ANNUAL AND SUSTAINABILITY REPORT 2021

MOBILE LIVING MADE EASY

DOMETIC

The statutory annual report comprises pages 59–126. The statutory sustainability report as required under the Swedish Annual Accounts Act is provided on pages 33–45 and 127–132. Comparative figures in brackets refer to the corresponding figures for the preceding year.

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OUR CONTRIBUTION TO A MORE SUSTAINABLE WORLD

Dometic contributes to a more sustainable world by enabling people to enjoy and explore nature – locally and more frequently. We do so by offering innovative, durable, low-carbon products that inspire an active, comfortable and responsible life in the outdoors.

MOBILE LIVING MADE EASY

In 2021, Dometic had net sales of SEK 21.5 billion, an EBITA margin[1)] of 15.6 percent and an operating cash flow of SEK 1.7 billion. Dometic is a global market leader in the mobile living industry. Millions of people around the world use Dometic products in Outdoor, Residential, and professional applications. Our motivation is to create smart, sustainable, and reliable products with outstanding design for an outdoor and mobile lifestyle in the areas of Food & Beverage, Climate, Power & Control, and Other Applications. Dometic employs more than 9,000 people worldwide and is headquartered in Stockholm, Sweden. Dometic shares are traded on the Nasdaq Stockholm Large Cap.

1) Before amortization of acquisition-related intangible assets and items affecting comparability.

NET SALES
21,516
SEKm

PRODUCTS SOLD IN
100
COUNTRIES

EBITA MARGIN
15.6
PERCENT

NO. OF EMPLOYEES
9,095
WORLDWIDE

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PRODUCTS AND SOLUTIONS IN FOUR MAJOR CORE APPLICATION AREAS

FOOD & BEVERAGE

For leisure and professional mobile food and beverage applications, such as refrigerators, mini bars, cooling boxes, mobile delivery solutions and cooking products.

CLIMATE

For leisure and professional mobile climate and temperature-control applications, such as air conditioners, tents, parking coolers and heating solutions.

POWER & CONTROL

For leisure and professional mobile power and control applications, such as steering systems, batteries, energy solutions, displays and monitors.

OTHER APPLICATIONS

For leisure and professional mobile applications, such as sensors, sanitation solutions and complementary products.

A WELL-DIVERSIFIED BUSINESS

- Food & Beverage, 29% (28)
- Climate, 37% (40)
- Power & Control, 21% (18)
- Other applications, 13% (14)

- Americas, 28% (27)
- EMEA, 32% (35)
- APAC, 9% (8)
- Global 31% (30)

- Original Equipment Manufacturer, OEM, 50% (54)
- Service & Aftermarket, 35% (35)
- Distribution 15% (11)

- Americas, 53% (51)
- EMEA, 37% (40)
- APAC, 10% (9)

2021 IN BRIEF

In 2021, Dometic achieved a new milestone upon passing SEK 20 billion in annual net sales.

Net sales increased by 33 percent compared to 2020. EBITA margin before items affecting comparability improved to 15.6 percent (13.8) and operating cash flow was SEK 1,749 million (2,258). The strategy for profitable expansion is built on a combination of organic and acquisitive growth and in 2021, Dometic announced nine acquisitions. The acquisitions, all focusing on Distribution and Service & Aftermarket sales channels, will help transform Dometic into a more consumer-oriented company with more recurring sales and higher margins.

Strategy implementation continued at a high pace to build a stronger company for the long term. After 2020, a year heavily impacted by the spread of COVID-19, market demand for Dometic's products and solutions recovered in 2021, driven by a strong end-user appetite for staycations and outdoor activities. Supply chain and price management have been key activities in a market where component shortages, increased raw material prices, and transport lead times and costs increased. Working capital and operating cash flow was impacted by the strong market demand and longer than normal supply lead-times.

Significant improvements were achieved in the area of Sustainability. CO_2 emissions in relation to net sales declined by 25 percent, supported by a continued transition to renewable indirect energy.

FINANCIAL HIGHLIGHTS 2021

- Net sales increased by 33 percent to SEK 21,516 m (16,207).
- Organic sales growth 23 percent.
- Operating profit (EBITA) of SEK 3,348 m (2,235).[1)]
- Operating cash flow of SEK 1,749 m (2,258).
- Profit for the year of SEK 1,726 m (451).
- Earnings per share of SEK 5.58 (1.52).

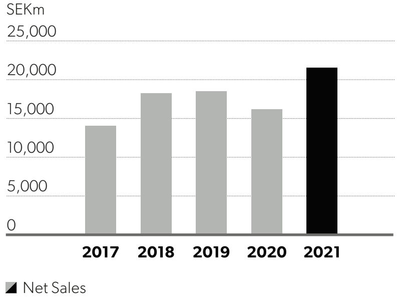
BUSINESS HIGHLIGHTS 2021

- Nine acquisitions announced.
- Share of sales in Distribution and Service & Aftermarket reached 50 percent (46).
- Innovation index improved to 26 percent (22).
- Reduction of SKUs by 59 percent (48)[2)].

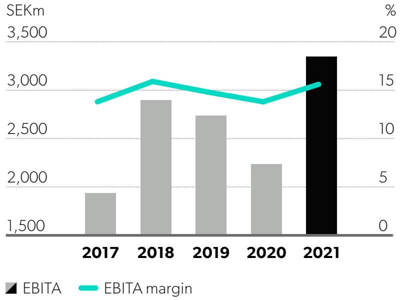
1) Before amortization of acquisition-related intangible assets and items affecting comparability.
2) Compared to 2018.

ANNUAL PERFORMANCE

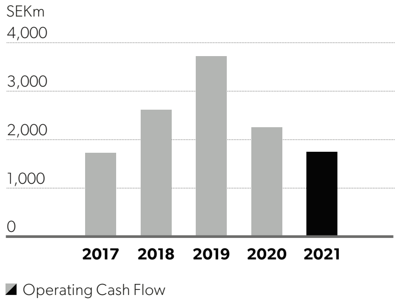
Net sales



EBITA and EBITA margin[1)]



Operating cash flow



Highlights per quarter

Q1 2021

RECORD START OF THE YEAR

- Net sales of SEK 4,858 m (4,199), corresponding to a growth of 16 percent.
- Operating profit (EBITA)[1)] of SEK 801 m (498), corresponding to a margin of 16.5 percent (11.9).
- Operating cash flow of SEK –20 m (181).
- Start to report on Sustainability KPIs in the quarterly earnings reports.

Q2 2021

ALL-TIME HIGH SALES AND EBIT

- Net sales of SEK 5,571 m (3,329), corresponding to a growth of 67 percent.
- Operating profit (EBITA)[1)] of SEK 1,037 m (438), corresponding to a margin of 18.6 percent (13.2).
- Operating cash flow of SEK 875 m (311).
- Three more sites switched over to renewable electricity supply.

Q3 2021

STRONG SALES GROWTH AND SOLID MARGINS

- Net sales of SEK 5,545 m (4,466), corresponding to a growth of 24 percent.
- Operating profit (EBITA)[1)] of SEK 879 m (763), corresponding to a margin of 15.9 percent (17.1).
- Operating cash flow of SEK 346 m (1,043).
- LTIFR (Injury rate per million working hours) reduced by 40 percent in one year.

Q4 2021

32 PERCENT SALES GROWTH AND RECORD HIGH BACKLOG

- Net sales of SEK 5,542 m (4,213), corresponding to a growth of 32 percent.
- Operating profit (EBITA)[1)] of SEK 632 m (536), corresponding to a margin of 11.4 percent (12.7).
- Operating cash flow of SEK 546 m (724).
- CO_2 ton/net sales decreased by 25 percent, exceeding 2021 target of 5 percent.

"2021 became a strong year and one more important milestone for Dometic. We continued to successfully drive our transformational agenda, announced nine acquisitions and achieved all-time high net sales and operating profit"

Juan Vargues

MAJOR STEPS TAKEN ON OUR TRANSFORMATIONAL JOURNEY

In 2021 Dometic successfully continued the strategic transformational journey. Supported by the strong growth trends we have seen in the Outdoor industry during the last decade and the bounce back of the market after the Covid year 2020, organic net sales growth reached 23 percent. We announced nine acquisitions during the year mainly targeting the Outdoor market, and the sales mix continued to improve in line with our strategic direction to become a more diversified and resilient consumer-driven company. The EBITA margin improved to 15.6 percent (13.8), supported by our strategic actions, and our net debt leverage ratio of 2.6x is in line with the target.

CONTINUED STRATEGY EXECUTION

The Dometic strategy is yielding results and shows clear improvements across all focus areas leading to strong financial and sustainability results. With clear activities and responsibilities within the focused strategic areas of profitable expansion, product leadership, and cost reductions, we will leverage our full strengths as a global company by industrializing Dometic while maintaining a successful decentralized and innovative approach.

Profitable expansion in mobile living: The strategy for profitable expansion is built on a combination of organic and acquisitive growth and net sales CAGR (compound annual growth rate) 2017 to 2021 is 11 percent which is above the target level of 10 percent.

In 2021 Dometic reached an all-time high net sales of SEK 21.5 b. Organic growth reached a strong 23 percent and during the year nine acquisitions were announced mainly targeting the Outdoor market. End-user demand for flexible products to support Vehicle-Based Outdoor Activities is accelerating, and as we enter 2022 it is encouraging to see our offering and presence on this fast-growing market.

Supported by organic growth and the announced acquisitions, the sales channel mix continues to improve into more recurring, low-ticket discretionary sales targeting the consumers. Entering 2022, the share of Distribution and Service & Aftermarket net sales proforma is more than 55 percent compared with less than 40 percent four years ago. Further acquisitions, as well as divestments of non-strategic areas, are planned to further accelerate our journey.

We are building up our Direct-to-Consumer (DTC) approach and a new global B2C e-commerce platform was launched across several markets in 2021. Organic e-commerce sales growth in 2021 was strong and at the end of 2021, five percent of the relevant business (non-OEM) was DTC. Recent acquisitions are contributing with competence and products for scaling the B2C business further and the ambition is to reach 20 percent within 5 years.

On October 26, 2021 we completed the acquisition of Igloo, a US-based provider of passive cooling boxes and drinkware products for the Outdoor market. This is our largest acquisition ever and fits our strategy perfectly in order to position Dometic as an even more consumer-driven company in this fast-growing market. North America is by far the largest market for cooling boxes and outdoor products, and with Igloo's number 1 position in hard passive coolers, strong brand recognition, consumer knowledge and local manufacturing capabilities, we are getting a necessary platform to further drive our sales and margin expansion.

Product leadership through innovation: Innovation and product leadership are, and will always be, the fundamental drivers for organic growth and long-term competitiveness. In 2021 our innovation index, measuring net sales coming from new products, improved to 26 percent (22) which is above the target of 25 percent. The shift to global transformational development initiatives continued in 2021. The increased focus on large global projects ensures that Dometic spends time and resources on innovations that truly make a difference in the market. One example of such initiative is the new climate modular platform that shows significantly better performance, less energy consumption and less material usage compared to the previous product range. This is also a good example of our focus on sustainability.

Continuous cost reductions: Cost reductions are a key enabler for reaching our financial targets. We must relentlessly strive to reduce costs in all areas of our business by reducing complexity and increasing efficiency in order to continuously improve competitiveness. The SKU reduction reached an impressive 59 percent compared to 2018, significantly exceeding the 2021 target level. The next phase in the SKU reduction is ongoing, driven by generation planning, common global platforms, and the modularization of the product range. In 2021 the implementation of our cost-reduction program was impacted by COVID-19 related effects. Despite the difficulties traveling, many preparation activities have been implemented at the local and regional level. Since the start of the program in 2019, 804 employees and 22 locations have been impacted by the program and cost-reduction activities are expected to accelerate in 2022.

Building together: Our workforce has increased by 40 percent to more than 9,000 in one year, driven by acquisitions. To implement our strategy and transform Dometic we need to have highly engaged employees contributing with their own initiatives and driving the execution. Building one Dometic based on common core values is key, and I am very proud of the commitment and strong results that the entire organization has achieved during a year marked by strong consumer demand, new pandemic breakouts, supply chain constraints, and inflationary cost increases. Several activities have been implemented in 2021 to drive performance and a common culture. The first global employee survey was conducted in 2019 and the whole organization worked actively in 2020 and 2021 with the resulting action plans. When a second survey was done in the fall of 2021 it was really encouraging to see clear improvements in all areas. During the year we also rolled out a leadership program intended to support our leaders in driving change management across the organization.

COMMITTED TO DRIVE SUSTAINABILITY IN OUR INDUSTRY

As a pioneer in the Mobile Living area, Dometic is committed to drive the sustainability agenda in our market. This means providing innovative, durable, low-carbon products designed with a life-cycle perspective to reduce the environmental footprint throughout the product's lifecycle. The ongoing electrification trend will have a major impact in the Outdoor industry and Dometic is well positioned to take a leading position, thanks to the strong presence we have reached in the area of Mobile Power Solutions.

ESG is an integrated part of the Dometic strategy and day-to-day operations, and in 2021 we started to report progress as part of our quarterly earnings reports. Sustainability targets have also been implemented as part of the Long-Term Incentive (LTI) program.

BUSINESS PERFORMANCE 2021

In 2021 Dometic delivered an all-time high net sales and operating profit. Net sales growth reached 33 percent, of which organic growth was 23 percent. Market demand for Dometic's products and solutions was strong driven by a continued, and accelerated, end-user appetite for staycations and outdoor activities. Supply chain and price management have been key activities in a market where component shortages, increased raw material prices, and transport lead times and costs have created challenges. In this dynamic environment our EBITA margin significantly improved to 15.6 percent (13.8) and earnings per share was SEK 5.58, a growth of 267 percent. The leverage ratio was 2.6x (2.0x) and in line with the target. Our commitment to our sustainability agenda is showing results and CO_2 emissions in relation to net sales decreased by 25 percent.

POSITIONED FOR PROFITABLE GROWTH

I am very proud of the results that the entire organization has achieved in a year during which strong market demand has been balanced with an extremely challenging supply situation impacting many industries. In this environment, and thanks to our dedicated and highly professional employees, we have taken several important steps on our strategic transformation journey. We are optimistic about the long-term trends in the Mobile Living industry, and we will continue to drive our strategic agenda to deliver on our financial targets.

Stockholm, March 2022

Juan Vargues
President and CEO

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STRONG POSITION IN A GROWING MARKET

Dometic has a unique global market reach with presence in over 100 countries. The company will continue to build a strong position in Mobile Living across the globe, supported by continued growth in demand for flexible, innovative, and sustainable Mobile Living solutions. The combination of global growth trends, such as increased leisure spending, innovation, and mobility, and improved value proposition have resulted in a steadily growing demand for Dometic's solutions, creating a foundation for continued profitable growth.

STRONG GLOBAL MARKET TRENDS

Dometic operates in a global market that is being transformed by a number of market trends. The company is benefitting from these trends by using its leading position, global organization and core competences in the application areas of Food & Beverage, Climate, Power & Control and Other applications to develop innovative products and solutions for the end-users. Dometic has identified six global trends that create opportunities for profitable growth in existing and new vertical end-user markets.

INCREASED LEISURE SPENDING

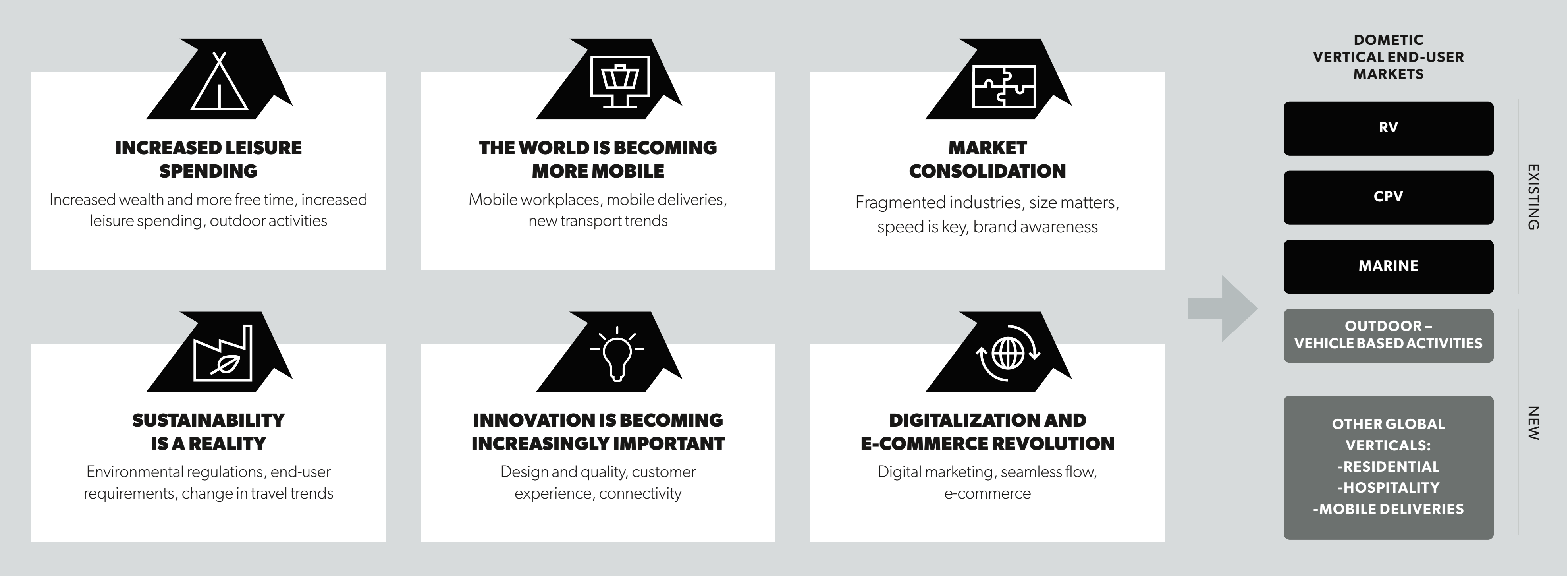
Around the world, people are spending more and more time and money on outdoor activities. An active outdoor lifestyle is becoming increasingly popular, driven by continuous urbanization and new demographics. The broad range of outdoor enthusiasts creates many opportunities, from true outlanders going off-grid for longer periods of time to families using their car as a base for spending a day or weekend outdoors.

By leveraging its technology know-how, Dometic aims to address the essential needs of the leisure lifestyle.

THE WORLD IS BECOMING MORE MOBILE

Today, demand for Mobile Living products is growing across all age groups due to increased interest in outdoor living and increased wealth. At the same time, mobile workplaces, mobile deliveries, and new transport trends are evolving. Changed consumer behavior and technology development are opening the door to new, fast-growing opportunities such as mobile deliveries and last-mile food delivery.

These are all areas where Dometic can play an important role based on its global presence and experience in food and beverage solutions.



MARKET CONSOLIDATION

Dometic competes in an environment characterized by a high degree of local fragmentation and limited industrialization. Strong brands will be at the forefront on global markets, aimed at well-informed consumers who set high demands for both products and the companies behind them.

With a market-leading position in key product areas, Dometic has an opportunity to drive consolidation in the industry. This provides a strong rationale for value-adding acquisitions to build true global leadership with a strong local presence.

SUSTAINABILITY IS A REALITY

Environmental regulations, customer requirements, and change in travel trends are driving demand for products and solutions that are sustainable and energy efficient.

As a pioneer in the Mobile Living arena, Dometic is committed to driving sustainability in its industry. This means offering innovative, durable, low-carbon products that inspire an active, comfortable and responsible life in the outdoors.

INNOVATION IS BECOMING INCREASINGLY IMPORTANT

Design and quality, sustainability, customer experience, and connectivity are vital to staying competitive and attracting end customers. The number of electric vehicles is increasing rapidly, which is speeding up the pace of innovation even further.

With its scale and close customer relationships, Dometic is in a position to continuously develop new products and solutions based on customer needs and with a focus on sustainability.

DIGITALIZATION AND E-COMMERCE REVOLUTION

Building an even more consumer-focused business model is a key competitive advantage in today's market, where consumers are well informed of their options. A strong brand, seamless and automated business flows, and relevant B2B and B2C e-commerce channels will be key competitive advantages.

In recent years, Dometic has accelerated its efforts to get closer to end consumers, developing fruitful relationships with a huge number of Dometic ambassadors, and increasing social media presence. With a new e-commerce platform launched in 2021, Dometic is well positioned to take further advantage of this trend.

DOMETIC'S ADDRESSABLE MARKET

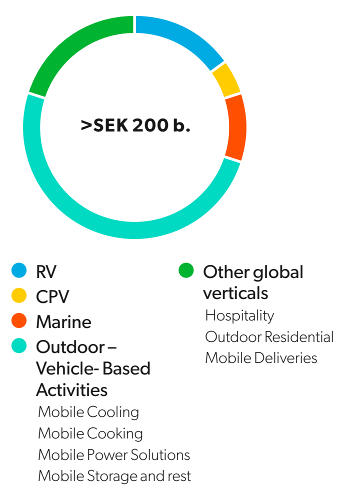
The global market trends impact the different vertical end-user markets in which Dometic is present.

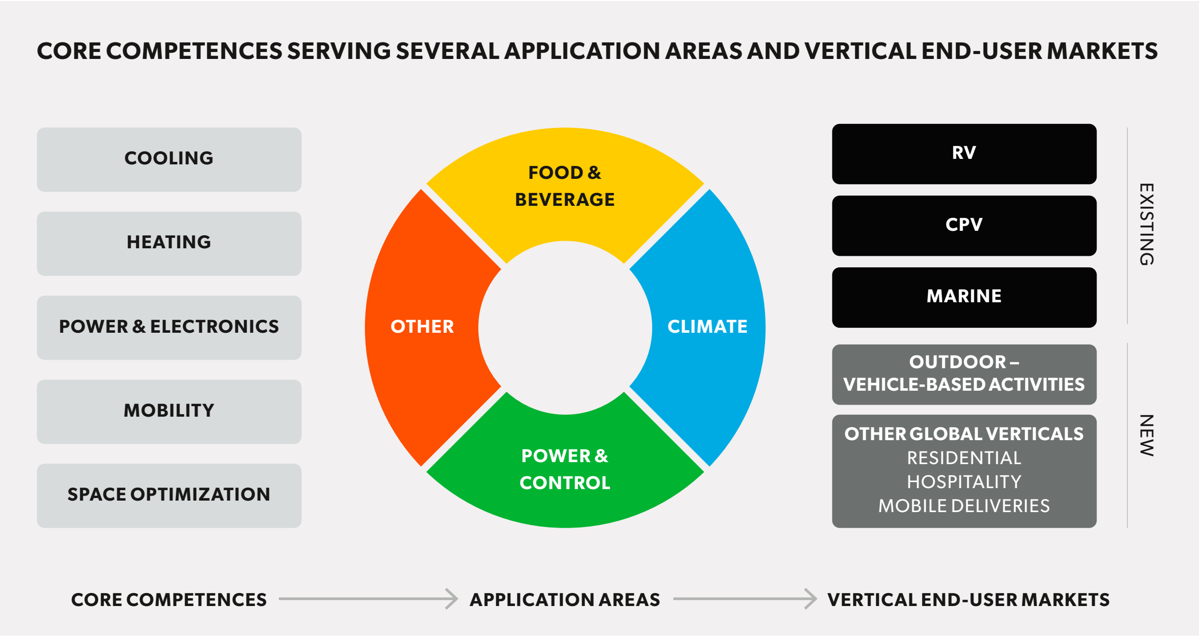
Existing verticals, areas where Dometic already has a strong position, are impacted for example by the need for more sustainable solutions and a new type of RV user who wants more flexible solutions while still enjoying the same comfort as at home.

New verticals, areas where Dometic can use its technology competences and other assets to grow, are also impacted which creates opportunities for Dometic. By utilizing the core competences across different application areas, Dometic has expanded the addressable market substantially, which creates significant growth opportunities for the company. One example: as logistics flows are changing and home deliveries of food and other goods are increasing, Dometic's heating and cooling products and capabilities are used to create sellable products in the area of last mile of food delivery, or as home delivery boxes.

Dometic's addressable market is more than SEK 200 billion of which approximately 30 percent are in the end-user markets where Dometic has traditionally been present (RV, CPV, and Marine) and where the company already has strong market-leading positions. These are markets that have historically been growing 1–3 percent on an average annual basis, with large fluctuations between years. Approximately 50 percent of the addressable market is in Outdoor, a more stable and fast-growing market. The camping equipment industry market in North America has been growing by 7 percent on average for the last 8 years. The market trends and new innovations are also opening up opportunities for new growth areas in the vertical areas of Mobile Deliveries, Hospitality, and Residential Outdoor. The barbecue market, which Dometic is addressing with its offering in Residential Outdoor, is projected in external studies to show double-digit average annual growth in the coming years.

Addressable market





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THREE MAIN GO-TO-MARKET CHANNELS

Dometic has three main go-to-market channels:

1. Products sold through OEM manufacturers (RV, Marine, and CPV).
2. Products sold through distribution channels (physical and digital wholesalers and retailers as well as Dometic B2C e-commerce).
3. Service & Aftermarket of the installed base served through a network of independent service dealers and service providers or through Dometic's own service organizations.

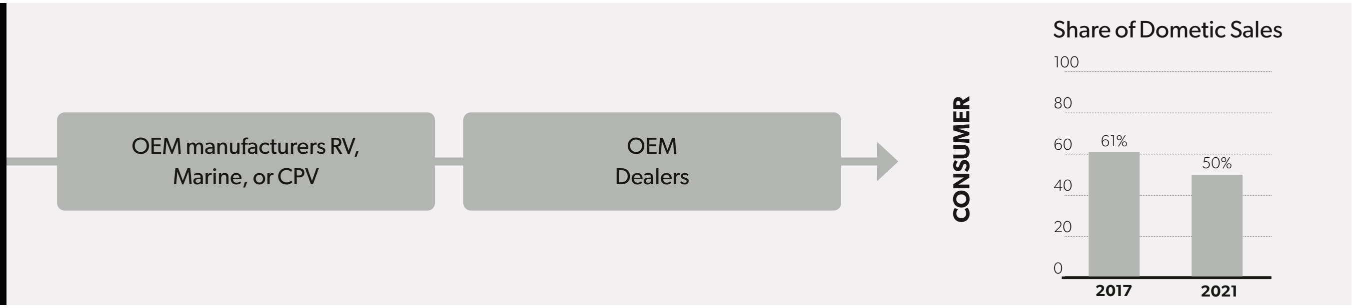
The strategy is to increase the sales share of Distribution and Service & Aftermarket through higher-than-average organic sales growth and through acquisitions.

DOMETIC

OEM

Products include

- Built-in solutions (air conditioners, refrigeration products, cooling compartments, marine steering systems, etc.)



DISTRIBUTION

Products include

Off-the-shelf products e.g.:

- Cooling boxes, drinkware, tents, mobile toilets in Outdoor
- Mini bars and safes in Hospitality
- Delivery boxes in Mobile Deliveries
- MoBar and wine cellars in Residential

SERVICE & AFTERMARKET

Products and services include

- Service products (spare parts, accessories, upgrade kits etc.)
- Replacement products
- Corrective maintenance
- Maintenance contracts and subscription services

MISSION, FINANCIAL AND SUSTAINABILITY TARGETS

MISSION

Dometic's mission is to make Mobile Living easy. It is all about providing products, solutions, and services that fulfill the needs and expectations of customers.

MEDIUM TO LONG-TERM FINANCIAL TARGETS OVER A BUSINESS CYCLE

GROWTH

10%

Net sales growth including organic growth and M&A

PROFITABILITY

18–19%

Operating (EBITA) margin of 18–19 percent. Before amortization of acquisition-related intangible assets and items affecting comparability.

LEVERAGE

2.5X

Net debt/EBITDA leverage around 2.5x.

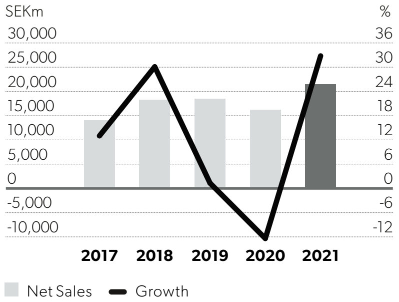
DIVIDEND

40%

Dividend of at least 40 percent of net profit

Progress Growth

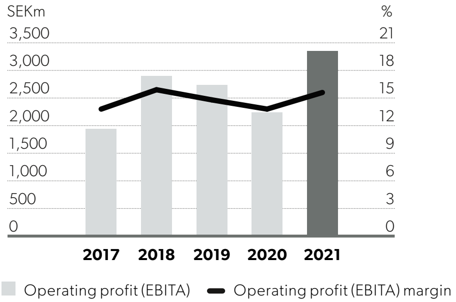
Net sales and growth



Outcome 2021 | Growth was 33 percent and organic growth was 23 percent. M&A is a key enabler for growth and nine acquisitions were announced in 2021. Net sales growth CAGR 2017–2021 is 11 percent and above target level.

Progress Profitability

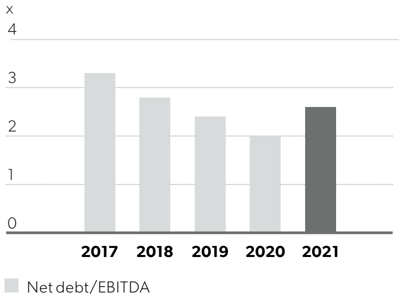
EBITA[1)] and EBITA margin before IAC



Outcome 2021 | The 2021 EBITA margin excluding items affecting comparability improved to 15.6 percent (13.8). EBITA margin excluding items affecting comparability for the period 2017–2021 was 14.9 percent.

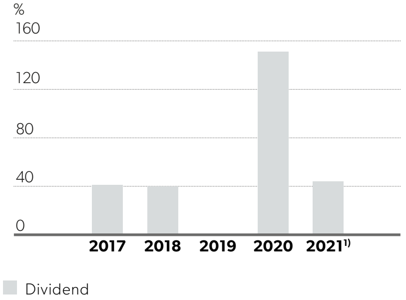
Progress Leverage

Net debt/EBITDA



Outcome 2021 | Nine acquisitions were announced during the year. Net debt/EBITDA leverage was in line with the target at 2.6x compared to 2.0x at the end of 2020. The average Net debt/EBITDA leverage for the period 2017–2021 was 2.6x.

Progress Dividend

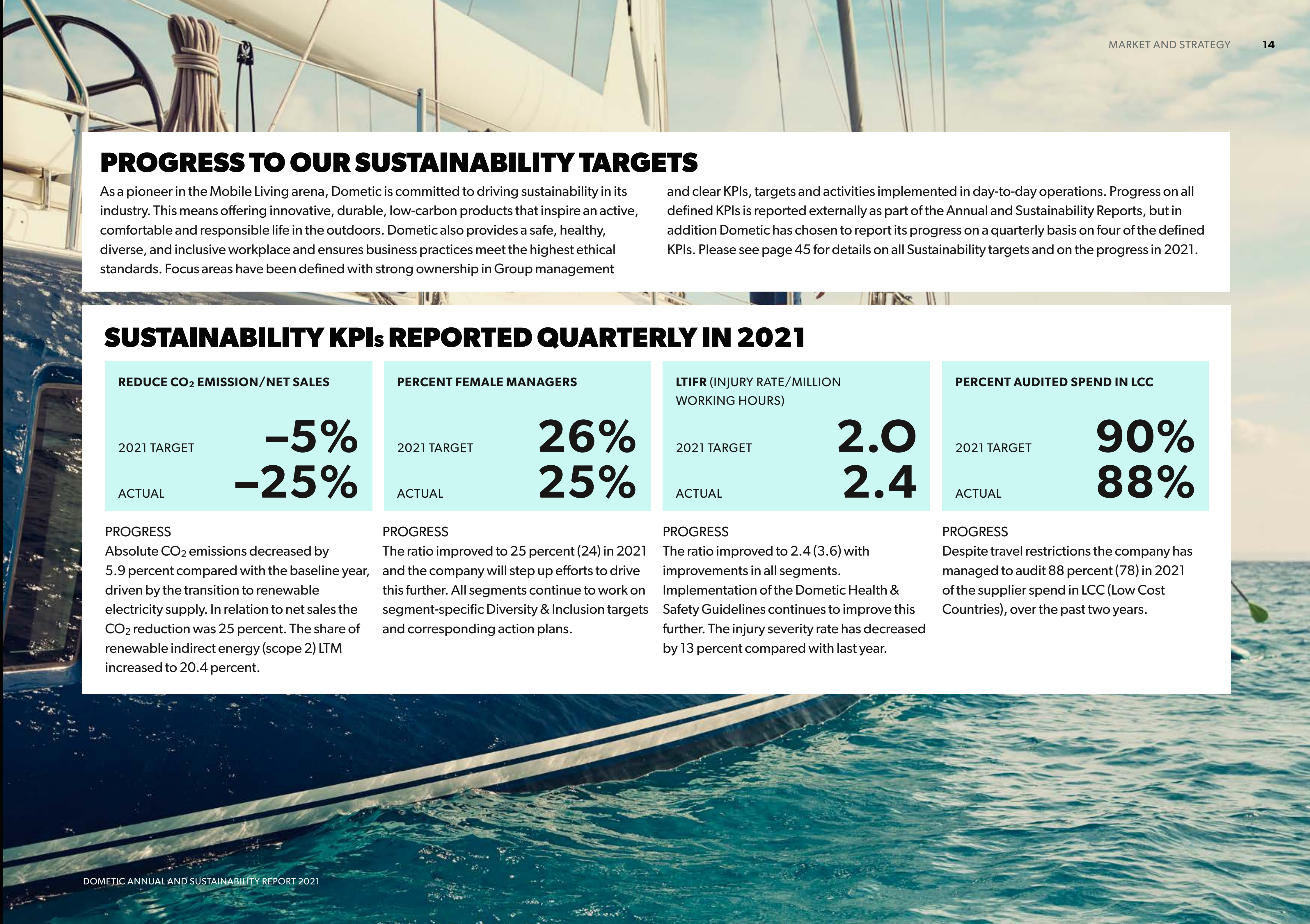


Outcome 2021 | Proposed dividend for 2021 is SEK 2.45 (2.30) per share, corresponding to a payout ratio of 45 percent of the 2021 net profit. Payout ratio for the period 2017–2011 was 41 percent.

1) Proposed by Board of Directors.

PROGRESS TO OUR FINANCIAL TARGETS

The company believes in the long-term underlying positive trends in the Mobile Living Industry and remains fully committed to delivering the strategic direction and financial targets.



PROGRESS TO OUR SUSTAINABILITY TARGETS

As a pioneer in the Mobile Living arena, Dometic is committed to driving sustainability in its industry. This means offering innovative, durable, low-carbon products that inspire an active, comfortable and responsible life in the outdoors. Dometic also provides a safe, healthy, diverse, and inclusive workplace and ensures business practices meet the highest ethical standards. Focus areas have been defined with strong ownership in Group management and clear KPIs, targets and activities implemented in day-to-day operations. Progress on all defined KPIs is reported externally as part of the Annual and Sustainability Reports, but in addition Dometic has chosen to report its progress on a quarterly basis on four of the defined KPIs. Please see page 45 for details on all Sustainability targets and on the progress in 2021.

SUSTAINABILITY KPIs REPORTED QUARTERLY IN 2021

REDUCE CO_2 EMISSION/NET SALES

2021 TARGET –5%

ACTUAL –25%

PROGRESS

Absolute CO_2 emissions decreased by 5.9 percent compared with the baseline year, driven by the transition to renewable electricity supply. In relation to net sales the CO_2 reduction was 25 percent. The share of renewable indirect energy (scope 2) LTM increased to 20.4 percent.

PERCENT FEMALE MANAGERS

2021 TARGET 26%

ACTUAL 25%

PROGRESS

The ratio improved to 25 percent (24) in 2021 and the company will step up efforts to drive this further. All segments continue to work on segment-specific Diversity & Inclusion targets and corresponding action plans.

LTIFR (INJURY RATE/MILLION WORKING HOURS)

2021 TARGET 2.0

ACTUAL 2.4

PROGRESS

The ratio improved to 2.4 (3.6) with improvements in all segments. Implementation of the Dometic Health & Safety Guidelines continues to improve this further. The injury severity rate has decreased by 13 percent compared with last year.

PERCENT AUDITED SPEND IN LCC

2021 TARGET 90%

ACTUAL 88%

PROGRESS

Despite travel restrictions the company has managed to audit 88 percent (78) in 2021 of the supplier spend in LCC (Low Cost Countries), over the past two years.

HOW WE CREATE VALUE

GLOBAL TRENDS

- Leisure spending
- Market consolidation
- Mobility
- Sustainability
- Innovation
- Digitalization

STRATEGY AND KEY ACTIVITIES

- PROFITABLE EXPANSION IN MOBILE LIVING
- PRODUCT LEADERSHIP THROUGH INNOVATION
- CONTINUOUS COST REDUCTIONS
- BUILDING TOGETHER

STAKEHOLDER VALUE

CUSTOMERS
Innovative, sustainable, energy-efficient and reliable products with outstanding design

EMPLOYEES
Attract, develop, engage and retain talented employees

SOCIETY
A responsible company that promotes fair business and labor practices as well as resource efficiency through-out the value chain

SHAREHOLDERS
Profitable growth resulting in attractive total returns

ASSETS AND RESOURCES

MARKET
- Well-diversified product offering and geographic spread.
- Strong brands in many attractive markets and product groups.
- Large installed base, large distribution network, and growing Service & Aftermarket opportunities.

FINANCIAL
- Strong balance sheet/equity.
- Strong cash flow generation.
- High return on operating capital.
- Clear and ambitious financial targets that support continued value creation.

SUSTAINABILITY
- Three sustainability focus areas, each with clear ownership in Group Management.
- Sustainability targets implemented in daily operations.

EMPLOYEES AND ORGANIZATION
- 9,095 employees.
- Sales offices in more than 30 countries.
- 25 manufacturing and assembly sites in 11 countries.
- Global teams established to secure structural improvements.

KEY REASONS TO INVEST IN DOMETIC

1. A company focused on a sustainable outdoor lifestyle with clear targets for reducing its own and consumers' environmental impact, that supports the United Nations' Sustainable Development Goals.
2. Underlying global market trends supporting long-term growth.
3. Global market leader with a strong brand in highly attractive Mobile Living niches.
4. Growth strategy leveraging large upside potential.
5. Strong track record of successful acquisitions.
6. Ongoing industrialization of operations through complexity and cost reductions.
7. Well-invested business with strong profitability and cash flow.
8. Diversification across geographies, products, and customers adds resilience.

DOMETIC STRATEGY – GROWTH AND INDUSTRIALIZATION

To succeed in the mission – making Mobile Living easy – Dometic aims to realize profitable growth through the following priorities: Profitable Expansion in Mobile Living, Product Leadership through Innovation, and Continuous Cost Reductions. Dometic calls the foundation "Building together," as the strategy will be implemented through dedicated teamwork involving all employees. Thus, employeeship will make it happen. Sustainability is an integrated part of the Dometic strategy and day-to-day business.

PROFITABLE EXPANSION IN MOBILE LIVING

- Expand in Outdoor Vehicle-Based Activities.
- Expand in Residential and Professional end markets globally.
- Service & Aftermarket makes the difference.
- Continue to grow high margin core OEM.
- Sustainability and electrification bring new growth opportunities.
- Improved channel management and grow B2C e-commerce.
- Expand Mobile Living scope through acquisitions.

PRODUCT LEADERSHIP THROUGH INNOVATION

- Smart and reliable products with outstanding design.
- Most sustainable and energy-efficient products in our industry.
- Coordinated approach, global products, and global technologies.
- Generation planning, modularity.
- Right quality and cost from the start.
- Develop more products, more often, at a lower cost.

CONTINUOUS COST REDUCTIONS

- Complexity reduction in everything we do.
- Common processes and continuously improve competitiveness.
- Sourcing excellence.
- Optimize manufacturing and distribution footprint.
- Sustainability drives waste and cost reductions.
- Digitalization brings efficiency.

BUILDING TOGETHER

COMMON VALUES	GLOBAL TALENT POOL AND DEVELOPMENT	STRONG LEADERSHIP SKILLS AT ALL LEVELS OF THE ORGANIZATION	EMPLOYEE ENGAGEMENT	COMMON TOOLBOX FOR EXECUTION

WE DRIVE SUSTAINABILITY IN OUR INDUSTRY

STRATEGY EXECUTION YIELDING RESULTS

The Dometic strategy is yielding results and shows clear improvements across all focus areas, and on the financial and sustainability results.

The strategy for profitable expansion is built on a combination of organic and acquisitive growth. In 2021 Dometic reached an all-time high net sales of SEK 21.5 b. Organic growth in 2021 was 23 percent and during the year nine acquisitions were announced.

In Product Leadership, the innovation index showing sales from products launched in the past 3 years has increased to 26 percent. At the same time, the number of products launched has increased by 82 percent.

In regards to Continuous Cost Reductions, the number of SKUs has decreased by 59 percent and the number of sites has been reduced by 22 percent.

The first global employee survey was conducted in 2019 and the Company worked actively in 2020 and 2021 with the resulting action plans. A second survey was done in the fall of 2021 showing clear improvements in all areas.

In Sustainability the CO_2 emissions to net sales have decreased by 25 percent in one year while the number of injuries in operations (LTIFR) decreased by 26 percent.

PROFITABLE EXPANSION IN MOBILE LIVING

21.5 (14.0)	15.6% (13.8)
Net Sales SEK b[1]	EBITA margin[1]

PRODUCT LEADERSHIP

26% (14)	+82%
Innovation index[1]	# of product launches[2]

COST REDUCTION

–59%	–22%
# of SKUs[3]	# of sites[3]

BUILDING TOGETHER

The latest employee survey shows clear improvements in all areas

SUSTAINABILITY[4]

–25%	2.4 (3.2)
CO_2 / Net sales	LTIFR

1) Compared to 2017.
2) 2019–2021, compared to 2016–2018.
3) Compared to 2018 excluding acquisitions.
4) Compared to previous year.

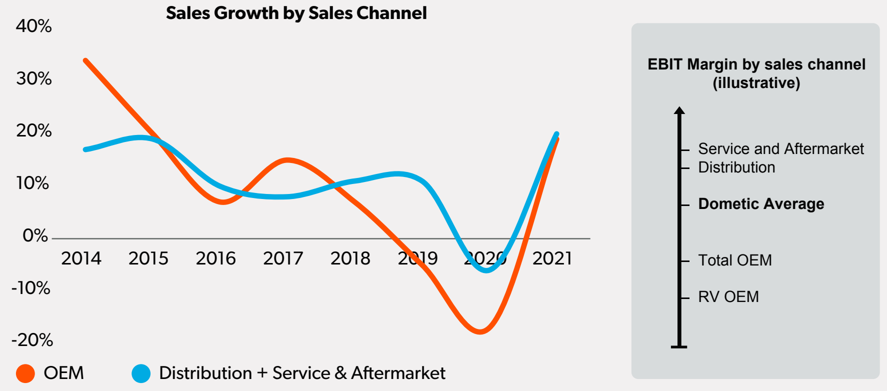
PROFITABLE EXPANSION IN MOBILE LIVING

Dometic has a unique position in the growing Mobile Living market, which provides an excellent opportunity to both expand market reach and to continue to grow in the existing vertical end-user markets. Global trends, such as staycation, outdoor living, and home deliveries of food are all expanding – offering expansion opportunities for Dometic. Dometic has the know-how, technology, global presence, and go-to-market channels to take part in all of these areas.

As part of the strategy outlined in 2019, Dometic has been focusing on expanding sales through the sales channels of Distribution and Service & Aftermarket. By growing these sales channels, Dometic will get a better balanced business mix while expanding margins. All acquisitions in 2021 have primary exposure through these sales channels. Organic growth initiatives, such as developing the Outdoor portfolio and implementing a B2C platform, have fueled this further. The OEM business continues to be important, as it creates scale and gives aftermarket opportunities. Net sales through the OEM sales channel have increased, but at a slower pace than the other sales channels.

CHANGED SALES MIX
Increased share of recurring business

EXPANSION IN DISTRIBUTION AND SERVICE & AFTERMARKET
More stable sales and higher margins



EXPAND IN OUTDOOR – VEHICLE-BASED ACTIVITIES

As part of the trend in the automotive industry toward larger vehicles like SUVs, more and more families are spending time in nature using their own SUVs (Sports Utility Vehicles), station wagons, or pickups as the base. These kinds of users use their own cars to enjoy the outdoors effortlessly and spontaneously. Sustainability and electrification trends are accelerating this trend further. By using the technology know-how and the small-space design experience from the RV and Marine industry, Dometic has developed and acquired products to meet the needs of these kinds of users. By offering flexible products to be used outside of the car, Dometic's sales exposure moves from high-ticket discretionary sales to low-ticket discretionary sales, while the global addressable market grows from ~15 million registered RVs worldwide to more than 300 million registered RVs, SUVs, pickups, and station wagons. Approximately 35 million new SUVs, station wagons, and pickups are sold every year. This can be compared with the RV industry, which has historically produced 700–800 thousand vehicles per year. The company offers solutions in four different categories:

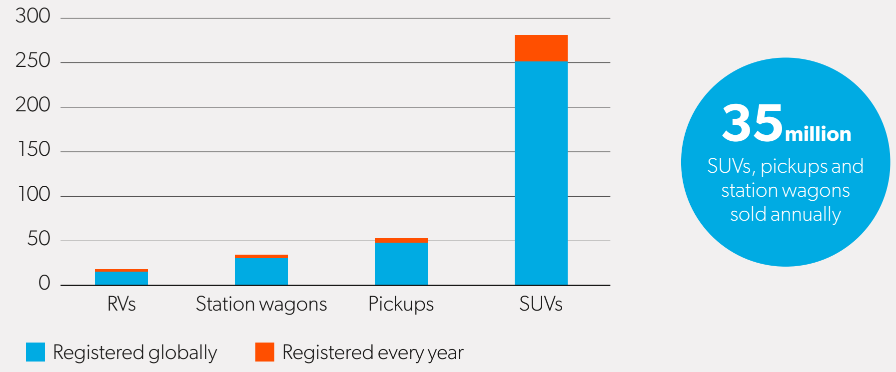
Mobile Cooling Solutions
– Active and passive cooling boxes, drinkware

Mobile Cooking solutions
– Portable grills

Mobile Power solutions
– Solar panels, batteries

Mobile Storage and Rest solutions
– Tents, storage solutions

MARKET EXPANSION
From a potential market of 15 million registered vehicles to > 300 million (installed base)



EXPAND IN RESIDENTIAL AND PROFESSIONAL SERVICES END MARKETS GLOBALLY

Demand for small, smart, and energy-efficient cooling and heating solutions is growing as cities or countries restrict the use of large trucks in cities, and COVID-19 has further accelerated demand for home food delivery. Dometic has an ambition to be part of this growing market by leveraging the company's technology leadership in mobile cooling and temperature control, and new products targeting this market were launched in 2021.

Residential Outdoor is a fast-growing market and in 2021, Dometic acquired Twin Eagles, a leading US manufacturer of freestanding and built-in grills and outdoor kitchen solutions. Combined with other Dometic products, like power solutions and the MoBar, Dometic offers complete outdoor kitchen solutions.

SERVICE & AFTERMARKET MAKES THE DIFFERENCE

Dometic's large installed base in both leisure and professional markets is a key asset driving organic growth in Service & Aftermarket sales. Upgrade kits, spare parts, and replacements of existing products provide a stable demand. Additional service concepts, based on long-term contracts including preventive maintenance and modernization kits, will strengthen customer relationships and provide further growth opportunities for the Group going forward. A continuously increasing installed base and increased technology content drive service and aftermarket growth, contributing to increased recurring revenues. In 2021, Dometic started to pilot service initiatives in several countries, where Dometic service employees handle end users' service requirements for Dometic or competitor products.

CONTINUE TO GROW HIGH MARGIN CORE OEM

Dometic has a strong position in OEM across RV, Marine, and CPV. The OEM business is strategically important as it gives scale, service, and aftermarket opportunities. The collaboration with large OEM customers also gives valuable and critical input to innovations and product development, and an absolute majority of the products Dometic launched in 2021 were targeting the OEM business.

DTC SALES SHARE AMBITION

20%

The ambition is to have 20 percent of the non-OEM business as DTC within 5 years.

IMPROVED CHANNEL MANAGEMENT AND GROW DTC E-COMMERCE

B2B and B2C e-commerce solutions are important channels for expanding the Outdoor business and service and aftermarket sales. This is increasing direct interaction with the end user and it will also improve order and supply flow efficiency for Dometic and for customers. A new global B2C e-commerce platform was launched across several markets in 2021 and recent acquisitions have contributed with competence and products for scaling the B2C business further. At the end of 2021, approximately 5 percent of the relevant business (non-OEM) was DTC (Direct-to-Consumer) and the ambition is to reach 20 percent within 5 years. This is expected to contribute to both growth and margin expansion.

Menu

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EXPAND MOBILE LIVING SCOPE THROUGH ACQUISITIONS

A balanced combination of organic growth and strategic acquisitions will continue to be important in further strengthening Dometic's leadership position. Carefully selected strategic acquisitions have been important in creating the true global player that Dometic is today and will continue to enable synergies and scalability, while integration processes and value creation will be further systemized.

Dometic is primarily looking for acquisitions to strengthen the areas of products, geographic presence, and distribution channels. Complementary "Bolt-on" acquisitions play an important role in existing businesses to strengthen the offering or further increase local presence. In new growth areas, larger "Transformational" platform acquisitions will occasionally be crucial in order to become relevant to the market and gain a critical mass from which to expand. In 2021, Igloo was a "Transformational" acquisition while the remaining eight acquisitions were "Bolt-on."

Dometic's industries are still fragmented and leading the consolidation will be key to benefiting from the global trends driving growth. While the growing pipeline of potential strategic acquisitions is managed centrally, the operational units have been given greater responsibility to identify and evaluate acquisition targets.

Successful integration is key for creating synergies and securing the expected value creation. Dometic has strong experience of successfully integrating acquisitions and has a well-established model to drive this effort. The

M&A STRATEGY
Highly selective and disciplined approach to acquisitions

Criteria

STRATEGIC
- Exposure to markets with strong growth trends and attractive dynamics.
- Strong market presence.
- Preferably low ticket discretionary spend.
- Service & Aftermarket exposure.
- Aligned with Sustainability vision.
- Add capabilities, strengthen product portfolio.

FINANCIAL
- Support Group financial targets.
- Track record of profitable growth.
- Synergy opportunities.

OTHER
- Dometic integration capacity.
- Cultural fit.

Type of acquisition

BOLT-ON
- Strengthen core technologies.
- Build global platforms.
- Increase local presence.
- Gain access to distribution channels.
- Create synergies and cost efficiencies.

TRANSFORMATIONAL
- Accelerate entry into new markets.
- Platforms for growth (organic and additional bolt-ons).

INTEGRATION OF ACQUISITIONS
Value creation secured through a decentralized model

Integration principles

- Senior management attention
- Retain local entrepreneurship
- Focus on value protection and value-adding activities
- Build strong, global brands
- Establish global platforms

In practice

- Earn-out part of transaction.
- Multi-year integration plan developed for each acquired business with clear ownership.
- Migrate to double branding, over time migrate to
  – Dometic brand as premium.
  – Igloo brand for good and better price categories.
- Initial focus on backbone synergies.

NINE ACQUISITIONS ANNOUNCED IN 2021 – ACROSS ALL OPERATIONAL SEGMENTS operational segment, to which the acquired businesses are reporting, is responsible for the integration:

Segment Americas
– Valterra (including Go Power!), Zamp Solar

Segment APAC
– Enerdrive

Segment EMEA
– Büttner Elektronik, Cadac International, Front Runner, NDS Energy

Segment Global
– Igloo, Twin Eagles

The acquisitions give Dometic access to new sales channels. In 2020 Dometic Distribution sales were through 3,500 stores globally. Entering 2022 the number of stores has increased to 95,000 globally.

