ANNUAL AND SUSTAINABILITY REPORT 2022

MOBILE LIVING MADE EASY

DOMETIC

Menu

The statutory annual report comprises pages 58–128. The statutory sustainability report as required under the Swedish Annual Accounts Act is provided on pages 32–44 and 132–143.
Comparative figures in brackets refer to the corresponding figures for the preceding year.

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ABOUT DOMETIC

SEK B
30
NET SALES

PRODUCTS SOLD IN
100
COUNTRIES

EBITA MARGIN [1)]
13.2
PERCENT

NO. OF EMPLOYEES
8,500
WORLDWIDE

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

Mobile living made easy

Dometic is a global market leader in the mobile living industry. 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.

Millions of people around the world use Dometic's products primarily in outdoor, but also in residential and professional applications.

Dometic employs 8,500 people worldwide and is headquartered in Stockholm, Sweden. Dometic shares are traded on the Nasdaq Stockholm Large Cap.

PRODUCTS AND SOLUTIONS

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 and heating solutions.

POWER & CONTROL

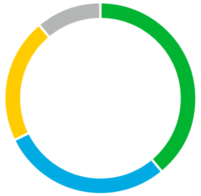
For leisure and professional mobile power and control applications, such as steering systems, solar panels, batteries, displays and monitors.

OTHER APPLICATIONS

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

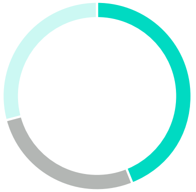
A WELL-DIVERSIFIED BUSINESS

Net sales by application area



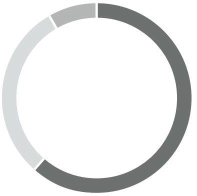
- Food & Beverage, 39% (29)
- Climate, 29% (37)
- Power & Control, 21% (21)
- Other applications, 11% (13)

Net sales by sales channel



- Original Equipment Manufacturer, OEM, 44% (50)
- Service & Aftermarket, 27% (35)
- Distribution 29% (15)

Net sales by geographic region



- Americas, 61% (53)
- EMEA, 30% (37)
- APAC, 8% (10)

2022 IN BRIEF

FINANCIAL HIGHLIGHTS

- Net sales increased by 38 percent to SEK 29,764 m (21,516).
- Organic net sales growth –3 percent.
- Operating profit (EBITA[1]) of SEK 3,931 m (3,348).
- Profit for the year of SEK 1,784 m (1,726).
- Adjusted[1] earnings per share of SEK 8.32 (6.75).
- Operating cash flow of SEK 2,268 m (1,749).

BUSINESS AND STRATEGIC HIGHLIGHTS

- Share of sales in Distribution and Service & Aftermarket reached 56 percent (50).
- The Mobile Power Solutions business grew to more than SEK 2 b in annual net sales.
- Igloo, the strategically important acquisition made in 2021, showed strong organic growth with improved margins (pro forma).
- New global restructuring program announced to further accellerate operational optimization.
- CO_2 emissions in relation to net sales decreased by 39 percent compared to baseline year 2020.

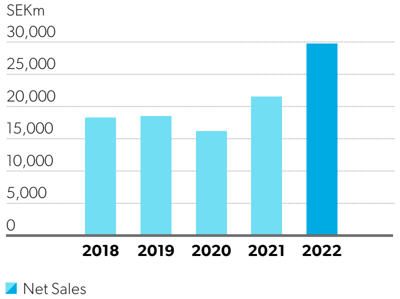
In a challenging macroenvironment, Dometic delivered record-high net sales of SEK 29.8 b (21.5) with an EBITA[1] of SEK 3.9 b (3.3). Dometic is continuing to transition into a more diversified and resilient company with greater exposure to low-ticket discretionary spend products. Net sales have more than doubled compared to five years ago, and the share of net sales through the sales channels of Distribution and Service & Aftermarket, has grown to 56 percent (39) during the same period. Organic net sales in the OEM sales channel grew in 2022, despite a significant slowdown in the RV OEM business in the US in the second half of 2022. Both Marine OEM and CPV OEM showed good growth. The Service & Aftermarket business declined after a strong 2021 as retailers globally were rebalancing their inventory levels.

The strategically important Igloo business was acquired in 2021 and showed strong performance in 2022. Full-year 2022 organic net sales growth for Igloo was 16 percent (pro forma), and the EBITA margin was well above previous year. Synergies from the acquisition are progressing as planned but as anticipated at the time of the acquisition, Igloo had a dilutive impact on Group EBITA[1] margin. Group EBITA[1] margin was 13.2 percent (15.6)

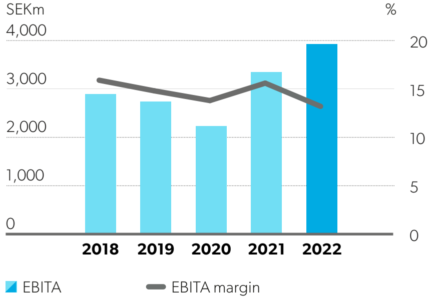
There was a strong focus on cash flow across the Company and operating cash flow improved to SEK 2.3 b (1.7). The net debt to EBITDA leverage ratio was 3.0x (2.6x).

ANNUAL PERFORMANCE

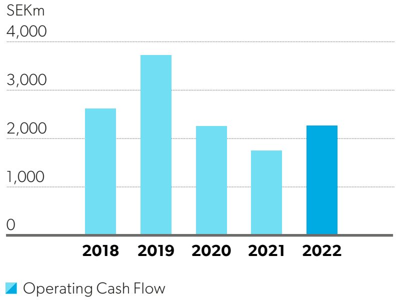
Net sales



EBITA and EBITA margin[1]



Operating cash flow



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

STRATEGY EXECUTION ACCELERATED

In a challenging macroenvironment we continued to take significant steps forward on our strategic agenda.

The macroenvironment was challenging in 2022, impacted by geopolitical uncertainty, high inflation and increasing interest rates. Retailers globally were rebalancing their inventory levels after large inventory build-ups in 2021 and in the first half of 2022. In this environment we delivered record-high net sales and EBITA[1], accelerated the implementation of efficiency improvements to protect margin and cash flow, while at the same time continuing to drive our strategic agenda.

Profitable expansion in Mobile Living

In five years our net sales and EBITA[1] have more than doubled. In addition, the sales channel mix continues to improve into more recurring, low-ticket discretionary sales targeting the consumers. The share of Distribution and Service & Aftermarket net sales reached 56 percent in 2022 compared to 39 percent five years ago. This transition has been supported by the acquisitions made during the last two years. Our industry is still very fragmented and we are in a leading position to continue to drive the consolidation and benefit from the positive global market trends.

The market demand for sustainable and effective off-grid mobile power solutions is rapidly increasing, driven by ongoing electrification trends and an increasing amount of people enjoying time outdoors. We have built a global leading position in Mobile Power Solutions and 2022 net sales, including acquired companies proforma, were more than SEK 2.3 b, corresponding to a net sales CAGR of 22 percent compared to 2019. We will continue to invest in this fast-growing business.

The Igloo business, acquired in 2021 and our largest acquisition ever, showed strong performance in 2022 supported by its brand recognition, product innovation and consumer-oriented organization. Full year 2022 organic net sales growth was 16 percent (pro forma) with EBITA margins well above previous year. The synergy activities targeting improvements of USD 50 m are progressing as planned.

In its first year as a separate global segment, our Marine business showed strong organic net sales growth and an EBITA[1] improvement of 27 percent. Other structural growth areas, such as Mobile Power Solutions and Mobile Cooling, also showed strong profitable net sales growth during the year. To capture global sales opportunities and drive synergies across the Company, we will increase the focus even more on these types of global product areas going forward.

> "Thanks to our dedicated and highly professional employees, we have taken several important steps on our strategic transformation journey while at the same time taken necessary short-term cost reduction actions to protect margins and cash flow."

Product leadership through innovation

Innovation and product leadership are fundamental drivers for organic growth and long-term competitiveness. The IP (Intellectual Property) organization has been strengthened and the number of IP rights is >3,000 and has more than doubled in four years. Investments in product development and the focus on more speed in all areas of the product development process are generating an increased number of product-launches and shorter time to market.

In 2022 the innovation index declined to 17 percent due to semiconductor supply constraints, as a consequence of the pandemic impacting new product launches. The index improved at the end of the year and the pipeline of new products to be launched is strong.

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

[1] Before items affecting comparability and amortization of acquisition-related intangible assets

"Market demand for sustainable and effective off-grid mobile power solutions is rapidly increasing, driven by ongoing electrification trends and an increasing amount of people enjoying time outdoors."

reducing complexity and increasing efficiency in order to continuously improve competitiveness.

The final activities in the 2019 global restructuring program were announced in 2022, including the move of our production from Siegen Germany to Hungary. In July 2022 we took the next step to further accelerate operational optimization and improve profitability with a new global restructuring program, focusing on continued consolidation of locations and rightsizing of resources. This program is expected to be fully implemented at the end of 2023. We continue to work proactively to balance our supply capacity with market demand and were at year-end 2022 approximately 1,600 fewer FTEs (full time equivalents, pro forma) compared to the year before. Compared to five years ago, our net sales per FTE has increased by more than 50 percent.

Building together

To implement our strategy and transform Dometic we need to have highly engaged employees contributing with their own initiatives and driving successful execution. Building one Dometic based on common core values is key and several activities have been implemented in 2022 to drive performance and a common culture. I am very proud of the results that the entire organization has achieved in an extremely challenging 2022. Thanks to our dedicated and highly professional employees, we have taken several important steps on our strategic transformation journey while at the same time taken necessary short-term cost reduction actions to protect margins and cash flow.

COMMITTED TO DRIVE SUSTAINABILITY IN OUR INDUSTRY

As a market leader in Mobile Living solutions, Dometic is committed to driving sustainability in our industry. This means offering innovative, durable, low-carbon products that inspire an active, comfortable, and responsible life in the outdoors. Through Dometic's sustainability platform and goals, the Company will contribute to at least seven Sustainable Development Goals (SDGs) in support of the 2030 Agenda for Sustainable Development. Three sustainability targets are included as part of the long-term incentive program. Each target equals 10 percent, giving a total of 30 percent weighting for ESG targets.

BUSINESS PERFORMANCE 2022

In 2022 Dometic delivered a record-high net sales and EBITA[1]. Net sales growth was 38 percent and after a strong 2021 with an organic net sales growth of 23 percent, organic net sales declined –3 percent. The organic net sales decline was impacted by reduced Service & Aftermarket net sales, as retailers globally were rebalancing their inventory levels, and due to a significant decline in RV OEM net sales in the US in the second half of the year.

As expected at the time of the acquisition, the Igloo business had a dilutive effect on the Group margin and was the main reason why Group EBITA [1] margin declined to 13.2 percent (15.6). Adjusted earnings per share[1] was SEK 8.32, a growth of 23 percent.

Operating cash flow improved to SEK 2,268 m (1,749) and the net debt to EBITDA leverage ratio was 3.0x (2.6x). Inventory levels declined in the second half of the year but remained elevated. There was a strong focus on reducing inventories and on cash flow generation across the Group and we are committed to achieve our net debt to EBITDA leverage ratio target of around 2.5x.

Our sustainability work is generating results. CO_2 emissions in relation to net sales decreased by 39 percent, the injury rate (LTIFR) decreased by 31 percent, and 100 percent of our new direct material suppliers were ESG audited. The share of female managers remained at 24 percent, which was below target and for 2023 we are increasing our efforts in this area even further.

