goods and Services emissions have been calculated using the spend-based method, and Category 4 - Upstream transportation and distribution has been included in the reporting scope, consistent with the data presented in the 2024 report. As part of the Group's Net-Zero Transition Plan, a significant step has been taken to enhance the accuracy of this category by adopting a calculation method based on life cycle assessments (LCAs). This shift enables the Group to better identify key focus areas for supply chain decarbonization and plan targeted activities for the 2030 strategic horizon. In E1-6 GHG emissions, the Group discloses Scope 3, Category 1 – Purchased Goods and Services data in accordance with the new LCA-based approach for all three time horizons presented in the table. In addition, based on the Group's GHG inventory, emissions from transportation were not deemed material and are therefore excluded from reporting. The change in methodology limits comparability with 2024 results and data disclosed in 2025 Sustainovate section.

In the E1 Climate Change section, we disclose information on energy consumption using E1-5 Energy consumption and mix metric. In 2025, we revisited our approach to reporting boundaries and expanded reporting to include non-manufacturing sites below 5,000 m^2 and the Group vehicles. This change in methodology limits comparability with 2024 results, as different reporting boundaries were previously applied.

Reporting errors in prior periods

The Group has not identified any material errors in the prior reporting period. The Group has continued to improve data quality and refine calculation methodologies, which may result in immaterial differences compared with figures reported previously.

Incorporation by reference

The following information is incorporated by reference to other parts of the management report:

- GOV-3 Integration of sustainability-related performance in incentive schemes – Note 4 to the Financial Statements, pages 91–92:
  - point 29(a), Remuneration to Group Management, page 91, second paragraph;
  - point 29(b), LTI 2023 result, page 92;
  - points 29(c) and 29(d), LTI 2023, LTI 2024 and LTI 2025, page 92, second paragraph;
  - point 29(e), Remuneration to Group Management, page 91, first paragraph;
- GOV-5 Risk management and internal controls over sustainability reporting – Internal Control over Financial and Sustainability Reporting, page 79:
  - point 36(a), Internal Control over Financial and Sustainability Reporting, third paragraph;
  - point 36(b), Risk assessment section;
  - points 36(c) and 36(d), Control activities section;
  - point 36(e), Monitoring activities section.

Application of phase-in provisions

The Group applies phase-in provisions in relation to ESRS S1 Own workforce, ESRS S2 Workers in the value chain and ESRS S4 Customers and end-users. The list of material matters for these standards is presented in the SBM-3 section, while the policies, actions, metrics, and targets for certain standards are presented in dedicated sections of the report.

Environmental information

At Husqvarna Group, we are advancing decisive action on climate and resource efficiency. Guided by our sustainability targets, we accelerate low-carbon, energy-efficient products and reduce emissions across our value chain. We also expand circular design, materials and business models to extend product life and increase reparability. By pairing innovation with responsibility, we enhance our competitiveness and support sustainable long-term performance.

Read more
→ E1 Climate change
→ E5 Resource use and circular economy

E1 Climate change

Climate change is reshaping markets, supply chains, and customer expectations, making decarbonization critical for long-term resilience and competitiveness. Companies that fail to act face increasing regulatory pressure, higher costs, and transition risks, while leaders can unlock value through innovation, efficiency, and customer-driven solutions.

Recognizing these developments, Husqvarna Group has pursued a clear, science-based climate mitigation approach for more than a decade. Since 2015, we have followed an absolute, value-chain-wide decarbonization pathway validated by the Science Based Targets initiative and aligned with a 1.5°C trajectory. As most of our emissions occur during product use, innovation and the shift toward low-carbon, electrified, and energy-efficient solutions are central to our strategy.

In 2025, we further strengthened this approach by assessing pathways toward net zero and identifying the key levers to reduce emissions across our value chain. These levers underpin our Net-Zero Transition Plan, which is embedded in product development, capital allocation, and long-term business strategy to support competitiveness and sustainable value creation.

CARBON EMISSIONS REDUCTION SINCE 2015

56%

The Group has reduced GHG emissions across ithe value chain, reflecting disciplined execution of our climate strategy and continued alignment with long-term value creation.

2025 Sustainovate

Since 2015, we have followed a clear and structured pathway to reduce our carbon footprint across the value chain. Our 2025 decarbonization commitment is defined as an absolute target, covering CO_2 emissions from our operations and value chain. As the majority of our emissions occur during the use of our products, continuous innovation and the development of low-carbon, electrified, and energy-efficient solutions are central pillars of our climate strategy.

Our decarbonization target is science-based and validated by the Science Based Targets initiative (SBTi), confirming alignment with a 1.5°C pathway and demonstrating our responsibility to contribute our fair share to global climate mitigation efforts.

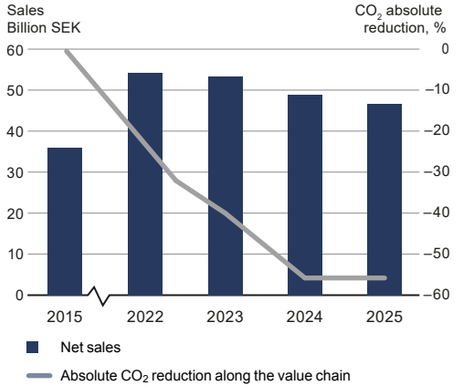
Over the past decade, we have made substantial and measurable progress. Between 2015 and 2025, we reduced our absolute CO_2 emissions by 56 percent, significantly exceeding our 2025 target. This achievement reflects the effectiveness of our long-term, value-chain-wide approach and the consistent integration of climate considerations into product development, operational improvements, and portfolio decisions.

In 2025, we further advanced our climate planning by analysing pathways toward net-zero emissions across the value chain. This work has enabled us to identify the key levers required to deliver continued emissions reductions beyond 2025. The details of our chosen 2030 strategy and the actions planned to achieve this ambition are outlined on the following pages.

	Share of current CO_2 emissions
UPSTREAM **Suppliers and transportation** Scope 3 emissions includes suppliers' emissions (Scope 1 and 2) as well as emissions from transportation, including air and sea freight as well as road transportation.	**6%**
OWN OPERATIONS **Husqvarna Group** Scope 1 & 2 emissions includes CO_2 emissions resulting from energy consumption from sites under the Group's operational control	**1%**
DOWNSTREAM **Customer use** Scope 3 emissions includes CO_2 emissions calculated over the products' projected lifetime.	**93%**

DECOUPLING CO_2 FROM BUSINESS GROWTH

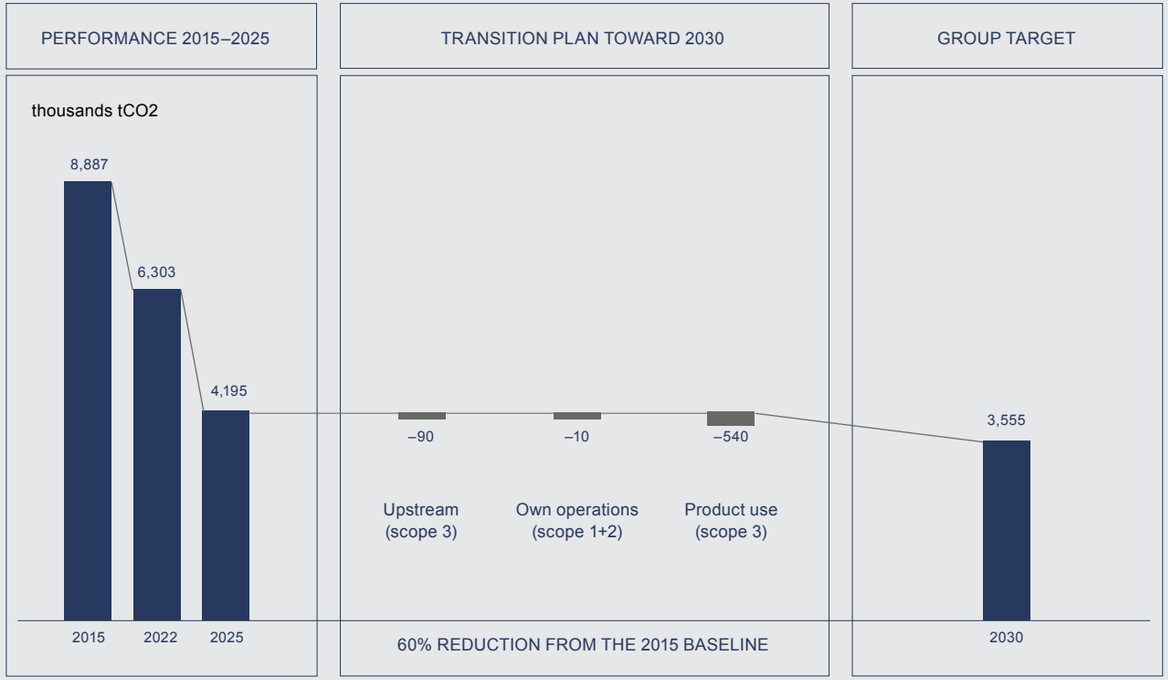
Over the past decade, we have reduced our absolute CO_2 emissions by 56% while increasing sales by 29%.



2030 target: 60% CO_2 reduction across the value chain

By 2030, Husqvarna Group aims to reduce absolute CO_2 emissions across the value chain by 60 percent compared to the 2015 baseline. This target builds on our long-term decarbonization trajectory and reflects a continued focus on reducing emissions through product innovation, operational improvements, and value-chain engagement.

E1-1 Transition plan for climate change mitigation



Driving decarbonization through strategic levers
As part of its commitment to reaching net zero, Husqvarna Group has identified a set of decarbonization levers that will guide emission reductions across the value chain. These levers are designed to address the most material sources of greenhouse gas emissions and to ensure that the Group delivers on its short- and long-term climate targets in alignment with the Paris Agreement.

Upstream (Scope 3)
Locked-in emissions in the upstream value chain primarily arise from suppliers' existing production technologies and energy infrastructures that are still mainly reliant on fossil fuels. The long investment cycles of raw material industries – such as metals, plastics, and batteries – limit the speed at which suppliers can decarbonize. Furthermore, regional variations in energy mix, limited access to renewable electricity, and constrained availability of low-carbon materials contribute to sustained upstream emissions over time. To mitigate the above, the Group will work closely with suppliers to advance climate initiatives, with a particular focus on transitioning to renewable energy. Where feasible, greater use of alternative, recycled, and low-carbon materials will also be prioritized.

Own operations (Scope 1 & 2)
Locked-in emissions from own operations are primarily associated with production and logistics assets that currently depend on natural gas and other fossil fuels. While these emissions represent a relatively small share of the total footprint, the technical and financial lifetime of heating systems, machinery, and fleet vehicles creates a degree of lock-in until such assets are replaced or retrofitted. In line with the Net-Zero Transition Plan, the Group will continue to procure renewable electricity, replace fossil fuels with renewable alternatives wherever possible, and improve energy efficiency in processes and facilities. While the elimination of fossil fuels – particularly natural gas – is technically feasible, it will require additional investments and long-term planning.

Downstream (Scope 3)
The use of sold products remains the largest contributor to locked-in emissions, driven primarily by the continued reliance on petrol-powered equipment over battery-powered or corded alternatives, as well as the carbon intensity of national energy grids. The pace of emission reductions is therefore closely linked to customer adoption rates of low-carbon technologies and the decarbonization of electricity systems in key markets. To support this shift, the Group will focus on the continued rollout of battery-powered products. At the same time, we will continue to improve product efficiency, advance battery performance and charging technologies, and explore the potential of alternative fuels. Close collaboration with customers and partners will be critical to overcoming adoption barriers, and ensuring affordability will require innovative financing models that lower the upfront cost of emerging technologies.

Together, these upstream, own operations, and downstream levers form the foundation of Husqvarna Group's Net-Zero Transition Plan, which is subject to approval in accordance with the Group's governance processes. The levers are central to achieving the Group's targeted 60 percent reduction in emissions by 2030 compared with 2015 levels (44 percent compared with 2022). We have established a combined Scope 1, 2, and 3 emissions reduction target aligned with a 1.5°C decarbonization pathway. Although our industry does not yet have a defined sector-specific trajectory, our targets follow a cross-sectoral pathway requiring a 42 percent reduction in CO_2 emissions between 2020 and 2030. Using 2022 as the reference year, our planned reductions through 2030 remain consistent with this 1.5°C-aligned trajectory.

Integrating net-zero into growth and competitiveness
Husqvarna Group's Net-Zero Transition Plan is a component of its overall business strategy. Decarbonization is not treated as a standalone sustainability initiative, but as a driver of long-term competitiveness, innovation, and market positioning. The plan considers the Group's product strategy, including ongoing developments in robotics, digital solutions, and other evolving technologies, which may support emissions reductions while

creating value for customers. The plan is also considered within financial planning, to the extent possible, through its influence on capital allocation, operating expenditure, and R&D investments, with the aim of supporting the implementation of the outlined activities.

In 2025, the Group continued to allocate capital in support of its decarbonization efforts. These investments are aligned with activities that make a substantial contribution to climate change mitigation and the circular economy, in line with the EU Taxonomy. Key activities include:

- Manufacture of other low-carbon technologies – Climate Change Mitigation (CCM 3.6)
- Product-as-a-service and other circular use- and result-oriented service models – Circular Economy (CE 5.5)

The amount of capital allocated to, and revenue generated from, these activities – together with a detailed description of the underlying activities – is presented in the EU Taxonomy section on pages 66-69. The amounts disclosed relate solely to enabling activities. The Group expects the alignment of its economic activities to remain at a similar level as in previous years.

In 2025, the Group did not allocate significant capital expenditures (CapEx) to coal, oil and gas-related economic activities. The Group is not excluded from the EU Paris-aligned benchmarks.

The Group has also issued two series of Green Bonds, in line with its Green Finance Framework, to finance activities related to product portfolio electrification, amounting to SEK 2,750m. The Green Finance Report is available on the corporate website.

Progress in decarbonization is presented in Section E1-3. As implementation has not yet commenced, progress will be reported in the next reporting year.

E1-2 Policies related to climate change mitigation and adaptation

2025 Sustainovate

The Group's strategy embeds sustainability into the core of the business, ensuring that decarbonization is integrated into both business practices and product development. It sets the direction for the transition toward a low-carbon economy, focusing on electrification, smart solutions, energy efficiency, and a customer mindset shift to minimise emissions. The strategy is underpinned by science-based targets validated by the SBTi, committing the Group to ambitious reductions of greenhouse gas emissions in its most material categories: upstream – covering emissions from suppliers' activities, own operations, and downstream – encompassing emissions generated during product use by customers. It combines operational efficiency improvements with sustainable product design, advancing low-carbon technologies, expanding the use of renewable energy and supporting both climate change mitigation and energy efficiency efforts.

Implementation and oversight of the 2025 Sustainovate are the responsibility of the Group CFO.

Supplier Code of Business Ethics

The Husqvarna Group Supplier Code of Business Ethics sets requirements for sustainability across the supply chain, with specific focus on decarbonization. Suppliers are expected to reduce greenhouse gas emissions, improve energy efficiency, and adopt practices that minimize environmental impacts. The Code establishes a clear framework for collaboration with suppliers on low-carbon solutions, supporting progress toward the Group's climate targets.

Implementation and oversight of the Code are the responsibility of the General Counsel, Executive Vice President Legal Affairs.

Enterprise Risk Management Policy

The Husqvarna Group Risk Management Policy defines the Group's approach to identifying, assessing, and mitigating risks that could adversely impact its financial position, reputation, or ability to achieve long-term business objectives. The Policy outlines the Group's integrated approach to ERM, encompassing both traditional business risks and emerging sustainability-related risks, such as those arising from climate change and evolving regulatory landscapes. It defines the roles and responsibilities of divisions and Group Functions in risk identification, evaluation, mitigation, and monitoring, as well as the processes for escalation and oversight. The Policy applies to all Husqvarna Group employees globally.

Implementation and oversight of the Policy are the responsibility of the Vice President, Risk Management, within Group Legal Affairs, in coordination with relevant functions responsible for sustainability, compliance, and business continuity.

E1-3 Actions and resources in relation to climate change policies

Downstream emissions, classified as indirect Scope 3 emissions from product use, represent approximately 68 percent of our total CO_2 footprint and therefore constitute our most material impact area. The primary lever to address these emissions is the transition from fossil fuel-powered products to electric alternatives. While this shift significantly reduces emissions, battery-powered products will continue to generate indirect emissions until electricity grids are fully decarbonized, which will occur at varying speeds across geographies.

Electrification as a strategic growth lever

We continued to align our product and technology roadmaps with our strategic priorities by launching solutions that advance electrification and support the transition to a low-carbon economy. In 2025, the Husqvarna Forest & Garden Division broadened its portfolio of battery-powered products for professional users in turf care, grounds maintenance, and forestry. The introduction of three new robotic mowers – Automower 560 EPOS, 580 EPOS, and 580L EPOS – brought wire-free EPOS technology to the professional segment, enabling easier installation and enhanced operational flexibility. In forestry, the launch of the 550iXP battery chainsaw, powered by the B540X battery, set a new benchmark by delivering performance comparable to a 50cc petrol chainsaw while eliminating direct emissions during the use phase. In addition, we unveiled our first battery-powered zero-turn mower, the Z245i, and introduced the Rider R200iX AWD, the first all-wheel-drive battery rider. Together, these launches mark an important step toward reducing use-phase emissions and accelerate the industry shift toward electrification.

Lowering emissions through efficiency and renewables

We are reducing carbon emissions in our operations by improving energy efficiency and expanding the use of renewable energy. Measures include upgrades to HVAC systems and the conversion of lighting to LED, which lower energy demand across our sites. At the Gardena Division's Niederstotzingen site in Germany, a 634 kWp photovoltaic installation now generates approximately 650 MWh of electricity annually, covering, for instance, the full electricity needs for laser cutting and in addition a part of the compressed air generation – equivalent to nearly 20 percent of the site's total electricity demand. To further advance this transition, the division has also entered into a new Power Purchase Agreement, effective from July 2025, that will supply around 40 percent of our electricity consumption in Germany using newly built solar and existing wind capacity. Together, these initiatives make a substantial contribution to reducing emissions while also lowering energy costs.

Driving electrification at construction sites

The Siemens Technology Campus project in Erlangen, Germany, offered Husqvarna Construction Division an important opportunity to demonstrate the role of our solutions in advancing climate-neutral deconstruction. In collaboration with Siemens Real Estate, Volvo Construction Equipment, Metzner Recycling, and other partners, we contributed to a fully electrified job site by providing equipment that combines efficiency, safety, and sustainability. Our DXR 145 and DXR 305 demolition robots delivered precise interior demolition without direct emissions, while our A 45 and A 100 air cleaners supported effective dust management and safe working conditions. This project illustrates how Husqvarna Construction Division supports the transition away from fossil dependency and enables sustainable material flows in demanding urban environments.

Smart water management for a changing climate

With climate change driving more frequent droughts and intensifying water scarcity, sustainable water management is becoming increasingly important for customers. Smart irrigation

solutions help reduce water consumption while maintaining healthy plants, supporting both resource efficiency and climate resilience. The Gardena Division's Gardena AquaPrecise system provides precise, demand-based watering that minimizes water waste, while the AquaBloom Solar Set offers a solar-powered, tap-free irrigation solution for balcony and patio plants. By enabling customers to adapt their watering habits, these solutions not only promote responsible water use but also contribute to broader efforts to mitigate the impacts of climate change.

Information about actions in relation to material climate change risks can be found in the section E1 ESRS 2 SBM-3 on page 42.

Financial impacts of implementing actions

Climate action is a well-established part of Husqvarna Group's strategy, with many initiatives already embedded in existing business plans and financial structures. A key priority is strengthening our complementary product portfolio of battery solutions, supported by ongoing innovation and portfolio expansion. The Group continues to finance investments in the manufacturing of low-carbon technologies, aligned with EU Taxonomy activity CCM 3.6. Manufacture of other low carbon technologies, as per the statement on page 66. Implementation of the initiatives outlined in the Net-Zero Transition Plan will require additional resources and investments, with feasibility studies integrated into the annual financial cycle and long-term strategic planning. Any material impacts on the financial statements will be assessed and disclosed in line with established reporting practices and standards.

E1-4 Targets related to climate change mitigation and adaptation

Husqvarna Group has set a combined Scope 1, 2, and 3 emissions reduction target aligned with a 1.5°C decarbonization pathway. For the 2030 strategic horizon, the Group aims to reduce absolute emissions across the value chain by 60 percent compared with 2015 levels (44 percent compared with 2022). The Group uses 2015 as the baseline year, marking the launch of its first sustainability strategy and the beginning of its decarbonization journey, and 2022 as the reference year for CSRD reporting. Both years are representative of normal business activity and operational conditions.

As the majority of emissions originate from Scope 3 (99.1 percent), continuous innovation and a strong focus on low-carbon solutions are essential, while emissions from own operations – Scope 1 (0.5 percent) and Scope 2 market-based (0.4 percent) – represent a small but fully controllable share. The target is based on a cross-sectoral 1.5°C pathway and is informed by policy, regulatory, and technological scenarios developed using the climate scenario analysis described on page 45. Emissions disclosed in E1-6 are consistent with the established GHG inventory boundaries, and GHG removals, carbon credits, or avoided emissions are not included in achieving this target.

Between 2015 and 2025, we reduced our absolute CO_2 emissions by 53 percent. This result is a strong achievement and demonstrates that we have exceeded our 2025 target by a significant margin. It also provides a solid foundation for delivering on our 2030 reduction target and for achieving our long-term ambition of reaching net-zero emissions by 2050, in line with the Paris Agreement.

The Group has established a dedicated reporting scheme for carbon emissions, which tracks progress against targets on a monthly basis and discloses results externally in quarterly reports. The targets were developed by internal subject matter experts following an analysis of decarbonization potential and were approved by the Board of Directors as strategic objectives for the Group. For the 2030 target, based on the Group's GHG inventory, emissions from transportation were not deemed material and are therefore excluded from reporting. Accounting principles, including assumptions and limitations are presented in E1-6 section.

E1-5 Energy consumption and mix

Energy consumption mix	2025
Fuel consumption from coal and coal products (MWh)	0
Fuel consumption from crude oil and petroleum products (MWh)	44,572
Fuel consumption from natural gas (MWh)	39,679
Fuel consumption from other fossil sources (MWh)	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	51,048
Total energy consumption from fossil fuels (MWh)	135,299
Share of fossil sources in total energy consumption (%)	53
Consumption from nuclear sources (MWh)	3,619
Share of consumption from nuclear sources in total energy consumption (%)	1
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	551
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	116,505
Consumption of self-generated non-fuel renewable energy (MWh)	2,306
Total renewable energy consumption (MWh)	119,362
Share of consumption from renewable sources in total energy consumption (%)	46
Total energy consumption (MWh)	258,280

Energy intensity based on net revenue	2025
Total energy consumption from activities in high climate-impact sectors (MWh)	258,280
Total net revenue (SEKm)	46,613
Energy intensity per net revenue in high climate-impact sectors (MWh/SEKm)	5.54

Accounting principles: energy

Energy reporting covers energy consumption across all manufacturing facilities, regardless of their size. For the remaining non-manufacturing sites, data is estimated based on the floor area of the premises multiplied by a unified energy factor per square meter, as provided by the International Energy Agency for non-residential buildings. The estimation assumes that 70 percent of the energy is recognized as non-renewable electricity consumption and 30 percent as energy generated from natural gas, reflecting the typical energy mix of non-manufacturing premises under the Group's operational control. For the Group vehicles, data is sourced from fuel purchase records and third-party reports covering markets representing 88 percent of net sales. The remaining 12 percent is estimated using an intensity factor per SEKm derived from actual data. Data is collected from fuel purchase records, third-party reports, and facility-level reporting. Where actual data is not feasible to retrieve, values are estimated using defined assumptions. Overall, uncertainty is assessed as being low, with fuel consumption data subject to minor deviations due to estimation methods.

Accounting principles: energy intensity

The numerator is calculated based on the accounting principles described for energy. The Group operates through three independent divisions within the manufacturing industry and has therefore classified all three as high climate-impact sectors. Total net revenue is retrieved from the Consolidated Income Statement under the line item Net Sales. The accounting principles applied in the preparation of the Financial Statements are described in Note 1 on pages 88-89.

E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

GHG emissions	2015	2022	2025	% Change from 2015	% Change from 2022	2025 target	2030 target
Gross Scope 1 GHG emissions (tCO_2eq)	50,173	24,666	19,946	–60	–19	—	—
% of Scope 1 GHG emissions from regulated emission trading schemes	0	0	0	0	0	—	—
Gross location-based Scope 2 GHG emissions (tCO_2eq)	108,711	64,567	58,324	–46	–10	—	—
Gross market-based Scope 2 GHG emissions (tCO_2eq)	108,711	21,999	16,872	–84	–23	—	—
Gross Scope 3 significant GHG emissions (tCO_2eq)	8,728,027	6,256,086	4,158,184	–52	–34	—	—
1 Purchased goods and services	2,252,548	1,804,777	1,305,331	–42	–28	—	—
11 Use of sold products	6,475,479	4,451,309	2,852,853	–56	–36	—	—
Total GHG emissions location-based (tCO_2eq)	8,886,911	6,345,319	4,236,454	–52	–33	—	—
Total GHG emissions market-based (tCO_2eq)	8,886,911	6,302,751	4,195,002	–53	–33	–35%	–60%

GHG intensity per net revenue	2025
Total GHG emissions (location-based) per net revenue (tCO_2eq/SEKm)	91
Total GHG emissions (market-based) per net revenue (tCO_2eq/SEKm)	90
Total net revenue (SEKm)	46,613

Accounting principles: GHG emissions

Husqvarna Group uses a combination of emission reporting approaches. These include energy-based calculations, an activity-based approach, and a cradle-to-gate life cycle assessment (LCA) approach. The main sources for emission factors include the International Energy Agency (IEA), DEFRA, the U.S. Environmental Protection Agency (EPA), the Intergovernmental Panel on Climate Change (IPCC), and the GHG Protocol. Based on the analysis of the Group's Scope 3 greenhouse gas inventory, the Group has identified Category 1 (Purchased goods and services) and Category 11 (Use of sold products) as material. Accordingly, the Group discloses greenhouse gas emissions for these categories.

Upstream: Husqvarna Group estimates upstream CO_2e emissions using a LCA approach. This process involves modelling upstream CO_2 emissions for a selection of representative products based on sales volumes. Data are retrieved from the Bill of Materials (BoM), including material composition, weight, and supplier location, sourced from internal systems. Materials are mapped to the Ecoinvent database within dedicated LCA software, where appropriate emission factors are applied. Results are then extrapolated across the full product portfolio, taking into account each product's gross weight. Emissions are calculated using the PCF ISO 14067 standard (IPCC 2021 AR6) and include CO_2e for CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, and NF_3. The approach relies on several assumptions, including the application of approximations where detailed supplier, product gross weight or material data are unavailable, and on external databases. In some cases, emissions from in-house processing may be double counted due to methodological constraints. However, the Group has assessed the overall impact of this to be immaterial. Limitations, and therefore sources of uncertainty, include the availability and quality of BoM data, supplier-related information, reliance on external databases, and the extrapolation of emissions data from a selected representative sample of products to the entire portfolio, with adjustments based on product gross weight. Overall, the Group has assessed the level of uncertainty as high. The LCA model is being further developed by incorporating more products with supplier-specific data, thereby improving accuracy over time. More detailed information on the LCA approach can be found in the E5-4 Resource inflow section on page 55.

Own operations: Scope 1 covers direct emissions from fuel consumption and refrigerant leakages across all manufacturing facilities, as well as non-manufacturing sites under the Group's operational control, and the Group vehicles. Scope 2 covers indirect emissions from purchased electricity and heat. For all manufacturing sites and non-manufacturing sites larger than 5000 m^2, the data is collected from fuel purchase records, third-party reports, and facility-level reporting, and converted into CO_2 equivalents using emission factors from IEA, DEFRA, EPA, IPCC, and the GHG Protocol. Where actual data is not feasible to retrieve, values are estimated using defined assumptions.For the remaining non-manufacturing sites, representing 6 percent of total Scope 2 location-based emissions, data is estimated based on the floor area of the premises, multiplied by a unified emission factor per square meter for buildings provided by the System Change Lab. For the Group vehicles, data is sourced from fuel purchase records and third-party reports covering markets representing 88 percent of net sales. The remaining 12 percent is estimated using an intensity factor per SEKm derived from actual data. The methodology relies on standardized emission factors, which may not fully reflect local variations. The Group consumes renewable electricity, either generated on-site or secured through contractual instruments such as Renewable Energy Guarantees of Origin (REGOs). Overall, uncertainty is assessed as low, with Scope 2 estimates considered robust and Scope 1 subject to minor deviations due to estimation methods. Emissions include CO_2e for CO_2, CH2, N2O, HFCs and PFCs.

Downstream: Estimates are based on the expected lifetime, technical parameters and energy consumption of sold products, combined with relevant emission factors for the type of energy used (e.g., petrol, electricity grid mix) and converted into CO_2 equivalents using emission factors from IEA, DEFRA, EPA, IPCC, and the GHG Protocol. Where product-specific test data is not available, assumptions are applied on average lifetimes, efficiency, load and usage factors. Emissions include CO_2e for CO_2, CH_4 and N_2O. The methodology relies on several assumptions, including standardized energy factors that may not reflect local variations, average product lifetimes, product efficiency, usage and load factors that may differ from actual use, and typical operating patterns that cannot capture the full diversity of customer behavior. Limitations include the potential for under or overestimation where user behavior deviates significantly from assumed averages. Overall, the Group has assessed the level of uncertainty as medium, and is working across functions to address product-specific data gaps and improve accuracy over time.

Accounting principles: GHG emissions intensity

The numerator is calculated based on the accounting principles described for GHG emissions. The Group operates through three independent divisions within the manufacturing industry and has therefore classified all three as high climate-impact sectors. Total net revenue is retrieved from the Consolidated Income Statement under the line item Net Sales. The accounting principles applied in the preparation of the Financial Statements are described in Note 1 on pages 88-89.

E5 Resource use and circular economy

Growing resource scarcity, supply-chain volatility, and rising expectations for responsible material use make circularity an increasingly important driver of business resilience, cost control and long-term value creation. Companies that advance circular models can reduce cost and risk, secure materials for future growth, and strenghten customer relationships through more durable, service-oriented offerings. Recognizing these dynamics, Husqvarna Group has established a clear, Group-wide approach to circularity, focused on reducing reliance on virgin materials, minimizing environmental impacts, and accelerating the shift toward a circular business model. Our strategy is grounded in the 5Rs – reduce, reuse, repair, refurbish, and recycle – and embedded across product design, material choices, manufacturing, and aftersales services. We are also piloting and scaling new business models such as leasing, sharing, and refurbishment. Through these efforts, we aim not only to increase resource efficiency and extend product lifetimes, but also to unlock new commercial opportunities that strengthen competitiveness in a resource-constrained future.

CIRCULAR INNOVATIONS INTRODUCED

49

We focus on innovation that reduces material intensity and supports a resilient, competitive business in an increasingly resource-constrained market.

E5-1 Policies related to resource use and circular economy

2025 Sustainovate

The Group aims to reduce its dependence on scarce and virgin materials, minimize environmental impacts, and advance the transition toward a circular business model through integration of the 5Rs – reduce, reuse, repair, refurbish and recycle. The strategy addresses material impacts related to resource scarcity and supply-chain dependency, while capturing opportunities from circular product design, new business models, optimized resource use, and the application of recycled materials.

The strategy applies across all divisions, geographies, and value-chain stages, including upstream suppliers, own operations and downstream customer use and aftersales services.

Implementation and oversight of the 2025 Sustainovate are the responsibility of the Group CFO.

Supplier Code of Business Ethics

In addressing circularity within the supply chain, the Group provides overarching guidance aimed at minimizing environmental impacts across the value chain. The Supplier Code of Business Ethics further requires that natural resources be managed responsibly to reduce environmental impact and to ensure compliance with environmental laws and regulations, thereby supporting the Group's broader sustainability objectives. At present, however, the document does not outline specific actions or set requirements for how suppliers should progress toward more sustainable practices.

Implementation and oversight of the Code are the responsibility of the General Counsel, Executive Vice President Legal Affairs.

E5-2 Actions and resources related to resource use and circular economy

Advancing circular manufacturing

Advancing circularity and reducing climate impact are key elements of the Group's sustainability efforts, including actions to minimize the use of virgin plastics across operations. In the Gardena Division, an innovative project was launched to recycle PVC garden hoses and use the materials to make new ones, addressing a durable but resource-intensive material that is traditionally difficult to recycle. In its first phase, 128 hoses were produced with approximately 60 percent recycled content, saving around 190 kilograms of virgin material. While still modest in scale, the initiative marks an important step toward closed-loop recycling, where materials are reused in the same type of product.

At Husqvarna Construction's factory in Portugal, further progress has been made to reduce plastic waste in the assembly of diamond wires, where small beads are attached to a flexible steel cable and encased in plastic or vulcanized rubber. Process improvements now enable the reuse of a substantial share of previously discarded plastic, resulting in lower virgin material use and a significant reduction in waste generation.

Reducing material consumption through smart solutions

Within Husqvarna Group's circular target, reducing material consumption is a key priority for advancing circularity, lowering environmental impact, and ensuring more efficient use of resources. One example from the Husqvarna Forest & Garden Division is the next advancement in boundary wire-free lawn care, where the physical reference station is replaced with EPOS via a cloud service. This innovation eliminates the need for a local, physical unit, thereby significantly reducing the consumption of materials and electronics. In 2025, sales of robotic lawn mowers equipped with EPOS via Husqvarna Cloud resulted in 70 tons of avoided electronic equipment.

Building on this, the Gardena Division has introduced Gardena AquaPrecise – a solar-powered, all-in-one irrigation solution designed for lawns of up to 320 m². Compared to traditional irrigation systems, Gardena AquaPrecise delivers substantial resource savings, including reductions in both plastics and water usage. The scale of reduction depends on the size and shape of the lawn, but calculations for selected representative lawns indicate that Gardena AquaPrecise may reduce the volume of installed materials by as much as 70 percent.

Driving growth through more circular business models
New business models such as leasing, sharing, and refurbishment offer strong potential to enhance sustainability by extending product lifespans, reducing waste, and reducing the need for raw materials. At the same time, they strengthen customer relationships by providing flexible solutions that match evolving preferences. Through operational leasing combined with service agreements, customers can use products without ownership, while returned items are refurbished and reintroduced to the market, supporting reuse. In recent years, the Husqvarna Forest & Garden Division's service offering – which includes operational leasing, service contracts, extended warranties, and insurance – has expanded significantly, with contract value rising by 25 percent in 2025. Much of this momentum comes from operational leasing, now offered in nine European markets and the U.S., highlighting its role in driving circular practices and profitable growth.

Unlocking business and sustainability potential in aftersales
Aftersales services and spare parts are key to circular economy practices by making repairs and maintenance possible, which help extend product lifecycles and reduce the need for new resources. To advance this approach, the Husqvarna Forest & Garden Division has launched the "PandA" program – short for Parts and Accessories – as a medium-term initiative to strengthen commercial opportunities and promote sustainable practices. The program includes training for sales representatives and business partners on product reparability, as well as targeted investments and internal process improvements to make repairs more efficient, from diagnosing issues to replacing parts. In 2025, the focus has been on continuing the recruitment of dedicated sales personnel for aftersales, advancing the rollout of standardized global warehouse processes, new IT systems for dynamic pricing, and implementing a digital supply chain platform to optimize planning, forecasting, and inventory management for spare parts and accessories.

Financial impacts of implementing actions
Circularity is an integral part of Husqvarna Group's strategy, with many initiatives already embedded in existing business plans and financial structures. One of the priorities is the transition from traditional product sales to circular solutions, driven by innovation in product-as-a-service models and the expansion of aftermarket support. These efforts are aligned with EU Taxonomy activities CE 5.2 (Sale of spare parts) and CE 5.5 (Product-as-a-service and other circular use – and result-oriented service models).

The Group continues to finance investments that enable the shift toward circular business models, ensuring that resource efficiency and extended product lifetimes are integrated into our offering. Implementation of the initiatives outlined in the circularity roadmap will require additional resources and investments, with feasibility studies embedded into the annual financial cycle and long-term strategic planning. Any material impacts on the financial statements will be assessed and disclosed in line with established reporting practices and standards.

E5-3 Targets related to resource use and circular economy

The transition to more circular business models is complex, involving product-as-a-service offerings, expanded aftersales services, and the introduction of circular innovations. To drive this shift, Husqvarna Group set a target to launch 50 circular innovations between 2021 and 2025. By year-end, 49 innovations had been launched in line with Group criteria, representing an important milestone in advancing sustainability through innovation.

This target has primarily focused on the number of initiatives implemented, addressing resource impacts across the value chain – from suppliers (sourcing of recycled materials) and own operations (circular design and manufacturing) to product use (aftersales and circular business models) and end-of-life (recycling) – rather than directly quantifying environmental impact. Over the course of this strategic period, our confidence has been strengthened in the chosen approach. The target is not focused on waste handling. Looking ahead to 2030, the focus will move from piloting to scaling and monetizing circularity innovations, ensuring they deliver tangible value for both customers and the environment. Progress in relation to these new targets, along with the activities undertaken, will be disclosed in the next report.

The Group has implemented a structured governance model to manage circular innovation projects, supported by clear criteria for evaluation and approval on a quarterly basis. Each division is responsible for generating ideas and driving projects, with the expectation that initiatives demonstrate proof of concept through at least one paying customer. The Group has established a dedicated reporting scheme for circular innovations, which tracks progress against the target on a quarterly basis and discloses results externally in quarterly reports. The target was developed on a voluntary basis by internal subject matter experts, with support from researchers at KTH Royal Institute of Technology. As no commonly accepted concept or method existed, Husqvarna Group established its own criteria for what qualifies as a Circular Innovation. These criteria were inspired by existing circularity indicators but tailored specifically to the Group's context. No changes to the target or to the governance and monitoring scheme were introduced compared to the preceding year.

E5-4 Resource inflows

Husqvarna Group sources raw materials and components such as steel, aluminum, magnesium, plastics, and electronic parts including circuit boards, cables, and battery cells. The Group also uses a range of minerals, including the 3T (tin, tungsten, and tantalum), as well as gold, cobalt, mica, nickel, lithium, copper, and graphite. For packaging materials, the Group also procures cardboard, plastics and wooden pallets. Water, as well as property, plant, and equipment, are considered non-material and are therefore not included in the reporting scope.