Initially Dometic implements double branding of the acquired companies products. This protects the value of the existing brand while securing a gradual shift toward the Dometic brand. The exception is the acquisition of Igloo, one of the world's leading companies in passive cooling boxes and drinkware, where the existing Igloo brand will remain. Founded in 1947, Igloo is perceived as one of the leading manufacturers in the world with an iconic brand, a wide product range, and strong consumer orientation. Igloo is a transformational acquisition that gives Dometic the necessary footprint to address the US market, by far the largest Outdoor market in the world and in which Igloo has a clear number one position. Combined

with Dometic's global presence and product offering of both active and passive cooling boxes, and a quickly growing range of other Outdoor products, the acquisition is expected to create a strong base for further growth in the outdoor segment. Igloo has more than 90 percent of the sales in US and by leveraging Dometic's global sales outreach, there are significant opportunities to grow sales of Igloo products in APAC and EMEA.

CONTINUOUS PORTFOLIO REVIEW

There is a continuous strategic review of the existing portfolio, and the company is considering both acquisitions and divestments going forward. Both new and existing products must be aligned with the Dometic strategy when it comes to, for example Service & Aftermarket opportunities and future market growth.

ACCELERATED ACQUISITIVE JOURNEY
Nine acquisitions announced in 2021 mainly targeting Outdoor

RESIDENTIAL OUTDOOR	OUTDOOR – VEHICLE-BASED ACTIVITIES	SERVICE & AFTERMARKET EXPANSION	OUTDOOR MOBILE POWER SOLUTIONS
Twin Eagles | Dometic	Front Runner | Dometic Cadac | Dometic Igloo	Valterra | Dometic	Go Power! | Dometic Zamp Solar | Dometic Büttner | Dometic Enerdrive | Dometic NDS | Dometic

PORTFOLIO REVIEW
Acquisition and divestment opportunities

Continuous portfolio review
- Aligned with Dometic strategy.
- Positive market trends.
- Target to build strong market positions globally in new areas.
- Opportunity for high margin expansion.
- Generates Service & Aftermarket opportunities.
- Consumer orientation.
- In line with Sustainability vision.

Acquisitions
- Service & Aftermarket.
- Mobile Power Solutions.
- Outdoor equipment.

Divestment opportunities
- Ongoing process including:
  - Non-strategic areas.
  - Low margin OEM with low Service & Aftermarket opportunities.

DOMETIC AMBASSADOR

WHITE RHINO EQUIPPED FOR ADVENTURE

Writer and photographer couple Lisa Morris and Jason Spafford are exploring the world in their 2015 Toyota Hilux, nicknamed White Rhino, attempting to drink in all of the sights and experiences the world has to offer. In 2000, the couple met on a Red Sea diving trip and bonded over their love for underwater photography and diving. Once they explored all that they could below the waves, Lisa and Jason decided to take their cameras to dry land. They sold their cottage and most of their possessions and packed everything they needed on two dual-sport motorcycles.

“Thanks to products like their Dometic Coolfreeze CFX 50W, they have discovered a totally new lifestyle on the road.”

Together they have adventured from Antarctica to the Arctic. They rode from the southernmost tip of Argentina to the top of Alaska on those motorcycles, traveling over 80,000 miles through 21 countries. Now, on the next leg of their journey, Lisa and Jason have transitioned from two wheels to four wheels. They have outfitted White Rhino with all-terrain tires, recovery equipment, solar power, a fold-out kitchen, lighting, and tons of storage. Their portable fridge, shower, and rooftop tent provide them with all the basics they need for overlanding across long distances.

Thanks to products like their Dometic Coolfreeze CFX 50W, they have discovered a totally new lifestyle on the road. Cold drinks and fresh food, whenever they want, were rarely possible from the saddle of a motorcycle. The ultra-quiet, ultra-durable CFX 50W has 48 liters of storage, perfect for supplying two people with fresh meals for a week, and can even work as a freezer when needed.

White Rhino is also equipped with Dometic rear parking sensors and cameras, a GPS media center, and electrical wiring. The rear camera saves Lisa and Jason when trying to fit the large vehicle into tight spots.

If you want to keep up with Lisa and Jason’s adventures, make sure to follow them on Instagram: @fourwheelednomad

Ambassadors quick links
Read more stories
1 2 3 4 5

Menu

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PRODUCT LEADERSHIP THROUGH INNOVATION

SMART AND RELIABLE PRODUCTS WITH OUTSTANDING DESIGN

The fundamental question should always be: "What does the end customer really need?" To find out, Dometic listens carefully to customers as well as end users and understands their needs – for products, complete solutions, delivery, support, and service. Identifying and defining relevant end-user benefits at an early stage of product development will ensure that they will be integrated at the right quality and cost.

A number of activities are being conducted with end users to develop an understanding of their requirements and expectations. Involving ambassadors and end users is also crucial for product designers to make the right choices among all parameters, such as weight, size, performance, and aesthetic design.

The product management organization plays a pivotal role in this work, ensuring that Dometic has the right pipeline of products. This role includes responsibility for market intelligence, idea generation, product roadmaps, sales support development, and lifecycle management, including product phase-in and phase-out.

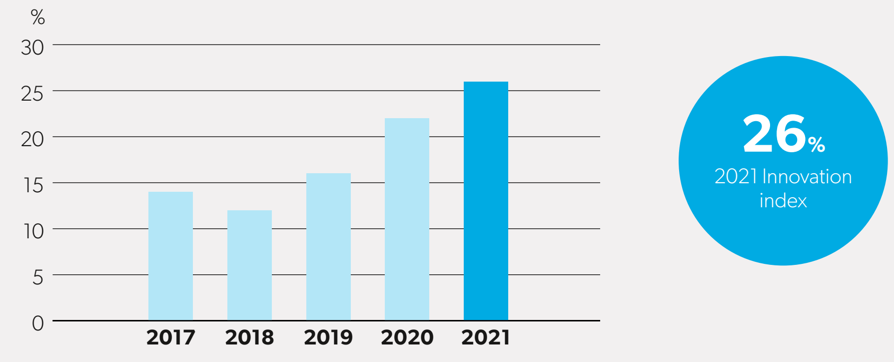
To secure the long-term benefits of these efforts Dometic continues to work actively with the IP portfolio. We continuously see the advantages from a modular and global approach when protecting both technology and distinctive and innovative design. This secures our brand recognition, technology leadership, and cost control while still allowing adaptation for local needs.

GLOBAL PRODUCTS, GENERATION PLANNING AND MODULARITY

Dometic's strategy is to increase the level of innovation while maintaining and strengthening competitiveness. A balance between a global and regional product approach is required to increase efficiency, flexibility, and time to market, while at the same time reducing product complexity. Technological know-how is comprehensive. Dometic has defined three core technologies – electronics, connectivity and cooling. These technologies are used across several customer offerings and solutions. Mobile power was added as a fourth technology through the acquisitions made in 2021.

Building on the previously established global product areas, further steps have been taken to increase this global approach to twelve product areas organized under solution categories. This will continue to improve the common processes to ensure modularity, cost control, quality, and component reuse between products and projects. This will establish clear processes for

PRODUCT LEADERSHIP THROUGH INNOVATION



Product innovation index: Share of sales from products launched last 3 years.

interaction across the company that will also be important when acquiring and integrating new companies. Product managers for each of the global product areas are leading this work, and each segment also has clear representation and responsibility.

In 2021, the Dometic Product Development Process (DPDP) has continued the shift to global transformational development initiatives. The increased focus on larger projects ensures that Dometic spends time and resources on innovations that truly make a difference in the market, while there will be continuous expansion into new areas with a particular focus on Outdoor.

One example of such an initiative is the new climate platform that shows better performance, less energy consumption, and less material usage compared to previous products. This is also a good example of the increased focus on sustainability. During 2021, new sustainability metrics have been introduced for each project and efforts are made continuously to drive this area forward.

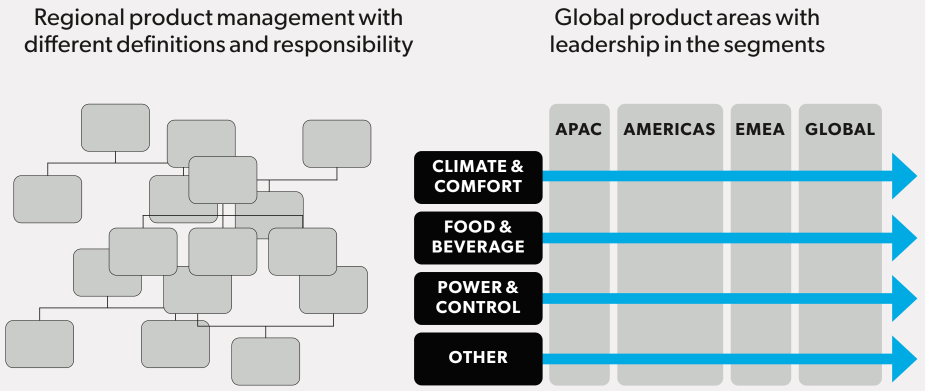
Through the acquisitions made in 2021, Dometic now has a global position and presence in Mobile Power Solutions. In this area, Dometic offers a broad portfolio of products with a strong aftermarket attraction combined with the ability to provide renewable energy through an offering of solar panels and products for energy conversion and storage. In the coming years there are major opportunities to optimize power consumption for different end-user products with solutions for generating and storing energy. This will provide a better and more sustainable end-user experience.

The strong focus on increasing speed in all areas of the product development process generated good results in 2021, with a high number of products launched during the year, shorter time to market, and an increased innovation index. Dometic's innovation index improved to 26 percent at the end of the year, exceeding the target of 25 percent.

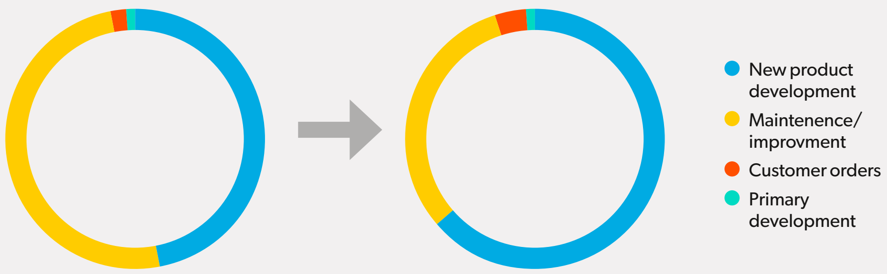
DESIGN FOR CONSUMABLES, SERVICE PARTS AND UPGRADE KITS

Historically, the focus has been on improving product performance, product quality, and product cost. In recent years, a stronger Service & Aftermarket offering has been added to these focus areas. New products are being designed with a greater focus on serviceability, in addition to increased focus on developing products specifically for Service & Aftermarket.

FROM – TO
Global product management



FROM – TO
More time spent on product development



CONTINUOUS COST REDUCTIONS

To further increase Dometic's competitiveness and drive continued profitable growth, reducing costs is key. Cost reductions will be achieved by reducing inefficiencies and waste, while leveraging the benefits of automation and digitalization.

COMPLEXITY REDUCTION IN EVERYTHING DOMETIC DOES

Dometic's size, broad business scope and global reach have many benefits, but also result in complexity. Unnecessary complexity must be reduced to create an efficient, agile, more innovative company. Dometic has initiated complexity reductions throughout the organization, including areas such as number of suppliers, number of sites, number of legal entities, unique articles, number of SKUs, IT infrastructure and number of different procedures.

Complexity reduction is the starting point for driving industrialization. Dometic has implemented a structured process with clear ownership and cross-functional collaboration to optimize operations. The first step is focused on reducing complexity in stock keeping units (SKUs), reducing the supplier base and driving regional and global category management. The second step involves outsourcing of non-

PROGRESS COMPLEXITY & COST REDUCTION

	SKU REDUCTION:	SUPPLIER REDUCTION:	# OF SITES REDUCTION:	LCC[1] DIRECT MATERIAL SHARE:	RESTRUCTURING PROGRAM
AMBITION	40%	50%	15%	80%	400 SEKm ANNUAL SAVINGS
STATUS 2021 VS 2018	59%	28%	22%	63% (+13pp)	200 SEKm

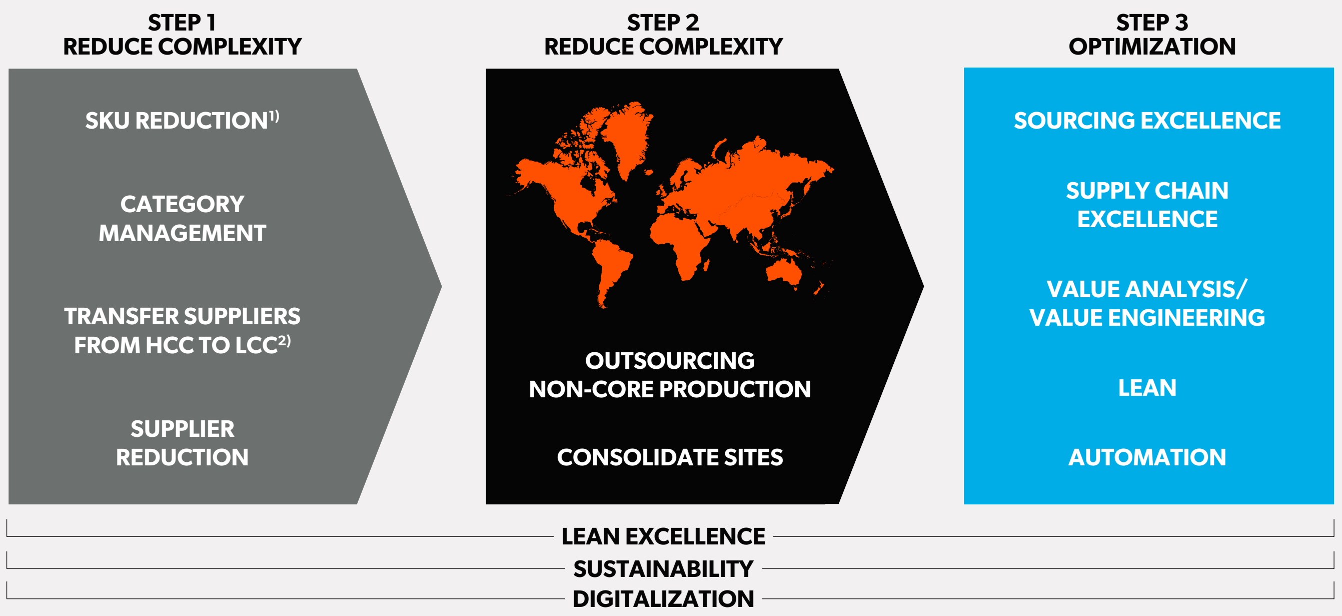
[1] Low Cost Countries.

core activities and consolidation of sites. The third and final step is to optimize the structure through common processes for sourcing, supply chain, lean methods and automation. The three steps are being implemented in parallel, with different timelines, and are progressing well.

A target was set in 2018 to reduce the number of SKUs by 40 percent by the end of 2021. A reduction in SKUs is important, as it reduces complexity, cost and risk. The company has made strong progress and reduced SKUs by 59 percent compared with the baseline year 2018. Reduction efforts continue, but changes come more from "cutting the tail" (reduction of low volume SKUs) to a structural reduction by implementing platform/modular design with increased shared technology across the group. The number of suppliers has been reduced by approximately 28 percent compared to 2018 and the target is to reduce this figure by 50 percent by 2023.

Sourcing is increasingly important as Dometic is gradually shifting to globally coordinated processes around product development and manufacturing. Non-core components and products will be outsourced to external suppliers in low-cost countries, resulting in greater economies of scale and improved flexibility. Dometic is coordinating strategic sourcing centrally and global sourcing structures have been established in a number of key areas, such as electronics and compressors. The share of the sourcing organization located in low-cost countries increased from 50 percent in 2018 to 64 percent in 2021. The share of Direct Material from low-cost countries increased to 63 percent and the target is to reach 80 percent in 2023. To support increased sourcing from low-cost countries, sourcing offices have been established in Mexico and Hungary, in addition to the existing office in China.

DEVELOP OPERATIONS IN STEPS



[1] Stock Keeping Units [2] High Cost Contries to Low Cost Countries.

COMMON PROCESSES AND CONTINUOUSLY IMPROVED COMPETITIVENESS

Lean methods are crucial for operational excellence and will improve Dometic's competitiveness. A lean organization creates more value for customers while using fewer resources by focusing on continuously increasing customer value and eliminating inefficiencies. Common processes and clear ownership are critical to coordinate the industrialization of Dometic's operations. This includes everything from product development, manufacturing, and logistics to sales, administration and IT. Dometic has appointed global key process owners with responsibility for developing, leading and coordinating the implementation of Dometic's processes, training programs and IT applications in their respective areas.

FUTURE OPTIMIZED MANUFACTURING AND DISTRIBUTION FOOTPRINT

Optimization of manufacturing operations is essential for realizing cost reductions. The ability to have a flexible infrastructure, adapt quickly to seasonality and cyclicality, and be asset-light is key. To achieve these goals, Dometic is focusing on reducing vertical integration by outsourcing non-core activities, reducing the number of manufacturing sites, reducing manufacturing in high-cost countries, seizing the benefits of low-cost countries, and increasing automation and assembly near the main markets.

Dometic is strategically reducing in-house manufacturing, while increasing the outsourced value. Optimization of the manufacturing footprint includes common and improved procedures and processes for sourcing. A natural effect of this transition is a reduction in the number of suppliers and an increased number of strategic partners, resulting in high reliability, competitiveness, zero-defect sourcing and high sustainability standards.

Dometic initiated a strategic review of the manufacturing and distribution footprint in 2018, leading up to a structured plan to optimize the footprint in the coming years. A cost reduction program was announced in 2019, focused on outsourcing non-core activities and site consolidation. The program is expected to generate a positive annual impact on earnings of approximately SEK 400 million when fully implemented. Implementing the program is expected to cost around SEK 750 million. Execution of the restructuring program is progressing and to date 804 employees and 22 locations have been affected.

DIGITALIZATION AND SEAMLESS FLOW

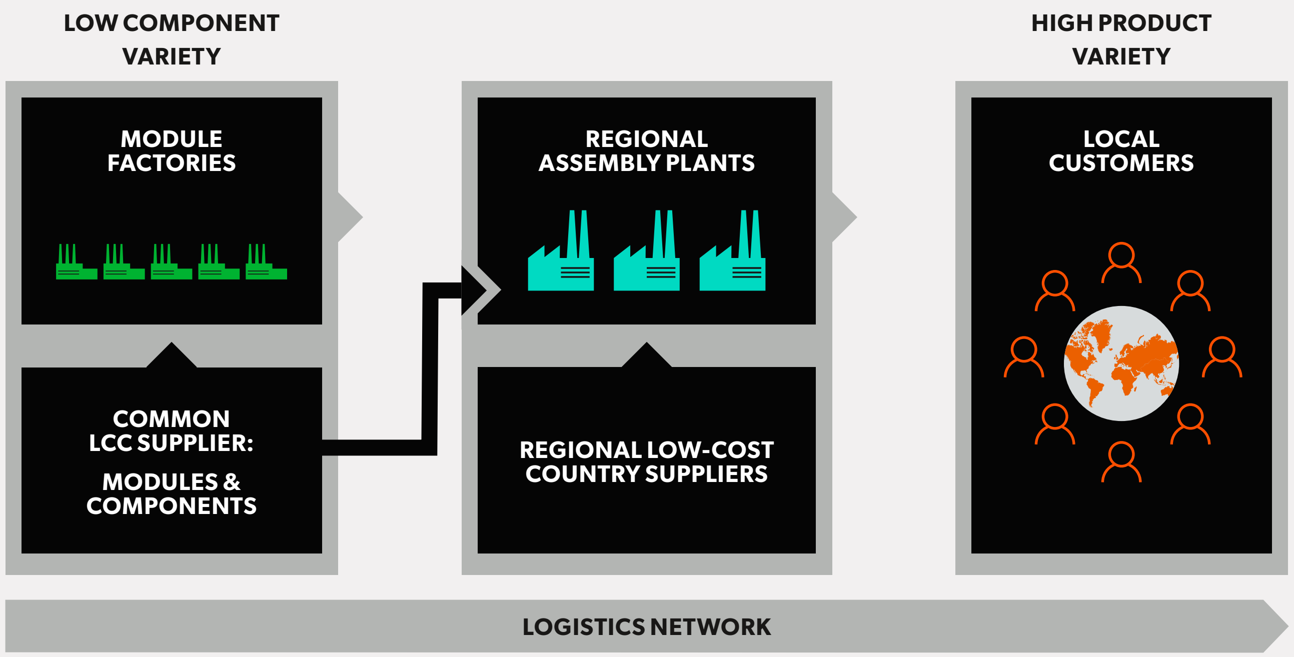
Dometic endeavors to automate processes wherever possible and to transform the industry with a high degree of automation and seamless flow in all areas. The implementation of seamless flow, and the coordination and optimization of the IT structure will also enable efficient coordination of support functions. With this agenda, Dometic will be able to serve its thousands of customers worldwide better and more efficiently.

The company is increasing activities and investments in digitalization and e-commerce to reach new customers and reduce costs.

This involves:

- A global B2C solution to serve new customers directly.
- A global B2B solution to automate flows, reduce costs, and increase effectiveness.
- EDI solutions for existing customers and suppliers to reduce transactional costs.

FUTURE MANUFACTURING FOOTPRINT STRUCTURE



BUILDING TOGETHER

The core values describe the heart and soul of Dometic. They are an incorporated part of everything Dometic does. The Core Values are interlinked with the leadership criteria and integrated into all relevant processes such as Performance Management and Talent Management.

DIVERSITY AND INCLUSION

Dometic believes that teamwork, including a shared sense of purpose and the willingness to take responsibility as individuals and as a group, is essential for its success. Good teamwork will help make Dometic not only a successful company, but also a great place to work.

Diversity is a strategic asset for Dometic and a key element of the competitive edge. Diversity is embraced to the fullest and is seen as crucial for company success and motivation at work. Having a diverse workforce helps to acquire and retain the best talent, build employee engagement, enhance innovation, and improve business performance.

Diversity and inclusion principles apply across the entire Company and cover all facets. Diversity is understood to mean respecting the fact that each individual is unique, and Dometic fosters the ability to set aside personal prejudices.

CORE VALUES

Four core values define what it takes to work at Dometic. They guide employees with regard to how to interact with each other and with external stakeholders.

We are passionate: we are proactive and curious, inspired by new technologies and ideas – and eager to share our expertise with customers.

- **We are passionate** about our products and their quality, and we show attention to detail.
- **We understand** our end users and how they use our products.

We act responsibly: we are professional and reliable. By taking the customer perspective into account, we develop rewarding long-term business relationships that help customers make Mobile Living easy.

- **We put health and safety first,** act with integrity, and have high ethical standards in everything we do.
- **We are fast and responsive** to customers.

We are building together: everything we do is about teamwork – across segments and between functions. There is always room for improvement, as no individual or organization is perfect. We need each other to create a successful business – for the benefit of all our stakeholders, to achieve our financial and sustainability targets, and to realize our aspirations.

- **We focus** on what is best for the company as a whole.
- **We stick to our word** and work as a team.

We embrace change: we listen to our customers and to their customers. This forms the basis for creating innovative, future-proof solutions. We always strive to find new and better ways to do what we do.

- **We are performance-driven** and always strive for continuous improvements.

Dometic can only achieve the Company's aspirations by teaming up, living the core values, and acting consistently with the Company strategy. Dometic offers employees professional development and growth opportunities and embraces talent management and improved internal communication and interaction.

Dometic's aim is to develop an organizational culture where taking responsibility, showing loyalty, and being innovative should characterize the Company's culture. This mindset will help cultivate the teamwork and partnership that will foster involvement and participation among all employees.

BUILDING TOGETHER

Dometic employees show clear focus, develop their capabilities continuously, and find passion in everything Dometic does in order to execute the company strategy. The core values are not only guiding principles; they define how team members in Dometic operate, behave and interact.

One of the most important pillars of sustainable and long-term organizational success is the systematic development of good leaders. Dometic believes in investing in leadership development and expects the efforts to have a positive effect on the bottom line.

In 2021, several activities to improve the leadership development initiatives were implemented.

In addition to the core values, Dometic has started to implement three common leadership criteria that clarify what is expected from all leaders. These criteria are:

- I drive performance.
- I inspire engagement.
- I drive change.

Leaders in Dometic manage rapid changes due to new technologies, politics, environmental concerns, and unexpected events, such as the COVID-19 pandemic. Leaders need to be equipped and trained to be able to lead teams successfully and build organizational capacity for positive change. A new virtual leadership training program was launched in 2021 on the basis of the new leadership criteria and so far 120 managers have completed the training. The program will deepen the understanding of the required leadership skills to accelerate company success.

A STRONG EMPLOYER

To allow for more internal development opportunities, Dometic has further strengthened its internal job market and Talent Management. As new growth areas and a clear e-commerce organization have been established, new talent has been hired and added.

The implementation of the global employer brand has continued in 2021, especially on social media such as LinkedIn. The main messages of the global employer brand are:

- A global Company with a friendly feel.
- Challenges move us forward.
- Leading and growing our industry.
- Challenges drive personal growth.
- Stronger and better together.

The first global employee survey was conducted in 2019 and the Company worked actively in 2020 and 2021 with the resulting action plans. A second survey was done in the fall of 2021 showing clear improvements in all areas.

COVID-19

Like other businesses, Dometic was impacted by the pandemic in 2020 and 2021. Dometic managed to coordinate its Health & Safety efforts efficiently by taking rigorous measures and sharing best practices in order to avoid potential spreading in its factories, for example. Dometic Academy quickly developed e-training programs on the topic to ensure efficient distribution of information and training.

WE DRIVE SUSTAINABILITY IN OUR INDUSTRY

As a pioneer in the Mobile Living arena, Dometic is committed to driving sustainability in its industry. This means providing products designed with a lifecycle perspective to reduce the environmental footprint throughout the product's life cycle. Dometic also provides a safe, healthy, diverse, and inclusive workplace and ensures business practices meet the highest ethical standards. Sustainability is an integrated part of the Dometic strategy and day-to-day operations, and starting in 2021, Dometic has implemented sustainability targets as part of the Long-Term Incentive (LTI) program. For more information, please see pages 35–45.

By enabling staycations and the exploration of local nature, Dometic makes local and more sustainable experiences possible.

By making the outdoors comfortable and accessible, Dometic inspires an active lifestyle and contributes to well-being for more of us.

With innovative, circular, low-carbon outdoor products, we reduce CO_2 emissions as well as the extraction of virgin resources.

DOMETIC AMBASSADOR

SAILING UMA

Dan and Kika are a young couple committed to learning as much as possible about themselves, each other and the world – by traveling. They met and teamed up at an architecture school just north of Atlanta in the United States.

While they were both set on making the most of their architectural skills, they realized they couldn't do that from an office. They needed to get out and see the world. "We believe architecture and travel go hand in hand," explains Kika. "We realized the best way to learn isn't through books, but by being present, experiencing different cultures and different ways of building around the world."

The couple left Florida in 2016 and headed for the Caribbean islands. "Our favorite was a small island called Saba in the Netherlands Antilles." Next, Dan and Kika plan to head to Europe.

"We realized the best way to learn isn't through books, but by being present"

"We're planning to sail across the Atlantic and spend a year or maybe two exploring Europe and the north coast of Africa," says Dan. "As architects, we're fascinated by old buildings and historic cultures."

Since they first set sail, Dan and Kika have gradually made Uma, a Pearson 36 yacht, more comfortable, and Dometic has played a part in the upgrade. "On our first trip we didn't have a fridge or a stove or a shower, we didn't even have a toilet. But we've gradually installed equipment that matches our lifestyle – from suppliers we trust". Dometic products include a toilet, refrigerator/freezer and an alcohol stove. In fact, the new stove is not just an added convenience; it's also made Uma a lot safer.

If you want to keep up with Dan and Kika, check out sailinguma.com.

Ambassadors quick links
Read more stories
1 2 3 4 5

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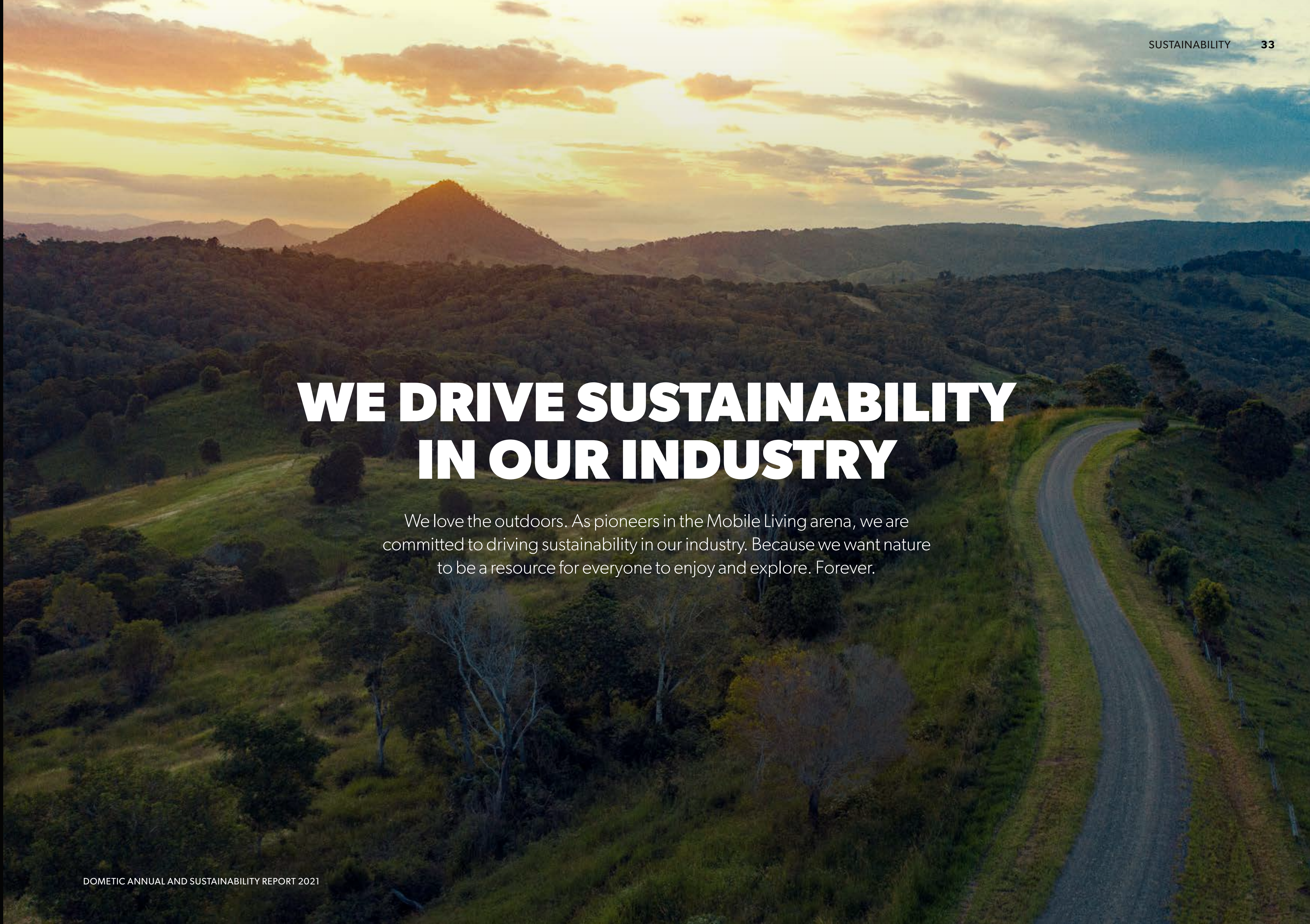

WE DRIVE SUSTAINABILITY IN OUR INDUSTRY

We love the outdoors. As pioneers in the Mobile Living arena, we are committed to driving sustainability in our industry. Because we want nature to be a resource for everyone to enjoy and explore. Forever.

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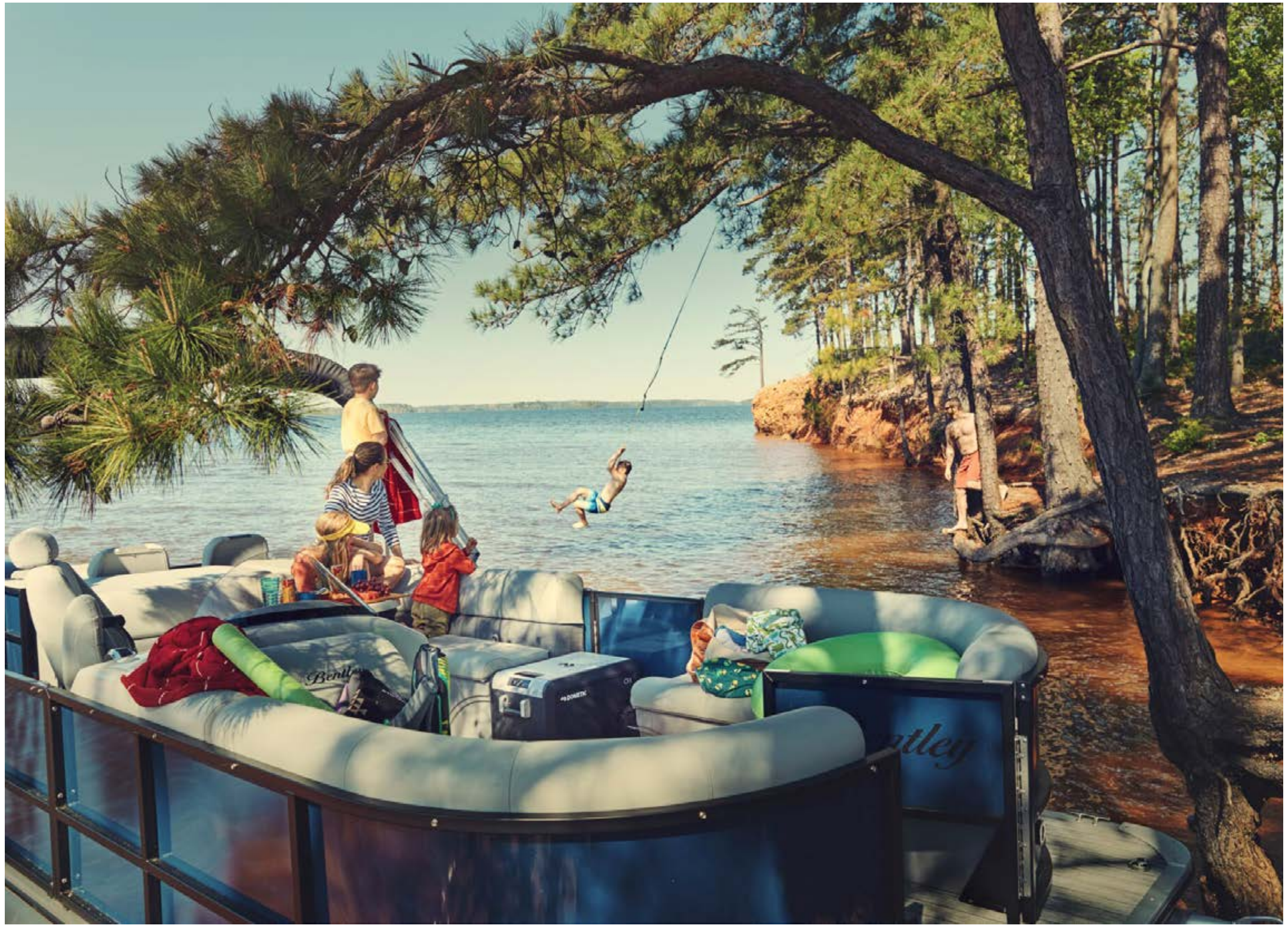
DOMETIC'S ROLE IN SOCIETY – MOBILE LIVING MADE EASY

As a market leader in Mobile Living solutions, Dometic is committed to driving sustainability in its industry. Millions of people around the world buy and use Dometic products. All are part of a growing movement of people who enjoy an active and mobile outdoor lifestyle, for freedom and for adventure. Proximity to nature is an important motivation for users of Dometic's products. The company shall therefore meet the growing demand for the Mobile Living lifestyle while continuously reducing consumers' environmental footprints. Sustainability is the foundation of Dometic's strategy. This is crucial for building a company that is well prepared for future challenges and opportunities.



OUR CONTRIBUTION
Dometic contributes to a more sustainable world by enabling people to enjoy and explore nature – locally and more frequently. We do so by offering innovative, durable, low-carbon products that inspire an active, comfortable, and responsible life in the outdoors.

SUSTAINABILITY PLATFORM 2022–2024 AND BEYOND

Dometic is ready to take the next step into a phase of innovative leadership to drive sustainability in the industry. Over the past three years the company has focused on integrating sustainability in all parts of the company's processes. To support the increased ambition Dometic has developed a new sustainability concept and platform for the next three years to come. The new platform for 2022–2024 comprises the focus areas People, Planet, and Governance. Dometic wants to make a difference through the areas of influence – within the Company, through its products and supply chain, and for its consumers.

In the intersection of focus areas and areas of influence, nine blocks of action have been defined. Each focus area, along with corresponding ambitions, goals, and action plans, has clear ownership in Group Management. Three KPIs are included as part of the long-term incentive program; decrease CO_2 in relation to net sales, percent of female managers and LTIFR. Each target equals 10 percent, giving a total 30 percent weighting for ESG targets.

Through Dometic's sustainability platform, the company has the potential to contribute to at least seven Sustainable Development Goals (SDGs) in support of the 2030 Agenda for Sustainable Development. For more information on Dometic's support of the SDGs, see pages 130–131.

OUR FOCUS AREAS AND AMBITIONS

PEOPLE
Offer a safe, inclusive, diverse and dynamic workplace – allowing every employee to reach their full potential for the best of the company as a whole.

PLANET
Offer innovative, durable, circular, low carbon products. Minimize climate impact, increase resource efficiency, and support circularity.

GOVERNANCE
Safeguard human rights at all times while pursuing fair business and labor practices.

Focus areas / Areas of influence	Company	Products and supply chain	Consumer
People	Employer of choice in the outdoor industry	Good labour standards	Well-being
Planet	Sustainable operations	Sustainable innovation	Sustainable lifestyle
Governance	Good business practices	Good business partner	Enable outdoor experiences for more

Dometic's 2022–2024 sustainability platform. In the intersection of the three focus areas and the areas of influence, nine blocks of action have been identified.

Focus area – PEOPLE

EMPLOYER OF CHOICE IN THE OUTDOOR INDUSTRY

Dometic is committed to being an attractive workplace and the employer of choice in the outdoor industry. Four core values form the foundation of Dometic's company culture. They create the framework for everything Dometic does and how people in the Group interact with each other and external parties. By having a work environment based on Dometic's core values, the Code of Conduct, and supporting governing documents, the company's ambition is to create a great place to work for current and future employees.

DIVERSITY AND INCLUSION

Since 2020, Dometic has been working on implementing the Diversity and Inclusion (D&I) Policy approved by the board of directors. The implementation includes three-year action plans beginning in 2020 in all segments. In 2021, a multi-month D&I training program was launched. The purpose of the program is to increase awareness in the organization about challenges and obstacles related to diversity and inclusion, and how to manage unconscious bias. The training program is an important step in nurturing a culture in which every employee feels respected, valued, and comfortable being authentic. In the 2021 engagement survey, 82 percent of employees agree that they can be their authentic self at work, and 83 percent confirm that their manager acts in line with the D&I Policy.

Dometic has had a particular focus on increasing gender diversity during the past three years. The Group works continually with gender distribution at all levels of the company to build more diverse teams by applying this aspect to the candidate pools. The internal job market portal offers access to all open positions in the Group and supports a fair and transparent hiring process. In 2021, Dometic reached 25 (24) percent female managers. Group Management comprises 10 people, of which 4 are women. The company will step up efforts to increase the proportion of female managers over the next three years. All segments continue to work on segment-specific Diversity & Inclusion targets and corresponding action plans. In 2021, Dometic introduced a new D&I index based on questions asked in the global employee engagement survey. The new D&I index was 75 percent in the 2021 survey, which indicates the majority of employees see the progress made and chose favorable answers. For 2024, Dometic is aiming to improve the D&I index by further improving employees' perceptions of the culture related to diversity and inclusion.

HEALTH AND SAFETY

Dometic works to safeguard a healthy and safe work environment for all employees. Dometic

puts health and safety first in everything the company does, a statement with which 83 percent of employees agreed in the latest engagement survey. To ensure awareness among employees, Dometic provides a global Health & Safety (H&S) e-learning program to all factory employees. Dometic's H&S Guideline is a key component of the factory management systems and aims to ensure a common high standard across the Group. Another component of the factory management systems is the Dometic Loss Prevention Guideline (DLPG), which is designed to guide the Group's production sites on safety and security measures to reduce risk, ensure compliance with industry practices, and maintain high standards for safety, quality, and delivery. Occupational health and safety management system standards, such as ISO 45001, comprise a third component of the factory management systems for selected sites. Dometic conducts regular assessments of all production sites with a third party to analyze potential risks. In 2021, no on-site third-party audits were performed due to travel restrictions and COVID guidelines. One remote audit was performed, and the focus was on supporting sites to implement improvement proposals from previous audits. During the year, two additional sites have prepared for ISO 45001 certification.

Dometic's global H&S index based on the employee engagement survey enables global monitoring of progress. It also guides the development of local measures and initiatives for improvement. The H&S index increased from 70 percent favorable answers in 2019 to 75 percent in the 2021 engagement survey. Dometic has set a target to improve the H&S index to 78 percent by 2024.

In 2021, increased focus has been given to global monitoring of the accident severity rate and lessons learned from near-misses and observations reporting. A new tool for Operations is the "Quick Response Safety Control," which has been implemented at two locations in 2021. The purpose of the new tool is to improve overall safety by decreasing the number of open reports and the response time.

In 2021, 40 (41) lost-time safety-related incidents were reported and the LTIFR was reduced to 2,4 (2.8). The focus in 2021 has been to reduce accidents at a limited number of sites with higher accident frequency by strengthening local procedures in line with the H&S Guideline.

In 2021, the H&S organization has been strengthened with both local and regional resources aimed at better supporting operations. Additionally, a review of the H&S Guideline was initiated to cover more than Dometic's physical work environment. The guideline framework will be expanded to provide better guidance for events similar to those experienced in 2020 (the pandemic), and to work more proactively with psychosocial factors. During the COVID-19 pandemic, Dometic established well-functioning global structures to share knowledge and experiences in order to quickly adapt to rapidly changing circumstances. Common materials such as checklists and e-learning programs have been developed to support the organization. In the last engagement survey, 85 percent of employees agreed that Dometic made employee safety a top priority during the pandemic.

COMPETENCE MANAGEMENT

Organizational capabilities are key for Dometic's business success and for its employees. Dometic Academy provides a central learning management system that hosts training opportunities globally. In the last 2 years, Dometic Academy has become more of a catalyst for strategy deployment and employee development. A clear annual roadmap was established, which has strongly accelerated the production of training output. Dometic Academy contributes to target alignment in performance management throughout the organization. In 2021, 91 percent of employees stated that they clearly understand how their own job contributes to achieving the goals of the company.

In 2021, the focus of Dometic Academy has also been expanded toward more product

trainings to support the strategic initiatives in service and aftermarket. In total, 4,660 (3,920) employees participated in 885 (726) training activities across all markets in 2021. In the next few years, Dometic will increase its efforts in competence management to defend its leading market position and support the company's transition.

Leadership

In 2021, Dometic rolled out its first fully virtual leadership training program to implement the newly launched global leadership model. Dometic's transformation journey puts higher demands on leaders to succeed with the journey and to deploy the strategy. Dometic's leadership model, which was developed and launched in 2020, is based on three leadership criteria for transformational leadership: I drive performance, I inspire engagement, I lead change. These criteria will support leaders in understanding expectations of them and acting as role models to ensure ethical and responsible business practices. In 2021, 110 leaders participated in the global virtual leadership training. Dometic's leadership index improved from 69 percent favorable to 77 percent favorable from 2019 to 2021. Strong improvements have been made in several areas of leadership, such as living the core values, supporting the employee's professional development, and giving constructive feedback and coaching.

Dometic has set a new target for 2024 to improve the leadership index based on the global employee engagement survey to 80 percent.

Sustainability training for all employees

Sustainability can only be fully integrated in a company's processes and day-to-day decisions if employees are aware of the benefits and importance for the various stakeholders. Since 2020, Dometic has provided a global sustainability e-learning program, which is part of the mandatory training package for all employees. Additional new training activities rolled out during the year include "A Sustainable Supply Chain" for Sourcing and "Design for Sustainability" for Product Development and Product Management. An awareness campaign in Diversity and Inclusion has also been promoted during the year.

TARGET OVERVIEW FOCUS AREA PEOPLE

Ambition: Offer a safe, inclusive, diverse an dynamic workplace - allowing every employee to reach their full potential for the best of the company as a whole			
Goal	**KPI**	**Baseline 2021**	**Target 2024**
Provide a healthy and safe work environment for all employees	Health & Safety index	75%	78%
	LTIFR (LTM)	2.4	<2
All employees can be their authentic selves	Diversity & Inclusion index	75%	78%
	% female managers	24%[1)]	1 %-point per year
Excellent leadership on all levels of the organization	Leadership index	77%	80%

[1)] New broader measurement specification from 2022.

Focus area – PLANET

Proximity to nature is an important motivation for users of Dometic's products. Dometic offers innovative, durable, low-carbon products that inspire an active, comfortable, and responsible life in the outdoors. Environmental consideration is an integral aspect of product design and the company strives for resource efficiency and to continuously reduce environmental impact throughout the product life cycle.

SUSTAINABLE INNOVATION

LIFECYCLE APPROACH

The total environmental impact of any product is the sum of the inputs of raw materials, processing, shipping, the use phase, and the end of life. Mapping the impact data enables identification of hotspots that offer the greatest opportunities for improvement. The knowledge gained from lifecycle assessments conducted on major product groups, such as cooling boxes, mini bars, and rooftop air-conditioners, is used to make informed decisions in the development of new products. The results also confirm the relevance of the priority to constantly improve energy efficiency in the use phase. Alternative materials, such as recycled or renewable plastics, and weight reduction are other areas with the potential to reduce environmental impact even further.

USE PHASE EFFICIENCY

Energy efficiency in the product use phase contributes greatly to minimizing the overall environmental footprint. It also enables users of Dometic's products to reduce energy costs and stay out longer. Dometic sets energy reduction targets in all relevant development projects, in line with the Group's goal to improve the energy efficiency of each product. For 2024, Dometic will focus even more on reducing the weight of products as this contributes to reducing the energy or fuel consumption in the application where the products are being used or transported. Dometic's development of the connectivity technology area will also support product use phase efficiency through optimization of product performance.

In 2021, Dometic introduced the innovative Voyager Series TX air-conditioning system using a variable speed compressor, which provides superior comfort for boats while reducing energy consumption and costs, operating noise, and required repairs and maintenance. Another example is the new HiPro mini bar, which reduces energy consumption by up to 40 percent compared to previous replaced models, while boosting the cooling performance and optimizing functionality.

ELECTRIFICATION, RENEWABLE ENERGY AND MOBILE POWER SOLUTIONS

Adapting and broadening the product offering to support electrification and further use of renewable energy sources, especially through mobile power solutions such as high-end solar power solutions, batteries, and battery chargers, has been a strong focus in 2021 through various acquisitions. This allows users of Dometic's products to explore the outdoors, off-grid, with less dependency on fossil energy as more and more people spend time outdoors with a vehicle or boat as their base. Dometic's share of EU taxonomy-eligible turnover and CapEx is clearly positively impacted by the acquisitions made in 2021. Read more on page 128.

The new Dometic Delibox for home deliveries of restaurant food, which launched in 2021, is another example of a product designed to run on electricity. The Delibox, which has been nominated for the Green Product Award 2022, can be plugged into the bike battery of an electric bike or a rechargeable battery.

DURABILITY, NEW MATERIALS AND CIRCULARITY

The main materials sourced for Dometic products are plastics, steel, aluminum, and copper. For the past few years, Dometic has been taking an active role in exploring and promoting new materials such as bio-composites and recycled plastics in various applications. In 2021, efforts have led to the introduction of a recycled material made from PET bottles destined for use in tents, awnings, and camping chairs slated for release in 2022. For 2024, Dometic has set a goal to further increase the use of renewable or recycled plastics in various applications. The company is also working to improve product packaging by minimizing use of plastics, phasing out EPS, and using recycled materials.

Dometic also aims to enhance serviceability, repairability, and recyclability in future product generations. Together with increased efforts in the aftermarket with planned maintenance programs, repairs, and upgrade kits, these factors aim to support circularity in the long term. For 2024, a new goal has been set for new released products to have a program that can extend the expected product lifetime to support an even more efficient use of natural resources.

One activity that supports the environmental targets, both for existing products as well as in new product development, is VAVE (Value Analysis, Value Engineering). Through this process alternative features, materials, and design are explored, many of which have the potential to improve the environmental performance of the product.

LEGISLATION, SUBSTANCE CONTROL AND PRODUCT SAFETY

Dometic's products are subject to more than 100 specific product regulations worldwide and the products are often found in the interface between household and vehicle legislation.

The company continues to strengthen global substance control, which is important for managing quickly growing substance legislation requirements and ensuring product safety throughout the product life cycle. The Dometic Restricted Substances List, which is used in communication with the suppliers, is available at Dometic.com.

Another area of importance are refrigerants, which are key components in many of Dometic's products. To minimize their potential negative impact, Dometic is phasing out refrigerants with higher Global Warming Potential (GWP) in favor of refrigerants with lower GWP that can fulfil the technical requirements, including safety. This is particularly important for air-conditioning products, where the main efforts are being made.

To strengthen awareness of Dometic product safety procedures as part of the product development process, a new training program in product safety has been developed and launched for relevant functions globally in 2021.

TARGET OVERVIEW SUSTAINABLE INNOVATION

Ambition: Offer innovative, durable, circular, low-carbon products			
Goal	**KPI**	**Baseline**	**Target 2024**
Increase product use phase efficiency	% increase in energy efficiency of relevant new products	Previous generation/ other relevant product	5%
	% weight reduction (to save energy consumption in application of use) for relevant mobile applications	Previous generation/ other relevant product	5%
Increase use of renewable and recycled materials	% of total purchased plastic and fabric come from recycled or renewable sources	n/a[1]	increase
Extend expected lifetime	% of new released products that provide a program that can prolong the expected lifetime	n/a[1]	80%

[1] New measurement and target starting in 2022.

SUSTAINABLE OPERATIONS

ENERGY EFFICIENCY

Dometic has worked proactively for years with energy-saving programs aimed at reducing energy consumption in its facilities. The environmental and energy management systems in the factories ensure continuous focus on identification of improvement areas. Examples of activities in 2021 to reduce energy consumption are investments in production equipment and insulation, LED lights and motion sensors, replacement of old gas heaters, and compressed air surveys. In 2021, total energy consumption decreased by 2 percent compared to the 2018 baseline and the consumption relative to net sales decreased by 11 percent. Dometic aims to further improve energy efficiency as part of the segments' environmental programs.

RENEWABLE ENERGY AND CARBON INTENSITY

In 2021, Dometic has continued the development of a roadmap for renewable electricity that was initiated in 2020. Short, medium, and long-term CO_2 reduction targets have been set based on this roadmap. The target for 2030 is to reduce CO_2 emissions in relation to net sales by 50 percent. During this first year, total CO_2 emissions from scope 1 and 2 in relation to net sales decreased by 25 percent compared to the 2020 baseline, mainly due to transitioning to renewable electricity in 12 of 23 factories. Dometic aims to continue transitioning to renewable energy sources over the next few years to ensure fulfilment of the long-term target. During the year, the share of renewable electricity has increased from 6 percent in 2020 to 22 percent in 2021.

Reducing emissions from transport of goods (scope 3) is also part of Dometic's climate roadmap. In 2021, a footprint inventory to confirm an emission baseline for 2020 was finalized. Areas of improvement have been identified and internal reduction targets have been set for the next three years as preparation for later external communication of the targets.