CONTINUING TO DRIVE STRATEGIC AGENDA WHILE ACTING ON SHORT-TERM MARKET DEVELOPMENT

I am encouraged by the results generated from our strategic actions. Today we are a significantly larger, more stable, more diversified, consumer-oriented and efficient Company than only a couple of years ago.

I am optimistic about the long-term trends in the Mobile Living industry and while being agile and closely monitoring and acting on short-term market development, we will continue to drive our strategic agenda to deliver on our targets.

Stockholm, March 2023

Juan Vargues
President and CEO

FIVE REASONS TO INVEST IN DOMETIC

1 ACTIVE ON A MARKET WITH LONG-TERM STRUCTURAL GROWTH IN MOBILE LIVING

Underlying global market trends support long-term growth for Dometic. Staycation, outdoor living and home food delivery are all growing global trends that create opportunities for expansion. Global growth trends, such as increased usage of leisure products, innovation and mobility, have resulted in steadily growing demand for Dometic's solutions and generated a foundation for continued profitable growth.

→ Read more on page 8

2 GROWTH AND DIVERSIFICATION STRATEGY THAT CREATES IMPROVED STABILITY

Dometic's investments in innovative products, branding and marketing have contributed to strong organic growth. Combined with an acquisitive agenda, this has built a business model that is well diversified in various geographic regions, products and customer segments, which improves stability.

Dometic continues to reduce its OEM exposure, which decreases volatility and improves margins. Expanding the Distribution and Service & Aftermarket sales channels gives Dometic a more balanced business mix. The shift contributes to transforming Dometic into a more consumer-oriented company with a greater share of recurring sales of durable low-ticket discretionary spend products.

→ Read more on page 18

3 INDUSTRIALIZATION OF THE COMPANY ADDS STABILITY AND SUPPORTS IMPROVED MARGINS

The ongoing industrialization of Dometic's operation reduces complexity and costs, and leads to increased streamlining. This is supported by investments in product development and scaling up new product areas and distribution channels.

→ Read more on page 24

4 DOMETIC DRIVES SUSTAINABILITY IN ITS MARKET

As a market leader in Mobile Living solutions, Dometic is committed to driving sustainability in the industry.. This means offering innovative, durable, low-carbon products that inspire an active, comfortable, and responsible life in the outdoors. The Company has clear and measurable sustainability targets that contribute to the result.

→ Read more on page 32

5 CLEAR AND VALUE-GENERATING FINANCIAL TARGETS[1] WITH AN ATTRACTIVE DIVIDEND POLICY

- **10% growth** – Average annual net sales growth
- **18–19% profitability** – EBITA margin[2] of 18–19%
- **2.5x Leverage** – Net debt to EBITDA ratio of around 2.5x
- **40% Dividend** – At least 40% of net profit

→ Read more on page 14

[1] Medium to long-term financial targets over a business cycle.
[2] Before amortization of acquisition-related intangible assets and items affecting comparability.

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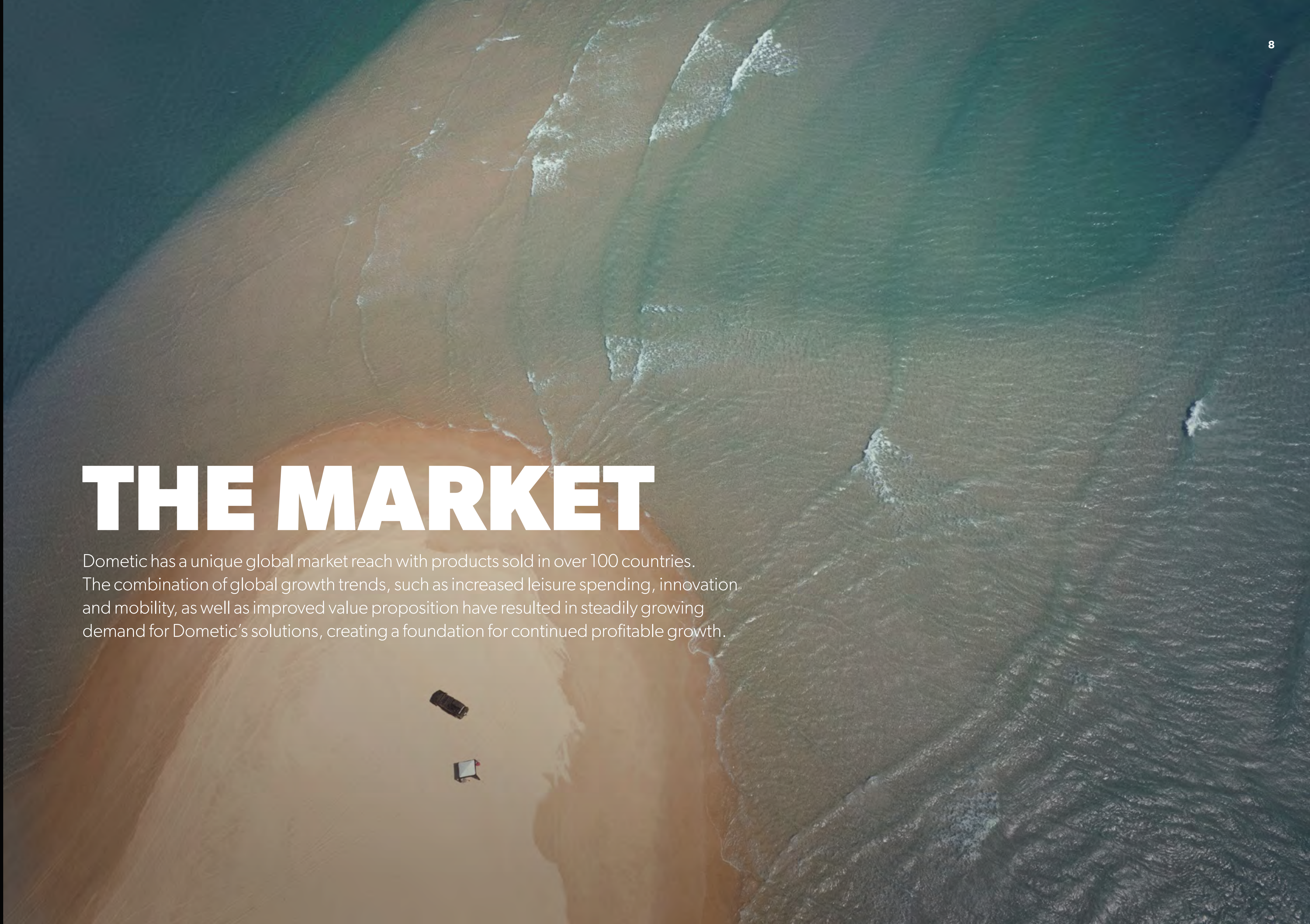


THE MARKET

Dometic has a unique global market reach with products sold in over 100 countries. The combination of global growth trends, such as increased leisure spending, innovation and mobility, as well as improved value proposition have resulted in 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 end users. Dometic has identified six global trends that create opportunities for profitable growth in existing and new vertical end-user markets.

SIX GLOBAL MARKET TRENDS

Dometic has identified six global trends that create opportunities for profitable growth in existing and new vertical end-user markets.

INCREASED LEISURE SPENDING

Increased wealth and more free time, increased leisure spending, outdoor activities

THE WORLD IS BECOMING MORE MOBILE

Mobile workplaces, mobile deliveries, new transport trends

MARKET CONSOLIDATION

Fragmented industries, size matters, speed is key, brand awareness

SUSTAINABILITY IS A REALITY

Environmental regulations, end-user requirements, change in travel trends

INNOVATION IS BECOMING INCREASINGLY IMPORTANT

Design and quality, customer experience, connectivity

DIGITALIZATION AND E-COMMERCE REVOLUTION

Digital marketing, seamless flow, e-commerce

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 delivery and last-mile food delivery.

These are all areas in which 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. With more and more people spending time outdoors, using a vehicle or boat as their base, the need for off-grid power is driving a rapid increase in the demand for efficient and sustainable Mobile Power Solutions.

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 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.

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

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, Dometic is well positioned to take further advantage of this trend.

DOMETIC'S ADDRESSABLE MARKET

The identified six 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 logistic flows change and home deliveries of food and other goods increase, Dometic's heating and cooling capabilities are used to create products in the area of last mile of food delivery.

A MARKET LARGER THAN SEK 200 B

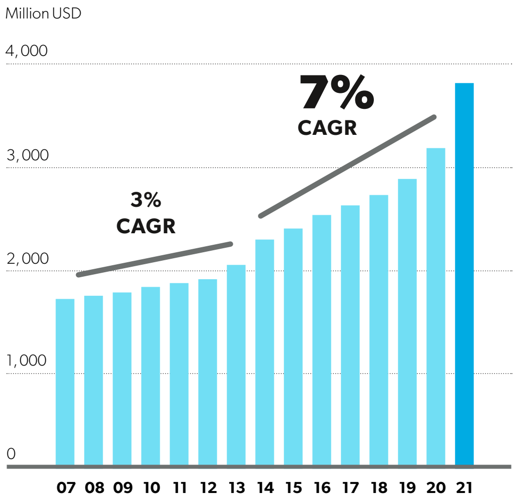
Dometic's addressable market is more than SEK 200 billion, of which approximately 30 percent is in the end-user markets where Dometic has traditionally been present (RV, CPV and Marine) and where the Company already has strong market-leading positions. These are markets that have historically been growing 1–3 percent on an average annual basis, sometimes with large fluctuations between the 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 shown accelerated growth for the last 15 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.

CORE COMPETENCES SERVING SEVERAL APPLICATION AREAS AND VERTICAL END-USER MARKETS

Dometic is using its core competences in developing and selling products in four application areas. These products and solutions are used by customers and end users across several existing and new vertical markets. The total addressable market is estimated to more than SEK 200 b.

CAMPING EQUIPMENT IN THE US

With its stand-alone outdoor offering, Dometic is well positioned in the fast-growing camping equipment market, of which the US is the largest.



Source: Statista

CLIMBING VAN

DON'T WAIT – GO FOR IT!

ABOUT DALE AND CHARLIE
Dale and Charlie are from the UK and until recently, Dale was a Lead Design Engineer in a large tech company and Charlie was Head of Data Analysis and Digital Marketing for an online adventure travel agent.

However, after growing tired of daily commutes and a lack of flexibility, the urge for adventure was overwhelming. So, they decided to give up the security of their full-time jobs for life on the road.

What is it that you do?
Since quitting our full-time jobs, we've started our own little business helping other aspirational van converters with their campervan builds. We just recently released our first book, The Van Conversion Bible, which is the ultimate guide to converting a campervan.

What inspired you?
Campervans are incredibly popular in the climbing community because they mean you can follow the weather conditions. Instead of being stuck in a rainy tent at a wet crag, you can park up in the sunshine and climb beneath a blue sky.

What is the best thing about doing what you do?
Moving into the van full-time and starting our own business will mean that we can swap our work life balance. So instead of living for weekends, we can work two days per week and have a five day weekend!

WHAT DOES IT MEAN TO YOU TO BE A DOMETIC AMBASSADOR?
We are super excited to be working with Dometic as they have similar values to our own. As well as being focused on making it easier for others to live a more mobile, outdoor lifestyle, Dometic also have a strong sustainability focus, which is something that's very important to us. For Dale, as someone who has spent the past 10 years designing products, it's really nice to see how well considered Dometic products are! Stay up to date with Charlie and Dale by visiting the Climbingvan website or following them on Instagram.

Ambassadors quick links
Read more stories
1 2 3 4 5

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TARGETS AND HOW WE CREATE VALUE

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

FINANCIAL TARGETS

Medium to long-term financial targets over a business cycle

GROWTH

Average annual net sales growth including organic growth and M&A.