The total weight of products and technical and biological materials used in 2025 amounted to ca. 262 thousand tons. Adjusted by sales, the Group's top five materials by weight were steel, polypropylene (PP), polyvinyl chloride (PVC), cardboard, and aluminum, which are primarily used in the manufacturing of products sold.

The proportion of biological materials used in manufacturing that can be verified as sustainably sourced is currently 0 percent, as the Group does not have a systemic process in place to confirm sustainable sourcing. The weight of secondary recycled materials (biological materials excluded) used in production amounted to ca. 32 thousand tons, representing 12 percent of total material use, with steel and aluminum comprising the largest share.

Husqvarna Group estimates resource inflow using an LCA approach. Material type breakdowns are based on selected representative products within each product group, for which simplified LCAs were conducted based on BoM data, including material composition, weight, and supplier location sourced from internal systems. Results from these representative products are extrapolated across similar items in the portfolio. Recycled content for metals is primarily based on global average data, while the recycled share of plastics, oils, and rubber relies on supplier-specific information. Resource inflow metrics cover raw materials, process materials, semi-manufactured goods, parts, and packaging. Data is estimated by combining the sales volumes of products sold during the reporting year with waste generated at Husqvarna Group sites.

The approach relies on several assumptions, including the application of approximations where detailed supplier or material data are unavailable, and reliance on global average data for recycled material for metals.

Limitations, and therefore sources of uncertainty, include the availability and quality of BoM data, supplier-related information, reliance on global average data for recycled material for metals, and the extrapolation of material data from a selected representative sample of products to the entire portfolio, with adjustments based on product gross weight. Overall, the Group has assessed the level of uncertainty as high. The LCA model is being further developed by incorporating more products with supplier-specific data, thereby improving accuracy over time.

E5-5 Resource outflows

Husqvarna Group strives to integrate circular economy principles into its products and materials by applying the 5R framework – Reduce, Repair, Reuse, Refurbish, and Recycle. Products are designed for durability and reparability, supported by spare parts availability and aftersales services that extend lifespans. Operational leasing models combined with service agreements and refurbishment of returned equipment promote reuse and resource efficiency. In addition, post-consumer recycled plastics are increasingly used in products such as the watering equipment and hand tools, strengthening circularity and reducing environmental impact. The Group strives to build customer trust by delivering high-quality, durable products by conducting thorough product testing at the R&D stage. This product testing has been developed over time by Husqvarna Group and is based on our know-how about the products, feedback from laboratory testing, field testing and service calls. However, industry averages for product lifetimes or standardized product testing procedures have not been established for the relevant product groups, thereby preventing meaningful benchmarking.

Measuring product reparability

The Group operates in markets where reparability indexes are established. For reporting purposes, the Group discloses its reparability metrics based on the French Reparability Index, which has greater regulatory maturity and market impact, in contrast to the Belgian Reparability Index, which remained voluntary until it entered into force in May 2025. The French Reparability Index, relevant to the Group's product portfolio, applies to robotic, electric, and battery-powered lawn mowers as well as high-pressure washers. In 2025, the reparability score of these products was 8.8 on a 1–10 scale, reflecting the relative ease of repair of Husqvarna Group products. The assessment was carried out by R&D, product compliance, and product specialists, using predefined index criteria and templates to ensure consistent application. The metric is calculated as the mean of products within the product groups covered by the French Reparability Index, based on products sold in each market where the Group operates. The level of uncertainty has been assessed as low, given the reliance on national standards.

Advancing material circularity

The share of material in Husqvarna Group products that can be recycled at end-of-life depends on several factors, including national recycling systems, customer behavior, material choice and combinations, and the joining methods applied. For reporting purposes, the Group interprets the requirement as the share that is possible to recycle in a recycling facility. Losses related to customer behavior, collection systems, storage, transport, preparation for reuse, or scavenging are therefore not included. This approach is consistent with the standards EN 45555:2019 and IEC/TR 62365 for calculating recyclability rates.

The material breakdown follows the same categorization as for resource inflow calculation. Recyclability is assessed by material type, with ferrous metals, aluminum, copper, magnesium, and cardboard classified as highly recyclable. For plastics and certain other materials, a 0 percent recyclability rate has been assumed, representing a conservative approach. For materials assessed as recyclable, losses within the recycling facility have been accounted for primarily using IEC/TR 62365, which reflects the performance of a European facility following the separation and shredding of electronics. Based on this methodology, it is estimated that approximately 50 percent of the total material content in Husqvarna Group products and packaging is recyclable, with variation depending on product group and material composition. The level of uncertainty is considered high due to the complexity of estimating recyclability on a global scale, where regional variations in recycling capabilities exist and methodological guidance remains limited.

As waste was not deemed material, the Group does not provide separate disclosure on this sustainability matter.

Social information

People are central to Husqvarna Group's success, and our social approach focuses on empowering employees, value-chain workers and customers. We promote a diverse, inclusive and safe workplace to build a strong culture and support colleagues to help them thrive. Across the supply chain, we set clear expectations and continuously enhance our due-diligence practices. For customers, we safe-guard compliance and product safety through proactive risk management and continuous monitoring across the product lifecycle.

Read more
→ S1 Own workforce
→ S2 Workers in the value chain
→ S4 Consumers and end-users

S1 Own workforce

A skilled, engaged, and inclusive workforce is fundamental to Husqvarna Group's long-term success. As the work environment evolves, with rising expectations on fairness, well-being, and opportunity, creating an environment where people feel respected, heard, and able to grow is more important than ever. Recognizing this, we emphasize inclusion, engagement, and safety across every part of our organization. We foster a culture where differences are valued, leaders act with integrity, and colleagues feel empowered to contribute and develop. Health and safety remain central to our responsibility, with a strong focus on preventing harm and supporting well-being in a changing operational landscape. Ongoing dialogue with employees and worker representatives helps us understand their experiences and shape actions that build trust, resilience, and performance. Through these combined efforts, we aim to create a workplace where people thrive – driving innovation and sustainable growth for the Group.

GENDER PARITY IN GROUP MANAGEMENT

50/50

In 2025, we achieved 50/50 gender parity in Group Management, reflecting our commitment to workforce diversity, inclusive culture, and inclusive leadership.

S1-1 Policies related to own workforce

Diversity and Inclusion Strategy

Husqvarna Group launched its Diversity and Inclusion Strategy in 2021, guided by the vision that "our differences are our strengths". The strategy establishes seven Principles of Inclusion and focuses on enhancing workforce diversity, fostering an inclusive culture, promoting inclusive leadership, and seeking external validation from recognized third parties. It applies across all Husqvarna Group operations, and progress is monitored through internal reporting and diversity metrics.

The strategy is overseen by the Executive Vice President, People & Organization, who is accountable for its implementation.

Code of Conduct

Husqvarna Group's Code of Conduct defines the Group's global commitment to fair employment, inclusion, and integrity in workforce management. It applies across all Husqvarna Group operations and ensures compliance with laws and internal policies on fair employment, diversity, and health and safety. The Code prohibits forced and child labor, human trafficking, and harassment, aligning with the UN Global Compact, the ILO Declaration, and the OECD Guidelines for Multinational Enterprises.

Implementation and oversight rest with the General Counsel, Executive Vice President Legal Affairs, who ensures adherence and fosters a culture of ethical conduct, transparency, and accountability across the organization.

Anti-harassment Policy

Husqvarna Group is committed to maintaining a workplace free from harassment, discrimination, and bullying for all employees and third parties. The policy clearly defines unacceptable behaviors based on gender, race, religion, age, disability, sexual orientation, gender identity or expression, nationality, ethnic origin, citizenship, union affiliation, or other characteristics protected by applicable law. It also outlines procedures for reporting concerns and prohibits any form of retaliation against individuals who report in good faith or participate in investigations. It applies across all Husqvarna Group operations and promotes a culture of respect, dignity, and inclusion.

Accountability for implementation and oversight rests with the Executive Vice President, People & Organization, who ensures alignment with the Group's broader ethical and people management frameworks.

Occupational Health and Safety Policy

Husqvarna Group's Occupational Health and Safety (OHS) Policy outlines the Group's global commitment to maintaining a safe, healthy, and compliant work environment. It aims to prevent work-related injuries and illnesses, promote employee well-being, and ensure adherence to international health and safety standards. The policy applies globally across all Husqvarna Group operations and value chain activities.

Accountability for implementation rests with the Executive Vice President, People & Organization, who oversees the integration of OHS principles into strategic and operational processes.

The Group does not have a dedicated policy for workforce planning.

S1-2 Processes for engaging with own workforce and workers' representatives about impacts

At Husqvarna Group, we believe that engagement with our employees is fundamental to building a strong, inclusive, and high-performing culture. Engagement takes place both directly with employees and through representative bodies, including employee-elected Board members, the European Works Council, and national trade unions. These structures ensure that employee perspectives are embedded in strategic decision-making, operational planning, and the evolution of the Group policies.

Engagement occurs across multiple stages of the employee lifecycle, from onboarding to performance and development reviews, and through ongoing dialogue channels such as town halls, team meetings, and digital collaboration platforms. The cornerstone of our engagement approach is the Our Voice survey, conducted annually, complemented by targeted pulse

surveys throughout the year. These surveys capture employee sentiment on engagement, leadership, culture, inclusion, communication, and team efficiency, translating feedback into actionable insights for leaders and teams.

In our 2025 Our Voice survey, we achieved a response rate of 82 percent, demonstrating strong workforce participation. Results show that employees feel increasingly positive about key areas, even amid global uncertainties and challenging market conditions. Notably, we saw an increase in employee happiness (eSAT), remaining above the global benchmark, with the highest scores reflecting employees feeling respected and treated with dignity, having clarity on priorities, and successfully balancing work and personal life – factors that directly support well-being and retention.

Husqvarna Group maintains collective bargaining agreements in many of the countries where it operates and collaborates actively with the European Works Council and trade unions. These frameworks enable structured dialogue on workforce-related topics, reinforce respect for human rights and fair labor practices, and ensure that workforce perspectives are consistently represented.

The effectiveness of engagement is assessed through a combination of survey analytics, response and action rates, qualitative feedback themes, and leadership accountability for addressing results. Follow-up actions are tracked via the Our Voice platform, which includes a "team conversation" feature that supports action planning and progress tracking. All teams are expected to complete their Our Voice dialogues annually, ensuring a consistent, transparent approach to employee engagement and continuous improvement.

Complementing these mechanisms, Husqvarna fosters employee-driven networks that strengthen inclusion and belonging: the EMPOWERed network for gender equality and skill development, the Rainbow Alliance for LGBTQIA+ inclusion and allyship, and the Global Diversity & Inclusion Network for sharing best practices across markets and functions.

Responsibility for ensuring continuous engagement and translating insights into strategic action lies with the Executive Vice President, People & Organization, supported by the leadership team.

S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns

Husqvarna Group takes a proactive and integrated approach to preventing, addressing, and remedying potential and actual impacts on its workforce. In line with the Occupational Health and Safety Policy, incidents and employee concerns are managed through a structured incident management and remediation process that identifies root causes, implements corrective actions, and assesses effectiveness through follow-up reviews and workforce feedback. Every site is supported by safety and HR professionals who oversee preventive actions and engage in monthly governance reviews within the Group's respective networks. All cases are tracked centrally, and performance is monitored via closure rates, recurrence trends, and feedback from employees and safety committees to ensure remedy effectiveness and shared accountability.

Ensuring gender equality remains a core focus. Husqvarna addresses this through its Diversity and Inclusion Strategy, focusing on diverse recruitment, leadership development, mentoring, and gender pay gap analysis. Employee networks provide safe forums to share insights and drive action. Effectiveness is tracked through diversity analytics, promotion data, and employee feedback.

As the Group advances battery technology and expands automation, it implements targeted transition measures to minimize negative impacts. These include early communication, reskilling, redeployment, and fair separation processes supported by social dialogue and collective agreements. Effectiveness is monitored through redeployment rates, attrition trends, and employee consultations.

Employees can report concerns through AlertLine, the Group-wide anonymous reporting platform that ensures protection against retaliation (see page 64), and the consistent number of reports year on year indicates that employees are aware of and trust these processes.

S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

At Husqvarna Group, the health and safety of our employees remain a top priority. In line with our Occupational Health and Safety Policy, designated contact personnel across the organization define priorities, oversee implementation, and track progress. All major manufacturing sites are supported by dedicated safety professionals managing compliance, preventive measures, and corrective actions. Our Occupational Health and Safety and Environmental Networks, under Group Governance, identify risks, review incidents, and monitor progress monthly. Through our incident management system, all employees are encouraged to report risks and propose improvements, reinforcing a proactive safety culture and enhancing incident analysis.

We continue to address workload-related stress and psychosocial risks through manager training, structured health dialogues, and confidential 24/7 professional support in countries where repeated short-term absences indicate potential well-being issues. To mitigate mental health challenges, rehabilitation and individualized return-to-work programs are in place to support safe and sustainable reintegration.

Diversity and inclusion remained a key focus in succession planning and talent reviews, with particular attention paid to removing bias in successor assessments. Areas with historically male-dominated workforces, such as Global Information Services and Husqvarna Construction Division, have embedded diversity and inclusion into recruitment and team development and strengthened female talent pipelines, achieving measurable progress in leadership diversity. In 2025, Husqvarna Group achieved 50/50 gender balance in the Group Management Team for the first time, reflecting deliberate actions to build a strong internal pipeline of female talent and ensure balanced executive candidate selection. Female representation in people management rose to 30 percent, continuing a positive trend. Among newly hired people managers, 41 percent were female, up from 31 percent in 2024.

In 2025, the overall market faced significant challenges, including an economic downturn and weakened consumer sentiment. The Group maintained its focus on key growth areas while implementing accelerated cost-saving initiatives – such as selected job redundancies – and advancing its operational excellence program. During the year, a strategic partnership with Flex Ltd was established, leading to the divestment of the Orangeburg manufacturing facility. This partnership helped ensure job security for affected employees while opening new opportunities for growth and operational efficiency. Recognizing the personal impact of workforce adjustments, the Group provided severance packages, job search assistance, and career counselling. At the same time, the Group continued to develop the Battery Competence Centre, creating internal pathways for employees to build new skills in electrification and robotics, supporting both workforce resilience and the Group's long-term transition to low-carbon technologies.

Husqvarna Group assesses the effectiveness of its workforce initiatives through structured governance, dedicated expertise, and continual performance monitoring. Health and safety measures are evaluated through monthly reviews within OHS governance networks, site-level safety professionals, and central tracking of incidents, closure rates, and recurrence trends. Psychosocial and well-being initiatives are monitored through absence patterns, utilization of support services, and employee feedback. Progress on diversity and inclusion is assessed using diversity analytics, leadership representation, promotion and hiring data, and sentiment insights. Workforce transition measures related to new technologies and automation are evaluated through redeployment rates, attrition trends, and outcomes of employee consultations.

The Group evaluates its operational and commercial practices as part of the annual DMA to ensure they do not cause or contribute to negative impacts on employees. Subject-matter experts review key activities, assess data, and identify potential risks to draw evidence-based conclusions that guide ongoing workforce risk management and mitigation actions.

Dedicated personnel within the People & Organization function manage workforce-related activities, supported by defined budget allocations for planned initiatives. Based on continuous people analytics, resources are adjusted throughout the year to ensure alignment between organizational needs and impact management priorities.

S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The Group has not established a target in this area but monitors the effectiveness of its policies and actions as outlined in the previous sections.

S1-6 Characteristics of the undertaking's employees

Headcount by gender and region	Sweden	Germany	U.S.	Rest of the world	Total
Total	**2,939**	**2,168**	**1,447**	**5,722**	**12,275**
Female	810	759	473	2,077	4,120
Male	2,125	1,409	974	3,643	8,151
Other	3	0	0	2	5
Headcount by contract type, gender and region	**Sweden**	**Germany**	**U.S.**	**Rest of the world**	**Total**
Permanent employees total	**2,886**	**2,036**	**942**	**5,131**	**10,995**
Female	791	730	296	1,788	3,606
Male	2,092	1,306	646	3,341	7,384
Other	3	0	0	2	5
Temporary employees total	**53**	**132**	**1**	**591**	**777**
Female	20	29	1	289	338
Male	34	103	0	302	439
Other	0	0	0	0	0
Non-guaranteed hours employees total	**0**	**0**	**504**	**0**	**504**
Female	0	0	176	0	176
Male	0	0	328	0	328
Other	0	0	0	0	0

Employee turnover	Number of leavers	Turnover rate
Total	**2,397**	**20%**
Female	819	20%
Male	1,576	19%
Other	2	21%

Accounting principles: employee data

Employee numbers are reported as headcount based on data from the Group HR system. Gender and country breakdowns follow the classifications used in the system. Countries representing more than 10 percent of total employees are reported separately; in 2025 these were Sweden, the U.S, and Germany, while other countries are grouped as "Rest of the world." Figures are presented as a 12-month average, except for leavers, which are reported as of December 31, 2025.

Minor differences between totals and individual figures may occur as a result of rounding. The number of employees stated in the Note 4 to the Financial Statements on page 91 is expressed in full-time equivalents (FTE) and is therefore not fully comparable to headcount figures presented elsewhere in the sustainability statement.

S1-9 Diversity metrics

Gender distribution	Female	Male	Other	Total
Gender distribution at top management level (number)	43	124	0	167
Gender distribution at top management level (%)	26	74	0	100
Age distribution	**Under 30 years old**	**30–50 years old**	**over 50 years old**	**Total**
Distribution of employees by age group (headcount)	1,346	6,834	4,095	12,275

Accounting principles: diversity metrics

Employee numbers are reported as headcount based on data from the Group HR system. Gender and age breakdowns follow the classifications and date-of-birth data recorded in the system. Positions are categorized into 12 job levels under the Group's career architecture, with top management defined as job levels 10–12. The 2025 figures are presented as a 12-month average.

S1-14 Health and safety metrics

Health and safety metrics	Employees
Number of fatalities	0
Number of lost time work-related accidents	94
Rate of lost time work-related accidents (LTIR)	4.45
Number of recordable work-related accidents	150
Rate of recordable work-related accidents (TRIR)	7.11
Number of cases of recordable work related ill health, subject to legal restrictions on the collection of data	28
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	2,865
Percentage of employees covered by the Group's OHS management system	94%

Accounting principles: health and safety data

The Group applies the simplification option under the ESRS S1 standard and therefore discloses information only in relation to its own employees, except for the number of fatalities, which includes all individuals working at the Group's premises.

All data presented is reported based on data from internal Health & Safety (H&S) systems, in which reporting is mandatory under H&S policies. The 2025 figures are presented on an accumulated basis.

Total worked hours used for calculation purposes are reported using two methods: (i) actual worked hours recorded in clocking systems, and (ii) estimated standard working hours based on national legislation. The accumulated hours are adjusted by deducting leave taken by employees, with this data sourced from local HR systems and consolidated at the Group level. Limitations include the potential for over-estimation where other absences are not deducted from the worked hours. Overall, the Group has assessed the level of uncertainty as low, and is working across functions to improve accuracy over time. Lost Time Incident Rate (LTIR) and Total Recordable Incident Rate (TRIR) are reported in accordance with their respective definitions.

S2 Workers in the value chain

A responsible and resilient value chain is essential for delivering high-quality products, protecting brand integrity, and ensuring long-term business continuity. As global supply chains face growing scrutiny around labor conditions, human rights, and ethical conduct, companies are increasingly expected to understand and manage risks beyond their own operations. Recognizing this, Husqvarna Group takes a proactive approach to working with suppliers. We set clear expectations on ethical behavior, fair employment, safety, and environmental responsibility, and we assess suppliers through tools such as EcoVadis, on-site audits, and targeted due-diligence programs. Our approach continues to evolve, with expanded assessments in areas such as IT sourcing and responsible minerals. We also maintain accessible channels for raising concerns, ensuring that workers throughout the value chain can report issues safely and without retaliation. Through these efforts, we aim to build transparent, ethical, and resilient supply chains that uphold trust in our products and our brand.

HIGH-RISK SUPPLIERS ASSESSED IN 2025

96

We continued to build our relationships with suppliers to enhance sustainable procurement practices, ensuring risk mitigation and improved transparency.

S2 Policies related to value chain workers

Supplier Code of Business Ethics

The Supplier Code of Business Ethics, building on Husqvarna Group's overall Code of Conduct, sets out the Group's expectations for suppliers in areas such as ethical practices, legal compliance, human rights, and environmental responsibility. Suppliers are required to comply with regulations prohibiting bribery, corruption, forced labor, and child labor, while also meeting standards for fair employment conditions, resource efficiency, conflict minerals, and workplace health and safety. To ensure compliance, Husqvarna Group uses screening tools to assess and monitor suppliers and other third parties with whom it conducts business.

Implementation of the Code is the responsibility of the General Counsel, Executive Vice President Legal Affairs.

Whistleblower policies

The Group's Whistleblower policies, both Group-wide and EU-specific, ensure that employees and stakeholders, including workers in the value chain, can confidentially and securely report concerns of misconduct, also anonymously. The policies guarantee protection from retaliation for those who report in good faith and underline the importance of raising any cases of subsequent retaliation. Reports can be submitted through several channels, including a third-party-hosted platform with multi-language support.

Implementation of the Code is the responsibility of the General Counsel, Executive Vice President Legal Affairs.

S2 Actions, resources and metrics related to value chain workers

A risk-based approach was applied to determine suppliers in scope, with a primary focus on direct material suppliers. The Group tracks the number of suppliers completing assessments as a key metric. In 2025, 96 high-risk suppliers completed the EcoVadis assessment, compared with 116 in 2024. Suppliers receiving low EcoVadis scores or negative findings from on-site audits are required to implement corrective measures and undergo reassessment. For suppliers providing materials used in the manufacturing of our products, corrective action plans are proposed in areas where performance falls below expectations, based on the supplier's overall EcoVadis score. These corrective action plans are not yet mapped against the material IROs identified for this sustainability matter and the Group is currently reviewing its approach.

The scope of due diligence was expanded during the year to include IT sourcing, covering hardware, software, and service providers. In 2025, 112 IT suppliers were requested to complete the Technology Sustainability Index (TSI), a self-assessment tool designed for the IT sector. The TSI evaluates policies on health and safety, grievance mechanisms, and supplier due diligence to ensure compliance with human rights legislation, including the prevention of child labor. As this was the first year of implementation, the approach was piloted to test its effectiveness, and specific follow-up actions will be defined based on the pilot's outcomes.

All four material negative impacts on workers in the value chain relate to the sourcing of minerals used in electronics and battery products. Husqvarna Group's conflict minerals due diligence program extends beyond direct suppliers to reduce the risk of contributing to harmful practices. In 2025, the scope was expanded across all three divisions and extended to IT hardware suppliers. Reporting followed the Responsible Minerals Initiative (RMI) template, and due diligence now covers minerals such as tin, tungsten, tantalum, gold (3TGs), cobalt, mica, nickel, lithium, copper, and graphite.

The Group is currently applying a unified approach to dedicated supplier groups rather than implementing targeted actions for each impact identified. In 2025, no significant operational or capital expenditures were incurred in this area.

The Group has established clear and easily accessible channels for reporting potential misconduct or violations of its Codes, as referenced in section ESRS G1 on page 64.

S2 Tracking effectiveness of policies and actions through targets

The Group has not established a target in this area but monitors the effectiveness of its policies and actions as outlined in the previous sections.

S4 Consumers and end-users

Ensuring the safety and reliability of our products is essential for maintaining customer trust, protecting our brand, and supporting long-term market success. As regulations evolve and expectations for product safety and responsible design increase, companies must demonstrate strong governance and a proactive approach to managing risks across the product lifecycle. Recognizing this, Husqvarna Group designs products with safety at the forefront and provides clear guidance to help customers use our solutions responsibly. We continuously monitor potential safety issues and act swiftly when needed, supported by deep expertise and a structured escalation process. Our teams engage actively in international standards development and conduct product compliance audits to ensure our products meet current and forthcoming regulatory requirements. Through this commitment to safety, compliance, and continuous improvement, we aim to deliver products that customers can rely on, reinforcing that safety is a hallmark of our brand.

"Safety is a hallmark of our brand, strengthening customer trust and loyalty while protecting long-term growth."

S4 Policies related to customers and end-users

Product Compliance Policy

The Group Product Compliance Policy sets the expectations in terms of ensuring and demonstrating compliance with applicable laws, directives, regulations and industry standards that impose a requirement on any product in terms of design, operation, content, chemical composition and safety. It defines roles and responsibilities across the organization and establishes governance, monitoring, and escalation processes through the defined bodies. The policy applies to all employees globally and covers all products manufactured, sourced, or supplied by the Group.

Implementation of the policy is the responsibility of the Divisional Presidents within their respective divisions.

Product Safety Policy

The Group Product Safety and Committee on Product Safety Reporting Policy establishes Husqvarna Group's structured approach to identifying, assessing, and managing product safety concerns. The policy requires the Group to continuously monitor potential safety issues, promptly investigate and assess each case, and take appropriate remedial actions, including recalls or other market interventions where necessary. Should a potential safety concern arise, risks are assessed and actions managed within each division to quickly identify root causes and implement corrective measures. The policy applies globally across all divisions and product lines.

Implementation of the policy is the responsibility of the General Counsel, the Executive Vice President of Legal Affairs, and the Divisional Presidents within their respective divisions.

S4 Actions, resources and metrics related to customers and end-users

By continuously innovating and providing our customers with information, we offer state-of-the-art features that enable them to complete their tasks effectively. To ensure our products comply with current and upcoming regulations, we employ a threefold approach to product safety: (i) innovating and designing features that assist operators, (ii) raising safety awareness for users and bystanders through product literature and other media, and (iii) participating in the development of standards, such as those from the International Electrotechnical Commission (IEC) and the American National Standards Institute (ANSI), that apply to our products. Throughout 2025, we sustained our engagement in developing standards and regulations and conducted 10 meetings with the Committee on Product Safety (COPS). COPS is a Group-level advisory body tasked with ensuring a proactive and consistent approach to evaluating potential product safety issues and identifying necessary actions. When actions are deemed necessary, we adhere to the regulations and procedures relevant to each country where our products are sold. Such actions may include suspending sales or initiating a product recall. To continue strengthening and expanding knowledge on how we manage product compliance requirements, including product safety regulations, we conduct ongoing awareness training on our Group policies for Product Compliance and Product Safety. Additionally, through our product compliance audit program, we assess selected sites to ensure compliance with our Group policy for product compliance and to evaluate how compliance certification was achieved for selected products. In 2025, 3 audits were conducted.

In 2025, no significant operational or capital expenditures were incurred in this area.

S4 Tracking effectiveness of policies and actions through targets

The Group has not established a target in this area but monitors the effectiveness of its policies and actions as outlined in the previous sections.

Governance information

Strong governance underpins Husqvarna Group's ability to operate responsibly, maintain stakeholder trust, and safeguard long-term value. As expectations rise and scrutiny intensifies, we continue to prioritize integrity, transparency, and accountability across the Group. Through clear policies and a culture rooted in ethical conduct, we work to protect our brand and reinforce the organizational resilience that supports sustainable growth.

Read more
→ G1 Business conduct

G1 Business conduct

Strong governance is essential for maintaining stakeholder trust, safeguarding long-term value, and ensuring that the business operates with integrity across all markets. As regulatory expectations increase and scrutiny of corporate behavior intensifies, companies must demonstrate robust systems that prevent misconduct, protect ethical standards, and support transparent decision-making. Recognizing this, Husqvarna Group fosters a culture grounded in integrity, supported by clear expectations for ethical behavior across our workforce and value chain, and reinforced through ongoing training and communication.

Multiple channels enable employees and business partners to raise concerns safely and confidentially, while structured processes ensure that potential issues are investigated objectively and addressed appropriately. We actively work to prevent, detect, and remediate corruption and bribery risks through a dedicated compliance framework, internal audits, and continuous improvements informed by lessons learned. Through these efforts, we aim to uphold a strong ethical foundation that protects our brand and reinforces organizational resilience.

"We foster a culture of integrity, guided by a strong ethical framework and clear expectations across our workforce and value chain."

G1-1 Business conduct policies and corporate culture

Husqvarna Group's commitment to responsible business conduct is anchored in a strong ethical framework that guides behavior across all operations, markets, and partnerships. This framework is built on the Group's Code of Conduct (described in S1 section on page 58), complemented by the Supplier Code of Business Ethics and Whistleblower policies (described in S2 section on page 61), which together define the standards and expectations for integrity, compliance, and accountability. These policies ensure that all employees, business partners, and stakeholders act in accordance with the Group's values, legal obligations, and sustainability ambitions, fostering a culture of trust and ethical performance throughout the value chain.

The Group maintains clear and accessible mechanisms for identifying, reporting, and investigating potential misconduct or violations of its Code of Conduct and internal policies. Employees, officers, directors, and business partners can report concerns through managers, Human Resources, a dedicated compliance email, or the third-party-hosted Whistleblower AlertLine, which supports multilingual and, where permitted, anonymous reporting worldwide. Reports are handled confidentially by the Group General Counsel and Chief Compliance Officer, with local channels available under the EU Whistleblower Directive. All good faith reporters are protected from retaliation, and the Audit Committee of the Board receives regular updates on reported cases and outcomes to ensure effective oversight.

Husqvarna Group's business conduct training program is comprehensive and designed to ensure that all employees understand and adhere to the Group's ethical and compliance standards. Training is delivered through a mix of eLearning and live sessions covering the Code of Conduct, compliance policies, and function-specific topics, including anti-bribery and anti-corruption. White-collar employees complete mandatory, risk-based training annually, while blue-collar employees attend tailored sessions at least every three years to ensure relevance and accessibility. Completion rates and engagement metrics are tracked to measure effectiveness and reach.

G1-2 Management of relationships with suppliers

The Group's approach to managing supplier relationships and addressing material impact related to the challenges of enforcing sustainable sourcing is described in Chapter ESRS S2 – Workers in the value chain, on page 61.

The Group applies sustainability considerations across its purchasing processes, using a risk-based approach to engage with high-risk suppliers identified based on their operating location, operational profile, and significance to the Group's purchasing expenditure. However, sustainability criteria are not yet integrated into the supplier selection process.

G1-3 Prevention and detection of corruption and bribery

Husqvarna Group's Compliance and Integrity Program is built around three interconnected pillars – Prevent, Detect, and Remediate – designed to effectively mitigate compliance risks and address allegations or incidents of corruption and bribery. Under Prevent, the Group promotes ethical behavior and awareness through the Code of Conduct, targeted training, and ongoing communication. Detect encompasses mechanisms such as internal audits, investigations, and multiple reporting channels, including direct contact with the Compliance Team and the third-party AlertLine platform for confidential and, where permitted, anonymous reporting. Remediate focuses on enforcing policies, taking disciplinary action when necessary, and integrating lessons learned into revised policies and procedures. The Compliance and Regulatory function within Legal Affairs oversees this framework through a three-year planning cycle, reviewed annually to reflect business developments, regulatory changes, and continuous improvement needs.

All compliance concerns at Husqvarna Group are logged and managed through the AlertLine reporting system, which enables confidential case tracking and oversight by the Compliance Officer. Each concern is assessed independently, with investigations led by the Compliance Officer or, in more serious cases, by designated senior experts from Legal Affairs, Human Resources, or Internal Audit. Employees implicated in

a compliance concern are never permitted to lead, direct, or influence the investigation, ensuring full objectivity and a clear separation from the management chain involved in the matter.

Members of the Board and Group Management receive regular updates on ongoing and closed investigations, including lessons learned and planned improvements.

The Group recognizes that clear communication and continuous reinforcement are essential for embedding ethical conduct across the organization. To ensure consistent awareness and understanding, all policies are easily accessible to employees through the Group's intranet, while key governance documents are also published on the external website, supporting transparency, accountability, and a shared culture of integrity.

The Group has implemented a dedicated Anti-Bribery and Anti-Corruption (ABAC) training program to enhance employees' understanding of ethical expectations and compliance responsibilities. The program outlines the scope of the ABAC Policy, clarifies individual and organizational roles, and uses real-life case scenarios to help employees identify and respond appropriately to potential risks in day-to-day business activities. It also provides guidance on interactions with different types of business partners and clearly defines examples of prohibited conduct. Furthermore, the training introduces key internal compliance tools, including risk assessment processes, safeguard measures, and reporting channels for suspected misconduct.

The Husqvarna Group's career architecture categorizes employee positions into 15 Job Family Groups, serving as the closest proxy for function. Among these groups, four are identified as at-risk. In 2025, 43 percent of at-risk functions were covered by the training program. In addition, all Group Management members and senior leaders supporting the at-risk positions were also provided situation-based antibribery and anti-corruption training.

The Group has not established a target in this area but monitors the effectiveness of its policies and actions as outlined in this section.

G1-4 Incidents of corruption or bribery

During the reporting period, no convictions or fines were issued against Husqvarna Group for violations of anti-corruption or anti-bribery laws. To address breaches of anti-corruption and anti-bribery procedures and standards, the Group strengthens controls, provides additional training, adjusts systems to prevent similar cases in the future, and, where necessary, enforces disciplinary actions, including dismissal.

Appendix
EU Taxonomy

Husqvarna Group discloses information according to Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment ("EU Taxonomy") and its Delegated Acts.

The EU Taxonomy defines eligible and aligned activities. Eligible activities are those explicitly described in delegated acts with established Technical Screening Criteria. These become aligned when they: contribute substantially to one or more environmental objectives, do not significantly harm (DNSH) any environmental objectives, comply with minimum safeguards, and meet technical screening criteria. Commission Delegated Regulation (EU) 2021/2178 (amended by EU 2023/2486) requires non-financial undertakings to disclose KPIs per Annexes I, II and XII for six environmental objectives. Required KPIs cover proportions of eligible, non-eligible and aligned activities in total turnover, CapEx, and OpEx.

Following the European Commission's 2025 regulatory changes to streamline reporting and to minimize the reporting burden, Husqvarna Group applies the simplification pathway for 2025 disclosures. The simplified approach exempted activities with cumulative turnover, CapEx and OpEx below 10 percent from eligibility and alignment assessment.

Eligibility assessment
The EU Taxonomy disclosure preparation encompassed a Group-wide economic activity analysis. Eligibility of activities was determined by matching the Group's business activities against the descriptions provided in the Annexes to relevant delegated acts establishing technical screening criteria. The Group's assessment across six environmental objectives confirms eligibility of particular activities in climate change mitigation (CCM) and transition to a circular economy (CE):

- 3.6 Manufacture of other low carbon technologies (CCM 3.6.) Husqvarna Group offers a portfolio of electrified products, including both corded and battery-powered options.
- 6.5 Transport by motorbikes, passenger cars, and light commercial vehicles (CCM 6.6) Husqvarna Group recognizes capital expenditures on fleet vehicles (leasing contracts).
- 7.7 Acquisition and ownership of buildings (CCM 7.7) Husqvarna Group undertakes investments in properties under leasing contracts.
- 1.2 Manufacture of electrical and electronic equipment (CE 1.2) Husqvarna Group manufactures electronic equipment for the forestry and gardening industries, as well as for light construction. Currently, it is not possible to differentiate the KPIs by environmental objectives between CCM 3.6 and CE 1.2, but further efforts will be made in the coming reporting years.
- 5.2 Sale of spare parts (CE 5.2) Husqvarna Group provides a comprehensive range of spare parts to support the products sold to its customers. As the activity is limited to a defined set of NACE codes, only spare parts for handheld products were included in the assessment.
- 5.5 Product-as-a-service and other circular use- and result-oriented service models (CE 5.5) Husqvarna Group offers product-as-a-service (PaaS) solutions to both professional and residential customers. As the activity is limited to a defined set of NACE codes, only PaaS solutions for handheld products were included in the assessment.

Alignment assessment
For activities identified as eligible, Husqvarna Group conducted an alignment assessment against technical screening criteria to confirm the substantial contribution to designated environmental objective and compliance with Do No Significant Harm (DNSH) criteria for the remaining environmental objectives. Alignment of activities CCM 6.5, CCM 7.7 and CE 5.2 cannot be assessed and disclosed given insufficient supporting documentation.

Substantial contribution
The CCM 3.6 substantial contribution criteria require third-party verified life-cycle GHG savings, which the Group meets for the product groups covered by LCAs: automowers, battery chainsaws, battery mowers and battery power-cutters. For the remaining eligible products, the activity has been assessed as not aligned.

Due to the complexity of the CE 1.2 substantial contribution criteria and the extensive source documentation required, the contribution to the transition to a circular economy has not been assessed and the activity is reported as eligible only. To avoid double counting of eligible activities, all associated turnover, CapEx and Opex have been allocated to activity CCM 3.6.

The CE 5.5. substantial contribution criteria focus mainly on return provisions, extended product lifespan through increased use intensity, and ensuring sustainable packaging for products offered under the PaaS model. Husqvarna Group meets the criteria through its leasing program, under which the Group retains product ownership, customers pay for use, and contractual terms ensure the return of products. Product lifespans are extended through required maintenance carried out with original parts, and all products delivered in a ready-to-use condition.

Do no significant harm criteria
Climate change mitigation
The Group's leasing program meets the technical screening criteria by offering low-emission battery handheld products and applying structured maintenance, storage and refurbishment procedures that extend product lifespans.

Climate change adaptation
Husqvarna Group has conducted a quantitative physical climate change risk assessment. For eligible activities, the only location identified as potentially exposed to flood risks has implemented adaptation measures to reduce this exposure. Further details on climate risk management are provided on pages 44-45.

Sustainable use and protection of water and marine resources
The Group has assessed the impacts on water and marine resources, supported by established water management policies and routines. For eligible activities, all manufacturing sites operate under the required environmental permits covering water use and discharge, complemented by ISO 14001 certificates.

Transition to a circular economy
Husqvarna Group meets technical screening criteria through its circular economy practices, including the use of secondary raw materials, product design optimized for durability, recyclability and reparability, and the implementation of the waste hierarchy across its manufacturing sites.

Pollution prevention and control
Husqvarna Group ensures compliance with substance restrictions through its Restricted Material List (RML), which incorporates the requirements from relevant EU and global regulations. The Group maintains transparency through REACH declarations, SCIP database registration, and ongoing substance substitution initiatives to remain compliant.