WATER MANAGEMENT

Monitoring water consumption and identifying initiatives to improve the efficiency of water use are components of each units' environmental program to achieve the target of a 10 percent reduction by 2021. In 2021, total water consumption decreased by 7 percent compared to the 2018 baseline, primarily due to reduced consumption in segment Americas. Dometic aims to further increase water efficiencyy as part of the segments' environmental programs. Reductions are expected in segment Americas in 2022 due to an investment in a new wash line in the Greenbrier facility.

MINIMIZE WASTE AND ELIMINATE LANDFILL

Dometic works continuously to reduce waste generation and to increase the recycling rate. In most countries, Dometic has access to developed systems for recycling and energy recovery and aims to achieve recycling solutions in all markets to further increase the recycling rate. In 2021, total waste amounted to 15,100 tons (12,300) due to higher business activity, of which 400 were hazardous waste. In all, 80 percent of waste was recycled, which means the target for 2021 of 75 percent has been reached and exceeded. Over the next three years, Dometic has set a target to achieve a recycling rate of at least 85 percent.

TARGET OVERVIEW SUSTAINABLE OPERATIONS

Ambition: Minimize climate impact, increase resource efficiency and support circularity				
Goal	**KPI**	**Baseline 2020**	**Target 2024**	**Target 2030**
Operations fully powered by renewable electricity	% renewable electricity (scope 2)	6%	30%	80%
	CO_2 emissions ton/net sales SEKm (scope 1 and 2)	2.0	–30%	–50%
Reduce CO_2 from transport of goods	Outbound CO_2 emissions ton/ net sales SEKm (scope 3)	1.5	To be confirmed[1]	–
Minimize waste and eliminate landfill	% waste recycled or incinerated for energy recovery	80% (2021)	85%	–

[1] Internal reduction targets have been set for the next three years as preparation for later external communication of the targets and actual results.

CLIMATE ROADMAP FOR 2030

Dometic aims to reduce the carbon footprint of mobile living. Energy efficiency in production and the product use phase have long been key priorities that contribute to reducing environmental impact. In 2021, a long-term climate target was set to reduce CO_2 emissions from scope 1 and scope 2 in relation to net sales by 50 percent by 2030. The company also expanded the monitoring of its carbon footprint by extending the reporting to cover scope 3 emissions, represented by emissions from transport of goods, and a baseline for 2020 was set along with internal reduction targets.

Several key activities and targets for 2024 are aiming at reducing the emissions from scope 3, represented by the product life cycle.

Climate-related risks and opportunities

Climate-change-related risk management is integrated into risk governance in Dometic. Physical and transition risks are considered within the risk framework, both from a strategic and an execution perspective. In 2021, Dometic approached the risks and opportunities of climate change by means of scenario analysis as recommended in the framework of the TCFD. A ten-year perspective was used to draw conclusions on potential future impact on Dometic. This approach helps to identify, manage, and minimize the risks on a deeper level, and to take the correct and necessary actions as well as estimate and reduce the negative financial impact. Identified strengths and opportunities contribute to achieving a competitive advantage for Dometic. For information about the scenarios used in the analysis and the identified risk, opportunities, and financial impact see page 67.

Governance

The Sustainability Team and Management Team review the effectiveness of implemented measures on a regular basis. Physical risks in Dometic's operations are managed within the Loss Prevention Guideline framework and assessments are performed by a third party. Climate-related transition risks and opportunities are likely to impact Dometic in the form of new legislative requirements concerning products as well as operations.

Strategy and actions to mitigate risk, reduce impact, and capture opportunities

- Reduce complexity to enable an agile organization that is prepared to adapt to rapidly changing circumstances.
- Adapt product offering to electrification and renewable energy sources through mobile power solutions.
- Offer innovative, durable, circular, low-carbon products.
- Minimize climate impact, increase resource efficiency, support circularity in operations.
- Further develop the service and aftermarket business to ensure extension of expected product lifetime through service, preventive maintenance, spare parts, and upgrade kits.
- Consider environmental impact and sustainability opportunities in acquisitions, divestment, and investments.

Focus area – GOVERNANCE

ETHICAL BUSINESS PRACTICES

Dometic's Code of Conduct and additional governing documents lay out the framework for how the Group acts and follows up business practices. The Code of Conduct applies to all employees as well as business partners. Dometic is a signatory to the UN Global Compact and supports the ethical guidelines from which the Global Compact is derived. As a signatory, Dometic is committed to working with the ten universally accepted principles in the areas of human rights, labor, the environment, and anti-corruption.

ANTI-CORRUPTION

Dometic's Code of Conduct strictly prohibits engaging in or facilitating any kind of corruption, including fraudulent actions, bribery, facilitation payments, or money laundering. Dometic's relationships with business partners are based on high ethical standards and business practices that aim to support ethical behavior throughout the value chain. These practices strengthen the Dometic brand and contribute to fair market competition.

Internal control activities aligned with Dometic's enterprise risk management process support the principles of the Code of Conduct. Internal control training is provided to increase awareness of internal control measures as part of the daily operations. The effectiveness of the internal control measures is assessed through a self-assessment and controlled by internal audit according a defined audit plan. Read more in the corporate governance report starting on page 74.

TRAINING AND AWARENESS

All Dometic employees are trained in how to interpret and apply the principles set forth in the Code of Conduct. The training program provides hands-on examples of work-related situations to practice expected behaviors in difficult situations. No matter where in the world, new employees are invited to the training program and expected to complete it within their first few weeks of employment. As of 2020, Dometic trains all employees in the Code of Conduct through an annual refresher. 94 percent of white-collar workers and 95 percent of blue-collar workers completed the Code of Conduct awareness program in 2021. The Dometic engagement survey carried out in late 2021 confirms that there is high awareness and a good understanding of the principles set forth in the Code of Conduct as well as the whistle-blowing system, as described below, by the organization. 94 percent of employees respond that they understand the Code of Conduct.

WHISTLEBLOWING

The Dometic whistleblower system, called the Dometic SpeakUp Line, is available for reporting in all Group languages. It offers Dometic's employees an anonymous channel in which to report any business activities or behaviors that are potentially in breach of the Code of Conduct or applicable laws and regulations. Dometic's SpeakUp Line is managed by a third-party vendor to ensure full privacy. The whistleblower system is confirmed to be widely known and used throughout the organization. In the 2021 employee engagement survey, 90 percent of employees report that they know where and how to report a concern. For details about reported cases, see page 127.

BUSINESS PARTNERS

Working with business partners who share Dometic's high standards regarding business ethics, quality, environmental awareness, and social standards is necessary to effectively manage risks and enhance performance in the supply chain. Dometic sources from countries with varying levels of risk exposure to corruption and human rights abuse. The Group has just under 3,000 suppliers of direct material in 46 countries. The biggest categories of direct material bought by Dometic are metal components, plastic components, electronic components, and traded products. To ensure that suppliers meet the standards for responsible and ethical business practices, suppliers are required to comply with the principles set forth in the Dometic Code of Conduct for Business Partners. The Group's and segments' sourcing organizations monitor compliance with the Code of Conduct through supplier assessment, consisting of self-assessment, online audits, on-site audits, or third-party audits. In 2021, 94 percent of direct material suppliers had signed the Dometic Code of Conduct for business partners and 88 percent of the direct material supplier spend in low-cost countries had been audited over the past two years.

Dometic's strategy to reduce complexity and number of suppliers enables deeper assessment and follow-up of selected suppliers. In 2021, a new version of the internal training program for sourcing and the supplier audit organization was introduced to ensure a good understanding of the principles set forth in the Code of Conduct for Business Partners and how to verify suppliers' compliance with these requirements. Dometic has set a new target for 2024 to audit all new direct material suppliers for ESG through on-site audit, remote audit, or third-party audit.

TARGET OVERVIEW FOCUS AREA GOVERNANCE

Ambition: Safeguard human rights at all times while pursuing fair business and labor practices			
Goal	**KPI**	**Baseline 2021**	**Target 2024**
All employees understand the Code of Conduct and know how to act in difficult situations	% employees that have passed Code of Conduct training	95%	95%
All business partners have a good understanding of the Code of Conduct and support in driving sustainability in our industry	% of DM suppliers that have signed the Code of Conduct	94%	95%
	% of new DM suppliers that have been ESG audited (Dometic on-site, remote or 3rd party audit)	n/a[1]	90%

[1] New measurement and target starting in 2022.

EXECUTION ON 2019–2021 SUSTAINABILITY TARGETS

For the target period 2019–2021, Dometic identified sustainability focus areas in which the company could make the greatest difference and integrate sustainability in all parts of the business. The baseline for the 2019–2021 targets is 2018, unless indicated otherwise. The progress compared to baseline is good with improvements in all areas, especially in reduction of accident frequency rate, product energy efficiency, SKU reduction, CO_2 reduction, waste recycling, supplier audits, and roll-out of Code of Conduct related training programs. There are however gaps compared to the very ambitious 2021 targets in many areas, and the company will continue and intensify its efforts to drive further improvements.

KPIs	Baseline	Target	Actual
PEOPLE			
Reduce injury rate (LTIFR)	3.7	2	2.4[1)]
Increase share of female managers	23%	26%	25%[2)]
All to have a performance review	55% (2019)	100%	65%[3)]
PLANET			
SUSTAINABLE INNOVATION			
Reduce product energy consumption	Comparable reference product	–5%	Measured per product[4)]
Reduce Stock-keeping units (SKU)	74,000	–40%	–59%
Improve global material control	Local control	90% of component purchase value	Target fulfillment delayed[5)]
Reduce the use of greenhouse gases (refrigerants)	575,100 tCO_2-eq[6)]	–10%	Target fulfillment delayed[7)]
SUSTAINABLE OPERATIONS			
Space reduction (m2)	670,000	–15%	–11%[8)]
Reduce energy consumption (scope 1, 2)	116.4 GWh	–10%	–2%[9)]
Reduce CO_2 emissions (scope 1, 2)	2.0 (2020)	–5%	–25%[10)]
Reduce water consumption	280,000 m^3	–10%	–7%[11)]
Increase recycling of waste	68%	75%	80%

KPIs	Baseline	Target	Actual
GOVERNANCE			
Train all employees in the Code of Conduct (white collar)	98%	100%	94%[12)]
Train all employees in the Code of Conduct (blue collar)	0%	100%	95%[13)]
All direct material suppliers to sign the Code of Conduct	34%	100%	94%
Audit direct material spend in LCC	n/a	90%	88%[14)]
Train all relevant employees in anti-trust / export control	n/a	100%	98% / 94%[15)]

1) Significant reduction compared to baseline supported by improvements in all segments. Efforts continue, especially in segments EMEA and Marine.
2) Increase primarily supported by recruitments in headquarter and segments APAC and Americas.
3) During the target period, Dometic has has gradually switched to a more continuous goal-setting process and performance feedback, given the copany's pace of change. This is evidenced by the fact that 84% of all employees answer in the 2021 employee survey that they have clearly defined goals.
4) Examples of projects resulting in products with high energy efficiency and reduced energy consumption are presented on page 39.
5) Several local systems docked into the global system for material control. Efforts continue to harmonize local information into the common system.
6) The CO_2-eq represents the global warming potential of the refrigerants used, not actual impact as the refrigerants are handled in hermetically sealed systems and recovered during service or at end of life.
7) Target reached for product area refrigeration. Overall target fulfillment delayed due to delayed release of new air-conditioning products due to supply chain disturbances and regulatory matters in the US regarding new refrigerant approvals.
8) Target not fully met due to delay in cost reduction program, partly due to COVID-19 related travel restrictions.
9) Target not met in part due to delay in cost reduction program, partly due to COVID-19 related travel restrictions.
10) Target exceeded due to faster implementation of roadmap for renewable electricity than planned.
11) Target not met in part due to delay in cost reduction project due to COVID-19.
12) The Code of Conduct e-learning was relaunched as a refresher in 2021 which is why training rates are not yet at the same level as previous year.
13) Covid restrictions have complicated classroom training of new employees which is why all new employees have not yet been trained.
14) Minor delay in audit plan due to COVID-19 related travel restrictions.
15) Efforts continue to close the gap and train all employees.

DOMETIC AMBASSADOR

HAPPIEST WHEN TOGETHER

Marlene and Dan, together with their three children, live on the move. Home is their 4x4 Sprinter – and wherever they happen to find themselves. After zig-zagging all over North America, the intrepid family is taking on Europe one country at a time.

Fitting a family of five into such a small space is not a challenge, according to Marlene. They have everything they need to live life to its fullest. They even stand up to the challenge of keeping everyone well-fed while on the road.

> "We love our Dometic CFX that we use every day in our mobile lives. It stores far more food than the size would suggest"

"We have a Dometic glass top stove/sink combo and a Dometic CFX3," the newest generation of temperature-controlled storage from Dometic that can work as a freezer or a fridge.

"We love our Dometic CFX that we use every day in our mobile lives. It stores far more food than the size would suggest," Marlene says. Because the CFX3 is extremely efficient and a top loader, the family has no problems running it 24 hours a day, every day, just using the power of the sun. "The reversible lid allows us to place the fridge wherever we want inside our camper and the wireless controls via the CFX app is perfect for adjusting the internal temperatures on the fly." Thanks to the near-silent compressor which only kicks on when needed, everyone sleeps soundly all through the night, even with it installed at the foot of the beds.

If you want to keep up with Mali Mish adventures, make sure to follow them on social media @mali.mish

Ambassadors quick links
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SEGMENT STRUCTURE

In 2021, Dometic implemented a new organizational structure with the aim of developing and strengthening existing and well-positioned business areas while establishing a more focused environment, allowing new growth areas to receive the necessary management attention and fully dedicated resources to thrive and become sizable businesses.

FOUR SEGMENT ORGANIZATION

- SEGMENT AMERICAS
- SEGMENT EMEA
- SEGMENT APAC
- SEGMENT GLOBAL

BUSINESS AREAS INCLUDED IN THE SEGMENTS

In segments Americas, EMEA and APAC:

- Recreational vehicles (RV)
- Commercial and passenger vehicles (CPV)
- Outdoor - Vehicle-Based Activities

In segment Global:

- Marine
- Other global verticals (Residential, Hospitality, Mobile Deliveries)
- The Igloo business acquired in October 2021

SEGMENT AMERICAS

MARKET AND BUSINESS SUMMARY

In 2021, the market recovered after the previous year, which was heavily impacted by COVID-19. 2021 was a new record year for number of sold RVs on the US market, and the end-user demand significantly exceeded supply. With increasing raw material prices and transport costs, as well as longer-than-normal transport lead times, the focus was on securing customer deliveries and on price management to safeguard profitability. Two acquisitions were completed during the year, which both contribute to a better business mix:

Valterra - a leading North American provider of service and aftermarket products, consumables, and accessories for the RV industry. Approximately 2/3 of sales are derived from Service & Aftermarket customers. The acquisition also significantly increases the presence in the fast-growing market for mobile solar power solutions through the Go Power! brand.

Zamp Solar - a leading North American manufacturer of innovative and high-quality mobile solar power solutions for the Outdoor market. Approximately 50 percent of net sales is in Distribution and Service & Aftermarket.

During the year, there was a strong focus on expanding the Outdoor business. A B2C platform was implemented and several campaigns were successfully performed. As a proof point of strong progress, the independent and well-acknowledged organization NPD recognized Dometic as the fastest-growing outdoor equipment brand in 2021.

The CPV business grew in 2021, supported by the ramp-up of the CPV contracts announced in 2019.

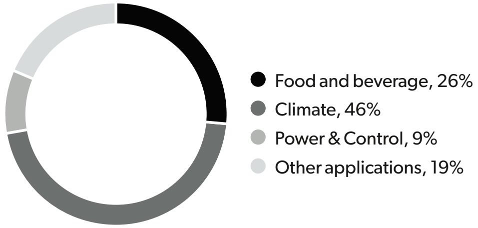
After transferring part of the production from both China and the US to Mexico in 2020, the Americas segment has continued to accelerate low-cost country sourcing activities in Mexico in 2021. Continued cost reduction is a top priority to support margin expansion.

The segment carried out several sustainability activities during the year. Talent in Environment and Health and Safety has been hired locally to support the organization and drive improvements. Two sites started purchasing renewable electricity during the year to support the target to lower CO_2 emissions. Manufacturing footprint consolidation is leading to further energy savings, reduction in water consumption, and reduction in CO_2 emissions.

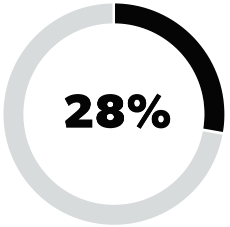
KEY FIGURES	2019	2020	2021
Net sales, SEKm	5,369	4,447	5,970
Net sales growth, %		–17%	34%
Organic growth, %		–12%	20%
EBIT margin, %[1)]	5.6%	0.9%	5.0%

1) Operating profit margin before items affecting comparability.

Net sales by application area



Segment as a proportion of Group net sales



SEGMENT EMEA

MARKET AND BUSINESS SUMMARY

In 2021, the market recovered after a year heavily impacted by COVID-19. The end-user demand for outdoor activities was strong and the focus was on fulfilling market demand while managing the global supply constraints that impacted many industries with component shortages and longer-than-normal transport lead times. To support the expansion in Outdoor, four acquisitions were announced during the year:

Front Runner - a global provider of high-quality products for the Outdoor market headquartered in South Africa. Products include roof racks, rooftop tents, storage products, and load bars. The products are sold on four continents through own B2C e-channels (approximately 50 percent of total net sales) and through more than 600 dealers.

Büttner Elektronik - Germany-based provider of high-end mobile power products, including solar power solutions, batteries, and battery chargers. The products are primarily sold in Germany and approximately 75 percent of net sales are in Service & Aftermarket.

Cadac - a provider of premium barbecue equipment for the Vehicle-Based Outdoor market. The transaction was completed in the first quarter of 2022.

NDS Energy - an Italian-based provider of Mobile Power Solutions, including solar power systems, chargers, and inverters with approximately 75 percent of net sales in Distribution and Service & Aftermarket. The transaction was completed in the first quarter of 2022.

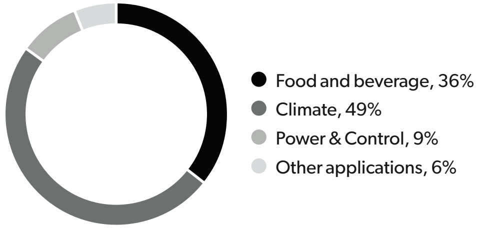
To drive growth, the previous country-centered structure for Distribution and Service & Aftermarket was replaced in 2020 with a regional setup. This has strengthened strategy deployment and reduced complexity while making investments in new growth areas like Outdoor more relevant. The global restructuring program continued during the year, with a range of activities including an exit from the manufacturing site in Geluwe, Belgium. Price management has been critical during the year to meet increasing costs for raw material and transports.

To support the Group sustainability targets, the segment is implementing several activities. All sites but one have transferred to renewable electricity and new climate products (tents, awnings) made from recycled material have been launched.

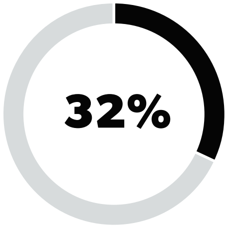
KEY FIGURES	2019	2020	2021
Net sales, SEKm	6,357	5,629	6,981
Net sales growth, %		–11%	24%
Organic growth, %		–10%	22%
EBIT margin, %[1]	12.5%	11.5%	12.9%

[1] Operating profit margin before items affecting comparability.

Net sales by application area



Segment as a proportion of Group net sales



SEGMENT APAC

MARKET AND BUSINESS SUMMARY

After a difficult 2020 impacted by COVID-19, there was increased customer appetite for stay-cations and outdoor activities across the Asia Pacific region. With two main factories in China, supply chain management was key during the year to secure customer orders in a year heavily impacted by the global supply constraints that impacted many industries. Price management was also critical during the year to offset increasing costs of raw materials and transports.

Enerdrive - an Australian-based provider of mobile power products, including solar power solutions, batteries, and battery chargers, was acquired in 2021. Enerdrive has a large Service & Aftermarket network of more than 1,200 dealers and further strengthens Dometic's strong position in APAC.

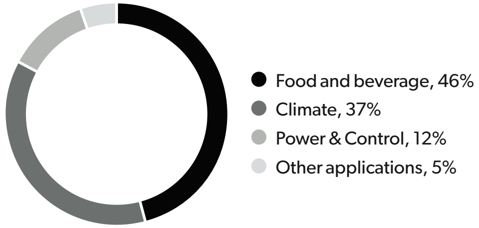
Approximately 80 percent of APAC sales were in the markets of Australia and New Zealand, where Dometic has a leading market position across several vertical end-user markets. In 2021, a B2C platform was launched in Australia to further drive sales in Outdoor and build an even stronger relationship with end users. In Asia, increasing customer coverage across China, Korea, and Japan supported sales growth during the year.

To support the Group sustainability targets, the segment is running several activities including implementing solutions for renewable energy in its manufacturing sites.

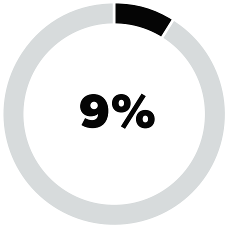
KEY FIGURES	2019	2020	2021
Net sales, SEKm	1,501	1,315	1,961
Net sales growth, %		–12%	49%
Organic growth, %		–9%	34%
EBIT margin, %[1]	21.0%	20.6%	26.0%

[1] Operating profit margin before items affecting comparability.

Net sales by application area



Segment as a proportion of Group net sales



SEGMENT GLOBAL

The Global segment has two sub-segments: Marine and Other global verticals. In addition, the Igloo business, acquired in October 2021, is reported as part of the Global segment.

OVERVIEW AND OFFERING

MARINE

The Marine sub-segment supplies the global marine industry with a wide range of innovative products for both the leisure and professional markets. The SeaStar acquisition in December 2017 was a very successful addition to the Dometic business, primarily in Americas. The strategy is to leverage SeaStar as a platform for the Marine business globally and to make future acquisitions from a position of market leadership in steering and control systems, fuel systems, digital integration, and climate control. With a strong market position as a basis and by driving continuous innovation, Dometic has an opportunity and the ambition to outperform market growth by increasing the content per boat, increasing service and aftermarket business with purpose-built products, and by expanding the business into new areas, such as Commercial Marine.

OTHER GLOBAL VERTICALS

Other global verticals consists of Residential, Hospitality, and Mobile deliveries. The aim of Other global verticals is to work, based on the technology know-how, with global product assortments that can be sold in all geographic regions. The common characteristics of these verticals are relevant global market size, growing trends, and many opportunities for acquisitive growth.

Residential

The target for Residential is to create unique home and patio environments by taking the existing wine refrigerator assortment to a new level and expanding into new areas. In 2020, the Dometic MoBar was launched on the market. MoBar is a series of mobile outdoor beverage centers made for stylish entertaining at outdoor gatherings. In 2021, Dometic acquired Twin Eagles, a leading US manufacturer of free-standing and built-in grills and outdoor kitchen solutions for the residential Outdoor market. Dometic sees a net sales potential in this area of SEK 1 b within 5 years.

Hospitality

The current business is related primarily to the lodging industry, with the main products being mini bars and safety boxes. The strategy is to continue to address the lodging business, while also using our technology and products for new customer segments, such as health care and elderly care institutions. New products and solutions are currently in development, with expected product announcements in 2022.

Mobile Deliveries

As logistics flows change and home deliveries of food and other goods increase, Dometic's heating and cooling products and capabilities are creating a strong foundation for developing products that can be used in the last mile of food delivery or as home delivery boxes. In 2021, Dometic launched the Dometic Delibox and the Dometic Smart Delivery Box. The Delibox preserves the quality and temperature of restaurant food until it reaches the end user. Potential customers are vehicle manufacturers, restaurants, and online food delivery services. The Smart Delivery Box preserves the quality and temperature of delivered food and groceries for the consumer at home. Dometic estimates a net sales potential in this area of SEK 1 b within five years.

IGLOO

Igloo was acquired in October 2021. Igloo is a global provider of passive cooling boxes and drinkware products for the Outdoor market. Founded in 1947, Igloo is perceived as one of the leading manufacturers in the world, with an iconic brand, a wide product range, and strong consumer orientation. With 92 percent of net sales in the US and products available in more than 90,000 retail stores globally, Igloo also has its own fast-growing direct-to-consumer sales channel. With its own manufacturing facility in Texas, products are primarily manufactured in-house, which results in cost benefits, flexibility, and short lead times for the North American market. Igloo has more than 1,000 employees and is headquartered in Katy, Texas.

The acquisition of Igloo was a major step in Dometic's strategy to continue to grow in the attractive Outdoor industry and creates a strong base for further growth globally. The global market for cooling boxes and drinkware is a growing market fueled by the outdoor trends visible across the world. Igloo has a clear number one position in this market in the US. Combined with Dometic's global presence and product offering of both active and passive cooling boxes, drinkware, and a fast-growing range of other Outdoor products, the acquisition is expected to create a strong base to further grow in the Outdoor segment. It will also reduce sales cyclicality for Dometic, as it broadens the sales exposure from "high ticket discretionary spend" to "low ticket discretionary spend."

The transaction is expected to generate sales synergies from a strengthened combined sales platform, and cost synergies, including supply chain and distribution efficiency improvements. Total annual improvements on EBITDA of approximately USD 50 million are expected to be realized within five years.

MARKET AND BUSINESS SUMMARY

The **Marine** business had a strong performance in 2021. Market demand was high with low retail inventory levels and high customer order backlogs. The demand for Dometic's products was high, further fueled by new product launches including new steering and fuel systems. Price and supply chain management were key activities during the year to mitigate the negative effect of the supply constraints and increasing raw material costs impacting several industries.

Other Global Verticals showed significant progress in 2021. In **Residential**, the acquisition of Twin Eagles was completed, and order intake for the MoBar was strong. Two completely new products were announced in the area of **Mobile Deliveries**, and both products will be available on the market from the first half of 2022. In **Hospitality**, there was a pickup in demand in the hotel business after a significant slowdown in 2020 due to COVID-19.

The **Igloo** acquisition was completed on October 26, 2021.

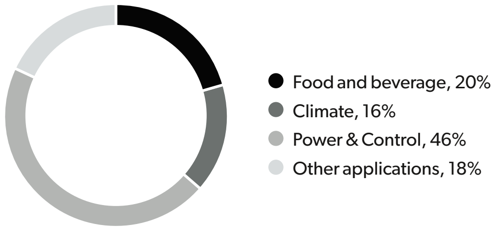
Several activities were performed in all sub-segments to drive the sustainability agenda. ECOCOOL, the world's first collection of hardside coolers made with post-consumer recycled plastics, was launched by Igloo in 2021.

Dometic will have a new segment reporting structure starting from the reporting of the first quarter 2022. The Marine business will be reported as a new separate segment while Other global verticals and Igloo will remain in segment Global. Segments Americas, EMEA and APAC will remain as they are.

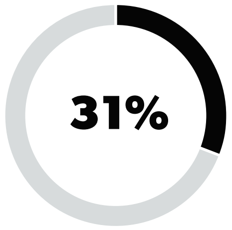
KEY FIGURES	2019	2020	2021
Net sales, SEKm	5,277	4,816	6,605
Net sales growth, %		–9%	37%
Organic growth, %		–9%	24%
EBIT margin, %[1]	19.4%	20.4%	19.2%

[1] Operating profit margin before items affecting comparability.

Net sales by application area



Segment as a proportion of Group net sales



DOMETIC AMBASSADOR

JAN HRDLICKA

Jan discovered a life of adventure and never looked back.

Hailing from Germany, Jan Hrdlicka is a seasoned traveler and fisherman who lives his life on the go.

When he moved away from the Alps, Jan took up fishing as his hometown sport which sparked a lifelong love for angling. That passion has taken him on countless trips all over the world in search of the next big catch. However, fishing isn't his only hobby and Jan has a long bucket list of places he still wants to see and experience.

"He needed something a bit more substantial than the normal fishing coolers"

Hrdlicka recently took two big excursions through Northern Europe and then through Russia, each over 9,000 kilometers long. For this kind of adventure, he needed something a bit more substantial than the normal fishing coolers that he usually takes on every fishing or hunting adventure.

The Dometic CFX3 55 IM was the perfect choice for his needs. Designed to be portable but robust, rugged and dependable, the CFX3 gives users the power to be present no matter where they roam. The CFX3 55 IM also has a built-in ice maker so that cold drinks are on demand even in the most remote locations.

With Dometic, Jan has discovered better ways to travel that reduce stress and make it easier to be prepared for anything.

If you want to keep up with Jan and his fishing and hunting life, check him out on social media: instagram.com/the_fishing_huntsman and on the web: sticklebackfishing.com

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Legal information

THE DOMETIC SHARE AND SHAREHOLDERS

SHARE PRICE AND TRADING

Dometic's shares have been listed on Nasdaq Stockholm since November 25, 2015 and the shares are traded on Large Cap. In 2021, the share price increased by 9.2 percent (15.5). The closing price was SEK 119.00 (108.95) on the last business day of the year, corresponding to a market capitalization of SEK 38.0 billion (32.2). The highest price paid in 2021 was SEK 157.10 (117.90) and the lowest price paid was SEK 109.00 (37.64).

A total of 209.8 million shares were traded during the year on Nasdaq Stockholm, with a total value of SEK 27.6 billion, corresponding to an average daily trading volume of 829,432 shares.

SHARE CAPITAL AND CAPITAL STRUCTURE

On June 2, 2021, a directed share issue of 23,666,660 shares was carried out. As of December 31, 2021, the share capital amounted to SEK 798,750, divided into 319,499,933 shares. All shares are of the same class and carry equal rights in all respects. According to the Articles of Association, the Company should have no less than 200,000,000 shares and no more than 800,000,000 shares. The Company's share capital shall not be less than SEK 500,000 and not more than SEK 2,000,000. The Company's shares are registered with Euroclear Sweden AB, which manages the Company's share register and registers the shares for individuals.

DIVIDEND AND DIVIDEND POLICY

The Board of Directors of Dometic has adopted a dividend policy, according to which the Board of Directors aims to propose to the annual shareholders' meeting that over a business cycle, at least 40 percent of net profit for the period shall be distributed to the shareholders. The Board of Directors assess that after distribution of the proposed dividend, the equity of the Parent Company and the Group will be sufficient with respect to the kind, extent, and risk of the operations. The Board of Directors consider, among other things, the Parent Company's and the Group's historical development, the expected future development, and the current business environment. For further information, please see page 123.

The Board of Directors proposes a dividend of SEK 2.45 (2.30) per share for 2021, equivalent to a total distribution of SEK 783 million (680). The proposed dividend corresponds to 45 percent (151) of the net profit for the period. Based on the Dometic share price at the end of 2021, the dividend yield is 2.1 percent.

SHAREHOLDERS

On December 31, 2021, Dometic had 19,952 shareholders, according to the share register kept by Euroclear Sweden AB. SEB Funds was the largest shareholder, with 6.7 percent of the shares. Dometic's ten largest shareholders held shares corresponding to 47.3 percent of the shares. Institutional ownership amounted to 83.2 percent of the shares.

Of the total share capital, 44.5 percent was owned by Swedish institutional owners. 4.8 percent was held by Swedish private individuals, and the remaining 50.7 percent was held by foreign and non-disclosed shareholders.

Foreign investors are not always recorded in the share register, as foreign banks and other custodians may be registered for one or several customers' shares. This explains why the actual owners are not normally displayed in the register.

ANALYST COVERAGE

At the end of 2021, the following analysts had active coverage of Dometic.

ABG Sundal Collier	Fredrik Ivarsson
Berenberg	Trion Reed
Carnegie	Henrik Christiansson
Danske Bank	Daniel Schmidt
DnB	Douglas Lindahl
Handelsbanken	Karri Rinta
Jefferies	Rizk Maidi
Kepler Cheuvreux	Johan Eliasson
Morgan Stanley	Lucie Carrier
Nordea	Agnieszka Vilela
Pareto	Fredrik Moregård
SEB Enskilda	Gustav Hageus

FOR FURTHER INFORMATION

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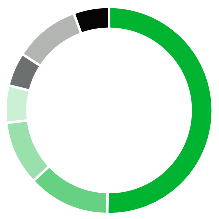
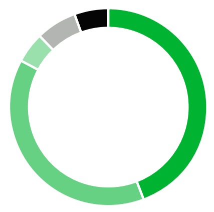
Shareholder countries, % of capital and votes



- Sweden, 50.4% (47.8)
- United States, 12.8% (11.2)
- Norway, 10.1% (11.1)
- Canada, 5.8% (6.8)
- Netherlands, 5.3% (5.1)
- Others, 10.2% (13.0)
- Anonymous ownership, 5.4% (4.9)

Shareholder categories



- Swedish Institutional Owners 44.5% (43.6)
- Foreign Institutional Owners 38.7% (43.1)
- Swedish Private Individuals 4.8% (3.3)
- Other 6.7% (5.1)
- Anonymous ownership 5.4% (4.9)

15 LARGEST SHAREHOLDERS

	Shareholders	Share capital, %	Voting rights, %
1	SEB Funds	6.7%	6.7%
2	Alecta Pension Insurance	6.7%	6.7%
3	Incentive AS	5.2%	5.2%
4	NN Group N.V.	5.2%	5.2%
5	1832 Asset Management	5.2%	5.2%
6	Swedbank Robur Funds	4.6%	4.6%
7	Didner & Gerge Funds	4.4%	4.4%
8	Vanguard	3.2%	3.2%
9	ODIN Funds	3.1%	3.1%
10	Handelsbanken Funds	3.1%	3.1%
11	Nordea Funds	3.0%	3.0%
12	First Swedish National Pension Fund	2.3%	2.3%
13	AMF Pension & Funds	2.0%	2.0%
14	Fourth Swedish National Pension Fund	1.7%	1.7%
15	BlackRock	1.6%	1.6%
Total top 15		57.9%	57.9%
Others		42.1%	42.1%
Total		100.0%	100.0%

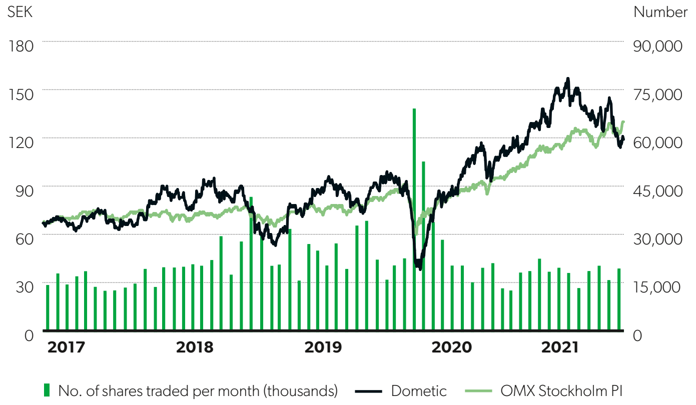
Source: Monitor by Modular Finance AB. Compiled and processed data from various sources, including Euroclear, Morningstar and the Swedish Financial Supervisory Authority as of December 31, 2021.

SHAREHOLDING BY SIZE

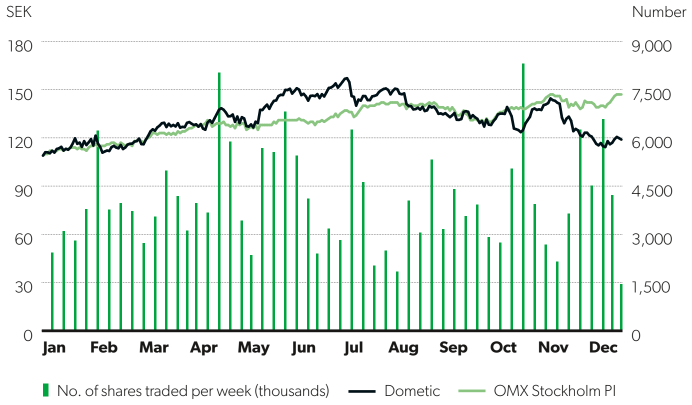
	No. of shares	Capital, %	Votes, %	Number of known owners	Part of known owners, %
1–100	354,105	0.1%	0.1%	9,445	47.3%
101–200	560,648	0.2%	0.2%	3,293	16.5%
201–300	345,545	0.1%	0.1%	1,300	6.5%
301–400	317,767	0.1%	0.1%	861	4.3%
401–500	425,444	0.1%	0.1%	883	4.4%
501–1,000	1,518,059	0.5%	0.5%	1,872	9.4%
1,001–2,000	1,605,590	0.5%	0.5%	1,032	5.2%
2,001–5,000	2,199,521	0.7%	0.7%	653	3.3%
5,001–10,000	1,813,585	0.6%	0.6%	237	1.2%
10,001–20,000	1,846,016	0.6%	0.6%	124	0.6%
20,001–50,000	2,207,379	0.7%	0.7%	69	0.3%
50,001–100,000	3,271,441	1.0%	1.0%	46	0.2%
100,001–500,000	17,968,461	5.7%	5.7%	75	0.4%
500,001–1,000,000	13,781,888	4.3%	4.3%	18	0.1%
1,000,001–5,000,000	68,729,614	21.5%	21.5%	29	0.1%
5,000,001–10,000,000	53,752,284	16.8%	16.8%	7	0.0%
10,000,001–15,000,000	39,030,273	12.2%	12.2%	3	0.0%
15,000,001–	92,303,450	28.9%	28.9%	5	0.0%
Anonymous ownership	17,468,923	5.4%	5.4%		
Total	319,499,993	100.0%	100.0%	19,952	100.0%

Source: Monitor by Modular Finance AB. Compiled and processed data from various sources, including Euroclear, Morningstar and the Swedish Financial Supervisory Authority as of December 31, 2021.

SHARE PRICE DEVELOPMENT 2017–2021



SHARE PRICE DEVELOPMENT 2021



DOMETIC AMBASSADOR

A JOURNEY WITHOUT END

Say hello to Leander, Maria and their son, Lennox. These three intrepid travelers are currently en route from the Alps in Austria – where they come from – to the Southern Alps of New Zealand. The journey is some 30,000 kilometers in length and takes them across three continents, four climate zones and eleven time zones. Once they reach their goal, they will have spent some two and a half years on the road. Accompanying them – while providing shelter, protection, and transportation – is their lead wolf, Akela. Inspired by the Jungle Book, Akela is the name the family chose for their trusty old truck.

> "We got the truck ready to take us half way round the world."

But what was the best way to travel with a child, backpacks full of gear and photography equipment – on a limited budget? The answer was an old truck that could ferry them on their journey without end. Akela. "We got the truck ready to take us half way round the world. The extensive preparations included installing some products from Dometic," says Leander.

Anyone who visits their website will be struck by two things: the incredible adventures the family has had – some enjoyable, others less so, but all of them memorable – and the photography. The pictures are simply stunning – which is perhaps not surprising since Leander is a photographer. "Some of the places we have visited are unbelievably beautiful and so far off the regular tourist trails."

Follow them on Instagram @akela.world or their website akela.world.

Ambassadors quick links
Read more stories
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BOARD OF DIRECTORS' REPORT

The Board of Directors and the CEO of Dometic Group AB (publ) registration number 556829-4390 (the "Company" or the "parent Company"), hereby submit the following Annual Report and Consolidated Financial Statements covering the period January 1 to December 31, 2021.

Business and organization

The Company and subsidiaries jointly known as the Dometic Group ("Dometic", the "Group", or the "Dometic Group") is a global market leader in the mobile living industry. Millions of people around the world use Dometic products in Outdoor, Residential, and professional applications. Dometic's motivation is to create smart, sustainable, and reliable products with outstanding design for an outdoor and mobile lifestyle in the areas of Food & Beverage, Climate, Power & Control, and Other applications. Dometic employs more than 9,000 people worldwide, had net sales of SEK 21.5 billion in 2021 and is headquartered in Stockholm, Sweden.

Dometic operates 25 manufacturing and assembly sites in 11 countries with sales in approximately 100xcountries. The Group is organized into four segments: Americas, EMEA (Europe, Middle East and Africa), APAC (Asia Pacific), and Global (consists of subsegments Marine, Other global verticals and Igloo).

Significant events in the fiscal year

Organization

Oliver Bahr was appointed as new President of segment Americas as of June 21, 2021 , replacing Scott Nelson who decided to leave the Company.

Peter Kjellberg, CMO, left Dometic as of December 31, 2021 , for another external assignment.

COVID-19 and supply constraints

In 2021 the COVID-19 pandemic continued to impact the business and operations negatively at the same time as there was an increased end-user appetite for staycation and outdoor activities that was driving demand for the Company's products across the portfolio. In this environment Dometic was actively working to balance capacity and resources with demand across the organization.

Supply chain disturbances including rising raw material prices and freight costs, as well as availability of critical components and transport capacity, has impacted profitability and cash flow since the end of 2020. Mitigating actions from Dometic to safeguard Company profitability and cash flow included price increases as well as close collaboration with suppliers and freight partners to mitigate the negative effects from the disturbances in the global value chain. Dometic delivered an all-time high net sales and operating profit in 2021 despite several new pandemic breakouts, unprecedented supply chain disturbances and raw material and freight cost increases during the year.

Acquisitions and divestments

Dometic announced nine acquisitions in 2021. Seven of the acquisitions were completed during the year while the remaining two acquisitions were completed in the first quarter of 2022. For more details, please see note 29 on page 120.

Directed share issue

On June 2, 2021, a directed share issue of 23,666,660 shares was carried out at a price of SEK 141.50 per share. The directed share issue provided Dometic with approximately SEK 3,350 million before transaction costs. After transaction costs and taxes, the net impact on equity was SEK 3,331 million. The share issue was in line with the mandate from the annual shareholders' meeting to authorize the board of directors to issue new shares in Dometic Group AB (publ) corresponding to a maximum of 10 percent of the total number of shares in the Company with or without deviation from the shareholders' pre-emptive right.

EUR 300 million bond issued

On September 22, 2021 Dometic issued EUR 300 million on the European bond market. The bond was issued with a 7-year maturity at a fixed rate of 2,00 percent. The issue was the third EUR tranche in Dometic's EMTN (Euro Medium Term Note) program with a total limit of EUR 1.5 billion.

Updated financial targets

The Group Net debit/EBITDA leverage target was changed to around 2.5x (previously around 2x) over a business cycle. The Group Operating margin target was changed from EBIT margin before items affecting comparability (i.a.c.) of 16–17 percent over a business cycle to corresponding EBITA margin before i.a.c. of 18–19 percent over a business cycle.

Dometic Capital Markets Update

On November 30, 2021 Dometic hosted a Dometic Capital Markets Update in Stockholm, Sweden. Presentation and videorecording of the 3.5 hour event is available at https://www.dometicgroup.com/en/investors.

Class action complaint

Since September 2018, a single consolidated class action complaint has been pending in Florida. In July 2019, the district court in the Southern District of Florida denied class certification on the basis of a single threshold requirement and did not address the remainder of the class certification inquiry. The plaintiffs subsequently appealed the decision to the Eleventh Circuit Court of Appeals. On February 2, 2021, the Eleventh Circuit Court of Appeals overturned the legal standard applied by the district court, which concerned only one of several prerequisites to class certification and remanded the case to the district court to complete the class certification analysis. The appeal proceedings are pending.

Dometic remains firm in its position that the allegations in the case are without merit and that a class action cannot be certified. Dometic reached an agreement with one of its insurers, pursuant to which this insurance company agreed to reimburse the Company for a certain portion of the legal costs related to the class action. In addition, Dometic prevailed on summary judgment against a different insurer, pursuant to which this other insurance company will reimburse the Company for the remaining portion of the legal costs related to the class action.

Business, result and financial position at Dometic

In 2021 Dometic delivered an all-time high net sales and operating profit despite several new pandemic breakouts, unprecedented supply chain constraints and raw material and freight cost increases during the year. Net sales growth was 33 percent, of which organic growth was 23 percent compared to 2020. Nine acquisitions were announced during the year and net sales growth from acquisitions was 13 percent. EBITA margin before items affecting comparability improved to 15.6 percent (13.8). Earnings per share was SEK 5.58 (1.52). The Net debt/EBITDA leverage ratio was 2.6x (2.0x) and in line with the target of around 2.5x. Strategic initiatives to increase growth in the Distribution and Service & Aftermarket sales channels, to invest in innovation, and to reduce costs in several different areas of the Company continued at high pace.

Net sales

Net sales totaled SEK 21,516 million (16,207), a net sales growth of 33 percent, of which 23 percent was organic growth, –3 percent currency translation and 13 percent M&A. The Company strategy to improve the sales mix continued and the share of Distribution and Service & Aftermarket improved to 50 percent (46).

Segment Americas reported net sales of SEK 5,970 million (4,447). Total growth was 34 percent, of which 20 percent was organic growth,

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–6 percent currency translation and 20 percent M&A. All application areas showed net sales growth. The acquisitions of Valterra and Zamp Solar were completed during the year, contributing to growth.

Segment EMEA reported net sales of SEK 6,981 million (5,629). Total growth was 24 percent, of which 22 percent was organic growth, –2 percent currency translation and 4 percent M&A. The growth was driven by application areas Climate and Food & Beverage. The acquisitions of Front Runner and Büttner Elektronik were completed during the year, contributing to growth.

Segment APAC reported net sales of SEK 1,961 million (1,315). Total growth was 49 percent, of which 34 percent was organic growth, 0 percent currency translation and 15 percent M&A. All application areas showed net sales growth. The acquisition of Enerdrive was completed during the year, contributing to growth.

Segment Global reported net sales of SEK 6,605 million (4,816). Total growth was 37 percent, of which 24 percent was organic growth, –4 percent currency translation and 17 percent M&A. All application areas showed net sales growth. The acquisitions of Twin Eagles and Igloo were completed during the year, contributing to growth.

Operating profit (EBIT)

Operating profit (EBIT) totaled SEK 2,855 million (1,880). Operating profit (EBIT) before items affecting comparability amounted to SEK 2,979 million (1,939), representing a margin of 13.8 percent (12.0). The improvement was driven by net sales growth, pricing, cost reductions and sales mix. This was partly offset by currency effects, supply constraints, rising raw material prices and freight costs. In addition, sales and marketing investments in strategic growth areas increased in 2021.

Segment Americas operating profit (EBIT) before items affecting comparability was SEK 301 million (41), corresponding to a margin of 5.0 percent (0.9). The improvement was driven by net sales growth, pricing, cost reductions, sales mix and a positive contribution from acquired companies. This was partly offset by rising raw material prices and freight costs. The gross impact from tariffs was SEK –189 million (–199). Items affecting comparability totaled SEK –55 million (–68) and were related to restructuring measures implemented during the year as well as material M&A transaction costs. Operating profit (EBIT) was SEK 246 million (–27) corresponding to a margin of 4.1 percent (–0.6).

Segment EMEA operating profit (EBIT) before items affecting comparability was SEK 902 million (646), corresponding to a margin of 12.9 percent (11.5). The improvement was driven by net sales growth, pricing, cost reductions and sales mix. This was partly offset by rising raw material prices and freight costs, as well as M&A transaction costs. Items affecting comparability totaled SEK –28 million (32) and were related to restructuring measures implemented during the year. Operating profit (EBIT) was SEK 874 million (678), corresponding to a margin of 12.5 percent (12.1).

Segment APAC operating profit (EBIT) before items affecting comparability was SEK 510 million (271), corresponding to a margin of 26.0 percent (20.6). The improvement was driven by net sales growth, pricing and cost reductions. This was partly offset by rising raw material prices and freight costs. Items affecting comparability totaled SEK 0 million (–20). Operating profit (EBIT) was SEK 510 million (251) corresponding to a margin of 26.0 percent (19.1)

Segment Global operating profit (EBIT) before items affecting comparability was SEK 1,266 million (981), corresponding to a margin of 19.2 percent (20.4). Excluding the acquired Igloo business, the margin was 21.4 percent (20.4). The improvement was driven by net sales growth, pricing and cost reductions. This was partly offset by rising raw material prices and freight costs. Items affecting comparability totaled SEK –41 million (–3) and were related to material M&A transaction costs as well as restructuring measures implemented during the year. Operating profit (EBIT) was SEK 1,225 million (978), corresponding to a margin of 18.5 percent (20.3).

Operating profit before amortization of acquisition-related intangible assets and items affecting comparability (EBITA)

EBITA totaled SEK 3,348 million (2,235). The EBITA margin was 15.6 percent (13.8).

Items affecting comparability

Items affecting comparability totaled SEK –123 million (–59) of which restructuring costs for the global restructuring program amounted to SEK –86 million (–116). In addition, material M&A transaction costs impacted items affecting comparability in 2021 negatively. 2020 was positively impacted by SEK 66 million related to a gain from a sale of fixed assets.

Global restructuring program

Total costs related to the program amounted to SEK –86 million (–116). One additional site and 26 additional employees were affected during the year. Since program start, 22 sites and 804 employees have been affected with a total cost of SEK –319 million. COVID-19 related effects impacted the implementation pace negatively in 2021. Dometic operates 25 manufacturing and assembly sites. In 2021 one site was closed while four sites were added through acquisitions.

Sales and administration

Sales and administrative expenses were SEK –2,679 million (–2,129). The increase was mainly due to acquisitions and by sales and marketing investments in strategic growth areas.

Research and development

Research and development expenses were SEK –412 million (–336). In addition, Research and development expenses of SEK –11 million (–21) were capitalized in 2021. In total, this corresponds to 2.0 percent (2.2) of net sales.

Financial items

Financial items totaled a net amount of SEK –499 million (–532), including SEK –374 million (–399) in interest on external bank loans. Other FX revaluations and other items amounted to SEK –138 million (–140) and financial income amounted to SEK 13 million (7).

Taxes

Taxes totaled SEK –630 million (–897), corresponding to 27 percent (67) of profit before tax. Current tax amounted to SEK –715 million (–955) and deferred tax to SEK 84 million (58). The amount for 2020 was impacted by a provision for a foreign tax dispute. Paid tax was 43 percent (33) and was negatively impacted by a settlement of a foreign tax dispute related to previous years.

Profit for the year

Profit for the year was SEK 1,726 million (451), positively impacted by higher operating profit and lower taxes.

Operating cash flow

Operating cash flow was SEK 1,749 million (2,258). Inventories increased, driven by longer than normal supply lead-times and strong demand. Seven acquisitions were completed during the year which also contributed to increased inventories.

Investments

Total investments in intangible and tangible fixed assets amounted to SEK 413 million (246). Investments in tangible fixed assets amounted to SEK 380 million (195) of which SEK 86 million (42) refers to machinery, equipment and tools, SEK 8 million (10) to buildings and SEK 286 million (144) to construction in progress and advance payments. Investments in intangible assets amounted to SEK 34 million (51).

Cash flow from financing and financial position

Cash flow from financing, including paid interest, amounted to SEK 4,028 million (1,318). The cash flow includes a repayment of a SEK bond of 1,000 million in the first quarter 2021 and new issuance of a bond in the third quarter 2021 under the EMTN program of EUR 300 million (SEK 3,062 million). It also includes a new share issue of SEK 3,326 million and pay-out of Dividend of SEK 680 million in the second quarter of 2021.

Net paid interest/received interest amounted to SEK –381 million (–413), and other financing activities to SEK –74 million (–99). Payment of lease liabilities related to lease agreements (IFRS 16) amounted to SEK –225 million (–171).

Interest-bearing liabilities, excluding pension provisions, amounted to SEK 16,099 million (13,455). The debts are expressed in SEK, EUR and USD.

Group cash and cash equivalents at year-end amounted to SEK 4,408 million (7,913). In addition, the Group has unutilized loan facilities under the revolving credit facility of SEK 2,058 million (2,022), and unutilized local loan facilities of SEK 427 million (239). The Senior Credit Facilities agreement ("SFA"), the EKN facility and the EMTN program may terminate upon the occurrence of certain customary circumstances, including in connection with a change of control in the Company or a delisting of the Company from Nasdaq Stockholm; for further information on the loan terms, see note 21.

There are no pledged assets or securities in the SFA, EKN and the EMTN program. The financing package is conditioned with covenants: Net debt/EBITDA and interest cover that are assessed on a quarterly basis. Other financial risks are described in note 3.

The equity ratio amounted to 43 percent (43). Net debt/EBITDA (leverage ratio) amounted to 2.6x (2.0x).