TARGET 10%

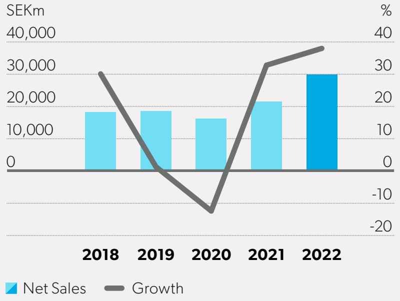
2022 ACTUAL 38%

OUTCOME 2022

Net sales growth was 38 percent of which organic growth was –3 percent. M&A is a key enabler for growth and acquisitions contributed with more than SEK 6 b in net sales in 2022. Net sales growth CAGR 2018–2022 was 13 percent and above target level.

PROGRESS GROWTH

Net sales and growth



PROFITABILITY

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

TARGET 18–19%

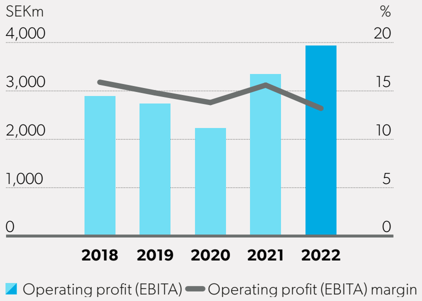
2022 ACTUAL 13.2%

OUTCOME 2022

The 2022 EBITA margin excluding items affecting comparability declined to 13.2 percent (15.6). As anticipated at the time of the acquisition, the acquired Igloo business had a dilutive impact on the margin.

PROGRESS PROFITABILITY

EBITA and EBITA margin before items affecting comparability



LEVERAGE

Net debt to EBITDA leverage ratio around 2.5x.

TARGET 2.5x

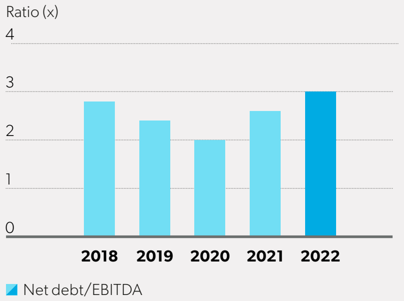
2022 ACTUAL 3.0x

OUTCOME 2022

Net debt to EBITDA leverage ratio was 3.0x compared to 2.6x at the end of 2021. The ratio was impacted by increased working capital and by high acquisition activities during the last two years.

PROGRESS LEVERAGE

Net debt to EBITDA leverage ratio



DIVIDEND

Dividend of at least 40 percent of net profit for the period.

TARGET 40%

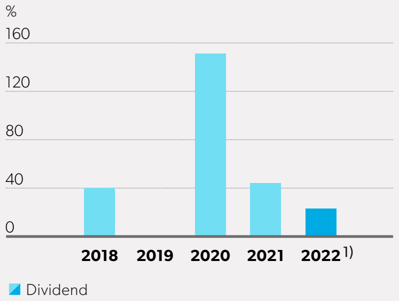
2022 ACTUAL 23%

OUTCOME 2022

The Board of Directors proposes a dividend for 2022 of SEK 1.30 (2.45) per share, corresponding to a payout ratio of 23 percent of the 2022 net profit. Payout ratio for the 2018 – 2022 period was 37 percent.

PROGRESS DIVIDEND

Payout ratio



1) Proposed by Board of Directors.

SUSTAINABILITY TARGETS

Sustainability KPIs reported quarterly in 2022

REDUCE CO_2 EMISSION/NET SALES

2024 TARGET **-30%**

ACTUAL **-39%**

PROGRESS

Absolute CO_2 emissions decreased by 26 percent compared with the baseline year 2020, driven by the transition to renewable electricity supply. In relation to net sales the CO_2 reduction was 39 percent. The share of renewable indirect energy (scope 2) LTM increased to 32 percent.

PERCENT FEMALE MANAGERS

2024 TARGET **27%**

ACTUAL **24%**

PROGRESS

As of 2022, Dometic has set a new target for 2024 to increase the proportion of female managers by one percentage point per year. The Company is accelerating its efforts in this area, and all segments are continuing to work on segment-specific Diversity & Inclusion targets and corresponding action plans.

LTIFR

Injury rate/million working hours

2024 TARGET **<2.0**

ACTUAL **1.6**

PROGRESS

Safety performance continued to improve with a LTIFR well below the target. The LTIFR for 2022 was 1.6 which corresponds to an improvement of 31 percent compared to the baseline year.

SHARE OF NEW DIRECT MATERIAL SUPPLIERS THAT HAVE BEEN ESG AUDITED

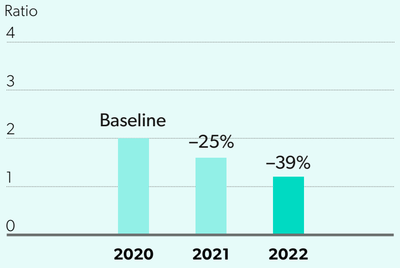
2024 TARGET **90%**

ACTUAL **100%**

PROGRESS

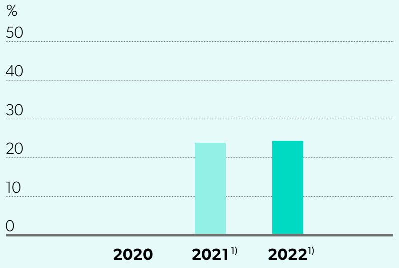
As of 2022, Dometic has expanded its proactive focus on supplier audits. Work on auditing our existing suppliers continues, but as of January 2022, Dometic is also ensuring that at least 90% of all new direct material suppliers are audited regarding ESG compliance, and the achievement in 2022 was 100 percent.

CO_2 EMISSION/NET SALES



CO_2 Emission/Net sales

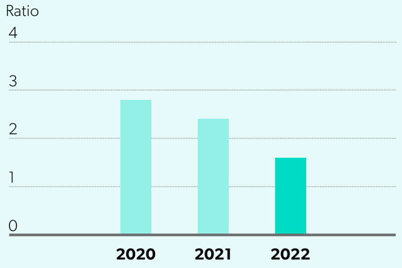
PERCENT FEMALE MANAGERS



Percent female managers

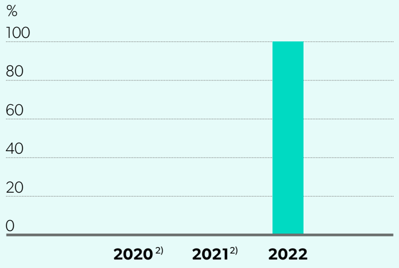
[1] New broader measurement specification.

LTIFR



LTIFR, Injury rate/Million working hours

SHARE OF NEW DIRECT MATERIAL SUPPLIERS THAT HAVE BEEN ESG AUDITED



New ESG audited DM suppliers

[2] New measurement and target started in 2022

HOW WE CREATE VALUE

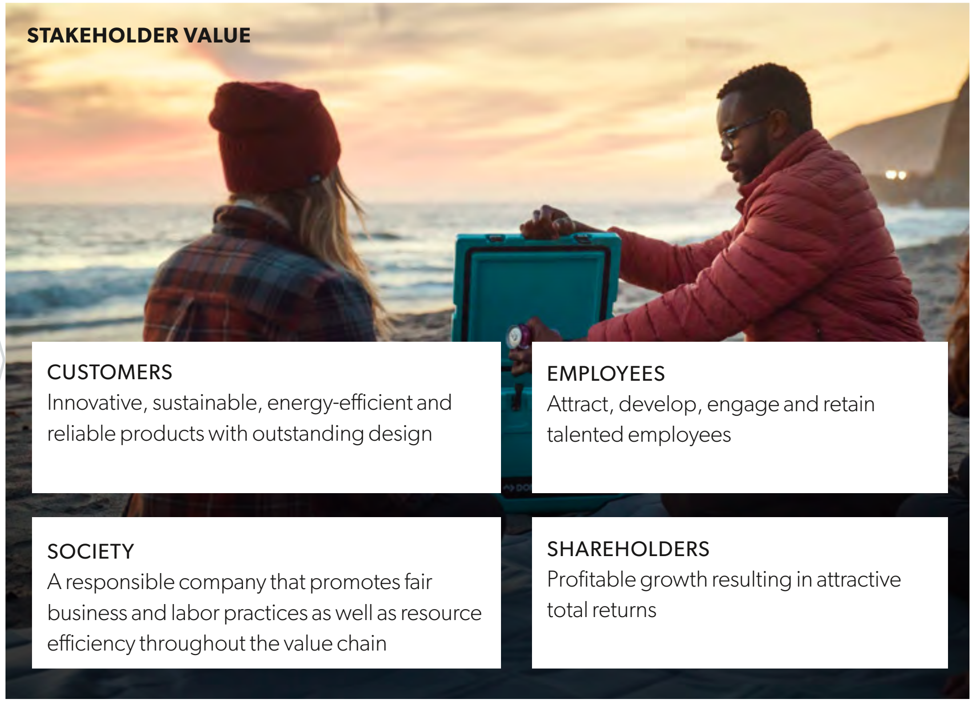
GLOBAL TRENDS

- 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
- WE DRIVE SUSTAINABILTY IN OUR INDUSTRY

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 throughout 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 of products on the market.
- Large Distribution and Service & Aftermarket network.

FINANCIAL

- Track record of resilient earnings and cash flows.
- Clear and ambitious financial targets that support continued value creation.
- 23.1% return on operating capital in 2022, excl. goodwill and trademarks.

SUSTAINABILITY

- Clearly defined sustainability focus areas and targets, with ownership in Group Management.
- Offering innovative, durable, low-carbon products that inspire an active, comfortable and responsible life outdoors.

EMPLOYEES AND ORGANIZATION

- 8,500 employees.
- Sales offices in more than 30 countries.
- 24 manufacturing and assembly sites in 11 countries.
- Global teams established to secure structural improvements.

DOMETIC STRATEGY

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. The foundation is named "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.
- Improve 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 the 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 Dometic does.
- 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

DRIVING SUSTAINABILITY IN THE INDUSTRY

Menu

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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 staycations, 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.

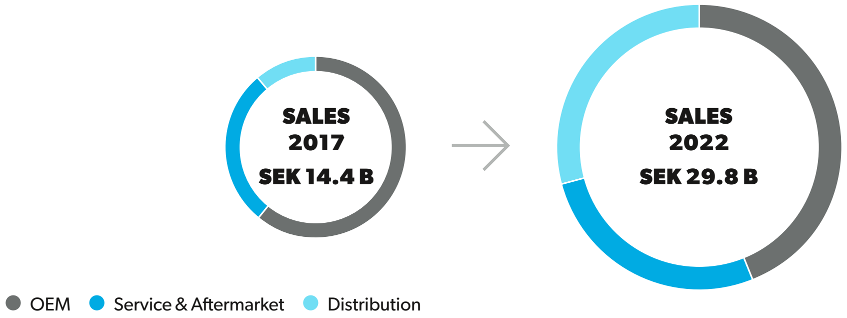
THREE MAIN GO-TO-MARKET CHANNELS

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 of products served through a network of independent service dealers and service providers or through Dometic's own service organizations.

CHANGED SALES MIX

Diversification and an increased share of recurring business



Dometic is continuing to transition into a more diversified and resilient company with greater exposure to low-ticket discretionary spend products. Net sales have more than doubled compared to five years ago, and Distribution and Service & Aftermarket's share has grown to 56 percent (39).