Protection and restoration of biodiversity and ecosystems
Husqvarna Group assessed whether manufacturing sites within the scope of eligible activities are located near biodiversity-sensitive areas. Using the information sources specified in the technical screening criteria, the Group concluded that none of the sites are situated in or near such areas.

Minimum social safeguards
The Group assessed compliance with the Minimum Safeguards criteria, applying the precautionary principle to ensure fair competition, to prevent bribery and corruption (pages 64-65), maintain sound taxation policies, and uphold actions that protect human rights (page 61).

Accounting principles
Husqvarna Group applied accounting principles according to article 8 of Regulation (EU) 2020/852 to disclose the degree to which turnover, CapEx and OpEx meets EU Taxonomy requirements. Husqvarna Group structures its cost reporting and turnover allocation by activity, reducing the risk of double counting

Turnover: Turnover has been calculated as the share of net turnover derived from products or services associated with Taxonomy-eligible economic activities divided by net turnover. Turnover is calculated according to accounting principles applied in the preparation of the Financial Statements as described in Note 1 on pages 88-89. This sum represents the share of net turnover deriving from products and services associated with economic activities that contribute to climate change mitigation and circular economy. In 2025, the calculation methodology was refined to incorporate more granular data inputs used in the preparation of EU Taxonomy disclosures. If this 2025 methodology was applied to 2024 data, the resulting KPIs would be adjusted accordingly. Aligned turnover would amount to 12 percent (26 percent), while eligible turnover would reach 21 percent (35 percent). This information is presented for comparability purposes only.

CapEx: CapEx includes additions to tangible and intangible assets considered before depreciation, amortization and any re-measurements. In 2025, the Group refined its calculation methodology by incorporating more detailed data to determine eligible and aligned CapEx. For activity CCM 3.6, eligible CapEx is calculated based on the estimated share of capital expenditures corresponding to the proportion of net sales generated by eligible low-carbon product subgroups. Aligned CapEx represents the proportion of capital expenditure derived from the ratio of net sales of low-carbon products supported by third-party life cycle assessments. For activity CE 5.5, the eligible and aligned CapEx represents expenditures related to circular use-oriented service models. Investments in property, plant and equipment as well as intangible assets associated with the forementioned activities, were also included in the calculation. Total CapEx has been calculated as the sum of capital expenditure (breakdown of capital expenditure is described in the Board of Directors' Report in the section Capital expenditure and Research & Development expenses (R&D) on page 26) reported in the Cash Flow Statement (SEK 2,258m) plus New, Modified and Remeasured Leases (SEK 458m), in accordance with Note 13 of the Annual Report. In 2025, the calculation methodology was refined to incorporate more granular data inputs used in the preparation of EU Taxonomy disclosures. If this 2025 methodology was applied to 2024 data, the resulting KPIs would be adjusted accordingly. Aligned CapEx would amount to 11 percent (30 percent), while eligible CapEx would total 27 percent (46 percent). This information is presented for comparability purposes only.

OpEx: OpEx covers direct non-capitalized costs associated with research and development, maintenance and repair, and other direct expenditures. In 2025, the Group refined its calculation methodology to improve disclosure accuracy. Husqvarna Group does not compile R&D costs at the activity level. However, in 2025 the Group progressed in refining its calculation methodology for eligible and aligned OpEx. For activity CCM 3.6., eligible OpEx is calculated based on the estimated share of R&D costs corresponding to the proportion of net sales generated by eligible low-carbon product subgroups. Aligned OpEx represents the proportion of R&D costs derived from the ratio of net sales of low-carbon products supported by third-party life cycle assessments. Operating expenditures related to maintenance and repairs could not be extracted and were therefore excluded from the calculation. In 2025, the calculation methodology was refined to incorporate more granular data inputs used in the preparation of EU Taxonomy disclosures. If this 2025 methodology were applied to 2024 data, the resulting KPIs would be adjusted accordingly. Aligned OpEx would amount to 22 percent (41 percent), while eligible OpEx would total 22 percent (41 percent). This information is presented for comparability purposes only.

Allocation of the proceeds from Green Bonds
In 2024, Husqvarna Group issued two series of Green Bonds in line with its Green Finance Framework. The net proceeds from bonds were used to finance and refinance capital and operational expenditures (R&D) related to activity CCM 3.6. Consequently, the adjusted OpEx KPI for 2024 amounts to 0 percent, given that all research and development expenditures were refinanced with Green Bonds proceeds (SEK 775.5m). The adjusted CapEx KPI for 2024 amounts 20 percent (SEK 663.8m), reflecting the allocation of SEK 29.3m to capital expenditures refinancing.

In 2025, the adjusted OpEx KPI for CCM 3.6 amounts to 16 percent, reflecting a reduction of SEK 195.2m related to research and development expenditure. Proceeds from issued Green Bonds have been excluded from the numerator of the KPI.

Activities considered non-material:
Husqvarna Group manufactures the rechargeable battery packs for its battery-powered products. The turnover from the sales of manufactured batteries does not exceed the 10 percent materiality threshold.

In 2025, Husqvarna Group expanded its electric charging infrastructure in Ulm, Germany and incurred capital expenditures for on-site photovoltaic panels in Vrbno, Czech Republic, and Niederstotzingen, Germany. The Group also undertook capital expenditure related to the manufacturing of batteries. The cumulative CapEx for these three economic activities does not exceed the 10 percent materiality threshold. Therefore, Husqvarna Group has not carried out an assessment of their Taxonomy eligibility and alignment.

EU TAXONOMY

Proportion of turnover, CapEx, OpEx from products or services associated with Taxonomy-eligible or Taxonomy- aligned economic activities – disclosure covering year 2025:

KPI	Total	Proportion of Taxonomy eligible activities	Taxonomy aligned activities	Proportion of Taxonomy aligned activities	Breakdown by environmental objectives of Taxonomy aligned activities: Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiver-sity	Proportion of enabling activities	Proportion of transitional activities	Not assessed activities con-sidered non-material	Taxonomy aligned activities in previous financial year (2024)	Proportion of Taxonomy aligned activities in previous financial year (2024)
	SEKm	%	SEKm	%	%	%	%	%	%	%	%	%	%	SEKm	%
Turnover	46,613	20	6,405	14	14	—	—	0	—	—	14	0	1	12,771	26
CapEx	2,716	29	278	10	10	—	—	0	—	—	10	0	0	956	30
OpEx	1,887	30	499	26	26	—	—	0	—	—	26	0	0	775	41

Proportion of turnover from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering year 2025:

Reported KPI: Turnover
Financial year: 2025

Economic Activities	Code	Taxonomy eligible KPI (Proportion of Taxonomy eligible Turnover)	Taxonomy aligned KPI (monetary value of Turnover)	Taxonomy aligned KPI (Proportion of Taxonomy aligned Turno-ver)	Environmental objective of Taxonomy aligned activities: Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiver-sity	Enabling activity	Transitional activity	Proportion of Taxonomy aligned in Taxonomy eligible
		%	SEKm	%	%	%	%	%	%	%	E (where applica-ble)	T (where applica-ble)	%
Manufacture of other low carbon technologies	CCM 3.6 / CE.1.2	17	6,405	14	14	—	—	0	—	—	E	—	80
Sale of spare parts	CE 5.2	3	0	0	—	—	—	0	—	—	—	—	0
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	0	0	0	—	—	—	0	—	—	—	—	19
Sum of alignment per objective					14	—	—	0	—	—			
Total KPI (Turnover)		20	6,405	14	14	—	—	0	—	—	14	0	69

EU TAXONOMY

Proportion of CapEx from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering year 2025:

Reported KPI: CapEx Financial year: 2025					Environmental objective of Taxonomy aligned activities								
Economic Activities	Code	Taxonomy eligible KPI (Proportion of Taxonomy eligible CapEx)	Taxonomy aligned KPI (monetary value of CapEx)	Taxonomy aligned KPI (Proportion of Taxonomy aligned CapEx)	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiver-sity	Enabling activity	Transitional activity	Proportion of Taxonomy aligned in Taxonomy eligible
		%	SEKm	%	%	%	%	%	%	%	E (where applicable)	T (where applicable)	%
Manufacture of other low carbon technologies	CCM 3.6 / CE.1.2	12	277	10	10	—	—	0	—	—	E	—	82
Transport by motorbikes, passenger cars, and light commercial vehicles	CCM 6.5	5	0	0	0	—	—	—	—	—	—	—	0
Acquisition and ownership of building	CCM 7.7	11	0	0	0	—	—	—	—	—	—	—	0
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	0	0	0	—	—	—	0	—	—	—	—	2
Sum of alignment per objective					10	—	—	0	—	—			
Total KPI (CapEx)		29	278	10	10	—	—	0	—	—	10	0	36

Proportion of OpEx from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering year 2025:

Reported KPI: OpEx Financial year: 2025					Environmental objective of Taxonomy aligned activities								
Economic Activities	Code	Taxonomy eligible KPI (Proportion of Taxonomy eligible OpEx)	Taxonomy aligned KPI (monetary value of OpEx)	Taxonomy aligned KPI (Proportion of Taxonomy aligned OpEx)	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiver-sity	Enabling activity	Transitional activity	Proportion of Taxonomy aligned in Taxo-nomy eligible
		%	SEKm	%	%	%	%	%	%	%	E (where applicable)	T (where applicable)	%
Manufacture of other low carbon technologies	CCM 3.6 / CE.1.2	30	499	26	26	—	—	0	—	—	E	—	88
Sum of alignment per objective					26	—	—	0	—	—			
Total KPI (OpEx)		30	499	26	26	—	—	0	—	—	26	0	88

APPENDIX

ESRS Index

Disclosure requirements		Page	Additional information
ESRS 2	**General disclosures**		
BP-1	General basis for preparation of sustainability statements	47	
BP-2	Disclosures in relation to specific circumstances	47	
GOV-1	The role of the administrative, management and supervisory bodies	46	
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	46	
GOV-3	Integration of sustainability-related performance in incentive schemes	91-92	Incorporated by reference
GOV-4	Statement on due diligence	47	
GOV-5	Risk management and internal controls over sustainability reporting	79	Incorporated by reference
SBM-1	Strategy, business model and value chain	39-40	Phase-in option used for ESRS sectors
SBM-2	Interests and views of stakeholders	43	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	40-43	Phase-in option used for anticipated financial effects
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	44-45	
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	46, 70-72	
ESRS E1	**Climate change**		
E1-1	Transition plan for climate change mitigation	50-51	
E1-2	Policies related to climate change mitigation and adaptation	51	
E1-3	Actions and resources in relation to climate change policies	51-52, 66-69	
E1-4	Targets related to climate change mitigation and adaptation	52	
E1-5	Energy consumption and mix	52	
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	53	
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	—	Phase-in option used

Disclosure requirements		Page	Additional information
ESRS E5	**Circular economy and resource use**		
E5-1	Policies related to resource use and circular economy	54	
E5-2	Actions and resources related to resource use and circular economy	54-55, 66-69	
E5-3	Targets related to resource use and circular economy	55	
E5-4	Resource inflows	55	
E5-5	Resource outflows	56	
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks, and opportunities	—	Phase-in option used
ESRS S1	**Own workforce**		
S1-1	Policies related to own workforce	58	
S1-2	Processes for engaging with own workers and workers' representatives about impacts	58-59	
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	59	
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	59	
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	60	
S1-6	Characteristics of the undertaking's employees	60	
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	—	Phase-in option used
S1-9	Diversity metrics	60	
S1-14	Health and safety metrics	60	Phase-in option used for non-employees

APPENDIX

Content Index, contd.

Disclosure requirements		Page	Additional information
ESRS S2	**Workers in the value chain**		
S2-1	Policies related to value chain workers	61	Phase-in option used, disclosed in line with ESRS 2, paragraph 17
S2-2	Processes for engaging with value chain workers about impacts	—	Phase-in option used
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	—	Phase-in option used
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	61	Phase-in option used, disclosed in line with ESRS 2, paragraph 17
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	61	Phase-in option used, disclosed in line with ESRS 2, paragraph 17
ESRS S4	**Consumers and end-users**		
S4-1	Policies related to consumers and end-users	62	Phase-in option used, disclosed in line with ESRS 2, paragraph 17
S4-2	Processes for engaging with consumers and end-users about impacts	—	Phase-in option used
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	—	Phase-in option used
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	62	Phase-in option used, disclosed in line with ESRS 2, paragraph 17
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	62	Phase-in option used, disclosed in line with ESRS 2, paragraph 17
ESRS G1	**Business conduct**		
G1-1	Business conduct policies and corporate culture	64	
G1-2	Management of relationships with suppliers	64	
G1-3	Prevention and detection of corruption and bribery	64-65	
G1-4	Incidents of corruption or bribery	65	

APPENDIX

Data points deriving from other EU legislation

Disclosure requirement	Datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate law reference	Page
ESRS 2 GOV-1	21 (d)	X		X		46
ESRS 2 GOV-1	21 (e)			X		46
ESRS 2 GOV-4	30	X				47
ESRS 2 SBM-1	40 (d) i	X	X	X		47
ESRS 2 SBM-1	40 (d) ii	X		X		Not applicable
ESRS 2 SBM-1	40 (d) iii	X		X		Not applicable
ESRS 2 SBM-1	40 (d) iv			X		Not applicable
ESRS E1-1	14				X	50-51
ESRS E1-1	16 (g)		X	X		51
ESRS E1-4	34	X	X	X		52
ESRS E1-5	38	X				52
ESRS E1-5	37	X				52
ESRS E1-5	40–43	X				52
ESRS E1-6	44	X	X	X		53
ESRS E1-6	53–55	X	X	X		53
ESRS E1-7	56				X	Not material
ESRS E1-9	66			X		Phase-in
ESRS E1-9	66 (a); 66 (c)		X			Phase-in
ESRS E1-9	67 (c)		X			Phase-in
ESRS E1-9	69			X		Phase-in
ESRS E2-4	28	X				Not material
ESRS E3-1	9	X				Not material
ESRS E3-1	13	X				Not material
ESRS E3-1	14	X				Not material
ESRS E3-4	28 (c)	X				Not material
ESRS E3-4	29	X				Not material
ESRS 2 SBM 3 – E4	16 (a) i	X				Not material
ESRS 2 SBM 3 – E4	16 (b)	X				Not material
ESRS 2 SBM 3 – E4	16 (c)	X				Not material
ESRS E4-2	24 (b)	X				Not material
ESRS E4-2	24 (c)	X				Not material
ESRS E4-2	24 (d)	X				Not material

Disclosure requirement	Datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate law reference	Page
ESRS E5-5	37 (d)	X				Not material
ESRS E5-5	39	X				Not material
ESRS 2 SBM3 – S1	14 (f)	X				42
ESRS 2 SBM3 – S1	14 (g)	X				42
ESRS S1-1	20	X				58
ESRS S1-1	21			X		58
ESRS S1-1	22	X				58
ESRS S1-1	23	X				58
ESRS S1-3	32 (c)	X				59
ESRS S1-14	88 (b) and (c)	X		X		60, phase-in for non-employees
ESRS S1-14	88 (e)	X				60, phase-in for non-employees
ESRS S1-16	97 (a)	X		X		Not material
ESRS S1-16	97 (b)	X				Not material
ESRS S1-17	103 (a)	X				Not material
ESRS S1-17	104 (a)	X		X		Not material
ESRS 2 SBM3 – S2	11 (b)	X				42-43
ESRS S2-1	17	X				Phase-in
ESRS S2-1	18	X				Phase-in
ESRS S2-1	19 OECD	X		X		Phase-in
ESRS S2-1	19 ILO			X		Phase-in
ESRS S2-4	36	X				Phase-in
ESRS S3-1	16	X				Not material
ESRS S3-1	17	X		X		Not material
ESRS S3-4	36	X				Not material
ESRS S4-1	16	X				Phase-in
ESRS S4-1	17	X		X		Phase-in
ESRS S4-4	35	X				Phase-in
ESRS G1-1	10 (b)	X				64
ESRS G1-1	10 (d)	X				64
ESRS G1-4	24 (a)	X		X		65
ESRS G1-4	24 (b)	X				65

Corporate Governance Report

As required by the Swedish Annual Accounts Act and the Swedish Corporate Governance Code (the "Swedish Code"), this Corporate Governance Report describes the organizational bodies, rules and other governance structures by which Husqvarna AB (the "Company") and the wider Husqvarna Group (the "Group") is controlled and operated. The Company's external auditors have reviewed this Report and their opinion has been included in the Auditors' Report.

Good corporate governance is a fundamental prerequisite not only to meet our obligations as a public company, but also to create value for shareholders in an efficient, responsible and sustainable manner. Husqvarna Group's corporate governance structures are defined by external laws (e.g., the Swedish Companies Act), self-regulatory standards (e.g., the Swedish Code and the Nasdaq Nordic Main Market Rulebook for Issuers of Shares) and internal rules (e.g., the Company's Articles of Association, Code of Conduct and Group policies). While not mandatory, Husqvarna Group has elected to comply with all aspects of the Swedish Code, without exception.

Husqvarna Group has no deviations from the Swedish Code to report for the 2025 financial year. Nor has Husqvarna Group been subject to any rulings by Nasdaq Stockholm's Disciplinary Committee or decisions on breaches of sound practices in the stock market by the Swedish Securities Council. For more information, visit: www.husqvarnagroup.com.

Integrating Sustainability into Corporate Governance

Husqvarna Group endeavors to incorporate sustainability into all aspects of its business operations, organizational structures and governing bodies.

The Board has overall responsibility for the Company's sustainability work. Until September 2025, this work was supported by the Audit Committee (monitoring and overseeing sustainability matters to the extent related disclosures in the Company's periodic reports) and by the People & Sustainability Committee (which oversaw the Company's overall sustainability ambitions, target-setting and performance). As of September 2025, all aspects of sustainability oversight have been consolidated under the Audit Committee and the People & Sustainability Committee has been renamed to the People Committee. Day-to-day responsibility for sustainability matters has been delegated by the Board to the Group CEO, Group Management and further down in the organization pursuant to the Company's delegation of authority and Group governance policies.

Shareholders and the Shareholders' General Meeting

The highest corporate decision-making body in the Company is the Shareholders' General Meeting, which is normally held once per year in the form of the Annual General Meeting (AGM), but may also take the form of an Extraordinary General Meeting under certain circumstances. The 2026 AGM will take place on Thursday, April 16, 2026. The Company prepares the AGM agenda with input from its shareholders, who have the right to propose matters for consideration at the AGM.

The Company's shares have been traded on Nasdaq Stockholm since June 2006. At year-end 2025, the share capital amounted to SEK 1,153m, represented by 107,825,205 A-shares and 468,518,573 B-shares, each with a par value of SEK 2. Each A-share entitles the holder to one vote and each B-share entitles the holder to one tenth of a vote. As per the Articles of Association, holders of A-shares are entitled to request conversion of A-shares into B-shares on a 1:1 basis. During 2025, 300 A-shares were converted to an equivalent number of B-shares.

As of December 31, 2025, the number of shareholders was 76,687 of which foreign shareholders held approximately 49.6 percent of the outstanding share capital. Investor AB was the single largest shareholder (by votes) with a holding of 16.8 percent of the share capital and 33.9 percent of the votes. L E Lundbergföretagen AB was the second-largest shareholder (by votes) with a holding of 7.7 percent of the capital and 25.8 percent of the votes.

Nomination Committee

In accordance with the Swedish Code, the Company is required to have a Nomination Committee, the primary responsibilities of which are to consider, and submit to the AGM, proposals and recommendations regarding:

- The Chair of the AGM;
- The number of elected Board members;
- The nominees for election to the Board;
- The Chair of the Board;
- Remuneration to Board members, including the Chair, and remuneration for Board members' work on Board committees;
- Election of external auditors (when applicable);
- Remuneration to external auditors; and
- Changes to the process regarding the composition and tasks of the Nomination Committee (if applicable).

The AGM determines the process for establishing the Nomination Committee and its members. At the Company's 2013 AGM, it was resolved that the following process would apply until a subsequent AGM resolves otherwise:

- The Company shall have a Nomination Committee consisting of five members;
- The members shall consist of one representative of each of the four largest shareholders in the Company in terms of voting rights held as of the last banking day of August each year, with the fifth member being the Chair of the Board; and
- In the event that any of the four largest shareholders elect not to nominate a representative to the Nomination Committee, the right to appoint such a representative passes to the fifth largest shareholder and so on.

These rules established at the 2013 AGM have not been changed by any subsequent AGM and therefore continue to apply.

The formation of the Nomination Committee for the 2026 AGM was announced on September 19, 2025. The members of the Nomination Committee (and corresponding appointing shareholders) for the 2026 AGM are:

Member	Appointing shareholder
Petra Hedengran (Chair)	Investor AB
Louise Lindh	L E Lundbergföretagen AB
Fredrik Ahlin	If Skadeförsäkring AB
Oskar Börjesson	Livförsäkringsbolaget Skandia
Torbjörn Lööf [1]	—

[1] Chair of the Board of Husqvarna AB (publ)

Nomination Committee members do not receive compensation from the Company for their work on the Nomination Committee.

As noted above, one of the chief duties of the Nomination Committee is to make recommendations regarding the size

and composition of the Board. Normally, the starting point for such recommendations is a survey conducted each year by the Chair of the Board to assess the Board's work, composition, qualifications, experience and efficiency (see the section "The Board of Directors"). The results of this survey are shared and discussed with the Nomination Committee.

Based largely on the information provided by the Chair, the Nomination Committee determines whether the existing Board should be strengthened with additional expertise or if there are any other reasons to make changes to the composition of the Board. In making such determinations and (if applicable) evaluating potential new candidates for the Board, the Nomination Committee takes into consideration the objective of achieving a gender balance in the Board.

The Nomination Committee has applied rule 4.1 of the Swedish Code as its diversity policy. In addition, the Nomination Committee takes into consideration the need to ensure that the independence requirements of the Swedish Code are met. These requirements stipulate that at least the majority of Board members must be independent of the Company and its management and that at least two (from such majority) also be independent of the Company's largest shareholders. The Nomination Committee also takes into account any proposals made to the Nomination Committee about the composition of the Board that may have been suggested by other shareholders.

For the 2026 AGM, the Nomination Committee announced its required proposals along with the notice of the AGM, which was published on the Company's website on March 13, 2026. The Nomination Committee will present and elaborate on its work and proposals at the 2026 AGM.

Annual general meeting

General

In accordance with the Swedish Companies Act, the AGM of the Company must be convened annually on a date not later than six months after the close of the preceding financial year, and is normally held in March or April.

According to the Company's Articles of Association, the AGM must be held in Jönköping or Stockholm, Sweden. The Articles of Association also permit the Board to allow the shareholders to exercise their voting rights by regular mail.

Shareholders who are individuals may attend the AGM in person or by proxy. Shareholders attending the meeting by proxy, including all corporate shareholders, must submit a valid power of attorney as well as other required documentation in due time before the AGM. This, together with information provided by Euroclear Sweden AB, allows the Company to compile a book of shareholders eligible to vote at the AGM. Following this compilation, voting certificates are sent to all shareholders attending the meeting, or their designated representatives. Voting certificates are proof of voting rights and also serve as an entrance card to the AGM.

The notice of the AGM (specifying its date, location, agenda, etc.) shall be made public at least four weeks and not more than six weeks prior to the AGM. The notice is published in the Swedish daily newspapers Svenska Dagbladet and Jönköpings-Posten, and in the Swedish Official Gazette (Post- och Inrikes Tidningar). The notice is also announced in a press release and on the Company's website at www.husqvarnagroup.com.

AGM agenda items and written documentation

The agenda for the AGM is reviewed and approved by the Board and consists of matters that are statutorily required, as well as other matters. Matters typically include:

- Election of Chair of the AGM[1]
- Adoption of statutory financial documentation;
- Discharge of liability for the Board members and CEO;
- Disposition of the Company's profit;
- Number of elected Board members[1]
- Remuneration to Board members, committee members and external auditors[1]
- Election of external auditor[1]
- Election of Chair of the Board[1]
- Election of Board members[1]
- Principles of remuneration for Group Management (if applicable);
- Approval of Remuneration Report;
- Adoption of long-term incentive programs (if applicable);
- Repurchase and transfer of the Company's own shares (if applicable);
- Authorization to resolve on the issuance of new shares (if applicable); and
- Such other matters as may be deemed necessary and appropriate by the Board.

[1] Indicates agenda items for which the Nomination Committee make a proposal.

Shareholders may also, in advance of the publication of the notice to attend the AGM, propose matters to be included in the AGM agenda.

At the AGM, the Chair of the Board presents a report on the Board's work during the preceding year, the CEO gives an overview of the Company's business and current priorities, and the auditors present their report and review of the Company's finances. If required, the Chair of the People Committee (as per September 2025, renamed from P&S Committee to the People Committee) reports on remuneration to the Group's executive management (Group Management) and, if it is to be resolved on by the AGM, the Company's long-term incentive programs. Shareholders attending the AGM may also direct questions to the Chair of the Board, the CEO, the Nomination Committee, the Chair of the People Committee, the external auditors or any other Board member. Written documentation is presented at the AGM, normally in both English and Swedish. This documentation may be downloaded from the Company's website and is also sent to shareholders upon request.

Such documentation includes:

- The agenda for the AGM;
- Proposals from the Board and the Nomination Committee;
- The Remuneration Report;
- The Nomination Committee's explanatory statement regarding the proposal for appointment of Board members;
- The Board's report in relation to the proposed dividend and the proposal on the acquisition of the Company's own shares (if applicable);
- The auditor's statement on the guidelines of the remuneration to senior executives; and
- AGM proxy form.

The AGM is held in Swedish, but simultaneous translation into English is available. The minutes recorded at the AGM are normally published within a few days of the AGM, but not later than two weeks after the AGM. A press release including resolutions passed at the meeting is published immediately after the AGM.

2025 AGM

The 2025 AGM was held on April 29, 2025, in Jönköping, Sweden with 485 shareholders attending in person, by proxy or by advance voting, representing 72 percent of the total number of shares and 83 percent of the total number of votes. Also in attendance were the Board, the external auditors and members of Group Management.

The AGM approved the following resolutions:

- To adopt the income statements and balance sheets for 2024;
- To discharge the Board and the CEO from liability for the 2024 financial year;
- To establish the size of the Board at nine (9) elected members;
- To elect Torbjörn Lööf, Ingrid Bonde, Claes Boustedt, Marlies Gebetsberger, Magnus Jarlegren, Katarina Martinson, Daniel Nodhäll, Christine Robins and Pavel Hajman as Board members;
- To appoint Torbjörn Lööf as Chair of the Board;
- To set Board remuneration at SEK 8,490,000 in total, of which SEK 2,400,000 was to be paid to the Chair of the Board and SEK 695,000 to each of the other Board members elected by the AGM and not employed by the Company. Furthermore, to

pay additional remuneration of SEK 357,000 to the Chair of the Audit Committee and SEK 233,000 to each of the other two members of the Audit Committee, as well as SEK 182,000 to the Chair of the People Committee and SEK 110,000 to each of the other two members;

- To approve the Nomination Committee's proposal to elect KPMG as the Company's external auditors and to pay auditors' fees on the basis of approved invoices;
- To approve the Remuneration Report;
- To establish a performance-based long-term incentive program for 2025, "LTI 2025", to be offered to a maximum of 135 senior managers, whereby, subject to the fulfilment of certain performance targets and other conditions during a three-year vesting period, the participants would be entitled to receive certain B-shares;
- To authorize the Board, during the period up until the next AGM, to direct the Company to enter one or more equity swap agreements with a third party (e.g., a bank) for purposes of hedging the obligations of the Company under LTI 2025 and any previously resolved programs; and
- To authorize the Board to approve the issue of not more than 57,634,377 new B-shares against payment in kind on one or more occasions during the period up to the 2026 AGM;

2026 AGM

The 2026 AGM of the comany will be held at 4:00 p.m. on Thursday, April 16, 2026, at the Jönköping Concert & Congress hall at Elmia, Elmiavägen 15 in Jönköping, Sweden.

Board of Directors

According to the Company's Articles of Association, the Board shall be composed of no less than five and no more than ten elected Board members. The Articles of Association do not contain any specific provisions concerning the appointment and dismissal of Board members (or the method by which the Articles of Association may be amended), meaning that the rules otherwise stated in the Swedish Companies Act apply. At the 2025 AGM, nine members were elected to the Board (see section "Board of Directors and auditors"). In addition to the Board members elected by the AGM, Swedish trade unions have the statutory right to appoint two ordinary Board members with voting rights, as well as two deputies for such Board members.

In accordance with the Swedish Code, the principal tasks of the Board include:

- Appointing, evaluating and, if necessary, dismissing the CEO;
- Establishing the overall goals and strategy of the Company;
- Identifying how sustainability issues impact risks to and business opportunities for the Company and periodically approving new or revised sustainability goals for the Husqvarna Group;
- Defining appropriate guidelines to govern the Company's conduct in society, with the aim of ensuring its long-term value-creation capability;
- Ensuring that there is an appropriate system for follow-up and control of the Company's operations and of the risks to the Company that are associated with its operations;
- Ensuring that there is a satisfactory process for monitoring the Company's compliance with laws and other regulations relevant to the Company's operations, as well as the application of internal guidelines;
- Ensuring that the Company's external communication is characterized by openness, and it is accurate, reliable and relevant; and
- Approving the Company's periodic financial reports and related non-financial information (including sustainability related items) that must be made public on a periodic basis pursuant to applicable law.

The Board has adopted the Board's Rules of Procedure for its internal activities, which include rules regarding the number of Board meetings, matters to be addressed at regular Board meetings and the duties of the Chair of the Board. These Rules of Procedure are updated and adopted by the Board each year at the Statutory Board meeting, which is normally held immediately after the AGM. The Board evaluates the CEO on a regular basis, at least once a year, where the CEO is not present.

The Board has also issued written instructions specifying when and how information required to enable the Board to evaluate the Company's and the Group's financial position shall be reported to the Board, as well as the distribution of duties between the Board and the CEO. The Board has established an Audit Committee and a People Committee (renamed from P&S Committee), which are responsible for certain monitoring and oversight responsibilities on behalf of the Board, as described in more detail below.

The Chair of the Board ensures that the Board's work and procedures are evaluated and discussed with Board members annually, with the aim of developing the Board's working methods and efficiency. The results of such evaluation are also brought to the attention of the Nomination Committee, for use in their work. In 2025, such evaluation was conducted via an online anonymized questionnaire, together with individual interviews conducted by the Chair with each Board member. The results of such evaluation were presented to, and discussed with, the Nomination Committee as well as with the Board in its entirety. The Board members elected by the 2025 AGM fulfil the independence criteria set out by the Swedish Code, which require that the majority of such members be independent of the Company and its management, and that at least two (from this majority) be independent of the Company's largest shareholders.

Fees to Board Members

Fees to Board members, including fees for committee work, are set by the shareholders at the AGM. For information on fees to the Board in 2025, see note 4.

Board meetings

According to the Board's Rules of Procedure, the Board shall hold at least four ordinary meetings and one statutory meeting per calendar year. In 2025, the Board held twelve meetings, of which four were by video conference, five were physical meetings, and three were per capsulam (i.e. by unanimous written consent).

The Company's CEO, CFO and General Counsel are also present at Board meetings. The General Counsel serves as the Board's secretary and records the minutes of the Board meetings. Other members of Group Management or other senior managers of the Company may also be asked to attend and report on significant matters.

When relevant, and at least quarterly, Group Management presents forecasts and key performance indicators, providing the Board with an overview of the financial development and expectations of the Company. The Company's budget is reviewed and approved once a year, generally in the fourth quarter. The Board also reviews the Company's significant litigation matters, follows up on the Company's compliance and risk management work, and monitors the Company's progress regarding its sustainability agenda. The Board maintains an active oversight role in the Group's Enterprise Risk Management program, as described in more detail in the "Risk Management" section of this Annual Report. In addition, the Company's external auditors meet with the Board at least once per year, without the presence of any member of Group Management.

Audit Committee

In accordance with the Swedish Companies Act, the Board annually appoints an Audit Committee whose primary responsibilities are:

(a) to monitor and oversee the Company's financial and sustainability reporting;

(b) the Company's overall sustainability ambitions and target setting, as well as monitoring progress toward those targets;

(c) to monitor and oversee the effectiveness of the Company's internal control, internal audit and risk management functions as they relate to financial and sustainability reporting;

(d) to monitor and oversee the effectiveness of the Company's compliance program, and to review major legal and litigation matters that could affect the Company's financial position;

(e) to review and supervise the Company's external auditors' impartiality and independence; and

(f) when applicable, to assist in the preparation of proposals for the AGM's election of auditors.

The Audit Committee may also exercise any other powers and carry out any other responsibilities delegated to it by the Board from time to time. The Board has adopted a charter for the Audit Committee, which is periodically updated and approved by the Board.

The Board determines the composition of the Audit Committee, which shall have at least two members, none of whom may be employed by the Company, and the majority of whom shall be independent in relation to the Company and its executive management. At least one of the members who is independent in relation to the Company and its executive management shall also be independent in relation to the Company's major shareholders. At least one of the members of the Audit Committee must have auditing or accounting skills. The Board appoints the Committee members annually at the Statutory Board meeting or when a Committee member needs to be replaced.

The Audit Committee members appointed in April 2025 were Ingrid Bonde (Chair), Daniel Nodhäll and Torbjörn Lööf. Audit Committee meetings are also attended by the General Counsel (who keeps the minutes of the meetings), the Group CEO-the Group CFO, the Group Head of Internal Audit, and the Company's external auditors. Other members of management are invited periodically to report on specific matters, as relevant. The Audit Committee regularly reports on its findings and recommendations to the Board in its entirety and makes available to the Board the minutes of its meetings.

In 2025, the Audit Committee held six meetings, which fulfils its own charter rule that it shall meet at least four times per year. The Audit Committee meetings follow an adopted agenda plan, which includes a review of open issues, a treasury and tax update, and an internal audit update. The Audit Committee also reviews the Company's interim reports before they are submitted to the Board. The Committee meets frequently with the Company's external auditors. The Committee also reviews the Company's compliance work and litigation activities on a regular basis.

People Committee (formerly named People & Sustainability Committee)

The responsibilities of the People Committee are to oversee executive remuneration and talent management.

As of September 2025, the responsibility to oversee the Company's overall sustainability work was transferred from the People Committee to the Audit Committee, and the Committee was renamed the People Committee.

People Committee is a "remuneration committee", within the meaning of the Swedish Code. The People Committee shall consist of as many members as the Board determines, but no fewer than three. The Board shall appoint the People Committee members annually at the Statutory Board Meeting or when a People Committee member needs to be replaced. Each People Committee member shall satisfy applicable independence and other requirements of law and other regulations applicable to the Company from time to time. The Board shall appoint the People Committee's Chair. The People Committee's Secretary shall be the Company's CHRO and Executive Vice President People, Organization & Communication.

The People Committee's Chair, in consultation with the People Committee members, shall determine the schedule and frequency of the People Committee meetings, provided that the People Committee shall meet at least three times per calendar year. The People Committee may, at its discretion, include in its meetings members of the Company's management (normally the CEO), the Company's external or internal auditors, and any other person whose presence the People Committee believes to be necessary or appropriate. Notwithstanding the foregoing, the CEO or any other member of Group Management may not be present during voting or deliberations concerning his or her remuneration or assessment. The People Committee reports to the full Board of the Company after each of its meetings and as otherwise requested by the Chair of the Board and makes available to the Board the minutes of its meetings.

With respect to remuneration and talent management matters, the People Committee is assigned to perform the following general tasks:

- Preparing the Board's decisions on principles for remuneration and other terms of employment for the CEO and for other members of Group Management, and on remuneration reporting, including such remuneration guidelines and remuneration reports as are required by applicable law (including the EU's Shareholder Rights Directive);
- Monitoring and evaluating programs for variable remuneration of Group Management – both ongoing programs and those that have ended during the year;
- Monitoring and evaluating the application of the remuneration guidelines that the AGM is legally obliged to establish as well as the current remuneration structures and levels in the Company; and
- Ensure a process is in place for (i) monitoring future talents for Group Management positions and (ii) succession planning.

The People Committee members appointed in April 2025 were Claes Boustedt (Chair), Torbjörn Lööf and Magnus Jarlegren. For more information on remuneration to Group Management, see note 4.

In 2025, the People Committee held three meetings, which fulfils the charter criteria that it shall meet at least twice a year.

External auditors

At the 2025 AGM, in accordance with the proposal of the Nomination Committee, KPMG AB was elected as auditor for the period from the 2025 AGM up until the end of the 2026 AGM. The Auditor-in-Charge is Joakim Thilstedt. The external auditors attend the Company's Audit Committee meetings and meet with the full Board at least once per year without management being present.

In accordance with the resolutions passed at the 2025 AGM, the auditors' fee until the 2026 AGM shall be paid on the basis of approved invoices. For more information, see note 8.

Group Management structure

Husqvarna Group has three separate reporting divisions: the Husqvarna Forest & Garden Division, the Gardena Division and the Husqvarna Construction Division. The Company's Group Management comprises (a) the CEO, (b) the three divisional presidents, and (c) the heads of the four Group Functions.

Group Management, jointly, makes decisions on:

- The Group's strategic and business development;
- Allocation of responsibilities between the Group Functions and the respective divisions;
- Enhancing Group synergies;
- Internal financial and business follow-up;
- Group governance;
- Group staffing plans;
- Issue resolution;
- Budgets;
- External affairs;
- Board reporting;
- Progress on sustainability activities;
- Risk management and mitigation (see section "Risk Management" in this Annual Report); and
- Group policies and guidelines.

Group Management normally meets physically on a quarterly basis, and otherwise meets remotely via video conference in the other months when there is no physical meeting arranged.

Clear roles and responsibilities apply to each of the Group Functions as well as to the divisions as set forth in a Group Governance Policy. In general, the Group's governance structure is designed so that decisions are made as close to operations as possible. Clear guidance has been provided to identify the level on which different types of decisions should be made. Changes to the governance structure (including applicable roles and responsibilities) can only be made by the decision of Group Management or by the CEO (in consultation with the Board Chair).