Financial instruments

Dometic uses interest rate swaps to hedge senior facility term loans to move from floating interest rates to fixed interest rates. The Group also uses currency forward agreements to hedge part of its cash flow exposure.

The fair values of Dometic's derivative assets and liabilities were SEK 119 million (88) and SEK 13 million (142), respectively.

The value of derivatives is based on published prices in an active market. No transfers between levels of the fair value hierarchy have occurred during the period.

For financial assets and liabilities other than derivatives, fair value is assumed to be equal to the carrying amount. For information on financial risk management and financial instruments, see note 3.

Parent Company

The parent Company Dometic Group AB (publ) comprises the functions of the Group's head office, such as Group management and administration. The parent Company invoices its costs to subsidiaries.

For 2021, the parent Company Dometic Group AB (publ) had an operating profit (loss) of SEK –2 million (–9), including administrative expenses of SEK –282 million (–199) and other operating income of SEK 280 million (190), of which the full amount relates to income from subsidiaries.

Profit (loss) from financial items amounted to SEK 33 million (–99), including interest income from subsidiaries of SEK 191 million (194), interest expenses to subsidiaries of SEK –1 million (–) and other financial income and expenses of SEK –156 million (–293).

Profit (loss) for the year amounted to SEK 278 million (–142).

The parent Company has zero (0) branch offices. In total, the Group has four (4) branch offices. For more information on the number of employees, salaries, and remuneration, see note 9 Employee benefit expense and remuneration.

For information on shares in subsidiaries, see note 26.

Other significant events

Authorization to issue new shares in Dometic Group AB (publ)

The Board of Directors of Dometic Group AB (publ) (the "Company" or "Dometic") proposes that the 2022 annual shareholders' meeting authorizes the Board of Directors to resolve, on one or several occasions until the next annual shareholders' meeting, on the issuance of new shares with or without deviation from the shareholders' pre-emptive right. Such resolution may provide for payment in cash, against set-off of claims or in kind. The number of shares that may be issued in total under the authorization shall be within the limits of the articles of association and shall not exceed ten (10) percent of the total number of shares in the Company at the time of the Board's resolution to issue new shares.

The purpose of the authorization, and the reasons for any deviation from the shareholders' pre-emptive right, is to enable payment through the issuance of own shares in connection with potential corporate acquisitions as well as to raise capital in order to finance such acquisitions. The issue price shall be determined in accordance with prevailing market conditions.

Significant events after the reporting period

Dometic is deeply concerned about the tragic developments in Ukraine and stand with all the people who are suffering. Dometic continue to follow the development in Ukraine as well as in all neighbouring countries and will take necessary actions needed to protect employees and the company. Dometic has a sales company in Russia with 15 employees per Dec 31, 2021. In 2021 total net sales in Ukraine, Russia and Belarus were SEK 67 million (0,3 percent of Group total net sales) and total assets were SEK 9 million.

The acquisition of Cadac International was completed on January 4, 2022 and the acquisition of NDS Energy was completed on February 1, 2022.

Dometic will have a new segment reporting structure from the first quarter of 2022. The Marine business will be reported as a new separate segment while Other Global Verticals and Igloo will remain in segment Global. Segments Americas, EMEA and APAC will remain as they are.

On March 2, 2022, Dometic announced the acquisition of Treeline Capital LLC, a leading provider of value-adding engineered Service & Aftermarket products and Mobile Power Solutions for the North American Marine market under the CDI Electronics and Balmar brands. Treeline has approximately 70 employees and 2021 full year net sales were more than USD 16 million.

There have been no other significant events with effects on the financial reporting after the balance sheet date.

Future development

Dometic Group has set its financial targets as outlined below and has a roadmap of initiatives with which the Group will continue to implement its strategy. Dometic does not provide a financial outlook for the year.

The Group's medium to long-term financial targets

Dometic's Board of Directors has adopted the following medium to long-term financial targets over a business cycle:

- Net sales growth of 10 percent, including organic growth and M&A.
- Operating (EBITA) margin of 18–19 percent before amortization of acquisition-related intangible assets and items affecting comparability.
- Net debt/EBITDA leverage around 2.5x.
- Dividend of at least 40 percent of net profit.

Employees and remuneration

Number of employees

The average number of employees in terms of headcount was 7,650 (6,482).

Guidelines for remuneration for the CEO and Group Management

The annual shareholders' meeting resolved on April 7, 2020 to adopt the below guidelines for remuneration for the CEO and the Dometic Group management (the "Group Management"). The guidelines shall be subject to approval by the shareholders' meeting at least every fourth year. The Board of Directors has not proposed any amendments to the guidelines before the annual shareholders' meeting 2021, as a result of which the below guidelines remain in force. The guidelines apply to arrangements entered into following the adoption of the guidelines, as well as to any changes made in existing agreements following the adoption of the guidelines.

The guidelines' promotion of the company's business strategy, long-term interests and sustainability

In short, the common ground for the company's business strategy and for all activities is found in the global strategy. By defining the way forward through well-defined toolboxes within the areas of profitable expansion, product leadership and cost reductions, we are leveraging our full strengths as a global company and industrializing Dometic whilst maintaining our successful entrepreneurial approach.

For more information regarding the company's business strategy, please see https://www.dometic-group.com/en/se/about-us/our-company/strategy.

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration. These guidelines enable the company to offer the executive management a competitive total remuneration.

Variable cash remuneration covered by these guidelines shall aim at promoting the company's business strategy and long-term interests, including its sustainability.

Total remuneration

The total remuneration shall be based on the position held, individual performance, performance of the Dometic Group and be competitive in the country of employment. The overall remuneration package may consist of the base salary, variable salary based on short-term annual performance targets, long-term incentives, pension and other benefits, including non-monetary benefits.

Remuneration under employments subject to other rules than Swedish may be duly adjusted to comply with mandatory rules or established local practice, considering, to the extent possible, the overall purpose of these guidelines.

Base salary and variable salary

Base salary shall be the basis for the total remuneration. The base salary shall be market relevant and reflect the degree of responsibility involved in the position. The base salary levels shall be reviewed annually.

Members of Group Management shall, in addition to the base salary, dependent on an annual decision by the Board of Directors, be eligible for variable salary that is based on short-term annual predetermined and measurable performance targets which can be financial or non-financial. The performance targets shall be designed to contribute to the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy, or promote the executive's long-term development. The short-term variable remuneration shall be linked mainly to financial parameters such as EBIT, cash conversion etc. Non-financial parameters can occur. The weighting of the different parameters can vary between 10–60 percent. The variable salary potential shall be dependent on the position and may for the CEO amount to a maximum of 75 percent of the base salary and for the other members of Group Management amount to a maximum of 30–50 percent of the annual base salary, according to individual agreements.

The extent to which the criteria for awarding short-term variable cash remuneration have been satisfied shall be evaluated/determined when the measurement period has ended. The remuneration committee is responsible for the evaluation. For financial targets, the evaluation shall be based on the latest financial information made public by the company, with any adjustments considered appropriate by the Remuneration Committee and Board of Directors.

Long-term incentive programs

In addition to base salary and short-term variable cash remuneration, long-term incentive programs may be implemented. Such programs shall be designed to ensure a long-term commitment to Dometic Group's development, be implemented on market terms, and have a term of no less than three years. Long-term incentive programs shall be cash-based and linked to the development of earnings per share and ESG targets. The total remuneration during the three-year measurement period may amount to a maximum of 100 percent of the participant's annual base salary at the time of the implementation of the program. Alternatively, long-term incentive programs shall be share- or share-price-related and be approved by the shareholders' meeting.

Pensions and insurance

Pension and disability benefits shall reflect regulations and practice in the country of employment. The value of the pension and the benefits shall be in line with market practice in the country and the pension premiums for premium-based pension shall not exceed 40 percent of the annual base salary for the CEO and 35 percent for the other members of Group Management. If possible, pension plans shall, in line with the Group remuneration policy, be defined contribution plans. The retirement age is normally 65 years. Variable salary components shall not qualify for pension benefits, save for situations when the rules in a general pension plan are applicable (for example the Swedish ITP plan).

Other benefits

Other benefits, such as company car, medical or health insurance, housing or travel benefits or similar, may be part of the total remuneration and shall aim to facilitate Group Management's duties and correspond to what is considered reasonable in relation to market practice in the country of employment.

Premiums and other costs relating to such benefits may amount to not more than 10 percent of the fixed annual base salary.

Notice of termination and severance pay

Upon termination of employment, the notice period may not exceed twelve months. Fixed cash salary during the notice period and severance pay may not, in total, exceed an amount corresponding to the fixed cash salary for two years. When termination is made by the executive, the notice period may not exceed six months, without any right to severance pay.

Severance pay shall not form a basis for vacation pay or pension benefits. Local employment laws and regulations may influence the terms and conditions for notice given by the company.

The Group Management shall be obliged not to compete with the Company during the notice period.

Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, the salary and employment conditions for employees of the company have been taken into account by the inclusion of information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the remuneration committee's and the Board of Directors' 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.

The decision-making process to determine, review and implement the guidelines

The Board of Directors has established a remuneration committee. The committee's tasks include preparing the Board of Directors' decision to propose guidelines for executive remuneration. The Board of Directors 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 remuneration committee shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the company. The members of the remuneration committee are independent of the company and its executive management. The CEO and other members of the executive management do not participate

in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Authority for the Board of Directors to deviate from the guidelines for remuneration

Under special circumstances and if it is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability, the Board of Directors may, in whole or in part, in an individual case deviate from these guidelines for remuneration. In case of such deviation, the next annual shareholders' meeting shall be informed of the reasons.

The Board of Directors has exercised its mandate given by the annual general meeting to deviate from the remuneration guidelines in the following cases. In connection with the recruitment of the new President Americas, it was agreed to partly compensate the new President Americas for lost reward from the previous employment with an amount of USD 160,000. As reported in the Remuneration Report for 2020, the pandemic set unprecedented conditions which required great efforts from the business. In light of the situation and as an extraordinary retention tool, the Board of Directors made the performance evaluation of the LTI program for 2019 in advance in 2020 (to be paid in 2022), before the three-year vesting period of the program had expired. The outcome of the Board of Directors' performance evaluation was that 50 percent of the maximum outcome of the program shall be paid out after expiration of the three-year vesting period for all participants in the program.

Sustainability and environmental impact

Sustainability

For more information on the Dometic Group and sustainability, read the full sustainability report on pages 35–45. This is the statutory sustainability report in accordance with the Swedish annual accounts act. See pages 127–132 for the sustainability notes. For information on subsidiaries in the Group, see note 26.

Environmental impact

Dometic undertakes production in Americas, EMEA and APAC. Manufacturing comprises mainly assembly of components sourced from external suppliers. Other processes include processing of metal, sheet metal and plastic, welding, vacuum forming, foaming and painting, sewing and brazing as well as filling of refrigerants into cooling units.

The product portfolio consists of refrigerators, air conditioning systems, windows, doors, steering systems and other equipment and appliances in the business areas of RV, Marine, CPV, Lodging and Retail.

The most important environmental aspects in production primarily constitute energy consumption and waste. Studies of the total environmental impact of the Group's main product groups during their entire lifetime, i.e. from production and use to recycling, indicate that the largest environmental impact is generated when the products are used which is why energy efficiency in the use phase is a key environmental target. The Group has a long history of collecting and monitoring environmental data from its production sites and reports, among other things, on water consumption, energy, CO_2 emissions and waste recycling. All Dometic factories with more than 50 employees are expected to maintain ISO 14001 certification of their operations. Dometic´s manufacturing units adjust their operations, apply for necessary permits, and report to the authorities in accordance with local legislation. The permits cover e.g. thresholds or maximum permissible values for air and water-borne emissions and noise.

Dometic's products are affected by laws, rules, and regulations in various markets principally involving energy consumption, producer responsibility for recycling, and the management of hazardous substances. Dometic continuously monitors changes in laws, rules and regulations and both product development and manufacturing incorporate any required legal changes.

The share, shareholders and proposed distribution of earnings

The share

Dometic's shares have been listed on Nasdaq Stockholm since November 25, 2015 and the shares are traded on Large Cap; the share capital amounted to SEK 798,750 divided into 319,499,933 shares. The quotient value (nominal value) of the share is SEK 0.0025 per share.

All shares are of the same class and carry equal rights in all respects

At the annual shareholders' meeting, each share carries one vote and each shareholder is entitled to vote the full number of shares such shareholder holds in the Company.

Shareholders

On December 31, 2021 Dometic had 19,952 shareholders according to the share register kept by Euroclear Sweden AB. Of the total number of shares, 44.5 percent was owned by Swedish institutional owners. 4.8 percent was held by Swedish private investors and the remaining 50.7 percent was held by foreign and non-disclosed owners. SEB Funds was the largest shareholder, holding 6.7 percent of the shares and corresponding 6.7 percent of the voting rights. Alecta Pension Insurance was the second-largest shareholder, holding 6.7 percent of the shares and 6.7 percent of the correponding voting rights. The ten largest shareholders accounted for 47.3 percent of the shares and 47.3 percent of the corresponding voting rights in the Company.

Articles of Association

The articles of association contain no separate provisions pertaining to the appointment and dismissal of Board members, nor to amendments to the articles of association.

Proposed distribution of earnings

The following earnings (SEK thousands) are at the disposal of the annual shareholders' meeting:

Retained earnings	12,574,132
Profit for the year	278,471
Total	**12,852,603**

The Board of Directors proposes that earnings be distributed as follows:

A dividend to the shareholders of SEK 2.45 per share, totaling	782,775
To be carried forward	12,069,829
Total	**12,852,603**

RISKS AND RISK MANAGEMENT

Risks are part of any business and as a global Group with production and distribution all over the world, Dometic faces risks that can impact its ability to achieve established strategic and other objectives, including financial targets. Effective risk management of strategic, execution, compliance & regulatory and reporting risks creates opportunities and effective risk mitigation.

Dometic Three Lines Model

The key to effective risk management is identifying known risks and preparing for any unknown risks to which the Group is exposed. While mitigating risks usually comes at a cost, effective risk management adds value by establishing clear risk and process ownership combined with risk identification, assessment, prioritization and risk response i.e. risk mitigating actions as well as effective monitoring.

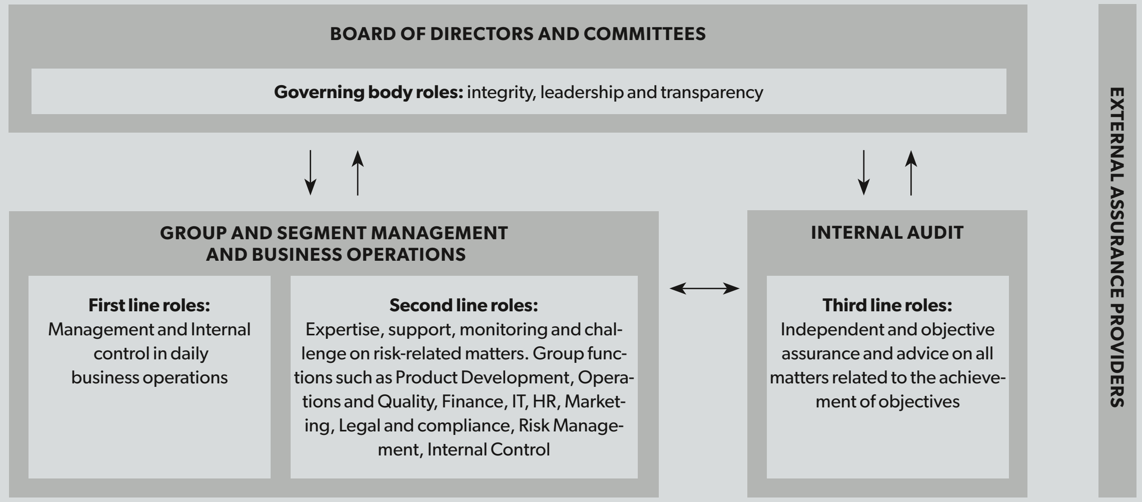
Risk management

In line with Dometic's Three Lines Model, Risk Management as part of the second line of responsibility constitutes an important role by providing and supporting management and the business operations with a risk framework including a risk management process and a risk universe for identification, assessment, and prioritization of risks, and for providing risk response i.e. risk mitigating actions as well as effective monitoring.

The risk framework aligns strategic risks with the Group strategic objectives and the strategy toolbox for execution. Each defined tool in the strategy toolbox represents both risks and opportunities that, correctly managed, help the Group deliver on its strategy.

Risks in the risk framework and especially the strategic risks are connected to the objectives defined for each of the three pillars in the Group strategy. Read more about our strategy on page 16.

Dometic Three Lines Model



(Source: IIA's Three Lines Model).

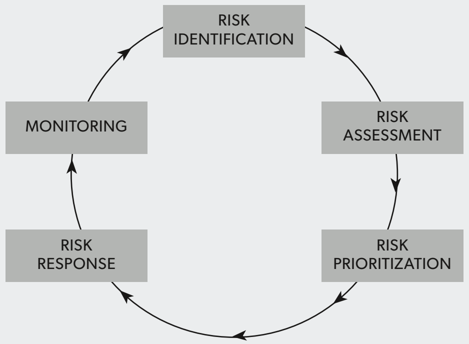
During 2021 risk assessments were performed on Group and segment level to assess risks and related risk mitigating actions. Group risk assessments mainly focused on the strategic risks and the segment risk assessments mainly focused on the execution risks, since the segments execute on the strategy and decisions made by Group Management and the Board of Directors.

The Risk Committee, which comprises the members of Group Management, held meetings in connection with Group Management meetings, during which significant time was dedicated to plan for and present results from risk assessments as well as review of risk mitigating actions.

Strategic risks are assessed top-down by Group Management, while execution, compliance & regulatory and reporting risks are assessed bottom-up by segment Management and process and risk owners, as well as top-down by Group Management and global process and risk owners, as applicable. The Risk Committee discusses and makes decisions on risk mitigating actions and the members of Group Management act as global process and risk owners as applicable. The work of the Risk Committee is regularly reported to the Audit Committee and annually to the Board of Directors.

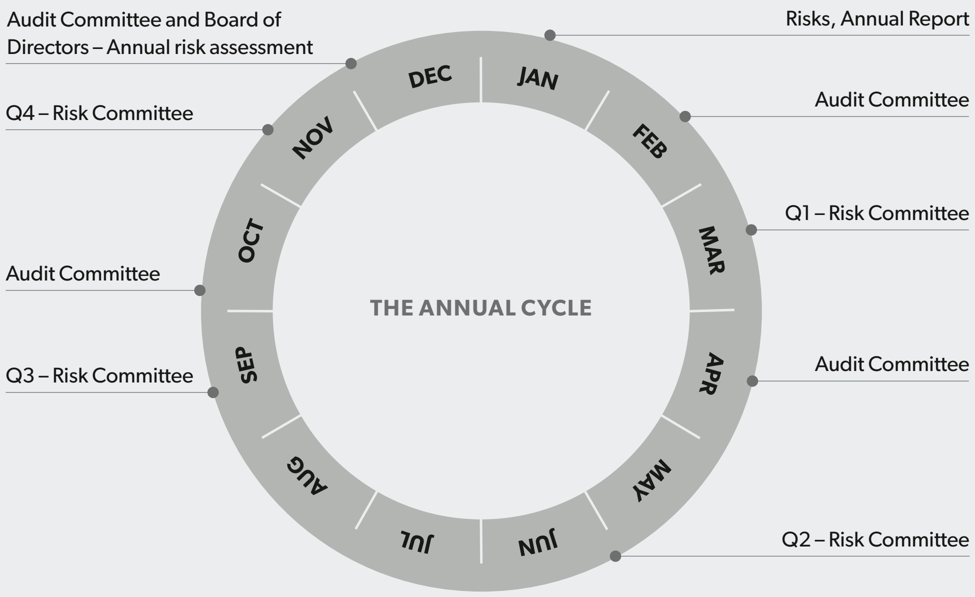
With strategic, execution, compliance & regulatory and reporting risks identified and assessed annually, the results thereof in terms of risk registers and risk maps help raise risk awareness and support management and the business operations at different levels of the organization in prioritization of risk mitigating actions. The annual risk assessment, including risk registers and risk maps, also serves as a foundation

Risk management process



THE ANNUAL CYCLE

The Risk Management process annual cycle.



The Risk Committee comprises the members of Group Management. The work of the Risk Committee is regularly reported to the Audit Committee and annually to the Board of Directors including the annual risk assessment.

for the Group's control functions, such as Internal Control and Internal Audit, for their prioritization of focus areas.

Risk response i.e. risk mitigating actions could include avoiding the risk, reducing the risk, sharing the risk or accepting the risk. The preferred action depends on the probability, impact and nature of the risk, whether e.g. avoiding it by not engaging in certain businesses, reducing the exposure of it by hedging or strengthening internal processes, sharing it through insurance or joint ventures, or accepting it as part of the business in combination with monitoring it to be able to react fast if the risk materializes. Monitoring is executed in the daily business operations and more formally at the Risk Committee meetings as well as at the Audit Committee and Board of Directors' meetings respectively.

Risk universe

The risk framework includes a universe of risks that could impact Dometic's ability to achieve established strategic and other objectives including financial targets. The risks to which Dometic is exposed are classified into four main categories: strategic risks, execution risks, compliance & regulatory risks and reporting risks. Each main category has subcategories with defined underlying risks. Sustainability risks are integrated in the main categories and subcategories. Risks are mapped to strategic and other objectives including financial targets. Risk ownership is identified for each risk in the risk universe.

Strategic risks

Strategic risks can impact Dometic's ability to achieve strategic objectives including financial targets. Strategic risks are divided into the following subcategories:

- Market and sales risks.
- Product risks.
- Manufacturing, distribution and sourcing risks.
- Organizational risks.
- External risk factors.

Strategic risks are assessed top-down by Group Management and strategic risk maps are used for e.g. evaluating the Group's options and strategic position.

Examples of market and sales risks are customer dependency, cyclicality, seasonality and segment dependency, market trends, channel conflicts, e-commerce, brand and reputation and M&A opportunities and prioritization. Examples of product risks are product prioritization, technology disruption, and product life cycle management. There are also manufacturing, distribution and sourcing risks and within organizational risks there are competence management and leadership risks. External risk factors could be political, geopolitical, climate change, weather-related, hazards and risks related to compensation and external crime. Political risks could be tariffs or other trade barriers caused by political decisions and geopolitical risks could be risk of military invasion. Special attention was given to the hazard risk during the year, as an effect of the COVID-19 pandemic .

The COVID-19 pandemic had a negative impact on Dometic's business and operations, primarily during the first half of 2020. Future development of the pandemic create uncertainty and external as well as internal measures to contain COVID-19 cases may negatively impact the business and operations. While an increase in end-user appetite for staycation and outdoor activities is driving demand for the company's products across the portfolio, Dometic continues to take proactive actions to protect its employees, other stakeholders and the financial position. Dometic is actively working to balance capacity and resources with demand across the organization.

Execution risks

Execution risks are operational, commercial and financial risks associated with business operations. Execution risks are divided into the following subcategories:

- Financial risks.
- Product-related risks.
- Sales, sourcing/suppliers, distribution, manufacturing risks.
- Organizational risks.
- Corporate Governance risks.
- Information and IT risks.
- Asset risks.

Execution risks are assessed bottom-up by segment Management and process and risk owners, and execution risk maps are used by business operations to support in business evaluations and decisions.

Execution risks can impact the business operations' ability to reach established objectives. Execution risks are mitigated by implementing clear process ownership, internal governing documents, by effective internal control activities, quality programs, whistleblower systems, insurance programs and proper crisis management as well as by reducing environmental impact and improving energy efficiency.

Examples of financial risks are credit, liquidity and financing, impairment, tax, interest rate and currency risks. Examples of product-related risks are inefficient introduction of new products, reactions to product quality issues, product safety and liability, environmental and business disruption risks. Examples of risks related to sales, sourcing/suppliers, distribution and manufacturing risks are price control, customer/

supplier contracts, suppliers and supply chain, manufacturing of existing products, distribution and environmental risks. Examples of organizational risks are employee health and safety, working conditions, ability to attract, hire, retain competence and personnel, change management, M&A integration and security risks. Examples of corporate governance risks are ineffective organization, process ownership, internal processes and internal governing documents, digitalization, internal corruption, fraud and misconduct risks. Examples of Information and IT risks are Information Security, IT operations, IT security, cybercrime and social media risks. Examples of asset risks are tangible assets, inventory and intangible assets risks. For more information on financial risks and risk management, see Note 3 financial risk management and financial instruments on page 92.

Supply chain disturbances including rising raw material prices and freight costs, as well as availability of critical components and transport capacity, have impacted profitability and cash flow since the end of 2020. Mitigating actions from Dometic to safeguard Company profitability and cash flow includes price increases as well as close collaboration with suppliers and freight partners to mitigate the negative effects from the current disturbances in the global value chain. Improvements from mitigating actions are seen in several areas, but it is still difficult to predict when the situation will fully stabilize.

Compliance & Regulatory risks

Compliance & Regulatory risks are both internal compliance with governing documents as well as external compliance with laws, rules and regulations. Compliance & Regulatory risks are divided into the following subcategories:

- Laws and regulations risks.
- Other compliance and regulatory risks.

Compliance & Regulatory risks are assessed top-down by Group Management as well as bottom-up by segment Management, and compliance & regulatory risk maps are used to support in business evaluations and decisions.

Dometic is subject to stringent environmental and other regulatory requirements, which can result in additional cost for the Group impacting operational profit or liability, restrict operations or result in the limitation or suspension of the sale or production of a product. The introduction of new laws, rules and regulations, the discovery of previously unknown contamination, or the imposition of new or increased regulatory requirements could affect the Group's operational profit and quality of financial reporting. Internal compliance risks are mitigated by active dialogue, intranet publications and training of employees, annual assessments of internal governing documents by Compliance and by Group Internal Control. External compliance risks are mitigated by active review by the global Quality function and continuous dialogue between segment entities and Group functions, such as Legal, HR, Finance and Tax.

Laws and regulations risks may be related to global, segment or local laws, rules and regulations. Examples of other compliance and regulatory risks are other specific industry or market requirements as well as dispute and litigation risks.

A more detailed description of Dometic's work with internal control over financial reporting is provided in the Corporate Governance Report, section Internal control over financial reporting on page 73.

Reporting risks

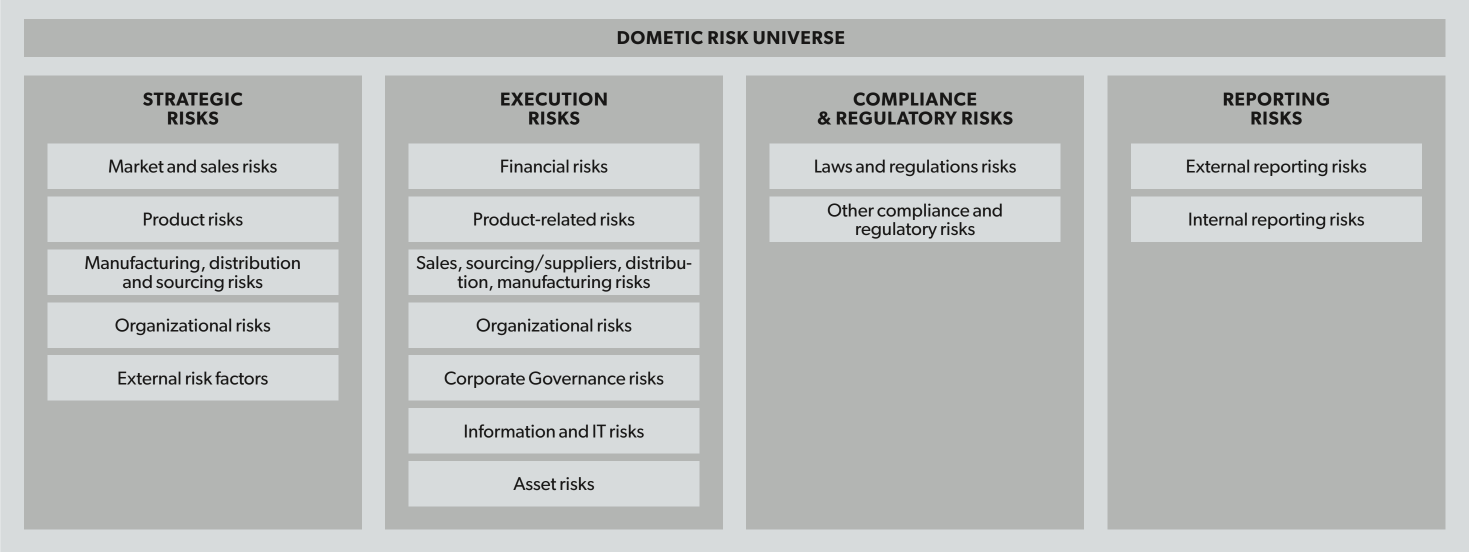
Reporting risks are risks associated with Dometic's reporting, information and communication, both financial and non-financial. Reporting risks are divided into the following subcategories:

- External reporting risks.
- Internal reporting risks.

Reporting risks are assessed top-down by Group Management as well as bottom-up by segment Management, and reporting risk maps are used in the risk assessment. External reporting is supported by e.g. an Information Policy approved by the Board of Directors, and internal reporting is supported by other internal governing documents.

Examples of external reporting risks are related to external reporting, communication and information both financial, such as Interim reports, Full-year reports and Annual reports, and non-financial. Examples of internal reporting risks are related to internal reporting, communication and information, both financial and non-financial, including decision supporting material and monitoring supporting material.

A more detailed description of Dometic's work with internal control over financial reporting is provided in the Corporate Governance Report, section Internal control over financial reporting on page 73.



CLIMATE ROADMAP AND TCFD

In 2021, Dometic approached the risks, opportunities and potential impact on Dometic's financial result of climate change by means of scenario analysis as recommended in the framework of the TCFD (Taskforce on Climate-related Financial Disclosure). Here follows a description of the scenarios explored and the identified risks, opportunities, and potential impact on Dometic's financial result over the next ten years[1]. Read more about Dometic's climate roadmap on page 42.

"Scenario 1 - Rapid transition"

1.5–2 degrees temperature increase by 2100

Description: Global warming is limited to no more than 2°C through collaboration between governments, industries, and companies. Individuals pushing for tougher legislation, green innovation and rising demand for more sustainable products and services. Carbon emissions are strictly limited, and carbon tax is extended, which promotes processes with low carbon emissions and greater use of circular materials and products.

Risks

- Increased investment costs in innovation and production due to tougher legislation for manufacturing processes and material, energy sources, and product environmental performance.
- Higher costs for goods sold due to price increases on raw materials, energy, distribution as well as higher carbon taxes.
- Increased costs for facilities due to shifting weather conditions.
- Changed consumption patterns.

Opportunities

- Competitive advantage through Dometic's long-term efforts to achieve lower resource use and carbon footprint.
- Increased demand for sustainable solutions with a smaller climate footprint, rewarding companies with a strong sustainability profile.
- Travel trends increase demand for outdoor leisure products.
- Investments in and development of new business models and sustainable solutions attract more customers/consumers.

Potential impact on Dometic's financial result

- Increased value of sustainable business and solutions.
- Increased investment in the conversion to a low carbon economy.
- Increased operating costs for climate adaptation.

"Scenario 2 – Business as usual"

3–4 degrees temperature increase by 2100

Description: Global warming of 3–4°C, due to the failure to effectively reduce emissions and other negative environmental impacts. Extreme weather is common, causing a more event-driven business. Sea levels continue to rise, desertification and deforestation continue. More frequent forest fires. Access to key resources such as raw materials, energy, water, and food declines, resulting in greater volatility and uncertainty for prices and food security.

Risks

- Production and distribution disruption due to extreme weather conditions.
- Rising insurance costs.
- Increased investment required to safeguard stable production and supply chain.
- Significantly higher cost for goods sold as resource scarcity leads to higher prices for raw materials, energy, water, and distribution.
- Lower living standards and changed consumption behavior.
- Deteriorating natural environments: forests, coastlines, mountains etc.

Opportunities

- Competitive advantage through Dometic's long-term efforts to achieve lower resource use and carbon footprint.
- Increased demand for sustainable solutions with a smaller climate footprint, rewarding companies with a strong sustainability profile.
- Travel trends increase demand for outdoor leisure products.
- Investments in and development of new business models and sustainable solutions attract more customers/consumers.

Potential impact on Dometic's financial result

- Increased value of sustainable business and solutions.
- Increased investments in managing climate change and costs for adaptation.
- Volatile and increased cost for energy, material, facilities, and distribution.
- Increased insurance costs.

[1] The risks, opportunities and impact in this forward-looking statement reflect the company's current expectations and are subject to uncertainties that could cause actual financial result to differ materially due to a variety of factors.

CORPORATE GOVERNANCE REPORT

Dometic is a global market leader in the mobile living industry. Millions of people around the world use Dometic products in Outdoor, Residential, and professional applications. Dometic's motivation is to create smart, sustainable and reliable products with outstanding design for an outdoor and mobile lifestyle in the areas of Food & Beverage, Climate, Power & Control, and Other applications. Dometic employs more than 9,000 people worldwide and had net sales of SEK 21.5 billion in 2021.

The Dometic Group AB (publ), registration number 556829-4390 with the Swedish Companies Registration Office (the "Company" or the "parent Company), and subsidiaries are jointly known as the Dometic Group ("Dometic," the "Group," or the"Dometic Group").

The registered office of the Board of Directors of the Company (the "Board") is in Solna, Sweden. The address of the Group headquarters is Hemvärnsgatan 15, 6th floor, SE-171 54 Solna, Sweden.

The Company is a public Swedish limited liability company. The Company's shares are listed on the Nasdaq Stockholm Large Cap List. The Company aims to implement strict norms and efficient processes to ensure that all operations create long-term value for shareholders and other stakeholders. This involves the maintenance of an efficient organizational structure, systems for internal control and risk management and transparent internal and external reporting.

The governance of the Company and the Group is based on the Swedish Companies Act, the Swedish Annual Accounts Act, the Nordic Main Market Rulebook for Issuers of Shares and the Swedish Corporate Governance Code (the "Code") and other applicable Swedish and foreign laws, rules and regulations as well as internal regulations in terms of Dometic's governing documents. The Code is published on the website of the Swedish Corporate Governance Board, which administers the Code: www.corporategovernanceboard.se. Dometic's formal corporate governance structure is presented below.

This corporate governance report has been drawn up as a part of the Company's application of the Code. The Company does not report any deviations from the Code in 2021. There has been no infringement by the Company of the applicable stock exchange rules and no breach of good practice on the securities market reported by the disciplinary committee of Nasdaq Stockholm or the Swedish Securities Council in 2021.

Applicable laws, rules and regulations, examples	Internal regulations in terms of Dometic's governing documents, examples
• Swedish Companies Act. • Swedish Annual Accounts Act. • Nordic Main Market Rulebook for Issuers of Shares. • Swedish Corporate Governance Code.	• Articles of Association. • Rules of Procedure for the Board of Directors. • Instructions for the CEO. • Instructions for the Remuneration Committee. • Instructions for the Audit Committee. • Instructions for the reporting of financial situation of Dometic Group AB (publ) and the Dometic Group. • Code of Conduct. • Guidelines for Remuneration. • Diversity and Inclusion Policy. • Finance Policy (incl. Tax, Treasury and Credit Policy). • Information Policy. • Insider Policy. • Internal Audit Policy. • Dividend Policy. • Privacy Policy. • IT Policy. • Finance Manual. • Internal Control Charter. • Processes for internal control and risk management. • Minimum Internal Control Requirements (MICR).

Highlights 2021

Re-election of Fredrik Cappelen as the Chairman of the Board and election of Mengmeng Du as new Board member. Oliver Bahr was appointed as new President of segment Americas as of June 21, 2021.

Shareholders' Meeting

Pursuant to the Swedish Companies Act, the shareholders' meeting is the Company's highest decision-making body and the shareholders exercise their voting rights at such meetings. At the annual shareholders' meeting, shareholders have the opportunity to ask questions about the Company and the Group and the results for the past year. The annual shareholders' meeting of the Company is held in Stockholm, Sweden, usually in April or May.

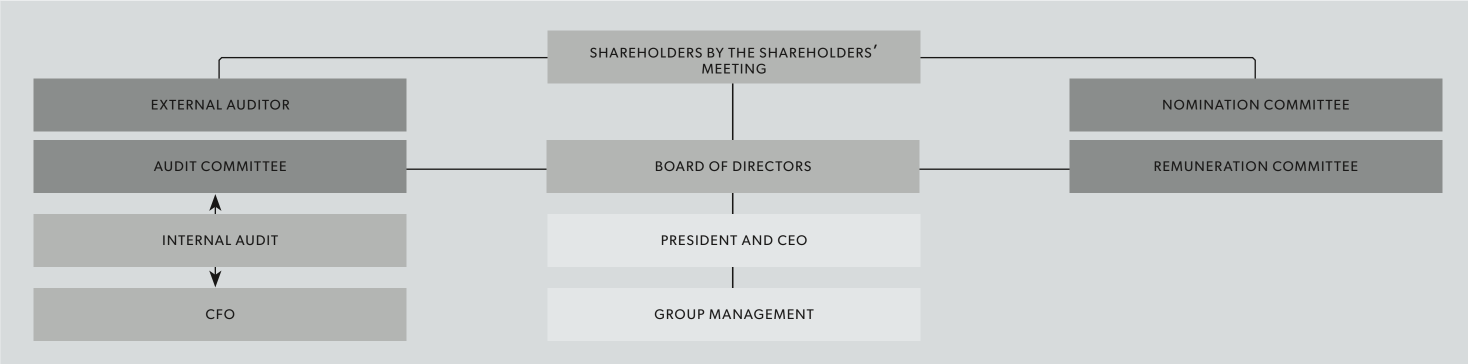
The annual shareholders' meeting resolves upon:

- Adoption of statutory financial statements.
- Disposition of the Company's disposable earnings and dividend.
- Discharge from liability of the Board members and the CEO.
- Election of the Board members, the Chairman of the Board and the external auditor.
- Remuneration to the Board members, the Chairman of the Board and the external auditor.
- Principles for the appointment and work of the Nomination Committee.
- Guidelines for remuneration for the CEO and Group Management, and, if applicable, adoption of long-term share or share-price related incentive programs.
- Approval of the remuneration report.
- Other important matters, such as authorization to acquire and transfer shares in the Company, authorization to issue new shares in the Company, amendments to the Company's Articles of Association, if applicable.

Extraordinary shareholders' meetings may be held at the discretion of the Board or, if requested, by the external auditor or by shareholders owning at least 10 percent of all shares in the Company.

According to the Company's Articles of Association, shareholders' meetings are convened by publication of a convening notice in the Swedish National Gazette (Sw. Post- och Inrikes Tidningar) and on the Group's website, www.dometic.com. At the time of the notice convening the meeting, information regarding the notice is published in the Swedish daily newspaper Svenska Dagbladet. The Company's Articles of Association are available on the Group's website. Participation in decision-making at shareholders' meetings requires that the shareholder shall be registered in the share register by a stipulated date prior to the meeting and shall provide notice of participation in the manner prescribed in the notice

Dometic's corporate governance structure



convening the meeting. In addition, the shareholder's presence at the shareholders' meeting, either personally or through a proxy, is normally required, unless the Board, before the shareholder's meeting, has resolved to allow the exercise of voting rights in advance of the meeting (postal voting) or to collect proxies pursuant to the procedure stated in the Swedish Companies Act.

Individual shareholders may request that the Board includes a specific issue in the agenda of a shareholders' meeting. The address and the last date for making such a request for the respective meeting shall be published on the Group's website.

Decisions at the shareholders' meeting are usually taken on the basis of a simple majority. However, as regards certain issues, the Swedish Companies Act stipulates that proposals must be approved by shareholders representing a larger number of the votes cast and the shares represented at the meeting. The minutes recorded at the meeting shall be published on the Group's website not later than two weeks following the meeting. A press release containing the decisions made by the shareholders' meeting shall be published on the Group's website immediately after the meeting.

All shares in the Company carry equal voting rights, namely one vote per share. The Company's Articles of Association do not have any specific provisions regarding the appointment and dismissal of directors or about amending the Articles.

Annual Shareholders' Meeting 2021

The 2021 annual shareholders' meeting of the Company was held on April 13, 2021 and was conducted without the physical presence of shareholders, representatives or third parties due to the corona virus. The shareholders were able to exercise their voting rights by voting in advance of the meeting (postal voting), in accordance with sections 20 and 22 of the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations. 300 shareholders representing a total of 65.2 percent of the votes were represented at the meeting.

Decisions at the 2021 annual shareholders' meeting included:

- Adoption of statutory financial statements for the financial year 2020.
- Approval of a dividend to shareholders of SEK 2.30 per share for fiscal year 2020. The record date for the dividend was set for April 15, 2021. The dividend was paid out to shareholders on April 20, 2021.
- Discharge from liability of the individual Board members and the CEO.
- Election of Mengmeng Du as new Board member and re-election of the Board members: Fredrik Cappelen, Erik Olsson, Heléne Vibbleus, Jacqueline Hoogerbrugge, Magnus Yngen, Peter Sjölander and Rainer Schmückle.
- Re-election of Fredrik Cappelen as the Chairman of the Board.
- Re-election of the audit firm PricewaterhouseCoopers AB as external auditor, with Anna Rosendal remaining as the auditor in charge.
- Approval of remuneration to the Board members, the Chairman of the Board and the external auditor.
- Adoption of the principles for the appointment and work of the Nomination Committee.
- Approval of the Board's remuneration report.
- Authorization for the Board to issue new shares in the Company.
- Amendments to the Company's Articles of Association.

Annual Shareholders' Meeting 2022

The 2022 annual shareholders' meeting of the Company shall be held on Wednesday, April 13, 2022, at Clarion Hotel Sign, Östra Järnvägsgatan 35, SE-111 20 Stockholm, Sweden. For additional information regarding the next annual shareholders' meeting and how to register attendance, see the Group's website, www.dometic.com.

Nomination Committee

The 2021 annual shareholders' meeting resolved to adopt the following principles for the appointment and work of the Nomination Committee for the 2022 annual shareholders' meeting.

The Nomination Committee shall be composed of the Chairman of the Board together with one representative of each of the three largest shareholders, based on ownership in the Company as of August 31. Should any of the three largest shareholders renounce its right to appoint one representative to the Nomination Committee, such right shall transfer to the shareholder, who then in turn, after these three, is the largest shareholder in the Company. The Board shall convene the Nomination Committee. The member representing the largest shareholder shall be appointed the chairman of the Nomination Committee, unless the Nomination Committee unanimously appoints someone else.

Should a shareholder having appointed a representative to the Nomination Committee no longer be among the three largest shareholders at a point in time falling three months before the annual shareholders' meeting at the latest, the representative appointed by such shareholder shall resign and the shareholder who is then among the three largest shareholders shall have the right to appoint one representative to the Nomination Committee. Should such change in the ownership occur during the three-month period prior to the annual shareholders' meeting, the already established composition of the Nomination Committee shall remain unchanged. Should a member resign from the Nomination Committee before his or her work is completed, the shareholder who has appointed such member shall appoint a new member, unless that shareholder is no longer one of the three largest shareholders, in which case the largest shareholder in turn shall appoint the substitute member. A shareholder who has appointed a representative to the Nomination Committee shall have the right to discharge such representative and appoint a new representative.

Changes to the composition of the Nomination Committee shall be announced immediately. The term of the office for the Nomination Committee ends when the next Nomination Committee has been appointed. The Nomination Committee shall carry out its duties as set out in the Code.

The composition of the Nomination Committee for the annual shareholders' meeting is publicly announced on the Group's website, www.dometic.com no later than six months before the annual shareholders' meeting.

The Nomination Committee's tasks include preparing a proposal for the next annual shareholders' meeting regarding:

- Chairman of the annual shareholders' meeting.
- Board members.
- Chairman of the Board.
- Remuneration to the Board members and the Chairman of the Board.
- Remuneration for Board committee work.
- Amendments of the principles for the appointment and work of the Nomination Committee, if deemed necessary.
- External auditor and external auditor's fee.

In addition, the Nomination Committee shall assess the independence of the Board members in relation to the Company and the largest shareholders. The Nomination Committee's proposals are publicly announced no later than on the date of the notice of the annual shareholders' meeting. Shareholders wishing to submit proposals to the Nomination Committee should send a letter to Nomination Committee, Dometic Group AB (publ), Hemvärnsgatan 15, 6th floor SE-171 54 Solna, Sweden.

No remuneration is paid to members of the Nomination Committee. The Company shall pay any necessary expenses that the Nomination Committee may incur in its work.

Further information regarding the Nomination Committee and its work can be found on the Group's website: www.dometic.com.

Nomination Committee for the 2021 Annual Shareholders' Meeting

The Nomination Committee for the 2021 annual shareholders' meeting comprised four members. Mr. Magnus Billing (Alecta Pension Insurance) was the Chairman of the Nomination Committee.

For the proposal for the 2021 annual shareholders' meeting, the Nomination Committee made an assessment of the composition and size of the Board at that time as well as the Group's operations. Areas of particular interest were Dometic's strategies and goals and the demands on the Board that were expected from the Group's positioning for the future. The Nomination Committee also considered that a breadth and variety as regards experience, competence, diversity and gender shall be represented among the Board members.

In order to further strengthen the Board's expertise in e-commerce, social media and technology, the Nomination Committee proposed Mengmeng Du as new Board member. The Nomination Committee also proposed re-election of all Board members: Fredrik Cappelen, Erik Olsson, Heléne Vibbleus, Jacqueline Hoogerbrugge, Magnus Yngen, Peter Sjölander and Rainer Schmückle and the re-election of Fredrik Cappelen as the Chairman of the Board. After the election at the 2021 annual shareholders' meeting, three out of eight Board members are women.

Nomination Committee for the 2022 Annual Shareholders' Meeting

The Nomination Committee for the 2022 annual shareholders' meeting is based on the ownership in the Company as of August 31, 2021. The composition of the Nomination Committee was announced on the Group's website, www.dometic.com on September 30, 2021, i.e. six months before the 2022 annual shareholders' meeting, in accordance with the Code's announcement requirement.

The Nomination Committee's members are: Mr. Magnus Billing (Alecta Pension Insurance), Mr. Robert Vicsai (SEB Investment Management AB), Mrs. Monica Åsmyr (Swedbank Robur Funds) and Mr. Fredrik Cappelen, Chairman of the Board. Mr. Magnus Billing is the Chairman of the Nomination Committee.

Nomination Committee

Name	Appointed by	Percentage of votes, August 31, 2021
Magnus Billing	Alecta Pension Insurance	6.9%
Robert Vicsai	SEB Investment Management AB	6.4%
Monica Åsmyr	Swedbank Robur Funds	4.5%
Fredrik Cappelen	Chairman of the Board	0.29%

The Board of Directors

The Board has the overall responsibility for the Company's and the Group's organization and administration by continuously monitoring the operations, ensuring an appropriate organization, management, governing documents and internal control. The Board establishes objectives and strategies and makes decisions concerning major investments and operational changes. The Chairman of the Board has a leading role and is responsible for ensuring that the Board's work is well organized and performed efficiently.

Composition of the Board

The Board comprises eight members, without deputies, who are elected by the annual shareholders' meeting. The annual shareholders' meeting elects the Chairman of the Board. Directly after the annual shareholders' meeting, the Board holds a meeting for formal constitution at which the members of the committees of the Board are elected. The Chairman of the Board is Fredrik Cappelen.

Two of the eight Board members are not Swedish citizens. All Board members are non-executive members.

For additional information regarding the Board members, see pages 77–78.

The information is updated regularly on the Group's website, www.dometic.com

Diversity Policy for the Board of Directors

The Nomination Committee shall apply the Swedish Corporate Governance Code article 4.1 as its Diversity Policy in respect of the Board. The goal of the Policy is for the Board to have a composition appropriate to the Company's and the Group's operations, phase of development and other relevant circumstances. The Board members elected by the shareholders' meeting are collectively to exhibit diversity and breadth of qualifications, experience and background. The Company shall strive for gender balance on the Board.

As set out in the Nomination Committee's proposal on election of the Board members for the 2021 annual shareholders' meeting, the Nomination Committee applied article 4.1 of the Swedish Corporate Governance Code as the Diversity Policy in its nomination process. The 2021 annual shareholders' meeting resolved to appoint the Board members in accordance with the Nomination Committee's proposal. After the election at the 2021 annual shareholders' meeting, three out of eight Board members are women (37.5 percent women).

The above-mentioned assessment and application of the Diversity Policy has also been made in respect of the Nomination Committee's preparation of the proposals for the 2022 annual shareholders' meeting. The Nomination Committee has explicitly stated that diversity and equal gender balance are prioritized matters, and according to the Nomination Committee's proposal, all eight Board members should be re-elected, of which three are women and five are men.

Independence

The Board is considered to be in compliance with relevant requirements for independence. The assessment of each Board member's independence is presented on pages 77–78. All Board members have been considered independent both in relation to the Company and its executive management and in relation to the major shareholders. Accordingly, the Company is in compliance with the Code's independence requirement.

The Board's tasks

One of the main tasks of the Board is to manage the Group's operations in such a way as to assure that the interests of the owners in terms of long-term profitable growth and value creation are being met in the best possible manner. The Board's work is governed by applicable laws, rules and regulations as well as internal governing documents that constitute the framework for corporate governance at Dometic.

The Board deals with and decides on Group-related issues, such as:

- Objectives and strategies.
- Appointing, evaluating, and, if necessary, dismissing the CEO.
- Identifying how sustainability issues impact business risks and opportunities.
- Internal governing documents, as applicable.
- Ensuring that there is an appropriate system of internal controls and risk management to follow up the Group's operations and the risks to the Group that are associated with its operations.
- Ensuring that there is a satisfactory process for monitoring the Group's compliance with applicable laws, rules and regulations as well as internal governing documents.
- Ensuring that the Group's external communications are characterized by openness and that they are accurate, reliable and relevant.
- Evaluating its work annually.
- Evaluating the work of the CEO continuously.
- Matters that according to the Instructions for the CEO fall outside of the scope of the CEO's day-to-day management.

For information regarding examples of applicable laws, rules and regulations as well as internal governing documents, see the table on page 68.

Working procedures and Board meetings

The Board determines its working procedures, documented in the Rules of Procedure for the Board of Directors, each year and reviews these Rules of Procedure as required. The Rules of Procedure describe the Chairman of the Board's duties as well as the responsibilities delegated to the committees appointed by the Board.

In accordance with the Rules of Procedure for the Board of Directors and the Code, the Chairman of the Board shall among other things:

- Organize and lead the Board's work.
- Verify that the Board's decisions are implemented efficiently and effectively.
- Ensure that the Board discharges its duties.
- Ensure the efficient and effective functioning of the Board including necessary introductory training for new Board members and ensure that the Board regularly updates and develops its knowledge of the Group and its operations.
- Be responsible for contacts with the shareholders regarding ownership issues.
- Ensure that the Board receives sufficient information and documentation to enable it to conduct its work.

The Rules of Procedure for the Board of Directors stipulate that the meeting for the formal constitution of the Board shall be held directly after the annual shareholders' meeting. Decisions at such statutory Board meetings include the election of chairman and members of the committees of the Board and authorization to sign on behalf of the Company. In addition to the statutory Board meeting, the Board shall hold at least four ordinary Board meetings during the year. These meetings are held in conjunction with the publication of the Company's Interim reports, Full-year reports and Annual reports, in connection with visits to the Group manufacturing facilities, as applicable, and coordinated with the most important processes of the Group, such as strategy, budget and risk. Furthermore, extraordinary Board meetings may be held when necessary by telephone, video conferences, or per capsulam.

The Board's work in 2021

During the year, the Board held 17 meetings, including statutory, ordinary and extraordinary. The attendance of each Board member at these meetings is presented on pages 77–78.