As part of the strategy outlined in 2019, Dometic has been focusing on expanding sales through the sales channels of Distribution and Service & Aftermarket. Growing these sales channels will give Dometic a better balanced business mix while expanding margins. All acquisitions made in recent years 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 aftermarket opportunities. Net sales through the OEM sales channel have increased, but at a slower pace than the other sales channels.

EXPAND IN STAND-ALONE OUTDOOR PRODUCTS

As part of the automotive industry trend toward larger vehicles like SUVs (sport utility vehicles), more and more families are spending time in nature using their own SUVs, 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

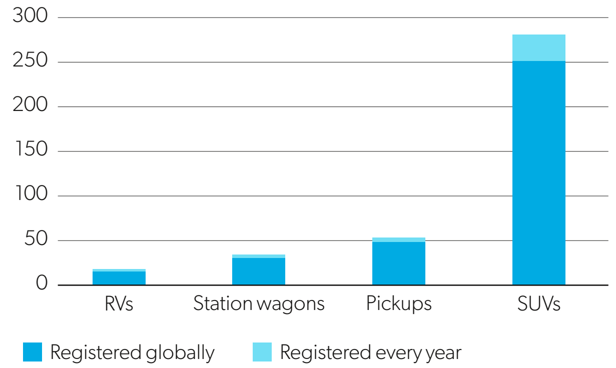
Organically and through acquisitions, Dometic has built up a highly profitable Mobile Power Solutions business with annual sales of over SEK 2 billion. This is a fast-growing business supported by electrification and sustainability trends. Investments in products and capabilities will continue to build this business further and an organization is established to drive this work further on a global basis.

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 further accelerated the demand for home food delivery. Dometic aims to be part of this growing market by leveraging

More and more families are spending time in nature using their own SUVs (sport utility vehicles), station wagons, or pickups as the base.

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



35 MILLION
SUVs, pickups and station wagons sold annually

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.

the Company's technology leadership in mobile cooling and temperature control, and new products targeting this market were launched in 2022.

Residential Outdoor is a fast-growing market and in 2021, Dometic acquired Twin Eagles, a leading US manufacturer of free-standing and built-in grills and outdoor kitchen solutions. Combined with other Dometic products, like Power Solutions and the MoBar, Dometic offers a broad range of outdoor kitchen solutions.

SERVICE & AFTERMARKET MAKES THE DIFFERENCE

Dometic's large installed base of products 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 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 of products and increased technology content drive service and aftermarket growth, contributing to increased recurring revenues. Dometic is piloting 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 and Service & Aftermarket opportunities. The collaboration with large OEM customers also provides valuable and critical input for innovations and product development, and a significant portion of the products Dometic is launching are for the OEM business.

IMPROVED CHANNEL MANAGEMENT AND GROW DTC E-COMMERCE

B2B and B2C e-commerce solutions are important channels for expanding the Outdoor business and Service & Aftermarket sales. This increases direct interaction with end users and will also improve order and supply flow efficiency for Dometic and for customers. A new global B2C e-commerce platform has been launched across several markets and recent acquisitions have contributed with competence and products for further scaling the B2C business. In 2022, 6 percent of the relevant business (non-OEM) was DTC (Direct-to-Consumer) and the goal is to reach 20 percent in a few years. This is expected to contribute to both growth and margin expansion.

20%

DTC SALES SHARE AMBITION

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

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 "Transformational," while the other nine acquisitions made in 2021 and 2022 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 operational

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).

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.

segment, to which the acquired businesses report, is responsible for the integration.

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.

STRATEGY EXECUTION HIGHLIGHTS

– 16 percent net sales CAGR 2017–2022
– The sales share from Distribution and Service & Aftermarket has grown to 56 percent from 39 percent in 2017
– Mobile Power Solutions, a structural growth area, has grown to SEK 2.3 b in annual net sales.

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

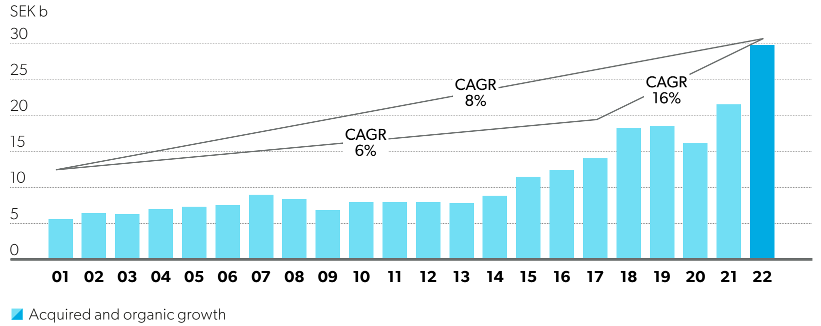
- Service & Aftermarket.
- Mobile Power Solutions.
- Outdoor equipment.

DIVESTMENT OPPORTUNITIES

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

There is continuous strategic review of the existing portfolio, and the Company is considering both acquisitions and divestments going forward.

NET SALES DEVELOPMENT
A combination of acquisitive and organic growth



Menu

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EXPEDITION ROVE

ON THE ROAD WITH THE DOMETIC CFX

ABOUT MARY HANNAH AND ANDY

Mary Hannah is from Houston, Texas and Andy is from Yorkshire, England.

Andy is, first and foremost, a British Paratrooper at heart. After leaving the military, he joined Mary Hannah in California where he started a role as a Land Rover Technician, a role that's played a vital part in their travels so far.

Mary Hannah worked in the marketing/advertising world for media and magazine brands spanning the travel, outdoor and motorcycle industries.

They met in 2015 and their first date was a road trip up to the Smokey Mountains together. They haven't stopped road tripping since!

What is it that you do?

Mary Hannah and Andy, of Expedition Rove, have been on the road since 2018. We've been through 23 countries, across 3 continents and been supported along the way by our game changing Dometic CFX3 55 IM and CFX50 powered coolers.

What do you enjoy doing?

We love anything that gets us outdoors and further into the wild. That is why we love owning and traveling in a Land Rover. It allows us to get that much further out there, away from the crowds, and really enjoy that simple silence of being surrounded by nature.

What Dometic gear do you have? And how has it helped you?

In Tango, we have a Dometic CFX3 55 IM powered cooler, including the Dometic water bottles and cups, and in our Discovery 3 we have a CFX50.

The biggest game changer for us was upgrading from a cooler to a Dometic CFX fridge back in 2018. It completely transformed the way we ate and cooked on the road, which is such a massive part of feeling like you really are home wherever you are. Not to mention, no longer having to look for ice every few days!

What is your favorite place you've been on your travels?

This is a tough one but Panama and the Scottish Highlands both hold a special place in our hearts.

Ambassadors quick links

Read more stories

1 2 3 4 5

PRODUCT LEADERSHIP THROUGH INNOVATION

SMART AND RELIABLE PRODUCTS WITH OUTSTANDING DESIGN

The fundamental question should always be: "What does the end consumer really need?" To find out, Dometic listens carefully to customers and to end consumers to understand 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.

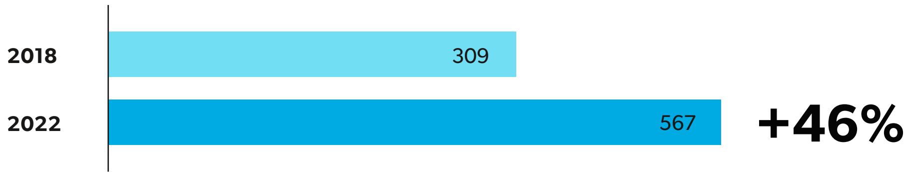
A number of activities are being conducted with end users to develop an understanding of their requirements and expectations. Involving ambassadors and end users is also crucial for product designers to make the right choices among all parameters, such as weight, size, performance, and aesthetic design.

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 and sees advantages when protecting both technology and design. This secures our brand recognition, technology leadership, and cost control while still allowing adaptation for local needs.

INVESTMENTS IN PRODUCT INNOVATION

Investments in R&D, SEK m



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 reducing product complexity. Technological know-how is comprehensive. Global product areas with appointed product managers ensures modularity, cost control, quality, sustainability considerations, and component reuse between products and projects. Dometic has defined four core technologies: electronics, connectivity, cooling, and mobile power. These technologies are used across several customer offerings and solutions.

The Dometic Product Development Process (DPDP) has continued the shift to global 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 stand-alone outdoor products.

Through the acquisitions made in recent years, 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. The work is now intensified to adjust the entire Dometic product portfolio to our Mobile Power Solution offering to provide an even better and more sustainable end-user experience.

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.

STRATEGY EXECUTION HIGHLIGHTS

The focus on increasing speed in all areas of the product development process generated an increased number of products launched during the year and shorter time to market. Products launched in 2022 include:

- A Mobile Power Solutions portfolio using the assets from acquisitions made in recent years
- The new global HVAC (Heating Ventilation A/C) platform has successfully been introduced to the market
- New steering and trim tab systems for the Marine industry

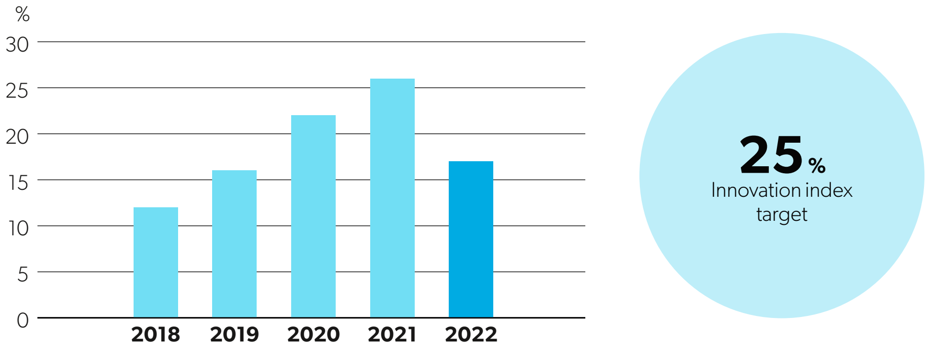
– Dometic's innovation index was 17 percent at the end of the year compared to 12 percent four years ago. In 2022 there was a temporary decline in the index due to semiconductor supply constraints as an effect of the pandemic.

– Investments in product development have increased by 46 percent compared to 2017.

– The IP (Intellectual Property) organization has been strengthened and the number of IP rights is >3,000 and has more than doubled in four years.

The award-winning compact wine cooling drawer, aptly named Dometic DrawBar.

PRODUCT INNOVATION INDEX



Share of Net sales from products launched last three years. In 2022, there was a temporary decline in the index due to semiconductor supply constraints.

Menu

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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.

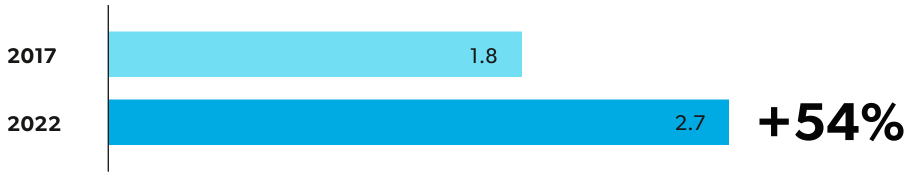
The macroeconomic environment, including supply constraints, longer than normal transport lead-times and travel restrictions due to Covid-19, has put pressure on the supply chain in recent years. At the same time, major steps have been taken in structural improvements. There has been a large focus on securing customer deliveries while balancing supply with changing demand. At the same time there have been long-term investments in tools, infrastructure and processes to build a robust and effective supply chain for the future.

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 and 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, number of SKUs, and in the IT infrastructure.