Group Management is accountable for delivering the Company's sustainability targets. A core team at Group level, led by the Group VP Sustainability (reporting to the Group CFO), coordinates the strategy, targets, and capabilities, while the reporting function, led by the Group VP Finance and Holding (also reporting to the Group CFO), oversees performance tracking and disclosure. During 2025, this core team provided updates to the Audit Committee on four occasions, to the full Board once, and to the People Committee twice, covering risks, upcoming regulations – including readiness for the Corporate Sustainability Reporting Directive – and progress on sustainability targets.

CEO

The CEO is appointed by the Board and is responsible for the ongoing management of the Company in accordance with the Board's guidelines and other instructions. This includes responsibility for financial and non-financial reporting, preparation of information for decisions and ensuring that commitments, agreements and other legal documents comply with applicable laws and the Group's Code of Conduct. The CEO also ensures compliance with the goals, policies and strategic plans approved by the Board and updates the Board on these when necessary. The CEO appoints (and where necessary dismisses) each member of Group Management, with input from the Board Chair.

Divisional Presidents

Each of the three divisions has its own President, who in turn reports to the CEO. Each divisional President is responsible for the operational income statement and balance sheet for its respective division. However, all decisions made by a division are subject to the Group's overall strategic goals and policies. For more information about Husqvarna Group's divisions, see the section "Divisions".

Group Function heads

Group Management includes the heads of the four Group Functions as described below. These functions are designed to support the divisions with forward-looking initiatives, to continue to leverage certain Group synergies where appropriate and otherwise to discharge the corporate governance, compliance and oversight functions required of a listed company.

1. Finance & IR

This function, which is headed by the Group's CFO, has primary responsibility for the Group's financial and sustainability controlling and reporting. It also coordinates and collaborates with finance personnel working within the divisions. This function's organization consists of a number of sub-groups including: (a) Business Control; (b) Group Accounting; (c) Tax; (d) Treasury; (e) Internal Control; (f) Global Business Solutions; (g) Real Estate; (h) ESG reporting, and (i) Sustainability. It also includes the Group's Investor Relations. The Group Internal Audit function sits within the Finance &, IR function from an organizational (Human Resources) point of view, but reports directly to the Audit Committee of the Board in terms of functional oversight.

2. People, Organization & Communication (HR)

This function, which is headed by the Group's CHRO, has primary responsibility for overseeing the Group's HR initiatives within total rewards, talent attraction and acquisition, talent management, learning and development, Corporate Communication, HR Operations and HRIS (people management systems and data). This function is also responsible for providing Group coordination and oversight regarding Employee Health and Safety (EHS). The People & Organization function coordinates on a dotted-line basis with HR personnel located within the divisions.

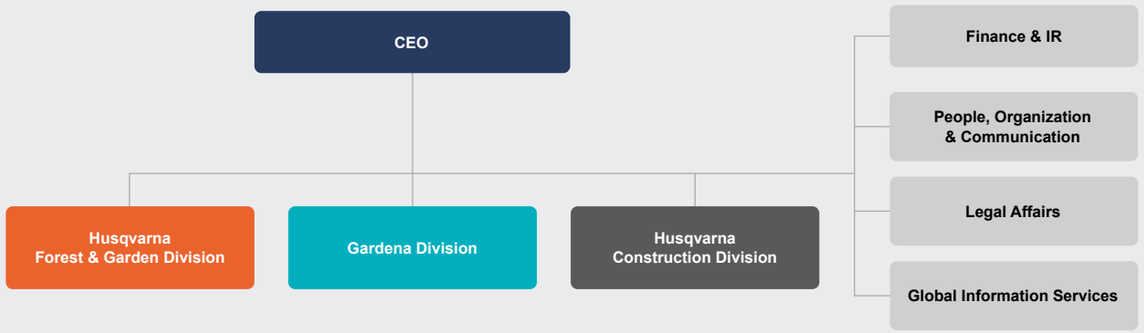
3. Legal Affairs

This function, which is headed by the Group's General Counsel, is responsible for all relevant legal support to the Group and the divisions. Within the divisions, much of the legal support is provided by three divisional General Counsels who sit on the respective division's management teams, but report directly to the Group's General Counsel. This function also includes the Group's: (a) Risk Management; (b) Intellectual Property; (c) Compliance & Regulatory; and (d) Product Compliance & Safety. Together with Group Finance & IR, Legal Affairs also plays a leading role in maintaining appropriate Group governance structures and policies, as well as ensuring compliance with applicable stock exchange rules.

4. Global Information Services (IT/Group Digital)

This function, headed by the Group CDIO, is primarily responsible for overseeing and driving the Group's Digital & IT strategy, systems & infrastructure, information/cyber security and operational support. GIS provides Digital & IT services and solutions and supports and collaborates with departments and leaders across the entire Group in their digitalization journey.

Group Management structure



This organization is structured into three divisionally focused teams, Group Functions support, Digital Business Transformation, and teams focusing on Architecture, Infrastructure & cyber security, Enterprise systems and program and project management.

External information

Husqvarna Group employs a series of procedures, controls and systems to ensure that the Group is able to provide the market with timely and accurate information to the extent required by applicable law and good corporate practice, including the disclosure requirements of the EU's Market Abuse Regulation (MAR) and the Nasdaq Nordic Main Market Rulebook for Issuers of Shares. The Board has delegated to the CEO – together with an internal Disclosure Committee comprising the Group's CFO, General Counsel and Group's CHRO – the day-to-day responsibility for assessing whether insider information exists (within the meaning of MAR), and for ensuring that such information is promptly disclosed or, in exceptional circumstances, to delay such disclosure where necessary to protect the legitimate interests of the Company and otherwise permitted by applicable law.

Financial information is regularly issued in the form of:

- Interim reports, published as press releases;
- Annual reports;
- Press releases concerning news and important issues;
- Presentations and phone conferences for financial analysts, investors and media on the day of publication of the interim and year-end reports and in connection with the publication of other important information; and
- Presentations for financial analysts and investors in connection with capital market days and road shows, etc.

All reports, presentations and press releases are published on the Group's website at www.husqvarnagroup.com.

Internal Control over Financial and Sustainability Reporting

The purpose of this section of the Annual Report is to provide shareholders and other interested parties with an understanding of how internal control is organized at Husqvarna Group.

It is limited to internal control over financial and sustainability reporting.

The description of the Group's internal control activities is based on the COSO framework (The Committee of Sponsoring Organizations of the Treadway Commission). The COSO framework comprises five key components that jointly facilitate achieving the objective of reliable financial and sustainability reporting.

Control environment

According to the Swedish Companies Act, the Annual Accounts Act and the Swedish Code, the Board is ultimately responsible for establishing an effective internal control system, including that (a) the Company's approved policies for financial reporting, sustainability reporting and internal controls are applied, (b) the Company's financial reports and sustainability reports are produced in accordance with applicable legislation, accounting standards and other requirements for listed companies, and (c) there is an appropriate system for follow-up and control of the Company's financial and sustainability reporting. In 2025, internal controls over sustainability reporting for the most material sustainability matters were deployed.

The Board of Husqvarna AB has established Rules of Procedure and clear instructions for its work, which also cover the responsibilities and activities of the Audit Committee. The responsibilities and activities of the Audit Committee are described on page 75/76.

Responsibility for maintaining an effective control environment as well as the ongoing work on risk management and internal control over financial and sustainability reporting is delegated to the CEO by the Board. This responsibility, in turn, is further delegated to Group Management, which sets the tone for influencing control awareness across the Group. Responsibility and authority are defined in instructions to the CEO, and in various internal policies, instructions and guidelines.

Husqvarna Group has a dedicated Internal Control function. The objective of the Internal Control function is to provide support for Group Management and the management of the divisions, enabling them to continuously improve internal control over financial and sustainability reporting. The Audit Committee is regularly informed of the results of the work performed by the Internal Control function.

Risk assessment

Risks relating to financial and sustainability reporting are evaluated and monitored by the Board through the Audit Committee. Assessments of financial and sustainability reporting risks are conducted regularly. The purpose of the risk assessment is to identify risks that could result in a material misstatement in the financial and sustainability reporting and to direct internal control activities to proactively manage such risks.

Control activities

Control activities mitigate the risks identified and ensure accurate and reliable financial and sustainability reporting as well as process efficiency, and are an integrated part of the processes for accounting, financial and sustainability reporting. The prerequisite is that the principles that are stipulated in the Husqvarna Group Accounting Manual and the Husqvarna Group Sustainability Reporting Manual are adhered to. For key financial processes, and for material sustainability matters, the Group has established internal control requirements for its reporting units. The Internal Control function is responsible for developing and maintaining the Husqvarna Internal Control Framework over financial and sustainability reporting and for monitoring the Group's internal controls to ensure they are maintained at the level required by law and good practice.

Communication

Governing documents such as policies, instructions, guidelines and manuals are crucial in building a solid internal control environment. These documents are intended to stipulate the vision and strategy of Husqvarna Group and emphasize the important procedures, activities, roles and responsibilities within the Group. One important governing document is the Group Code of Conduct, which highlights the importance of integrity and ethical values in all interactions with employees, business partners and other stakeholders. In addition, the Group's Governance Policy and the Internal Control Policy define the organizational structure, responsibilities and the overall internal control environment. Guidelines for financial and sustainability reporting and internal control requirements are communicated to employees through the Group-wide intranet. The governance documents related to financial reporting, such as the Husqvarna Group Accounting Manual, are subject to regular reviews and updates. Changes in accounting procedures are communicated and explained in newsletters from the Group's Accounting function and at regular meetings. The Group has a Sustainability Reporting Manual, which delineates the requirements pertaining to sustainability reporting and the applicable accounting rules.

Monitoring activities

The Group Finance function is responsible for monitoring and follow-up on the reliability of the financial and sustainability reporting. Furthermore, Country Officers are appointed by Husqvarna Group in each country where the Group has at least one active subsidiary.

The duties of Country Officers include safeguarding reliable financial reporting, compliance with laws and regulations and adherence to Group policies. Group Management performs monthly reviews of the financial results for the Group and the divisions, as well as updated forecasts, strategic plans and ongoing business activities. Identified internal control deficiencies are communicated in a timely manner to the person responsible for taking corrective action and to the Board, if deemed material. Considerations made in the quarterly closings are reported to the Audit Committee before the financial reports are presented to the financial market.

On behalf of the Board, the Group Internal Audit function supports the development and improvement of internal control over financial and sustainability reporting and reports directly to the Audit Committee. An annual internal audit plan based on an independent risk assessment is approved by the Board after an initial review by the Audit Committee. Based on this audit plan, the Group Internal Audit function performs independent and objective audits to evaluate and improve the effectiveness of Husqvarna Group's governance, risk management and internal controls.

Board of Directors and auditors

Name Function	**Torbjörn Lööf** Chair of the Board	**Ingrid Bonde** Board member	**Claes Boustedt** Board member	**Katarina Martinson** Board member
Born	1965	1959	1962	1981
CV	Technical Industry Program, Sweden and financial education at MCE Management Centre Europe, Brussels, Belgium. Member of the Audit Committee and the People Committee.	MBA, Stockholm School of Economics, Sweden. Chair of the Audit Committee	M.Sc. in Business and Economics from the Stockholm School of Economics. Executive Vice President of L E Lundbergföretagen AB and the President of L E Lundberg Kapitalförvaltning AB. Chair of the People Committee.	M. Sc., Stockholm School of Economics, Sweden. Portfolio management for the Lundberg Family.
Other major assignments	Board Chair of Electrolux Group. Board member of Essity AB, AB Blåkläder and IKEA Holding B.V. Supervisory board.	Board Chair of Apoteket AB. Board member of wall to wall group and Ersta diakoni.	Board member of Sandvik AB, Hufvudstaden AB and Alleima AB.	Board Chair of Indutrade AB. Board member of L E Lundbergföretagen AB, AB Industrivärden, Fastighets AB L E Lundberg, Förvaltnings AB Lunden, L E Lundberg Kapitalförvaltning AB,Fidelio AB and Essity AB.
Previous positions	Chief Executive Officer of Inter IKEA Holding (The Netherlands) 2016–2020. Chief Executive Officer of Inter IKEA Systems, the worldwide IKEA franchisor and owner of the IKEA concept and brand 2013–2016. Several leading positions at IKEA in Sweden and in Italy 1989–2013.	Chair of Klimatpolitiska Rådet (authority in charge of monitoring the Swedish politics for climate) 2018–2020. CFO and deputy CEO, Vattenfall AB 2012–2017. CEO and President AMF Pensionsförsäkring 2008–2012. Director General Finansinspektionen 2003–2008.	Executive Vice President of L E Lundbergföretagen AB since 1997. President of L E Lundberg Kapitalförvaltning AB since 1995.	Analyst at Handelsbanken Capital Markets 2008, Vice President at Strategas Research Partners LLC, New York, US 2006–2008, investment research at ISI, International Strategy & Investment Group, New York, US 2005– 2006.
Holdings in Husqvarna on December 31, 2025	33,000 B-shares and 187,266 call options[1]	6,000 B-shares	Total holdings, including those of closely associated persons, amount to 20,000 B-shares	113,478 A-shares 378,737 B-shares
Nationality/Elected	SE / 2023	SE / 2021	SE / 2025	SE / 2012
Total fees 2025, SEK	2,743,000	1,052,000	877,000	695,000
Board meeting attendance	12/12	12/12	6/12	11/12
People Committee attendance	3/4	—	3/4	—
Audit Committee attendance	6/6	6/6	—	2/6
Independent of Husqvarna Group	Yes	Yes	Yes	Yes
Independent of major shareholders	Yes	Yes	No	No

[1] Consisting of (a) 93,633 call options issued by Investor AB entitling to purchase Husqvarna B-shares and (b) 93,633 call options issued by L E Lundbergföretagen AB entitling to purchase Husqvarna B-shares.

Board of Directors and auditors, cont.

Name Function	**Marlies Gebetsberger** Board member	**Magnus Jarlegren** Board member	**Daniel Nodhäll** Board member	**Christine Robins** Board member
Born	1984	1978	1978	1966
CV	Master's degree in international business administration, University of Economics, Vienna, Austria. Senior Vice President and Head, Personal Health, Western Europe at Royal Philips.	Mechanical Engineering at the Chalmers University of Technology. President, Autoliv Europe. Member of the People Committee.	M. Sc., Stockholm School of Economics, Sweden. Managing Director, Head of Listed Companies at Investor AB. Member of the Audit-Committee.	BBA in Marketing and Finance, University of Wisconsin, Madison, U.S. and an MBA from Marquette University, Milwaukee, U.S. CEO of Instant Pot Brands.
Other major assignments			Board member of Electrolux Group and Electrolux Professional AB (publ).	
Previous positions	Previously held various senior positions at Unilever.	Executive Vice President Global Operations, Autoliv, 2019 –2023. Previously held various senior positions with Sandvik Coromant and McKinsey & Company.	Analyst focused on the engineering sector at Investor AB since 2002.	Business Unit CEO at Newell Brands, U.S. 2020–2023. President & CEO of CharBroil LLC, Columbus, U.S. 2014–2019. President & CEO of BodyMedia, Pittsburgh, U.S. 2009–2014. President & CEO of Philips Oral Healthcare, Seattle, U.S. 2005–2009. Marketing and Finance positions within S.C. Johnson company 1988– 2005.
Holdings in Husqvarna on December 31, 2025	0 Shares	10,755 B-shares	40,000 B-shares	American Depositary Receipts (ADR) B 1,866
Nationality/Elected	AT / 2025	SE / 2025	SE / 2013	US / 2017
Total fees 2025, SEK	695,000	805,000	928,000	695,000
Board meeting attendance	8/12	8/12	12/12	11/12
People Committee attendance	—	3/4	—	—
Audit Committee attendance	—	—	6/6	—
Independent of Husqvarna Group	Yes	Yes	Yes	Yes
Independent of major shareholders	Yes	Yes	No	Yes

Union Appointed Board Members and Deputies

Namn	**Anders Krantz**	**Vladimir Gutic**[1]	**Dan Byström**	**Fredrik Aguren**
Function	Employee representative	Deputy employee representative	Employee representative	Deputy employee representative
Born	1973	1985	1971	1971
CV	Representative of the Federation of Salaried Employees in Industry and Services. Holdings in Husqvarna: 110 A-shares.	Representative of the Federation of Salaried Employees in Industry and Services. Holdings in Husqvarna: 0 Shares.	Representative of the Swedish Confederation of Trade Unions. Holdings in Husqvarna: 40 B-shares.	Representative of the Swedish Confederation of Trade Unions. Holdings in Husqvarna: 55 B-shares.

[1] Vladimir Gutic replaced Anders Köhler, who left Husqvarna Group, on September 27, 2025

Auditors
KPMG AB
Joakim Thilstedt, Authorized Public Accountant.
Born 1967.
Other audit assignments include:
Indutrade, LKAB, Sveaskog and Telia Company.
Holdings in Husqvarna: 0 shares.

Group Management

Name Function	**Glen Instone** CEO	**Terry Burke** CFO and Executive Vice President Finance & IR	**Omar Attar** Interim President, Husqvarna Forest & Garden Division	**Maha Elkharbotly** President, Gardena Division and Executive Vice President Husqvarna Group	**Karin Falk** President, Husqvarna Construction Division and Executive Vice President Husqvarna Group	**Sophie Elfstadius (Jonsson)** General Counsel, Executive Vice President Legal Affairs and Husqvarna Board Secretary	**Robert Hafredal** Executive Vice President Global Information Services and Group CDIO	**Maria Rönnberg** CHRO and Executive Vice President People, Organization & Communication
Born	1977	1972	1976	1979	1965	1978	1978	1971
CV	B.A. (Hons) in Accounting & Finance, University of Teesside, UK. Chartered Institute of Management Accountants (ACMA). Employed 2002. Member of Group Management since 2018.	Chartered Certified Accountant (FCCA). Employed 2010. Member of Group Management since 2022.	Bachelors of Business, Accounting, Western Illinois University, U.S. Certified Public Accountant (CPA) 2001.	MBA in Marketing, University of Illinois, Champaign-Urbana, U.S. Employed and Member of Group Management since 2025. Advisory Board Member of &Mother. World Economic Forum, New Frontier of Nutrition Steering Committee.	B. Sc. Business Administration and Economics, School of Economics and Law, Gothenburg, Sweden. Employed 2020. Member of Group Management since 2020. Board Member of Wärtsilä Corporation.	/LLM, Stockholm University. Employed 2010. Member of Group Management since 2025.	Masters Degree in Economics, Marketing and Management Employed 2010. Member of Group Management since 2023.	M. Sc. in International Business, Uppsala University. B. Sc. Business Administration and Economics, Luleå University of Technology. Employed 2022. Member of Group Management since 2025.
Previous positions	Various positions in Husqvarna Group; President, Husqvarna Forest & Garden Division and Executive Vice President; CFO and Senior Vice President Finance, IR & Communication 2018–2022. Vice President Global Sales & Services, Husqvarna Division 2016–2018, VP & CFO Husqvarna Division 2014–2017, VP & CFO EMEA, 2013–2014, VP & CFO Manufacturing, Logistics and Sourcing 2011–2013, VP & CFO Global Supply Chain 2009–2011.	Various positions in Husqvarna Group: VP Finance Husqvarna Forest & Garden Division 2017–2022. VP Finance Gardena Division 2014–2016. VP Finance Manufacturing/Supply Chain 2013–2014. Regional Business Controller 2010–2012.	Group CFO for Martin & Servera AB 2019–2024, CFO at Scandinavian Service Partner for Nordics 2018–2019 and for Orkla Confectionery & Snacks Sweden 2015–2018 as well as various strategic financial roles at Unilever and John Deere International 2000–2014.	Various positions in DSM-Firmenich 2018–2024. Senior Vice President & President i-Health 2020–2024. Chief Marketing Officer 2018–2020. Various positions in Lixil Water Technology 2008–2018. Chief Marketing Officer Americas 2015–2018. UK Managing Director 2011–2015. Various positions in Whirlpool 2002–2007.	Senior Vice President, Volvo Trucks, Services & Customer Quality 2016–2020. Executive Vice President, Volvo Group, Corporate Strategy & Brand Portfolio 2012–2016. President, Volvo Group, Non-Automotive Purchasing 2008–2012. Vice President, Volvo Car Customer Service 2006–2008. President, Volvo Car Special Vehicles 2001–2006. Various positions within Volvo Group & Volvo Cars 1988–2001.	Has held several positions as corporate counsel within Husqvarna Group since 2010 and has been the Divisional General Counsel for the Husqvarna Forest & Garden Division since. 2018. Senior Associate/Attorney, Advokatfirman Lindahl Associate 2006–2010.	Acting CIO 2023, Vice President IT Services and Solutions within Husqvarna Forest & Garden 2020–2023, Vice President Digital Commerce 2018–2020, Vice President Group Supply Chain Management 2016–2018. Various positions in A.P. Møller Maersk 2004–2010.	Vice President People & Culture, Telia Sweden 2018–2022. Vice President Group HR, Head of People Strategy and Development, Telia Company 2017–2018. Vice President HR, head of Group Staff & Support Functions, Telia Company 2015–2016. Various positions in SEB 2008–2015. Head of Business Operations, Eniro 2004–2008. Management Consultant, SQM Consulting 2001–2004. Service Account Manager, Customer Service Manager, Telenordia 1998–2001. Management Consultant, Accenture 1996–1998.
Holdings in Husqvarna on December 31, 2025	96,002 B-shares	43,033 B-shares	0 Shares	0 Shares	33,695 B-shares	3,570 B-shares	13,016 B-shares	842 B-shares

Yvette Henshall-Bell assumed the position as President Husqvarna Forest & Garden Division and a member of Group Management March 1, 2026. Terry Burke, Chief Financial Officer, will leave the Group no later than July 31, 2026. Karin Falk, President Husqvarna Construction Division, will leave the Group no later than September 1, 2026.

FINANCIAL STATEMENTS – GROUP

Consolidated income statement

SEKm	Note	2025	2024
Net sales	3	46,613	48,352
Cost of goods sold	5, 6	–32,514	–34,053
Gross income		**14,099**	**14,299**
Selling expenses	5	–8,116	–8,587
Administrative expenses	5	–3,074	–3,275
Other operating income	5, 7	22	164
Other operating expenses	5, 7	–33	–4
Operating income	3, 4, 8	**2,898**	**2,597**
Financial income	9	78	86
Financial expenses	9	–827	–950
Financial items, net		**–749**	**–863**
Income after financial items		**2,149**	**1,733**
Income tax	10	–380	–408
Net income for the period		**1,769**	**1,326**
Net income for the period attributable to:			
Equity holders of the Parent Company		1,768	1,325
Non-controlling interests		1	1
Net income for the period		**1,769**	**1,326**
Earnings per share:			
Before dilution, SEK	11	3.09	2.32
After dilution, SEK	11	3.09	2.31
Average number of shares outstanding:			
Before dilution, millions	11	571.7	571.7
After dilution, millions	11	572.5	572.5

Consolidated Comprehensive Income Statement

SEKm	Note	2025	2024
Net income for the period		**1,769**	**1,326**
Other comprehensive income			
Items that will not be reclassified to the income statement:			
Remeasurements on defined benefit pension plans, net of tax		102	189
Total items that will not be reclassified to the income statement, net of tax		**102**	**189**
Items that may be reclassified to the income statement:			
Exchange rate differences on translating foreign operations			
Currency translation differences	19	–4,475	2,214
Net investment hedge, net of tax	19	2,071	–1,067
Cash flow hedges			
Result arising during the period, net of tax	19	50	27
Reclassification adjustments to the income statement, net of tax	19	–35	–143
Total items that may be reclassified to the income statement, net of tax		**–2,388**	**1,030**
Other comprehensive income, net of tax		**–2,287**	**1,220**
Total comprehensive income		**–517**	**2,545**
Total comprehensive income attributable to:			
Equity holders of the Parent Company		–518	2,544
Non-controlling interests		1	1
Total comprehensive income		**–517**	**2,545**

FINANCIAL STATEMENTS – GROUP

Consolidated Balance Sheet

SEKm	Note	31 Dec 2025	31 Dec 2024
Assets			
Non-current assets			
Property, plant and equipment	12	6,668	7,221
Right of use assets	13	1,641	1,975
Goodwill	14	9,380	10,521
Other intangible assets	14	8,265	8,911
Investments in associated companies	15	2	34
Derivatives	26	13	23
Other non-current assets	16	1,072	840
Deferred tax assets	10	1,828	2,418
Total non-current assets		**28,869**	**31,942**
Current assets			
Inventories	17	13,847	13,828
Assets held for sale	29	—	1,410
Trade receivables	20	4,990	5,552
Derivatives	26	577	386
Current tax receivables		462	437
Other current assets	18	1,641	1,279
Cash and cash equivalents	20	1,707	1,970
Total current assets		**23,224**	**24,861**
Total assets		**52,094**	**56,803**

SEKm	Note	31 Dec 2025	31 Dec 2024
Equity and liabilities			
Equity attributable to equity holders of the Parent Company			
Share capital	19	1,153	1,153
Other paid-in capital	19	2,605	2,605
Other reserves	19	493	2,882
Retained earnings	19	19,286	17,979
Total equity attributable to equity holders of the Parent Company		**23,537**	**24,619**
Non-controlling interests	19	3	3
Total equity		**23,540**	**24,622**
Non-current liabilities			
Borrowings	26	9,200	10,316
Lease liabilities	26	1,199	1,315
Derivatives	26	18	34
Deferred tax liabilities	10	2,291	2,349
Provisions for pensions and other post-employment benefits	21	1,905	2,056
Other provisions	22	556	679
Total non-current liabilities		**15,169**	**16,750**
Current liabilities			
Trade payables	20	5,786	5,896
Current tax liabilities		381	371
Other liabilities	23	3,814	4,038
Borrowings	26	1,716	2,203
Lease liabilities	26	616	687
Derivatives	26	249	873
Other provisions	22	823	1,224
Liabilities attributable to assets held for sale	29	—	140
Total current liabilities		**13,385**	**15,432**
Total equity and liabilities		**52,094**	**56,803**

FINANCIAL STATEMENTS – GROUP

Consolidated Cash Flow Statement

SEKm	Note	2025	2024
Cash flow from operations			
Operating income		2,898	2,597
Non cash items			
Depreciation/amortization and impairment	5, 12, 13, 14	2,968	2,908
Other non cash items		34	446
Cash items			
Paid restructuring costs		–584	–591
Net financial items, received/paid		–575	–745
Taxes paid		–370	–1,017
Cash flow from operations, excluding change in operating assets and liabilities		**4,371**	**3,597**
Change in operating assets and liabilities			
Change in inventories		–731	3,150
Change in trade receivables		120	–120
Change in trade payables		249	222
Change in other operating assets/liabilities		194	–13
Cash flow from operating assets and liabilities		**–169**	**3,239**
Cash flow from operations		**4,202**	**6,836**
Investments			
Acquisitions subsidiaries/operations	27	–29	–40
Sale of property, plant and equipment		470	147
Investments in property, plant and equipment and intangible assets	12, 14	–2,258	–2,603
Investments and divestments of financial assets		–69	32
Cash flow from investments		**–1,886**	**–2,465**
Cash flow from operations and investments		**2,316**	**4,372**
Financing			
Proceeds from borrowings	26	491	5,735
Repayment of borrowings	26	–1,906	–7,882
Repayment of lease liabilities	26	–733	–748
Net investment hedge	26	1,436	574
Change in other interest-bearing net debt excluding liquid funds	26	–1,178	52
Dividend paid to shareholders		–572	–1,715
Dividend paid to non-controlling interests		–1	–0
Cash flow from financing		**–2,463**	**–3,984**
Total cash flow		**–147**	**388**
Cash and cash equivalents at the beginning of the year		1,970	1,527
Exchange rate differences referring to cash and cash equivalents		–116	55
Cash and cash equivalents at year-end		**1,707**	**1,970**

FINANCIAL STATEMENTS – GROUP

Consolidated Statement of Changes in Equity

	Attributable to equity holders of the Parent Company						
SEKm	Share capital (Note 19)	Other paid-in capital (Note 19)	Other reserves (Note 19)	Retained earnings (Note 19)	Total	Non-controlling interests (Note 19)	Total equity
Opening balance January 1, 2024	**1,153**	**2,605**	**1,851**	**18,161**	**23,770**	**2**	**23,772**
Net income for the period				1,325	1,325	1	1,326
Other comprehensive income			1,030	189	1,220	—	1,220
Total comprehensive income			**1,030**	**1,514**	**2,544**	**1**	**2,545**
Transactions with owners							
Share-based payment				19	19	—	19
Dividend to non-controlling interests						0	0
Dividend SEK 3.00 per share				–1,715	–1,715		–1,715
Closing balance December 31, 2024	**1,153**	**2,605**	**2,882**	**17,979**	**24,619**	**3**	**24,622**
Net income for the period				1,768	1,768	1	1,769
Other comprehensive income			–2,388	102	–2,287	—	–2,287
Total comprehensive income			**–2,388**	**1,870**	**–518**	**1**	**–517**
Transactions with owners							
Share-based payment				8	8	—	8
Dividend to non-controlling interests						–1	–1
Dividend SEK 1.00 per share				–572	–572		–572
Closing balance December 31, 2025	**1,153**	**2,605**	**493**	**19,286**	**23,537**	**3**	**23,540**

NOTES – GROUP

Note 1 Accounting principles

Basis of preparation
Husqvarna AB (publ), Swedish Corporate ID No. 556000-5331, is a limited liability company registered in Sweden. The Company's registered office is in Jönköping at the visiting address Drottninggatan 2, SE-561 31 Huskvarna, Sweden. The Husqvarna AB (publ) share is listed on NASDAQ Stockholm's Large Cap list. The head office visiting address is Hälsingegatan 49, SE-113 31 Stockholm.

The consolidated financial statements of Husqvarna AB (publ.) have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union. Entities within Husqvarna Group apply the same accounting principles. The principles set out below have been consistently applied to all years presented, unless otherwise stated. In addition, the Swedish Annual Accounts Act and RFR 1, Supplementary Rules for Groups, have been applied. The consolidated financial statements have been prepared under the historical cost convention except for financial assets and liabilities carried at fair value through profit or loss (derivative instruments) and financial assets at fair value through 'Other comprehensive income' (trade receivables not sold but part of factoring programmes).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 2.

The annual report for the Group and for Husqvarna AB (publ.), including financial statements, was approved for issuance on March 12, 2026. The balance sheets and income statements are subject to approval by the Annual General Meeting of the shareholders on April 16, 2026.

Changes in accounting principles and disclosures
There are no new or amended standards adopted by Husqvarna Group from January 1, 2025 that have had a material impact on the Group.

There are no IFRS or IFRIC interpretations that are not yet effective and are expected to have a material impact on the Group.

New standard not yet applied
IFRS 18 Presentation and Disclosure in Financial Statements, issued in April 2024, replaces IAS 1 and is effective for annual periods beginning on 1 January 2027. The standard introduces more detailed requirements on the structure of the statement of profit or loss and on aggregation/disaggregation of items. The Group is assessing the impact and expects no effect on recognition or measurement. Changes are expected only in the presentation of certain items to enhance transparency and comparability.

Accounting and valuation principles
Principles applied for consolidation
Subsidiaries
The financial statements include Husqvarna AB (publ.) and all companies (subsidiaries) which the Parent Company controls.

Husqvarna Group applies the acquisition method to account for business combinations. The purchase price is valued at fair value on the acquisition date, as are the acquired subsidiary's assets and liabilities. The purchase price includes an assessment of the fair value of any conditional additional purchase price per acquisition date. All subsequent changes to the conditional purchase price are recognized in the income statement. Transaction costs related to the business combination are expensed when incurred. If the purchase price exceeds the fair value of identifiable acquired assets and liabilities, the excess amount is recognized as goodwill. Goodwill is allocated to the cash generating units expected to benefit from the acquisition.

Foreign currency translations
The financial statements are presented in Swedish kronor, SEK, which is the Parent Company's functional currency and the presentation currency of Husqvarna Group.

Property, plant and equipment
Depreciation is made on a straight-line basis over the following estimated useful lives:

Buildings and land improvements	10–50 years
Machinery and technical installations	3–15 years
Other equipment	3–10 years

Husqvarna Group applies component depreciation, which means that larger tangible assets are broken down into component parts with different useful lives and thus different depreciation periods.

Intangible assets
Brands
Brands that have been acquired separately are shown at historical cost. Brands that have been acquired through business combination are recognized at fair value at the acquisition date. All brands with finite useful lives are amortized on a straight-line basis during the useful life, estimated at 10 years. The acquired trade names within the Gardena Division are deemed to have indefinite useful life. The assessment is based on the brand's strong market position, historically stable cash flows, and the absence of legal, technical, or commercial restrictions on its use.

Product development
Capitalized development costs are amortized over their useful lives, ranging between 3 and 5 years.

Customer relationships
The values of these customer relationships are amortized over their useful lives of 5–12 years.

Other intangible assets
Computer software has an estimated useful life of 3–6 years and patents and licenses have a useful life of 10–13 years.

Impairment of non-financial assets
Assets that have an indefinite useful life (goodwill and the brands within the Gardena Division) or intangible assets not ready for use are not subject to amortization but are tested for impairment annually – or more often if there is an indication of impairment. If there is an indication of impairment the Group estimates the recoverable amount of the asset. An impairment loss is recognized by the amount by which the net book value of an asset exceeds its recoverable amount. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units that is expected to benefit from the synergies of the combination, which corresponds to the lowest level within the Group at which goodwill is monitored for internal management and reporting purposes, see note 3. See also note 2 and note 14 regarding impairment testing of intangible assets with an indefinite useful life.

Financial assets
Classification and subsequent measurement
Husqvarna Group classifies its financial assets in the following measurement categories:

- Amortized cost. Assets reported at amortized cost consist of other non-current assets, other current assets, trade receivables and cash and bank.
- Fair value via the income statement. Shareholdings.
- Fair value via other comprehensive income. Trade receivables that are sold within the framework of factoring are included in this category. For these, interest income, exchange rate differences and write-downs are reported in the income statement, while other changes in fair value are reported in other comprehensive income. When the financial asset is removed from the balance sheet, the accumulated profit or loss, previously reported in other comprehensive income, is transferred to the income statement.

Impairment and expected credit losses
For trade receivables, the Group applies the simplified approach in IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables. Expected credit losses are estimated by grouping trade receivables based on shared credit-risk characteristics in terms of days past due.

Financial liabilities
Classification and subsequent measurement
All of the Group's financial liabilities (excluding derivatives, which are addressed in a separate section) are classified as subsequently measured at amortized cost. Liabilities measured at amortized cost include borrowings, financial lease liabilities, trade payables and other liabilities.

Accounting of derivative financial instruments and hedging activities
Derivatives are initially recognized at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Husqvarna Group designates certain derivatives as either hedges of highly probable forecast transactions (cash flow hedges) or hedges of net investments in a foreign operation (net investment hedges).

Cash flow hedge
The effective portion of change in the fair value of derivatives that are designated and qualify as cash-flow hedges is recognized in 'Other comprehensive income'. The gain or loss relating to the ineffective portion is recognized immediately in the income statement as operating income.

Amounts accumulated in equity are reclassified to the income statement in the periods when the hedged item will affect profit or loss (for instance when the forecast sale which is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial item (for example, inventory), the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the value of the asset or liability. The deferred amounts are ultimately recognized in cost of goods sold in the case of inventory.

The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognized in 'Other comprehensive income'. The gain or loss relating to the ineffective portion is recognized in the income statement within financial items.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at the time remains in equity and is recognized when the forecast transaction is ultimately recognized in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Net investment hedge
Hedges of net investments in foreign operations are accounted for in the same way as cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in 'Other comprehensive income'. The gain or loss relating to the ineffective portion is recognized in the income statement. Gains and losses accumulated in equity are included in the income statement when the foreign operation is partially disposed of or sold.

Inventories
Inventories and work in progress are valued at the lower of cost and net realizable value. The value of inventories is determined by applying the first-in, first-out (FIFO) or the weighted average cost principle. Net realizable value is defined as the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to execute the sale at market value. Gains and losses previously deferred in equity on hedged forecast transactions are also included in the initial measurement cost of the inventory. The cost of finished goods and work in progress comprises raw material, direct labour, other direct costs and other related production overheads.

Pensions and other post-employment benefits
Pension obligations
Pensions and other post-employment benefit plans are classified as either defined contribution plans or defined benefit plans.

Under a defined contribution plan, the Group pays fixed contributions into a separate entity and will have no legal obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. Contributions are expensed when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Note 1 – Accounting principles, cont.

All other pensions and other post employment benefit plans are defined benefit plans. Defined-benefit plans define an amount of pension benefit that an employee will receive on retirement, depending on factors such as age, years of service and compensation. The liability recognized in the balance sheet in respect of defined-benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the 'projected unit credit' method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds denominated in the currency in which the benefits will be paid. In most countries these are AA-rated corporate bond indexes matching the duration of the pension obligation, and in Sweden mortgage bonds. In countries without a deep market in such bonds, the market rate on government bonds is used.

Past-service costs are recognized immediately in the operating income. Interest on the Group's net pension plans is reported net within the Group's finance items, and is calculated by applying the discount rate as when calculating the net defined liability. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in 'Other comprehensive income' in the period in which they arise.

Revenue recognition
Husqvarna Group generates revenue mainly from sales of finished products including spare parts and accessories, but also from services and license agreements.

Sale of finished products including spare parts and accessories
Husqvarna Group manufactures and sells finished products, spare parts and accessories mainly to dealers and retailers but also directly to consumers. In customer contracts accompanying the sale of finished products there are generally two performance obligations: products and shipping services. Revenue recognition will occur at a point in time when control of the asset is transferred to the customer, which depends mainly on the terms of delivery (incoterms) used. Husqvarna Group is the principal for both the sale of the goods and the shipping service, hence the 'gross' amount paid by the customer for the shipping service is recognized as revenue and the corresponding expense is recognized in cost of goods sold.

The products are sometimes sold with volume-related discounts based on the aggregated sales over a specific time period, normally 1 year. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts using either the expectedvalue method or an assessment of the most likely amount. Revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognized for any expected volume discount payable to customers in relation to sales made up to the end of the reporting period. The estimated volume discount is revised at each reporting date.