Ordinary Board meetings follow a calendar that is established annually. In addition to the Board meetings, the Chairman of the Board and the CEO have continuous contact pertaining to operations and other important matters. All Board meetings during the year followed an agenda, which, together with the documentation for each item on the agenda, was made available for the Board members in advance of the meetings. Meetings usually last for half a day or one entire day in order to allow time for presentations and discussions. Normally the CEO and the CFO are present at ordinary Board meetings and Dometic's Group General Counsel serves as secretary at the Board meetings.

Each scheduled ordinary Board meeting includes a review of the Group's business and the financial results and financial position as well as the outlook for the forthcoming quarters, as presented by the CEO and the CFO. The meetings also deal with investments, and the establishment of new operations, acquisitions and divestments. The Board decides on individual investments exceeding SEK 30 million and a total investment level above the approved investment budget.

Major items addressed by the Board in 2021 included:

- Strategy implementation.
- Organizational changes.
- Growth opportunities, including M&A projects.
- Restructuring program.
- Cost reduction activities.
- Expansion of financing sources.
- Effects of the COVID-19 pandemic.

Ensuring quality in financial reporting

The Rules of Procedure for the Board of Directors and the Instruction for the reporting of the financial situation of Dometic Group AB determined annually by the Board include detailed instructions on the type of financial reports and similar information, which shall be submitted to the Board. In addition to the Company's Interim reports, Full-year reports and Annual reports, the Board reviews and evaluates comprehensive financial information regarding the Group as a whole and the segments within the Group.

The Board also reviews, primarily through the Board's Audit Committee, the most important accounting principles applied by the Group in financial reports and major changes in these principles as well as internal control over financial reporting. For more information see section Internal control over financial reporting on page 73.

The Company's external auditor reports to the Board as necessary and as a minimum once a year. The external auditor also attends the meetings of the Audit Committee. The Audit Committee reports to the Board after each of its meetings. Minutes are taken at all Audit Committee meetings and are made available to all Board members and to the external auditor.

Board work evaluation

The Board evaluates its work annually with regards to its Rules of Procedure for the Board of Directors and the working climate as well as regards the focus of the Board's work. This evaluation also focuses on access to and requirements of special competence in the Board. The evaluation is a tool for the development of the Board's work and also serves as input for the Nomination Committee's work. The evaluation of the Board is initiated and led each year by the Chairman of the Board.

The 2021 annual evaluation was carried out in survey form. All Board members responded to the written questionnaire. The result of the evaluation was discussed at a Board meeting and also presented for the Nomination Committee by the Chairman of the Board.

The Board's work is progressing well. The members are making a constructive contribution to both the strategic discussion and the governance of the Company and the Group. The discussions are seen as open and the dialogue between the Board and the management is also considered positive and constructive.

Remuneration to Board members

Remuneration to the Board members and the Chairman of the Board is determined by the annual shareholders' meeting. The remuneration to the Board members and the Chairman of the Board was revised in 2021. For an overview of remuneration to the Board members and the Chairman of the Board please see the table below.

Remuneration to the Board 2021 and 2020 (applicable from the respective annual shareholders' meeting)

SEK	2021	2020
Chairman of the Board	1,100,000	900,000
Board member	450,000	420,000
Chairman of the Audit Committee	150,000	120,000
Member of the Audit Committee	75,000	65,000
Chairman of the Remuneration Committee	100,000	100,000
Member of the Remuneration Committee	50,000	50,000

Committees of the Board

The Board has established an Audit Committee and a Remuneration Committee. The work of the respective committee is carried out pursuant to the Rules of Procedure for the Board of Directors and the Instructions for the Audit Committee and the Remuneration Committee, respectively. The major tasks of these committees are preparatory and advisory, but the Board may delegate decision-making powers on specific issues to the committees. The issues considered at committee meetings shall be recorded in minutes of the meetings and reported at the following Board meeting. The members and Chairmen of the committees are appointed at the statutory Board meeting following election of Board members, or when a committee member needs to be replaced.

Audit Committee

The Audit Committee shall support the Board in monitoring that the Company and the Group are organized and managed in such a way that their respective accounts, management of funds and financial conditions in all aspects are controlled in a satisfactory manner in accordance with laws, rules and regulations as well as internal governing documents. As of the 2021 annual shareholders' meeting, the Audit Committee comprises three members: Magnus Yngen (Chairman), Jacqueline Hoogerbrugge and Heléne Vibbleus. The Audit Committee meets all the requirements including accounting and auditing competence as stipulated in the Swedish Companies Act, as well as the requirements for independence as stipulated in the Code.

At least four (4) meetings are held annually. Additional meetings are held as needed. In 2021, the Audit Committee held six (6) meetings, which were recorded in minutes. The attendance of each member at these meetings is presented on pages 77–78. Dometic's CFO, the Heads of Internal Audit, Risk Management, Accounting, Business Control, Internal Control, Tax, Treasury and IT participated in the Audit Committee meetings. The Dometic Group General Counsel serves as secretary at Audit Committee meetings. The external auditor participated in the ordinary Audit Committee meetings.

The Audit Committee's tasks include:

- To monitor the financial reporting process and review financial reports and submit observations and recommendations to ensure their integrity for the Board's approval.
- To monitor the effectiveness of internal control, internal audit, regulatory compliance and risk management in general, and in particular with regards to the financial reporting.
- To maintain regular contact with the external auditor and keep itself informed of the outcome of the external audit of the Company and the Group, including the audit of the financial statements and the consolidated financial statements and the conclusions from the quality control carried out by the Swedish Inspectorate of Auditors (Sw. Revisorsinspektionen).
- To inform the Board of the outcome of the external audit and explain how the audit contributed to the integrity of the financial reporting and of the role of the Committee in that process.
- To review and monitor the objectivity and independence of the external auditor as well as the external auditor's engagements in tasks other than audit services.
- To prepare the proposal concerning election of the external auditor for adoption by the annual shareholders' meeting.

In 2021, the work of the Audit Committee focused on monitoring the financial reporting processes, with a special focus on identifying risks and their impact on the quality of the financial reporting processes as well as evaluating the internal control environment. In addition, the Audit Committee focused on following up on the results of the work performed by the Risk management, Internal Control and Internal Audit functions as well as the results from the external audit. Furthermore, the Audit Committee reviewed the Company's Interim reports, Full-year report and Annual report. The Audit Committee also reviewed the plans of the external auditor.

Remuneration Committee

One of the Remuneration Committee's primary tasks is to prepare the Board's proposal concerning Guidelines for remuneration for the CEO and Group Management for adoption by the annual shareholders' meeting. The Remuneration Committee monitors and evaluates the applied remuneration structure and remuneration levels in the Group, as well as programs for variable remuneration, both ongoing and those that have ended during the year, for the CEO and Group Management. The Remuneration Committee also monitors the application of the Guidelines for remuneration for the CEO and Group Management adopted by the annual shareholders' meeting.

As of the 2021 annual shareholders' meeting, the Remuneration Committee comprises three members: Erik Olsson (Chairman), Fredrik Cappelen and Rainer Schmückle. At least three (3) meetings are held annually. Additional meetings are held as needed.

In 2021 the Remuneration Committee held three (3) meetings, which were recorded in minutes. The attendance of each member at these meetings is presented on pages 77–78. The Head of Human Resources and the CEO participated in the Remuneration Committee meetings. The CEO does not participate in regard to items on the agenda relating to remuneration of the CEO.

The Remuneration Committee's tasks include:

- To review and recommend to the Board the Guidelines for remuneration for the CEO and Group Management for adoption by the annual shareholders' meeting.
- To review and make a recommendation to the Board for any changes in the compensation of the CEO and Group Management.
- To monitor and evaluate programs for variable remuneration, both ongoing and those that have ended during the year, for the CEO and Group Management.
- To monitor and evaluate compliance with the Guidelines for remuneration for the CEO and Group Management adopted by the annual shareholders' meeting, as well as the current remuneration structures and remuneration levels in the Group.
- To assist the Board in preparing a remuneration report for approval by the annual shareholders' meeting.
- To prepare any proposals for shareholders' resolutions regarding share or share-price-related incentive programs (if relevant).
- To prepare any Board resolutions regarding short-term variable salary and incentive programs not requiring shareholder approval (i.e. variable cash remuneration schemes) for the CEO and Group Management.

CEO and Group Management

Group Management includes the CEO, the CFO, the three segment presidents and the additional four Group staff heads. The CEO is appointed by the Board. The CEO, in turn, appoints other members of Group Management and shall administer the Company's and the Group's ongoing operations pursuant to the instructions and directives issued by the Board. Group Management holds monthly meetings to review the previous month's results, to update forecasts and plans, and to discuss strategic issues. The CEO reports to the Board and ensures that the Board receives the information required to be able to make well-founded decisions.

The Company's CEO in 2021 was Mr. Juan Vargues. Mr. Vargues has a Management Education IMD Lausanne (CH); Executive MBA, Lund University (EFL); and high school degree in Mechanical Engineering, Tekniska Vuxengymnasiet, Gothenburg. Mr. Vargues has been Head of Entrance Systems at ASSA ABLOY, has previously worked as President and CEO of the Besam Group and has held several positions within the SKF group. He holds 734,648 shares in the Company as of December 31, 2021. Mr. Vargues is also a member of the Board of Munters Group AB and chairman of the board of directors of Cary Group Holding AB. For details regarding members of Group Management, see page 79. The information is updated regularly at the Group's website, www.dometic.com.

Changes in Group Management during 2021

Oliver Bahr was appointed as new President of segment Americas and a member of Group Management as of June 21, 2021. Peter Kjellberg, CMO, left Dometic as of December 31, 2021, for another external assignment.

Remuneration for the CEO and Group Management

Guidelines for remuneration for the CEO and Group Management are adopted by the annual shareholders' meeting, based on the proposal from the Board, at least every fourth year. Remuneration to the CEO is resolved upon by the Board, based on proposals from the Remuneration Committee. Remuneration to other members of Group Management is resolved upon by the Remuneration Committee, based on proposals from the CEO, and reported to the Board. The total remuneration shall be based on the position held, individual performance, performance of the Group, and be competitive in the country of employment.

Remuneration may comprise:

- Base salary.
- Variable salary.
- Long-term incentive programs.
- Pensions and other benefits.

Members of Group Management shall, in addition to the base salary, dependent on an annual decision by the Board, be eligible to variable salary that is based on short-term annual predetermined and measurable performance targets.

In addition to the base salary and variable salary, long-term incentive programs may be implemented. Such programs shall be designed to ensure a long-term commitment to the Group's development, be implemented on market terms and have a term of no less than three years. Share and share price related incentive programs shall be approved by the shareholders' meeting.

Under special circumstances and if it is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability, the Board may in an individual case deviate from the Guidelines for remuneration for the CEO and Group Management. In case of such deviation, the next annual shareholders' meeting shall be informed of the reasons.

The Guidelines for remuneration for the CEO and Group Management can be found on the Group's website, www.dometic.com.

External auditor

The 2021 annual shareholders' meeting re-elected PricewaterhouseCoopers AB (PwC) as the Company's external auditor for a one-year period until the 2022 annual shareholders' meeting. Authorized Public Accountant Anna Rosendal is the auditor in charge of the Company.

The external auditor audits the annual accounts and consolidated accounts of Dometic Group AB (publ), the proposed appropriation of the Company's profit or loss, and the administration of the Board of Directors and the CEO of Dometic Group AB (publ). Based on the audit, the external auditor recommends the annual shareholders' meeting on adoption of the income statement and balance sheet for the parent Company and the Group respectively, on appropriation of the Company's profit or loss, and on the discharge from liability of the individual Board members and the CEO for the financial year. In addition, the external auditor provides a review report on the Interim report for the third quarter.

Pursuant to the decision of the 2021 annual shareholders' meeting, the external auditor's fee until the 2022 annual shareholders' meeting is paid in accordance with approved invoices within the external auditors' quotation.

When PwC is engaged to provide services other than the audit services, decisions pertaining to the nature, scope and fees for such work are made by the CFO and the Chairman of the Audit Committee.

The external audit is conducted in accordance with the International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden.

Audits of local statutory financial statements for legal entities outside of Sweden are performed as required by law or applicable regulations in the respective countries and as required by IFAC GAAS, including issuance of audit opinions for the various legal entities.

Dometic's internal governing documents

Dometic's internal governing documents, in the form of policies, guidelines and manuals etc., are exemplified on page 68 insofar as they concern the governance of the Company and the Group. The internal governing documents are mainly communicated via the Dometic intranet and are updated as needed on a regular basis to reflect changes in laws, rules and regulations or changes in Dometic's operations or processes.

Internal control over financial reporting

The Board is responsible for internal control and risk management in accordance with the Swedish Companies Act and the Swedish Corporate Governance Code. Below is the Board's report on internal control and risk management over financial reporting.

The description of the Group's system of internal controls and risk management with regards to financial reporting is based on the framework developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The framework comprises five integrated components: the control environment, risk assessment, control activities, information, communication and monitoring, as well as 17 fundamental principles related to the five components designed to provide reasonable assurance regarding the achievement of objectives. The description below is limited to internal control and risk management over financial reporting.

Internal control over financial reporting aims to provide reasonable assurance of the accurate, reliable and relevant external financial reporting in Interim reports, Full-year reports and Annual reports, and to ensure that external financial reporting is prepared in accordance with laws, accounting standards and other requirements applicable to listed companies.

Control environment

Internal control over financial reporting is based on the overall control environment. Dometic's overall control environment combines corporate culture, core values and internal governing documents including processes as the basis for carrying out internal control across the Group. The Board and Group Management set the tone at the top regarding the importance of effective internal control, including expected standards of conduct of the employees. This involves integrity and ethical values, the parameters enabling the Board to carry out its oversight responsibilities, the organizational structure and assignment of responsibility and authority, the process for attracting, developing, and retaining employees, and the rigor around performance measures, as well as incentives and rewards to drive accountability for performance.

This is communicated in the form of internal governing documents such as Rules of Procedure for the Board of Directors, Instructions for the CEO, Instructions for the Audit Committee, Instructions for the reporting of financial situation, Code of Conduct, Finance Policy, Information Policy, Insider Policy, Internal Audit Policy , IT Policy, Finance Manual, Internal Control Charter, Processes for Internal control and risk management as well as Minimum Internal Control Requirements (MICR). In addition, corporate culture and core values are important parts of the corporate governance of Dometic.

Risk assessment

Risk management within Dometic comprises a risk framework including a risk management process and a risk universe for identification, assessment, and prioritization of risks, and for providing risk response i.e. risk mitigating actions as well as effective monitoring.

The risk universe is a universe of risks that could impact Dometic's ability to achieve established strategic and other objectives including financial targets as well as to achieve objectives of internal control over financial reporting, i.e. to provide reasonable assurance of the accurate, reliable and relevant external financial reporting in Interim reports, Full-year reports and Annual reports and to ensure that external financial reporting is prepared in accordance with laws, accounting standards and other requirements applicable to listed companies. The risks to which Dometic is exposed are classified into four main categories: strategic risks, execution risks, compliance & regulatory risks and reporting risks, whereof the two latter main categories are attributable to internal control over financial reporting.

Compliance & Regulatory risks are assessed top-down by Group Management as well as bottom-up by segment Management and compliance & regulatory risk maps are used in the risk assessment. Compliance attributable to internal control over financial reporting relates to laws, accounting standards and other requirements applicable to listed companies as well as to internal governing documents e.g. the Finance Policy, Information Policy, IT Policy, Finance Manual, Internal Control Charter, Processes for internal control and risk management as well as Minimum Internal Control Requirements (MICR).

Reporting risks are risks associated with Dometic's reporting, information and communication, both financial and non-financial. Reporting risks are divided into the following subcategories:

- External reporting risks.
- Internal reporting risks.

Reporting risks are assessed top-down by Group Management as well as bottom-up by segment Management and reporting risk maps are used in the risk assessment. External reporting is supported by e.g. an Information Policy approved by the Board, and internal reporting is supported by other internal governing documents.

Examples of external reporting risks are related to external reporting, communication and information both financial, such as Interim reports, Full-year reports and Annual reports, and non-financial. Examples of internal reporting risks are related to internal reporting, communication and information, both financial and non-financial, including decision-supporting material and monitoring of performaance supporting material.

During 2021 risk assessments were performed on Group and segment level to assess risks and related risk mitigating actions where priorities were identified and agreed.

A more detailed description of Dometic's risks and risk management is provided on page 64.

Control activities

Dometic maintains a comprehensive financial reporting system which enables comprehensive monitoring of Group performance. Financial reports for the different legal entities and segments are reviewed on a continuous basis by the central finance function. This entails thorough monitoring of the financial results in accordance with the financial reporting calendar for the financial year.

Financial data are reported by approximately eighty reporting units in accordance with the standardized procedures for financial reporting that are stipulated in the Finance Manual. This financial reporting is the basis for the Group's consolidated financial reports. The CFO as well as other representatives of the central finance function meet the segment managers and review the segment's results every month.

Business reviews are carried out on a quarterly basis, where the CEO, the CFO and relevant representatives of the central functions meet the management of the respective segments to discuss the business. The product portfolio is reviewed on a monthly and quarterly basis as part of the internal process for product development. Larger projects are reviewed at least on a quarterly basis.

Dometic has implemented an internal control framework, called Minimum Internal Control Requirements (MICR), with the purpose to add value by reducing risks and preventing losses, and to ensure efficiency and effectiveness of internal control over financial reporting. Details about the MICR internal control framework is provided on page 75 under "Internal Control".

Information and communication

Dometic maintains information and communication processes to ensure adequate internal financial reporting, for monitoring of performance and for decision support, as well as for providing accurate, reliable and relevant external financial reporting to the financial markets.

Dometic is subject to the provisions of the EU Market Abuse Regulation No 596/2014 (MAR) which contains extensive requirements on Dometic's handling of inside information. The MAR regulates how inside information is to be disclosed to the market and circumstances in which publication may be delayed. It also requires Dometic to keep a list of persons working for the Group who have access to inside information about Dometic.

Since April 1, 2018, Dometic has used InsiderLog, a digital tool, to ensure that the above persons meet the requirements of MAR and the Dometic Insider Policy; from the decision to delay disclosure of insider information all the way to the notice to be submitted to the Swedish Financial Supervisory Authority when the information has been disclosed. Only authorized persons in Dometic have access to InsiderLog. More information is available at www.insiderlog.com.

Internal information and communication

The internal governing documents relevant to internal control over financial reporting are e.g. the Finance Policy, Information Policy, IT Policy, Finance Manual, Internal Control Charter, Processes for internal control and risk management as well as Minimum Internal Control Requirements (MICR). The documents can be accessed on the Group's intranet by all relevant personnel. The CFO reports to the Audit Committee on the results, critical accounting issues and other issues that could affect the quality of the Group's financial reports at the Audit Committee meetings where the Interim reports, Full-year reports and Annual reports are dealt with. The Chairman of the Audit Committee reports on the Committee's work to the Board in the form of observations, recommendations and proposed decisions at the Board meeting following the Committee meetings and in the form of minutes from the Committee meetings that are submitted to the Board. Internal financial reports for decision support and for monitoring of performance are submitted to Group Management and the Board on a regular basis.

External information and communication

Dometic aims to provide the financial markets with accurate, reliable and relevant information in a timely manner. The Group has an Information Policy meeting the requirements of a listed company. Financial information is issued regularly in the form of Interim reports, Full-year reports, Annual reports and press releases on all matters that could materially affect the share price. Interim reports, Full-year reports, and Annual reports are to be found at the Group's website, www.dometicgroup.com, as well as press releases, presentations and relevant internal governing documents.

Monitoring

Ongoing evaluations, separate evaluations and some combinations of the two are used to ascertain whether each of the five components of internal control is present and functioning. Ongoing evaluations are performed by the Board, the Audit Committee and management at different levels of the Group, and separate evaluations are conducted as deemed necessary for instance by the Internal Audit function.

The Audit Committee evaluates the Group's internal control based on the result of the work performed by the Group's control functions with a role to play in the internal control over financial reporting i.e. Internal Control and Internal Audit. The Group's control functions are present at the Audit Committee's meetings to report on the effectiveness of internal control over financial reporting when the Group's Interim reports, Full-year reports and Annual reports are on the agenda for the Audit Committee meetings. The Audit Committee reports the results of its work to the Board, which supports the Board in its monitoring of the effectiveness of internal control over financial reporting and on the adequacy of the reporting to the Board.

Internal Control and Internal Audit

In the fourth quarter of 2021 a new organizational structure was established in order to strengthen the Group's control functions i.e. Internal Control and Internal Audit even further. The Internal Control function and the Internal Audit function are combined under one lead, the Head of Internal Audit and Internal Control, but still maintain their independency in the functional reporting line.

Internal Control

Dometic has a Group function for Internal Control to ensure compliance with the internal governing documents for efficient and effective operations and internal control. In 2020 an Internal Control Charter was developed and implemented, including the four building blocks vision, governance, roles and responsibilities and framework for internal control, which is an integral component for fostering sound corporate governance within Dometic. The scope of the Group Internal Control function and the Internal Control Charter is internal control over financial reporting (ICFR). The Head of Internal Control reports to the CFO. The Minimum Internal Control Requirements (MICR) internal control framework was developed and implemented in 2016 under the leadership of the Group Internal Control function with the purpose to add value by reducing risks and preventing losses, and to ensure efficiency and effectiveness of internal control over financial reporting.

The MICR internal control framework is built on a risk-based approach identifying key processes that affect financial reporting and also since 2018 on key controls related to these processes as well as target classification. The MICR internal control framework includes systematic MICR self-assessments. The MICR internal control framework is evaluated and adjusted annually and has been updated following the Group's expansion to ensure it is suited for the Group's current needs. In 2020, the IT MICR key process (local legal entities and global IT) was added to the MICR internal control framework for implementation by the local legal entities and global IT and from that time the MICR internal control framework covers eight MICR key processes (entity level controls, purchase to pay, inventory, order to cash, payroll, fixed assets, financial closing and IT). In 2021, the development of the MICR internal control framework continued with the aim of taking a more risk-based approach and to work even more efficiently. In addition, in 2021 testing of the MICR self-assessments on selected legal entities and selected controls were performed by the segment Internal Control Coordinators and Internal Auditor.

Internal Audit

Internal Audit is an independent and objective, assurance and advisory function established by Dometic to add value to and improve its operations. It helps the organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance. Internal Audit is a Group function within Dometic that shall act as an independent assurance function to the Board, primarily the Audit Committee, and to support Group Management as an independent Business Advisor.

The scope of Internal Audit includes all business operations and processes as well as all management and organizational levels of Dometic in all geographic locations. The function utilizes a risk-based approach meaning that segment annual internal audit plans are directly linked to the annual risk assessment results described in the section Risk and Risk Management on pages 64–66. Its mission, expectations and authority within the organization are outlined in an Internal Audit Policy approved by the Board. The Policy sets forth the Internal Audit requirements, mission and objective, scope, responsibilities, organizational structure, independence and objectivity, authority, resources and working standards, reporting, as well as quality assurance and improvement program for Internal Audit.

The Internal Audit function is governed and led by the Head of Internal Audit with segment Internal Auditors located in each segment headquarter. The Head of Internal Audit reports functionally to the Audit Committee Chairman on internal audit matters and administratively to the CFO. The Head of Internal Audit has full access to the Audit Committee and its Chairman. Internal Audit is authorized full, free and unrestricted access to Dometic's records, physical properties, and personnel pertinent to carrying out its engagements.

Its three main targets are:
- Value creation.
- Risk mitigation.
- Cost reduction.

The Internal Audit function reviews and updates its internal audit plan every year, including segment annual internal audit plans, based on the annual risk assessment results described in the section Risk and Risk Management on pages 64–66. In addition, input from Group Management and segment Management to capture business needs, are gathered to ensure effective internal audit targeting. The internal audit plan is presented annually by the Head of Internal Audit to the Audit Committee for approval.

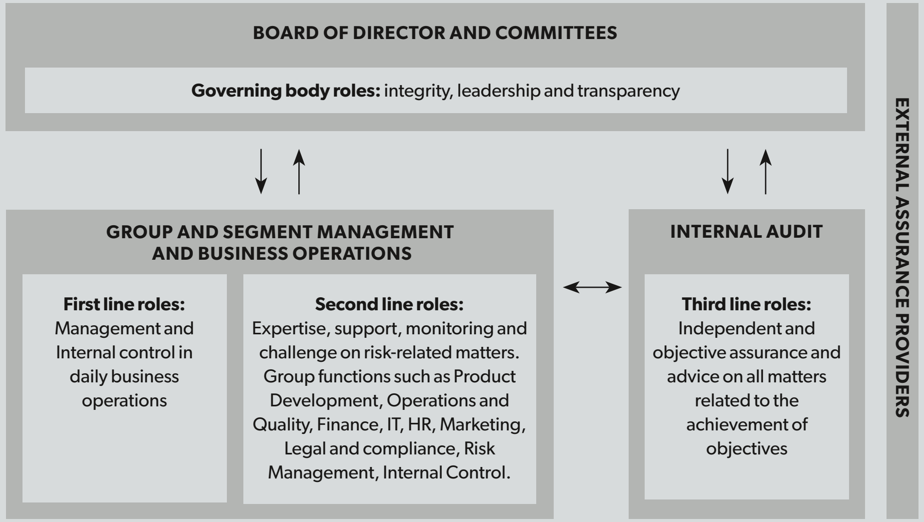
Since 2017 internal audits are conducted based on a defined internal audit process resulting in formal internal audit reports with recommendations and following up agreed action plans and deadlines in response to the internal audit recommendations. Since 2018 internal audit plan is referenced to risk maps, as a result of the annual risk assessment results. Starting in 2019 data analytics are used as a method of testing for selected internal audits, to increase coverage and testing efficiency.

After internal audit announcement and information requests are communicated, internal audit field work is conducted followed by a formal internal audit report distributed to different levels and legal entities of the organization both at segment and Group levels as applicable, along with a report to the Audit Committee.

Agreed action plans and deadlines are followed up to verify their status in response to the internal audit recommendations.

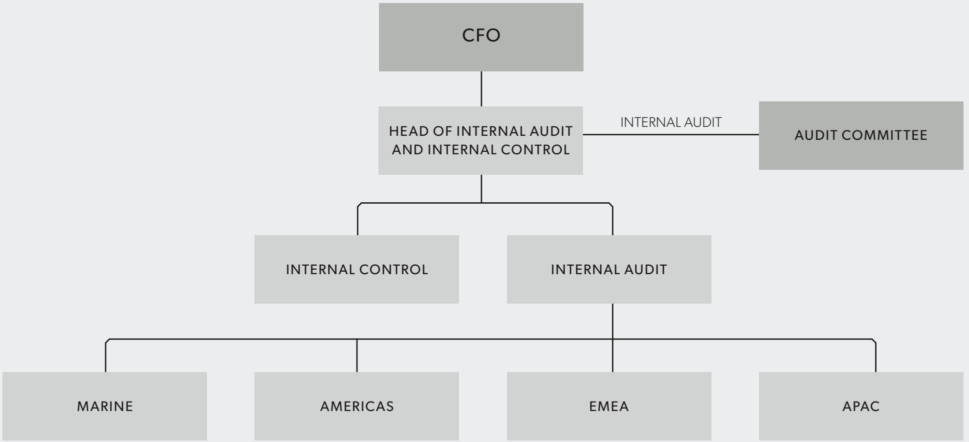
The COVID-19 pandemic had a continuous impact on the internal audit work in 2021, but less than in 2020. Some internal audits had to be performed remotely and travel was done less in response to national lockdowns that affected Dometic's facilities and employees, as well as in response to travel restrictions.

Dometic Three Lines Model



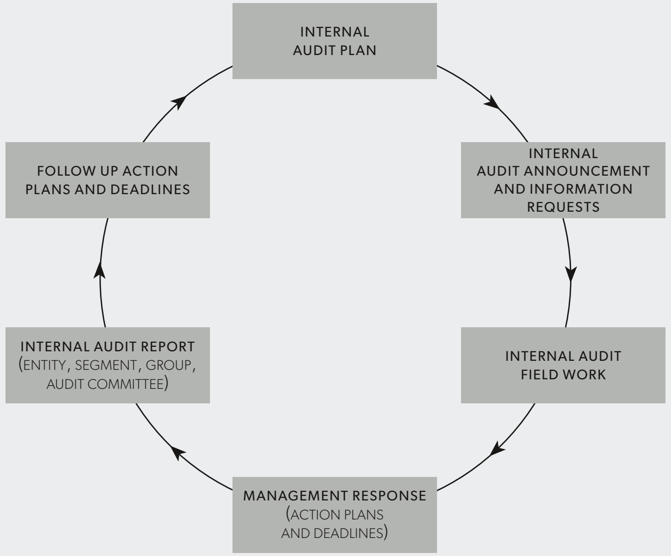
(Source: IIA's Three Lines Model).

Dometic´s internal audit and internal control functions



Valid from December 31, 2021

Internal audit process



BOARD OF DIRECTORS

Fredrik Cappelen
Chairman since 2013.

Born 1957. Sweden.

M.Sc. in Economics from Uppsala University. Studies in political science at Uppsala University.

Member of the Remuneration Committee.

Position and Board membership: Chairman of the board of directors of Transcom WorldWide AB, Eterna Invest AB, KonfiDents GmbH (Germany) and Ideal of Sweden AB. Member of the board of directors of Securitas AB.

Previous positions: Chairman of the board of directors of Dustin Group AB, Byggmax Group AB, Granngården AB, Svedbergs AB, Sanitec Oy and Terveystalo Oy. Chairman and deputy chairman of the board of directors of Munksjö AB. Member of the board of directors of Carnegie Investment Bank AB and Cramo Oy. CEO and President of Nobia AB. CEO and member of the Group management of STORA Building-products AB. Vice President Marketing and Sales and member of Group management of STORA Finepaper AB. CEO of Kauko GmbH and Kauko International.

Board meeting attendance: 17/17

Remuneration Committee attendance: 2/3

Holdings in Dometic: 914,140[1)]

Independence in relation to the Company and its executive management/In relation to major shareholders: Yes/Yes

Mengmeng Du
Board member since 2021.

Born 1980. China.

Master of Economics and Business Administration from Stockholm School of Economics as well as a Master of Computer Science from Royal Institute of Technology in Stockholm.

Position and Board membership: Startup advisor and a member of the board of NetonNet, Saminvest, Clas Ohlson and Swappie.

Previous positions: Member of the Swedish National Innovation Council. Board member of Finnair Plc, Livförsäkringsbolaget Skandia, Filippa K Group AB, Skånska Byggvaror AB and Qliro Group AB (publ) as well as a number of managerial positions at Spotify, COO at Acast, VP product development at Stardoll and management consultant at Bain & Company.

Board meeting attendance: 13/17 (13 Board meetings held after the 2021 annual shareholders meeting electing Mengmeng Du as new Board member)

Holdings in Dometic: 1,000

Independence in relation to the Company and its executive management/In relation to major shareholders: Yes/Yes

Jacqueline Hoogerbrugge
Board member since 2017.

Born 1963. The Netherlands.

M.Sc. in Chemical Engineering from Rijks Universiteit Groningen.

Member of the Audit Committee.

Position and Board membership: Member of the board of directors of Swedish Match AB, Broadview B.V., BA Glass I- Serviços de Gestão e Investimentos S.A. and Jumbo Groep Holding B.V.

Previous positions: President Operations of Cloetta. Member of the board of directors of Cederroth International. VP Operations Medical Division and VP Procurement Worldwide Baby Division at Danone. Procurement Director, Factory Director, Supply Chain Manager, Operations Manager and Services Manager of Unilever. Sales Manager Hydrocarbon Sector, Marketing Co-ordinator and Process Engineer of Fluor Daniel. Member of the board of directors of IKEA Industries AB.

Board meeting attendance: 17/17

Audit Committee attendance: 6/6

Holdings in Dometic: 10,000

Independence in relation to the Company and its executive management/In relation to major shareholders: Yes/Yes

Erik Olsson
Board member since 2015.

Born 1962. Sweden.

B.Sc. in Business Administration and Economics, Gothenburg School of Business, Economics and Law.

Chairman of the Remuneration Committee.

Position and Board membership: The Chairman of Will Scot Mobile Mini, Inc. The Chairman of Ritchie Bros. Auctioneers, Inc. Member of the board of Directors of Pontem Corporation and of the non-profit organization St Mary's Food Bank Alliance.

Previous positions: CEO and member of the board of directors of Mobile Mini Inc. CEO and member of the board of directors of RSC Holdings, Inc. Various senior positions in the United States, Brazil, and Sweden with the Atlas Copco Group.

Board meeting attendance: 12/17

Remuneration Committee attendance: 3/3

Holdings in Dometic: 12,000

Independence in relation to the Company and its executive management/In relation to major shareholders: Yes/Yes

BOARD OF DIRECTORS CONT.

Rainer Schmückle
Board member since 2011.

Born 1959. Germany.

Degree in Industrial Engineering at the University of Karlsruhe.

Member of the Remuneration Committee.

Position and Board membership: Chairman of the board of directors of STIGA C (Luxembourg) and STIGA SpA (Italy). Member of the board of directors of Autoneum AG (Switzerland), Kunstoffteile Schwanden AG (Switzerland), ACPS Automotive (Netherlands) and Canoo Inc. (USA).

Previous positions: Member of the board of directors of Wittur GmbH, Frostbite Holding AB and MAN Truck&Bus AG. CEO of MAG IAS GmbH. COO Automotive of Johnson Controls, Inc. and COO of Mercedes Cars of Daimler AG. President and CEO of Freightliner Corporation.

Board meeting attendance: 15/17

Remuneration Committee attendance: 3/3

Holdings in Dometic: 78,895[1)]

Independence in relation to the Company and its executive management/In relation to major shareholders: Yes/Yes

Peter Sjölander
Board member since 2017.

Born 1959. Sweden.

M.Sc. in Economics from Gothenburg University.

Position and Board membership: Senior Exec Advisor of Altor. Industrial Advisor to EQT AB. Chairman of the board of directors of Eton Group AB, Grundéns Rainwear and Super Dry Plc. Member of the board of directors of Fiskars Oy.

Previous positions: CEO of Helly Hansen Group AS. SVP, Product & Brand Europe, CMO Global Brand & Global Licensing of AB Electrolux. Gen Manager Central Europe (CEMEA) NIKE and Global Business Director, Nike ACG of Nike Inc. European Director of Footwear, Marketing Director Eur. Outdoor and Director of Marketing Nordics of Nike Europe BV. Marketing and Buying Director of Intersport AG. Brand Director of Mölnlycke AB, Project and Site manager ABV Construction AB. Chairman of Revolution Race AB. Member of the board of directors of Helly Hansen Group AS, Swims AS, Stokke AS, BTX Group A/S, OBH Nordica Group, Varier AS, Fit Flop Ltd, F&S Ltd and Stadium AB. Senior advisor to F&S (London, UK).

Board meeting attendance: 17/17

Holdings in Dometic: –

Independence in relation to the Company and its executive management/In relation to major shareholders: Yes/Yes

Heléne Vibbleus
Board member since 2017.

Born 1958. Sweden.

B.Sc. in Business Administration and Economics from Linköping University.

Member of the Audit Committee.

Position and Board membership: Vice President, Internal Audit, Chief Audit Executive, CAE, of Autoliv Inc. Member of the board of directors and chairman of the Audit Committee of Scandi Standard AB. Member of the board of directors of Segulah Medical Acceleration AB.

Previous positions: Member of the board of directors of Trelleborg AB, TradeDoubler AB, Marine Harvest ASA (Norway), Renewable Energy Corporation ASA (Norway), Orio AB, Swedbank Sjuhärad AB and Tyréns AB. Deputy chairman of the board of directors of Swedish International Development Cooperation Agency (SIDA). Chairman of the board of directors of Nordic Growth Market NGM AB and of Invisio Communications AB. Chief Audit Executive, CAE of Elekta AB. Senior Vice President Group Controller of AB Electrolux. Partner and member of the board of directors of PricewaterhouseCoopers, Sweden.

Board meeting attendance: 17/17

Audit Committee attendance: 6/6

Holdings in Dometic: 2,500

Independence in relation to the Company and its executive management/In relation to major shareholders: Yes/Yes

Magnus Yngen
Board member since 2011

Born 1958. Sweden.

M.Sc. and Licentiate of Technology from the Royal Institute of Technology in Stockholm.

Chairman of the Audit Committee.

Position and Board membership: Chairman of the board of directors of Fractal Gaming Group AB. Member of the board of directors of Ortoma AB.

Previous positions: President and CEO of Camfil AB, President and CEO of Dometic Group, President and CEO of Husqvarna AB and deputy CEO of AB Electrolux. Deputy chairman of the board of directors of Intrum AB. Chairman of the board of directors of Sveba-Dahlén Group AB, Duni AB and Välinge Group AB. Member of the board of directors of Intrum Justitia AB and Camfil AB, Frostbite Holding AB and the non-profit organizations Teknikarbetsgivarna i Sverige and Teknikföretagen i Sverige.

Board meeting attendance: 17/17

Audit Committee attendance: 6/6

Holdings in Dometic: 118,460

Independence in relation to the Company and its executive management/In relation to major shareholders: Yes/Yes

1) Through legal entity.

GROUP MANAGEMENT

1. JUAN VARGUES
Born 1959. President and CEO since 2018

Management Education IMD Lausanne (CH), Executive MBA Lund University (EFL), High School Degree in Mechanical Engineering Tekniska Vuxengymnasiet, Gothenburg.

Holdings in Dometic: 734,648[1)]

2. OLIVER BAHR
Born 1978. President of segment Americas since 2021.

B.Sc. in Marketing from Johnson & Wales University, USA.

Holdings in Dometic: 0

3. SILKE ERNST
Born 1967. EVP and Head of Group HR since 2018.

Executive Master of Business Administration (MBA) from Stockholm University and M.Sc., Linguistics, Dipl. Germanistin from Humboldt University, Germany.

Holdings in Dometic: 0

4. HENRIK FAGRENIUS
Born 1971. President of segment EMEA since 2020.

M.Sc. in Mechanical Engineering from Lund University Faculty of Engineering and B.Sc. Business Administration and Economics, Stockholm University.

Holdings in Dometic: 10,000

5. STEFAN FRISTEDT
Born 1966. CFO since 2019

Bachelor's degree in Business Administration and Economics from the University of Lund and an MBA from the University of Lund.

Holdings in Dometic: 4,400

6. CHIALING HSUEH
Born 1963. President of segment APAC since 2016.

M.Sc. in Marketing, University of Massachusetts, USA. B.Sc., Soochow University, Taiwan.

Holdings in Dometic: 0

7. EVA KARLSSON
Born 1966. EVP and Head of Group Operations since 2018.

M.Sc. in Mechanical Engineering from Chalmers University of Technology.

Holdings in Dometic: 12,039[1)]

8. ANTON LUNDQVIST
Born 1970. Chief Technology Officer since 2018.

Ph.D. Chemical Engineering – Electrochemistry and Tech. Lic, Chemical Engineering – Electrochemistry from KTH Royal Institute of Technology. M.Sc. Chemical Engineering – Energy Technology from KTH Royal Institute of Technology.

Holdings in Dometic: 39,200

9. ANNA SMIESZEK
Born 1964. EVP and Group General Counsel since 2015.

Masters of Law from University of Silesia and Stockholm University. PhD studies at Oxford University, Diploma Program in International Law from Stockholm University.

Holdings in Dometic: 3,130

[1)] Including related party.

KEY RATIOS

SEK m	2021	2020	2019
Result			
Net sales	21,516	16,207	18,503
Organic growth, %	23	–10	–7
EBITDA	3,775	2,669	3,155
EBITDA before items affecting comparability	3,899	2,728	3,252
EBITA	3,225	2,176	2,641
EBITA before items affecting comparability	3,348	2,235	2,738
Operating profit (EBIT)	2,855	1,880	2,338
Operating profit (EBIT) before items affecting comparability	2,979	1,939	2,435
Net result	1,726	451	1,325
Margins			
Operating margin, %, EBITDA	17.5	16.5	17.1
Operating margin, % EBITDA before items affecting comparability	18.1	16.8	17.6
Operating margin, %, EBITA	15.0	13.4	14.3
Operating margin, %, EBITA before items affecting comparability	15.6	13.8	14.8
Operating margin, %, operating profit (EBIT)	13.3	11.6	12.6
Operating margin, % operating profit (EBIT) before items affecting comparability	13.8	12.0	13.2
Return on operating capital			
Return on operating capital, %	9.9	7.4	8.6
Return on operating capital, excl. goodwill and trademarks, %	36.9	26.9	28.3
Financial position			
Total assets	52,030	37,615	36,681
Interest-bearing debt	16,802	14,252	13,109
Net debt/EBITDA	2.6	2.0	2.4
Equity	22,447	16,201	17,363
Operating capital	34,841	22,541	26,183
Operating capital excluding goodwill and trademarks	8,894	5,336	7,308
Equity ratio, %	43	43	47
Share			
Earnings per share before dilution, SEK	5.58	1.52	4.48
Earnings per share after dilution, SEK	5.58	1.52	4.48
Dividend per share, SEK[1)]	2.45	2.30	–
Number of shares (note 28)	319,499,993	295,833,333	295,833,333
Employees			
Average number of employees	7,650	6,482	7,257
Revenue per employee	2.81	2.50	2.55

1) Proposed by Board of Directors.

CONSOLIDATED INCOME STATEMENT

SEK m	Note	2021	2020
Net sales	5, 6	21,516	16,207
Cost of goods sold	6	–15,155	–11,571
Gross profit		**6,361**	**4,636**
Sales expenses	6	–1,593	–1,214
Administrative expenses	7	–1,086	–915
Research and development expenses		–412	–336
Other operating income and expenses	10	78	64
Items affecting comparability	6	–123	–59
Amortization of acquisition-related intangible assets	6	–369	–296
Operating profit	6, 8, 9	**2,855**	**1,880**
Financial income	11	13	7
Financial expenses	11	–512	–538
Net financial expenses		**–499**	**–532**
Profit (loss) before tax		**2,357**	**1,348**
Taxes	12	–630	–897
Profit (loss) for the year		**1,726**	**451**
Profit (loss) for the year attributable to owners of the Parent Company		**1,726**	**451**
Earnings per share	28		
before dilution, SEK		5.58	1.52
after dilution, SEK		5.58	1.52
Average number of shares	28		
before dilution		309,644,288	295,833,333
after dilution		309,644,288	295,833,333

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK m	Note	2021	2020
Profit (loss) for the year		1,726	451
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit pension plans, net of tax	19	79	–14
		79	–14
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges, net of tax	3	108	–62
Gains/losses from hedges of net investments in foreign operations, net of tax	3	294	130
Exchange rate differences on translation of foreign operations		1,389	–1,667
		1,790	–1,599
Other comprehensive income for the year		1,869	–1,613
Total comprehensive income for the year		3,595	–1,162
Total comprehensive income for the year attributable to			
Owners of the Parent Company		3,595	–1,162

CONSOLIDATED BALANCE SHEET

SEK m	Note	December 31, 2021	December 31, 2020
ASSETS			
Non-current assets			
Goodwill	14	20,503	13,545
Trademarks	14	5,444	3,659
Other intangible assets	14	7,016	3,853
Buildings, land and land improvements	15	652	546
Machinery and other technical installations	15	801	515
Tools, equipment and installations	15	420	294
Construction in progress and advance payments	15	407	119
Right-of-use assets	8	1,000	630
Deferred tax assets	12	686	597
Derivatives, long-term	3	–	–
Other non-current assets	3, 13	145	95
Total non-current assets		37,075	23,853
Current assets			
Inventories	16	6,983	3,133
Trade receivables	3, 17	2,686	1,839
Current tax assets	12	74	48
Derivatives, short-term	3	119	88
Other current receivables	3	488	618
Prepaid expenses and accrued income	18	197	123
Cash and cash equivalents	25	4,408	7,913
Total current assets		14,955	13,762
TOTAL ASSETS		52,030	37,615

SEK m	Note	December 31, 2021	December 31, 2020
EQUITY			
Equity attributed to owners of the Parent Company			
Share capital	28	1	1
Other paid-in capital		14,777	11,446
Reserves		2,797	1,007
Retained earnings, including net profit (loss)		4,872	3,747
TOTAL EQUITY		22,447	16,201
LIABILITIES			
Non-current liabilities			
Liabilities to credit institutions, long-term	21	16,099	12,455
Deferred tax liabilities	12	2,822	1,666
Derivatives, long-term	3	–	2
Other non-current liabilities	29	2,910	0
Leasing liabilities, long-term	3, 8	881	601
Provisions for pensions	19	704	797
Other provisions, long-term	20	246	213
Total non-current liabilities		23,661	15,734
Current liabilities			
Liabilities to credit institutions, short-term	21	–	1,000
Trade payables	3	3,193	2,019
Current tax liabilities		477	944
Advance payments from customers	6	51	59
Leasing liabilities, short-term	3, 8	233	139
Derivatives, short-term	3	13	140
Other provisions, short-term	20	332	264
Other current liabilities	3	193	209
Accrued expenses and prepaid income	22	1,429	906
Total current liabilities		5,921	5,680
TOTAL LIABILITIES		29,583	21,414
TOTAL EQUITY AND LIABILITIES		52,030	37,615

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Attributable to owners of the parent				
SEK m	Note	Share capital	Other paid- in capital	Other reserves[3]	Retained earnings	Total equity
Opening balance, January 1, 2020	28	1	11,446	2,606	3,310	17,363
Profit (loss) for the year					451	451
Other comprehensive income						
Remeasurements of defined benefit plans, net of tax[1]					–14	–14
Cash flow hedges, net of tax				–62		–62
Gains/losses from hedges of net investment in foreign operations, net of tax				130		130
Exchange rate differences on translation of foreign operations				–1,667		–1,667
Total comprehensive income		–	–	–1,599	437	–1,162
Transactions with owners						
Dividend paid to shareholders of the Parent Company					–	–
Total transactions with owners		–	–	–	–	–
Closing balance, December 31, 2020		1	11,446	1,007	3,747	16,201
Opening balance, January 1, 2021	28	1	11,446	1,007	3,747	16,201
Profit (loss) for the year					1,726	1,726
Other comprehensive income						
Remeasurements of defined benefit plans, net of tax[2]					79	79
Cash flow hedges, net of tax				108		108
Gains/losses from hedges of net investment in foreign operations, net of tax				294		294
Exchange rate differences on translation of foreign operations				1,389		1,389
Total comprehensive income		–	–	1,790	1,805	3,595
Transactions with owners						
New share issue, net of transaction costs and tax			3,331			3,331
Dividend paid to shareholders of the Parent Company					–680	–680
Total transactions with owners		–	3,331	–	–680	2,651
Closing balance, December 31, 2021		1	14,777	2,797	4,872	22,447

1) 2020 Remeasurements of defined benefit plans amounted to SEK – 47 m, and the tax related remeasurements of defined benefit plans amounted to SEK 32 m.
2) 2021 Remeasurements of defined benefit plans amounted to SEK 110 m, and the tax related remeasurements of defined benefit plans amounted to SEK –31 m.
3) Other reserves mainly comprise of exchange rate differences on translation of foreign operations.

CONSOLIDATED STATEMENT OF CASH FLOW

SEK m	Note	2021	2020
Cash flow from operating activities			
Operating profit		2,855	1,880
Adjustment for other non-cash items			
Depreciation and amortization	8, 25	920	789
Adjustment for other non-cash items	25	–204	–305
Changes in working capital			
Changes in inventories		–2,275	–485
Changes in trade receivables		141	–309
Changes in trade payables		600	778
Changes in other working capital		125	156
Income taxes paid		–1,009	–444
Net cash flow from operations		**1,153**	**2,060**
Cash flow from investments			
Acquisition of operations, net of cash acquired		–8,555	–
Investments in fixed assets	14, 15	–413	–246
Proceeds from sale of fixed assets		61	537
Deposit		147	–
Other investing activities		1	–1
Net cash flow from investments		**–8,760**	**289**
Cash flows from financing			
New share issue		3,326	–
Borrowings from credit institutions	25	3,062	2,000
Repayment of loans to credit institutions	25	–1,000	–
Payment of lease liabilities related to lease agreements	25	–225	–171
Paid interest		–385	–415
Received interest		4	2
Other financing activities	25	–74	–99
Dividend paid to shareholders of the Parent Company		–680	–
Net cash flow from financing		**4,028**	**1,318**
Cash flow for the year		**–3,579**	**3,666**
Cash and cash equivalents at beginning of year	25	7,913	4,289
Exchange differences on cash and cash equivalents		74	–43
Cash and cash equivalents at end of the year		**4,408**	**7,913**

PARENT COMPANY INCOME STATEMENT

SEK m	Note	2021	2020
Administrative expenses	7	–282	–199
Other operating income		280	190
Operating profit (loss)	6, 9	**–2**	**–9**
Interest income subsidiaries	11	191	194
Interest expense subsidiaries	11	–1	–
Other financial expenses	11	–156	–293
Profit (loss) from financial items		**33**	**–99**
Group contributions		346	–
Profit (loss) before tax		**378**	**–108**
Taxes	12	–99	–34
Profit (loss) for the year		**278**	**–142**

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

SEK m	Note	2021	2020
Profit (loss) for the year		278	–142
Other comprehensive income			
Other comprehensive income		–	–
Total comprehensive income for the year		**278**	**–142**

PARENT COMPANY BALANCE SHEET

SEK m	Note	December 31, 2021	December 31, 2020
ASSETS			
Non-current assets			
Shares in subsidiaries	26	16,228	16,228
Other intangible assets	2, 14	0	1
Equipment	15	1	1
Deferred tax assets	12	10	26
Receivables from subsidiaries		10,830	5,103
Other non-current assets	11, 13	50	38
Total non-current assets		27,120	21,397
Current assets			
Receivables from subsidiaries		2,652	2,284
Other current assets		34	8
Prepaid expenses and accrued income	18	9	7
Cash and cash equivalents		–	0
Total current assets		2,695	2,299
TOTAL ASSETS		29,815	23,696

SEK m	Note	December 31, 2021	December 31, 2020
EQUITY	28		
Equity attributed to owners of the parent company			
Restricted equity			
Share capital		1	1
Unrestricted equity			
Retained earnings		12,574	10,065
Profit/Loss for the year		278	–142
TOTAL EQUITY		12,853	9,924
PROVISIONS			
Other provisions	20	99	75
Total provisions		99	75
LIABILITIES			
Non-current liabilities			
Liabilities to credit institutions, long-term	21	16,099	12,455
Total non-current liabilities		16,099	12,455
Current liabilities			
Liabilities to credit institutions, short-term	21	–	1,000
Trade payables		22	22
Liabilities to subsidiaries		450	3
Other current liabilities		114	56
Accrued expenses and prepaid income	22	179	161
Total current liabilities		765	1,242
TOTAL LIABILITIES		16,962	13,772
TOTAL EQUITY AND LIABILITIES		29,815	23,696

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

SEK m	Note	Share capital	Other reserves	Retained earnings	Total equity
Opening balance, January 1, 2020	28	1	–	10,065	10,066
Profit (loss) for the year				–142	–142
Other comprehensive income				–	–
Total comprehensive income		–	–	–142	–142
Transactions with owners					
Dividend paid to shareholders of the Parent Company				–	–
Total transactions with owners		–	–	–	–
Closing balance, December 31, 2020		1	–	9,923	9,924
Opening balance, January 1, 2021	28	1	–	9,923	9,924
Profit (loss) for the year				278	278
Other comprehensive income				–	–
Total comprehensive income		–	–	278	278
Transactions with owners					
New share issue, net of transaction costs and tax				3,331	3,331
Dividend paid to shareholders of the Parent Company				–680	–680
Total transactions with owners		–	–	2,651	2,651
Closing balance, December 31, 2021		1	–	12,852	12,853

PARENT COMPANY STATEMENT OF CASH FLOW

SEK m	Note	2021	2020
Cash flow from operating activities			
Operating profit		–2	–9
Adjustment for other non-cash items			
Depreciation and amortization	25	1	1
Adjustment for other non-cash items	25	27	28
Changes in working capital			
Changes in trade payables		0	4
Changes in other working capital		367	–1,762
Income taxes paid		–46	–
Net cash flow from operations		346	–1,738
Cash flow from investments			
Investments in fixed assets		–	–
Other investing activities		–	–
Net cash flow from investments		–	–
Cash flow from financing			
New share issue		3,326	–
Borrowings from credit institutions	25	3,062	2,000
Repayment of loans to credit institutions	25	–1,000	–
Group contribution		–	–
Paid interest		–369	–410
Received interest		185	194
Other financing activities	25	–4,870	–45
Dividend paid to shareholders of the Parent Company		–680	–
Net cash flow from financing		–346	1,739
Cash flow for the year		0	0
Cash and cash equivalents at beginning of year	25	0	–
Exchange differences on cash and cash equivalents		–	–
Cash and cash equivalents at end of year		0	0

NOTE 1 | GENERAL INFORMATION

Dometic Group AB (publ) and its subsidiaries (together "the Dometic Group" or "the Group") is a global market leader in the mobile living industry. Millions of people around the world use Dometic products in outdoor, residential and professional applications. Dometic's motivation is to create smart, sustainaible and reliable products with outstanding design for an outdoor and mobile lifestyle in the areas of Food & Beverage, Climate, Power & Control and Other applications.