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 stockkeeping units (SKUs), reducing the supplier base, and driving regional and global category management.

NET SALES PER FTE (FULL TIME EQUIVALENT)
SEK m



DEVELOP OPERATIONS IN STEPS

Complexity reduction is the starting point for driving industrialization. The second step involves outsourcing of non-core activities and consolidation of sites. The third and final step is to optimize the structure through common processes.

1 REDUCE COMPLEXITY

- SKU REDUCTION[1]
- CATEGORY MANAGEMENT
- TRANSFER SUPPLIERS FROM HCC TO LCC[2]
- SUPPLIER REDUCTION

[1] Stockkeeping Units.
[2] High Cost Countries to Low Cost Countries.

2 REDUCE COMPLEXITY

- OUTSOURCING NON-CORE PRODUCTION
- CONSOLIDATE SITES

3 OPTIMIZATION

- SOURCING EXCELLENCE
- SUPPLY CHAIN EXCELLENCE
- VALUE ANALYSIS/VALUE ENGINEERING
- LEAN
- AUTOMATION

LEAN EXCELLENCE
SUSTAINABILITY
DIGITALIZATION

The second step involves outsourcing of non-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.

A reduction in SKUs is important, as it reduces costs and complexity. The Company has made strong progress and has reduced SKUs by 65 percent compared with 2018. Reduction efforts continue, with a focus on structural reductions by implementing platform/modular design with increased shared technology across the Group.

Sourcing is increasingly important as Dometic gradually shifts 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. 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. Activities have continued to reduce dependency on Chinese operations, partly to avoid customs tariffs to the US. Approximately 35 percent of the total purchased material is from China.

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 high-cost country manufacturing in different continents, seizing the benefits of low-cost countries, and increasing automation and assembly near the main markets.

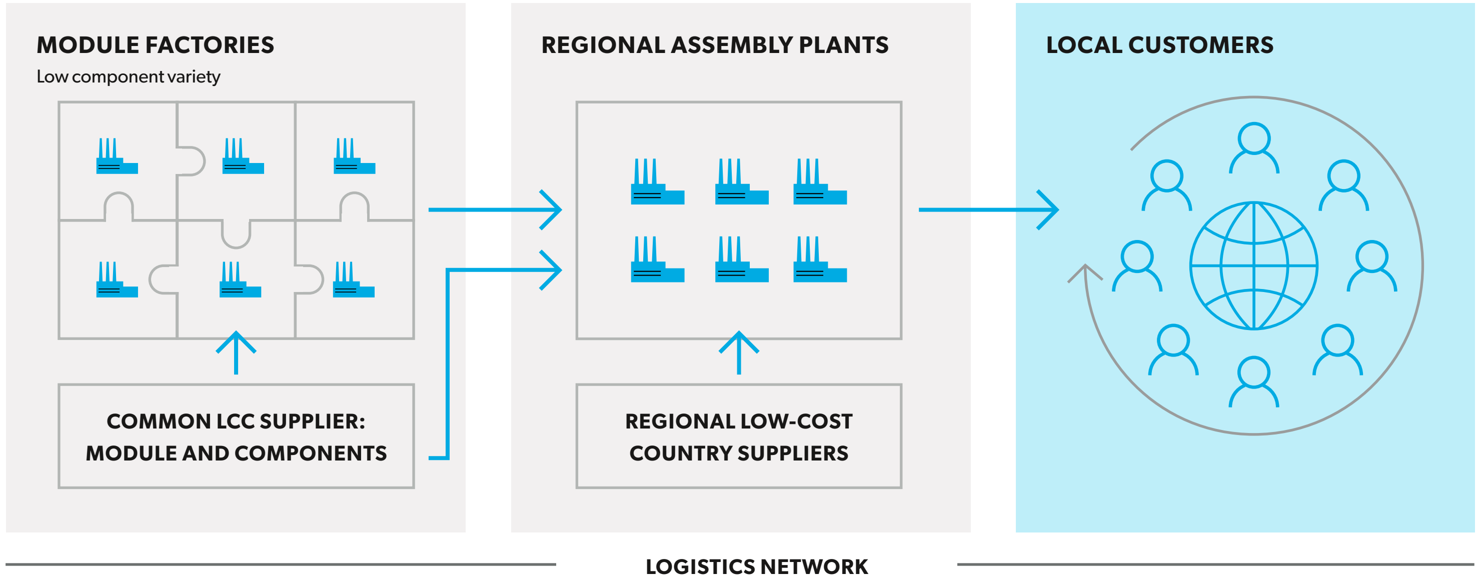
Dometic is strategically reducing in-house manufacturing while increasing outsourced value. Optimization of the manufacturing footprint includes common and improved procedures and processes for sourcing. A natural effect of this transition is a reduction in the number of suppliers and an increased number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

A cost-reduction program was announced in 2019, focused on outsourcing non-core activities and site consolidation, to optimize the footprint. The program is expected to generate a positive annual impact on earnings of approximately SEK 400 million when fully implemented mid-2023. An additional program was announced in July 2022 that is expected to generate an additional positive impact on earnings of SEK 200 million when fully implemented at the end of 2023. Execution of the restructuring programs is progressing well.

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

FUTURE MANUFACTURING FOOTPRINT STRUCTURE



The ability to have a flexible infrastructure, adapt quickly to seasonality and cyclicality, and be asset-light is key.

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:

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

STRATEGY EXECUTION HIGHLIGHTS

- Increased efficiency - net sales per full time equivalent have increased by more than 50 percent compared to 2017.
- Increased flexibility - the share of contractors in the workforce is 20 percent compared to less than 10 percent in 2017.
- The total number of manufacturing sites has been reduced from 27 in 2018 to 24 in 2022, including four sites added through acquisitions.
- The number of SKUs has been reduced by 65 percent compared to 2018 (excl. acquisitions). This is better than the initial ambition level of 40 percent.
- The share of Direct Material from low-cost countries increased to 61 percent (excl. acquisitions), the ambition is to reach 80 percent.
- The number of suppliers has been reduced by 31 percent (excl. acquisitions), the ambition is to reach 50 percent.

Menu

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BUILDING TOGETHER

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.

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.

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

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

Leaders in Dometic manage rapid changes due to new technologies, politics, environmental concerns, and unexpected events. Leaders need to be equipped and trained to be able to lead teams successfully and build organizational capacity for positive change.

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 competence.

The implementation of the global employer brand, especially on social media, continues. 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 has been working actively with the resulting action plans. A second survey was done in the fall of 2021 showing clear improvements.

COVID-19

Like other businesses, Dometic has been impacted by the pandemic. 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. Dometic Academy quickly developed e-training programs on the topic to ensure efficient distribution of information and training.

STRATEGY EXECUTION HIGHLIGHTS

- Continuous work with virtual leadership training program which was launched in 2021.
- Diversity & Inclusion training and development of hiring managers, enhancements to recruitment processes, focus on number of female leaders.
- Introduction of a more structural approach toward change management by training people in the ADKAR methodology (model for change management).

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MARION HAERTY

QUEEN OF THE SNOW AND HER LIFE ON THE GO

ABOUT MARION
Born in northern France, Marion moved with her family to Grenoble as a six-year-old. Four years later, her life changed forever – with the appearance of a snowboard-shaped parcel beneath the Christmas tree.

Now 30, Marion is a pro-snowboarder with four Freeride world titles – a feat unparalleled by any other rider. Located close to Chamonix, she's passionate about mountaineering, which she's been involved in since 2017, and the outdoors more generally. Traveling the globe in a variety of vehicles, she relies on the TRT120E Ocean tent to keep her sheltered from the elements in even the most rugged environments.

What is it you do?
I'm a pro-snowboarder with four world titles under my belt.

What do you enjoy?
Sports, adventuring, and being on the go.

What inspired you to adopt a more mobile lifestyle?
I like the idea of being able to move freely, without the need to get dates fixed in months in advance. Being a nomad allows me to be flexible and follow the weather forecast.

What Dometic gear do you use, and how has it helped you?
I have my favorite rooftop tent – the TRT120E Ocean – which is super easy to set up. I also have a CFX3 45 fridge that allows me to take whatever I need food-wise along for the ride.

What's the best thing about doing what you do?
I never get bored!

What's your greatest goal in life?
To be a better athlete – but also a better human being.

Outside of competing, Marion is involved in a number of film projects. Follow her on Instagram @marion_haerty

Ambassadors quick links
Read more stories
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SUSTAINABILITY

WE DRIVE SUSTAINABILITY IN OUR INDUSTRY

We love the outdoors. As pioneers in the Mobile Living area, 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 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 an integrated part of the Dometic's strategy and 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 FOCUS AREAS

Through Dometic's sustainability platform and goals, the Company will contribute to at least seven Sustainable Development Goals (SDGs) in support of the 2030 Agenda for Sustainable Development.

Dometic's sustainability platform for 2022–2024 comprises the focus areas People, Planet, and Governance. Dometic wants to make a difference through its 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 actions have been defined.

Each focus area, along with corresponding ambitions, goals, and action plans, has clear ownership in Group Management. For each goal, clear KPIs with corresponding targets have been established. Three targets are included as part of the long-term incentive program: decrease CO_2 in relation to net sales, share of female managers, and Lost time accidents (LTIFR). Each target equals 10 percent, giving a total of 30 percent weighting for ESG targets.

FOCUS AREAS	AREAS OF INFLUENCE: COMPANY	AREAS OF INFLUENCE: PRODUCTS AND SUPPLY CHAIN	AREAS OF INFLUENCE: CONSUMER	AMBITIONS	GOALS	RELATED SDG CONTRIBUTION
People	Employer of choice in the outdoor industry	Good labor standards	Well-being	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.	• Provide a healthy and safe work environment for all employees • All employees can be their authentic selfes • Excellent leadership on all levels of the organization	3, 5, 8
Planet	Sustainable operations	Sustainable innovation	Sustainable lifestyle	Offer innovative, durable, circular, low-carbon products. Minimize climate impact, increase resource efficiency, and support circularity.	Sustainable operations: • Operations fully powered by renewable electricity • Reduce CO_2 from transport of goods • Minimize waste and eliminate landfill Sustainable innovations: • Increase efficiency in the product use phase • Increase use of renewable and recycled materials • Extend expected lifetime	6, 8, 9, 12, 3, 8, 9, 12
Governance	Good business practices	Good business partner	Enable outdoor experiences for more	Safeguard human rights at all times while pursuing fair business and labor practices.	• All employees understand the Code of Conduct and know how to act in difficult situations • All business partners have a good understanding of the Code of Conduct and support in driving sustainability in our industry	5, 8, 16

In the intersection of the three focus areas and the areas of influence, nine blocks of action have been identified.

PEOPLE | FOCUS AREA

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 and the framework for everything Dometic does, as well as how people in the Group interact with each other and external parties. With 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

In the last few years, Diversity and Inclusion (D&I) has become a fundamental element of Dometic's culture. A global structure with teams in each segment has been established to continuously focus on creating a diverse workforce and an inclusive work environment together. In 2021, Dometic initiated a global diversity and inclusion training initiative to build solid awareness and understanding, and with that, to foster a diverse and inclusive mindset throughout the organization. Such training programs are important steps to ensuring implementation of the D&I policy and to nurturing a culture in which every employee feels respected, valued, and comfortable being authentic. The initiatives continue and in 2023, additional digital training will enhance inclusion and deepen awareness of unconscious bias.