A right of return is sometimes granted in the retail and consumer industry. A right of return can follow from legislation, statutory requirements or business practice, or be stated in the contract with the customer. Revenue is not recognized for goods expected to be returned – instead, a refund liability (included in 'Other current liabilities') and a right to the returned goods (included in 'Other current assets') are recognized for the products expected to be returned. Accumulated experience is used to estimate such returns at the time of sale (the 'Expected value' method). The Group's obligation to provide a refund for faulty products under the standard warranty terms is recognized as a provision.

Services
Husqvarna Group provide services such as product repairs and service/maintenance. Revenues from product repairs are recognized when the service is performed. Revenues from service/maintenance agreements are recognized on a linear basis over the contract period, unless there is evidence that some other method better measures progress towards satisfying the performance obligation.

Husqvarna Group sells some extended warranties that are separately priced. The revenue is recognized during the warranty period, which usually starts after the standard warranty period. The revenue is recognized on a linear basis over the contract period, unless there is evidence that some other method better measures progress toward satisfying the performance obligation. Warranty during the extended warranty terms is recognized as a provision.

License agreements
Husqvarna Group licenses intellectual property such as brand names to other companies. The license provides the licensee with a right to access intellectual property throughout the license period. The most common license types for Husqvarna Group are sales- or usage-based royalties where the revenue is recognized when the underlying sales or usage occur.

Leasing
Husqvarna Group mainly leases assets within the categories "Land and buildings" (warehouses, office space and factories), "Forklifts and machinery", and "Cars and other vehicles".

The lease payments are discounted using the incremental borrowing rate if the interest rate implicit in the lease contracts cannot be readily determined. The incremental borrowing rate is calculated per country and for different durations.

Payments associated with short-term leases and leases of low value are recognized on a straight-line basis as an expense in the income statement.

Exemption from publication of financial statements – Germany
In accordance with Sec. 264 (3) HGB or Sec. 264b HGB, the following fully consolidated German subsidiaries are exempted from the duty to publish their financial statements:

Husqvarna Real Estate Germany GmbH, Husqvarna Commercial Solutions Germany GmbH, Heger GmbH, Husqvarna GmbH, Diamant Boart Deutschland GmbH, Husqvarna Logistics GmbH, Husqvarna Deutschland GmbH, Husqvarna Store GmbH, Gardena GmbH, Gardena Manufacturing GmbH, Gardena Deutschland GmbH.

Note 2 Important accounting estimates and assessments

In order to prepare these financial statements, management needs to make estimates and assessments and therefore use certain assumptions concerning the future. Management makes estimates and assessments based on past experience and assumptions that are considered to be reasonable and realistic under prevailing circumstances. The use of such estimates and assessments affects both the income statement and the balance sheet and the disclosures presented. Actual results may differ from these estimates under different assumptions or circumstances. The accounting principles that require subjective judgements from management when making assumptions or estimates about effects of matters that are inherently uncertain are summarized below.

Impairment test of intangible assets with indefinite useful life
Intangible assets that have an indefinite useful life (goodwill and the brands within the Gardena Division) are tested annually for impairment, or more frequently if there is an indication of impairment. When testing for impairment, the Group estimates the recoverable amount of the asset. An impairment loss is recognized with the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of a cash generating unit is determined on the basis of the value in use estimated by using the discounted cash flow method based on expected future results. Important assumptions for forecasting are expected growth, margin and discount rates. For further information refer to note 14.

Inventory
Husqvarna Group's inventory is accounted for at the lower of the acquisition value in accordance with first-in, first-out (FIFO) or weighted average cost formula, and the net realizable value. The net realizable value is adjusted for the estimated write-down for older articles, physically damaged goods, excess inventory and selling expenses. The Group's large seasonality in stockpiling and sales together with weather-dependent products increases the difficulty of estimating the value of inventory. To minimize these difficulties, Husqvarna Group is constantly working to streamline the production chain, keep inventory levels at a reasonably low level, and focus on the inventory valuation to ensure that it is accurate in accordance with the circumstances at the closing date. For further information refer to note 17.

Provisions for pensions and other post-employment benefits
The present value of the Group's net pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Assumptions used to calculate the net pension liability include discount rate, inflation, mortality, future salary increases etc. Any changes in these assumptions will impact the carrying amount of the net pension liability. A sensitivity analysis of the effect of a change in the main assumptions, and potential risks affecting the liabilities, is included in note 21.

Note 3 Segment information

Husqvarna Group has a brand-driven organization and structure with three separate reporting divisions. The Husqvarna Forest & Garden Division offers products and solutions for professional users in forestry, tree care, landscaping and other commercial lawn and garden services as well as for premium consumer segments. The Gardena Division is the global number one in residential watering and 'smart garden' and a leader in high-quality hand tools, robotics and electric garden tools. The Husqvarna Construction Division is a global leader in machinery for the construction industry and in diamond tools for the construction and natural-stone-processing industries. The divisions form the basis for the Group's internal reporting reviewed by the CEO (the Group's chief operating decision maker) in order to assess performance and make decisions on resource allocation.

The divisions are responsible for their operating income, direct operating cashflow and net assets, which are the financial measures used when the CEO evaluates the performance of the segments. Net financial income/expense, tax, net debt and equity are unallocated and not reported by division.

The divisions consist of both separate legal companies and companies divided between divisions. For companies that are part of more than one division, costs and net assets are allocated between the divisions concerned. Operating costs not included in the divisional figures are shown under 'Group common' costs, which mainly include costs for corporate functions. No sales of finished products are made between the divisions.

The segment reporting is based on the same accounting principles as for the Group. The divisions are responsible for the management of operational assets and their performance is measured at this level. Group Treasury is responsible for financing at Group and country level. Consequently, liquid funds, interest-bearing receivables and liabilities, equity and tax items are not allocated to the divisions.

All divisions include production, development, logistics, marketing and sales. The Husqvarna Forest & Garden Division and Gardena Division are divided into six product categories: wheeled, robotics, handheld, watering, digital solutions and accessories. Husqvarna Construction is a leading manufacturer of innovative equipment and diamond tools within the light construction industry, and diamond tools for the natural-stone processing industry. Group common income includes royalty income from licensing of intellectual property such as brands to customers.

NOTES – GROUP

Note 3 – Segment information, cont.

	Husqvarna Forest & Garden Division		Gardena Division		Husqvarna Construction Division		Group common		Group	
SEKm	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Net sales[1]	27,788	28,152	11,493	12,281	7,177	7,766	155	154	46,613	48,352
Reported growth	–1.3%	–11.4%	–6.4%	–5.3%	–7.6%	–7.5%	—	—	–3.6%	–9.2%
Organic growth	3.0%	–7.6%	–2.6%	–5.1%	–2.3%	–7.0%	—	—	0.7%	–6,8%
Operating income	**2,147**	**2,065**	**729**	**742**	**639**	**318**	**–617**	**–528**	**2,898**	**2,597**
Operating margin, %	7.7%	7.3%	6.3%	6.0%	8.9%	4.1%	—	—	6.2%	5.4%
Financial items, net	—	—	—	—	—	—	—	—	–749	–863
Income tax	—	—	—	—	—	—	—	—	–380	–408
Net income for the period	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**1,769**	**1,326**
Items affecting comparability[2]	–9	–142	–1	–81	–2	–331	10	–44	–2	–598
Operating income excl. items affecting comparability	**2,156**	**2,208**	**730**	**823**	**641**	**649**	**–627**	**–484**	**2,901**	**3,195**
Operating margin excl. items affecting comparability, %	7.8%	7.8%	6.4%	6.7%	8.9%	8.4%	—	—	6.2%	6.6%
Depreciation, amortization and impairments	–1,559	–1,638	–823	–806	–486	–550	–120	–67	–2,987	–3,060
EBITDA[3] excl. items affecting comparability	3,715	3,846	1,553	1,629	1,127	1,199	–507	–418	5,888	6,255
Change in inventories	–678	1,971	82	620	–135	559	—	—	–731	3,150
Change in trade receivables	–46	–210	147	80	35	4	–17	6	119	–120
Change in trade payables	308	298	–71	–11	1	–66	11	1	249	222
Investments	–1,140	–1,314	–424	–592	–226	–292	–467	–405	–2,258	–2,603
Direct operating cash flow[3]	**2,160**	**4,590**	**1,286**	**1,727**	**802**	**1,403**	**–980**	**–816**	**3,267**	**6,905**
Inventories	8,381	8,755	3,418	3,833	2,049	2,149	—	—	13,847	14,737
Trade receivables	3,313	3,511	690	931	925	1,062	62	47	4,990	5,552
Trade payables	–3,750	–3,629	–1,262	–1,460	–757	–801	–17	–6	–5,786	–5,896
Operating working capital[3]	**7,943**	**8,637**	**2,846**	**3,304**	**2,217**	**2,411**	**45**	**41**	**13,051**	**14,393**
Operating working capital / net sales[3], %	31.4%	39.4%	30.9%	32.9%	33.2%	38.2%	—	—	31.6%	37.5%
Net assets	**16,017**	**16,958**	**12,957**	**14,917**	**6,230**	**6,893**	**170**	**324**	**35,373**	**39,092**
Whereof assets	22,320	23,541	15,876	18,273	7,508	8,717	3,319	3,257	49,024	53,789
Whereof liabilities	–6,304	–6,583	–2,920	–3,356	–1,279	–1,824	–3,149	–2,934	–13,651	–14,696
Net debt	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**11,833**	**14,471**
Equity	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**23,540**	**24,622**

[1] The majority of net sales are recognized at a point in time.
[2] Regarding items affecting comparability, refer to "Financial Definitions".
[3] Alternative Performance Measure, refer to "Financial Definitions".

Geographic information

The table below shows sales per geographical market, regardless of where the goods are produced. Assets are reported where the asset is located.

	External sales		Non-current assets[1]	
SEKm	2025	2024	2025	2024
Germany	6,979	7,294	8,408	9,103
France	3,210	3,061	207	197
Sweden	2,363	2,126	7,204	7,084
United Kingdom	1,572	1,615	595	642
Austria	1,566	1,572	81	85
Rest of Europe	11,836	11,374	1,591	1,752
Asia/Pacific	4,230	4,475	928	1,165
Canada	1,191	1,481	184	209
US	11,030	12,751	6,578	8,182
Latin America	2,316	2,288	178	205
Rest of the World	319	313	1	4
Total	**46,613**	**48,352**	**25,954**	**28,627**

[1] Non-current assets include property, plant and equipment, goodwill, other intangible assets and right-of-use assets.

Information on major customers

Husqvarna Group has no individual customer that accounts for 10% or more of the Group's total net sales.

Net sales per product category

SEKm	2025	2024
Forest, park and garden products	39,281	40,432
Construction products	7,177	7,766
Other	155	154
Total	**46,613**	**48,352**

NOTES – GROUP

Note 4 Employees and employee benefits

Average number of employees (full-time equivalents)

	2025			2024		
	Men	Women	Total	Men	Women	Total
Sweden	1,914	710	2,624	1,960	715	2,674
Germany	1,360	680	2,040	1,401	708	2,109
Czech Republic	437	472	909	446	485	931
UK	308	120	428	313	127	440
Poland	431	311	742	570	319	889
Rest of Europe	961	413	1,374	1,080	438	1,518
Total Europe	**5,411**	**2,705**	**8,117**	**5,770**	**2,792**	**8,561**
China	595	318	912	547	318	865
Japan	137	26	163	175	28	203
Rest of Asia/Pacific	331	96	427	330	107	437
Total Asia/Pacific	**1,063**	**440**	**1,502**	**1,052**	**453**	**1,504**
US	1,009	476	1,485	1,831	839	2,670
Canada	90	26	117	85	46	131
Total North America	**1,099**	**503**	**1,602**	**1,917**	**885**	**2,801**
Brazil	366	180	546	217	108	325
Rest of Latin America	53	29	82	62	31	93
Total Latin America	**419**	**209**	**628**	**278**	**140**	**418**
Other markets	39	27	66	41	27	68
Total	**8,031**	**3,884**	**11,915**	**9,057**	**4,296**	**13,353**
Gender distribution, %						
Board members	75	25		80	20	
Presidents and other senior managers	78	22		86	14	

Salary and remuneration

SEKm	2025	2024
Salary expenses	7,554	7,902
Social expenses	1,596	1,602
Pension expenses – defined-benefit obligations	190	173
Pension expenses – defined-contribution plans	254	266
Total	**9,595**	**9,943**
Whereof remuneration to Board, Presidents and other senior managers[1]		
Salary expenses	174	147
(whereof variable salary expenses)	31	33
Social expenses	36	35
Pension expenses	55	23

[1] Refers to all board members, presidents and other senior executives in the Parent Company and subsidiaries.

	2025						
SEKt	Fixed salary[1]	Variable salary	Pension contributions	Cost of long term incentive programs[2]	Other benefits[3]	Severance pay etc.[4]	Total
CEO[5 6]	4,112	1,233	1,234	184	122	—	6,885
Previous CEO[5]	7,000	1,693	2,709	–2,432	14	13,279	22,263
Other members of Group Management[6]	28,744	5,997	7,537	1,608	326	—	44,212
Total	**39,856**	**8,923**	**11,480**	**–640**	**462**	**13,279**	**73,359**

[1] Including holiday pay.
[2] The cost is calculated based on the principal in IFRS 2 and allocated over the vesting period. The cost is related to LTI 2023, LTI 2024 and LTI 2025. The forecasts for value creation have been adjusted downward in 2025, which is why the year contains reversals of previously made provisions.
[3] Refers to insurance.
[4] Cost for severance payment for prvious CEO has been taken during the year. The amount includes social security contributions and special payroll tax totaling SEK 2,818t.
[5] CEO started 11 August 2025 and previous CEO was CEO until 10 August 2025.
[6] Group Management comprise of eight individuals at year-end, four men and four women.

	2024						
SEKt	Fixed salary[1]	Variable salary	Pension contributions	Cost of long term incentive programs[2]	Other benefits[3]	Severance pay etc.	Total
CEO[4]	11,095	2,352	4,366	1,822	16	—	19,651
Other members of Group Management[4]	29,748	6,774	7,089	1,624	641	—	45,877
Total	**40,843**	**9,126**	**11,455**	**3,446**	**657**	**—**	**65,527**

[1] Including holiday pay.
[2] The cost is calculated based on the principal in IFRS 2 and allocated over the vesting period. The cost is related to LTI 2022, LTI 2023 and LTI 2024.
[3] Refers to insurance.
[4] Group Management comprise of eight individuals at year-end, six men and two women.

Remuneration to Group Management
For the CEO and other members of Group Management, the guidelines for remuneration approved by the 2025 AGM apply. The guidelines apply to contracts of employment entered into after the AGM and also to amendments made thereafter to contracts of employment that are in force. Remuneration to Group Management is determined by the Board of Directors based on proposals from the Board of Directors' People Committee. Under special circumstances, the Board of Directors may deviate from these guidelines. In the case of such deviation, the next AGM shall be informed of the reasons.

Husqvarna Group aims to offer competitive and performance-based remuneration. The overall principles for remuneration to Group Management should be based on the position held, on individual and Group performance, and should be competitive in the country of employment. The overall remuneration package for Group Management comprises fixed salary, variable salary based on annual performance targets, long-term incentives and benefits such as pension and insurance benefits. Variable remuneration may constitute a significant proportion of total remuneration, but could also be zero if the minimum level is not achieved, or capped if the maximum level is attained. Variable salary to the CEO and Group Management is based on targets for the Group's and/or the respective divisions' operating income, cash flow, cash conversion cycle and individual key performance indicators (KPI's). The remuneration is reviewed annually by January 1.

For CEO and 6 out of 7 other members of Group Management the notice period from the company's side is 12 months and from the employee's side 6 months. In one case, where the position holder is on interim agreement a notice period of 6 months apply for both parties. In the event of notice by the company the CEO has the right to receive 6 months´ severance payment with deduction if receiving other income. Two other members of Group Management have the right to receive severance payment corresponding to 12 month´s base salary with deduction if receiving other income. 5 of the other members have no right to receive severance payment. Members of Group Management shall be obliged not to compete with the Company during the notice period. Based on the circumstances in each case, a non-competition obligation with continued payment may also be applied during a maximum of 24 months from the end of the notice period.

Terms of employment for the CEO
The remuneration to the CEO and previous CEO comprises fixed salary, variable salary based on annual targets, long-term incentive programs, and pension and insurance benefits. The annual fixed salary to the previous CEO was 927 690 SEK between 1 January and 10 August and for the CEO it is SEK 875,000 per month, effective from 11 August, 2025. The variable salary amounts to a maximum of 100 percent of the fixed salary (50 percent at Target level). The CEO participates in the Group's long-term incentive programs for 2023, 2024 and 2025. The previous CEO is not any longer entitled to participante in the long term incentive programs. For information on these programs, see "Long-term incentive programs (LTI)" below.

Pension terms for the CEO
The retirement age for the CEO is 65. The CEO is covered by the collectively agreed ITP plan, the alternative rule of the plan, and the Husqvarna Executive Pension Plan. The Husqvarna Executive Pension Plan is a defined-contribution plan. The employer contribution to the plan is equivalent to 30 percent of the fixed salary which includes the contributions to the ITP plan and ITPK with a contribution of SEK 120,000 per year and the remaining part is paid as cash allowance.
The employer pension contribution for the previous CEO is 40% of the fixed salary.

NOTES – GROUP

Note 4 – Employees and employee benefits, cont.

Terms of employment for other members of Group Management
As with the CEO, other members of Group Management receive a remuneration package consisting of fixed salary, variable salary based on annual targets, long-term incentive programs, pension and insurance benefits.

The variable salary amounts to a maximum of 80 percent of the fixed salary. Members of Group Management participate in the Group's long-term incentive programs. For information on these programs, see 'long-term incentive programs (LTI)' below.

Pension terms for other members of Group Management
The other members of Group Management employed in Sweden (6 out of 7), are covered by the collectively agreed ITP plan, the alternative rule of the plan. These individuals are also covered by the Husqvarna Executive Pension Plan, which is a defined contribution plan. The employer''s contribution to the plan is equivalent to 35% of the fixed salary which also includes contributions for the ITP plan, alternative ITP and any supplementary disability and survivor's pension. However, one of the plan members have a fixed contribution of SEK 120t per year and the difference between 35% of the fixed salary and SEK 120t is instead paid as a cash compensation. The pension age is 65 for the members of Group Management who are employed in Sweden. The member of Group Management who is not employed in Sweden is covered by a local German pension plan with a defined contribution of 7% annually.

Fees to the Board of Directors
The 2025 Annual General Meeting authorized fees to the Board of Directors amounting to SEK 8,490t (8,560t) in total, of which SEK 2,400t (2,350t) was authorized to the Chairman and SEK 695t (680t) to each of the other Board members not employed by the company, plus an additional total of SEK 1,125t (1,180t) as fees for Board Committee work. No consulting fees were paid to Board members and no Board fees are paid to Board members who are also employed by the Group.

	2025			2024
SEKt	Fee	Fee for Board committee work	Total fee*	Total fee
Torbjörn Lööf	2,037	257	2,295	950
Claes Boustedt	521	136	658	—
Marlies Gebetsberger	521	—	521	—
Magnus Jarlegren	521	82	603	—
Tom Johnstone	587	26	614	2,455
Katarina Martinson	695	—	695	905
Bertrand Neuschwander	170	26	196	785
Daniel Nodhäll	695	231	926	905
Lars Pettersson	170	44	214	855
Christine Robins	695	—	695	680
Ingrid Bonde	695	354	1,049	1,025
Pavel Hajman	—	—	—	—
Anders Krantz	—	—	—	—
Dan Byström	—	—	—	—
Anders Köhler	—	—	—	—
Fredrik Aguren	—	—	—	—
Total	**7,307**	**1,156**	**8,463**	**8,560**

* The total Board fees amount to SEK 8,463t, because the period in the table is calendar year and the authorized fees cover April to April.

Board members are expected to engage themselves financially by acquiring Husqvarna shares, corresponding to approximately one year's board fee, within a period of five years. There are no agreements in place governing severance pay to Board members not employed by the Company.

Long-term incentive programs (LTI)
The purpose of the long-term incentive programs is to influence and reward performance long term, align shareholders' and management's interest, attract and retain key employees, and to some extent provide variable remuneration instead of a fixed salary. The Board of Directors will evaluate each year whether a long-term incentive program (e.g. share-based or share-price based) should be proposed to the AGM. There are three ongoing programs that are under vest: LTI 2023, LTI 2024 and LTI 2025.

LTI 2023, LTI 2024 and LTI 2025
The Annual General Meetings of 2023, 2024 and 2025 authorized the implementation of the incentive programs LTI 2023, LTI 2024 and LTI 2025. LTI 2023, LTI 2024 and LTI 2025 comprise amaximum of 135 participants. The vesting period for the programs is three years, and the programs consist of performance share awards. The number of granted performance-based share awards is based on the participant's annual target salary (fixed salary plus variable salary at target level). In order to receive performance-based shares, the employee must stay employed for three years after the grant date.

The number of performance-based share awards that vest and give right to Husqvarna Class B-shares further depends on the fulfilment of certain targets, determined by the Board of Directors, for value creation in the company during the calendar years 2023–2025 for LTI 2023, during the calendar years 2024–2026 for LTI 2024 and during the calendar years 2025–2027 for LTI 2025 apply. The LTI 2023, 2024 and 2025 programs have a weight of 90% on value creation and 10% on Carbon dioxide (CO_2) emission reduction. There are three performance levels set for each performance measure, with a progression of the number of performance-based share awards from Entry to Target and from Target to Stretch/maximum level for each program. The Entry level must have been reached in order for the performance-based share awards to vest. The performance levels correspond to the following number of B-shares:

Performance level	LTI 2023, LTI 2024 and LTI 2025
Entry	10% of target salary / share price[1]
Target	33% of target salary/ share price[1]
Stretch	66% of target salary/ share price[1]

[1] The share price at Grant is decided by the average closing price of Husqvarna's B-share at Nasdaq Stockholm – during December, January and February.

The value of the programs is calculated based on the fair value of the share on the grant date, which was SEK 79.54 for LTI 2023, SEK 81.40 for LTI 2024 and SEK 57 for LTI 2025, adjusted for dividend.

LTI 2023 result
The performance period for LTI 2023 ended on December 31, 2025. The following table shows the targets determined by the Board of Directors and the actual result.

Performance measure	Weight	Target level Entry	Target level Target	Target level Stretch	Result
Value Creation, SEKm	90%	4,000	5,600	72,000	–2,238
CO_2 reduction, %	10%	–33	–35.0	–37	–55.6
Total result in relation to number of shares at the maximum level, 'Stretch'					**10.0%**

The following table shows the number of performance-based share awards that vest on April 21, 2026 and will then be exchanged for Husqvarna class B-shares to be awarded to participants, based on the result reported above and provided that the participant is still employed at that time.

Participants	Share awards LTI 2023 Number of shares
CEO	6,013
Other members of Group Management	13,634
Other participants	146,250
Total	**165,897**

Outstanding share awards
The table below outlines the number of granted share awards and of forfeited, exercised and outstanding share awards:

	2025			2024		
Share awards	LTI 2025	LTI 2024	LTI 2023	LTI 2024	LTI 2023	LTI 2022
At Jan 1	—	2,736,318	2,160,083	—	2,502,320	1,281,889
Granted	4,124,304	—	—	2,849,916	—	—
Forfeited	–431,399	–578,269	–500,208	–113,598	–342,237	–161,636
Exercised	—	–1,464[1]	–905[1]	—	—	—
At Dec 31	**3,692,905**	**2,156,585**	**1,658,970**	**2,736,318**	**2,160,083**	**1,120,253**

[1] Exercised share awards relate to an individual who retired during 2025, and who was eligible to receive shares in accordance with the conditions of the programs.

The LTI programs are expensed during the three years vesting period in line with the expected target fulfilment. During 2025, SEK 13m (24) has been charged to the income statement, whereof SEK 1m (4) refers to cost for employer social contributions.

NOTES – GROUP

Note 5 Expenses by nature

SEKm	2025	2024
Costs for supplies and raw materials	20,492	21,531
Salaries and remuneration	9,888	10,619
Amortization/depreciation and impairment	2,968	2,908
Other external expenses	10,367	10,698
Total	**43,715**	**45,755**

Of the above costs, SEK 2,452m (2,465) refers to research and development.
Amortization/depreciation and impairment are specified in the table below.

	Property, plant and equipment		Intangible assets		Right-of-use assets	
SEKm	2025	2024	2025	2024	2025	2024
Cost of goods sold	1,146	1,009	836	854	131	140
Selling expenses	61	84	—	—	475	503
Administrative expenses	62	65	204	195	53	57
Total	**1,270**	**1,158**	**1,039**	**1,049**	**658**	**701**

Impairment for property, plant and equipment was recognized within 'Cost of goods sold' by SEK 5m (–163) and within 'Administrative expenses' by SEK 0m (1).

Impairment for intangible assets is recognized within 'Cost of goods sold' by SEK 9m (30) and within 'Administrative expenses' by SEK 26m (16).

Items affecting comparability

SEKm	2025	2024
Restructuring items		
Write-down/reversal of non-current assets	19	152
Write down of inventory	–43	–410
Other restructuring items	22	–355
Non-recurring costs relating to Russia		
Write-down/reversal of current assets	—	—
Write-down/reversal of inventory	—	0
Other restructuring items	—	14
Total items affecting comparability*	**–2**	**–598**

* Alternative Performance Measure, refer to "Financial definitions".

SEKm	2025	2024
Cost of goods sold	–49	–415
Selling expenses	6	–114
Administrative expenses	54	–215
Other operating income/expense	–13	146
Total items affecting comparability*	**–2**	**–598**

* Alternative Performance Measure, refer to "Financial definitions".

Note 6 Exchange rate gains and losses in cost of goods sold

SEKm	2025	2024
Exchange rate gains and losses in Cost of goods sold	–3	71
Total	**–3**	**71**

Cost of goods sold includes SEK 56m (159) of foreign exchange hedging result previously reported in Other comprehensive income.

Information related to the accounting of cash flow hedges is presented in note 1.

Note 7 Other operating income and operating expenses

SEKm	2025	2024
Other operating income		
Gain on divestment/liquidation of:		
Property, plant and equipment	22	159
Share of profit in associated companies	—	5
Total	**22**	**164**
Other operating expenses		
Loss on divestment/liquidation of:		
Property, plant and equipment	–1	–4
Associated companies	–29	—
Share of profit in associated companies	–3	—
Total	**–33**	**–4**

Note 8 Fees to auditors

SEKm	2025	2024
KPMG		
Audit fees for the annual audit engagement	32	35
Audit fees not included in the annual audit engagement	3	2
Tax advice	0	0
Total fees to KPMG	**35**	**38**
Audit fees to other auditors	6	1
Total fees to auditors	**41**	**39**

Note 9 Financial income and expenses

SEKm	2025	2024
Financial income		
Interest income on deposits measured at amortized cost	56	58
Exchange rate differences		
– on borrowings	1,441	–603
– on derivatives held for trading	–1,419	631
Other financial income	—	—
Total financial income	**78**	**86**
Financial expenses		
Interest expenses		
– on borrowings	–459	–672
– on cashflow hedges, interest rate derivatives	0	27
– on derivatives held for trading	–192	–129
– on lease liabilities	–54	–57
– net on pension assets/liabilities	–52	–53
Other financial expenses	–70	–66
Total financial expenses	**–827**	**–950**
Financial income and expenses, net	**–749**	**–863**

NOTES – GROUP

Note 10 Tax

SEKm	2025	2024
Current tax on income for the period	–317	–519
Deferred tax	–63	112
Total	**–380**	**–408**

Theoretical and actual tax rate

	2025		2024	
	Tax, %	Result	Tax, %	Result
Income before taxes	—	2,148	—	1,733
Theoretical tax rate	–19.2	–413	–22.7	–394
Non-taxable items	6.9	147	7.1	123
Items not deductible for tax purposes	–8.6	–186	–19.9	–344
Change in valuation of deferred tax	–0.7	–15	11.5	200
Adjustment of tax related to prior years	5.9	127	—	—
Withholding tax	–0.7	–16	–1.4	–25
Other	–1.2	–25	1.8	31
Actual tax rate	**–17.7**	**–380**	**–23.5**	**–408**

The theoretical tax rate for the Group is calculated on the basis of the weighted total income before tax per country, multiplied by the local statutory tax rate.

Pillar 2

The Group is subject to top-up tax rules, based on the EU's Minimum Tax Directive, which in turn is derived from the OECD's model rules on global minimum taxation. These rules came into effect in Sweden on January 1, 2024, where the parent company, Husqvarna AB, is incorporated. In summary, the top-up tax rules require the Group to pay additional tax on income that is not effectively taxed at a rate of at least 15%. Specific rules apply to how this effective tax rate is calculated. It should also be noted that simplification rules (Transitional CbCR Safe Harbour) may apply during the transition period (financial years 2024–2026). The Group has estimated the top-up tax at approximately SEK 21m for the financial year 2025, which is reported as a current tax expense.

The additional tax amount is almost entirely (SEK 20m) attributable to Qualified Domestic Minimum Top-up Tax (QDMTT) in Ireland, ensuring that the Group's Irish subsidiaries are taxed at an effective tax rate of 15%. Since Ireland's corporate tax rate is 12.5%, a significant QDMTT is also expected to be paid in Ireland in the coming financial years.

The Group has applied a mandatory exception from recognizing deferred tax related to the top-up tax and will recognize any top-up tax in the period in which it arises.

Tax-loss carry-forwards

As of December 31, 2025, the Group has tax-loss carry-forwards of SEK 606m (2,943), of which SEK 207m (270) has not been included in computation of deferred tax assets. The tax-loss carry-forwards will expire as follows (gross amounts):

SEKm	2025	2024
< 5 years	166	167
> 5 years	133	119
Without time limit	308	2,657
Total	**606**	**2,943**

Changes in deferred taxes

SEKm	Opening balance, Jan 1, 2025	Recognized in income statement	Recognized in comprehensive income statement	Exchange rate differences	Acquired and divested assets / subsidiaries	Closing balance, Dec 31, 2025
Non-current assets	–2,053	–71	—	185	–5	–1,944
Inventories	394	23	—	–19	—	398
Current receivables	59	18	—	–9	—	68
Provision for pensions and similar commitments	219	–37	–27	–5	—	149
Other provisions	400	–146	—	–26	—	228
Financial and operating liabilities	124	545	–532	–12	—	125
Other items	354	66	—	–5	—	415
Tax losses carried forward	572	–461	—	–13	—	98
Deferred tax assets and liabilities, net	**69**	**–63**	**–559**	**96**	**–5**	**–463**

SEKm	Opening balance, Jan 1, 2024	Recognized in income statement	Recognized in comprehensive income statement	Exchange rate differences	Acquired and divested assets / subsidiaries	Closing balance, Dec 31, 2024
Non-current assets	–2,175	236	—	–132	18	–2,053
Inventories	492	–107	—	9	—	394
Current receivables	95	–43	—	7	—	59
Provision for pensions and similar commitments	283	–19	–48	2	—	219
Other provisions	597	–217	—	20	—	400
Financial and operating liabilities	284	–423	261	2	—	124
Other items	25	332	—	–2	—	354
Tax losses carried forward	209	353	—	10	—	572
Deferred tax assets and liabilities, net	**–190**	**112**	**213**	**–84**	**18**	**69**

Tax items recognized in Other comprehensive income total SEK –27m (–48) for items related to remeasurements on defined-benefit pension plans, SEK 5m (–16) for cash-flow hedges and SEK –537m (277) for net investment hedge.

NOTES – GROUP

Note 10 – Tax, cont.

Deferred tax assets and liabilities

	Assets		Liabilities		Net	
SEKm	2025	2024	2025	2024	2025	2024
Non-current assets	663	470	2,608	2,522	–1,944	–2,053
Inventories	398	394	0	1	398	394
Current receivables	68	71	0	12	68	59
Provisions for pensions and similar commitments	204	271	54	53	149	219
Other provisions	231	401	3	1	228	400
Financial and operating liabilities	247	312	122	188	125	124
Other items	489	424	73	70	415	354
Tax losses carried forward	98	572	—	—	98	572
Deferred tax assets and liabilities	**2,398**	**2,916**	**2,860**	**2,847**	**–463**	**69**
Set-off of tax	–569	–498	–569	–498	—	—
Deferred tax assets and liabilities, net[1]	**1,828**	**2,418**	**2,291**	**2,349**	**–463**	**69**

[1] Deferred tax assets amounted to SEK 1,828m (2,418), whereof SEK 384m (552) is expected to be utilized within 12 months. Deferred tax liabilities amounted to SEK 2,291m (2,349), whereof SEK 41m (58) are due within 12 months.

No deferred tax liability is recognized on temporary differences relating to the distributable earnings of subsidiaries as the parent company is able to control the timing of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future.

Note 11 Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Parent Company by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the Company and held in a third-party swap agreement.

Basic	2025	2024
Profit attributable to equity holders of the Parent Company (SEKm)	1,768	1,325
Weighted average numbers of ordinary shares outstanding (millions)	571.7	571.7
Earnings per share before dilution (SEK)	3.09	2.32

Diluted

Diluted earnings per share is calculated by adjusting the weighted average numbers of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group's long-term incentive plan contains share savings programs which have a dilutive potential.

Diluted	2025	2024
Profit attributable to equity holders of the Parent Company (SEKm)	1,768	1,325
Weighted average numbers of ordinary shares outstanding (millions)	571.7	571.7
Adjusted for:		
– share savings program (millions)	0.8	0.8
Diluted weighted average numbers of ordinary shares outstanding (millions)	572.5	572.5
Earnings per share after dilution (SEK)	3.09	2.31

NOTES – GROUP

Note 12 Property, plant and equipment

	Land and land improvements		Buildings and leasehold improvements		Machinery and technical installations		Other equipment		Construction in progress and advances		Total	
SEKm	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Opening accumulated acquisition value	**514**	**682**	**3,634**	**4,527**	**13,621**	**15,236**	**2,639**	**2,307**	**1,098**	**1,147**	**21,506**	**23,898**
Acquired companies	—	—	—	—	0	—	1	0	—	—	1	0
Investments	6	2	62	113	273	272	444	405	491	666	1,276	1,458
Sold, scrapped	13	–57	–64	–517	–1,683	–1,492	–232	–111	–7	–7	–1,973	–2,184
Reclassification, Assets held for sale	—	–150	—	–850	—	–1 674	—	–101	—	–17	—	–2,793
Reclassification, Other	1	3	63	119	493	533	92	68	–642	–723	7	–1
Exchange-rate differences	–49	35	–345	243	–1,008	746	–173	70	–41	33	–1,617	1,128
Closing accumulated acquisition value	**485**	**514**	**3,350**	**3,634**	**11,696**	**13,621**	**2,770**	**2,639**	**899**	**1,098**	**19,201**	**21,506**
Opening accumulated depreciation and impairment	**78**	**179**	**1,872**	**2,465**	**10,659**	**12,436**	**1,675**	**1,611**	**1**	**1**	**14,285**	**16,693**
Acquired companies	—	—	—	—	—	0	—	0	—	—	—	0
Depreciation[1]	4	11	133	170	873	930	255	209	—	—	1,265	1,320
Impairment[1]	—	4	31	210	–38	–376	1	0	11	—	5	–162
Sold, scrapped	11	–34	–81	–479	–1,685	–1,512	–67	–117	–11	—	–1,834	–2,141
Reclassification, Assets held for sale	—	–91	—	–630	—	–1477	—	–94	—	—	—	–2,292
Reclassification, Other	0	—	–1	–37	0	–5	3	9	—	—	2	–34
Exchange-rate differences	–13	10	–210	172	–847	663	–119	56	0	0	–1,190	901
Closing accumulated depreciation and impairment	**79**	**78**	**1,743**	**1,872**	**8,962**	**10,659**	**1,747**	**1,675**	**1**	**1**	**12,532**	**14,285**
Closing balance, December 31	**406**	**436**	**1,608**	**1,763**	**2,735**	**2,962**	**1,023**	**963**	**897**	**1,097**	**6,668**	**7,221**

[1] For information about where in the income statement the depreciation and impairment are reported, see note 5.

Note 13 Right-of-use assets

	Land and buildings		Forklifts and machinery		Cars and other vehicles		Other		Total	
SEKm	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Opening accumulated book value	**1,655**	**1,778**	**72**	**42**	**244**	**242**	**4**	**7**	**1,975**	**2,068**
New leases	206	277	31	57	143	671	1	—	381	1,004
Modifications, Remeasurements and cancellations	84	66	–1	–2	–5	–531	–1	–1	77	–468
Depreciation[1]	–488	–526	–29	–27	–141	–145	–1	–2	–658	–700
Exchange-rate difference	–109	60	–4	2	–19	8	–0	0	–133	70
Closing accumulated book value, December 31	**1,348**	**1,655**	**69**	**72**	**222**	**244**	**2**	**4**	**1,641**	**1,975**

[1] For information about where in the income statement the depreciation is reported, see note 5.

The total cash outflow for leases in 2025 was SEK 733m (748). In addition to the costs presented in the table above, Husqvarna Group has reported SEK 220m (205) regarding costs for short-term leases, low-value assets and variable lease expenses.

NOTES – GROUP

Note 14 Intangible assets

	Goodwill		Brands		Product development		Customer relationships		Other		Total	
SEKm	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Opening accumulated acquisition value	**11,574**	**10,909**	**5,139**	**4,906**	**6,572**	**5,893**	**1,716**	**1,617**	**3,926**	**3,359**	**28,927**	**26,684**
Acquired companies	24	14	—	—	—	—	0	0	–41	84	–18	98
Investments	—	—	—	—	519	641	—	—	463	504	982	1,146
Sold, scrapped	–333	—	–79	–0	–11	–28	—	—	–74	–59	–497	–88
Reclassifications	—	—	–3	—	—	—	—	—	–5	0	–8	0
Exchange-rate differences	–973	651	–400	233	–139	67	–183	98	–109	37	–1 805	1,086
Closing accumulated acquisition value	**10,291**	**11,574**	**4,657**	**5,139**	**6,941**	**6,572**	**1,532**	**1,716**	**4,160**	**3,926**	**27,582**	**28,927**
Opening accumulated amortization and impairment	**1,053**	**989**	**317**	**296**	**5,028**	**4,399**	**770**	**604**	**2,326**	**2,077**	**9,496**	**8,365**
Acquired companies	—	—	—	—	—	—	—	—	—	0	—	0
Amortization[1]	—	—	0	14	574	563	139	146	309	297	1,022	1,019
Impairment[1]	—	—	—	—	10	28	—	—	7	2	18	30
Sold, scrapped	—	—	–79	–0	–11	–28	—	—	–73	–59	–163	–88
Reclassifications	—	—	–3	—	—	—	—	—	–1	–13	–4	–13
Exchange-rate differences	–142	63	–10	8	–139	67	–54	21	–86	23	–431	182
Closing accumulated amortizations and impairment	**911**	**1,053**	**225**	**317**	**5,462**	**5,028**	**856**	**770**	**2,484**	**2,326**	**9,937**	**9,495**
Closing balance, December 31	**9,380**	**10,521**	**4,432**	**4,822**	**1,479**	**1,544**	**677**	**946**	**1,677**	**1,599**	**17,645**	**19,432**

[1] For information about where in the income statement the depreciation and impairment are reported, see note 5.