The Company is a limited liability company with corporate identity number 556829-4390. The address of its registered office is Hemvärnsgatan 15, 171 54 Solna, Sweden.

These consolidated financial statements cover the period January 1 to December 31, 2021 (comparative figures January 1 to December 31, 2020), and the financial statements were authorized for issue by the Board of Directors on March 17, 2022.

The balance sheets and income statements are subject to approval by the annual shareholders' meeting on April 13, 2022.

Totals quoted in tables and statements may not always be the exact sum of the individual items because of rounding differences. The aim is for each line item to correspond to its source, and rounding differences may therefor arise.

Unless otherwise stated, all amounts are reported in million Swedish krona (SEK m).

NOTE 2 | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The most principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied, unless otherwise stated. Standards or interpretations that are not applicable for the Group are not included in the summary below.

2.1 Basis of preparation

The consolidated financial statements of Dometic Group AB (publ) have been prepared in accordance with International Financial Reporting Standards (IFRS) and Interpretations as adopted by the European Union. The consolidated financial statements have been prepared under the historical cost convention, except for modified financial assets and financial liabilities, including derivative instruments accounted for at fair value through profit or loss.

Some additional information is disclosed based on the standard RFR 1 from the Swedish Financial Reporting Board and the Swedish Annual Accounts Act.

The Parent Company applies the same accounting principles as the Group, except in the cases specified below in the section entitled Parent Company accounting principles.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4. Further information about additional accounting policies is disclosed in the respective note.

Since January 1, 2015 Dometic Group applies hedge accounting for net investment in foreign operations.

2.1.1 Changes in accounting policies

New or amended accounting policies for 2021:
A number of new, amended or improved accounting policies and interpretations have been published with no material impact.

New or amended accounting policies for 2022 and later:
The new, amended or improved accounting policies and interpretations that have been published to be applied after 2022, are not expected to have any material impact on future reporting periods.

A number of narrowscope amendments to IFRS 3 Business Combinations, IAS 16 Property, plant & Equipment and IAS 37 Provisions and some annual improvements on IFRS 1 First time adoption of IFRS, IFRS 9 Financial instruments and IFRS 16 Leases have been published effective periods beginning on or after January 2022.

Narrowscope amendments to IAS 1, Presentation of financial statements, on classification of liabilities with deferred effective date to January 1, 2024

2.2 Principles for consolidation

(a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method is used to account for the business combinations. The purchase price for an acquisition of a subsidiary is the fair values of the net assets included at the acquisition date. Acquisition-related costs are expensed as incurred. The excess of the purchase price over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

Inter-company transactions, balances and unrealized gains and losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Associates

Associates are companies over which the Group has significant influence but not control, generally accompanying a shareholding of between 20 and 50 percent of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost.

The carrying amount is increased or decreased to recognize the Group's share of the profit or loss of the associated Company after the date of acquisition. The Group's share of post-acquisition profit or loss is recognized in the income statement and its share of post-acquisition movements in Other Comprehensive Income "OCI" is recognized in OCI with a corresponding adjustment to the carrying amount of the investment.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates – "the functional currency". The consolidated financial statements are presented in Swedish krona (SEK), which is Dometic Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in equity as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within financial net. All other foreign exchange gains and losses are presented in the income statement within the operating result.

(c) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(1) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
(2) income and expenses for each income statement are translated at average exchange rates and

(3) all resulting exchange differences are recognized in other comprehensive income.

Fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Exchange rates

Country	Currency	Average rate 2021	Average rate 2020	Closing rate as of December 31 2021	Closing rate as of December 31 2020
Australia	AUD	6.4446	6.3438	6.5804	6.2537
Canada	CAD	6.8657	6.8411	7.0865	6.4258
China	CNY	1.3354	1.3320	1.4223	1.2601
Denmark	DKK	1.3694	1.4081	1.3795	1.3557
Euro Zone	EUR	10.1860	10.4961	10.2589	10.0792
Great Britain	GBP	11.8446	11.7978	12.2194	11.0978
Hong Kong	HKD	1.1125	1.1837	1.1626	1.0616
Japan	JPY	0.0786	0.0862	0.0787	0,0794
Norway	NOK	0.9987	0.9805	1.0264	0.9544
Poland	PLN	2.2310	2.3724	2.2311	2.2285
United States	USD	8.6481	9.1883	9.0668	8.2302

2.4 Financial assets

Financial assets

Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit and loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognized when the rights to receive cash flows from the investments have expired and substantially all risks and rewards of ownership are transferred. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset.

Dometic Group classifies and measures its financial assets in the following categories: Amortized cost and fair value through profit and loss.

a) Amortized costs: The Group's financial assets at amortized cost comprise trade receivables and other receivables as well as cash and cash equivalents in the balance sheet. The objective of holding these financial assets is to collect the contractual cash flows, thus the "hold to collect" business model. The cash flows from these assets are solely payment of principal and interest, and are therefore measured at amortized cost. Selling or trading these financial assets are not part of the business model. If a sale would occur, it would be incidental and infrequent.

Trade receivables within this category are amounts due from customers in the ordinary course of business. Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

b) Fair value through profit and loss: Financial derivatives that are not subject to hedge accounting are always recognized at fair value through profit and loss, and financial derivatives used for hedging are recognized at fair value through OCI. Valuation of financial derivatives at fair value is done at the most recent updated market prices. Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category is presented in the operating result or financial net in the income statement depending on the nature of the economic relationship with the underlying asset.

Assets are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current. Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities later than 12 months after the balance sheet date.

Impairment of financial assets

The Group has revised its impairment methodology for financial assets subject to IFRS 9's impairment model for financial assets leading to a so called expected credit loss model. Since January 1, 2018, Dometic recognizes expected credit losses over the expected life of the trade receivables. Historical information by subsidiary, regarding credit loss experience and ageing, is used to forecast future credit losses. In addition, current and forward-looking information by subsidiary is used to reflect current and expected future losses. To support and harmonize the organization, a calculation matrix for calculating expected credit losses has been developed by headquarters and distributed to the relevant functions throughout the Group.

Dometic Group applies the simplified approach to measure lifetime expected credit losses for trade receivables to provide for losses each closing. The new model changed the loss allowance immaterially.

2.5 Financial liabilities

Financial liabilities are recognized initially at fair value, net of transaction costs incurred. Liabilities to credit institutions are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates. Liabilities to credit institutions are classified as current liabilities unless the Group has the right to defer settlement of the liability for at least 12 months after the balance sheet date. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet, when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability.

2.6 Derivative financial instruments and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured 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. The derivatives in Dometic hedge a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge).

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as currency cash flow hedges is recognized in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognized immediately in the income statement. Amounts accumulated in equity are accounted for in the income statement in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings are recognized in the financial net. The gain or loss relating to the ineffective portion is also recognized in the financial net. 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 that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the income statement.

Net investment hedges

Dometic Group applies hedge accounting for net investment in foreign operations. Hedges of net investments in foreign operations are accounted for similarly to 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 and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss within other income or other expenses. Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is sold.

2.7 Employee benefits

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the planned retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Bonus plans

The Group recognizes a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

2.8 Parent Company accounting principles

The Parent Company's annual report was prepared in accordance with the Annual Accounts Act and through the application of the Swedish Financial Reporting Board's Recommendation RFR 2, Accounting for legal entities. This means that IFRS is applied with the deviations and additions presented below.

Financial statements

In accordance with the requirements in RFR 2, the Parent Company's financial statements deviate from those presented for the Group. The Parent Company has the following five statements in the Annual Report: income statement, statement of comprehensive income, balance sheet, statement of cash flow and statement of changes in equity.

Financial instruments: Recognition and measurement

The Parent Company does not apply IFRS 9 Financial instruments replacing IAS 39 Financial instruments: Recognition and measurement since January 1, 2018. Instead measurements are based on the acquisition cost of assets and liabilities.

IFRS 16 Leases

The Parent Company has used RFR 2 exemption and will not apply IFRS 16 Leases. The standard came into effect January 1, 2019.

Ownership of subsidiaries

Holdings in subsidiaries are recognized in the Parent Company's financial statements according to the cost method of accounting. The value of subsidiaries is tested for impairment when there is an indication of a decline in the value.

Group contributions

The Parent Company recognizes all Group contributions, paid and received, as appropriations in the Income Statement.

Shareholders' contributions

Shareholders' contributions from the Parent Company are recognized directly in the receiver's equity and capitalized in the shares and participations of the Parent Company, to the extent that impairment is not required.

Dividend from subsidiaries

A dividend is accounted for when the right for dividend is deemed as probable.

NOTE 3 | FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Dometic Group's operations are exposed to different financial risks, including the effects of price changes in the loan and capital markets. To manage these risks efficiently, Dometic Group has established guidelines in the form of a Treasury policy which is a part of the Finance policy that describes the financial risks that Dometic Group may accept, as well as how such risks are limited and managed. The Treasury policy also establishes a distribution of responsibilities between Dometic Group's subsidiaries and Dometic Group's central finance function.

Financial risk management is carried out by a central treasury department ("Group Treasury") under a policy approved by Dometic Group's Board of Directors. Group Treasury identifies, evaluates and hedges financial risks in close cooperation with Dometic Group's operating units. The Board provides written principles for overall financial risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Currency risks

As Dometic Group is a global Group with operations in a large number of countries throughout the world, Dometic is exposed to both transaction risks and translation risks. Transaction risk arises where assets and liabilities are stated in different currencies and certain net sales and costs arise in different currencies. Translation risk arises when the Group's financial statements are consolidated, and the currencies differ from the functional currency of certain operating subsidiaries.

Transaction exposure arises at the time of purchasing and selling as well as when conducting financial transactions. Dometic Group's transaction exposure is primarily related to the Euro, U.S. dollar, Australian dollar, Canadian dollar, Great Britain pound and Chinese yuan. Important currency flows are China/Hong Kong's sales to Europe, the United States and Australia, and sales from Europe to Australia and the United States. To the extent possible, transactional exposure is concentrated to the countries where the manufacturing entities are located. This is achieved by invoicing the sales entities in their respective functional currency from the manufacturing entities. Dometic Group treasury policy targets to hedge all main currency flows, but in order not to be over-hedged, permits up to 95 per-cent of the forecasted exposure and product flows in CNY, EUR, USD, AUD, CAD, GBP and JPY to be hedged utilizing spot and currency exchange contracts, currency swaps and currency options. In addition, Dometic Group's treasury policy requires that contracted exposure in projects and firm commitments amounting to more than SEK 2 m is hedged per currency.

Dometic Group manages translation exposure principally through borrowing in the relevant foreign currencies. To meet the largest exposures, as of December 31, 2021, 57 percent (45) of Dometic Group's borrowings were in euro, 30 percent (33) were in U.S. dollars and 12 percent (22) in Swedish krona. Loans in other currencies as of December 31, 2021 amounted to 0 percent (0) of total loans. Regarding the currency risk on the Senior Facilities and EMTN-program, a change of 1 percent in the respective currencies, with all other variables held constant, profit before tax would be impacted by SEK 141 m for the year ended December 31, 2021. This is a result of foreign exchange gains/losses of translation for the EUR and USD denominated borrowings. The effect from EUR would be SEK 92 m and the effect from USD would be SEK 49 m. Equity hedging is used to reduce the translation effect on the borrowings in foreign currencies.

Interest rate risks

Dometic Group defines interest rate risk as the risk that changes in interest rates will have a negative impact on its earnings and cash flow. Dometic Group's interest rate risks arise from long-term loans.

Interest rate risks are managed centrally by Group Treasury in accordance with the treasury policy. The treasury policy target is to hedge between 50 percent and 75 percent of outstanding external floating rate loans to fixed rates, with a duration between 6 months and 3 years. When market rates are negative no new hedges are executed. To limit the interest rate risk, the outstanding debt portfolio (several senior facility term loans and local loans) has a maximum interest period of nine

NOTE 3 cont.

months and in the case of interest-bearing assets, the fixed interest rate period is matched against the closest debt maturity. Furthermore, as of December 31, 2021 Dometic Group has hedged 55 percent (55) of cash flow exposure on its senior facility USD term loans by using interest rate swaps to move from floating interest rates to fixed interest rates. Interest is normally paid quarterly, therefore the floating interest rate on loans, and the floating leg of the interest rate swaps are set quarterly.

Cash flow hedges

In accordance with the Dometic Group's Treasury policy, the Group has hedged part of its cash flow exposure, by way of currency forward agreements (see currency risk) and interest rate swaps with external counterparts, as reported below.

Interest swaps per currency

	December 31, 2021			December 31, 2020		
Currency (maturity date)	Nominal value in currency	Amount SEK m	Interest rate, %	Nominal value in currency	Amount SEK m	Interest rate, %
USD (2022)	300	2,720	1.6	300	2,469	1.6
		2,720			2,469	

Market value derivatives

December 31, 2020	Nominal value	Assets	Liabilities
Derivative financial instruments			
Interest rate swaps – cash flow hedges	2,469	0	–37
Currency forwards & options			
– cash flow hedges	3,318	88	–140
Total		88	–177
Less non-current portion:		–	–
Current portion		88	–177

December 31, 2021	Nominal value	Assets	Liabilities
Derivative financial instruments			
Interest rate swaps – cash flow hedges	2,720	0	–2
Currency forwards & options			
– cash flow hedges	5,297	119	–11
Total		119	–13
Less non-current portion:		–	–
Current portion		119	–13

Interest rate swaps mature on a quarterly basis whereas currency forward hedges mature on a monthly basis. During the period SEK 91 m (before taxes) have been moved from OCI to realized hedge result. As of December 31, 2021, a net of SEK 108 m is reported in OCI (Other comprehensive income).

Dometic Group is exposed to price risks for raw materials such as iron, copper, aluminum and components in which these metals are included. This risk also affects plastics in which petroleum forms the base. To limit the price risk of this type, the Group may enter into short-term contracts with some of the suppliers of raw material. As of December 31st, 2021, no such financial contracts were in place.

Sensitivity analysis

The table shows the impact on the result if no hedges were in place if the currency increased 5 percent (1 percent)/decreased –5 percent (–1 percent) and if the interest rate increased 1 percent/decreased –1 percent.

With start from 2019 the sensitivity analysis for currency changed from 1 percent to 5 percent because we consider 5 percent change in respective currency pair is closer to an average yearly change. The translation effect on the senior loans and EMTN-program would also have the same impact on Equity.

Currency	Variable	Change	Impact on the result before income taxes for the year ended December 31, 2020
Transaction effect	USD/CNY	+ five percentages	84
	EUR/USD	+ five percentages	59
	EUR/AUD	+ five percentages	–7
	AUD/USD	+ five percentages	32
Currency translation impact on loans	EUR/SEK	+ five percentages	0
	USD/SEK	+ five percentages	224
EMTN program	EUR/SEK	+ five percentages	302

Interest rate	Variable	Change	Impact on the result before income taxes for the year ended December 31, 2020
Interest rate effect	Interest rate	+ one percentage	–65

Currency	Variable	Change	Impact on the result before income taxes for the year ended December 31, 2020
Transaction effect	USD/CNY	– five percentages	–84
	EUR/USD	– five percentages	–59
	EUR/AUD	– five percentages	7
	AUD/USD	– five percentages	–32
Currency translation impact on loans	EUR/SEK	– five percentages	0
	USD/SEK	– five percentages	–224
EMTN program	EUR/SEK	– five percentages	–302

Interest rate	Variable	Change	Impact on the result before income taxes for the year ended December 31, 2020
Interest rate effect	Interest rate	– one percentage	12

Currency	Variable	Change	Impact on the result before income taxes for the year ended December 31, 2021
Transaction effect	USD/CNY	+ five percentages	177
	EUR/USD	+ five percentages	101
	EUR/AUD	+ five percentages	–8
	AUD/USD	+ five percentages	48
Currency translation impact on loans	EUR/SEK	+ five percentages	0
	USD/SEK	+ five percentages	246
EMTN program	EUR/SEK	+ five percentages	462

Interest rate	Variable	Change	Impact on the result before income taxes for the year ended December 31, 2021
Interest rate effect	Interest rate	+ one percentage	–69

NOTE 3 cont.

Currency	Variable	Change	Impact on the result before income taxes for the year ended December 31, 2021
Transaction effect	USD/CNY	– five percentages	–177
	EUR/USD	– five percentages	–101
	EUR/AUD	– five percentages	8
	AUD/USD	– five percentages	–48
Currency translation impact on loans	EUR/SEK	– five percentages	0
	USD/SEK	– five percentages	–246
EMTN program	EUR/SEK	– five percentages	–462

Interest rate	Variable	Change	Impact on the result before income taxes for the year ended December 31, 2021
Interest rate effect	Interest rate	– one percentage	11

Financial credit risks

Financial assets carry risk in that counterparties may be unable to fulfill their payment obligations. This exposure arises from investments in liquid funds and from derivative positions with positive unrealized results against banks and other counterparties. Dometic Group seeks to mitigate this risk by holding cash primarily in well rated counterparties with a high credit rating. As of December 31, 2021, Dometic Group's financial credit risk was equal to the balance sheet value of cash and cash equivalents of SEK 4,408 m (7,913) and the positive unrealized results from derivatives positions of SEK 73 m (–63). All derivative transactions are covered by ISDA netting agreements to reduce the credit risk. No credit losses were incurred during 2021 on external investments or on derivative positions. Credit risk is divided into two categories: financial credit risk and credit risk in accounts receivable (see note 17, Accounts receivable – trade).

December 31, 2021	Assets	Liabilities
Derivatives		
Net amount recognized in the balance sheet	119	13
ISDA agreements whose transactions are not offset in the balance sheet	–42	–42
Net after offsetting in accordance with ISDA agreements	77	–29

Financing risks

Liquidity risks

Liquidity risk is Dometic Group's risk of being unable to meet its payment obligations due to insufficient availability of cash and cash equivalents or being unable to meet its payment obligations without significantly higher financing costs. The overall objective of Dometic Group's liquidity management is to ensure that Dometic Group maintains control over its liquidity situation.

Liquidity risks are managed by the Group by ensuring it has sufficient sources of liquidity through current investments with a liquid market, available financing through contracted credit facilities, and the possibility to close market positions. Because of the dynamic nature of the business activities, the Group ensures flexibility by maintaining agreements on retractable credit status.

To maintain control over the liquidity and to ensure that the Group has enough cash to make major payments such as interest payments and amortizations on term loans under the senior facilities, all subsidiaries report to management with a weekly cash balance. Also, a liquidity forecast of eight weeks is reported to management on bi-weekly basis.

The table below analyzes the Group's financial liabilities and derivative liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows for the liabilities. For 2022 an annual undiscounted cash flow of SEK 368 m related to long-term debt obligations including future undiscounted in interest payments, is expected up until the maturity of the long-term debt obligations.

December 31, 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	More than 4 years
Long-term debt obligations including future undiscounted in interest payments	1,338	318	5,431	2,137	6,100
Derivative financial instruments	0	0	0	–	–
Forward foreign exchange contracts	140	–	–	–	–
Trade and other payables	2,019	–	–	–	–
Total	3,498	318	5,431	2,137	6,100

December 31, 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	More than 4 years
Long-term debt obligations including future undiscounted in interest payments	368	3,445	2,166	5,218	6,432
Derivative financial instruments	0	0	–	–	–
Forward foreign exchange contracts	13	–	–	–	–
Trade and other payables	3,193	–	–	–	–
Total	3,574	3,445	2,166	5,218	6,432

The table below shows Group's leasing liabilities by maturity.

December 31, 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	More than 4 years
Leasing liabilities	262	225	159	106	165
Total	262	225	159	106	165

Capital risks

Dometic Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group, through its financing agreements, has to be compliant with bank covenants. From June 2016 the covenants' leverage ratio (Net debt/EBITDA) and interest cover covenants are measured.

The lease agreements, accounted for according to IFRS 16 Leases, will have no implication on the covenant calculations in our loan agreement.

At year-end 2021 the headroom was sufficient in both covenants. The headroom in the leverage ratio was 37 percent and in the interest cover covenant 225 percent. A breach of the bank covenants would technically put the Group in default. In such an event the lenders under the financing agreements have the right to accelerate the debts. Also, a negotiated solution between owners, lenders and Group Management would be sought in order to keep the Group as a going concern.

Capital risk	December 31, 2021	December 31, 2020
Total Borrowing	16,099	13,455
Less: cash and cash equivalents	–4,408	–7,913
Net Debt	**11,691**	**5,542**
Total Equity	22,447	16,201
Total Capital	**34,138**	**21,743**
Gearing Ratio, %	34	25

NOTE 3 cont.

Fair value estimation

Valuation of financial instruments and derivatives at fair value is done at the most recent updated market prices. The valuation is performed on a regular basis to capture changes in financial assets and liabilities over time. Standard methods such as discounting future cash flows based on observable market rates for each respective maturity and currency are used. Fair value of financial instruments with option elements is valued using the Black-Scholes model. At year-end 2021 no option instruments were in place.

For currency forwards the fair market value of the foreign- exchange spot rate is used to convert the outstanding value of the derivate into SEK. For interest rate derivatives the present value market price is converted into SEK at closing rate.

Other non-current liabilities refers to holdbacks and potential earn-outs related to acquisitions, and the size of the liability is often conditional on the development of profitability targets. The earn-outs are valued on the acqusition date based management best estimate of the future outcome and belong to level 3 in the hierarchy.

At year-end 2021 the fair value for level 2 financial assets was SEK 119 m (88) and for the total financial liabilities SEK 13 m (142), and the fair value of for level 3 financial liabilities SEK 2,910 m (0).

Making fair value estimations requires a different kind of input on how to determine the fair values. The different levels have been defined as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: Other observable data for the asset or liability than quoted prices included in Level 1, either directly, i.e. as price quotations, or indirectly, i.e. derived from prices.

Level 3: Data for the asset or liability that is not based on observable market data.

Within the Dometic Group the only financial instruments measured at fair value are derivative financial instruments, which fall into the level 2 category.

The outstanding loan facilities would if renewed today, be on an average around the same margin; therefore, the carrying amount is a reasonable approximation of fair value.

Financial instruments by category

December 31, 2020	Balance sheet carrying amount	Financial assets or liabilities at amortized cost	Financial assets or liabilities at fair value	Derivatives used for hedging	Derivatives at fair value
Financial assets					
Other non-current assets	95	95	–	–	–
Derivatives, long-term	–	–	–	–	–
Derivatives, short-term	88	–	–	62	27
Trade receivables	1,839	1,839	–	–	–
Other current receivables	618	618	–	–	–
Cash and cash equivalents	7,913	7,913	–	–	–
Total assets	**10,553**	**10,465**	**–**	**62**	**27**
Current portion	**10,458**	**10,370**	**–**	**62**	**27**

December 31, 2020	Balance sheet carrying amount	Financial assets or liabilities at amortized cost	Financial assets or liabilities at fair value	Derivatives used for hedging	Derivatives at fair value
Financial liabilities					
Liabilities to credit institutions, long-term	12,455	12,455	–	–	–
Other non-current liabilities	2	–	–	2	–
Derivatives, short-term	140	–	–	124	17
Liabilities to credit institutions, short-term	1,000	1,000	–	–	–
Trade payables	2,019	2,019	–	–	–
Other current liabilities	209	209	–	–	–
Total liabilities	**15,825**	**15,683**	**–**	**126**	**17**
Current portion	**3,368**	**3,228**	**–**	**124**	**17**

December 31, 2021	Balance sheet carrying amount	Financial assets or liabilities at amortized cost	Financial assets or liabilities at fair value	Derivatives used for hedging	Derivatives at fair value
Financial assets					
Other non-current assets	145	145	–	–	–
Derivatives, short-term	119	–	–	86	33
Trade receivables	2,686	2,686	–	–	–
Other current receivables	488	488	–	–	–
Cash and cash equivalents	4,408	4,408	–	–	–
Total assets	**7,846**	**7,727**	**–**	**86**	**33**
Current portion	**7,701**	**7,582**	**–**	**86**	**33**

December 31, 2021	Balance sheet carrying amount	Financial assets or liabilities at amortized cost	Financial assets or liabilities at fair value	Derivatives used for hedging	Derivatives at fair value
Financial liabilities					
Liabilities to credit institutions, long-term	16,099	16,099	–	–	–
Other non-current liabilities	2,910	–	2,910	–	–
Derivatives, short-term	13	–	–	12	1
Liabilities to credit institutions, short-term	–	–	–	–	–
Trade payables	3,193	3,193	–	–	–
Other current liabilities	193	193	–	–	–
Total liabilities	**22,408**	**19,485**	**2,910**	**12**	**1**
Current portion	**3,399**	**3,386**	**–**	**12**	**1**

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NOTE 4 | CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In order to prepare the accounting records in accordance with proper accounting standards, estimates and assumptions affecting reported amounts in the annual report must be made. Fair outcome can differ from these estimations and assumptions. Areas where estimates and assumptions are of significant importance to the Group are presented below.

Impairment test of goodwill and trademarks

In accordance with IFRS, the need for impairment of goodwill and trademarks is reviewed annually. These reviews are based on a survey of the recoverable value estimated on the basis of management's calculations of future cash flow based on the budget and the strategic plan for the Group. Further information on assumptions and sensitivity are presented in note 14.

Deferred tax assets and deferred tax liabilities

Estimates are made to determine the value of both current and deferred tax assets and deferred tax liabilities. The possibility of making deductions against future taxable profits and thereby utilizing the deferred tax assets is also determined based on estimates. The actual results may differ from these estimates, for instance due to changes in the projections of future taxable profits, changed tax legislation or the outcome of the final review by tax authorities and tax courts of filed tax returns. See note 12.

Assumptions upon pension and post-retirement commitments

Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds. Dometic Group has both defined benefit and defined contribution plans. The value of the pension commitments depends on the assumptions made by management and used by actuaries when calculating these amounts. Assumptions and actuarial calculations are made separately for the respective country where Dometic Group has operations which result in such post-employment obligations.

These assumptions include discount rate, inflation, salary trends, development of pensions over time, mortality, trends in cost of health care, and other factors. The assumption about inflation is based on external market indications and the assumption of salary increase reflects the historical development of salary costs, short-term forecasts and expected inflation. Mortality is based on official statistics. Sensitivity analysis for the main assumptions is presented in note 19.

Warranty obligation

Within Dometic Group's line of business many products are covered by a warranty, which is included in the price and valid for a predetermined amount of time. Provisions for warranties are calculated based on past experience of costs for repairs, etc. See further note 20.

Provisions for recalled products

Provisions for recalled products are estimations of future cash flow required to regulate commitments. Such estimations are based on the nature of the recall, the legal process, and the likely extent of damages as well as the progress of the process. Furthermore, consideration is taken of opinions and recommendations from legal advisors and other advice regarding the outcome of the process and experiences from similar cases. See note 20.

Status of Dometic class actions

Since September 2018, a single consolidated class action complaint has been pending in Florida. In July 2019, the district court in the Southern District of Florida denied class certification on the basis of a single threshold requirement and did not address the remainder of the class certification inquiry. The plaintiffs subsequently appealed the decision to the Eleventh Circuit Court of Appeals. On February 2, 2021, the Eleventh Circuit Court of Appeals overturned the legal standard applied by the district court, which concerned only one of several prerequisites to class certification, and remanded the case to the district court to complete the class certification analysis. The appeal proceedings are pending.

Dometic remains firm in its position that the allegations in the case are without merit and that a class cannot be certified. Dometic reached an agreement with one of its insurers, pursuant to which this insurance company agreed to reimburse the company for a certain portion of the legal costs related to the class action. In addition, Dometic prevailed on summary judgment against a different insurer, pursuant to which this other insurance company will reimburse the company for the remaining portion of the legal costs related to the class action.

NOTE 5 | SEGMENT INFORMATION

Consolidated operating segments

2020	Segment Americas	Segment EMEA	Segment APAC	Segment Global	Unallocated	Total
Net sales, external	4,447	5,629	1,315	4,816	–	16,207
Operating profit before depreciation and amortization (EBITDA)	197	732	480	1,260	–	2,669
Depreciation and amortization	–224	–54	–229	–282	–	–789
Operating profit (EBIT)	–27	678	251	978	–	1,880
Financial income	–	–	–	–	7	7
Financial expenses	–	–	–	–	–538	–538
Taxes	–	–	–	–	–897	–897
Profit (loss) for the period	–	–	–	–	–	451
Operating profit (EBIT) before i a c	41	646	271	981	–	1,939
Items affecting comparability (i a c)	–68	32	–20	–3	–	–59
Operating profit (EBIT)	–27	678	251	978	–	1,880
Investments in intangible and tangible assets	–	–	–	–	246	246
Net assets [1]	14,957	6,216	3,448	–	–	24,620

[1] Net assets at the end of the period excluding financial assets and liabilities and deferred taxes presented based on the old organizational structure based on regions.

NOTE 5 cont.

2021	Segment Americas	Segment EMEA	Segment APAC	Segment Global	Unallocated	Total
Net sales, external	5,970	6,981	1,961	6,605	–	21,516
Operating profit before depreciation and amortization (EBITDA)	**501**	**1,125**	**565**	**1,584**	–	**3,775**
Depreciation and amortization	–255	–251	–55	–359	–	–920
Operating profit (EBIT)	**246**	**874**	**510**	**1,225**	**–**	**2,855**
Financial income	–	–	–	–	13	13
Financial expenses	–	–	–	–	–512	–512
Taxes	–	–	–	–	–630	–630
Profit (loss) for the period	**–**	**–**	**–**	**–**	**–**	**1,726**
Operating profit (EBIT) before i a c	**301**	**902**	**510**	**1,266**	–	**2,979**
Items affecting comparability (i a c)	–55	–28	–	–41	–	–123
Operating profit (EBIT)	**246**	**874**	**510**	**1,225**	**–**	**2,855**
Investments in intangible and tangible assets	–	–	–	–	413	413
Net assets [1]	8,372	7,422	3,788	21,496	–	41,078

[1] Net assets at the end of the period excluding financial assets and liabilities and deferred taxes.

On January 1, 2021 Dometic implemented a new organizational structure to generate additional focus and performance. The new structure is formed around four segments, in contrast to three previous regions: Segments Americas, EMEA, APAC and Global. The new structure will allow for stronger emphasis on existing and new strategic business areas and further improve efficiences. Business areas included in the segment Americas, EMEA and APAC are RV, Outdoor and CPV, and business areas included in segment Global are Marine and Other global verticals (Residential, Hospitality and Mobile deliveries).

These segments are reported in a manner consistent with the internal reporting provided to the Group Management and the Board of Directors. The operating segments are regularly reviewed by the President and CEO, the Group's chief operating decision maker.

The performance of the segments is primarily assessed based on sales and operating profit. Information regarding income for each segment is based on a combination of which geography sales are carried out, and the business areas included in the segments. Information regarding the assets is based on geographic regions and the business areas included in the segment, where the benefit of the assets is consumed. Sales between segments are carried out on market conditions with arm's length principles.

Investments in fixed assets are monitored on a Group and legal entity level, hence not allocated to segments. In operational follow-up net assets are allocated to segments.

Management follow-up is based on integrated results in each segment, i.e. intra segment sale is eliminated in the result of the segment. A simplified way of describing an integrated result is a local result in each segment combined with profit/loss allocated from the factories/distribution centers in other segments based on production volume. However, business areas and sales channel are considered important attributes when presenting Dometic Sales. See the table below for details.

The Group has no customer from which it generates income that accounts for more than 10 percent of the company's net sales.

Operational follow-up is not done by product as the product range is wide and each item is not material enough to justify a separate presentation and therefore not regarded to benefit the reader.

Sales channels

	2021	2020
Net sales, external		
OEM	10,848	8,712
Distribution	3,127	1,734
Service & Aftermarket	7,541	5,762
Total net sales, external	**21,516**	**16,207**

Inter-segment sales

Inter-segment sales were as follows:

	2021	2020
Segment Americas	146	169
Segment EMEA	376	309
Segment APAC	3,472	2,544
Segment Global	30	4
Total eliminations	**4,025**	**3,026**

Application areas

SEK m	2021	2020
Net sales, external		
Segment Americas		
Food & Beverage	1,580	1,404
Climate	2,733	2,453
Power & Control	546	10
Other applications	1,111	580
Segment Americas net sales, external	**5,970**	**4,447**
Segment EMEA		
Food & Beverage	2,484	2,088
Climate	3,451	2,572
Power & Control	632	520
Other applications	414	449
Segment EMEA net sales, external	**6,981**	**5,629**
Segment APAC		
Food & Beverage	901	672
Climate	726	543
Power & Control	232	23
Other applications	102	76
Segment APAC net sales, external	**1,961**	**1,315**
Segment Global		
Food & Beverage	1,366	441
Climate	1,036	930
Power & Control	3,017	2,301
Other applications	1,184	1,143
Segment Global net sales, external	**6,605**	**4,816**
Net Sales, external		
Food & Beverag	6,331	4,605
Climate	7,946	6,498
Power & Control	4,427	2,856
Other applications	2,812	2,248
Total net sales, external	**21,516**	**16,207**

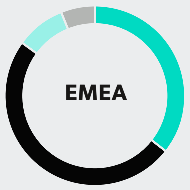
Restatement

Previous year has been restated according to the new organizational structure formed around four segment.

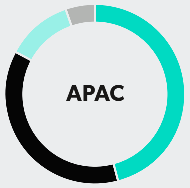
NOTE 5 cont.

Net sales, external by segment and application area

- Food & Beverage, 26%
- Climate, 46%
- Power & Control, 9%
- Other applications, 19%



- Food & Beverage, 36%
- Climate, 49%
- Power & Control, 9%
- Other applications, 6%



- Food & Beverage, 46%
- Climate, 37%
- Power & Control, 12%
- Other applications, 5%

- Food & Beverage, 20%
- Climate, 16%
- Power & Control, 46%
- Other applications, 18%

Geographical information

	Net sales by country	
	2021	2020
United States	10,491	7,184
Germany	3,395	2,817
Australia	1,463	1,037
United Kingdom	922	688
France	777	625
Italy	576	443
Sweden	435	293
The Netherlands	404	343
Canada	329	329
Other	2,724	2,447
Total	**21,516**	**16,207**

Net sales attributable to countries on the basis of the customer's location.

Non-current assets

	Non-current assets by country	
	2021	2020
United States	22,728	11,489
Germany	4,901	4,172
Australia	3,136	2,987
Canada	2,344	2,199
Italy	372	369
China	455	398
Sweden	650	380
United Kingdom	732	696
South Africa	405	0
Hong Kong	128	114
Other	391	358
Total	**36,242**	**23,162**

Non-current assets located in Sweden amount to SEK 650 m (380).

New segment reporting structure starting the first quarter 2022

Dometic will have a new segment reporting structure starting from the reporting of the first quarter 2022. The Marine business will be reported as a new separate segment while Other global verticals and Igloo will remain in segment Global. Segments Americas, EMEA and APAC will remain as is.

NOTE 6 | NET SALES AND OPERATING PROFIT

Dometic Group net sales 2021 amounted to SEK 21,516 m (16,207).

Revenue recognition and additional information on net sales

IFRS 15 Revenue from Contracts with Customers

Revenue recognition in Dometic Group is based on IFRS 15 – Revenue from Contracts with Customers. This standard specifies the requirements for recognizing revenue from all contracts with customers, except for contracts that are within the scope of the Standards on leasing, insurance contracts and financial instruments.

Dometic is in the business of manufacturing and selling a diverse range of products within Food & Beverage, Climate, Power & Control and Other applications. These products are primarily for use in Recreational Vehicles, pleasure boats, work boats, trucks and premium cars.

Products in the area of Mobile living are sold via the three sales channels Original Equipment Manufacturer (OEM), Distribution and Service & Aftermarket (AM).

The revenue model is made up of a series of steps required to help entities determine when and how much revenue to recognize.

In the first step of the revenue model, the Group identifies the contract with a customer. This is then followed by the second step, in which the various goods and services that need to be accounted for separately, or distinct performance obligations, are identified. In the third step, the Group determines the transaction price, which is the total amount to which the Group expects to be entitled, and then in the fourth step the transaction price is allocated to the distinct performance obligations. Finally, the amount of revenue allocated to each distinct performance obligation is recognized either at a point in time or over a period of time, depending on when the customer acquires control over the promised goods or services in that performance obligation.

Customer contract

Purchase orders from the customer, which is the most common way of ordering goods, qualify as an IFRS 15 contract, including all enforceable rights and obligations required.

Distinct performance obligations

The promises are all distinct, since the customer can benefit from the goods on their own and the service (if included in a contract) together with the readily available goods. Each promise (performance obligation) is accounted for separately.

In the rare cases where the Group offers installation services, revenue for that performance obligation is recognized over the contract period during which the service is provided. At present, the service part of the Group's revenue is immaterial, which is why revenue over time is not separately presented in the disclosures.

NOTE 6 cont.

Transaction price
Sales are recorded based on the price specified in the customer agreements, net of the estimated discounts and returns at the time of sale. Accumulated experience is used to estimate and provide for the discounts and returns. If the consideration includes a variable amount, the transaction price includes an estimate of what the entity will be entitled to receive. Estimated discounts are accounted for at the time of the sale and simultaneously reduce external revenue. The amount is estimated by using either the expected value or the most likely amount.

The revenue estimate is included in the transaction price only if it is highly probable that there will not be a significant reversal in the amount of cumulative revenue recognized.

Revenue recognition
Revenue is recognized when the Group has fulfilled its performance obligation, which means the Group has transferred the promised good or service to the customer. The goods or services are regarded as transferred when the customer has obtained control of the good or service. Revenue from the sale of goods and services is recognized in a pattern that reflects the transfer of control of the promised goods or service to the customer, and this takes place when the customer has obtained the ability to direct the use of the goods and obtained substantially all remaining benefits from the asset.

Control either transfers to the customer over time or at a point in time, and this is determined at contract inception. The assessment of whether control transfers over time or at a point in time is critical to the timing of revenue recognition, since revenue is recorded when or as control transfers.

The Group has a limited number of arrangements where the performance obligations are satisfied over time, including some services but also a small volume of customized goods constructed for customers. To achieve valid revenue timing, progress toward satisfaction of a performance obligation must be measured.

Indicators for the transfer of control at a point in time for goods are if the Group has a right to payment for the goods or if the customer has legal title to the goods. Other indicators which the Group considers are if the Group has transferred physical possession of the goods and if the customer has the significant risks and rewards related to the ownership of the goods.

Additionally, the Group considers whether the customer has accepted the goods in accordance with the customer acceptance clause.

International commercial terms are important as a checkpoint, to determine when control transfers to a customer. The Group must use judgement to determine whether all relevant IFRS control factors collectively indicate that the customer has obtained control before recognizing revenue.

Financing component
If the timing of the payment of the consideration is in advance or deferred and the timing provides a significant financing benefit, the payments are adjusted for the time value of money. However, since sales are normally made with a credit term of 30–60 days, which is consistent with market practice, no element of financing is considered to exist. The Group receives very limited amounts of advance payments from customers.

Warranty
Dometic offers a standard warranty, normally between two and three years. In some cases, an extended warranty may be offered to the customer. The standard warranty is recorded as a provision and a warranty cost in the income statement, whereas the extended warranty is a separate performance obligation. The portion of the transaction price in the contract that is allocated to the extended warranty is accounted for as revenue over the term of the warranty period.

Consolidated Income statement – previous year restated
Previous year has been restated in line with Company communication March 15, 2021. Logistic costs have been moved from Sales expenses to Costs of goods sold and Product development expenses have moved from Costs of goods sold to Research and development expenses.

Costs of goods sold and additional information on costs by nature
Cost of goods sold consists of direct costs of producing products such as cost of materials, labor costs and factory costs. It also includes warranties and stock value adjustments and costs of assembly of products, logistics (outbound freight cost of deliveries to customers) and costs for finished goods from external suppliers. The most significant components of Dometic Group's costs of goods sold include materials (including both raw materials and manufacturing supplies), which represented 48 percent (47) of Dometic Group's net sales at year-end.

As Dometic Group manufactures a wide range of products, Dometic Group's direct materials are highly diversified, with no individual type of raw material or component being dominant. Other significant components of goods sold include factory and material overheads and direct and indirect labor, which together typically represent a quarter of Dometic Group's cost of goods sold.

Government grants and other support measures
Government grants are recognized in the income statement on a systematic basis over the periods the entity recognizes the related costs, that the grants are intended to compensate. The grants are included on a net basis in the income statement by function. A government grant is not recognized in the financial statement until there is a reasonable assurance that the entity will comply with the conditions attached to them and that the grants will be received. During 2021 government grants received amounted to SEK 12 m (61), whereof costs of goods sold SEK 11 m (36), sales expenses SEK 0.4 m (12), administrative expenses SEK 0.4 m (12) and Research and development expenses SEK 0 m (4). Other support measures including other governmental business support such as short-term work compensation and a reduction in social security charges amounted to SEK 2 m (149) for the full year 2021.

	Group		Parent	
Expenses by nature	**2021**	**2020**	**2021**	**2020**
Raw materials and manufacturing supplies	–10,412	–7,555	–	–
Employee benefit expenses (note 9)	–3,849	–3,077	–104	–89
Transport expenses	–1,483	–820	–	–
Amortization and depreciation (note 8, 14 and 15)	–920	–789	–	–
Warranty costs	–349	–297	–	–
Marketing expenses	–311	–193	–	–
Other	–1,336	–1,596	102	80
Total	**–18,660**	**–14,327**	**–2**	**–9**

	Group		Parent	
Expenses by function	**2021**	**2020**	**2021**	**2020**
Cost of goods sold	–15,155	–11,571	–	–
Sales expenses	–1,593	–2,220	–	–
Administrative expenses	–1,086	–915	–282	–199
Research and development expenses	–412	–336		
Other operating income [1)]	188	152	280	190
Other operating expenses	–110	–88	–	–
Items affecting comparability	–123	–59	–	–
Amortization of acquisition-related intangible assets	–369	–296	–	–
Total	**–18,660**	**–14,327**	**–2**	**–9**

1) The Parent Company has reported other operating income of SEK 280 m (190) of which the full amount relates to income from subsidiaries.

Sales expenses
Sales expenses consist mainly of expenses relating to marketing activities, including costs of sales staff, promotion, exhibitions and other events. Sales expenses also include, guarantee, credit and collection and related IT expenditures.

Administrative expenses
Administrative expenses include costs related to the administration of Dometic Group's business that are not attributable to costs of goods sold or sales expenses, such as expenses related to IT, management, human resources, finance and administration departments.

NOTE 6 cont.

Research and development expenses

Product development costs amounts to SEK 412 m (336), not including capitalized spend of SEK 11.3 m, which consists of expenses incurred in connection with Dometic Group's research and development activities; these amounts for example include salaries and related employee benefits, which are generally fixed, and external services for example testing and design, which are variable.

Amortization of acquisition-related intangible assets by function and other operating income/cost

The table below specifies amortization of acquisition-related intangible assets by function and other operating income/cost.

	Amortization of trademarks		Amortization of customer relationship assets		Amortization of technology		Amortization of intellectual property		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Cost of goods sold	–	–	–	–	–49	–45	–19	–23	–69	–68
Sales expenses	–63	–48	–238	–181	–	–	–	–	–301	–228
Administrative expenses	–	–	–	–	–	–	–	–	–	–
Other operating income and expenses	–	–	–	–	–	–	–	–	–	–
Total	–63	–48	–238	–181	–49	–45	–19	–23	–369	–296

Items affecting comparability by function and other operating income/cost

The table below specifies items affecting comparability by function and other operating income/cost.

	Global restructuring program		Other		Total	
	2021	2020	2021	2020	2021	2020
Cost of goods sold	–81	–80	–	–	–81	–80
Sales expenses	–1	–3	–	–	–1	–3
Administrative expenses	0	–9	–	–	0	–9
Research and development expenses	0	–4	–	–	0	–4
Other operating income and expenses	–5	–21	–37	57	–42	37
Total	–86	–116	–37	57	–123	–59

Items affecting comparability (i. a. c.)

Items affecting comparability are events or transactions with significant financial effects, which are relevant for understanding the financial performance when comparing profit for the current period with previous periods. Items included are for example restructuring programs, expenses related to major revaluations, gains and losses from acquisitions or disposals of subsidiaries, or major transaction costs related to mergers and acquisitions.

Items affecting comparability	2021	2020
Global restructuring program	–86	–116
Other	–37	57
Total	–123	–59

During 2021 total costs to the global restructuring program amounted to SEK –86 m. 22 sites and 804 employees have been affected since program start. In addition, material M&A transaction costs impacted 2021 items affecting comparability negatively. 2020 was positively impacted by SEK 66 million related to a gain from a sale of fixed assets.

Acquisition-related transaction related costs amounted to SEK –9 m included in Other.

NOTE 7 | AUDIT FEES

	Group		Parent	
	2021	2020	2021	2020
PricewaterhouseCoopers (PwC)				
Audit fees [1]	–18	–20	–3	–2
Audit-related fees [2]	–	–1	–	–
Tax fees [3]	–2	–8	–	–
All other fees [4]	–1	0	–	–1
Total fees to PwC	–21	–29	–3	–3
Other auditors				
Audit fees to other audit firms	–	–1	–	–
Audit-related fees	–	–	–	–
Tax fees	–	–	–	–
All other fees	–	–	–	–
Total fees other auditors	–	–1	–	–
Total fees to other auditors	–21	–30	–3	–3

1) Audit fees – fees for the annual audit services and other audit services, i.e. services that only the external auditors reasonably can provide, and include the Company audit and statutory audits.
2) Audit-related fees – fees for assurance and related services that are reasonably related to the performance of the audit of the Company's financial statements or that are traditionally performed by the external auditors.
3) Tax fees – fees for transfer pricing, tax-compliance services, tax consultations and advice related to acquisitions, divestments and other projects and assistance with tax audits.
4) All other fees - fees for other services.

Audit fees for PwC Sweden during 2021 amount to SEK – 3 (– 2), audit-related fees SEK 0 m (0), tax fees SEK – m (–) and all other fees to SEK –0.5 m (– 0.9).

NOTE 8 | LEASING AGREEMENTS

Right-of-use assets information is specified below:

2020	Buildings	Machinery, equipment and other technical installations	Total
Acquisition costs			
Opening balance	710	72	782
Additions during the year	233	20	252
Reductions	–53	–17	–69
Exchange rate differences	–71	–3	–75
Closing balance	819	71	890
Depreciation			
Opening balance	–137	–22	–159
Depreciation and impairment for the year	–153	–26	–179
Reductions	42	14	56
Exchange rate differences	20	2	22
Closing balance	–228	–32	–260
Net carrying amount December 31, 2019	573	50	623
Net carrying amount December 31, 2020	591	39	630

2021	Buildings	Machinery, equipment and other technical installations	Total
Acquisition costs			
Opening balance	819	71	890
Additions during the year	486	66	552
Reductions	–68	–22	–90
Exchange rate differences	65	3	68
Closing balance	1,301	119	1,420
Depreciation			
Opening balance	–228	–32	–260
Depreciation and impairment for the year	–198	–25	–223
Reductions	63	21	84
Exchange rate differences	–19	–1	–20
Closing balance	–382	–37	–420
Net carrying amount December 31, 2020	591	39	630
Net carrying amount December 31, 2021	919	81	1,000

Total depreciation and amortization of SEK 920 m (789) includes depreciation of right-of-use assets of SEK 223 m (179) for 2021.

Depreciation and amortization

	2021	2020
Depreciation and amortization	–920	–789
Add back depreciation related to right-of-use assets	223	179
Total depreciation and amortization excl. depreciation of right-of-use assets	–697	–610

Additional lease information

The interest expenses on lease agreements are disclosed in Note 11 Financial income and expenses. A maturity analysis of the lease liability is disclosed in Note 3 Financial risk management and financial instruments.

Expenses for leases with low value and short-term leases amounted to SEK 13 m (12). Variable lease cost amounted to SEK 17 m (18).

IFRS 16 Leases (“IFRS 16”)

The Group has lease agreements as a lessee for some of its buildings, machinery, equipment and other technical installations including vehicles. Lease contracts are usually entered into for a fixed period of two to three years, however during 2019, a few building contracts with longer lease term have been signed.

Extension options are included in the accounting lease term for buildings when they are reasonably certain to be exercised. If the lease term ends within three years, extension options are considered reasonably certain to be utilized, in alignment with current plans for the Group.

Leases are recognized as a right-of-use asset and a corresponding liability, except for short-term leases (with a term of 12 months or less) and leases with low value. For these leases, payments are recognized on a straight-line basis as an expense in the income statement.

Dometic Group presents right-of-use lease assets and lease liabilities separately from other assets and other liabilities on the face of the statement of financial position.

Measurement and remeasurement

Lease liabilities are initially measured at the present value of the future lease payments, fixed and variable depending on an index or a rate, discounted by the incremental borrowing rate.

Each lease payment is allocated between an amortization of the liability and finance cost.

Lease liabilities are remeasured when there is a change in future lease payments arising from a change in an index or a rate.

Right-of-use assets are measured at cost, comprising the amount of the initial measurement of the lease liability, lease payments made at or before the commencement date and any initial direct costs and any restoration costs.

The right-of-use asset is depreciated over the lease term on a straight-line basis and charged to the income statement over the lease period.

When there is a remeasurement of, or adjustment to the lease liability, a corresponding adjustment is made to the right-of-use asset.

Discount rate assumptions and estimation

Dometic Group has established a method of calculating the discount rate when determining the present value of the remaining lease payments and in recognizing the right-of-use assets. Lease contracts for different types of assets are assigned different discount factors, since the risk and thus the finance cost may vary significantly. Other adjusting factors for the rate are the currency and the time to maturity of the lease. Euro countries are deemed to have the same risk, as we borrow/lend internally in the Group at the same rate for all euro countries. The underlying observable market data used is government bonds.

Policy choices

The Group uses the practical expedient for non-lease components, which means that each lease component and any associated non-lease component will not be treated separately but accounted for as one.

Dometic Group uses the recognition exemption for short-term leases and low-value leases and has decided to classify all IT and office equipment as low-value assets and hence not include these in the balance sheet.

Cash flow

IFRS 16 lease payments are split in cash flow between cash payments for the interest portion of the lease liabilities and repayment of its principal portion. The Group presents the principal portion of lease payments within the cash flows from financing activities, as required by IFRS 16. Cash payment for the interest portion is treated the same way as the presentation of interest payments of the Group. Short-term payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability are not shown separately but are included in payments to suppliers.

Total cashflow from Leases amounted to SEK 281 m (222).

NOTE 9 | EMPLOYEE BENEFIT EXPENSE AND REMUNERATION

Salaries, wages, other remuneration and social security costs

	Group		Parent	
Employee benefits	2021	2020	2021	2020
Salaries and remunerations	–3,066	–2,503	–57	–53
Social security costs	–418	–323	–23	–21
Pension costs				
– defined contribution plans	–113	–67	–18	–13
Pension costs – defined benefit plans	–6	–19	0	0
Other personnel costs	–245	–165	–7	–3
Total	–3,849	–3,077	–104	–89

Remuneration is applied based on local market conditions and collective agreements. The total cost for employee benefits in 2021 amounted to SEK 3,849 m (3,077).