The Group's internal job market portal offers access to all open positions in the Group and supports a fair and transparent hiring process. In 2022, the recruitment process was analyzed and adjusted to attract a broader scope of talent. Dometic has started to train hiring managers to reduce unconscious bias in the recruitment process. A global initiative to achieve alignment on a diversity and inclusion statement in all job ads has been initiated. The recruitment process improvement initiative will continue in 2023 and be extended with more aspects of the recruitment, onboarding, and retaining processes and culture.

Dometic's diversity and inclusion initiative also supports gender diversity. In the past few years, Dometic has had a particular focus on increasing gender diversity in managerial positions. The Company has not yet seen the effect of the efforts in the share of female managers,

5.1 End discrimination against women and girls
8.8 Protect labor rights and promote safe working environments
3.9 Reduce illness and deaths from hazardous chemicals and pollution

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.

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due in part to limited recruitment during the year. In 2022, 24 percent (24) of managers were female. Group Management comprises 10 people, of which 4 are women. The Board of Directors comprises 8 people, of which 3 are women. The Company will step up efforts to increase the proportion of female managers to reach the target for 2024.

For 2024, Dometic aims to improve its D&I index, which is based on the employee engagement survey, by further improving employees' perceptions of the culture related to diversity and inclusion. The Company will also focus efforts on underrepresented groups and strive to drive a more diverse and inclusive employer branding strategy throughout 2023.

HEALTH AND SAFETY

Dometic works continuously to safeguard a healthy and safe work environment for all employees. The Dometic 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. In 2022, Dometic's on-site audit program was resumed post-Covid with third-party assessments, and during the year, three additional sites received ISO 45001 certification. To ensure awareness among employees, Dometic provides a global Health & Safety (H&S) learning program to all factory employees.

The main focus during 2022 has been given to risk identification, mitigation, and elimination, and to strengthening local procedures in line with the H&S Guideline. The H&S organization has been strengthened with more local and regional HSE (Health, Safety, Environment) resources supporting Dometic's operations. Additionally, a review and update of the H&S Guideline was completed. Over the past two years, the EMEA segment has implemented a new tool for operations called "Quick Response Safety Control" which is now fully implemented in the segment. The purpose of the new tool is to improve overall safety by decreasing the number of open reports and the response time.

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 2022, 25 (40) lost-time safety-related incidents were reported and LTIFR was reduced to 1.6 (2.4), a significant reduction well below the target set for 2024. Dometic is currently working on establishing a company-wide H&S incident reporting system.

Another priority in 2022 has been to systematically ensure its facilities and offices have the equipment and procedures necessary to prevent the spread of Covid-19. The Company continued to guide and coordinate its Covid-19 response. In addition to local crisis teams, Dometic continues to work with the global pandemic team from corporate headquarters and the segments. For Covid-19, measures included offering tests, conducting hygiene and mental health training, and providing a range of personal protective equipment (PPE) as well as established well-functioning global structures to share knowledge and experiences to quickly adapt to rapidly changing circumstances. In the most recent engagement survey, 85 percent of employees agreed that Dometic made employee safety a top priority during the pandemic.

COMPETENCE MANAGEMENT

Organizational capabilities remain key elements for Dometic's business success and for its employees during the Company's transition journey. Dometic Academy provides a central learning management system that hosts training opportunities globally and is the tool for strategy deployment and people development in the Company. An annual roadmap is established, which strongly accelerates the production of training output yearly. As a tool for people development, Dometic Academy contributes to target alignment in performance management throughout the organization. In total, 4,608 (4,660) employees participated in 984 (885) training activities across all segments in 2022.

The ambition for 2023 is to further improve the existing digital learning environment with easy access to broad and specific content and learning campaigns to help drive Dometic's strategic goals by supporting people development. Dometic is also planning to improve the in-person training approach toward customers with digital certification training, enabling business customers to get certified on product knowledge, service, and repair. With this initiative, Dometic aims to bring a great end-customer experience to fruition.

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Leadership

Dometic's transformation journey puts high demands on leaders to succeed with the strategy deployment. Dometic's leadership model is based on three leadership criteria for transformational leadership: I drive performance, I inspire engagement, I lead change. These criteria support leaders in understanding the expectations of them and in acting as role models to ensure ethical and responsible business practices. In 2021, Dometic rolled out its first fully virtual leadership training program to implement the global leadership model. The roll-out of the program will be followed by different initiatives and further training of leaders on different levels in the segments. 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's target for 2024 is to further improve the leadership index based on the global employee engagement survey.

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. In 2022, a new version of the Group's e-learning in Sustainability was launched for all employees.

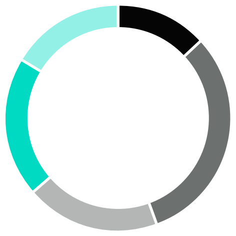
FOCUS AREA PEOPLE

Ambition: 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.

GOAL	KPI	ACTUAL 2022	BASELINE[2]	TARGET 2024
Provide a healthy and safe work environment for all employees	Health & Safety index	–[1]	75%	78%
	Lost time accidents per million working hours (LTIFR)	1.6	2.4	<2
All employees can be their authentic selves	Diversity & Inclusion index	–[1]	75%	78%
	% female managers at year end	24%	24%	1%-point per year
Excellent leadership on all levels of the organization	Leadership index	–[1]	77%	80%

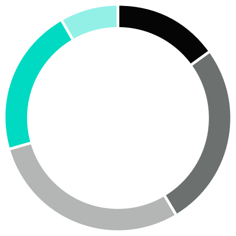
[1] Employee survey, conducted every other year. Next will be in 2023.
[2] Target Baseline refers to actual results from 2020, 2021 or 2022 depending on the KPI. See Detailed sustainability information page 140 for actual results per year.

No. of employees per segment, %



Americas 13% (17)
EMEA 31% (30)
APAC 19% (19)
Marine 20% (19)
Global 16% (16)

Age structure, %



<30 years, 15% (17)
30–39 years, 26% (27)
40–50 years, 29% (29)
51–60 years, 21 % (20)
>60 years, 8% (7)

PLANET | FOCUS AREA

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 its environmental impact throughout the product lifecycle.

SUSTAINABLE INNOVATION

LIFECYCLE APPROACH

The total environmental impact of any product is the sum of the input of raw materials, processing, shipping, the use phase, and the end of life. Mapping the impact data enables identification of environmental risks that offer the greatest opportunities for improvement. Dometic uses the knowledge gained from lifecycle assessments (LCA) conducted on major product groups, such as cooling boxes, mini bars, and rooftop air conditioners, to make informed decisions on the development of new products. The goals for 2024 are based on the conclusions of these assessments. A primary impact hotspot is the energy consumed in the use phase, which is why for many years, the focus has been on continuously improving the energy efficiency of products. Alternative materials, such as recycled or renewable plastics, the phase-out of certain refrigerants, and weight reduction are examples of other areas with the potential to further reduce environmental impact.

A key activity in Dometic's efforts to reach the goals for sustainable innovation, both for existing products as well as in new product development, is VAVE (Value Analysis, Value Engineering). Through this cross-functional process, alternative features, materials, and design are explored, many of which have the potential to improve the environmental performance of the product. In 2022, the VAVE team was complemented with additional resources and competence focusing on alternative plastics in order to speed up progress in this area.

EFFICIENCY IN PRODUCT-USE PHASE

Energy efficiency in the product-use phase contributes greatly to minimizing the overall environmental footprint of Dometic's energy-consuming products. It also enables

3.9	Reduce illnesses and deaths from hazardous chemicals and pollution.
9.4.1	Reduce CO2 emissions per unit of value added.
8.8	Protect labor rights and promote safe working environments.
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 lifecycle of its products and support the UN SDGs.

users of Dometic's products to reduce energy costs and stay out longer. Dometic's development of the connectivity technology area will contribute to optimizing the performance of products in use and thereby further improve energy efficiency.

Dometic sets energy efficiency targets in all relevant development projects, in line with the Group's goal to improve the energy efficiency of each new product. One example is the new Dometic ACC3000, a rooftop ventilation system with heat recovery for RVs. By using this ventilation system instead of conventional ventilation systems, the user can save up to 3.7 KWh per day in an average RV, which corresponds to approximately 13 percent of the energy needed to maintain the temperature inside an RV. Another example is the introduction of new compressors and new refrigerants with lower global warming potential for RV fridges and mini bars for the European market. Through these products, Dometic is able to significantly reduce the electrical energy consumption of the fridges. For mini bars, these savings correspond up to 23 percent of annual consumption, and up to 29 percent for RV fridges.

Weight reduction

Products used in mobile applications also have an indirect impact linked to the energy or fuel consumed in the application where the products are being used or transported, which is why reducing weight, especially of mobile products, is important for limiting this indirect energy consumption. Dometic has therefore set a target to reduce the weight of all new products developed with a significant weight impact. One example is the new rooftop air-conditioner FreshJet, which was launched on the American market in September 2022 and is 14 percent lighter than its previous model, thanks to choosing alternative, lighter materials, which reduce the overall weight load of the RV while improving performance. In addition, the amount of refrigerant needed has been reduced by 28 percent. Another example is the new I-Lux injection-molded framed window, which will save approximately 14 percent of weight compared to polyurethane (PU) foamed framed windows, corresponding to up to one kilo per window and up to seven kilos for an average RV. In addition, all materials used are fully recyclable, as opposed to PU framed windows.

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 through recent acquisitions. These products allow users to explore the outdoors, off-grid, with less dependency on fossil energy as more and more people spend time outdoors using a vehicle or boat as their base. The core development in this product area focuses on the key topics in the market – to increase efficiency and decrease weight and physical dimensions. Another action to support electrification is the continued development of Dometic's range of compressor fridges to support electrification in all regions.

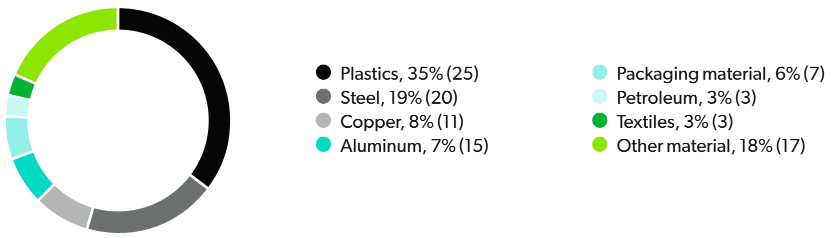
Segment Marine has developed a new electric steering actuator that eliminates hydraulic fluids, pump, cylinder and hoses and consolidates three major sub-systems into a single unit. It was launched in November 2022, and is 55 percent lighter and saves 85 percent of the electrical power than the previous hydraulic steering system. The reduced power consumption reduces outboard engine idling and for some day-boats, the surplus electricity can be used to power other house electrical loads, reducing the dependence on a diesel generator installation.

CIRCULARITY THROUGH DURABILITY AND ALTERNATIVE MATERIALS

Alternative materials

The main materials sourced for Dometic's products are plastics, steel, aluminum, and copper. For the past few years, Dometic has taken an active role in exploring and promoting new materials, such as plastics and fabrics made from recycled sources and bio-composites in selected applications. For 2024, Dometic has set a goal to further increase the use of renewable or recycled materials. Recent efforts led to the introduction of a recycled material "REDUX" made from PET bottles used in tents, awnings, and camping chairs released in 2022. Much focus in the past year has also been given to finding the right long-term partners for a

Raw material spend



The scope has been widened compared to previous year's Annual and Sustainability Report as Segment Marine and sub-segment Igloo have been added. The process of including other acquisitions made in 2021–2022 has been initiated, but is not yet completed. To ensure efficient use of resources a goal has been set to increase the use of recycled and renewable plastics and fabrics by 2024.

stable supply of recycled plastic materials with the right quality and properties. The Company is also working to reduce the impact of product packaging by minimizing the use of plastics, phasing out EPS, and increasing the use of recycled materials. One example is the packaging of Dometic's S4 windows, where the previous EPS packaging protection will be replaced by a recycled paper solution that reduces environmental impact by around 60 percent.