The values of intangible assets with indefinite life are tested for impairment annually, or more frequently if impairment indicators are identified. The recoverable amount of a cash-generating unit is determined based on estimates of value in use. Value in use is measured as expected future discounted cash flow before tax. Future discounted cash flows before tax are based on five-year forecasts for each cash generating unit approved by Group Management. Key assumptions for forecasting are the expected growth, margins and discount rates. Cash flows beyond the five-year forecast have been extrapolated using an estimated growth rate of 2 percent (2) for all cash-generating units.

Forecasted margin is partly based on previous results and partly on the expected market development. The pre-tax discount rate is based on the risk-free interest, market premium, beta value, capital structure and tax rate. External sources have been applied when determining these parameters.

A common discount rate is used for all cash-generating units since the Group's segments have a similar risk profile. A pre-tax discount rate of 10 percent (10) has been used for 2025.

During 2025, value in use has exceeded the net book value for all cash generating units, and accordingly, no impairment has been recognized.

Intangible assets with indefinite useful lives per cash generating unit (division):

SEKm	2025	2024
Husqvarna Forest & Garden Division	3,312	3,707
Gardena Division[1]	8,008	8,874
Husqvarna Construction Division	2,396	2,684
Total	**13,715**	**15,266**

[1] SEK 4,369 m (4,758) of the total relates to the net book value of the brands, to which Husqvarna Group has assigned indefinite useful life. This is because the brand has a strong position among consumers and Husqvarna Group intends to maintain and further develop the brands.

Sensitivity analysis have been carried out regarding the calculation of the value in use, where impairment tests have been performed, applying a higher discount rate (1.5 percentage points), reduced gross margin (5 percentage points) and reduced sales growth (4 percentage points). No simulated change in any single mentioned factor in the Husqvarna Forest & Garden division and Husqvarna Construction Division generates any need for impairment.

The estimated recoverable amount for the Gardena Division was close to the carrying value as of December 31, 2025.

Sensitivity analysis Gardena Division

Below is a sensitivity analysis presented illustrating the impact on the difference between the recoverable amount and the carrying value, resulting from changes in average sales growth, gross margin, and the assumed WACC, separately.

Simulation, SEK billion	–1%	–2%	–3%
Average sales growth	–1.3	–2.7	–4.1
Gross margin	–1.5	–3.2	–4.8

A increase by 1 percentage point in the assumed WACC would effect the difference between the recoverable amount and the carrying amount by SEK –1.7b.

NOTES – GROUP

Note 15 Investments in associated companies

The Group's interests in individually immaterial associates amounts to SEK 2m (34).
Through share in earnings of associated companies, the holding has been affected by –3m (5).

Note 16 Other non-current assets

SEKm	2025	2024
Long-term holdings in securities	597	571
Net pension assets	169	222
Purchase price reveivable	138	—
Other long-term receivables	168	47
Total	**1,072**	**840**

Pension assets refer to pension plans with a net surplus of SEK 169m (222). For further information refer to note 21.

Note 17 Inventories

SEKm	2025	2024
Finished products	9,403	9,481
Supplies including raw materials	3,931	3,736
Work in progress	513	612
Total	**13,847**	**13,828**

The cost of inventories recognized as expenses and included in the cost of goods sold amounted to SEK 26,698m (28,079).

Write-down of inventories expensed during the year amounts to SEK 70m (253), which is included in 'Cost of goods sold'. Write-down reversed during the year amounts to SEK 157m (116).

Inventories valued to net realizable value amounted to SEK 2,909m (2,495).

Note 18 Other current assets

SEKm	2025	2024
Value added tax	407	365
Miscellaneous short-term receivables	754	386
Prepaid rents and leases	30	30
Prepaid insurance premiums	22	25
Prepaid supplies	18	58
Other prepaid expenses	410	414
Total	**1,641**	**1,279**

In 2025, Miscellaneous short-term receivables include SEK 262m relates to receivables for the sale of Orangeburg, SC. facility.

Note 19 Equity

Share capital
The share capital in Husqvarna AB (publ) consists of class A-shares and class B-shares. A class A-share entitles the holder to one vote and a class B-share to one-tenth of a vote. All shares entitle the holder to the same proportion of assets and earnings, and carry equal rights in terms of dividends.

Other paid-in capital
Other paid-in capital consists of share-premium reserve following the rights issue in 2009.

Other reserves
The translation reserve includes all exchange-rate differences that arise from the translation of the financial statements of foreign operations that have compiled their reports in a currency other than that in which the consolidated financial statements are presented (SEK). The translation reserve also includes net investments hedges.

The hedging reserve includes the effective portion of the accumulated net change in the fair value, related to the hedged risk, of cash-flow hedging instruments attributable to hedged items that have not yet occurred.

Retained earnings
Retained earnings consist not only of accrued profits but also of the change in pension liability attributable to remeasurements of defined-benefit plans recognized in 'Total other comprehensive income'. Regarding changes in actuarial assumptions, see also note 21. The proposed dividend for 2025 is SEK 1.25 (1.00).

Non-controlling interests
Non-controlling interests refer to the share of equity that belongs to external interests without a controlling influence in certain subsidiaries within the Group.

Share capital

SEKm	
On December 31, 2025, the share capital comprised:	
107,824,905 Class A-shares, par value SEK 2	216
468,518,873 Class B-shares, par value SEK 2	937
Total	**1,153**
On December 31, 2024, the share capital comprised:	
107,825,205 Class A-shares, par value SEK 2	216
468,518,573 Class B-shares, par value SEK 2	937
Total	**1,153**

Number of shares	Treasury shares	Outstanding shares	Total
Shares, December 31, 2024			
Class A-shares	—	107,825,205	107,825,205
Class B-shares	4,646,861	463,871,712	468,518,573
Long-term incentive program			
Class A-shares	—	—	—
Class B-shares	–72,081	72,081	—
Conversion of shares			
Class A-shares	—	–300	–300
Class B-shares	—	300	300
Shares, December 31, 2025			
Class A-shares	—	107,824,905	107,824,905
Class B-shares	4,574,780	463,944,093	468,518,873

Other reserves

SEKm	Cash flow hedges	Currency translation reserve	Net investment hedge	Total other reserves
Opening balance, Jan 1, 2025	**27**	**5,481**	**–2,626**	**2,882**
Result arising during the year	63	—	2,608	2,671
Tax on result arising during the year	–12	—	–537	–549
Reclassification adjustments to the income statement	–52	—	—	–52
Tax on reclassification adjustments to the income statement	17	—	—	17
Currency translation difference	—	–4,475	—	–4,475
Closing balance, December 31, 2025	**42**	**1,006**	**–554**	**493**

SEKm	Cash flow hedges	Currency translation reserve	Net investment hedge	Total other reserves
Opening balance, Jan 1, 2024	**143**	**3,267**	**–1,559**	**1,851**
Result arising during the year	43	—	–1,344	–1,301
Tax on result arising during the year	–16	—	277	261
Reclassification adjustments to the income statement	–181	—	—	–181
Tax on reclassification adjustments to the income statement	37	—	—	37
Currency translation difference	—	2,214	—	2,214
Closing balance, December 31, 2024	**27**	**5,481**	**–2,626**	**2,882**

NOTES – GROUP

Note 20 Financial risk management and financial instruments

Financial risk management
Financial risk management for Husqvarna Group entities is undertaken in accordance with the Group Financial Policy. Described below are the principles of financial risk management applicable to Husqvarna Group. Husqvarna Group is exposed to a number of risks relating to financial instruments including, for example, liquid funds, trade receivables and other receivables, trade payables and other liabilities, borrowings, and derivative instruments. The primary risks associated with these instruments are:

- Financing risks in relation to the Group's capital requirements.
- Interest rate risks on liquid funds and borrowings.
- Foreign exchange risks on export and import flows plus earnings and net investments in foreign operations.
- Commodity price risks affecting expenditure on raw materials and components for goods produced.
- Credit risks relating to financial and commercial activities.

The Board of Directors of Husqvarna Group has adopted both a Group Financial Policy and a Group Credit Policy to regulate the management and control of these risks. The risks are to be managed according to the limitations stated in the Financial Policy. The Financial Policy also describes the management of risks relating to pension-fund assets. The purpose of the policy is to have enough funding available to minimize the Group's cost of capital and to achieve an effective management of the Group's financial risks.

The management of financial risks has largely been centralized to Husqvarna Group Treasury, where measurement and control of financial risks are performed on a daily basis by a separate risk-control function. Furthermore, Husqvarna Group's policies include guidelines for managing operating risk relating to financial instruments, e.g. through the clear assignment of responsibilities and the allocation of powers of attorney.

Financing risk
Financing risk refers to the risk that the financing of the Group's capital requirements and the refinancing of existing loans could become more difficult or more costly. This risk can be decreased by ensuring that maturities are evenly distributed over time, and that total short-term borrowings do not exceed available liquidity. Disregarding seasonal variations, net debt shall be long-term, according to the Financial Policy. The Group's goals for long-term borrowings include an average time to maturity of at least two years, and an even distribution of maturities. A maximum of SEK 5.0bn in borrowings, originally long-term, is normally allowed to mature in the next 12-month period. When Husqvarna Group assesses its refinancing risk, the maturity profile is adjusted for available unutilized committed credit facilities.

In addition, seasonality in the cash flow is an important factor in the assessment of the financing risk. Consequently, Husqvarna Group always takes into account the fact that financial planning must include future seasonal fluctuations.

The average adjusted time to maturity for the Group's financing was 2.4 years (3.2) at the end of 2025.

Capital structure
Husqvarna Group's ambition is to have a capital structure where seasonally adjusted net debt in proportion to earnings before interest, tax, depreciations and amortizations (EBITDA) is not to exceed 2.5 in the long-term. This ambition for the capital structure may be adjusted in the event of changes to the macroeconomic situation, or may be allowed to deviate for a shorter period of time due, for example, to acquisitions. The dividend shall normally exceed 40 percent of income for the year.

SEKm	2025	2024
Net pension liabilities	1,735	1,834
Other interest-bearing liabilities[1]	12,998	15,429
Less: liquid funds and other interest-bearing assets	–2,900	–2,792
Net debt	11,833	14,471
Net debt, excluding net pension liabilities	10,098	12,637
EBITDA	5,866	5,505
Net debt/EBITDA[2]	2.1	2.5
Total equity	23,540	24,622
Total assets	52,094	56,803
Equity/assets ratio	45%	43%

[1] Lease liabilities of SEK 1,815 m (2,003) are included within other interest-bearing liabilities.
[2] Alternative Performance Measure, refer to chapter "Financial definitions" for further information.

Liquid funds
Liquid funds consist of cash and cash equivalent and other short-term deposits. Husqvarna Group's goal is that the level of liquid funds, including unutilized committed credit facilities, shall equal at least the Group's short term borrowings and in addition 2.5 percent of rolling 12-months sales. At year-end, this ratio was 3.4 percent (2.3). In addition, the Group shall have sufficient liquid resources to finance the expected seasonal build-up in working capital during the next 12 months.

Borrowings
The financing of Husqvarna Group is managed centrally by Group Treasury in order to ensure efficiency and sound risk control. Debt is primarily raised at Parent Company level and transferred to subsidiaries as internal loans or capital injections. Derivatives are used as needed to convert funding to the required currencies. Local financing is also undertaken in markets where legal restrictions limit intercompany funding.

The majority of the Group's financing is currently conducted through the Swedish Medium Term Note (MTN) program and bilateral loan agreements. In addition, the Group has unutilized committed revolving credit facilities totaling SEK 7 bn. No new long-term financing was issued during 2025. During the year, the Group amortized the full volume of SEK 1.75 bn in MTN bonds that matured in 2025.

Due to the seasonal nature of its business, the Group experiences variations in funding needs during the year. These variations are normally managed through the Group's commercial paper (CP) program and short term bank loans. At year-end 2025, the Group's total interest bearing liabilities, excluding pension liabilities, amounted to SEK 12,998 m (15,429), of which SEK 9,200 m (10,316) referred to long term financing. Husqvarna Group has not breached any conditions in external loan agreements during the year.

Future undiscounted cashflows of loans and other financial liabilities at December 31, 2025[1]

SEKm	2026	2027	2028	2029	2030	>2031	Total
Lease liabilities	–645	–465	–354	–198	–123	–196	–1,981
Bonds, bank loans and other loans	–2,032	–4,441	–3,113	–1,084	–575	–553	–11,797
Derivative liabilities, interest rate[2]	–6	–5	0	—	—	—	–11
Derivative liabilities, foreign exchange[2]	–259	—	—	—	—	—	–259
Trade payables	–5,786	—	—	—	—	—	–5,786
Total financial liabilities	**–8,728**	**–4,911**	**–3,467**	**–1,282**	**–698**	**–748**	**–19,835**

[1] Please note that the table includes the forecasted future nominal interest payment and thus does not correspond to the net book value in the balance sheet.
[2] For more detailed information on derivative contracts, see table under 'Credit risk in financial activities' in this note.

Borrowings	2025		2024	
SEKm	Total borrowings	Facility amount	Total borrowings	Facility amount
Medium Term Note Program	6,502	12,000	7,552	12,000
Other bond loans	92	—	110	—
Committed revolving credit facility	—	7,000	—	7,000
Long-term bank loans	2,606	—	2,654	—
Leasing liabilities	1,815	—	2,003	—
Commercial papers	497	7,000	149	7,000
Other short-term loans[1]	1,219	—	2,053	—
Derivative liabilities	267	—	907	—
Total	**12,998**	**26,000**	**15,429**	**26,000**

[1] Other short-term loans' include bond loans within the Medium Term Note Program of SEK 1,050m.

Net debt per currency	2025		2024	
SEKm	Net debt excl. currency swaps	Net debt incl. currency swaps	Net debt excl. currency swaps	Net debt incl. currency swaps
SEK	9,759	879	11,045	3,043
EUR	3,512	4,841	3,987	5,030
USD	–396	4,826	–466	5,056
CNY	–213	–76	–286	–32
GBP	–147	547	–218	254
RUB	–114	–114	–94	–94
INR	–90	–90	–7	–7
BRL	–85	493	12	374
JPY	77	353	130	417
Other	–471	175	369	431
Total	**11,833**	**11,833**	**14,471**	**14,471**

NOTES – GROUP

Note 20 – Financial risk management and financial instruments, cont.

Market programs
Husqvarna Group has an MTN program, denominated in SEK, to issue long-term debt in the domestic capital market. The total amount of the program is SEK 12.0bn. In addition, Husqvarna Group has a Swedish Commercial Paper program. The total amount of the program is SEK 7.0bn. The table Borrowings shows outstanding amounts under these two programs.

The currency composition of Husqvarna Group's borrowings is dependent upon the currency distribution of the Group's assets. Currency derivatives are used to obtain the preferred currency distribution.

Interest rate risk
Interest rate risk refers to the adverse effects of changes in market interest rates on the Group's net income. The main factor determining this risk is the interest fixing period.

Interest rate risk in liquid funds
The holding periods of investments are mainly short-term. The majority of investments are undertaken with maturities of between 0 and 3 months. The fixed interest term for these current investments was 21 days (14) at the end of 2025. A downward shift in the yield curve of one percentage point would reduce the Group's interest income by approximately SEK 17m (20) and the Group's equity by SEK 13m (15).

Interest rate risk in borrowings
The Financial Policy stipulate that the benchmark for the long-term loan portfolio is an average fixed interest term of 6 months. Group Treasury may deviate within the limits of a risk mandate established by the Board of Directors. However, the maximum average fixed interest term is 3 years. Derivatives, such as interest rate swaps, are used to manage the exposure by converting the interest from fixed to floating or vice versa. The average fixed interest term for the non-seasonal debt was 1.4 (1.6) years at year-end. Based on loan volumes and interest fixings at the end of the year, a one-percentage point shift in interest rates would impact the Group's interest expenses by approximately SEK +/–51m (52) before tax. Interest rates with different maturities and different currencies may not change uniformly. This calculation is based on a parallel shift of all yield curves simultaneously by one percentage point. The Group has seasonal debt for which the interest risk is not calculated due to its short-term nature. As per December 31, 2025 the average interest rate in the total loan portfolio was 5.5 percent (5.0). At year-end, Husqvarna Group had outstanding interest rate derivatives with a nominal amount of SEK 2,632m (2,699) hedging the interest rate risk.

Foreign exchange risk
Foreign exchange risk refers to the adverse effects of changes in foreign-currency exchange rates on Husqvarna Group's income and equity. In order to manage such effects, the Group covers these risks within the framework of the Financial Policy. The Group's overall currency exposure is managed centrally. The major currencies to which Husqvarna Group is exposed in the income statement are EUR, CNY, AUD and DKK.

Transaction exposure from commercial flows
The Financial Policy stipulates hedging of forecasted sales and purchases in foreign currencies, taking into consideration the price-fixing periods and the competitive environment. Normally, 75–100 percent of the invoiced and forecasted flows are hedged up to and including 6 months, while forecasted flows for 7–12 months are hedged between 50 percent and 75 percent. Group subsidiaries primarily cover their risks in commercial currency flows through Group Treasury. Group Treasury assumes the currency risks and covers such risks externally by utilizing currency derivatives.

The table Commercial flows shows the forecasted transaction flows (imports and exports) for 2026, hedges at year-end 2025 and comparative amounts for the previous year.

Commercial flows

	2025		2024	
Currency SEKm	2026 Forecasted flows	Total hedge amount	2025 Forecasted flows	Total hedge amount
EUR	4,494	–3,136	4,799	–3,461
CNY	–2,483	1,774	–1,750	1,217
AUD	795	–584	574	–437
DKK	764	–553	714	–512
CAD	717	–523	870	–664
NOK	654	–472	622	–448
CHF	569	–387	703	–576
PLN	–341	222	–92	41
Other	861	–466	257	–96
SEK	–6,028	4,123	–6,698	4,936

The hedging effect on operating income amounted to SEK 166m (48) during 2025. At year-end, the unrealized exchange rate result on forward contracts, all maturing in 2026, amounted to SEK 66m (69).

Translation exposure on consolidation of entities outside Sweden
Changes in exchange rates also affect the Group's income when translating income statements of foreign subsidiaries into SEK. Husqvarna Group does not hedge such exposures. The translation exposure arising from income statements of foreign subsidiaries is included in the sensitivity analysis below.

Exposure from net investments in foreign operations
The net assets and liabilities in foreign subsidiaries constitute a net investment in foreign operations, which generates a translation difference in connection with consolidation. In order to limit negative effects on Group equity resulting from translation differences, part of the Group's net investments in foreign operations is hedged with foreign-exchange derivatives. A decline in value of a net investment is offset by exchange-rate gains on foreign-exchange derivative contracts. The relationship between the net investment and derivatives is reviewed and adjusted monthly.

Foreign exchange sensitivity from transaction and translation exposure
Husqvarna Group is particularly exposed to changes in the exchange rates of EUR, CNY and AUD. Furthermore, the Group has exposures against a number of other currencies. Using a static calculation and disregarding any effects from hedges, a 10 percent increase or decrease in the value of all currencies against SEK would affect the Group's result before financial items and tax by approximately SEK +/– 705m (710) for one year. A 10 percent increase of CNY against SEK would affect the Group's result with SEK +/–230m (165) and a corresponding increase of EUR with SEK +/–560m (535) and for AUD with SEK +/–80m (59). This assumes the same distribution of earnings and costs as in 2025 and does not include any dynamic effects, such as changes in competitiveness or consumer behavior arising from such changes in exchange rates. It is also worth noting that, due to the seasonality in Husqvarna Group's sales, these flows and results are not distributed evenly throughout the calendar year. For more information on risks related to currency exposure, see the Risk Management section.

Hedge accounting
Husqvarna Group applies hedge accounting for hedging of interest rate risk, forecasted commercial cash flows and, when applicable, hedging of net investments in foreign operations. The hedge relationships are expected to be highly effective and no material sources of hedge ineffectiveness are expected to occur. Effectiveness testing is conducted on monthly basis.

Hedge accounting of interest rate risk
The total market value for hedges of interest rate risk amounted to SEK –4m as of December 31, 2025 of which SEK –2m is reported in the hedge reserve. Assuming an unchanged market interest rate, the effects on income after financial items for 2026 would be SEK 3m for Q1, SEK 8m for Q2, SEK 6m for Q3 and SEK –20m for Q4. During the year no ineffectiveness has occurred in the hedging of interest rate risk.

The table "Future undiscounted cashflows of loans and other financial liabilities as of December 31, 2025" shows the future cashflows of the interest rate hedges. The cashflows during 2026, assuming unchanged market interest rates, would be SEK 3m for Q1, SEK 8m for Q2, SEK 6m for Q3 and SEK –23m for Q4.

Hedge accounting of foreign exchange risk
The total market value for hedges of commercial flows amounted to SEK 56m at December 31, 2025 of which SEK 56m is reported in the hedge reserve. Assuming an unchanged exchange rate, the effects on income after financial items for 2026 would be SEK 9m for Q1, SEK 38m for Q2, SEK 9m for Q3 and SEK 0m for Q4.

At December 31, 2025, net investments in foreign operations were hedged with SEK 13,292m. The total market value of derivatives for net investment hedging amounted to SEK 371m, of which SEK 490m is reported in the hedge reserve. During the year no ineffectiveness has occurred in the hedging of currency risk.

NOTES – GROUP

Note 20 – Financial risk management and financial instruments, cont.

Derivatives designated as hedging instruments

2025 SEKm	Nominal amount	Maturity	Average hedge rate
Net investment hedges			
Derivatives in net investment hedges of foreign operations	13,292	2026	n.a
– of which USD exposure against SEK	10,648	2026	9.45
– of which other exposure against SEK	2,645	2026	n.a
Cash flow hedges			
Derivatives in cash flow hedge of foreign currency risk	14,011	2026	n.a
– of which EUR exposure	4,711	2026	11.03
– of which CNY exposure	1,275	2026	1.33
– of which AUD exposure	413	2026	6.09
– of which other exposure	7,613	2026	n.a
Derivatives in cash flow hedge of interest rate risk	2,632	2026–2031	2.42

Impact of hedging instruments on the financial statement

2025 SEKm	Nominal amount	Carrying amount	Line item in the financial statement	Change in fair value used for measuring ineffectiveness for the period	Cash flow hedge reserve
Foreign exchange forward contracts	5,063	128	Current assets	–8	128
Foreign exchange forward contracts	8,949	74	Current liabilities	8	–72
Interest rate swap agreements	1,000	13	Non Current Assets	–9	13
Interest rate swap agreements	1,082	–18	Non Current Liabilities	19	–16
Interest rate swap agreements	550	0	Current assets	0	0
Forecasted cash flows from sales/purchases	14,011	n.a	n.a	n.a	n.a
Forecasted interest cash flows from floating rate borrowings	–4	n.a	n.a	n.a	n.a

Commodity price risk
Commodity price risk is the risk of increase in the cost of direct and indirect materials if underlying commodity prices rise on the global markets. Husqvarna Group is exposed to fluctuations in commodity prices through agreements with suppliers, whereby the price is linked to the raw material price on the world market. This exposure can be divided into direct commodity exposure, which refers to pure commodity exposure, and indirect commodity exposure, which is defined as exposure arising from only a portion of a component. Commodity price risk is managed through contracts with the suppliers rather than through the use of derivatives. A 10 percent rise or fall in the price of steel used in Husqvarna Group's products will affect the Group's results before financial items and tax by approximately SEK +/– 140m (110), everything else being equal. The same effect on the price of aluminum would impact the results by SEK +/– 35m (25), and a 10 percent change in the price of plastics would affect the results by SEK +/– 150m (135).

Credit risk
A financial asset is in default when the counterparty fails to pay its contractual obligations. Financial assets are written off when there is no reasonable expectation of recovery. Husqvarna Group identifies credit risk in trade receivables, financial activities and non-current assets.

Credit risk in trade receivables
Husqvarna Group sells to a substantial number of customers including dealers, retailers and professional users. Sales are made on normal delivery and payment terms. Customer financing solutions are normally arranged by third parties. The Credit Policy of the Group ensures that the management process for customer credits includes customer rating, credit limits, decision levels and management of bad debts. Customer credit limits exceeding SEK 100m are approved by the Board of Directors. Husqvarna Group uses an external provider for classification of the creditworthiness of its customers. The classification has different levels, from low risk to high risk. In the table below, trade receivables have been divided into three different intervals. The fair value of collateral held for trade receivables due for payment was SEK 214m (214). A global credit insurance program is in place in a number of countries. At December 31, 2025 total coverage amounts to SEK 14,333m.

SEKm	2025	2024
Low to moderate risk	3,313	3,627
Medium risk to elevated risk	1,494	1,711
High risk	183	213
Total	**4,990**	**5,552**

At December 31, 2025, net trade receivables, after provisions for bad debt, amounted to SEK 4,990m (5,552), which represents the maximum exposure to losses in trade receivables. Hence the book value equals the fair market value of the receivables. However, the size of the credit portfolio is directly dependent upon the seasonal pattern of Husqvarna Group's sales. This means that credit exposure is significantly higher during the first six months of each calendar year. A provision for bad debt, based on a probability of default, is recorded at inception of the trade receivables and adjusted during the lifetime of the receivable. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Provisions for bad debt at the end of the financial year 2025 amounted to SEK 191m (203).

Trade receivables past due
Trade receivables that were past due but not yet impaired amounted to SEK 454m (623) at December 31, 2025.

Aging analyses for past due trade receivables

Past due but not impaired, SEKm	2025	2024
Up to 1 month	152	239
1 to 3 months	99	141
>3 months	203	243
Total	**454**	**623**

Provisions for trade receivables

SEKm	2025	2024
Opening balance, January 1	203	201
New provisions	74	51
Reversed unused provisions	–47	–25
Impairment of trade receivables	–39	–24
Currency exchange rate differences	0	0
Closing balance, December 31	**191**	**203**

The situation regarding past-due receivables has deteriorated somewhat since previous-year end, taking the total volume of outstanding trade receivables into account.

A plan for repayment is normally designed for customers with past-due receivables at the same time as the account is placed under special surveillance. At a later stage, unpaid products may be repossessed or other securities be enforced.

Concentration of credit risk in trade receivables

	2025		2024	
Concentration of credit risk	Number of customers	% of total portfolio	Number of customers	% of total portfolio
Exposure <SEK 15m	85	79%	85	77%
Exposure SEK 15–100m	19	13%	22	14%
Exposure >SEK 100m	2	8%	2	8%

Husqvarna Group has substantial exposure towards a limited number of large customers, primarily in the US.

NOTES – GROUP

Note 20 – Financial risk management and financial instruments, cont.

Credit risk in financial activities
Exposure to credit risk arises from the investment of liquid funds and through counterparty risks related to derivatives. In order to limit exposure to credit risk, a counterparty list has been created specifying the maximum approved exposure for each counterparty. Investments in liquid funds are mainly made in interest-bearing instruments with high liquidity and involve issuers with a long-term credit rating of at least A–, as defined by Standard & Poor's or similar institutions. The average time to maturity for the liquid funds was 21 days (14) at the end of 2025. A substantial part of the exposure arises from transactions in derivatives.

The table below shows the gross volume of outstanding foreign-exchange derivative contracts.

	2025		2024	
Maturity, SEKm	2026	2027–	2025	2026–
Amount sold	43,493	0	47,996	0
Amount purchased	–43,189	0	–48,557	0
Net settled derivatives (NDF)	–39	0	16	0
Net	**266**	**0**	**–545**	**0**

Credit risk in other non-current assets
Husqvarna Group's long-term holdings in securities consist of US government bonds. The credit risk is recognized as immaterial due to the high creditworthiness of the issuer.

Supplier finance arrangements
Husqvarna Group offers selected suppliers the option of using a Supplier Finance Program, either to update the payment term in existing agreements or as part of new contract negotiations. The bank act as a paying agent and suppliers can choose early payment from the bank by discounting their invoices at an interest rate agreed between the supplier and the bank. Husqvarna Group then pays the bank on the due date stated on the invoices. These programs are not supported by any guarantees between Husqvarna Group and the bank. There are currently approximately 125 suppliers with supplier financing arrangements.

	2025
Carrying amount (SEKm)	
Part of trade payables	925
– of which suppliers have received payment from finance provider	801
Range of payment days	
Liabilities that are part of the arrangements	60–180
Comparable trade payables that are not part of the arrangements	10–180

There were no material non-cash changes that would have caused changes in the carrying amounts of liabilities covered by supplier finance arrangements.

Fair-value estimation
Below is a description of financial instruments carried at fair value, based on the classification in the fair-value hierarchy. The different levels have been defined as follows:
- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- inputs other than quoted prices included within Level 1 that are observable, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2).
- inputs that are not based on observable market data (Level 3).

The Group's financial instruments carried at fair value are derivatives. Derivatives belong to Level 2 as future cash flows have been discounted using current quoted market interest rates and exchange rates for similar instruments.

To determine the fair value of the Group's borrowings, the prevailing market rates for the respective periods have been used and the Group's credit risk has been taken into account. Changes in credit spreads have been disregarded when determining the fair value of financial leases. For short-term financial instruments such as trade receivables and other receivables, other short-term investments, cash and cash equivalents, trade payables and other liabilities and short-term borrowings, the fair value equals their carrying amount as the impact of discounting is not significant. The fair value of long-term borrowings is based on discounted cash flows using a rate based on the borrowing rate, and falls within Level 2 in the fair-value hierarchy.

	2025		2024	
SEKm	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets at fair value through profit or loss				
– of which derivatives where hedge accounting is not applied	60	60	244	244
– of which currency derivatives where hedge accounting for cash flow hedges is applied	128	128	135	135
– of which interest derivatives where hedge accounting for cash flow hedges is applied	14	14	23	23
– of which currency derivatives related to net investments in foreign operations where hedge accounting is applied	388	388	7	7
Financial assets at fair value through other comprehensive income				
Trade receivables[1]	8	8	283	283
Financial assets measured at amortized cost				
Other non-current assets	777	777	630	630
Trade receivables	4,981	4,981	5,269	5,269
Other receivables	719	719	386	386
Cash and cash equivalents	1,707	1,707	1,970	1,970
Total financial assets	**8,782**	**8,782**	**8,946**	**8,946**

[1] Trade receivables not sold but part of factoring programmes.

	2025		2024	
SEKm	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Financial liabilities at fair value through profit or loss				
– of which derivatives where hedge accounting is not applied	159	159	47	47
– of which currency derivatives where hedge accounting for cash flow hedges is applied	74	74	83	83
– of which interest derivatives where hedge accounting for cash flow hedges is applied	18	18	34	34
– of which currency derivatives related to net investments in foreign operations where hedge accounting is applied	17	17	744	744
Financial liabilities measured at amortized cost				
Trade payables	5,786	5,786	5,896	5,896
Other liabilities	323	323	353	353
Borrowings	10,916	10,995	12,519	12,680
Total financial liabilities	**17,292**	**17,371**	**19,675**	**19,836**

NOTES – GROUP

Note 21 Provisions for pensions and other post-employment benefits

In many of the countries in which Husqvarna Group has operations the employees are covered by pension plans in addition to statutory social security insurance. Such pension plans are classified as either defined-contribution plans or defined-benefit plans. The Group's most extensive defined-benefit pension plans are in the UK, Sweden, Germany, the US and Japan (two plans). The pension plans in these countries are funded except for the plan in Germany and one of the plans in Japan. Funded plans imply that there are assets in legal entities that exist solely to finance benefits to employees and former employees.

The pension plan for the Group's employees in Germany is an unfunded cash balance plan. White-collar employees in Sweden, born in 1978 or earlier, are covered by a final-salary collectively bargained defined-benefit plan (ITP2). The old-age-pension benefit of the plan is financed through a pension fund.

The Group's defined-benefit pension plans in the UK and in US are closed for future pension accrual. Out of the Group's most extensive defined-benefit plans, there are two in Japan (which however are small in comparison to the Group's other defined-benefit plans) that cover all employees. One of the plans is a funded cash balance plan and the other is an unfunded plan based on career-average salary.

The pension plans in Japan, UK, Sweden and the US are so-called funded plans where the pension obligations are financed through pension funds whose operations are regulated by the legislation in the relevant country. The pension funds are separate legal entities, which may consist of representatives from both the company and the employees who are responsible for the management of the pension fund assets.

	2025						
SEKm	UK	Sweden	US	Japan	Germany	Other	Total
Present value of obligation	847	1,834	392	102	828	444	4,447
Fair value of plan assets	–1,018	–954	–352	–87	–10	–291	–2,712
Surplus/Deficit	**–170**	**879**	**40**	**16**	**818**	**153**	**1,735**
Funding level (%)	120	52	90	85	1	66	61
Duration	11	18	8	7	5	16	13
Actuarial assumptions (%)							
Discount rate	5.5	4.2	5.2	2.9	3.9	1.2	4.2
Inflation	2.8	2.0	n/a	n/a	n/a	2.0	2.1
Sensitivity analysis (%)							
Discount rate (–0.5%)	5.5	9.2	4.1	3.3	3.8	5.5	6.5
Discount rate (+0.5%)	–5.0	–8.1	–3.8	–3.2	–3.5	–4.8	–5.8
Inflation (+0.5%)	2.6	6,8	—	—	0.4	1.2	3.6

	2024						
SEKm	UK	Sweden	US	Japan	Germany	Other	Total
Present value of obligation	933	1 865	471	127	905	489	4,789
Fair value of plan assets	–1,155	–951	–408	–106	–11	–325	–2,955
Surplus/Deficit	**–222**	**914**	**63**	**21**	**894**	**165**	**1,834**
Funding level (%)	124	51	87	83	1	66	62
Duration	13	19	9	8	9	15	14
Actuarial assumptions (%)							
Discount rate	5.5	3.8	5.4	2.0	3.4	1.5	3.9
Inflation	3.1	2.0	n/a	n/a	n/a	2.2	2.2
Sensitivity analysis (%)							
Discount rate (–0.5%)	6.7	9.7	4.2	3.5	4.0	5.0	6.8
Discount rate (+0.5%)	–6.2	–8.6	–3.9	–3.3	–3.7	–4.5	–6.1
Inflation (+0.5%)	3.4	6.9	—	—	0.4	1.8	3.8

Specification of net provisions for pensions and other post-employment benefits recognized in the balance sheet:

SEKm	2025	2024
Present value of obligations for unfunded plans	736	826
Present value of obligations for funded plans	3,711	3,964
Fair value of plan assets	–2,712	–2,955
Net provisions for defined-benefit plans	**1,735**	**1,834**

The schedules show the obligations of the defined-benefit plans in Husqvarna Group and the assumptions used to determine these obligations, as well as the assets relating to the benefit plans, the amounts recognized in the income statement, other comprehensive income, and balance sheet. The sensitivity analyses are based on a change in an assumption while holding all other assumptions constant.

The schedules include reconciliations of the opening and closing balances of the present value of the defined-benefit obligation, as well as opening and closing balances of the fair value of plan assets and of the changes in net provisions during the year. In a few countries, the Group provides mandatory lump-sum payments, in accordance with law or collective agreements, in conjunction with retirement. These obligations are included in the present value of the defined-benefit obligation and amount at year-end to SEK 29m (40). Husqvarna Group has no post-employment medical plans. Further information regarding pension cost is available in note 4.

NOTES – GROUP

Note 21 – Provisions for pensions and other post-employment benefits, cont.

The movement in the present value of the net defined-benefit obligation

	2025			2024		
SEKm	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total
Opening balance, January 1	**4,789**	**–2,955**	**1,834**	**4,875**	**–2,880**	**1,994**
Current service cost	163	10	172	167	8	175
Past service costs and gains/losses on settlements	17	—	17	–2	—	–2
Interest expenses	175	–121	54	169	–112	57
	5,143	**–3,065**	**2,078**	**5,209**	**–2,984**	**2,225**
Remeasurements:						
Return on plan assets	—	7	7	—	112	112
Actuarial gains and losses due to changes in demographic assumptions	8	—	8	–5	—	–5
Experience assumptions	38	—	38	–18	—	–18
Actuarial gains and losses due to changes in financial assumptions	–181	—	–181	–327	—	–327
	–135	**7**	**–128**	**–349**	**112**	**–237**
Exchange rate differences on foreign plans	–287	226	–61	132	–129	3
Divestments and transfers	—	—	—	—	—	—
Contributions:						
– Employers	–118	–35	–153	–114	–43	–157
– Plan participants	9	–9	—	10	–10	—
Payments from plans:						
– Benefit payments	–165	165	—	–99	99	—
Closing balance, December 31	**4,447**	**–2,712**	**1,735**	**4,789**	**–2,955**	**1,834**

Plan assets comprise the following[1]:

	2025		2024	
SEKm	SEKm	%	SEKm	%
Equity instruments				
– Equities	612	22.6	717	24.3
Interest-bearing securities				
– Government bonds	25	0.9	32	1.1
– Corporate bonds	473	17.4	533	18.0
– Index-linked bonds	309	11.4	331	11.2
– Interest rate funds	962	35.5	951	32.2
Properties	64	2.4	84	2.9
Liquid funds	31	1.1	36	1.2
Assets held by insurance company	236	8.7	271	9.2
Total	**2,712**	**100.0**	**2,955**	**100.0**

[1] Approximately 96% (97) of total plan assets refer to listed assets.

None of the assets above refers to shares in the Parent Company or real estate occupied by the Group.