Remuneration to the Board of Directors

Remuneration to the Board of Directors approved by the 2020 annual general shareholders' meeting	SEK thousand
Fredrik Cappelen, Chairman	950
Jacqueline Hoogerbrugge, Board member	485
Erik Olsson, Board member, Chairman Remuneration Committee	520
Peter Sjölander, Board member	420
Rainer E. Schmückle, Board member	470
Magnus Yngen, Board member, Chairman Audit Committee	540
Heléne Vibbleus, Board member	485
Total remuneration to the Board of Directors	3,870

Remuneration to the Board of Directors approved by the 2021 annual general shareholders' meeting	SEK thousand
Fredrik Cappelen, Chairman	1,100
Jacqueline Hoogerbrugge, Board member	515
Erik Olsson, Board member, Chairman Remuneration Committee	543
Mengmeng Du, Board member	338
Peter Sjölander, Board member	443
Rainer E. Schmückle, Board member	493
Magnus Yngen, Board member, Chairman Audit Committee	585
Heléne Vibbleus, Board member	515
Total remuneration to the Board of Directors	4,530

Remuneration to representatives in the Board of Directors for Board- and Committee work amounts to SEK 4,530 thousand (3,870). Remuneration for the Committee work (Audit Committee and Remuneration Committee) until the next annual shareholders' meeting amounts to SEK 450 thousand in total (of which SEK 150 thousand to the Chairman of the Audit Committee, SEK 100 thousand to the Chairman of the Remuneration Committee, SEK 75 thousand to each Audit Committee member and SEK 50 thousand to each Remuneration Committee member).

Group Management consist of the CEO and nine other members. The roles represented in the Group Management directly reporting to the CEO are the three segment Presidents and the Heads of the Group functions; Finance, Human Resources, Legal, Marketing, Product Development and Operations.

The annual shareholders' meeting held on April 7, 2020 determined the guidelines which shall apply in relation to remuneration to the CEO and other members of Group Management. Current employment agreements and remunerations are based on the Remuneration Guidelines for the CEO and Group Management.

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration. The total remuneration shall be based on the position held, individual performance, performance of the Dometic Group and be competitive in the country of employment. The overall remuneration package may consist of the following components:

- Fixed base salary
- Short-term incentive (STI) linked to yearly business targets established by the Board of Directors
- Long-term incentive (LTI) in the form of a three-year cash-based incentive plan linked to EPS development
- Pensions, (if possible defined-contribution plans), that do not exceed
  - 35 percent of the base salary for Group Management members and
  - 40 percent for the CEO.
- Other benefits associated with the position

Salaries and Remuneration to the CEO and Group Management in 2021 amount to SEK 81,723 thousand (84,885).

In addition to Dometic's short- term and long-term incentive plans, the variable pay reported includes a sign-on incentive governed by the Remuneration Committee. Other benefits include allowances and benefits associated with the position, such as company car or car allowance and health care benefits. During 2021, the cost for termination benefits amounted SEK 0 thousand (0).

Pension benefits

Group Management agreements concerning pensions are, where possible, defined contribution pension plans. All pension plans provided are defined as a percentage of the fixed salary. According to the remuneration policy for the CEO and Group Management, the pension shall reflect regulations and practice in the country of employment and not exceed 35 percent of the annual base salary for the Group Management members and 40 percent for the CEO. The Group Management members employed in Sweden are either covered by a defined contribution plan or by the relevant ITP plan. General retirement age is 65. Contributions to the pension scheme will cease when leaving the Company. Total pension expenses paid for the CEO and Group Management during 2021 amonted to SEK 9,797 thousand (9,912).

Notice period and severance

Members of the Group Management have a 6 months' notice period when notice is given by the employee. If the notice is given by the Company, between 6–12 months' notice is applied. The CEO has 12 months' notice by the Company, as well as a 12 month's severance period. Severance pay shall not form a basis for vacation pay or pension benefits. Local employment laws and regulations may influence the terms and conditions for notice given by the Company.

Remuneration to the CEO and Group Management

2020 SEK thousand	Annual fixed salary	Variable salary for 2020	Other benefits	Pension contribution	Total
President and CEO	8,270	11,699	640	3,464	24,074
Other members of Group Management	27,136	24,192	3,036	6,448	60,811
Total	35,406	35,891	3,676	9,912	84,885

2021 SEK thousand	Annual fixed salary	Variable salary for 2021	Other benefits	Pension contribution	Total
President and CEO	9,103	8,694	896	3,150	21,843
Other members of Group Management	28,237	21,783	3,213	6,646	59,840
Total	37,340	30,477	4,109	9,797	81,723

Salaries and remunerations to senior executives and other employees

	Group	
Salaries and remunerations to senior executives and other employees	2021	2020
Board, president and other senior executives	76	75
Other employees	2,990	2,428
Total	3,066	2,503

NOTE 9 cont.

Average number of employees and gender distribution

The average number of employees in Dometic Group during the period January 1 to December 31, 2021 was 7,650 (6,482). Out of the total number of employees 36 percent are women. In the Group Management team 4 executives out of 10 are women.

Gender distribution for Board of Directors and Group Management

	December 31, 2021		December 31, 2020	
	Number on closing date	Of which men	Number on closing date	Of which men
Group (including subsidiaries)				
Board members	8	5	7	5
CEO and other senior executives	10	6	10	6
Group total	18	11	17	11

	2021		2020	
	Average number of employees [1]	Of which men, %	Average number of employees [1]	Of which men, %
Parent				
Sweden	8	63	8	63
Total	8	63	8	63
Subsidiary				
Australia	142	75	105	72
Austria	6	83	6	83
Belgium	13	87	23	89
Canada	526	75	455	78
China	1,492	63	1,442	63
Denmark	16	88	15	87
Finland	8	75	8	76
France	46	51	41	50
Germany	1,167	67	1,104	67
Hong Kong	81	41	73	40
Hungary	330	60	296	61
Italy	108	77	132	72
Japan	21	71	21	70
Korea	8	46	6	48
Mexico	308	50	7	59
Netherlands	37	77	42	69
New Zeeland	9	62	9	67
Norway	10	90	9	89
Poland	25	54	21	59
Portugal	1	–	1	–
Russia	15	67	15	69
Singapore	8	55	7	46
Slovakia	227	62	210	62
South Africa	147	82	5	60
Spain	19	58	22	63
Sweden	344	62	281	65
Switzerland	9	89	9	89
United Arab Emirates	15	66	15	68
United Kingdom	210	59	246	51
United States of America	2,293	62	1,845	59
Other	–	–	–	–
Group total	7,650	64	6,482	63

1) The average number of employees is based on headcount. This has been changed from the 2020 Annual and sustainability report that was based on FTE.

NOTE 10 | OTHER OPERATING INCOME AND EXPENSES

Other operating income	2021	2020
Gain on disposal of fixed assets	42	2
Exchange rate effect changes	137	32
Other [1]	8	118
Total	187	152

Other operating expenses	2021	2020
Loss on disposal of fixed assets	–1	–2
Exchange rate effect changes	–64	–51
Acquisition-related costs	–37	–10
Other	–7	–25
Total	–109	–88
Other operating income and expenses	78	64

1) Other year 2020 includes the release of other non-recurrent liability related to a potential earn-out regarding the Kampa acquisition of SEK 98 m.

Parent Company

Other operating income amounts to SEK 280 m (190) of which the full amount relates to income from subsidiaries.

NOTE 11 | FINANCIAL INCOME AND EXPENSES

	Group	
	2021	2020
Interest income	13	7
Total financial income	13	7
Interest expenses borrowing, credit institutions	–374	–399
Interest expense on pension liabilities and expected return on plan assets (note 19)	–12	–16
Amortization capitalized long-term financing expenses	–22	–22
Interest expense leases	–26	–22
Exchange rate difference, net	–58	–56
Other financial expenses	–20	–25
Total financial expenses	–512	–538
Net financial expenses	–499	–532

Interest income is recognized on a time-proportion basis using the effective interest method.

	Parent Company	
	2021	2020
Interest income subsidiaries	191	194
Total interest income subsidiaries	191	194
Interest expense subsidiaries	–1	–
Total interest expense subsidiaries	–1	–
Interest expenses borrowing, credit institutions	–369	–397
Amortization capitalized long-term financing expenses	–22	–22
Exchange rate difference, net	251	146
Other financial expenses	–16	–20
Total other financial expenses	–156	–293
Profit (loss) from financial items	33	–99

NOTE 12 | TAXES

	Group		Parent	
	2021	2020	2021	2020
Current tax on profit for the year	–669	–432	–83	–20
Current tax in respect of prior year	–46	–523	–	–23
Deferred tax income/expense (–)	84	58	–16	9
Total tax income/expense	**–630**	**–897**	**–99**	**–34**

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in equity under other comprehensive income. In this case the tax is also recognized in equity under other comprehensive income.

The differences between income tax expense and an estimated tax expense based on current tax rates are as follows:

	Group		Parent	
	2021	2020	2021	2020
Profit (loss) before income tax	2,357	1,348	378	–108
Income tax calculated in accordance with the Group's current tax rate[1]	–589	–337	–78	23
Effects of:				
Effect of change in tax rates	–	–13	–	–1
Non-taxable income[2]	12	33	5	–
Non-deductible expenses	–24	–28	–6	–9
Current tax in respect of prior year[3]	–46	–523	–	–23
Tax loss and other credits for which no deferred tax was recognized	–11	–34	–2	–34
Other revaluation of deferred tax related to prior year[4]	41	0	–19	9
Other differences	–13	5	1	1
Total tax income/expense	**–630**	**–897**	**–99**	**–34**
1) Estimated average tax rate is, %	25	25	20.6	21.4

2) 2020 affected by the release of other non-recurrent liability related to a potential earn-out regarding the Kampa acquisition.
3) 2020 affected by a tax provision for an ongoing foreign tax dispute related to previous years.
4) Additional tax losses due to reassessments of prior year tax returns.

The basis for estimating the average tax rate for the Group is the statutory tax rates in countries where the Group conducts major part of its business. The estimated tax rate for the Parent Company corresponds to the staturory tax rate in Sweden.

Temporary differences exist when the carrying amounts of assets and liabilities reported in the consolidated financial statements differ from the amounts used for taxation purpose. The Group's temporary differences have resulted in deferred tax assets and liabilities attributable to the following:

	Group		Parent	
	2021	2020	2021	2020
Deferred tax assets				
Intangible assets	67	91	–	–
Pension commitments	135	76	10	8
Tax loss carryforward and other credits	479	220	–	–
Provisions	93	44	–	–
Inventories, including internal profit in inventories	214	78	–	–
Derivatives	3	31	–	–
Operating liabilities	96	134	–	–
Long-term liabilities	198	14	–	–
Other assets and liabilities	12	13	–	18
Total deferred tax assets	**1,297**	**701**	**10**	**26**
Netting of assets/liabilities	– 611	–104	–	–
Net deferred tax asset	**686**	**597**	**10**	**26**
Deferred tax liabilities				
Trademarks	–1,333	–850	–	–
Other intangible assets	–1,712	–709	–	–
Tangible assets	–288	–191	–	–
Derivatives	–26	–19	–	–
Other assets and liabilities	–74	–	–	–
Total deferred tax liabilities	**–3,433**	**–1,769**	**–**	**–**
Netting of assets/liabilities	611	104	–	–
Net deferred tax liabilities	**–2,822**	**–1,665**	**–**	**–**
Net deferred tax	**–2,136**	**–1,068**	**10**	**26**

	Group		Parent	
Change in net deferred tax	2021	2020	2021	2020
Opening balance	–1,068	–1,312	26	17
Deferred tax recognized in Other comprehensive income	–132	14	–	–
Tax income (expense) during the period recognized in profit or loss	84	58	–16	9
Operations/Acquisitions	–1,012	–	–	–
Exchange rate differences	–8	172	–	–
Closing balance	**–2,136**	**–1,068**	**10**	**26**

Of total deferred tax recognized in equity of SEK –132 m (14), SEK –31 m (32) relates to pensions and SEK –106 m (–19) to financial hedges and SEK 5 m (–) to the 2021 new share issue.

Deferred tax assets related to tax loss carryforwards are recognized to the extent that it is likely that the tax loss can be utilized to offset profits in future tax returns.

At the end of the period, total tax loss carryforward for which no deferred tax asset is recognized are estimated at SEK 185 m (174).

Tax loss carryforward with time limits total SEK 14 m (30), of which SEK 14 m (19) will expire after more than five years.

Current and deferred income tax

Current and deferred income tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries and associates operate and generate taxable income.

Deferred income tax is recognized, using the liability method, on temporary differences arising when the carrying amounts of assets and liabilities reported in the consolidated financial statements differ from the amounts used for taxation purposes. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred income tax is provided on temporary differences arising

NOTE 12 cont.

on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to net the balances.

IFRIC 23 - Interpretation 23 Uncertainty over Income Tax Treatments

The interpretation explains how to recognize and measure deferred and current income tax assets and liabilities where there is an uncertainty over tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority . In this case, an assessment must be made whether it is probable that the tax authority, or court, will accept the tax treatment in the income tax return. Otherwise, the effect of uncertainty must be estimated and recognized in the financial statements as a tax liability. The uncertain tax treatment is to be assessed either by using the most likely outcome or the expected value—the sum of the probability-weighted amounts in a range of possible outcomes. The first mentioned principle has been applied in respect of uncertain tax treatments related to previous years.

NOTE 13 | OTHER NON-CURRENT ASSETS

	December 31, 2021	December 31, 2020
Shares and participation in associated companies	14	10
Present value for life assurance	90	78
Other long-term receivables	41	7
Closing balance	**145**	**95**

Parent Company

Other non-current assets in the Parent Company consist of capital insurance of SEK 50 m (38).

NOTE 14 | INTANGIBLE ASSETS

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Separately recognized goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Any impairment is recognized immediately as an expense and is not subsequently reversed.

Trademarks

Acquired trademarks are shown at historical cost. All trademarks within Dometic Group with a value on the balance sheet have been identified as part of the strategic planning process. Trademarks that have been determined to have an indefinite useful life are not depreciated but are tested for impairment annually. Trademarks which have been determined to have a defined useful life are amortized up to 10 years.

Acquisition-related intangible assets

All customer relationships, technology and intellectual property (IP) are acquired in a business combination and recognized at fair value at the acquisition date. Customer Relationships and IP have a finite useful life and are carried at the initial value less accumulated amortization. Amortization is calculated using the straight-line method to allocate the value over their estimated useful lives set to:

- Customer Relationships up to 25 years
- Technologies up to 25 years
- Intellectual Property and other rights 7 years

In connection with the acquisition of SeaStar Solutions December 15, 2017 long-lasting customer relationship and technology were acquired, both with an estimated useful life of 25 years. This estimated life is based on historical relationships with customers and long product technology cycles within the industry.

Other intangible assets/capitalized development expenses

Research expenditures are recognized as an expense as incurred. Expenditures for development projects are capitalized as intangible assets only if certain criteria are met. Other development expenditures that do not meet the criteria for capitalization are recognized as an expense as incurred. Expenditures for development projects that are capitalized are amortized on a linear basis over their useful life from the time when it is available for use. The amortization period equals five years.

Costs associated with maintaining computer software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets when certain criteria are met. Computer software development costs recognized as assets are amortized over their estimated useful lives, which are not expected to exceed three years.

Criteria for capitalization of development costs:

- it is technically feasible to complete the asset so that it will be available for use
- management intends to complete the asset and use or sell it
- there is an ability to use or sell the asset
- it can be demonstrated how the asset will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the asset are available
- the expenditure attributable to the asset during its development can be reliably measured

Other intangible assets, such as patents and other rights that are capitalized are amortized on a straight-line basis over their estimated useful lives, which are normally 5 to 10 years.

Other intangible assets consist of customer relationship assets, technology, intellectual property and other rights, capitalized development expenses and other intangible assets, which altogether amount to SEK 7,016 m (3,853).

NOTE 14 cont.

2020	Goodwill	Trademarks	Other intangible assets: Customer Relationship assets	Technology	Intellectual property and other rights	Capitalized development expenses	Other intangible assets	Total
Acquisition costs								
Opening balance	14,832	4,091	3,874	1,108	163	91	325	24,484
Acquired in business combinations	–	–	–	–	–	–	–	–
Investments for the year	–	–	–	–	9	21	21	51
Sales and disposals	–2	–	–	–	–	–	–9	–11
Exchange rate differences	–1,285	–344	–435	–119	0	–	–13	–2,196
Closing balance	13,545	3,747	3,439	989	172	112	323	22,328
Amortization								
Opening balance	0	–49	–511	–96	–117	–77	–200	–1,050
Sales and disposals	–	–	–	–	–	–4	9	5
Amortization for the year	–	–48	–181	–45	–23	–3	–33	–333
Exchange rate differences	–	9	75	14	0	–	10	107
Closing balance	–	–88	–617	–127	–140	–84	–214	–1,271
Net carrying amount December 31, 2019	14,832	4,043	3,363	1,012	46	14	125	23,435
Net carrying amount December 31, 2020	13,545	3,659	2,822	862	32	28	109	21,057

2021	Goodwill	Trademarks	Other intangible assets: Customer Relationship assets	Technology	Intellectual property and other rights	Capitalized development expenses	Other intangible assets	Total
Acquisition costs								
Opening balance	13,545	3,747	3,439	989	172	112	323	22,328
Acquired in business combinations	5,718	1,503	2,879	62	–	–	82	10,243
Investments for the year	–	–	–	–	3	11	20	34
Sales and disposals	–	–	–	–	–	–	3	3
Exchange rate differences	1,240	353	504	105	1	0	13	2,215
Closing balance	20,503	5,603	6,822	1,155	175	124	440	34,823
Amortization								
Opening balance	–	–88	–617	–127	–140	–84	–214	–1,271
Acquired in business combinations	–	–	–	–	–	–	–73	–73
Sales and disposals	–	–	–	–	–	–	–	–
Amortization for the year	–	–63	–238	–49	–20	–3	–37	–408
Exchange rate differences	–	–8	–72	–17	0	0	–11	–108
Closing balance	–	–159	–927	–193	–160	–87	–333	–1,860
Net carrying amount December 31, 2020	13,545	3,659	2,822	862	32	28	109	21,057
Net carrying amount December 31, 2021	20,503	5,444	5,894	963	15	37	107	32,963

Amortization for the year

Total amortization for the year related to intangible assets amounts to SEK –408 m (–333). The increase compared to last year mainly relates to amortization of customer relationship and amortization of technology related to the acquisition of Kampa, and amortization of trademarks. See also the table to the left.

Amortization of capitalized development assets and other intangibles

The amortization of capitalized development expenses and other intangible assets has been charged to cost of goods sold at SEK –40 m (–36).

Amortization of acquisition-related intangible assets

The amortization of acquisition-related intangible assets is specified in the table below.

	2021	2020
Amortization trademarks	–63	–48
Amortization customer relationship assets	–238	–181
Amortization technology	–49	–45
Amortization intellectual property and other rights	–19	–23
Amortization of acquisition-related intangible assets	–369	–296

Parent Company

Other intangible assets amount to SEK 0 m (1), which include patents, licenses and IT systems.

2020	Other intangible assets: Intellectual property rights	IT system	Total
Acquisition costs			
Opening balance	2	3	5
Investments for the year	–	–	–
Closing balance	2	3	5
Amortization			
Opening balance	–2	–1	–3
Amortization for the year	0	–1	–1
Closing balance	–2	–2	–4
Net carrying amount, December 31, 2019	0	2	2
Net carrying amount, December 31, 2020	0	1	1

NOTE 14 cont.

2021	Other intangible assets: Intellectual property rights	IT system	Total
Acquisition costs			
Opening balance	2	3	5
Investments for the year	–	–	–
Closing balance	2	3	5
Amortization			
Opening balance	–2	–2	–4
Amortization for the year	–	–1	–1
Closing balance	–2	–3	–5
Net carrying amount, December 31, 2020	0	1	1
Net carrying amount, December 31, 2021	0	0	0

Impairment test goodwill and trademarks

Dometic Group holds assets in the form of goodwill and acquired trademarks that are judged to have an indefinite useful life. On January 1, 2021 Dometic implemented a new organizational structure to generate additional focus and performance. The new structure is formed around four segments, in contrast to three previous regions: segments Americas, EMEA, APAC and Global. The new structure will allow for stronger emphasis on existing and new strategic business areas and further improve efficiences.

Goodwill and trademarks are allocated to the Cash-Generating Units (CGUs) of the Group which are the four segments (segment Americas, segment EMEA, segment APAC and segment Global).

Measured trademarks are among others Dometic, SeaStar, WAECO, Mobicool and Igloo. Dometic Group continuously evaluates how to develop the trademark portfolio.

As of December 31, 2021 the impairment test of the measured goodwill and trademarks shows no indication of impairment.

Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization. On a yearly basis, or whenever indications of impairment arise that the carrying amount may not be recoverable, an impairment test of goodwill and trademarks is performed. The recoverable amount for goodwill and trademarks has been established using a value-in-use method (VIU) covering five years. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Discounted cash flows are compared with the carrying amount of the cash-generating unit and an impairment requirement may exist if the present value of the discounted cash flows is less than the carrying amount.

Management judgment is that this year there are no reasonably possible changes in any of the key assumptions that would have resulted in an impairment write-down in any of the cash-generating units.

There is no impairment recognized in the year-end profit and loss at year-end 2021 (SEK – m).

Key assumptions in valuation

The following key assumptions have been applied:

The weighted average cost of capital (WACC) rates, IFRS 16 compliant since January 1, 2019, are based on equity beta set in comparison with Nordic peer´s, local prerequisites for each region´s inflation, regional long-term bonds and regional market risk build the return on equity. This together with the Group capital structure build a discount rate, which Management judges to be on an adequate market level for acquisitions.

The Group pre-tax discount rate applied to cash flow projections is set to 8.16 percent (8.41) and set by region along with the carrying amounts as follows:

Goodwill, Trademarks and discount rate	Goodwill 2021	Goodwill 2020	Trademarks 2021	Trademarks 2020	Average discount rate pre-tax % 2021	Average discount rate pre-tax % 2020
Americas	4,287	7,344	672	2,124	8.68	8.68
EMEA	4,408	3,753	802	960	7.16	7.92
APAC	2,343	2,449	532	575	9.30	8.99
Global	9,465	–	3,498	–	8.68	–
Group	**20,503**	**13,545**	**5,444**	**3,659**	**8.16**	**8.41**

Budget and estimates are based on reasonable assumptions by segment of important areas such as volume, price and mix, which will create a basis for future growth and gross margin. These figures are set in relation to past performance and external reports on market growth in the business in which we operate. Assumptions are judged to remain the same between the years.

The calculations use five-year cash flow projections. The first year of the five year strategic plan approved by Management is aligned with the financial budget approved by the Board. Cash flows beyond the five-year period are extrapolated using a growth rate of 2 percent for all cash-generating units. This growth assumption set in comparison to GDP for Dometic main markets US, Europe and Australia/New Zeeland (2.1 percent annual increase since 2000) can be considered conservative.

Impact of possible changes in key assumptions

The group has performed a sensitivity analysis, by applying a 1 percent higher pre-tax discount rate and a 0.5 percent lower estimated perpetual growth rate to the cash flow projections of Dometic Group.

The calculations are based on management´s consideration and assessment of a reasonably possible change of cost of capital and growth. None of these changes in the key assumptions would lead to a reduction of the recoverable amount under the carrying amount for any of the cash-generating units. i.e. would not lead to any impairment needs in the Dometic Group.

A sensitivity analysis as of December 31, 2021 on the level of cash-generating unit, the segments indicates that an increase of WACC by 1 percent for the segment Americas, segment EMEA, segment APAC and segment Global does not imply a write-down requirement of goodwill in the Group. The sensitivity to a change in WACC for the respective segment of 1 percent corresponds to a change in future cash flows of SEK 1.0 billion for segment APAC, SEK 6.0 billion for segment EMEA, SEK 3.0 billion for the segment Americas and SEK 5.6 billion for segment Global.

In 2020 the sensitivity analysis was made according to the old organization with regions as CGU. The sensitivity to a change in WACC for the respective region of 1 percent corresponds to a change in future cash flows of SEK 0.9 billion for APAC, SEK 4.0 billion for EMEA and SEK 4.4 billion or the Americas.

The Group believes that the expected range of changes in important variables such as market share and market growth, foreign exchange rates, raw material prices and other factors, would not, taken separately, have such large effects that they would reduce the recoverable amount to an amount lower than the book value.

NOT 15 | TANGIBLE FIXED ASSETS

2020	Land and land improvements	Buildings	Machinery and other technical installations	Equipment and installations	Tools	Construction in progress and advanced payment	Total
Acquisition costs							
Opening balance	268	1,508	1,841	551	1,515	165	5,848
Acquired in business combinations	–	–	–	–	–	–	–
Investments for the year	–	10	12	12	18	144	195
Sales and disposals	–52	–633	–133	–52	–117	–9	–996
Reclassifications	–	26	108	7	23	–166	–2
Exchange rate differences	–14	–75	–128	–25	–94	–15	–350
Closing balance	**202**	**836**	**1,700**	**493**	**1,345**	**119**	**4,695**
Depreciation							
Opening balance	–11	–627	–1,254	–439	–1,218	–	–3,550
Acquired in business combinations	–	–	–	–	–	–	–
Sales and disposals	2	304	110	48	112	–	576
Depreciation for the year	–1	–57	–100	–38	–81	–	–277
Reclassifications	–	–	–	–	–	–	–
Exchange rate differences	–	30	82	25	74	–	211
Closing balance	**–10**	**–350**	**–1,162**	**–404**	**–1,113**	**–**	**–3,040**
Impairment							
Opening balance	–38	–97	–26	–9	– 20	–	–190
Impairment charge for the year	–	–	–4	–	–	–	–4
Reclassifications	–	–	7	–1	3	–	9
Exchange rate differences	–	3	–	–	1	–	4
Closing balance	**–38**	**–94**	**–23**	**–10**	**–16**	**–**	**–181**
Net carrying amount December 31, 2019	219	784	561	103	277	165	2,109
Net carrying amount December 31, 2020	**154**	**392**	**515**	**78**	**216**	**119**	**1,474**

NOTE 15 cont.

2021	Land and land improvements	Buildings	Machinery and other technical installations	Equipment and installations	Tools	Construction in progress and advanced payment	Total
Acquisition costs							
Opening balance	202	836	1,700	493	1,345	119	4,695
Acquired in business combinations	38	81	611	90	520	138	1,478
Investments for the year	0	8	27	21	38	286	380
Sales and disposals	–2	–41	–40	–43	–81	–	–209
Reclassifications	0	17	54	9	71	–155	–3
Exchange rate differences	20	70	127	27	101	19	363
Closing balance	**257**	**971**	**2,478**	**597**	**1,995**	**407**	**6,705**
Depreciation							
Opening balance	–10	–350	–1,162	–404	–1,113	–	–3,040
Acquired in business combinations	0	–31	–338	–67	–451	–	–887
Sales and disposals	–	26	37	42	77	–	181
Depreciation for the year	–1	–43	–116	–35	–92	–	–287
Reclassifications	–	–	–	–	–	–	–
Exchange rate differences	–1	–33	–76	–22	–81	–	–213
Closing balance	**–12**	**–432**	**–1,655**	**–488**	**–1,660**	**–**	**–4,247**
Impairment							
Opening balance	–38	–94	–23	–10	–16	–	–181
Impairment charge for the year	–	–	–	–	1	–	1
Reclassifications	–	–	–	–	2	–	2
Exchange rate differences	–	–	–	–	–	–	–
Closing balance	**–38**	**–94**	**–23**	**–10**	**–13**	**–**	**–178**
Net carrying amount December 31, 2020	154	392	515	78	216	119	1,474
Net carrying amount December 31, 2021	**207**	**445**	**801**	**99**	**321**	**407**	**2,280**

Land, land improvements and buildings amount in total to SEK 652 m (546). The total of equipment, installations and tools amounts to SEK 420 m (294).

Depreciation for the year – by line in the Income statement

In the consolidated income statement the total depreciation SEK 287 m (277) has been charged to the following: cost of goods sold, SEK 196 m (200), sales expenses, SEK 47 m (48) and administrative expenses, SEK 44 m (29).

Parent Company

Equipment in the parent company SEK 1 m (1).

2020	Equipment	Total
Acquisition costs		
Opening balance	1	1
Investments for the year	0	0
Closing balance	**1**	**1**
Depreciation		
Opening balance	0	0
Depreciation for the year	0	0
Closing balance	**0**	**0**
Net carrying amount, December 31, 2019	1	1
Net carrying amount, December 31, 2020	**1**	**1**

2021	Equipment	Total
Acquisition costs		
Opening balance	1	1
Investments for the year	0	0
Closing balance	**1**	**1**
Depreciation		
Opening balance	0	0
Depreciation for the year	0	0
Closing balance	**0**	**0**
Net carrying amount, December 31, 2020	1	1
Net carrying amount, December 31, 2021	**1**	**1**

Property, plant and equipment

Land and buildings comprise mainly factories and offices. Land and buildings are entered at acquisition value, reduced by subsequent depreciation of buildings.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated, as it is considered to have an unlimited useful life. Depreciation of other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

- Buildings 20–40 years
- Machinery 6–15 years
- Vehicles 5 years
- Furniture, fittings and equipment 3–10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is higher than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the income statement.

NOTE 16 | INVENTORIES

	December 31, 2021	December 31, 2020
Acquisition value inventories		
Raw materials and consumables and products in progress	2,509	1,413
Finished products	5,012	2,234
Advances to suppliers	159	12
Total inventories before provisions	**7,680**	**3,659**
Provisions for obsolescence		
Raw materials and consumables and products in progress	–97	–96
Finished products	–600	–430
Total provisions for obsolescence	**–698**	**–526**
Book value inventories		
Raw materials and consumables and products in progress	2,412	1,317
Finished products	4,412	1,804
Advances to suppliers	159	12
Total book value	**6,983**	**3,133**

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Provisions for obsolescence are included in the value for inventory.

NOTE 17 | ACCOUNTS RECEIVABLE – TRADE

	December 31, 2021	December 31, 2020
Trade receivables	2,836	1,913
Less provision for expected credit losses	–150	–74
Trade receivables – net	**2,686**	**1,839**

	December 31, 2021	December 31, 2020
Opening balance	–74	–45
Provision Acquired in Business combination	–8	
Provision for expected credit losses	–159	–65
Receivables written off during the period as uncollectible	85	27
Unused amounts reversed	16	2
Exchange rate differences and other changes	–9	7
Closing provision for expected credit losses	**–150**	**–74**

Ageing analysis of trade receivables	December 31, 2021	December 31, 2020
Trade receivables, not due	2,107	1,466
Past due:		
Less than two months	384	204
2–6 months	139	119
6–12 months	73	62
More than 1 year	132	61
Total past due	**728**	**446**
of which provision for expected credit losses	–150	–74
Closing book value, net	**2,686**	**1,839**

Trade receivables are amounts due from customers in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

As of December 31, 2021, provisions for impairment of trade receivables amounted to SEK 150 m (74). The major driver of this increase are the effects of the pandemic that now become more visible as invoices go further past due and increase of business in the Americas.

Expected credit losses on trade receivables

Dometic recognizes expected credit losses over the expected life of the trade receivables. Historical information by legal entity regarding credit loss experience and ageing is used to forecast future credit losses. In addition, current and forward-looking information by legal entity is used to reflect current and expected future losses. To support and harmonize the organization, a calculation matrix for calculating expected credit losses has been developed by headquarters and distributed to the relevant functions throughout the Group.

Dometic applies the simplified approach to measure life-time expected credit losses for trade receivables to provide for losses each closing.

Credit risk

Credit risk is divided into two categories: credit risk in accounts receivable and financial credit risk (see note 3, Financial risk management and financial instruments).

The Group has no significant concentration of credit risks. The Group has established policies to ensure that products are sold to clients with favorable payment history. In the Group, with all its subsidiaries, credit reports are used to evaluate and establish credit limits on new clients. For a large part of Europe and APAC, Dometic Group uses credit insurance to limit the credit risk and to get credit information regarding the clients.

Letters of credits are used as a method for securing payments from customers operating in emerging markets, in particular markets with unstable political and/or economic environments. By having banks confirm the letters of credit, the political and commercial credit risk exposures to the Group are mitigated.

Provisions for impairment of trade receivables are assessed on a regularly basis.

Parent Company

The parent company has substantial receivables from subsidiaries and measurement of the expected credit loss shows immaterial amount.

NOTE 18 | PREPAID EXPENSES AND ACCRUED INCOME

	December 31, 2021	December 31, 2020
Prepaid rent	12	7
Prepaid insurance	91	44
Prepaid financing expenses	6	4
Prepaid market expenses	11	5
Prepaid personnel expenses	2	1
Prepaid administrative expenses	37	41
Prepaid consumable supplies	11	11
Prepaid costs, other	25	7
Accrued interest	1	1
Accrued income, other	1	2
Total	197	123

Parent Company

The Parent Company had prepaid expenses and accrued income of SEK 9 m (7), of which prepaid consumer supplies amounts to SEK 6 m (3), prepaid insurance SEK 3 m (3) and accrued interest amounts to SEK 1 m (1).

NOTE 19 | PROVISIONS FOR PENSIONS

Pension obligations

Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. Dometic Group has both defined benefit and defined contribution plans. The largest defined benefit plans are in the US and Germany.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as an employee benefit expense 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.

The defined benefit plan typically defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more 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 that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability. The discount rates are based on corporate bonds indexes and government bonds indexes with the same maturity as the underlying plan liabilities. 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. Past-service costs are recognized immediately in the income statement. Interest costs on retirement benefit obligation and interest income on plan assets are recognized within financial items. Remaining items are recognized in operating profit within costs of goods sold, sales or administrative expenses depending on the function of the employee.

Other post-employment obligations

Some Group companies provide post-retirement healthcare benefits. The anticipated costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. These obligations are valued annually by independent qualified actuaries.

Risk

Through its defined benefit pension plans and post-employment medical plans the Group is exposed to some risks, of which the most significant are:

a) Assets volatility
The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit.

b) Changes in bond yields
A decrease in corporate bond yields will increase plan liabilities.

c) Inflation risk
The pension obligations are linked to inflation, and higher inflation will lead to higher liabilities. The plan assets are either unaffected by (fixed interest bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation will also increase the deficit.

d) Life expectancy
The majority of the pension plans are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities.

Plan assets, investment strategy and risk management

The Group has delegated the investments and allocation of the pension plan assets to external providers. As a part of the agreement with the external providers, the investment strategy mitigates risk to the pension assets by closely aligning our diversification with the projected liabilities of the plans.

Swedish plan

The commitments for retirement plans and family pension regarding employees in Sweden are secured through insurance in Alecta.

According to a statement (UFR 10) issued by the Swedish Financial Reporting Board this constitutes a defined benefit plan including several employers. The Group's participation in the plan is considered to be immaterial. For the financial period, sufficient information to use an accounting approach for defined benefit plans was not available. This plan is accounted for as a defined contribution plan. At the end of 2021, Alecta reports a plan surplus of 172 percent (148). Such surplus reflects the fair value of Alecta's plan assets as a percentage of plan commitments, measured in accordance with Alecta's actuarial assumptions, which are different from those under IAS 19. Alecta's surplus may be distributed to the policy-holders and/or the insurees.

Of the cost for defined contribution plans, SEK 10 m (9) has been charged by Alecta. The amount is expected to be immaterially changed for 2022.

The amounts recognized in the balance sheet are determined as follows:

	December 31, 2021	December 31, 2020
Present value of funded or partly funded obligations	1,145	1,143
Fair value of plan assets	–681	–585
Net liabilities relating to funded obligations	**464**	**559**
Present value of unfunded obligations	238	238
Asset ceiling	1	–
Net liability in the balance sheet	**704**	**797**
Reconciliation to the balance sheet		
Defined benefit pension plan, net	704	797
Other pensions	–	–
Provision for pensions	704	797

The movement in the defined benefit obligation over the year is as follows:

	December 31, 2021	December 31, 2020
Opening balance	1,381	1,424
Current service cost	14	16
Past service costs	–10	–
Interest expense	25	32
Remeasurements:		
Actuarial changes arising from changes in demographic assumptions	3	–9
Actuarial changes arising from changes in financial assumptions	–35	104
Experience adjustments	–37	4
Exchange difference	92	–133
Benefits paid	–60	–57
Acquisitions	9	–
Closing balance	1,383	1,381

The movement in the fair value of plan assets over the year is as follows:

	December 31, 2021	December 31, 2020
Opening balance	585	603
Interest income	14	17
Remeasurements:		
Return on plan assets, excluding amounts included in interest[1]	49	51
Exchange difference	55	–71
Employer contributions	38	42
Benefits paid	–60	–57
Closing balance	681	585

[1] Incl. admin. expenses of SEK 2 m (2).

	December 31, 2021	December 31, 2020
Present value of funded or unfunded obligations	1,383	1,381
Present value of plan assets	–681	–585
Asset ceiling	1	–
Net liabilities relating to funded and unfunded obligations	**704**	**797**

Breakdown by country	December 31, 2021	December 31, 2020
Of which Funded plan Germany and USA	466	559
Of which Unfunded plans	238	238
Closing balance	**704**	**797**

The amounts recognized in the income statement are as follows:

	2021	2020
Current and Past service cost[1]	6	19
Interest cost, net	12	16
Costs attributable to defined benefit plans	**17**	**35**
Costs attributable to defined contribution plans	113	67
Total cost in the income statement	**130**	**102**

[1] Incl. admin. expenses of SEK 2 m (3).

Remeasurement (gain)/loss in Other comprehensive income amounts to SEK –110 m.

Major assumptions for the valuation of the liability:

Major actuarial assumptions	December 31, 2021			December 31, 2020		
	Germany	USA	Other	Germany	USA	Other
Discount rate, %	1.12	2.64	1.26	0.92	2.39	1.11
Expected salary increase rate, %	2.50	3.01	1.48	2.50	3.01	1.24

Change of the asset celling	December 31, 2021	December 31, 2020
Opening asset celling	–	–
Interest income	–	–
Changes in asset celling excluding interest income	–1	–
Exchange difference	0	–
Closing asset celling	**–1**	**–**

Major categories of plan assets	December 31, 2021	December 31, 2020
Cash, cash equivalent	1	1
Equity instruments	355	311
Debt instruments	235	188
Real estate	8	6
Investment funds	82	78
Closing balance	**681**	**585**

The administered assets principally consist of debt instruments, investment funds and equity funds. No administered assets consist of financial instruments in Dometic Group or assets that are used within the Dometic Group. None of the assets on the balance sheet date were traded on active markets in which market quotations are used for valuation of the assets.

Expected contributions to the plan next year amounts to SEK 26 m (47).

Average duration of obligation is 12.22 years in Germany, 12.71 years in the US and 11.39 years in other.

Sensitivity analysis

Below is the sensitivity analysis for the main financial assumption and the potential impact on the present value of the defined benefit obligation in the Group.

Change of obligation, increased obligation (+)	SEK m
Discount rate + 0.5%	–84
Discount rate – 0.5%	92
Salary increase + 0.5%	–20
Salary increase –0.5%	–26
Life expectancy +1 year	–46
Life expectancy – 1 year	45

NOTE 20 | OTHER PROVISIONS

	Warranty commitments	Environmental provisions	Recall provision	Restructuring provision	Other provisions	Total
Opening balance January 1, 2020	**217**	**21**	**3**	**86**	**138**	**464**
Charged to the income statement:						
– Additional/revaluation provisions	27	1	1	21	94	144
– Unused amounts reversed	0	–1	–	0	–1	–3
Used during year	–8	0	0	–72	–26	–105
Exchange rate differences	–19	–3	0	–1	–1	–24
Closing balance December 31, 2020	**217**	**18**	**3**	**34**	**204**	**477**
Provisions consist of:						
Long-term	56	18	2	0	136	213
Short-term	161	–	1	34	68	264
Total	**217**	**18**	**3**	**34**	**204**	**477**

	Warranty commitments	Environmental provisions	Recall provision	Restructuring provision	Other provisions	Total
Opening balance January 1, 2021	**217**	**18**	**3**	**34**	**204**	**477**
Acquired in business combinations	17	–	–	–	–	17
Charged to the income statement:						
– Additional/revaluation provisions	43	0	0	2	35	80
– Unused amounts reversed	–	–	–	–2	–1	–3
Used during year	–	–	0	–7	–3	–10
Exchange rate differences	17	0	0	1	1	18
Closing balance December 31, 2021	**294**	**18**	**3**	**28**	**236**	**578**
Provisions consist of:						
Long-term	76	18	2	0	150	246
Short-term	218	0	1	28	86	332
Total	**294**	**18**	**3**	**28**	**236**	**578**

Parent Company

Provisions for the Parent Company consist of provisions for other post-employment benefits of SEK 59 m (46) and other provisions of SEK 39 m (29) in total SEK 99 m (75).

Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Warranty commitments

Within Dometic Group's line of business many products are covered by a warranty, which is included in the price and valid for a predetermined amount of time. Provisions for warranties are calculated based on past experience of costs for repairs, etc. Dometic offers a standard warranty normally between two and three years. In some cases, an extended warranty may be offered to the customer.

Environmental provision

This relates to reserves for handling of electric and electronic waste, known as the WEEE directive, and the timing of the outflows for environmental provisions is uncertain.

Recall provision

Provisions for recalled products are estimations of future cash flow required to regulate commitments. Such estimations are based on the nature of the recall, the legal process, and the likely extent of damages as well as the progress of the process. Furthermore, consideration is taken of opinions and recommendations from legal advisors and other advice regarding the outcome of the process and experiences from similar cases. The timing of any outflow is uncertain.

Restructuring provision

The major part of the restructuring provisions is expected to be consumed within twelve months. In 2019 a global restructuring program was launched to optimize footprint and reduce costs to increase competitiveness.

Other provisions

Other provisions consist for example of other post-employee benefits and other liabilities where the timing of any outflows is uncertain.

For further information regarding critical accounting estimates and assumptions regarding provisions – see note 4.

NOTE 21 | LIABILITIES TO CREDIT INSTITUTIONS

As of December 31, 2021 the Dometic Group's outstanding liabilities to credit institutions were:

	Group		Parent	
	Dec. 31,2021	Dec. 31,2020	Dec. 31,2021	Dec. 31,2020
Non-current				
Senior term loans, long-term	4,903	4,434	4,903	4,434
EMTN program , long-term	9,196	6,021	9,196	6,021
EKN loan	2,000	2,000	2,000	2,000
Other bank loans	–	–	–	–
	16,099	12,455	16,099	12,455
Current				
EMTN program, short-term	0	1,000	0	1,000
Other bank loans	–	–	–	–
Accrued interest	136	135	136	135
	136	1,135	136	1,135
Total borrowings	16,235	13,590	16,235	13,590

The amount granted on the Senior Credit facilities agreement ("SFA") in the Dometic Group amounts to SEK 6,986 m (6,495), of which SEK 4,927 m (4,473) was utilized as of December 31, 2021. The amount on the issued Euro bonds under the EMTN program amounts to SEK 9,233 m (7,047) as of December 31, 2021. The amount granted on local facilities in the Dometic Group amounts to SEK 427 m (239), of which SEK 0 m (0) was utilized as of December 31, 2021.

Of the long-term borrowings SEK 3,077 m (3,024) falls due for payment more than five years after the balance sheet date.

The Group's long-term borrowing is principally under credit frameworks with long advance commitments but with short-term fixing of interest terms, so these have been assessed as having a fair value corresponding to the reported value.

According to the SFA and the EKN loan the Group has to be compliant with financial covenants. In June 2016 the measurement of the Net debt/EBITDA and the interest cover covenants started. The new covenants are set with generous headroom, so the risk of breaching the covenants is limited. The SFA was amended in April 2020 due to the situation with Covid-19 to allow for increased flexibility for the covenant headroom. The amendment was valid for four quarters starting in Q2 2020 and ended in Q1 2021. At year-end 2021 headroom was sufficient for both covenants. The headroom in the Net debt/EBITDA was 37 percent (61) and for the interest cover covenant 225 percent (166).

According to the EMTN program and its prospectus the Group must be compliant with one financial covenant, the interest cover covenant. The covenant is the same as in the SFA but with an even more generous headroom. At year-end 2021 the headroom for the interest cover covenant under the EMTN program was 468 percent (319). See also Note 3 Financial risk management and financial instruments.

Local loan facilities

Certain subsidiaries of the Group in China are parties to local loan facilities. The aggregate amount currently available under these facilities is SEK 427 m (239), of which SEK 0 m (0) was drawn on December 31, 2021. These facilities are with local Chinese Banks.

Commercial papers

In Q1 2019 the Group started the process of establishing a Commercial paper program in the Swedish market. The program was signed in March 2019 and has a framework of SEK 3,000 m, with the possibility to issue commercial papers in SEK and EUR with maturities between 1 month and 1 year. The first issuance of SEK 500 m for a period of 3 months was made in March 2019. The issuing institutions are DNB Sweden AB, Nordea Bank AB (publ), Skandinaviska Enskilda Banken AB (publ) and Svenska Handelsbanken AB (publ).

EKN loan

In Q2 2020 the Group arranged a 3-year loan of SEK 2,000 m with EKN (The Export Credit Board) to respond to potential impacts and consequences on the Group arising from the Covid-19 pandemic. The EKN loan is a mirror of the SFA with the same basic conditions. In Q2 2021 the EKN loan was prolonged with 2 years with a new maturity in June 2025.

Senior Credit Facilities agreement (SFA)/ EMTN program/EKN loan

In Q1 2021 the group repaid the SEK 1,000 m 2-year Bond. In June 2021, a directed share issue of 23,666,660 shares was carried out at a price of SEK 141.50 per share. The directed share issue provided Dometic with approximately SEK 3.35 billion before transaction costs. In September 2021 the Group issued a 7-year EUR 300 m Bond under the EMTN program, the fourth issue under the program. In Q2 2020 the Group amended the SFA with its bank group to allow for increased flexibility and covenant headroom. Back in Q1 2018 the Group started the process of establish an EMTN (Euro Medium Term Note) Bond. The prospectus under EMTN program was listed on the Irish Stock exchange in Dublin, in May 2018. The first issuance of EUR 300 m under the program was made on September 6, 2018. The second issuance of a 2-year SEK 999 m was made in February 2019 and the third issuance of a 7-year EUR 300 m was made in May 2019. The fourth issue of a 7-year EUR 300 m was made in September 2021.

In July 2019 the Group renegotiated the outstanding SFA of USD 543 m and revolving credit facility of EUR 133 m with maturities 2020 and 2022. The SFA of USD 543 m was prolonged with new maturity in year 2024 and with a now used possibility to prolong USD 333 m with maturity 2025. The outstanding revolving credit facility (RCF) amounts to EUR 200 m (200) with maturity 2024. The current term loan and revolving credit facilities are with DNB Sweden AB, Nordea Bank AB (publ), Skandinaviska Enskilda Banken AB (publ), Svenska Handelsbanken AB (publ) and BNP Paribas as lenders. The renegotiated SFA consists of term loan facility (equivalent of SEK 4,927 m available for drawing in USD) and a revolving credit facility (SEK 2,058 m available for drawing in SEK, USD & EUR).

As of December 31, 2021, the aggregate principal amount under the SFA is equivalent to SEK 6,986 m (6,495). The SFA has a final maturity date, July 10, 2024, with an executed extension of USD 333 m with a final maturity date July 10, 2025. The Group's main financing now consists of the Credit facilities and the Bonds under the EMTN program of EUR 900 m (SEK 9,233 m), which are all unsecured, the EKN loan of SEK 2,000 m and a revolving credit facility (RCF) of SEK 2,058 m.

The SFA, the EKN loan and the EMTN program contain customary representations and warranties made as of the signing date of the SFA, the EKN loan and the prospectus under the EMTN program, in relation to certain representations and warranties, as of certain subsequent dates.

The SFA, the EKN loan and the EMTN program also contain customary undertakings for Dometic Group and its subsidiaries, such as maintaining authorizations, complying with laws (including environmental laws and sanctions), not changing the business of the Group, restrictions on mergers, restrictions on disposals, negative pledge, restrictions for Dometic Group's subsidiaries incurring financial indebtedness, restrictions on providing loans and guarantees and restrictions on acquisitions (maximum aggregate consideration per financial year). The SFA and the EKN loans also include financial covenants requiring that the Net debt/EBITDA and interest coverage of the Group should not adversely deviate from certain levels. The prospectus under the EMTN program includes the interest coverage covenant with a more generous headroom than that of the SFA.

The SFA, the EKN loan and the EMTN program may terminate upon the occurrence of certain customary circumstances, including in connection with a change of control of Dometic Group or a delisting of Dometic Group from Nasdaq Stockholm.

The SFA, the EKN loan and the EMTN program may be repayable in full or in part if certain events occur, including, but not limited to, non-payment, insolvency and cross default. The cross-default provision is subject to a threshold amount.

The carrying amounts in SEK m of the Group's SFA and EMTN program are denominated in the following currencies:

NOTE 21 cont.

	December 31, 2021	December 31, 2020
USD (SFA)	4,927	4,473
EUR (EMTN program)	9,233	6,048
SEK (EMTN program)	–	1,000
SEK (EKN loan)	2,000	2,000
Total	16,160	13,520
of which current	–	1,000
Total non-current	16,160	12,250

Interest-bearing debt

The Group's definition of interest-bearing debt of SEK 16,802 m (14,252) includes the following items: senior term loans (SFA) SEK 4,927 m (4,473), EMTN program SEK 9,233 m (7,047) and EKN loan SEK 2,000 m (2,000), amortized costs SEK –62 m (–65) and provisions for pensions SEK 704 m (797). Derivative financial liabilities related to interest rate swaps were SEK 9 m (8).

December 31, 2020	Currency	SEK m	All-in Interest rate, %	Margin, %	Final payment year
Senior unsecured term loan B (SFA)					
Dometic Group AB	USD	1,729	2.18	1.90	2024
Dometic Group AB	USD	2,743	2.18	1.90	2025
Senior unsecured term revolving credit facility (SFA)					
Dometic Group AB	EUR	–	–	1.50	2025
EMTN program					
Dometic Group AB	SEK	1,000	2.00	–	2021
Dometic Group AB	EUR	3,024	3.00	–	2023
Dometic Group AB	EUR	3,024	3.00	–	2026
EKN loan					
Dometic Group AB	SEK	2,000	1.95	1.95	2023
Total		13,520			

December 31, 2021	Currency	SEK m	All-in Interest rate, %	Margin, %	Final payment year
Senior unsecured term loan B (SFA)					
Dometic Group AB	USD	1,905	1,67	1,45	2024
Dometic Group AB	USD	3,022	1,67	1,45	2025
Senior unsecured term revolving credit facility (SFA)					
Dometic Group AB	EUR	–	–	1,20	2025
EMTN program					
Dometic Group AB	EUR	3,078	3,00	–	2023
Dometic Group AB	EUR	3,078	3,00	–	2026
Dometic Group AB	EUR	3,077	2,00	–	2028
EKN loan					
Dometic Group AB	SEK	2,000	1,95	1,95	2025
Total		16,160			

The margins in the table are the stipulated interest margins according to the SFA.

NOTE 22 | ACCRUED EXPENSES AND PREPAID INCOME

	Group		Parent	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Prepaid income for extended guarantee period	8	10	–	–
Accrued employee-related items	459	301	28	20
Accrued bonus to customers	383	193	–	–
Accrued interest	143	136	137	136
Accrued production costs	31	24	–	–
Accrued administrative expenses	175	111	14	–
Accrued marketing expenses	26	8	–	–
Accrued finance expenses	4	6	–	–
Product liability claims	70	74	–	–
Other	130	43	–	5
Total	1,429	906	179	161

NOTE 23 | PLEDGED ASSETS

December 31, 2021 the local loan facilities in China are partly supported by pledged assets of SEK 516 m (370).