Extending expected lifetime

Dometic 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 measures aim to support circularity and efficient use of natural resources. For 2024, Dometic has set a goal for 80 percent of new released products to have a program that can extend the expected product lifetime. In 2022, new projects have integrated a newly introduced model for identification of opportunities for Service & Aftermarket (SAM) together with a rating system to define the SAM ambition level and potential to extend the expected lifetime of the product. Since January 1, 2022, 94% initiated projects have a program to extend the expected lifetime of the product.

FOCUS AREA PLANET – SUSTAINABLE INNOVATION

Ambition: Offer innovative, durable, circular, low-carbon products.

GOAL	KPI	ACTUAL 2022	BASELINE[2]	TARGET 2024
Increase efficiency in the product-use phase	% increase in energy efficiency of relevant new products	Outcomes of 2022 are presented through examples in the text, see p.39	Varies by product	5%
	% weight reduction (to save energy consumption in application of use) for relevant mobile applications	Outcomes of 2022 are presented through examples in the text, see p.39	Varies by product	5%
Increase use of renewable and recycled materials	% of total purchased plastic that comes from recycled or renewable sources	–[1]	0.2%	Increase
	% of total purchased fabric that comes from recycled or renewable sources	–[1]	4%	Increase
Extend expected lifetime	% of new released products that provide a program that can prolong the expected lifetime	94%	n/a	80%

[1] New measurement as of 2023.

[2] Target Baseline refers to actual results from 2020, 2021 or 2022 depending on the KPI. See Detailed sustainability information page 140 for actual results per year.

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SUSTAINABLE OPERATIONS

CLIMATE ROADMAP FOR 2030

Dometic aims to reduce the carbon footprint of mobile living. The long-term climate target is to reduce CO_2 emissions from scope 1 and 2 in relation to net sales by 50 percent by 2030, compared to the baseline year 2020.

Renewable energy and carbon intensity

Dometic continues the implementation and further development of its roadmap for transitioning to renewable electricity in all production facilities. Some markets present more challenges than others. In such countries the Company is looking to produce its own electricity by installing solar panels. One such example that has come a long way is the site in Zhuhai, where installation of solar panels on the roof is expected to cover around 50 percent of the electricity consumption by 2023 which will contribute significantly to reducing the carbon emissions of the whole Group. In 2022, total CO_2 emissions from scope 1 and 2 in relation to net sales decreased by 39 percent compared to the 2020 baseline, due to transitioning to renewable electricity in 13 of 24 factories.

During the year, the share of renewable electricity has increased from 6 percent in 2020 to 32 percent in 2022. Dometic aims to continue transitioning to renewable energy sources over the next few years to ensure fulfilment of the long-term reduction target.

Energy efficiency

Dometic has worked proactively for years with energy-saving programs aimed at reducing energy consumption in its facilities. The environmental management systems (ISO 14001) and energy management systems (ISO 50001) in the factories ensure continuous focus on identification of improvement areas. Examples of activities in 2022 are installation of LED lights and motion sensors, reduced heating, compressed air surveys, insulation of buildings and other measures to increase efficiency and reduce consumption. In 2022, total energy consumption increased by 5 percent compared to baseline year 2020 but relative to net sales the group see a decreased by 14 percent. Dometic aims to further improve energy efficiency as part of the segments' environmental programs.

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.

By minimizing climate impact, increasing resource efficiency & supporting circularity, Dometic contributes to the SDGs.

Transport of goods

Another component of the climate roadmap is to reduce emissions from transport of goods (scope 3). A footprint inventory has confirmed the baseline for 2020. Areas of improvement have been identified and internal reduction targets have been defined for 2024 as preparation for later external communication of the targets. In 2022, the emissions in relation to net sales decreased by 18 percent relative to the baseline in 2020.

MINIMIZE WASTE AND ELIMINATE LANDFILL

Dometic works continuously to minimize waste generation and 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. During the year, further initiatives have been launched and completed to improve the recycling rates and reduce total waste from factories. Examples are process improvements, new sorting concepts, and initiatives to reduce the use of single-use items. In 2022, total waste amounted to 12,780 tons (15,100), of which 200 tons (400) were hazardous waste. In all, 76 percent (80) of total waste was recycled. Activities remain high across the organization to reduce waste and increase the recyclability rate.

WATER MANAGEMENT

Monitoring water consumption and identifying initiatives to improve the efficiency of water use are elements of the segments' environmental program to manage water responsibly. Compared to last year, total water consumption has increased by 3 percent mainly due to a sewage pipeline construction in segment APAC causing temporary extra consumption. In relation to net sales total water consumption has decreased by 2 percent compared to baseline 2020, primarily due to reduced consumption in segment Americas as a result of an investment in a new wash line that reuses process water.

FOCUS AREA PLANET – SUSTAINABLE OPERATIONS

Ambition: Minimize climate impact, increase resource efficiency and support circularity.

GOAL	KPI	ACTUAL 2022	BASELINE[2]	TARGET 2024	TARGET 2030[1]
Operations fully powered by renewable electricity	% renewable electricity (scope 2)	32%	6%	30%	80%
	CO_2 emissions ton/net sales SEKm (scope 1 and 2)	–39%	2.0	–30%	–50%
Reduce CO_2 from transport of goods	Outbound CO_2 emissions ton/net sales SEKm (scope 3)	–18%	1.5	–	–
Minimize waste and eliminate landfill	% waste recycled or incinerated for energy recovery	76%	80%	85%	–

[1] Long-term commitment target for 2030 are under development.
[2] Target Baseline refers to actual results from 2020, 2021 or 2022 depending on the KPI. See Detailed sustainability information page 140 for actual results per year.

GOVERNANCE | FOCUS AREA

Dometic's Code of Conduct and additional governing documents lay out the framework for how the Group acts and follows up on its 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.

TRAINING AND AWARENESS

All Dometic employees are trained in how to interpret and apply the principles set forth in the Code of Conduct. The Code of Conduct awareness 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. The first training is to be followed by a regular refresher every other year. 96 percent (94) of white-collar workers and 84 percent (95) of blue-collar workers completed the Code of Conduct awareness program in 2022. The decline in blue-collar workers compared to the previous year was related to the acquired Igloo business where the roll-out of the awareness program is ongoing. Excluding Igloo the completion rate has improved significantly. The Dometic engagement surveys, carried out repeatedly, have confirmed that there is high awareness and a good understanding of the principles set forth in the Code of Conduct and the whistleblowing system in the organization. Read more about the whistleblowing system and reported cases in the sustainability notes on page 132. The Code of Conduct training is complemented by specific training to targeted groups in topics like export regulations and anti-trust.

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 throughout the value chain. Dometic sources from countries with varying levels of risk exposure to corruption, human rights abuse, and poor environmental management. The

5 GENDER EQUALITY | 16 PEACE AND JUSTICE STRONG INSTITUTIONS | 8 DECENT WORK AND ECONOMIC GROWTH

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 labor.
8.8 Protect labor 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 company's ambitions and goals for 2024.

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, and third-party audits. An internal training program for sourcing and the supplier audit organization is implemented to ensure a good understanding of the principles set forth in the Dometic Code of Conduct for Business Partners and how to verify suppliers' compliance with these requirements.

In 2022, 95 percent of direct material suppliers had signed the Dometic Code of Conduct for Business Partners. All new direct material suppliers as of January 1, 2022 were audited for ESG as part of the onboarding process. 92 percent (88) of the direct material supplier spend in low-cost countries were audited over the past three years. Dometic's strategy to reduce complexity and number of suppliers enables deeper assessment and follow-up of selected suppliers over time.

In 2022, a new online training for business partners was developed to support the communication around the content of Dometic's Code of Conduct for Business Partners. The implementation of the training has started and will continue in 2023. The Company has also engaged with a third party and initiated the onboarding of a platform for supplier ESG assessment, follow-up, and development. This platform will complement and strengthen the existing processes for supplier assessment.

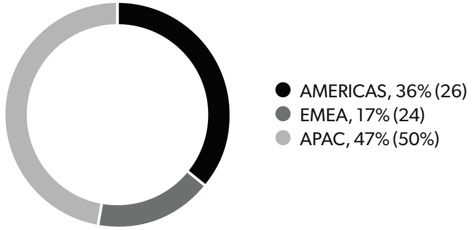
FOCUS AREA GOVERNANCE

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

GOAL	KPI	ACTUAL 2022	BASELINE[2]	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	89%[1]	95%	95%
All business partners have a good understanding of the Code of Conduct and support in driving sustainability in our industry	% of direct material suppliers that have signed the Code of Conduct	95%	94%	95%
	% of new dircet material suppliers that have been ESG audited (Dometic on-site, remote or 3rd party audit)	100%	n/a	90%

[1] Including acquistions from 2021/2022
[2] Target Baseline refers to actual results from 2020, 2021 or 2022 depending on the KPI. See Detailed sustainability information page 140 for actual results per year.

Distribution of direct material supplier spend per geographic region



Dometic aims to reduce the total number of suppliers and performs risk assessments from a sustainability perspective in order to focus efforts of due diligence to suppliers of higher risk.

SOFIA SJÖBERG AND JACOB WESTER

WHY NOT? YOU ONLY LIVE ONCE.

ABOUT SOFIA AND JACOB
With life mottos of "YOLO" and "Why Not", it's fair to say that Sofia Sjöberg and Jacob Wester, from Stockholm, Sweden, are a couple with a shared sense of adventure. Together they are traveling around Europe in their campervan, "Score 2.0", fitted out with a variety of Dometic gear to keep them comfortable and energized for adventure.

Who or what inspired you to start your mobile lifestyle?
Sofia: Probably Jacob. When I met him, I was very focused on school and a career and he showed me you really don't need the most amazing career to be happy.

Jacob: My parents got me out in nature at an early age. We used to go camping and I started skiing before I can even remember. These days, to get the most out of skiing, I realized I need to be mobile and chase the best snow on any given day. So, getting my first camper about 7 years ago opened up a whole new world for me.

What Dometic gear do you have? And how has it helped you?
Sofia: We are in the middle of building our second campervan since our old one broke down just before the New Year. Our whole electricity system, except the solar panels, is from Dometic as well as the battery bank that we are very stoked on! We also have Dometic kitchen appliances, windows, spotlights and a safety box. All these products really make our campervan so much more enjoyable and comfortable.

What is your favorite memory from out on your adventures?
Sofia: Waking up in a campervan in a remote spot in Western Australia and seeing humpback whales jump out of the water with barreling waves just in front of them.