For the funded defined-benefit pension plans (Sweden, UK and US represent around 85 percent of total pension assets) the Group's strategy is a combination of matching the assets with the liabilities and trying to achieve as high return as possible within the investment guidelines. This is partly done by investing in longer-duration bonds designed to match the development of the debt and also by investing in corporate bonds, index-linked bonds and shares, with the purpose of achieving a high return in various market conditions in the long term. As the maturity of the pension commitments decreases and/or the value of the assets reaches a satisfactory level in relation to the debt, the Group will gradually reduce the investment risk by shifting into assets with lower volatility.

Through its defined-benefit obligations Husqvarna Group is exposed to a number of risks, of which the following have the greatest impact on the Group's pension liability:

Discount rate

The discount rate reflects the estimated timing of benefit payments and is used for measuring the present value of the obligation. A fluctuation in the discount rate will have a material effect on the pension obligation but will also impact the interest income and expense reported in the finance net.

To determine the discount rate, AA-rated corporate bonds indexes matching the duration of the pension obligations are applied in most countries. When valuing Swedish pension liabilities Husqvarna Group uses mortgage bonds when determining discount rate.

Inflation risk

Most of the obligations are linked to inflation and an increase in inflation leads to higher debt. The return on the majority of the plan assets has a low correlation with inflation, while the holdings of index-linked bonds are protected against a rise in inflation and thus compensate for the increase in the deficit that would occur otherwise.

Longevity risk

Since most of the pension obligations mean that those covered by the plan will receive benefits for life, higher life-expectancy assumptions have a significant impact on the pension liabilities. Expected mortality is based on local conditions in each country.

The company expects to make contributions of approximately SEK 135 m (156) to the plans during 2026.

The weighted average duration of the defined-benefit obligation 13 years (14).

NOTES – GROUP

Note 22 Other provisions

SEKm	Restructuring	Warranty commitments	Claims	Other	Total
Opening balance, January 1, 2025	**739**	**398**	**351**	**414**	**1,902**
Provisions made	65	650	—	320	1,035
Provisions used	–345	–601	—	–308	–1,253
Unused amounts reversed	–112	–1	–49	—	–161
Exchange-rate differences	–48	–47	–58	8	–144
Closing balance, December 31, 2025	**300**	**400**	**245**	**435**	**1,379**
Current provisions	300	292	—	231	823
Non-current provisions	0	107	245	204	556

Restructuring
Provisions for restructuring are based on management's best estimate of the costs expected to be incurred in connection with decisions to implement measures such as the closure of production facilities, production streamlining, or workforce reductions. Provisions for staff reductions are calculated on an individual basis, except for the majority of unionized employees, where negotiations have been conducted at a collective level.

The restructuring reserve includes various programs initiated over the past four years. These programs comprise the reduction of low-margin gasoline-powered consumer products, cost-saving initiatives primarily related to workforce reductions, as well as the consolidation of operations and brands. The provisions utilized during the year relate to costs incurred under these programs.

Warranty commitments
Provisions for warranty comprise potential expenses for repairing or replacing products sold. Provisions are made when the products are sold and are normally limited to 24 months. The provision is estimated for each group of products and based on historical information and management's best estimate.

Claims
Provisions for claims refer to claim reserves in the Group's insurance companies mainly due to product liabilities but also to property damage and business interruptions. The provisions are estimated based on actuarial calculations.

Other
In all material aspects, 'Other provisions' refers to payroll-related provisions and environmental commitments.

Note 23 Other liabilities

SEKm	2025	2024
Accrued holiday pay	391	390
Other accrued payroll expenses	814	859
Accrued customer rebates	861	952
Other accrued expenses	1,170	1,143
Value added tax	144	147
Personnel taxes and other taxes	111	194
Other operating liabilities	323	353
Total	**3,814**	**4,038**

Note 24 Pledged assets and contingent liabilities

Pledged assets

SEKm	2025	2024
Pension obligations[1]	171	172
Real estate mortgages	17	22
Total	**188**	**194**

[1] Refers to endowment that is pledged in favour of the recipient.

Contingent liabilities

SEKm	2025	2024
On behalf of external counterparties		
Guarantees and other commitments	62	59
Total	**62**	**59**

In addition to the above contingent liabilities, guarantees for fulfilment of contractual undertakings are provided as part of Husqvarna Group's normal course of business. There was no indication at year-end that any payment will be required in connection with any contractual guarantees. Furthermore, there is an obligation, in the event of dealers' bankruptcy, to buy back repossessed Husqvarna Group products from certain dealers financing their floor planning with an external financing company. During 2025 goods amounting to a value of SEK 6m (2) were bought back in connection with floor planning activities.

Husqvarna Group is involved in commercial, product liability and other disputes in the ordinary course of business. Such disputes involve claims for compensatory damages, property damages or personal injury compensation and occasionally also punitive damages. The company is self-insured to a certain extent, and is also insured against excessive liability losses for certain claims. Husqvarna Group continuously monitors and evaluates pending claims and disputes and takes action when deemed necessary. The Company believes that these activities help to minimize the risk. Due to the complexity of these disputes, it is difficult to predict a favourable outcome for each claim, and an adverse outcome affecting the consolidated financial position and result could occur.

Note 25 Transactions with related parties

Sales to related parties are carried out on market-based terms. See the Parent Company's directly owned subsidiaries in the Parent Company's note 16, 'Shares in subsidiaries'. Information about the Board of Directors and Group Management and compensation to those are reported in note 4, 'Employees and employee benefits'. No unusual transactions of any significance have occurred between Husqvarna Group and the Board of Directors or Group Management.

NOTES – GROUP

Note 26 Changes in financial liabilities

SEKm	January 1, 2025	Cash flows from financing[1]	Cash flow within operating income	Reclassification	Foreign exchange movement	Changes in Fair value	Other non-cash movement in financing	December 31, 2025
Current interest-bearing borrowings (excl. lease liabilities)	2,203	–1,415	—	965	—	—	–37	1,716
Non-current interest-bearing borrowings (excl. lease liabilities)	10,316	—	—	–965	–133	—	–18	9,200
Lease liabilities	2,003	–733	—	—	–138	—	682	1,815
Derivatives, net	499	257	13	—	—	–1,092	—	–323
Total financial liabilities incl. net derivatives	**15,022**	**–1,891**	**13**	**—**	**–271**	**–1,092**	**627**	**12,407**

SEKm	January 1, 2024	Cash flows from financing[1]	Cash flow within operating income	Reclassification	Foreign exchange movement	Changes in Fair value	Other non-cash movement in financing	December 31, 20254
Current interest-bearing borrowings (excl. lease liabilities)	6,031	–5,403	—	1,580	–4	—	—	2,203
Non-current interest-bearing borrowings (excl. lease liabilities)	8,556	3,256	—	–1,580	103	—	–18	10,316
Lease liabilities	2,084	–748	—	—	77	—	591	2,003
Derivatives, net	–1,029	626	15	—	—	885	—	499
Total financial liabilities incl. net derivatives	**15,642**	**–2,268**	**15**	**—**	**176**	**885**	**573**	**15,022**

[1] Cash flow from financial liabilities is included in the Group's consolidated cash flow statement under "Proceeds from borrowings", "Repayment of borrowings", "Repayment of lease liabilities", "Net investment hedge" and "Change in other interest-bearing net debt excluding liquid funds".

NOTES – GROUP

Note 27 Acquisitions

Acquisitions 2025
In April 2025, Husqvarna Group acquired Autocut Ltd. Autocut is a Husqvarna brand exclusive Automower robotics dealer which specializes in the marketing, selling, installing, and servicing Husqvarna automowers, primarily for residential customers via a small fleet of mobile units (vans). The company is based in the UK, employs 12 people and generated 2024 annual sales of SEK 20m.

Autocut will contribute to Husqvarna's differentiating from competition through a proven "white glove" component of a multi-channel offer, supporting the Husqvarna premium brand position and providing a differentiated offering including services and full care packages. Husqvarna will utilize the Autocut business to further drive robotics growth in the UK with sales of SEK 26m in 2025 with 15 people employed.

Acquisitions 2024
Acquisition of ET Water Systems
In March 2024, Husqvarna Group acquired ET Water Systems, Inc., a leader in smart watering solutions by offering smart controllers and subscription services to professional customers. The company is based in Fresno, California, employs 10 people and generated 2024 annual sales of 1.5 MUSD.

This acquisition aligns with our strategic objective to accelerate the entrance into the commercial segment and offer subscription services to the larger market. By integrating ET Water Systems, Inc's. expertise and offerings into our portfolio, we aim to deliver enhanced value to our customers and expedite our growth in the professional and commercial market.

The transaction was funded through internally generated cash flow. The acquisition is expected to contribute positively to our performance and support our long-term growth strategy.

Acquisition of InCeres
In October 2024, Husqvarna Group acquired the Brazilian company InCeres. The company offers a digital platform in the professional agriculture segment specializing in soil analysis that facilitates decision-making and improves productivity for farmers. Its digital precision agriculture platform will contribute to Husqvarna Group's offering in Total Farm Management through the Family Farming business unit within the Husqvarna Forest & Garden Division.

InCeres has 35 employees and total sales in 2023 of 1 MUSD. InCeres has a scalable subscription-based business model, in which 100% of revenues are recurring.

InCeres will be integrated into Husqvarna's Light Agriculture Business Unit within the Forest & Garden Division. This acquisition aligns with our ambition to provide efficient means for sustainable food security to people around the world.

Note 28 Subsequent events

On February 4, Husqvarna Group announced changes in Group Management: Yvette Henshall-Bell has been appointed President Husqvarna Forest & Garden Division. Terry Burke, Chief Financial Officer, Husqvarna Group and Karin Falk, President Construction Division will leave the Group.

Note 29 Assets and liabilities held for sale

SEKm	2025	2024
Property, plant and equipment	—	501
Inventories	—	909
Total assets	**—**	**1,410**
Assets held for sale	**—**	**1,410**
Other provisions	—	140
Total liabilities	**—**	**140**
Liabilities attributable to assets held for sale	**—**	**140**

On February 4, 2025, Husqvarna Group divested the Group's manufacturing facility in Orangeburg, SC, to Flex Ltd. In parallel the Group entered a long-term supplier agreement with Flex, to ensure continued production of the Husqvarna Forest & Garden Division's wheeled products and assembly of its handheld products in the US. This partnership will build profitability, improve capital efficiency, enhance production flexibility and strengthen the competitiveness in North America. Cost savings related to this is expected to amount to SEK 350m by 2030.

In December 2024 the assets and liabilities that were acquired by Flex were classified as assets held for sale (SEK 501m from property, plant and equipment and SEK 909m from inventories) and liabilities to assets held for sale (SEK 140m from other provisions). Following the reclassification costs amounting to SEK –248m were recorded as items affecting comparability, including an inventory impairment amounting to 113 MSEK.

There were no accumulated income or expenses included in other comprehensive income attributable to this asset group.

The divestment of Property, plant and equipment and part of the inventory was completed on February 4, 2025, while the remaining inventory was gradually divested throughout 2025.

FINANCIAL STATEMENTS – PARENT COMPANY

Parent Company income statement

SEKm	Note	2025	2024
Net sales	3	23,813	22,427
Cost of goods sold	5	–19,211	–19,404
Gross income		**4,603**	**3,023**
Selling expenses	5, 6	–2,185	–1,863
Administrative expenses	5	–2,089	–2,122
Other operating income and operating expenses	7	0	0
Operating income	4, 8, 9	**330**	**–962**
Income from financial items			
Income from participation in Group companies	10	473	519
Financial income	11	2,794	382
Financial expenses	11	–1,216	–2,798
Income after financial items		**2,381**	**–2,859**
Appropriations	12	–3	5
Income before taxes		**2,378**	**–2,854**
Income tax	13	–397	721
Net Income for the period		**1,981**	**–2,133**

Parent Company comprehensive income statement

SEKm	2025	2024
Net Income for the period	1,981	–2,133
Other comprehensive income		
Items that may be reclassified to the income statement:		
Cash flow hedges		
Result arising during the period, net of tax	58	12
Reclassification adjustments to the income statement, net of tax	–19	–171
Other comprehensive income, net of tax	**39**	**–159**
Total comprehensive income	**2,020**	**–2,292**

FINANCIAL STATEMENTS – PARENT COMPANY

Parent Company balance sheet

SEKm	Note	Dec 31, 2025	Dec 31, 2024
Assets			
Non-current assets			
Intangible assets	14	4,366	4,454
Property, plant and equipment	15	2,407	2,495
Financial assets			
Shares in subsidiaries	16	32,838	45,253
Derivatives	19	13	23
Receivables from Group companies	17, 19	306	258
Other non-current assets	17	15	15
Deferred tax assets	13	465	857
Total non-current assets		**40,410**	**53,355**
Current assets			
Inventories	18	3,316	3,012
Receivables			
Trade receivables	19	965	1,028
Receivables from Group companies	19	13,704	4,945
Derivatives	19	680	440
Other receivables	19, 20	145	158
Current tax receivables		—	0
Prepaid expenses and accrued income	20	233	244
Cash and cash equivalents	19	203	294
Total current assets		**19,246**	**10,122**
Total assets		**59,656**	**63,477**

SEKm	Note	Dec 31, 2025	Dec 31, 2024
Equity and liabilities			
Restricted equity			
Share capital		1,153	1,153
Revaluation reserve		14	14
Statutory reserves		19	19
Reserve related to R&D expenses		2,353	2,097
Non-restricted equity			
Share-premium reserve		2,606	2,606
Fair value reserve		50	12
Profit or loss brought forward		21,338	24,275
Net Income for the period		1,981	–2,133
Total equity		**29,514**	**28,042**
Untaxed reserves	12	**1,424**	**1,424**
Provisions			
Provisions for pensions and other post-employment benefits	22	621	540
Other provisions	23	114	128
Total provisions		**735**	**668**
Non-current liabilities			
Borrowings	19, 27	9,108	10,206
Liabilities to Group companies	19	941	—
Derivatives	19	18	34
Total non-current liabilities		**10,067**	**10,240**
Current liabilities			
Borrowings	19, 27	1,597	2,040
Liabilities to Group companies	19	12,506	16,585
Trade payables	19	2,419	2,350
Current tax liabilities		9	2
Derivatives	19	278	1,090
Other liabilities	21	1,108	1,036
Total current liabilities		**17,917**	**23,102**
Total equity and liabilities		**59,656**	**63,477**

FINANCIAL STATEMENTS – PARENT COMPANY

Parent Company cash flow statement

SEKm	Note	2025	2024
Cash flow from operations			
Income after financial items		2,381	–2,859
Non cash items			
Depreciation/amortization and impairment	5, 14, 15	1,532	1,526
Capital gains and losses		—	1
Other adjustments*		–476	–633
Taxes paid		–15	58
Cash flow from operations, excluding change in operating assets and liabilities		**3,422**	**–1,907**
Change in operating assets and liabilities			
Change in inventories		–304	879
Change in trade receivables		63	–72
Change in inter-company receivables/liabilities**	17	–2,296	3,187
Change in other current assets		–229	1,547
Change in current liabilities and provisions		–638	830
Cash flow from operating assets and liabilities		**–3,404**	**6,370**
Cash flow from operations		**18**	**4,464**

* Other adjustments consist of a write-down of SEKm 12,421 in subsidiary Husqvarna U.S. Holding, Inc and received dividends from subsidiaries with SEKm12,894 through cash pool.
** Reclassification of dividends from subsidiaries has been made and is now reported on a separate line under investment, and reclassification of cash pool has taken place from intra-group transactions to financing.

SEKm	Note	2025	2024
Investments			
Paid shareholder's contribution	16, 17	–21	–2,108
Dividend received from group companies**		12,894	519
Investments in intangible assets	14	–960	–1,127
Investments in property, plant and equipment	15	–396	–467
Cash flow from investments		**11,517**	**–3,183**
Cash flow from operations and investments		**11,535**	**1,281**
Financing			
New borrowings	27	497	5,735
Repayment of borrowings	27	–1,906	–7,803
Change in inter-company receivables/liabilities (Cashpool)**		–9,646	3,625
Dividend paid to shareholders		–576	–1,715
Dividend equity swap		5	14
Group contribution paid		—	–979
Cash flow from financing		**–11,626**	**–1,122**
Total cash flow		**–91**	**158**
Cash and cash equivalents at beginning of year		294	136
Cash and cash equivalents at year-end		**203**	**294**

FINANCIAL STATEMENTS – PARENT COMPANY

Parent Company statement of changes in equity

SEKm	Share capital	Restricted reserves[3]	Reserve related to R&D expenses	Share premium reserve	Fair value reserve[4]	Profit or loss brought forward incl. profit of the year	Total
Opening balance January 1, 2024	**1,153**	**33**	**1,803**	**2,606**	**171**	**26,264**	**32,030**
Net income for the period	—	—	—	—	—	–2,133	–2,133
Other comprehensive income	—	—	—	—	–159	—	–159
Total comprehensive income	**—**	**—**	**—**	**—**	**–159**	**–2,133**	**–2,292**
Share-based payments	—	—	—	—	—	19	19
Change of Restricted reserves related to capitalized R&D[1]	—	—	295	—	—	–295	—
Dividend SEK 3.00 per share[2]	—	—	—	—	—	–1,715	–1,715
Closing balance December 31, 2024	**1,153**	**33**	**2,097**	**2,606**	**12**	**22,141**	**28,042**
Adjustment from prior year	—	—	—	—	—	17	17
Net income for the period	—	—	—	—	—	1,981	1,981
Other comprehensive income	—	—	—	—	39	—	39
Total comprehensive income	**—**	**—**	**—**	**—**	**39**	**1,998**	**2,037**
Share-based payments	—	—	—	—	—	8	8
Change of Restricted reserves related to capitalized R&D[1]	—	—	257	—	—	–257	—
Dividend SEK 1.00 per share[2]	—	—	—	—	—	–572	–572
Closing balance December 31, 2025	**1,153**	**33**	**2,353**	**2,606**	**50**	**23,318**	**29,514**

[1] The reserve related to R&D and IT expenses is only applied in the Parent Company. Information about the accounting principle is available in the Parent Company's note 1.
[2] Total dividend 2025 amounts to SEK 572m (1,715), of which Husqvarna AB (publ) received SEK 5m (14) for B-shares in third party share swap agreement.
[3] Restricted reserves relates to revaluation reserve together with statutory reserves.
[4] Relates to result and reclassification adjustments to the income statement for Cash flow hedges, net of tax, which are recognized in other comprehensive income.

Information regarding the Parent Company's shares, share capital and share premium reserve is available in the Group's note 19.

NOTES – PARENT COMPANY

Note 1 Parent Company's Accounting principles

Husqvarna AB's (publ) Annual Report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's standard RFR 2. The Parent Company follows the IFRS Accounting Standards adopted by EU, to the extent possible within the framework for the Swedish Annual Accounts Act and Swedish Safe-guarding of Pension Commitments Act (Tryggandelagen), and considering the relationship between accounting and taxation. The Parent Company is following the same principles as described in the Group note 1, with the below exceptions.

Segments
Information is reported in accordance with the Swedish Annual Accounts Act and contains disclosures of net sales divided by geography and per product category.

Intangible assets
The Parent company amortize all brands on a straight-line basis during the useful life, which according to group policy is estimated at 10 years.

Property, plant and equipment
The Parent Company uses methods for depreciations described in the section "Property, plant and equipment" in the Group's note 1 with some exception, which is described below. The Parent Company accounts for tax depreciation in accordance with the Swedish tax law as appropriations in the Income statement. These depreciations are accounted for in addition to the depreciation described in the section "Property, plant and equipment" in the Group's note 1 and are reported as untaxed reserves in the Balance sheet.

Shares in subsidiaries
Shares in subsidiaries are reported at cost deducted for impairment. Expenses and potential additional purchase price, related to an acquisition are included in the acquisition value of the investment. Investments are tested annually for impairment or if there is an indication of that the book value of the investment is higher than the recoverable amount. Dividends are reported as income.

Pensions
Husqvarna Group applies IAS 19 Employee Benefits for pension assets and liabilities. The Parent Company applies the Swedish Safe-guarding of Pension Commitments Act (Tryggandelagen).

Group contributions
Husqvarna AB (publ) applies the alternative rule in RFR 2, and accounts for both group contribution received and paid as appropriations in the income statement.

Contingent liabilities
The Parent Company has signed guarantees in favour of subsidiaries which in accordance with IFRS are classified as a financial guarantee. However, the Parent Company applies RFR 2 and recognizes these guarantees as contingent liabilities.

Leasing
The Parent Company applies RFR 2 and recognizes all leasing as a linear cost over the lease period.

Reserve related to R&D expenses
The parent company capitalizes R&D and IT in the balance sheet. From 2016 and forward, a restricted reserve is presented for internally generated R&D and IT, where an amount equal to this year's capitalization reduced with amortization is transferred from free reserves to restricted reserves. The restricted reserve dissolves in line with the amortizations.

Note 2 Financial risk management

Husqvarna Group applies common risk management for all units through the Group Treasury functions in Sweden and Ireland. The description of financial risk management available in the Group's note 20 is in all material aspects applicable also for the Parent Company.

Note 3 Net sales distribution

Net sales are distributed on the following geographic markets

SEKm	2025	2024
Europe	18,340	16,532
North America	1,872	2,435
Rest of the World	3,602	3,459
Total	**23,813**	**22,427**

Net sales amounted to SEK 23,813m (22,427), of which SEK 18,159m (17,103) referred to sales to Group companies and SEK 5,654m (5,324) to external customers.

Net sales distribution per product category

SEKm	2025	2024
Forest-, park- and garden products	20,179	18,690
Construction products	3,597	3,646
Other	38	91
Total	**23,813**	**22,427**

Note 4 Employees and employees benefits

Average number of employees

	2025			2024		
	Men	Women	Total	Men	Women	Total
Board, CEO and Group Management	12	8	20	14	6	20
Sweden	1,937	718	2,655	1,934	703	2,637
Total	**1,949**	**726**	**2,675**	**1,948**	**709**	**2,657**

Salary and remuneration

	2025			2024		
SEKm	Salaries and remunerations (whereof bonuses)	Social expenses	Pension expenses	Salaries and remunerations (whereof bonuses)	Social expenses	Pension expenses
Board, CEO and Group Management	51 (8)	20	9	61 (11)	22	12
Former CEO	20	7	3	—	—	—
Other employees	1,901	646	275	1,845	628	290
Total	**1,972**	**673**	**286**	**1,906**	**650**	**302**

For further information regarding remunerations to the Board of Directors, CEO and the Group Management together with the Group's long term incentive program, see the Group's note 4.

Note 5 Expenses by nature

SEKm	2025	2024
Costs for supplies and raw materials	14,619	11,823
Salary and remuneration	2,930	2,858
Amortization/depreciation and impairment	1,532	1,526
Other	4,403	7,182
Total	**23,484**	**23,389**

NOTES – PARENT COMPANY

Note 6 Exchange rate gains and losses in operating income

SEKm	2025	2024
Exchange rate gains and losses in operating income[1]	116	135
Total	**116**	**135**

[1] Included in selling expenses within operating income.

Operating income includes SEK 28m (195) of foreign exchange hedging result previously reported in other comprehensive income. Information related to the accounting of fair value in financial instruments is presented in the Group's note 1.

Note 7 Other operating income and operating expenses

SEKm	2025	2024
Other operating income		
Gain on sale of:		
– Property, plant and equipment	0	1
Total	**0**	**1**
Other operating expenses		
Loss on sale of:		
– Property, plant and equipment	—	–1
Total	**—**	**–1**

Note 8 Fees to auditors

SEKm	2025	2024
KPMG		
Audit fees for the annual audit engagement	7	6
Audit fees not included in the annual audit engagement	2	1
Total fees to KPMG	**9**	**7**

Note 9 Operating leases

Expenses for rental payments for facilities, machinery etc. (minimum lease payments) amounted to SEK 103m (110) in 2025. The leases are on commercial terms with respect to prices and duration.

Future minimum lease payments are allocated as follows:

SEKm	2025	2024
Within 1 year	74	97
1–5 years	238	91
> 5 years	78	47
Total	**390**	**235**

Note 10 Income from participation in Group companies

SEKm	2025	2024
Dividends	12,894	519
Impairment	–12,421	—
Total	**473**	**519**

Income from participations in Group companies was mainly impacted by the dividend from Husqvarna Business Support AB of SEK 10,000m and impairment of the net book value of Husqvarna U.S. Holding, Inc. with SEK 12,421m.

Note 11 Financial income and expense

SEKm	2025	2024
Financial income		
Interest income		
– from subsidiaries	143	246
– from others	18	136
whereof Interest income		
– on deposits	161	274
– on derivatives held for trading	—	108
Exchange rate differences		
– on borrowings	854	—
– on derivatives held for trading[2]	1,779	—
Total financial income	**2,794**	**382**
Financial expenses		
Interest expense		
– to subsidiaries	–463	–485
– to others	–724	–949
whereof Interest expense		
– on borrowings	–898	–1,126
– on cashflow hedges, interest derivatives	–0	27
– on derivatives held for trading[1]	–289	–335
Exchange rate differences		
– on borrowings	—	–242
– on derivatives held for trading[2]	—	–1,091
Other financial expenses	–29	–30
Total financial expenses	**–1,216**	**–2,798**
Financial income and expenses, net	**1,578**	**–2,415**

[1] Interest expense on derivatives held for trading includes interest expense on derivatives for hedging net investments SEK –285m (–246).

[2] Currency exchange rate difference on derivatives held for trading includes currency exchange rate differences on derivatives for hedging net investments SEK 2,608m (–1,344).

NOTES – PARENT COMPANY

Note 12 Appropriations and untaxed reserves

	Appropriations		Untaxed Reserves	
SEKm	2025	2024	2025	2024
Group contribution, received	12	8		
Group contribution, paid	–14	–3		
Accumulated depreciation in excess of plan on fixed assets			1,424	1,424
Total	**–3**	**5**	**1,424**	**1,424**

Note 13 Tax

SEKm	2025	2024
Current tax on income for the period	–6	—
Income tax generated from previous years	–3	51
Deferred tax income/expense	–379	677
Withholding taxes	–9	–7
Total	**–397**	**721**

Theoretical and actual tax rate

	2025		2024	
	Tax, %	SEKm	Tax, %	SEKm
Profit before tax		2,378		–2,854
Theoretical tax rate	–20.6	–489	–20.6	588
Non-taxable income statements items	112.5	2,675	–4.4	127
Non-deductable income statement items	–112.1	–2,665	9.2	–263
Change in valuation of deferred tax	4,0	94	–7.9	226
Income tax generated from previous years	–0.1	–3	–1.8	50
Withholding tax	–0.4	–9	0.2	–7
Actual tax rate[1]	**–16.7**	**–397**	**–25.3**	**721**

[1] Actual tax rate in the Parent Company is explained by a non-taxable dividend from subsidiaries of SEK 12,894m (519m) and non deductible impaiment of subsidiaries of SEK 12,421m (0).

Changes in deferred taxes

SEKm	Balance, 1 Jan, 2025	Recognized in income statement	Recognized in comprehensive income statement	Reclassification	Balance, Dec 31, 2025
Non-current assets	—	–3	—	—	–3
Provision for pensions and similar commitments	45	–1	—	—	44
Other provisions	365	73	—	—	438
Financial and operating liabilities	–4	—	–10	—	–14
Tax losses carried forward	451	–451	—	—	—
Deferred tax assets and liabilities, net	**857**	**–382**	**–10**	**—**	**465**

SEKm	Balance, 1 Jan, 2024	Recognized in income statement	Recognized in comprehensive income statement	Reclassification	Balance, Dec 31, 2024
Non-current assets	–4	4	—	—	—
Provision for pensions and similar commitments	41	4	—	—	45
Other provisions	146	219	—	—	365
Financial and operating liabilities	–45	—	41	—	–4
Tax losses carried forward	—	451	—	—	451
Deferred tax assets and liabilities, net	**138**	**678**	**41**	**—**	**857**

Tax items recognized in Other comprehensive income amounts to SEK –10m (41) for items related to cash flow hedges.

Deferred tax assets and liabilities

	Assets		Liabilities		Net	
SEKm	2025	2024	2025	2024	2025	2024
Non-current assets	4	4	6	3	–3	1
Provisions for pensions and similar commitments	44	45	—	—	44	45
Other provisions	437	364	—	—	437	364
Financial and operating liabilities	—	—	13	4	–13	–4
Tax losses carried forward	—	451	—	—	—	451
Deferred tax assets and liabilities	**485**	**864**	**19**	**7**	**465**	**857**
Set-off of tax	—	—	—	—	—	—
Deferred tax assets and liabilities, net	**485**	**864**	**19**	**7**	**465**	**857**

NOTES – PARENT COMPANY

Note 14 Intangible assets

	Product development		Brands		Other		Total	
SEKm	2025	2024	2025	2024	2025	2024	2025	2024
Opening accumulated acquisition value	5,739	5,126	3,493	3,493	3,268	2,839	12,500	11,458
Investments	519	641	—	—	450	486	968	1,127
Sold, scrapped	–11	–28	—	—	–49	–57	–60	–85
Reclassification	—	—	—	—	–9	—	–9	—
Closing accumulated acquisition value	**6,247**	**5,739**	**3,493**	**3,493**	**3,660**	**3,268**	**13,400**	**12,500**
Opening accumulated amortization and impairment	4,207	3,654	2,043	1,853	1,796	1,583	8,046	7,090
Amortization[1]	565	553	195	195	271	263	1,030	1,010
Impairment	—	—	—	–4	–42	–50	–42	–54
Sold, scrapped	–0	—	—	—	—	—	—	—
Closing accumulated amortization and impairment	**4,771**	**4,207**	**2,238**	**2,043**	**2,025**	**1,796**	**9,034**	**8,046**
Closing balance, December 31	**1,476**	**1,532**	**1,255**	**1,449**	**1,635**	**1,473**	**4,366**	**4,454**

[1] In the income statement depreciation is accounted for within cost of goods sold by SEK 570m (560), within selling expenses by SEK 54m (24) and within administrative expenses by SEK 406m (427).

Note 15 Property, plant and equipment

	Land and land improvements[2]		Buildings and leasehold improvements		Machinery and technical installations		Other equipment		Construction in progress and advances		Total	
SEKm	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Opening accumulated acquisition value	20	17	610	541	3,746	3,511	471	417	578	640	5,425	5,126
Investments	0	1	20	80	113	143	23	34	222	209	378	467
Sold, scrapped	—	0	–6	–60	–100	–109	–14	–10	—	—	–121	–180
Reclassification	2	3	39	49	208	201	39	29	–258	–270	29	12
Closing accumulated acquisition value	**22**	**20**	**662**	**610**	**3,967**	**3,746**	**518**	**471**	**542**	**578**	**5,712**	**5,425**
Opening accumulated depreciation and impairment	6	5	273	274	2,391	2,106	262	229	—	—	2,932	2,614
Depreciation[1]	1	1	43	35	395	359	41	35	—	—	479	430
Impairment	—	—	—	—	—	—	—	—	—	—	—	—
Sold, scrapped	—	—	–5	–36	–98	–79	–14	–9	—	—	–116	–125
Reclassification	—	—	1	—	11	5	–2	7	—	—	10	12
Closing accumulated depreciation and impairment	**7**	**6**	**312**	**273**	**2,699**	**2,391**	**287**	**262**	**—**	**—**	**3,305**	**2,932**
Closing balance, December 31	**16**	**14**	**350**	**337**	**1,267**	**1,355**	**232**	**209**	**542**	**578**	**2,407**	**2,495**

[1] In the income statement depreciation is accounted for within cost of goods sold by SEK 461m (412), within selling expenses by SEK 12m (12) and within administrative expenses by SEK 7m (7).
[2] The net book value for land is SEK 5m (5).

NOTES – PARENT COMPANY

Note 16 Shares in subsidiaries

Country	Subsidiaries	Registration number	Holding, %	2025 Net book value, SEKm	2024 Net book value, SEKm
Australia	Husqvarna Commercial Solutions Australia Pty Ltd	669198261	100	—	—
Belgium	Husqvarna Belgium SA	0400.604.654	100	486	486
Belgium	Husqvarna Commercial Solutions Belgium	0804.269.164	100	7	1
Canada	Husqvarna Canada Corp.	82354277RT0001	100	271	271
Colombia	Husqvarna Colombia S.A.	900.047.189-0	95	1	1
Denmark	Husqvarna Commercial Solutions Danmark A/S	41829184	100	1	1
Denmark	Husqvarna Danmark A/S	26205328	100	16	16
Estonia	Husqvarna Eesti Osaühing	11159436	100	0	0
Finland	Oy Husqvarna Commercial Solutions Finland Ab	3175257-1	100	0	0
France	Husqvarna Commercial Solutions France	914 543 426	100	4	4
Germany	Husqvarna Commercial Solutions Germany GmbH	HRB 741377	100	0	0
Germany	Husqvarna Real Estate Germany GmbH	HRB 742955	100	0	0
India	Husqvarna (India) Products Private Limited	U74999TN2007FTC112630	0,01	0	0
Ireland	Husqvarna Finance Ireland Limited	611319	100	10,976	10,976
Kenya	Outdoor Power Products Husqvarna Kenya Ltd	PVT-DLU8KXM	100	0	0
Latvia	SIA Husqvarna Latvija	40003760065	100	3	3
Netherlands	Husqvarna Commercial Solutions Netherlands B.V.	50898280	100	3	3
Norway	Husqvarna Commercial Solutions Norge AS	925918261	100	0	0
Poland	Husqvarna Commercial Solutions Poland Sp.z.o.o.	0001012533	100	0	0
Poland	Husqvarna Poland Sp.z.o.o.	247636	100	638	638
Slovakia	Husqvarna Slovensko s.r.o.	36437115	100	—	—
South Africa	Husqvarna South Africa (Proprietary) Limited	2005.025971.07	100	19	19
Sweden	Husqvarna Commercial Solutions AB	556745-5893	100	—	—
Sweden	Husqvarna Business Support AB	556037-1964	100	14,600	14,600
Sweden	Husqvarna Direct AB	559170-2609	100	0	0
Sweden	Mariehov 5:38 AB	559288-5379	100	9	9
Sweden	Ever Edge Trademarks Holding AB	559509-5067	100	0	0
U.S.	Millhouse Insurance Company	20-4233540	100	79	79
U.S.	Husqvarna U.S. Holding, Inc.	34-1946153	100	5,723	18,144
Total				**32,838**	**45,253**

During 2025 capital injection was made to Husqvarna Commercial Solutions Belgium of SEK 6m and the net book value of Husqvarna U.S. Holding, Inc. has been impaired with SEK 12,421m. There is also a number of subsidiaries to the subsidiaries, a detailed specification of Group companies is available on request from Husqvarna AB (publ), Investor Relations.

Note 17 Other non-current assets

SEKm	2025	2024
Receivables Group	306	258
Other long-term receivables	15	15
Total	**321**	**273**

Note 18 Inventories

SEKm	2025	2024
Supplies including raw materials	786	741
Products in progress	16	10
Finished products	2,509	2,199
Advances to suppliers	5	62
Total	**3,316**	**3,012**

Provisions for obsolescence are included in the value of the inventory and amounts to SEK 231m (243). Provision made during the year amount to SEK 133m (157) and SEK 145m (101) has been reversed. Inventories valued to net realizable value amounted to SEK 176m (172) referring to finished products and SEK 0m (0) referring to raw materials.

NOTES – PARENT COMPANY

Note 19 Financial assets and liabilities

Financial assets and liabilities per category

SEKm	Financial assets valued at fair value	Financial assets for which hedge accounting is applied	Other financial assets	Total
2025				
Assets				
Derivatives	482	211	—	693
Receivables Group companies[1]	—	—	14,010	14,010
Trade receivables	—	—	965	965
Other receivables	—	—	105	105
Cash and cash equivalents	—	—	203	203
Total	**482**	**211**	**15,283**	**15,976**

SEKm	Financial assets valued at fair value	Financial assets for which hedge accounting is applied	Other financial assets	Total
2024				
Assets				
Derivatives	304	159	—	463
Receivables Group companies[1]	—	—	5,203	5,203
Trade receivables	—	—	1,028	1,028
Other receivables	—	—	19	19
Cash and cash equivalents	—	—	294	294
Total	**304**	**159**	**6,544**	**7,007**

[1] For long-term receivables to Group companies, see note 17.

Financial assets and liabilities per category, cont.

SEKm	Financial liabilities valued at fair value	Financial liabilities for which hedge accounting is applied	Other financial liabilities	Total
2025				
Liabilities				
Borrowings	—	—	10,705	10,705
Liabilities to Group companies	—	—	13,447	13,447
Trade payables	—	—	2,419	2,419
Derivatives	149	147	—	296
Other liabilities	—	—	432	432
Total	**149**	**147**	**27,003**	**27,300**

SEKm	Financial liabilities valued at fair value	Financial liabilities for which hedge accounting is applied	Other financial liabilities	Total
2024				
Liabilities				
Borrowings	—	—	12,246	12,246
Liabilities to Group companies	—	—	16,858	16,585
Trade payables	—	—	2,350	2,350
Derivatives	980	144	—	1,123
Other liabilities	—	—	281	281
Total	**980**	**144**	**31,462**	**32,585**

Future undiscounted cashflows of loans and other financial liabilities as of December 31, 2025[1]

SEKm	2026	2027	2028	2029	2030	>2031	Total
Bonds, bank loans and other loans	–1,968	–4,349	–3,113	–1,084	–575	–553	–11,642
Liabilities to Group companies	–13,320	—	—	—	—	—	–13,320
Derivative liabilities, interest rate	—6	–5	0	—	0	0	–11
Derivative liabilities, foreign exchange	–303	—	—	—	—	—	–303
Trade payables	–2,419	—	—	—	—	—	–2,419
Total financial liabilities	**–18,016**	**–4,354**	**–3,113**	**–1,084**	**–575**	**–552**	**–27,695**

[1] The table includes the forecast future nominal interest payment and, thus, does not correspond to the net book value in the balance sheet.

Derivatives
The main part of the Group's derivatives is held by the Parent Company. Disclosures regarding the derivatives are available in the Group's note 20.

Trade receivables
The Parent Company's trade receivables amount to SEK 965m (1,028) as per December 31, 2025. Trade receivables past due but not impaired amount to SEK 111m (118) as of December 31, 2025.