In connection with the IPO/Listing in November 2015 all pledged assets (with the exception of certain security provided for local loan facilities in Germany and China) were released. The conditions for the borrowings under the senior facilities agreement (SFA), the EKN loan and EMTN program state that the Group has to be compliant with covenants. In the event that the covenants are not complied with, the lenders have the right to accelerate the outstanding loans and demand immediate repayment of principal and accrued interest.

Parent Company

There are no pledged assets in the parent company on December 31, 2021 (–).

NOTE 24 | CONTINGENT LIABILITIES

There are no outstanding contingent liabilities as per December 31, 2021 (–).

NOTE 25 | CASH FLOW DETAILS

	Group		Parent	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Cash and cash equivalents includes				
Cash in hand and balances with banks	4,408	7,913	0	0
Total cash and cash equivalents	**4,408**	**7,913**	**0**	**0**
Adjustments for non-cash items				
Depreciation and amortization (Note 8, 14, 15)	920	789	1	1
Exchange rate differences	–104	–201	–	–
Earn out Kampa acquisition	–	–98	–	–
Sale of fixed assets	–	–67	–	–
Other non-cash items	–101	61	27	28
Total non-cash items	**–204**	**–305**	**28**	**29**

Other financing activities

Group

Other financing activities amount to SEK – 74 m (–99) including pensions paid SEK –38 m (– 41), realized result financial hedges SEK –8 m (–3) and paid financial fees SEK –20 m (–25) and other SEK –8 m (–31).

Parent Company

Other financing activities amount to SEK –4,870 m (–45) including paid financial fees SEK –19 m (–25).

Reconciliation of changes in liabilities arising from financing activities, including both changes arising from cashflows and non-cash changes

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts, if drawn, are shown within borrowings in current liabilities on the balance sheet, SEK 0 (0) overdrafts were drawn December 31, 2021.

Group

		Changes arising from cashflow			Non-cash changes			
2020	**On January 1**	**Change in cash and cash equivalents**	**Amortization of senior term loans**	**New senior term loans/ EMTN loans/EKN loans**	**Change accrued interest**	**Foreign exchange movements incl fees**	**Changes in defined benefit obligations**	**On December 31**
Senior term loans, long-term	5,077	–	–	2,000	–	–604	–	6,473
Senior term loans, short-term	–	–	–	–	–	–	–	–
EMTN program	7,272	–	–	–	–	–225	–	7,047
Provisions for pensions	821	–	–	–	–	–	–24	797
Accrued interest	148	–	–	–	–13	–	–	135
	13,318	–	–	2,000	–13	–830	–24	14,452
Cash and Cash equivalents	4,289	3,624	–	–	–	–	–	7,913
Net debt	9,030							6,539

		Changes arising from cashflow		Non-cash changes		
2020	**On January 1**	**Leasing payments**	**Leasing interest**	**Additions/ reductions during the year**	**Foreign exchange movements**	**On December 31**
Lease liabilities	638	–171	–22	235	59	740

Group

		Changes arising from cashflow			Non-cash changes			
2021	**On January 1**	**Change in cash and cash equivalents**	**Amortization of senior term loans**	**New senior term loans/ EMTN loans/EKN loans**	**Change accrued interest**	**Foreign exchange movements incl fees**	**Changes in defined benefit obligations**	**On December 31**
Senior term loans, long-term	6,473	–	–	–	–	455	–	6,927
Senior term loans, short-term	–	–	–	–	–	–	–	–
EMTN program	7,047	–	–1,000	3,062	–	124	–	9,233
Provisions for pensions	797	–	–	–	–	–	–93	704
Accrued interest	135	–	–	–	1	–	–	136
	14,452	–	–1,000	3,062	1	578	–93	17,000
Cash and Cash equivalents	7,913	–3,505	–	–	–	–	–	4,408
Net debt	6,539							12,592

		Changes arising from cashflow		Non-cash changes		
2021	**On January 1**	**Leasing payments**	**Leasing interest**	**Additions/ reductions during the year**	**Foreign exchange movements**	**On December 31**
Lease liabilities	740	–251	26	546	53	1,114

NOTE 25 cont.

Parent Company

2020	On January 1	Changes arising from cashflow: Change in cash and cash equivalents	Changes arising from cashflow: Amortization of senior term loans	Changes arising from cashflow: New senior term loans/EMTN loans/ EKN loans	Non-cash changes: Change accrued interest	Non-cash changes: Foreign exchange movements incl fees	Non-cash changes: Changes in defined benefit obligations	On December 31
Senior term loans, long-term	5,015	–	–	2,000	–	–607	–	6,408
Senior term loans, short-term	–	–	–	–	–	–	–	–
EMTN program	7,272	–	–	–	–	–225	–	7,047
Accrued interest	148	–	–	–	–13	–	–	135
	12,436	–	–	2,000	–13	–832	–	13,591
Cash and Cash equivalents	–	–	–	–	–	–	–	–
Net debt	12,436							13,590

Parent Company

2021	On January 1	Changes arising from cashflow: Change in cash and cash equivalents	Changes arising from cashflow: Amortization of senior term loans	Changes arising from cashflow: New senior term loans/EMTN loans/ EKN loans	Non-cash changes: Change accrued interest	Non-cash changes: Foreign exchange movements incl fees	Non-cash changes: Changes in defined benefit obligations	On December 31
Senior term loans, long-term	6,408	–	–	–	–	455	–	6,863
Senior term loans, short-term	–	–	–	–	–	–	–	–
EMTN program	7,047	–	–1,000	3,062	–	123	–	9,233
Accrued interest	135	–	–	–	1	–	–	136
	13,591	–	–1,000	3,062	1	578	–	16,232
Cash and Cash equivalents	–	–	–	–	–	–	–	–
Net debt	13,591							16,232

NOTE 26 | SHARES IN SUBSIDIARIES

Dometic Group AB (publ)

Company name	Corp. id. no	Domicile	Number of shares	Proportion of equity in %	2021 book value SEK m
Direct shareholdings					
Dometic Group Services AB	556829-4416	Solna, Sweden	50,000	100	0
Dometic Holding AB	556677-7370	Solna, Sweden	1,001	100	11,831
Dometic Sweden AB	556598-2674	Solna, Sweden	22,100,000	100	4,396
Total					16,228

Company name	Corp. id. no	Domicile	Proportion of equity in %
Indirect shareholdings			
Dometic Australia PTY LTD	086366305	Australia	100
Dometic Power and Control (Enerdrive) Pty Ltd.	650216381	Australia	100
Front Runner Vehicle Distribution AU Pty Ltd	77 627 620 517	Australia	100
Front Runner Vehicle Outfitters AU Pty Ltd	169 275 647	Australia	100
Dometic Austria GmbH	FN290460y	Austria	100
Dometic Belgium Awnings NV	0559910229	Belgium	100
Dometic do Brasil Ltda.	04.935.880/0001-49	Brazil	100
Marine Canada Acquisition Inc.	853832533RC0003	Canada	100
Valterra Power CA, Ltd	704399724BC0001	Canada	100
Atwood Trading (Shanghai) Co., Ltd.	310000400720486	China	100
Dometic (Shenzhen) Trading Co Ltd	91440300594318592P	China	100
Dometic (Shenzhen) Electronics Co Ltd	91440300618885496F	China	100
Dometic (Zhuhai) Technology Co Ltd	91440400729235971W	China	100
Jiaxing Igloo Trading Co., Ltd.	91330424MA2CW4T36Y	China	100
Shenzen Cool Gear Trading Company Limited	914403003415011612	China	100
Dometic Denmark A/S	25 70 51 30	Denmark	100
Dometic Finland Oy	0885413-1	Finland	100
Dometic S.A.S	438636425 R.C.S COMPIEGNE	France	100
Büttner Elektronik GmbH	HRB 6060	Germany	100
Front Runner GmbH	HRB 215760	Germany	100
Dometic Germany Holding GmbH	HRB 5557	Germany	100
Dometic GmbH	HRB 5558	Germany	100
Dometic Light Systems GmbH	HRB 7855	Germany	100
Dometic Germany Krautheim GmbH	HRB 7731	Germany	100
Dometic Germany GmbH	HRB 3716	Germany	100
Dometic UK Ltd.	04190363	Great Britain	100
Dometic UK Awnings Ltd (former Kampa UK Limited)	05964899	Great Britain	100
Dometic UK Blind Systems Ltd (former Oceanair Marine Limited	02504653	Great Britain	100
Dometic Asia Co. Ltd.	14979283-000-02	Hong Kong	100
Dometic Asia Holding Co. Ltd.	17208219-000-07	Hong Kong	100
United Cooling Technologies Ltd	33068249-000-07	Hong Kong	100
Dometic Impex Ltd	22342626-000-03	Hong Kong	100

Company name	Corp. id. no	Domicile	Proportion of equity in %
Igloo Holdings Asia Limited	64932051-000-06	Hong Kong	100
Dometic Hűtőgépgyártó és Kereskedelmi Zrt. (Dometic Zrt)	Cg.16-10-001727	Hungary	100
Dometic Italy Marine S.r.l. (former Condaria 87 S.r.l.)	08934890156	Italy	100
Dometic Italy S.r.l.	00718330400	Italy	100
SMEV S.r.l.	03410350247	Italy	100
Dometic KK	0104-01-045566	Japan	100
Dometic Korea C., Ltd	295-88-01153	Korea	100
DHAB II S.á r.l	B148161	Luxembourg	100
Ensambladora Ventura de Mexico, SA de CV	462685007	Mexico	100
Dometic Mx, S DE RL DE CV	DMX011121UB6	Mexico	100
Dometic Benelux B.V.	20051965	Netherlands	100
Dometic Netherlands Holding B.V.	06050846	Netherlands	100
Sierra Netherlands Coöperatief U.A	59086122	Netherlands	100
Dometic New Zealand Ltd	2084564	New Zealand	100
Dometic Norway AS	841914422	Norway	100
Dometic Poland Spólka z ograniczoną odpowiedzialnością (Dometic Poland Sp. z o.o.)	0000374897	Poland	100
Dometic Pte Ltd	200003050k	Singapore	100
Dometic Slovakia s.r.o.	31617298	Slovakia	100
Dometic (Pty) Ltd	1973/010155/07	South Africa	100
Front Runner Racks 2000 (Proprietary) Limited	1999/023159/07	South Africa	100
Front Runner Vehicle Outfitters Proprietary Ltd	1998/014127/07	South Africa	100
Dometic Spain SL	C.I.F.: B82837071	Spain	100
Dometic AB	556014-3074	Sweden	100
Dometic Scandinavia AB	556305-2033	Sweden	100
Dometic Sweden Tidaholm AB	556528-1093	Sweden	100
Dometic Switzerland AG	CH-020.3.906.004-9	Switzerland	100
Dometic RUS Limited Liability Company	1107746208338	The Russian Federation	100
Dometic Middle East FZCO	2774	United Arab Emirates	100
Cool Gear International. LLC	90-0634641	USA	100
Dometic Corporation	32-0145464	USA	100
Dometic Mexico LLC	3457538	USA	100
Ensambladora Holdings, LLC	46-2685007	USA	100
Front Runner Outfitters LLC	20-8700484	USA	100
I Products Corporation	33-0984483	USA	100
Igloo Acquisition Holdings Corp	26-3416632	USA	100
Igloo Products Asia HoldCo Inc	82-1119004	USA	100
Igloo Products Corp	36-3474772	USA	100
Marine Acquisition Corp.	27-5496404	USA	100
Marine Acquisition (US) Inc.	23-2467492	USA	100
Sierra International LLC	36-2643586	USA	100
Inca Products Acquisition Corp.	46-2862973	USA	100
Marine Digital Integration LLC	46-4518541	USA	100
Sierra Netherlands Holdings, LLC	46-3981447	USA	100
Valterra Power US, LLC	82-2205649	USA	100
Valterra Products, LLC	90-0974095	USA	100
ZampTech Sub LLC	82-4021581	USA	100
Dometic Vietnam Co., Limited	0316829643	Vietnam	100

NOTE 26 cont.

Change analysis of shares in subsidiaries	December 31, 2021	December 31, 2020
Opening balance	16,228	16,228
Impairment losses	–	–
Closing balance	16,228	16,228

NOTE 27 | TRANSACTIONS WITH RELATED PARTIES

All of the Group companies presented in note 26 are considered to be related parties. Shares in subsidiaries are specified in note 26.

Transactions take place between Dometic Group companies concerning deliveries of goods and services, and financial and intangible services are provided. Market terms and pricing are applied to all transactions. All transactions between Group companies are eliminated in the consolidated accounts.

Parent company administrative expenses amounted to SEK –282 m (–199); of this SEK 280 m (190) was charged out to subsidiaries in accordance with a service agreement. The charged-out expenses are being classified as other operating income in the income statement.

Remuneration for the Group Management and individual members of the Board are presented in note 9. Dometic Group has not provided guarantees or sureties to or on behalf of Board members or senior executives. The Board has not identified any transactions with other related parties.

NOTE 28 | EARNINGS PER SHARE AND PROPOSED DISTRIBUTION OF EARNINGS

Share capital

Ordinary shares are classified as equity. The share capital of Dometic Group AB amounted to SEK 798,750 divided into 319,499,993 shares. The quotient value is SEK 0.0025 per share.

June 2, 2021 Dometic Group AB (publ) completed a directed share issue resulting in an increase in the total number of shares and votes by 23,666,660.

Weighted average number of shares

Average number of shares equals actual number of shares.

Earnings per share	December 31, 2021	December 31, 2020
Earnings per share before dilution		
Earnings attributable to the Parent Company´s shareholders (thousands)	1,726,290	450,920
Weighted average number of shares issued	309,644,288	295,833,333
Earnings per share before dilution (SEK per share)	5.58	1.52
Earnings per share after dilution		
Earnings attributable to the Parent Company´s shareholders (thousands)	1,726,290	450,920
Weighted average number of shares issued	309,644,288	295,833,333
Earnings per share after dilution (SEK per share)	5.58	1.52

Proposed distribution of earnings

The following earnings (SEK thousands) are at the disposal of the annual shareholders' meeting:

Retained earnings	12,574,132
Profit for the year	278,471
Total	12,852,603

The Board of Directors proposes that earnings be distributed as follows:

A dividend to the shareholders of SEK 2.45 per share, totaling	782,775
To be carried forward	12,069,829
Total	12,852,603

NOTE 29 | BUSINESS COMBINATIONS

The valuation of acquired assets and liabilities including items that have not been recognized in the acquired company's balance sheet, such as trademarks or customer relationship assets should be done to fair value.

The valuation of identifiable assets and liabilities is affected by the accounting environment that the acquired company has been active in. This relates for example to the availability of the data needed and the basis of preparation for the financial reporting, and consequently the level of adjustments that are necessary to comply with Dometic group accounting principles.

The initial acquisition calculations are preliminary, even though best estimates and judgement have been used. Nevertheless, calculations might need to be adjusted subsequently. All acquisition calculations are finalized up until 12 months after the acquisition date. Considering the above description, Dometic has chosen not to specify reasons why the accounting of the business combination is preliminary, or which assets and liabilities for which the initial accounting is preliminary unless regarded material. Additionally, it is not feasible to compile and disclose all individual adjustments in a manner that will be useful for the reader of the financial statements.

Goodwill is generally not tax deductible.

2021

Announced acquisitions

Acquisition of Igloo

Dometic has acquired Igloo, a global provider of passive cooling boxes and drinkware products for the Outdoor market. Founded in 1947, Igloo is perceived as one of the leading manufacturers in the world with an iconic brand, wide product range and strong consumer orientation. The acquisition strengthens Dometic's offering and distribution network for the Outdoor market in North America. The transaction was closed October 26, and Dometic has consolidated the company as of that date. The initial purchase price paid amounts to SEK 5,929 m on a debt and cash free basis excluding potential earn-out elements. The total purchase price is estimated to SEK 7,504 m.

Goodwill is justified by customer relationships and market position. Acquisition-related costs in the consolidated income statement amounts to SEK 9 m, reported as items affecing comparability. The total improvements from synergies on EBITDA of approximately USD 50 m, are expected to be realized within five years.

In the purchase price allocation below, calculation of intangible assets and goodwill are only preliminary.

Other acquisitions

Twin Eagles

Dometic has acquired Twin Eagles, a leading US manufacturer of freestanding and built-in-grills and outdoor kitchen solutions for the

NOTE 29 cont.

Residential Outdoor market. The acquisition strengthens Dometic's offering in the fast-growing Residential Outdoor area in North America.

Valterra Products
Dometic has acquired Valterra Products, a leading North American provider of service and aftermarket products to the RV and CPV industries, including solar power solutions. The acquisition of Valterra broadens Dometic's position in Service & Aftermarket through new products, a broader distribution network and strengthened market presence.

Enerdrive
Dometic has acquired Enerdrive, an Australian-based provider of mobile power products for the Outdoor market. The acquisition of Enerdrive strengthens Dometic's offering of mobile power products, including solar power solutions, in the Pacific region.

Zamp Solar
Dometic has acquired Zamp Solar, a leading North American manufacturer of innovative and high-quality mobile solar power solutions for the Outdoor market. The acquisition of Zamp Solar broadens Dometic's position in the fast-growing market for mobile solar power solutions.

Büttner Elektronik GmbH
Dometic has acquired Büttner Elektronik, a Germany based provider of mobile power solutions for the Outdoor market. The acquisition strengthens Dometic's offering of mobile power products, including solar power solutions, for the European Outdoor market.

Front Runner Vehicle Outfitters
Dometic has acquired Front Runner Vehicle Outfitters, a global provider of high-quality products for the Outdoor market headquartered in South Africa. The acquisition strengthens Dometic's product offering and distribution network for the vehicle based Outdoor market.

The purchase price paid for all other acquisitions except Igloo amounts to SEK 2,774 m on a debt and cash free basis excluding potential earn-out elements. The total potential estimated purchase price amounts to SEK 3,958 m.

Goodwill is justified by customer relationships, market position and new future technologies. Acquisition-related costs for all other acquisitions except Igloo in the consolidated income statement amounts to SEK 40 m of which SEK 3 m were reported as items affecting comparability, and SEK 37 m as Other operating income and expenses.

2021 acquisitions summary
The proportion of equity in all acquired companies are 100 percent. The acquisitions have affected consolidated net sales from the date of acquisitions by SEK 2,134 m and EBITA before i.a.c. by SEK 298 m. If the acquisitions had been acquired and consolidated as of January 1, 2021, the total pro forma net sales would have been SEK 6,630 m and EBITA of SEK 661 m. This excludes amortization of acquisition-related intangible assets.

Effect on group cash flow
Effect on group cash flow amounts to SEK –8,555 m.

Consideration not yet paid
Consideration not yet paid refers to holdbacks and potential earn-outs. The earn-out liabilities are reported on the line Other non-current liabilities in the balance sheet. The size of the earn-out is usually linked to profitability targets in the acquired company during a specific period of time. The earn-outs are valued at the acquisition date based on management's best assessment of future outcome, with a set maximum.

2020
Dometic has not made any acquisitions or divestments during 2020.

Preliminary purchase price allocation, SEK million	Igloo	All other acq	Total, SEK m
Trademarks and tradenames	1,416	86	1,502
Other intangible assets (Techonology, customer relationship assets)	2,121	815	2,936
Tangible assets	511	86	597
Right of use assets	230	59	289
Other non-current assets	29	1	30
Operating assets	1,552	756	2,308
Cash and cash equivalents	36	112	148
Provisions	–26	–9	–35
Deferred tax liabilities	–955	–57	–1,012
Long-term and short-term lease liabilities	–229	–51	–280
Operating liabilities	–486	–236	–722
Fair value of net assets	**4,198**	**1,564**	**5,762**
Goodwill	3,305	2,394	5,699
Purchase price	**7,504**	**3,958**	**11,461**
Consideration transferred	–5,929	–2,774	–8,703
Cash and cash equivalents in acquired company	36	112	148
Cashflow effect on Group's cash and cash equivalents at the acquisition	**–5,893**	**–2,662**	**–8,555**
Consideration transferred	–5,929	–2,774	–8,703
Consideration not yet paid	–1,575	–1,183	–2,758
Sum	**–7,504**	**–3,957**	**–11,461**

In the table above the transaction rates have been used to translate the values to SEK which differs from note 14 Intangible assets.

Acquisition	Date of announcement	Included and controlled from	Segment	Previous year net sales[1]	Number of employees[1]
Twin Eagles	Feb 2, 2021	Feb 18, 2021	Global	34 MUSD	130
Valterra	April 22, 2021	May 25, 2021	Americas	94 MUSD	550
Enerdrive	May 18, 2021	June 1, 2021	APAC	28 MAUD	45
Front Runner	May 20, 2021	Aug 3, 2021	EMEA	35 MUSD	320
Zamp Solar	May 26, 2021	May 26, 2021	Americas	14 MUSD	65
Büttner Elektronik	July 2, 2021	July 2, 2021	EMEA	13 MEUR	17
Cadac International	Sept 16, 2021	Jan 4, 2022	EMEA	17 MEUR	40
Igloo	Sept 17, 2021	Oct 26, 2021	Global	401 MUSD	1,100
NDS Energy	11 nov, 2021	Feb 1, 2022	EMEA	11 MUSD	25

[1] Annual net sales and number of employees as disclosed in the press release when announced.

NOTE 30 | SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Dometic is deeply concerned about the tragic developments in Ukraine and stand with all the people who are suffering. Dometic continue to follow the development in Ukraine as well as in all neighbouring countries and will take necessary actions needed to protect employees and the company. Dometic has a sales company in Russia with 15 employees per Dec 31, 2021. In 2021 total net sales in Ukraine, Russia and Belarus were SEK 67 million (0,3% of Group total net sales) and total assets were SEK 9 million.

The acquisition of Cadac International was completed on January 4, 2022 and the acquisition of NDS Energy was completed on February 1, 2022.Dometic will have a new segment reporting structure starting from the reporting of the first quarter 2022. The Marine business will be reported as a new separate segment while Other global verticals and Igloo will remain in segment Global. Segments Americas, EMEA and APAC will remain as is.

There have been no other significant events with effects on the financial reporting after the balance sheet date.

NOTE 31 | DEFINITIONS

RECONCILIATION OF NON-IFRS MEASURES TO IFRS (ALTERNATIVE PERFORMANCE MEASURES)

Dometic presents some financial measures in this annual report, which are not defined by IFRS. The company believes that these measures provide valuable additional information to investors and management for evaluating the company's financial performance, financial position and trends in our operations. It should be noted that these measures, as defined, may not be comparable to similarly titled measures used by other companies. These non-IFRS measures should not be considered as substitutes for financial reporting measures prepared in accordance with IFRS. See Dometic's website www.dometic.com for the detailed reconciliation.

Core working capital
Consists of inventories and trade receivables less trade payables.

EBITDA
Operating profit (EBIT) before Depreciation and Amortization.

EBITDA margin
EBITDA divided by net sales.

EBITA
Operating profit (EBIT) before Amortization of acquisition-related intangible assets.

EBITA margin
EBITA divided by net sales.

EBITA before i.a.c
Operating profit (EBIT) before Amortization of acquisition-related intangible assets and items affecting comparability.

Gearing ratio
Net debt excluding pensions and accrued interest divided by total Equity.

Net debt/EBTIDA (Leverage ratio)
Net debt excluding pensions, leasing and accrued interest in relation to EBITDA before items affecting comparability and including acquisitions proforma. Any cash deposits with tax authorities are treated as cash in leverage calculation.

Net debt
Total borrowings including pensions and accrued interest less cash and cash equivalents.

Operating cash flow
Cashflow from operations after investments in fixed assets excluding income tax paid.

Organic growth
Sales growth excluding acquisitions/divestments and currency translation effects. Quarters calculated at comparable currency, applying latest period average rate.

RoOC – Return on Operating Capital
Operating profit (EBIT) divided by operating capital. Based on the operating profit (EBIT) for the four previous quarters, divided by the average operating capital for the previous four quarters, excluding goodwill and trademarks for the previous quarters.

DEFINITIONS AND KEY RATIOS

AM
Aftermarket.

Capital expenditure
Expenses related to the purchase of tangible and intangible assets.

CPV
Commercial and Passenger Vehicles.

EPS – Earnings per share
Net profit for the period divided by average number of shares.

Equity ratio
Equity as a percentage of total assets.

I.A.C. – Items Affecting Comparability
Items affecting comparability are events or transactions with significant financial effects, which are relevant for understanding the financial performance when comparing profit for the current period with previous periods. Items included are for example restructuring programs, expenses related to major revaluations, gains and losses from acquisitions or disposals of subsidiaries, or major transaction costs related to mergers and acquisitions.

Interest-bearing debt
Liabilities to credit institutions plus liabilities to related parties plus provisions for pensions.

Net profit
Profit for the period.

OCI
Other comprehensive income.

OEM
Original Equipment Manufacturers.

Operating capital
Interest-bearing debt plus equity less cash and cash equivalents.

Operating capital excluding goodwill and trademarks
Interest-bearing debt plus equity less cash and cash equivalents, excluding goodwill and trademarks.

Operating profit (EBIT)
Operating profit; earnings before financial items and taxes.

Operating profit (EBIT) margin
Operating profit divided by net sales.

Product development costs
Research and development costs including capitalized spend.

Profit margin
Net profit as a margin of net sales.

Product development costs
Research and development costs including capitalized spend.

RV
Recreational Vehicles.

Working capital
Core working capital plus other current assets less other current liabilities and provisions relating to operations.

PROPOSED DISTRIBUTION OF EARNINGS

The following earnings (SEK thousands) are at the disposal of the annual shareholders' meeting:

Retained earnings	12,574,132
Profit for the year	278,471
Total	12,852,603

The Board of Directors proposes that earnings be distributed as follows:

A dividend to the shareholders of SEK 2.45 per share, totaling	782,775
To be carried forward	12,069,828
Total	12,852,603

The Board of Directors has proposed April 19, 2022, as the record day for the right to dividend.

The Board of Directors has proposed that the 2022 annual shareholders' meeting resolves on a dividend to the shareholders of SEK 2.45. On account thereof, the Board of Directors hereby makes the following statement according to chapter 18 section 4 of the Swedish Companies Act.

The Board of Directors finds that there will be full coverage for the restricted equity of the Parent Company, after distribution of the proposed dividend.

It is the Board of Directors' assessment that after distribution of the proposed dividend, the equity of the Parent Company and the Group will be sufficient with respect to the kind, extent, and risk of the operations. The Board of Directors has hereby considered, among other things, the Parent Company's and the Group's historical development, the budgeted development and the state of the market.

After the proposed dividend, the financial strength of the Parent Company and the Group is assessed to continue to be good in relation to the industry in which the Group is operating. The dividend will not affect the ability of the Parent Company and the Group to comply with its payment obligations.

The Board of Directors finds that the Parent Company and the Group are well prepared to handle any changes in respect of liquidity, as well as unexpected events.

The Board of Directors is of the opinion that the Parent Company and the Group have the ability to take future business risks and also cope with potential losses. The proposed dividend will not negatively affect the Parent Company's and the Group's ability to make further commercially motivated investments in accordance with the strategy of the Board of Directors.

The Board of Directors and the President and CEO certify that the consolidated financial statements have been prepared in accordance with IFRS as adopted by the EU and give a true and fair view of the Group's financial position and results of operations. The financial statements of the Parent Company have been prepared in accordance with generally accepted accounting principles in Sweden and give a true and fair view of the Parent Company's financial position and results of operations.

The Board of Directors' 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.

Stockholm March 17 2022

Fredrik Cappelen
Chairman of the Board

Mengmeng Du
Board member

Jacqueline Hoogerbrugge
Board member

Erik Olsson
Board member

Rainer Schmückle
Board member

Peter Sjölander
Board member

Heléne Vibbleus
Board member

Magnus Yngen
Board member

Juan Vargues
President and CEO

Our Auditors' Report was issued on March 21 2022

PricewaterhouseCoopers AB

Anna Rosendal
Authorized public accountant
Partner in charge

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AUDITORS' REPORT

Unofficial translation
To the general meeting of the shareholders of Dometic Group AB (publ), corporate identity number 556829-4390

Report on the annual accounts and consolidated accounts
Opinions
We have audited the annual accounts and consolidated accounts of Dometic Group AB (publ) for the year 2021. The annual accounts and consolidated accounts of the company are included on pages 59-126 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 parent company and the Group as of 31 December 2021 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 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act.

A corporate governance report has been prepared and is in agreement with the Annual Accounts Act. The statutory administration report and the corporate governance report are consistent with the other parts of the annual accounts and consolidated accounts.

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 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.

Our audit approach
Audit scope
We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Dometic Group has operations worldwide with 25 manufacturing and assembly sites in 11 countries. The business is organized into four segments: Americas, EMEA (Europe, Middle East and Africa), APAC (Asia Pacific), and Global (consists of subsegments Marine, Other global verticals and Igloo). In terms of net sales by country (attributable on the basis of the customer's location), United States, Germany and Australia are the most significant markets representing 71% of the Group's total sales in 2021.

The consolidated financial statements of Dometic Group consist of some 60 reporting units located in 30 countries. In establishing the overall Group audit strategy and plan, we determined the type of work that needed to be performed at the reporting unit level by component auditors. We also decided for the purpose of expressing an opinion on the consolidated accounts as a whole, that approximately 20 reporting units were the most significant and should be in scope for the Group audit – for instance reporting units in the US, Germany and Australia were in scope. In order to tailor an appropriate audit strategy, we updated our understanding about, among other things, the organization, strategic focus areas and overall control environment. We performed inquiries with management and obtained and read significant Group policies and instructions, management reports and other relevant documentation. Following the acquisitions that Dometic Group have conducted during 2021 we have had a focus on audit procedures relating to purchase price allocations and other accounting topics relating to acquiring businesses.

In addition to the Group audit, local statutory audit procedures are performed for all legal entities within the Group subject to such requirements according to local laws and regulations.

Our audit is carried out continuously during the year. In 2021, with respect to the closings for the third quarter and year-end, we reported our observations to Group management and the Audit Committee. At year-end, we also reported our main observations to the entire Board of Directors. For the third quarter 2021, we issued a limited review report.

We have considered the impact covid-19 has had on our audit and tailored our procedures to properly cover any new and/or increased risks. On an overall level we have been able to conduct our audit although the pandemic has led to other ways of working and use of digital tools for communication and collection of audit evidence.

Materiality
The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They 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 consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

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.

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of goodwill and intangible assets with an indefinite life (including significant acquisitions Goodwill, trademarks and other intangible assets amount to SEK 33 billion as of December 31, 2021, most of which have been acquired externally, through acquisitions. These items are not only significant by amount but also by nature since they are influenced by management's judgment. This is why we have considered valuation of goodwill, trademarks and other intangible assets as a key audit matter in our audit, and the risk that we focused on particularly in the audit is that the balances may be overstated. Dometic Group has acquired several businesses containing intangible assets during 2021. There are a number of instances where management's judgment is decisive for the accounting treatment in connection with acquiring businesses. Judgments are involved both when preparing Purchase Price Allocations and when assessing earn-out liabilities. Goodwill, trademarks and other intangible assets with an indefinite life are tested for impairment on an annual basis. In assessing if there is a need of impairment, cash flow models are used based on management's calculations of future cash flows based on budgets and strategic plans. Budgets and estimates are based on assumptions such as volume, price and mix to determine future growth and gross margins. Goodwill, trademarks and other intangible assets are allocated to the four segments; Americas, EMEA, APAC and Global which constitute Cash-generating units (CGUs), the level on which the impairment test is performed. No impairment charges have been recorded by management against these balances in the current financial year. Refer to the Annual Report Note 4 Critical accounting estimates and assumptions, Note 14 Intangible assets and Note 29 Business Combinations.	Our audit included but was not limited to the following procedures; • Assessed the model used by the Group for impairment testing and evaluation of the significant assumptions for establishing forecasted cash flows and discount interest rates used for calculating the value-in-use of the cash generating units. In our evaluation, we have compared with the historic business performance and the Group's forecasts and strategic planning as well as with external data sources where possible and relevant. PwCs valuation specialists have been involved to perform many of these procedures. • A key assumption in the impairment test is the weighted average cost of capital (WACC). We have performed independent calculations to compare with the WACC used by Dometic in their impairment test. • Evaluated whether the purchase price allocations of significant acquisitions made during the year meet the requirements of IFRS and have been prepared according to generally accepted practices. Assessed that significant assumptions used to measure values of acquired assets are reasonable. We have involved valuation specialists when conducting our work. Our work also covered procedures relating to significant earn-out liabilities including an assessment of management's judgments. • Traced disclosure information to accounting records and other supporting documentation and verified that disclosures were in accordance with IAS 36 and IFRS 3.
Inventory valuation Inventories in the Group's consolidated financial statements amount to SEK 7 bn as of December 31, 2021. The provision for obsolescence was SEK 0,7 bn. Valuation of inventory is considered a key audit matter in our audit due to significance, complexity in underlying calculations and management's judgments involved. Inventories are held by various manufacturing and assembly sites in many countries. Inventories are stated at the lower of cost and net realizable value. Cost of inventories is determined using the first-in, first-out method. Valuation of inventories and provision for obsolescence requires clear guidelines and are subject to management's estimates. Establishing product costing requires instances of management's judgment with effect on the reported values. This includes considering normal production levels, foreign currency, prices of raw materials, and allocation of other direct and indirect costs. Net realizable value is assessed based on the estimated selling price in the ordinary course of business less variable selling expenses. Elimination of effects from intra-group transactions also include complexity. Refer to the Annual Report Note 16 Inventories for additional information on the line item.	Our audit included but was not limited to the following procedures; • Assessed processes and procedures for inventory accounting. • Tested, on a sample basis, stocks of raw materials to actual prices. Assessed the reasonableness of product costing for products in progress and finished products. • Participated in stock takes on a number of locations and tested on a sample basis the cut-off of deliveries in or out of inventory. • Obtained the analysis of slow movers and assessments of obsolescence as well as net selling prices. • Traced disclosure information to accounting records and other supporting documentation.

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 1–59 and 127–133 and the Sustainability report and sustainability notes on pages 33–47 and 127–132. This other information also contains the Remuneration report that we expect to receive after the release of the Auditors' 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 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.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Dometic Group AB (publ) for the year 2021 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 Director's 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' 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.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

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 Dometic Group AB (publ) for the financial year 2021.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report #[checksum] has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinions

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 Dometic Group 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 Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for ensuring that the Esef report has been prepared 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 form an opinion with 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 ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The reasonable assurance engagement 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. 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 reasonable assurance engagement also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a technical validation of the Esef report, i.e. if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 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 Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, statement of financial position, statement of changes in equity and the statement of cash flow.

PricewaterhouseCoopers AB, Torsgatan 21, 113 97 Stockholm, was appointed auditor of Dometic Group AB (publ) by the general meeting of the shareholders on the 13 April 2021 and has been the company's auditor since the general meeting of the shareholders on 15 June 2001.

Stockholm March 21, 2022
PricewaterhouseCoopers AB

Anna Rosendal
Authorized Public Accountant
Partner in charge

DETAILED SUSTAINABILITY INFORMATION AND GOVERNANCE

SUSTAINABILITY GOVERNANCE

Sustainability is the foundation of Dometic's strategy. The CEO and Group Management are in charge of incorporating global sustainability initiatives into operations and for monitoring reporting and performance. Dometic's Sustainability Board defines the Group's sustainability platform and ensures that sustainability is an integral aspect of Dometic's core values, strategy, training and communication. The Sustainability Board sets the overall ambition level, targets and activities. Responsibilities also include stakeholder dialogues and close monitoring of macro trends and drivers. The sustainability board consists of the President and CEO, CFO, Compliance and Sustainability Officer, Group Legal Counsel, Head of Group HR, CTO and COO. Business functions carry out key sustainability activities and report on progress, performance and results.

Organization and Governance related to sustainability

BOARD OF DIRECTORS
Responsible for monitoring the group's sustainability governing documents and work

CEO AND GROUP MANAGEMENT
Incorporating global sustainability initiatives into Dometic's strategy and operations as well as overview of reporting, performance and result

SUSTAINABILITY BOARD
Manages the group's sustainability work

BUSINESS FUNCTIONS
Carry out key sustainability activities and report on progress, performance and result

SUSTAINABILITY RISKS

Sustainability risks, such as climate change, are integrated in the governance of risk within Dometic. Risks are considered from a strategic and execution perspective. All identified risks, including climate-related risks, are quantified from a financial point of view. The Sustainability Board and Management Team regularly review and evaluate the effectiveness of global mitigation and adaptation initiatives. Read more about climate risks in the chapter "Planet" on page 42 and on page 67.

GOVERNING DOCUMENTS

Governing documents are approved by the Dometic Board of Directors.

- Code of Conduct
- Finance Policy (incl. Tax Policy, Treasury Policy and Credit Policy)
- Information Policy
- Insider Policy
- Internal Audit Policy
- Privacy Policy
- IT Policy
- Diversity and Inclusion Policy

DOMETIC'S CODE OF CONDUCT

The principles of Dometic's Code of Conduct are based on Dometic's core values, sustainability focus areas, international legislation, standards and agreements, including the UN Global Compact and other international ethical guidelines[1]. The Code of Conduct is complemented by a Code of Conduct for Business Partners. Dometic Group's Legal, HR and Sourcing departments monitor compliance with the Code of Conduct internally as well as among business partners. Employees are encouraged to report any conduct which they believe to be in breach of the Code of Conduct and/or applicable laws and regulations, to their managers, or to an HR department representative. In circumstances when such reporting is not possible, or if there is a conflict of interest, or if the case is sensitive in nature, reporting is encouraged to be made through the whistleblower system. The whistleblower system is called the Dometic SpeakUp line and is managed by a third-party vendor to ensure full privacy. This system enables employees to report cases in their native languages, either through a website or a toll-free phone call. Dometic expects managers to address issues and ensure their satisfactory resolution in compliance with the Code of Conduct and/or applicable laws and regulations.

During the year, there were a total of 19 reported alleged violations of the Code of Conduct and/or applicable laws and regulations through Dometic's SpeakUp line. In none of the alleged fraud cases evidence of wrongdoing was found. The majority of labor relations related cases were handled in the respective segment. In one case, weaknesses were found in internal processes, which were, thereafter, improved, with support of the Internal Control function. No cases were reported to police or any other governmental authorities nor any legal proceedings were instituted.

Reported alleged violations

Fraud	2
Labor relations including discrimination and harassment	15
Other	2

STAKEHOLDER DIALOGUE

As a global Group, it is vital for Dometic to ensure accountability for its actual and potential impact on stakeholders. Dometic engages both directly and indirectly with key investors, customers, business partners, employees and trade unions. In 2021, Dometic performed a strategic sustainability review, based on macro trends, the strategic framework and input from key stakeholders. The review resulted in identification of three new focus areas, namely: people, planet and governance. Goals, KPIs and key activities have been identified within the three focus areas for 2024 and beyond. Dometic actively works with relevant measures for each area to further enhance value creation and compliance, and to reduce environmental impact and mitigate sustainability risks. For more information about Dometic's stakeholder dialogue see overview on the website, dometic.com.

CERTIFICATIONS

An overview is available at Dometic's website. Read more at dometic.com

[1] The United Nations Universal Declaration on Human Rights; International Labour Organization Declaration on Fundamental Principles and Rights at Work; OECD's Guidelines for Multinational Enterprises; UN Guiding Principles for Business and Human Rights; UN Convention on Rights of Children and Children's Rights and Business Principles.

EU TAXONOMY ELIGIBILITY

During 2021 Dometic has assessed which of its business activities that are covered by the taxonomy and thereby can be classified as "taxonomy eligible" and subsequently determined the revenue, OpEx and CapEx associated with these activities[1]. During the year, the eligible share of activities has increased due to acquisitions of companies with high share of eligible revenue, such as the companies Zamp Solar, Büttner Elektronik, Enerdrive and Valterra/Go Power. Acquired mobile power solutions contribute to around half of the eligible CapEx and just below half of the eligible turnover.

Subject to fulfilling certain criteria on substantially contributing to at least one environmental objective, doing no significant harm (DNSH) on the other objectives, and complying with minimum social safeguards, the identified activities will be classified as "aligned".

No eligible economic activities identified are related to multiple environmental objectives or economic activities. All identified economic activities are related to the objective "mitigation". In the case a KPI is related to an activity that consists of both eligible and non-eligible activities, the total revenue or expenditure is disaggregated using the proportion of relevant eligible sales quantity.

The majority of Dometic's products are mobile and not included in the screening criteria of the taxonomy. Due to the limited eligibility for Dometic's products the company's strategy is to develop its own energy efficiency criteria for selected product areas that are not yet part of the eligible activities and screening criteria. The purpose is to be able to show that product categories that are currently not covered by the taxonomy criteria, nor product energy labelling requirements, are energy efficient within their respective categories.

Taxonomy eligible Net sales[2]

The majority of Dometic's products are mobile and not included in the screening criteria of the taxonomy. Dometic's share of net sales associated with taxonomy eligible activities in 2021 was 7 percent. This proportion predominantly includes net sales from solar panels, batteries and refrigeration appliances that have an EU energy label, mainly minibars, wine cellars and some cooling boxes. Close to 40 percent of acquired companies' net sales is eligible in 2021. The taxonomy-eligible activities within the environmental objective mitigation cover the activities 3.1 Manufacture of renewable energy technologies, 3.4 manufacture of batteries and, 3.5 manufacture of energy efficient equipment for buildings.

Taxonomy eligible OpEx[3]

Dometic's share of operating costs associated with taxonomy eligible activities in 2021 was less than 1 percent. This proportion is represented by an eligible share of a few relevant product development projects. A majority of Dometic's product development is targeting mobile application products that are not included in the current scope of the taxonomy. The denominator consists of repair and maintenance costs, low value and short-term lease cost and product development cost.

Taxonomy eligible CapEx[4]

Dometic's share of investment associated with taxonomy eligible activities in 2021 was 16 percent. This proportion predominantly includes investment in acquisitions of companies associated with eligible activities such as solar panels and batteries and contract leasing of buildings. A minor contribution is derived from investment in for example charging stations for electric cars and improvement of building's energy efficiency. The denominator consists of tangible and intangible capex and contract leasing.

Summary of policies and procedures that support the requirements to "Do No Significant Harm" (DNSH) and "Minimum Safeguards":

- The Dometic Code of Conduct and the Code of Conduct for business partners define the ethical business practices of Dometic and its business partners within the areas of governance, environment, social conditions as well as health and safety.
- Dometic is a signatory to the UN Global Compact and committed to working with the ten universally accepted principles in the areas of human rights, labor, the environment, and anti-corruption.
- Dometic assesses its suppliers for ESG on a regular basis in order to ensure adherence to the Code of Conduct for business partners. More details on the ethical business practices and ESG aspects concerning business partners are described in the chapter Governance (page 43–44) and in the Sustainability notes section (page 127).
- Dometic has adopted effective environmental management systems (ISO 14001, ISO 50001, ISO 45001, SA 8000) in selected sites. See overview of certified sites on Dometic.com
- Dometic conducts frequent environmental compliance surveys with all sites.
- The Dometic Design for Sustainability Guidelines support the product development and product management organization to set environmental targets in each development project to minimize the environmental impact throughout the life cycle.
- Dometic keeps an RSL (Restricted Substances List) which is used in communication with suppliers and is available on Dometic.com.

[1] Interpretations are made based on available information as of January 31, 2022.
[2] See consolidated income statement, line Net sales, on page 81.
[3] See note 8, section Additional lease information on page 101 for short term and low value leases, and note 6, section Cost of goods sold and additional information on cost by nature, on page 99 for product development cost.
[4] See note 8, Leasing Agreements, line Additions during the year, on page 101. See note 14, Acquired in bussiness combinations on page 106 and note 15, Investmentents for the year and Acquired in bussines combinations on page 109.

PEOPLE	2021	2020	2019
% White collar employees	40%	38%	37%
% Blue collar employees	60%	62%	63%
% employees that have had a performance review	65%	–	55%
% female employees at year end	36%	36%	36%
% female managers at year end	25%	24%	24%
Diversity & Inclusion index	78%	–	–
Lost time accidents	40	41	62
Lost time accidents per million working hours (LTIFR)	2.4	2.8	4.1
Health & Safety index	75%	–	70%
Fatalities	0	0	0
Leadership index	77%	–	69%
Core values index	77%	–	71%

PLANET	2021	2020	2019
Space m^2	596,000	586, 000	603, 000
Renewable electricity %	21.6	5.8	5.6
Total energy GWh	115	99	109
Direct energy GWh	50	39	44
Indirect energy GWh	64	60	65
Total energy MWh/ SEKm	5.7	6.1	5.9
CO_2 total energy (scope 1 and 2 market based) ton	30,100	32,600	35,700
CO_2 direct (scope 1) ton	10,400	9,200	10,300
CO_2 indirect (scope 2) market based ton	19,800	23,400	25,400
CO_2 total energy (scope 1 and 2 market based) ton/SEKm	1.5	2.0	1.9
CO_2 indirect (scope 2) location based ton	25,700	24,100	26,100
CO_2 outbound transport (scope 3) ton[1]	28,800	24,600	–
CO_2 outbound transport (scope 3)/ SEKm[1]	1.4	1.5	–
Waste ton	15,100	12,300	10,900
hazardous waste ton	400	400	700
Recycling waste % [2]	80	76	71
Water m^3	261,600	224,400	241,300
Water m^3/ SEKm	13.0	13.9	13.0

GOVERNANCE	2021	2020	2019
Employees that have been trained in the CoC (WC)	94%	95%	99%
Employees that have been trained in the CoC (BC)	95%	95%	97%
Suppliers that have signed the CoC	94%	95%	53%
% of supplier spend in LCC that has been audited (last 24 months)	88%	82%	75%
% of senior managers and sales employees conducted e-learning in export control / anti-trust	94%/98%	–	–

Notes:

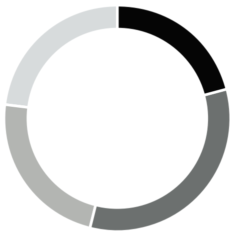
Environmental reporting concerns manufacturing sites with > 10 employees and regional distribution centers. None of the companies acquired in 2021 are yet included in the reporting.

1) Actual CO_2 emissions from outbound transportation of goods reflect last twelve months September. Inbound and intercompany transport emissions are reported and monitored within Dometic.

2) Waste recycled and incinerated for energy recovery.

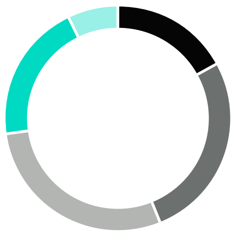
PEOPLE

No. of employees per segment, %



- Americas 21% (36)
- EMEA 33% (32)
- APAC 23% (32)
- Global 23% (0)

Age structure, %



- < 30 years, 17% (16)
- 30–39 years, 27% (27)
- 40–50 years, 29% (29)
- 51–60 years, 20% (21)
- > 60 years, 7% (7)

Focus area contribution to the SDGs

5.1 – End discrimination against women and girls

5.5 – Ensure women's full and effective participation and equal opportunities for leadership.

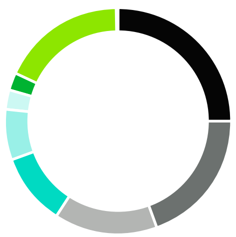
3.9 – Reduce illnesses and deaths from hazardous chemicals and pollution

8.8 – Protect labour rights and promote safe working environments

By implementing and following Dometic's Code of Conduct and additional governing documents as well as the ambitions and goals for 2022–2024 within the focus area People the company contributes to the SDGs.

PLANET – SUSTAINABLE INNOVATION

Raw material spend [1)]



- Plastics, 25%
- Steel, 20%
- Aluminum, 15%
- Copper, 10%
- Packaging material, 7%
- Textiles, 3%
- Petrolium, 2%
- Other, 18%

1) Excluding Dometic Marine

The main materials sourced for Dometic products are plastics, steel, aluminum and copper. The scope has been widened compared to previous year's Annual and Sustainability Reports. Sub-segment Marine, as well as a broader scope of components have been added. Acquisitions during 2021 are not included. To ensure efficient use of resources a goal has been set to increase the use of recycled and renewable plastics and fabrics until 2024.

Focus area contribution to the SDGs

3.9 – Reduce illnesses and deaths from hazardous chemicals and pollution

9.4.1 – Reduce CO2 emissions per unit of value added

6.3 – Improve water quality, wastewater treatment and safe reuse

6.4 – Increase water-use efficiency

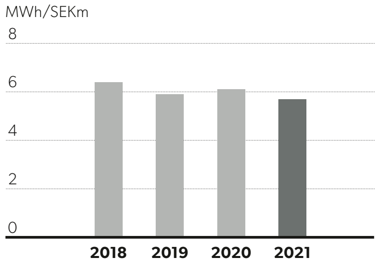
12.3 – Halve global per capita food waste

By providing innovative, durable, low-carbon products Dometic has the opportunity to contribute to reducing the impact caused by the life-cycle of its products and support the UN SDGs.

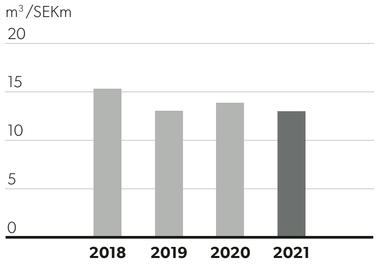
PLANET – SUSTAINABLE OPERATION

Total CO_2 emissions in relation to net sales[1)]

Total energy consumption in relation to net sales



Total water consumption in relation to net sales



[1)] CO_2 emissions are scope 1 and 2. Environmental reporting is done in a GRI conform tool aligned with the GHG protocol for CO_2 reporting.

Focus area contribution to the SDGs

8.4 – Improve resource efficiency in consumption and production.

9.4 – Upgrade all industries and infrastructures for sustainability

12.6 – Encourage companies to adopt sustainable practices and sustainability reporting

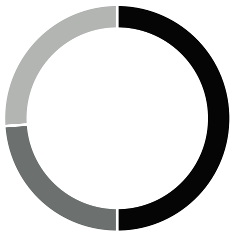
6.3 – Improve water quality, wastewater treatment and safe reuse

6.4 – Increase water-use efficiency

By minimizing climate impact, increasing resource efficiency & supporting circularity Dometic contributes to the SDGs.

GOVERNANCE

Distribution of direct material supplier spend per geographical region



- Asia 50%
- Europe 24%
- North America 26%

Dometic aims at reducing the total number of suppliers and performs risk assessment from a sustainability perspective in order to focus efforts of due diligence to suppliers of higher risk.

Focus area Contribution to the SDGs

5.1 – End discrimination against women and girls

16.5 – Substantially reduce corruption and bribery in all their forms

8.7 – End modern slavery, trafficking, and child labour

8.8 – Protect labour rights and promote safe working environments

Dometic contributes to the SDGS by implementing and following the Dometic Code of Conduct and the Code of Conduct for business partners and additional governing documents as well as the companie's ambitions and goals for 2024.

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Auditor's report on the statutory sustainability report
To the general meeting of shareholders in Dometic Group AB (publ), Corporate Identity Number 556829- 4390

Engagement and responsibility
It is the board of directors who is responsible for the statutory sustainability report for the financial year 2021 on pages 33–45 and 127–132 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit
Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion
A statutory sustainability report has been prepared.

Stockholm March 21, 2022
PricewaterhouseCoopers AB

Anna Rosendal
Authorized Public Accountant

FINANCIAL CALENDAR 2022

INTERIM REPORT Q1

The Interim Report January 1–March 31, 2022 will be published on **April 28, 2022**.

INTERIM REPORT Q2

The Interim Report April 1–June 30, 2022 will be published on **July 15, 2022**.

INTERIM REPORT Q3

The Interim Report July 1–September 30, 2022 will be published on **October 26, 2022**.

ANNUAL SHAREHOLDERS' MEETING 2022

The 2021 annual shareholders' meeting of Dometic Group AB (publ) will be held on **April 13, 2022**.

FOR FURTHER INFORMATION

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This Annual Report is an English translation of the Swedish original.
In the event of any discrepancies, the Swedish version shall govern.

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DOMETIC

Mobile living made easy is at the core of our offering. Dometic is committed to delivering smart, reliable products with outstanding design. By doing so we will maintain and build product leadership within our main application areas Food & Beverage, Climate, Power & Control, and Other applications.

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