Aging analysis for past due, but not impaired trade receivables

SEKm	2025	2024
<3 months	74	77
>3 months	37	41
Total past due but not impaired	**111**	**118**

Provision for overdue accounts receivables

SEKm	2025	2024
Opening balance, January 1	14	8
New provisions	8	14
Reversed unused provisions	–1	–8
Write off accounts receivables	–6	—
Closing balance, December 31	**15**	**14**

The credit risk in financial assets is described in the Group's note 20.

Borrowings
The main part of the borrowings in Husqvarna Group is reported within the Parent Company. For disclosures regarding fair value and interest exposure, see the Group's note 20.

Note 20 Other current assets

SEKm	2025	2024
Value added tax	86	90
Miscellaneous short-term receivables	59	69
Prepaid rents and leases	18	17
Prepaid insurance premiums	3	8
Other prepaid expenses	212	219
Total	**378**	**402**

NOTES – PARENT COMPANY

Note 21 Other liabilities

SEKm	2025	2024
Accrued holiday pay	257	252
Other accrued payroll expenses	334	281
Accrued customer rebates	110	101
Other accrued expenses	322	219
Personnel taxes and other taxes	85	183
Total	**1,108**	**1,036**

Note 22 Provisions for pensions

Specification of the net provision for pensions

SEKm	2025	2024
Present value of the funded pension obligations	1,581	1,499
Fair value of plan assets	–957	–959
Surplus/deficit of the pension fund	**624**	**540**
Net provision for pensions	**624**	**540**

Specification of the change in the net provision for pensions

SEKm	2025	2024
Opening balance, January 1	**540**	**438**
Costs for pensions recognized in the income statement	119	138
Benefits paid	–38	–36
Closing balance, December 31	**621**	**540**

Of total net provisions, SEK 621m (540) is within the scope of the Swedish Safe-guarding of Pension Commitments Act.

Pension costs recognized in the income statement

SEKm	2025	2024
Own pensions		
Pension costs	**122**	**141**
Insured pensions		
Insurance premiums	165	161
Total net expenses for pensions	**287**	**302**

Of total net expenses of SEK 287m (302), SEK 145m (153) is recognized in cost of goods sold, SEK 52m (56) in selling expenses and SEK 89m (93) in administration expenses. The expected payments 2026 for own pensions amounts to SEK 41m.

Principal actuarial assumptions at balance sheet date

%	2025	2024
Discount rate	**3**	**3**

The major categories of plan assets as a percentage of total plan assets and the return on these categories

%	2025	Return	2024	Return
Equity instruments	42	14	43	8
Debt instruments	58	1	57	1
Total	**100**	**5**	**100**	**3**

The employees are covered by pension plans in addition to statutory social security insurance. Such pension plans are classified as either defined contribution plans or defined benefit plans. The pension plans are funded which imply that there are assets in a legal entity that exist solely to finance benefits to employees and former employees. White collar employees, born 1978 or earlier, are covered by a final salary collectively bargained defined benefit plan (ITP2). The old-age pension benefit of the plan is financed primarily through a pension fund. Employees born 1979 or later are covered by ITP 1, which is a defined contribution pension plan. More information about pensions are presented in Group notes 4 and 21.

Note 23 Other provisions

SEKm	Provisions for restructuring	Warranty commitments	Other	Total
Opening balance January 1, 2025	**59**	**56**	**13**	**128**
Provisions made	40	30	25	95
Provisions used	–67	–31	–11	–110
Closing balance, December 31, 2025	**31**	**55**	**28**	**114**
Current provisions	27	46	22	95
Non-current provisions	5	8	6	19

Provisions for restructuring
See the Group's note 22 for further information regarding Husqvarna Group's restructuring programmes.

Warranty commitments
Provisions for warranty comprises all potential expenses for repairing or replacing products sold and are normally limited to 24 months.

Note 24 Pledged assets and contingent liabilities

Pledged assets

SEKm	2025	2024
Pension obligation[1]	171	172
Total	**171**	**172**

[1] Refers to endowment that is pledged in favor of the recipient.

Contingent liabilities

SEKm	2025	2024
On behalf of Group companies		
Pension obligation	472	527
Pledged receivables	41	6
Bank guarantee	114	134
On behalf of external counterparties		
Pension obligation	31	30
Total	**659**	**697**

As described in note 24 to the Group's Financial Statements, the Group is exposed to certain contingent liabilities regarding commercial guaranties, commercial litigation, and related disputes. Husqvarna AB (publ), as the parent company of the Group, may be directly liable for such obligations (for example, if it is directly named in such a lawsuit) and/or may have indirect liability for the same, such as when an intra-company guarantee is in place. Please refer to the Groups note 24 for more details.

Note 25 Related party transactions

All transactions with related parties are carried out on market-based terms. Information about the Board of Directors and Group Management and compensation to those are reported in Group note 4, Employees and employee benefits. No unusual transactions have occurred between Husqvarna Group and the Board of Directors or Group Management.

Note 26 Subsequent events

On February 4, Husqvarna Group announced changes in Group Management: Yvette Henshall-Bell has been appointed President Husqvarna Forest & Garden Division. Terry Burke, Chief Financial Officer, Husqvarna Group and Karin Falk, President Construction Division will leave the Group.

NOTES – PARENT COMPANY

Note 27 Changes in financial liabilities

SEKm	Opening balance, January 1, 2025	Cash flows[1]	Reclassification	Foreign exchange movement	Other non-cash movement[2]	Closing balance, December 31, 2025
Current interest-bearing borrowings	2,040	–1,408	965	—	—	1,597
Non-current interest-bearing borrowings	10,206	—	–965	–133	–1	9,108
Total financial liabilities	**12,246**	**–1,408**	**—**	**–133**	**–1**	**10,705**

SEKm	Opening balance, January 1, 2024	Cash flows[1]	Reclassification	Foreign exchange movement	Other non-cash movement[2]	Closing balance, December 31, 2024
Current interest-bearing borrowings	5,812	–5,347	1,580	—	–4	2,040
Non-current interest-bearing borrowings	8,406	3,279	–1,580	101	—	10,206
Total financial liabilities	**14,218**	**–2,068**	**—**	**101**	**–4**	**12,246**

[1] Cash flow from financial liabilities is included in the Parent Company's cash flow statement under "Proceeds from borrowings" and "Repayment of borrowings".
[2] Other non-cash movement includes share swap agreements.

Note 28 Proposed distribution of earnings

The Board of Directors proposes a dividend for 2025 of SEK 1.25 per share (1.00) corresponding to a total dividend payment of SEK 715m (572) based on the number of outstanding shares at the end of 2025. It is also proposed that the dividend will be paid in two instalments to better match the Group's cash flow profile, with one payment of SEK 0.5 per share in April and the remaining SEK 0.75 per share in October. The proposed record dates are April 20, 2026 for the first payment and October 20, 2026 for the second payment.

SEKt	2025
The following profits are at the disposal of the AGM:	
Share premium reserve	2,605,747
Retained earnings	21,338,221
Net income for the period	1,981,059
Total	**25,925,026**

SEKt	2025
The Board proposes the following allocation of available profits:	
Dividend to the shareholders of SEK 1,25 per share[1]	714,711
To be carried forward	25,210,315
Total	**25,925,026**

[1] Calculated on the number of outstanding shares as per December 31, 2025.

The Board is of the opinion that the dividend proposed above is justifiable on both the Company and the Group level with regard to the demands on the Company and Group equity imposed by the type, scope and risks of the business and with regard to the Company and the Group's financial strength, liquidity and overall position.

AUDITOR'S REPORT

Declaration by the Board of Directors and the CEO

The Board of Directors and the CEO declare that the annual report have been prepared in accordance with generally accepted accounting principles in Sweden and that the consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as adopted by the EU, and that the annual report and the consolidated financial statements have been prepared in accordance with the adopted European Sustainability Reporting Standards (ESRS) and the specifications adopted pursuant to the Taxonomy Regulation (EU) 2020/852. The annual report and the consolidated financial statements give a true and fair view of the Parent Company's and the Group's financial position and results of operations.

The statutory Administration Report of the Group and the Parent Company provides a fair review of the development of the Group's and the Parent Company's operations, financial position and results of operations and describes material risks and uncertainties facing the Parent Company and the companies included in the Group.

The contents of the annual report were finalized on March 12, 2026.
Stockholm, March 12, 2026

Torbjörn Lööf
Chair of the Board

Claes Boustedt
Board member

Katarina Martinson
Board member

Ingrid Bonde
Board member

Marlies Gebetsberger
Board member

Magnus Jarlegren
Board member

Daniel Nodhäll
Board member

Christine Robins
Board member

Glen Instone
CEO

Anders Krantz
Board member and
Employee representative

Dan Byström
Board member and
Employee representative

Our audit report on the annual report and the consolidated financial statements,
and our assurance report on the sustainability report, were issued on March 12, 2026
KPMG AB

Joakim Thilstedt
Authorized Public Accountant

Auditor's report

To the general meeting of the shareholders of Husqvarna AB (publ), corp. id 556000-5331

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Husqvarna AB (publ) for the year 2025, except for the sustainability report on pages 37–72. The annual accounts and consolidated accounts of the company are included on pages 24–120 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2025 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the sustainability report on pages 37–72.

A corporate governance statement has been prepared. The statutory administration report and the corporate governance statement are consistent with the other parts of the annual accounts and consolidated accounts, and the corporate governance statement is in accordance with the Annual Accounts Act.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Valuation of goodwill, trademarks and customer relations

See disclosure 14 and accounting principles on page 88 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

The book value of goodwill, trademarks and customer relations amount to SEK 14,489 million as of 31 December 2025, representing 28% of total assets. Goodwill and trademarks with an indefinite useful life should be subject to an annual impairment test. Other intangible assets are tested when impairment indicators are identified.

Impairment tests are complex and include significant levels of judgments. The calculation of the assets' recoverable amount is based on forecasts and discounted future cash flow projections, which are established with reference to factors such as estimated discount rates, revenue- and profit forecasts and predicted long-term growth that may be influenced by management's assessments.

Response in the audit

We have obtained and assessed the group's impairment tests to ensure they have been carried out in accordance with the technique stipulated in IFRS Accounting Standards.

Furthermore, we have evaluated management's future cash flow forecasts and the underlying assumptions, which includes the long-term growth rate and the assumed discount rate, by obtaining and evaluating the group's written documentation and plans. We have also considered previous years' forecasts in relation to the actual outcome.

An important part of our work has also been to evaluate how changes to the assumptions may impact the valuation. The evaluation has been carried out by obtaining and assessing the group's sensitivity analysis.

We have also analyzed the disclosures in the Annual Report and considered whether they accurately reflect the assumptions that group management apply in their valuation and whether they, in all material respects, are in line with the disclosures required by IFRS Accounting Standards.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–23, 37–72 and 126–133. The other information comprises also of the remuneration report which we obtained prior to the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden 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 annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, 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 opinions. 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 the company's internal control relevant to our 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 the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group'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 annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. 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 a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures that have been taken to eliminate the threats or related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

AUDITOR'S REPORT

Report on other legal and regulatory requirements

Auditor's audit of the administration and the proposed appropriations of profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Husqvarna AB (publ) for the year 2025 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the Esef report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Husqvarna AB (publ) for year 2025.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Husqvarna AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of the assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of Husqvarna AB (publ) by the general meeting of the shareholders on the 29 April 2025. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2021.

Stockholm 12 March 2026
KPMG AB

Joakim Thilstedt
Authorized Public Accountant

Auditor's limited assurance report of Husqvarna AB (publ):s sustainability statement

To the general meeting of the shareholders of Husqvarna AB (publ), corp. id 556000-5331

Conclusion

We have conducted a limited assurance engagement of the sustainability statement for Husqvarna AB (publ) (the "company") for the financial year 2025. The sustainability statement is included on pages 37–72 in this document.

Based on our limited assurance engagement as described in the section Auditor's responsibility, nothing has come to our attention that causes us to believe that the sustainability statement does not, in all material respects, meet the requirements of the Swedish Annual Accounts Act which includes,

- whether the sustainability statement meets the requirements of ESRS,
- whether the process the company has carried out to identify reported sustainability information has been conducted as described in the sustainability statement, and
- compliance with the reporting requirements of the EU:s Green Taxonomy Regulation Article 8.

Basis for conclusion

We have conducted the assurance engagement in accordance with FAR's recommendation RevR 19 The auditor's limited assurance regarding the statutory sustainability statement. Our responsibility according to this recommendation is further described in the section Auditor's responsibility.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matters

The sustainability information for the prior year has not been subject to a limited assurance review in accordance with RevR 19 The auditor's limited assurance regarding the statutory sustainability statement, and consequently the review of the comparative information in the sustainability statement for 2025 has therefore not been performed in accordance with this recommendation.

Information other than the sustainability statement

This document also contains information other than the sustainability statement and is found on pages 1–36, 73–120 and 126–133. The Board of Directors and the Managing Director are responsible for this other information.

Our conclusion on the sustainability statement does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our limited assurance engagement on the sustainability statement, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the sustainability statement. In this procedure we also take into account our knowledge otherwise obtained in the limited assurance engagement and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of sustainability statement in accordance with Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act, and for such internal control as they determine is necessary to enable the preparation of the sustainability statement that is free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion with limited assurance on whether the sustainability statement has been prepared in accordance with Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act based on our review. The limited assurance engagement has been conducted in accordance with FAR's recommendation RevR 19 The auditor's limited assurance regarding the statutory sustainability statement. This recommendation requires that we plan and perform our procedures to obtain limited assurance that the sustainability statement is prepared in accordance with these requirements.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. This means that it is not possible for us to obtain such assurance that we become aware of all significant matters that could have been identified if a reasonable assurance engagement had been performed.

Our firm applies ISQM 1 (International Standard on Quality Management), which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We are independent of Husqvarna AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

A limited assurance engagement involves performing procedures to obtain evidence to support the sustainability statement. The auditor selects the procedures to be performed, including assessing the risks of material misstatements in the sustainability statement, whether due to fraud or error. In this risk assessment, the auditor considers the parts of the internal control that are relevant to how the Board of Directors and the Managing Director prepare the sustainability statement, in order to design procedures that are appropriate under the circumstances, but not for the purpose of providing a conclusion on the effectiveness of the company's internal control. The review consists of making inquiries, primarily of persons responsible for the preparation of the sustainability statement, performing analytical review, and conducting other limited review procedures.

In conducting our limited assurance engagement, with respect to the process undertaken to identify the sustainability information to be reported, we have:

- Obtained an understanding of the process by:
  - performing inquiries to understand the sources of the information used by management; and
  - reviewing the company's internal documentation of its Process; and

AUDITOR'S LIMITED ASSURANCE REPORT OF HUSQVARNA AB (PUBL):S SUSTAINABILITY STATEMENT

- Evaluated whether the evidence obtained from our review procedures regarding the Process implemented by the company was consistent with the description of the Process set out in the sustainability statement.

In conducting our limited assurance engagement, with respect to the sustainability statement, we have performed, but were not limited to, the following:

- Through inquiries, obtained a general understanding of the company's reporting and consolidation processes, including the company's internal control environment and information systems, relevant to the preparation of information in the sustainability statement.
- Evaluated whether information identified as material through the process the company has carried out is also included in the sustainability statement.
- Evaluated whether the structure and the presentation of the sustainability statement is in accordance with the requirements of the ESRS.
- Performed inquiries with relevant personnel and analytical procedures on selected disclosures in the sustainability statement.
- Performed substantive procedures through sample testing on selected disclosures in the sustainability statement.
- Through inquiries, obtained understanding of the methods used to develop material estimates and how these methods were applied.
- Through inquiries, obtained a general understanding of the process to identify economic activities which are eligible and aligned with the EU Green Taxonomy, and the corresponding disclosures in the sustainability statement.
- Performed substantive procedures through sample testing on selected disclosures in the sustainability statement related to the EU Green Taxonomy.

Inherent limitations in preparing the sustainability statement
In reporting forward-looking information in accordance with ESRS, the Board of Directors and the Managing Director of Husqvarna AB (publ) are required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by Husqvarna AB (publ). Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Stockholm, 12th of March 2026
KPMG AB

Joakim Thilstedt
Authorized Public Accountant

Financial definitions

This report includes financial measures as required by the financial reporting framework applicable to Husqvarna Group, which is based on IFRS. In addition, there are other measures (alternative performance measures) used by management and other stakeholders to analyze trends and performance of the Group's operations that cannot be directly read or derived from the financial statements. Husqvarna stakeholders should not consider these as substitutes, but rather as additions, to the financial reporting measures prepared in accordance with IFRS. Please note that the alternative performance measures as defined, may not be comparable to similarly titled measures used by other companies. Refer below for a list of definitions of all measures and indicators used, referred to and presented in this report.

Computation of average amounts	The computation of key ratios are based on averages of capital balances the last 12 months
Roundings	All items are stated in SEKm and, accordingly, rounding differences can occur.
Last twelve months (LTM)	An average of the last twelve months has been used to assist stakeholders in their analysis of seasonal variation in the market Husqvarna Group operates in.

Alternative performance measures	Description and reason for use
Profitability measures	
Organic growth	Organic growth is the change in net sales compared to the same period of the previous year excluding acquisitions, divestments, planned exits and adjusted for currency translation effects. The measure is important in order to understand the underlying performance of the operations and increases the comparability between periods.
Gross margin	Gross income as a percentage of net sales.
EBITDA	EBITDA is a measure of earnings before interest, taxes, depreciation, amortization and impairment charges. EBITDA measures Husqvarna Group's operating performance and the ability to generate cash from operations, without considering the capital structure of the Group or its fiscal environment.
EBITDA margin	EBITDA as a percentage of net sales.
Operating margin	Operating income as a percentage of net sales. The operating margin is a key profitability measure.

Capital indicators	Description and reason for use
Capital employed	Total equity and liabilities less non-interest-bearing debt including deferred tax liabilities. This measure shows the amount of capital that is used in the operations and is an important component for measuring the return from operations.
Capital expenditure	Investments in property, plant and equipment, right of use assets and intangible assets.
Capital turnover rate	Net sales during the last twelve months divided with average net assets. Shows how effectively capital is managed and is a key measure for monitoring value creation.
Equity / assets ratio	Equity attributable to equity holders of the Parent Company as a percentage of total assets. A measure for showing financial risk, expressing the percentage of total assets that is financed by the owners.
Liquid funds	Cash and cash equivalents, short-term investments and fair value derivative assets. Shows the ability to repay short term commitments.
Net assets	Total assets excluding liquid funds and interest-bearing assets less operating liabilities, non-interest-bearing provisions and deferred tax liabilities.
Net debt	Net debt is defined as total interest-bearing liabilities plus dividend payable, less liquid funds and interest-bearing assets. The key performance indicator shows the Group's indebtedness.
Net debt / EBITDA excluding Items affecting comparability	Average net debt in relation to EBITDA last twelve months, excluding items affecting comparability. A financial measure that shows the company's capacity to repay its debt, adjusted for the impact of items affecting comparability.

FINANCIAL DEFINITIONS

Capital indicators (cont.)	Description and reason for use
Net debt /equity ratio	Net debt in relation to total equity. Shows financial risk and is a useful measure to monitor the level of the company's indebtedness.
Operating working capital	Inventories and trade receivables less trade payables. This measure shows how much working capital is tied up in the operations and can be put in relation to sales to understand how efficient working capital is managed.
Operating working capital /net sales	Average operating working capital as a percentage of net sales last twelve months. This measure is an important indicator for how efficient working capital is managed.
Return on capital employed (ROCE)	Operating income during the last twelve months as a percentage of average capital employed. A central ratio for measuring return on capital tied up in operations.
Return on equity (ROE)	Net income attributable to equity holders of the Parent Company last twelve months as a percentage of average equity attributable to equity holders of the Parent Company. The indicator shows how shareholders' capital yields interest during the period.

Share-based measures	Description and reason for use
Earnings per share, after dilution	Earnings per share is expressed as net income attributable to equity holders of the parent company divided by the weighted average number of shares outstanding (net of treasury shares), after dilution. Earnings per share is a good measure of the company's profitability and is used to determine the value of the company's outstanding shares.
Equity per share, after dilution	Equity attributable to equity holders of the Parent Company divided by the weighted average number of shares outstanding (net of treasury shares), after dilution. A measure of the amount of equity that exists per outstanding share and is used for measuring the share against the share price.

Other measures	Description and reason for use
Direct operating cash flow	EBITDA, excluding items affecting comparability, adjusted for change in trade payables, inventory and trade receivables and investments in property, plant and equipment and intangible assets. Direct operating cash flow provides a measure of the cash generated by the Groups operating business.
Items affecting comparability	Within items affecting comparability, Husqvarna includes items like restructuring costs and significant one-time expenses or income to enhance comparability between periods and provide a better understanding of the company´s underlying operating activities.

Five-Year Review

Income and key ratios, SEKm	2025	2024	2023	2022	2021
Net sales	46,613	48,352	53,261	54,037	47,059
Husqvarna Forest & Garden Division	27,788	28,152	31,759	32,082	29,217
Gardena Division	11,493	12,281	12,964	13,606	10,537
Husqvarna Construction Division	7,177	7,766	8,398	8,232	7,210
Gross income	**14,099**	**14,299**	**16,125**	**14,613**	**15,513**
Gross margin, %	*30.2*	*29.6*	*30.3*	*27.0*	*33.0*
EBITDA*	5,866	5,505	6,985	6,385	7,987
EBITDA margin, %	*12.6*	*11.4*	*13.1*	*11.8*	*17.0*
Operating income	**2,898**	**2,597**	**3,880**	**3,043**	**5,746**
Operating income excl. items affecting comparability*	2,901	3,195	4,970	4,853	5,684
Operating margin, %	*6.2*	*5.4*	*7.3*	*5.6*	*12.2*
*Operating margin excl. items affecting comparability, %**	*6.2*	*6.6*	*9.3*	*9.0*	*12.1*
*Husqvarna excl. items affecting comparability, %**	*7.8*	*7.8*	*10.2*	*10.0*	*12.7*
*Gardena excl. items affecting comparability, %**	*6.4*	*6.7*	*8.8*	*8.6*	*14.5*
*Construction excl. items affecting comparability, %**	*8.9*	*8.4*	*11.9*	*10.4*	*11.7*
Income after financial items	**2,149**	**1,733**	**2,878**	**2,581**	**5,494**
Net Income for the period	**1,769**	**1,326**	**2,177**	**1,932**	**4,437**
Of which depreciation, amortization and impairment	–2,968	–2,908	–3,105	–3,342	–2,241

Financial position and key ratios, SEKm	2025	2024	2023	2022	2021
Total assets	52,094	56,803	57,610	61,636	50,920
Net assets	35,373	39,092	39,412	41,720	31,270
Husqvarna Forest & Garden Division	16,017	16,958	18,078	18,187	13,657
Gardena Division	12,957	14,917	14,823	16,798	13,740
Husqvarna Construction Division	6,230	6,893	7,107	7,334	6,281
Operating working capital	13,051	14,393	16,986	18,490	11,350
Total equity	23,540	24,622	23,772	24,011	21,646
Net debt*	11,833	14,471	15,640	17,709	9,623
Return on capital employed, %*	*7.1*	*5.9*	*8.4*	*7.3*	*17.9*
Return on equity, %	*7.2*	*5.3*	*8.5*	*7.9*	*22.2*
Capital turn-over rate, times	1.3	1.2	1.3	1.4	1.9
Net debt/equity ratio	0.50	0.59	0.66	0.74	0.44
Equity/assets ratio, %	*45*	*43*	*41*	*39*	*42*

Cash flow, SEKm	2025	2024	2023	2022	2021
Direct operating cash flow*	3,267	6,905	6,541	–572	3,651
Capital expenditure	2,258	2,603	2,627	2,344	2,524

Other key ratios	2025	2024	2023	2022	2021
Earnings per share after dilution, SEK	3.09	2.31	3.81	3.38	7.73
Equity per share after dilution, SEK	41.1	43.0	41.6	41.9	37.7
Average number of shares after dilution, millions	572.5	572.5	571.6	573.0	574.1
Dividend per share, SEK[1]	1.25	1.00	3.00	3.00	3.00
Dividend pay-out ratio, %[2]	*40*	*43*	*79*	*89*	*39*
Salaries and remunerations, SEKm	9,595	9,770	9,875	9,279	8,156
Average number of employees	11,915	13,353	13,755	14,416	13,873

[1] As proposed by the Board.
[2] Dividend pay-out ratio is defined as total dividend in relation to net income excluding non-controlling interest.
* Alternative Performance Measure, refer to section "Financial definitions" for further information.

Quarterly Data

Income, SEKm	Year	Q1	Q2	Q3	Q4	Full year
Net sales	2025	14,704	15,277	9,204	7,429	46,613
	2024	14,719	15,430	9,739	8,464	48,352
	2023	17,167	16,976	10,512	8,605	53,261
Operating income	2025	1,532	2,063	141	–837	2,898
	2024	1,930	1,899	52	–1,285	2,597
	2023	2,364	2,101	398	–983	3,880
Operating income excl. items affecting comparability*	2025	1,561	2,041	140	–841	2,901
	2024	1,930	1,906	53	–694	3,195
	2023	2,410	2,313	415	–168	4,970
Operating margin excl. items affecting comparability, %*	2025	10.6	13.4	1.5	–11.3	6.2
	2024	13.1	12.4	0.5	–8.2	6.6
	2023	14.0	13.6	3.9	–1.9	9.3
Net income for the period	2025	971	1,579	–10	–770	1,769
	2024	1,322	1,273	–153	–1,116	1,326
	2023	1,653	1,411	125	–1,011	2,177
Earnings per share after dilution, SEK	2025	1.69	2.76	–0.02	–1.34	3.09
	2024	2.31	2.22	–0.27	–1.95	2.31
	2023	2.88	2.46	0.22	–1.77	3.81

Financial position, SEKm	Year	Q1	Q2	Q3	Q4	Full year
Net debt*	2025	13,702	12,310	12,725	11,833	11,833
	2024	17,762	15,615	12,828	14,471	14,741
	2023	17,178	15,748	15,184	15,640	15,640
Operating working capital	2025	15,938	15,851	9,911	13,051	13,051
	2024	21,556	19,304	15,261	14,393	14,393
	2023	21,412	20,305	18,636	16,986	16,986

Net sales by division, SEKm	Year	Q1	Q2	Q3	Q4	Full year
Husqvarna Forest & Garden Division	2025	8,768	8,701	5,594	4,725	27,788
	2024	8,272	8,722	5,825	5,332	28,152
	2023	10,656	9,722	6,123	5,257	31,759
Gardena Division	2025	4,045	4,688	1,799	981	11,493
	2024	4,414	4,566	2,037	1,264	12,281
	2023	4,321	5,031	2,287	1,326	12,964
Husqvarna Construction Division	2025	1,857	1,871	1,773	1,676	7,177
	2024	2,008	2,105	1,832	1,820	7,766
	2023	2,177	2,192	2,061	1,968	8,398

Operating margin by division, %	Year	Q1	Q2	Q3	Q4	Full year
Husqvarna Forest & Garden Division	2025	12.6	13.2	4.0	–6.9	7.7
	2024	14.4	13.1	2.5	–7.8	7.3
	2023	15.7	11.6	4.8	–7.2	8.5
Gardena Division	2025	11.1	17.5	–9.0	–38.4	6.3
	2024	15.3	15.1	–7.6	–36.9	6.0
	2023	13.5	16.3	–2.0	–30.7	7.3
Husqvarna Construction Division	2025	7.3	12.7	11.5	3.8	8.9
	2024	10.1	9.7	8.2	–13.1	4.1
	2023	12.0	12.4	10.9	–0.2	9.0

* Alternative Performance Measure, refer to section "Financial definitions" for further information.

The Share

Listing and trading volume
The Husqvarna AB shares have been listed on Nasdaq Stockholm since June 2006. A total of 294 million shares (293) were traded in 2025, corresponding to an average daily trading volume of 1.2 million shares. During 2025, the price of the B-share decreased by 19 percent to SEK 46.51 (57.74).

Share swap agreement
At year-end, the total number of Husqvarna AB shares held by a third party as a share swap agreement amounted to 4,574,780 B-shares (4,646,861) corresponding to 0.8 percent (0.8) of the total number of outstanding shares. The purpose of the share swap agreement is to hedge obligations under the Group's long-term incentive programs.

Conversion of shares
Shareholders who hold A-shares are entitled to convert their A-shares into B-shares. 300 A-shares were converted to B-shares in 2025.

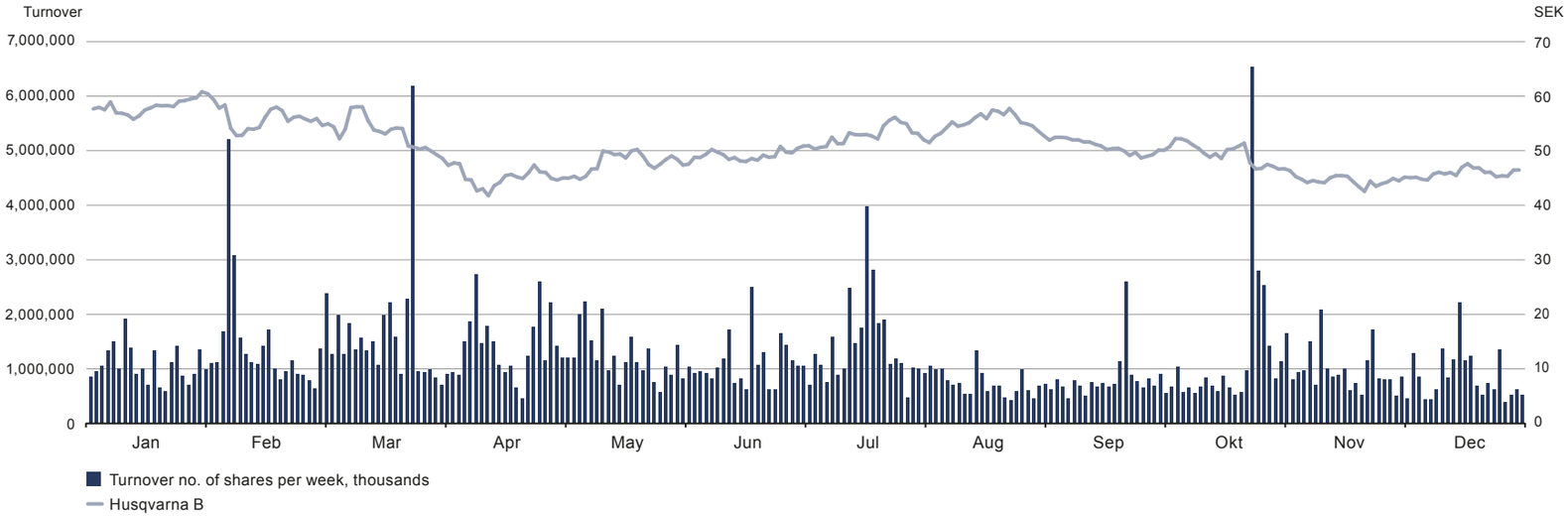
Shares and share capital
At year-end 2025, the share capital in Husqvarna AB (publ) amounted to SEK 1,153 million (1,153), comprising 107,824,905 A-shares (107,825,205) and 468,518,873 B-shares (468,518,573). The full development of the company's share capital since its incorporation in 2006 can be found on www.husqvarnagroup.com.

Dividend and dividend policy
Husqvarna Group's dividend policy is that annual dividend shall normally exceed 40 percent of income for the year. The Board of Directors will propose a dividend for 2025 of SEK 1.25 (1.00) per share to the 2026 Annual General Meeting. It is proposed that the dividend is to be paid in two installments: the first of SEK 0.50 per share with record date on April 20, 2026, and the second of SEK 0.75 per share with record date on October 20, 2026.

Analyst coverage
For a current list of analysts who continuously cover Husqvarna Group, visit www.husqvarnagroup.com.

ADR
Husqvarna Group sponsors a Level 1 American Depositary Receipt (ADR) program in the U.S. The ADRs, which each represent two ordinary B-shares, are publicly traded in the U.S. on the OTC Market, under symbol HSQVY. The ADR is a USD denominated security and the associated dividends are paid to investors in USD. Citibank is ADR depositary bank.

Husqvarna B, price development 2025



Source: Modular Finance AB

Key facts

Husqvarna AB shares		ISIN codes:	A-share SE0001662222 B-share SE0001662230
Listing:	Nasdaq Stockholm	Husqvarna ADR	
Number of shares:	576,343,778	Ticker code:	HSQVY
Market capitalization at year-end 2025:	SEK 26.8bn	ISIN code:	US4481031015
Ticker codes:	Bloomberg: HUSQA SS, HUSQB SS Thomson Reuters: HUSQa.ST, HUSQb.ST Nasdaq Stockholm: HUSQ A, HUSQ B	Ratio:	Two ordinary B-shares equal one ADR

THE SHARE

Largest shareholders in Husqvarna AB as of December 31, 2025

Owner	Capital, %	Votes, %
Investor	16.8	33.9
Robert Bosch	12.0	4.5
Lundbergföretagen	7.7	25.8
Silchester International Investors	5.0	1.9
Swedbank Robur Fonder	2.9	1.1
Fourth Swedish National Pension Fund	2.4	0.9
Vanguard	2.4	0.9
Magallanes Value Investors	2.2	0.8
BlackRock	1.6	0.6
Folksam	1.6	0.6
Owner list top 10	**54.7**	**70.9**
Other	45.3	29.1
Total	**100%**	**100%**

Source: Modular Finance AB

Shareholding by size in Husqvarna AB

Size of holding	Capital, %	Votes, %
1–1,000	2.5	2.5
1,001–10,000	4.5	3.9
10,001–100,000	3.1	1.9
100,001–1,000,000	6.0	3.1
1,000,001–	66.9	81.3
Unknown holding size	17.0	7.4
Total	**100%**	**100%**

Source: Modular Finance AB

Share data

	2025	2024	2023
Earnings per share, SEK	3.09	2.32	3.81
Earnings per share after dilution, SEK	3.09	2.31	3.81
Equity per share after dilution, SEK	41.1	43.0	41.6
Dividend per share, SEK[1]	1.25	1.00	3.00
Dividend payout ratio[1], %	40	43	79
Year-end price, A-share, SEK	46.30	58.10	82.30
Year-end price, B-share, SEK	46.51	57.74	82.98
Number of shareholders	76,688	79,979	80,078
Market capitalization, SEKm	26,783	33,317	47,751

[1] Dividend 2025 as proposed by the Board.
Source: Modular Finance AB

Distribution of shareholding by country

Sweden	50%
Germany	12%
USA	7%
Great Britain	5%
Spain	2%
Others	6%
Unknown	17%

Source: Modular Finance AB

1.25

PROPOSED DIVIDEND PER SHARE, SEK

Further information concerning the share

The following information, and more, is available on www.husqvarnagroup.com

- Share price development
- Shareholder ownership structure
- Conversion of A-shares
- Analyst coverage
- Repurchase of shares
- Share capital

2026 Annual General Meeting

The 2026 AGM of Husqvarna AB (publ) will be held on Thursday, April 16, 2026 at the Jönköping Concert & Congress hall at Elmia, Elmiavägen 15 in Jönköping, Sweden, from 16:00–18:00 (CET).

Participation
Shareholders may participate in the AGM either (1) by attending the meeting venue in person or by proxy, or (2) by advance voting. In either case, to be eligible to participate, a shareholder must be registered in the register of shareholders maintained by Euroclear Sweden AB as of Wednesday, April 8, 2026 and notify attendance no later than Friday, April 10, 2026.

Notice of participation in person
Notice of intent to participate in person or by proxy can be given:

- at www.husqvarnagroup.com
- by telephone at +46 36 14 70 10 between 9:00 a.m. and 4:00 p.m. (CET) weekdays, or
- by mail to Husqvarna AB, c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden

The notification to attend in person (or by proxy) must include the shareholder's name, personal or company registration number, address, telephone number and information on the number of assistants (maximum two) that will be attending, if any.

Notice of participation by advance voting
Notice of intent to participate by advance voting can be given at www.husqvarna-group.com. Notice should include the shareholder's name, social security number or company registration number if any, address and telephone number.

Information provided together with the notice will be made subject to data processing and will be used solely for the 2026 AGM. Shareholders may vote by proxy, in which case a power of attorney must be submitted to Husqvarna AB prior to the AGM.

Shares registered by nominees
To participate in the AGM, shareholders whose shares are nominee registered must have their shares temporarily registered in their own name not later than on Wednesday, April 8, 2026. To ensure that such registration is made prior to Wednesday, April 8, 2026, shareholders must inform the nominee well in advance of this date. Voting right registrations completed not later than Friday, April 10, 2026 are taken into account when preparing the share register.

Dividend
The Board has proposed a dividend for financial year 2025 of SEK 1.25 per share to be paid in two installments, firstly SEK 0,50 per share with Monday, April 20, 2026 as the first record day, secondly SEK 0,75 per share with Tuesday, October 20, 2026 as the second record day. Assuming the AGM resolves in accordance with the Boards' proposal, the estimated date for payment of the dividend from Euroclear Sweden AB is Thursday, April 23, 2026 for the first part of the dividend and Friday, October 23, 2026 for the second part.

The last day for trading in Husqvarna AB shares with a right to the first part of the dividend is Thursday, April 16, 2026. The last day for trading in Husqvarna AB shares with a right to the second part of the dividend is Friday, October 16, 2025.

For information on how your personal data is processed, see www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf

Financial calendar 2026

April 23	Interim Report January–March
April 16	Annual General Meeting
July 17	Interim Report January–June
October 21	Interim Report January–September

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Market data, statistics and market shares are estimates made by Husqvarna Group.

Factors affecting forward-looking statements
This report contains forward-looking statements in the sense referred to in the American Private Securities Litigation Reform Act of 1995. Such statements comprice, among other things, financial goals, goals of future business and financial plans. These statements are based on present expectations and are subject to risks and uncertainties that may give rise to major deviations of the result due to several aspects. These aspects include, among other things: consumer demand and market conditions in the geographical areas and lines of business in which Husqvarna Group operates, the effects of currency fluctuations, downward pressure on prices due to competition, a material reduction of sales by important distributors, any success in developing new products and in marketing, outcome of any product responsibility litigation, progress when it comes to reach the goals set for productivity and efficient use of capital, successful identification of growth opportunities and acquisition objects, and to integrate these into the existing business and successful achievement of goals to make the supply chain more efficient.

PRODUCTION
Husqvarna AB (publ) and Solberg Kommunikation AB

Husqvarna Group

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