Ambassadors quick links
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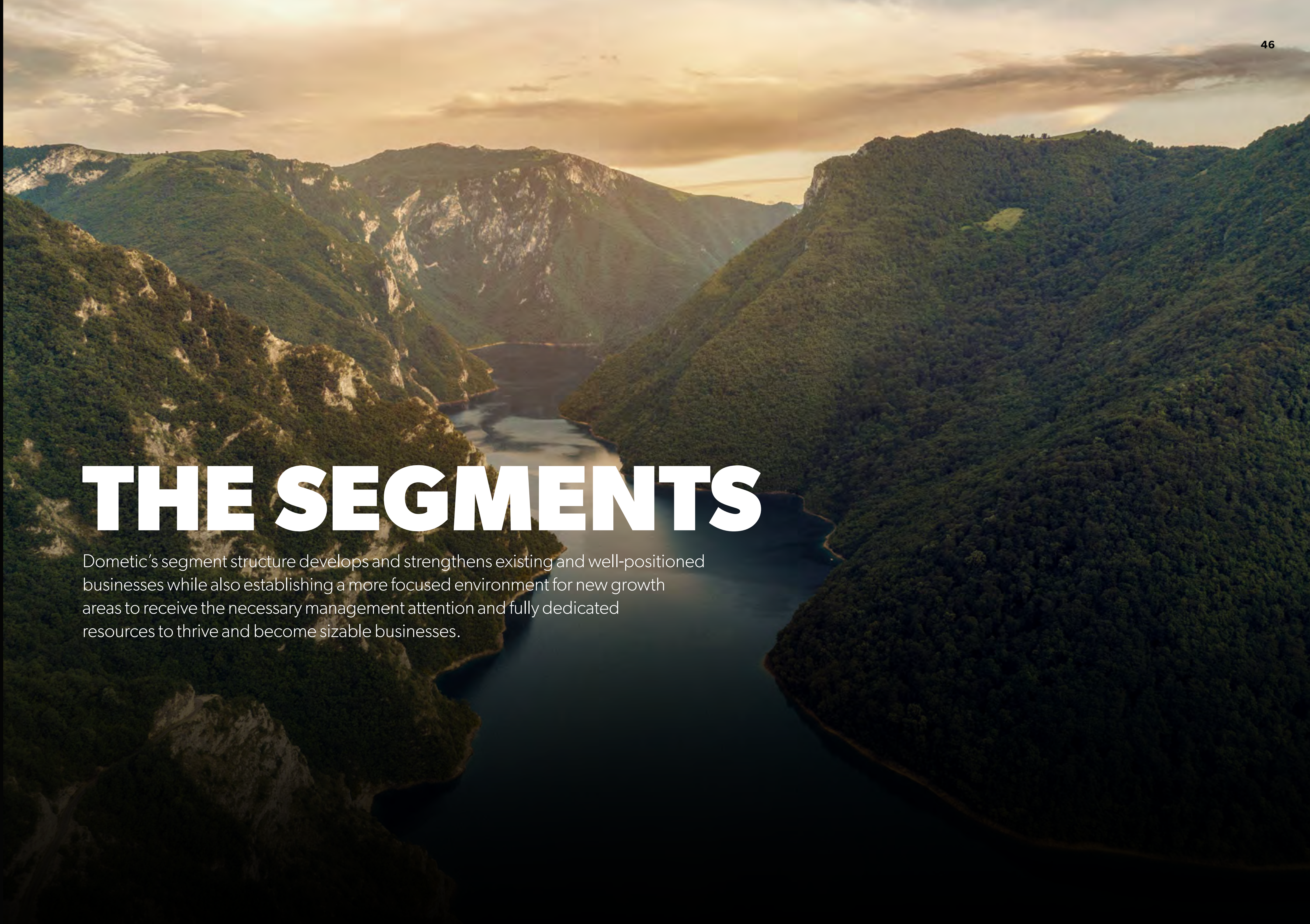


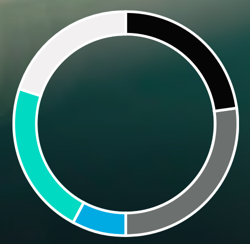
THE SEGMENTS

Dometic's segment structure develops and strengthens existing and well-positioned businesses while also establishing a more focused environment for new growth areas to receive the necessary management attention and fully dedicated resources to thrive and become sizable businesses.

SEGMENT STRUCTURE

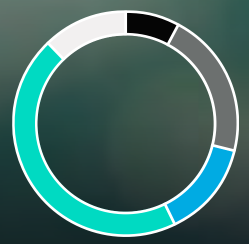
Five segment organization	AMERICAS	EMEA	APAC	MARINE	GLOBAL
Businesses included in the segments	• Products and solutions for: - Recreational vehicles (RV) -Commercial and passenger vehicles (CPV) • Stand-alone outdoor products	• Products and solutions for: - Recreational vehicles (RV) -Commercial and passenger vehicles (CPV) • Stand-alone outdoor products	• Products and solutions for: - Recreational vehicles (RV) - Commercial and passenger vehicles (CPV) • Stand-alone outdoor products	• The complete product offering for customers in the Marine industry	• Other global verticals (Residential, Hospitality, Mobile Deliveries) • The Igloo business acquired in 2021

2022 Net sales by segment



Americas, 23% EMEA, 27% APAC, 7% Marine, 22% Global, 20%

2022 EBITA[1] by segment



Americas, 8% EMEA, 21% APAC, 14% Marine, 44% Global, 12%

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

SEGMENT AMERICAS

OVERVIEW AND OFFERING

The customer offering includes:

- Products for manufacturers of Recreational Vehicles (RV OEM) and Commercial and Passenger Vehicles (CPV OEM).
- Service & Aftermarket products for the RV and CPV markets.
- Stand-alone outdoor products for end consumers sold through retailers or direct to consumer (DTC).

United States is by far the largest market followed by Canada.

MARKET AND BUSINESS SUMMARY

The market weakened in 2022 after 2021, which was a new record year for number of RVs sold on the US market. OEM net sales declined in 2022 as a consequence; however, this was partly offset by a growing CPV business. The Service & Aftermarket business was negatively impacted by higher-than-normal retailer inventory levels. The two acquisitions completed in 2021 (Valterra and Zamp Solar) contributed to a business mix with less exposure to the OEM sales channel. Distribution and Service & Aftermarket accounted for 39 percent (41) of total net sales.

During the year, there was a strong focus on expanding the Stand-alone outdoor business and several marketing campaigns and steps forward were taken.

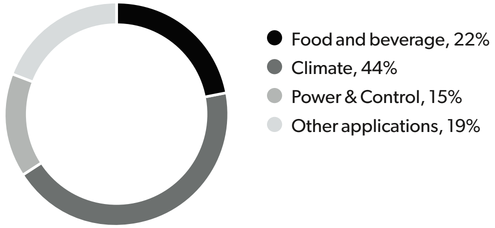
After transferring part of the production from both China and the US to Mexico in recent years, the Americas segment has continued to accelerate low-cost country sourcing activities in Mexico. In May 2022, the manufacturing site in Elkhart, Indiana, was closed and manufacturing was partly outsourced and partly transferred to an existing site in Mexico.

In 2022, the entire Supplier Quality Engineering team went through an external training in ESG to ensure the team is well prepared to identify risks and work with suppliers to develop their performance. An investment in a new wash line in the production facility in Greenbrier recycles the process water, which significantly reduces the water consumption of the manufacturing process and the whole segment. This has reduced consumption in the segment by fifty percent.

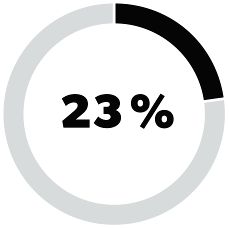
KEY FIGURES	2020	2021	2022
Net sales, SEKm	4,447	5,970	6,780
Net sales growth, %	–17%	34%	14%
Organic growth, %	–12%	20%	–15%
EBITA margin, %[1)]	2.6%	6.7%	4.9%

1) EBITA margin before items affecting comparability.

Net sales by application area



Segment as a proportion of Group net sales



SEGMENT EMEA

OVERVIEW AND OFFERING

The customer offering includes:

- Products for manufacturers of Recreational Vehicles (RV OEM) and Commercial and Passenger Vehicles (CPV OEM).
- Service & Aftermarket products for the RV and CPV markets.
- Stand-alone outdoor products for end consumers sold through retailers or direct to consumer (DTC).

Germany is the largest market followed by the UK.

MARKET AND BUSINESS SUMMARY

Dometic's RV OEM customers were impacted by chassi supply chain disruptions in 2022 and Dometic RV OEM net sales showed moderate growth, while net sales to CPV OEM customers showed solid growth. The Service & Aftermarket business was negatively impacted by higher-than-normal retailer inventory levels. The acquisitions completed in 2021 (Front Runner, Büttner Elektronik, Cadac and NDS Energy) contributed to a business mix with less exposure to the OEM sales channel and with strong growth in the Mobile Power Solutions business. Distribution and Service and Aftermarket accounted for 55 percent (52) of total net sales.

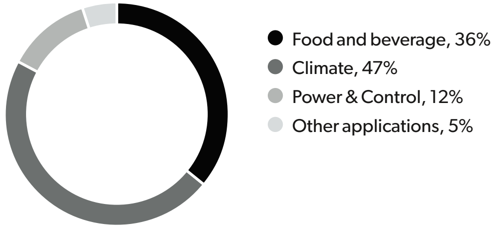
To drive growth, the previous country-centered structure for Distribution and Service & Aftermarket was replaced in 2020 with a regional setup. This has strengthened strategy deployment and reduced complexity while making investments in new growth areas like in Stand-alone outdoor products more relevant. The global restructuring program continued during the year, and in July 2022, it was announced that the manufacturing site in Siegen, Germany, will be closed and that production will be transferred to an existing site in Hungary in 2023.

Since early 2022, all production sites in EMEA are powered by renewable electricity (recent acquisitions are not included). Further actions have been taken to reduce energy consumption, such as installation of LED lights and motion sensors. Additional models in the REDUX range of tent-products, made from recycled plastic bottles, have been launched.

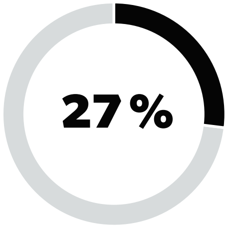
KEY FIGURES	2020	2021	2022
Net sales, SEKm	5,629	6,981	7,970
Net sales growth, %	–11%	24%	14%
Organic growth, %	–10%	22%	–2%
EBITA margin, %[1]	12.2%	13.6%	10.5%

[1] EBITA margin before items affecting comparability.

Net sales by application area



Segment as a proportion of Group net sales



SEGMENT APAC

OVERVIEW AND OFFERING

The customer offering includes:

- Products for manufacturers of Recreational Vehicles (RV OEM) and Commercial and Passenger Vehicles (CPV OEM).
- Service & Aftermarket products for the RV and CPV markets.
- Stand-alone outdoor products for end consumers sold through retailers or direct to consumer (DTC).

Approximately 80 percent of segment APAC's sales were in the markets of Australia and New Zealand, where Dometic has a leading market position across several vertical end-user markets.

With two manufacturing sites and significant sourcing activities in Asia, the region is important in terms of manufacturing and supply for the global Dometic organization.

MARKET AND BUSINESS SUMMARY

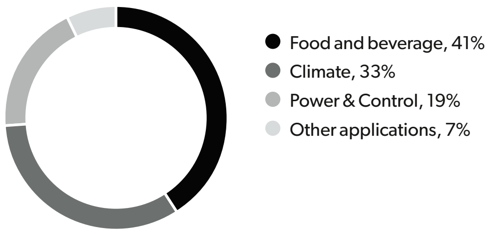
The OEM business showed stable development in 2022. The Distribution and Service & Aftermarket businesses showed solid development but were negatively impacted by higher-than-normal retailer inventory levels in the second half of the year. Enerdrive, an acquisition completed in 2021, contributed to a more balanced business mix with less exposure to the OEM sales channel and with strong growth in the Mobile Power Solutions business. Distribution and Service & Aftermarket accounted for 51 percent (51) of total net sales.

During the year, one of the factories in China started to prepare for installation of solar panels on the roof of the facilities. When fully operational, the panels are expected to cover around fifty percent of the electricity consumption of the site. Several actions have also been taken to reduce total waste and increase recyclability, both in and around production.

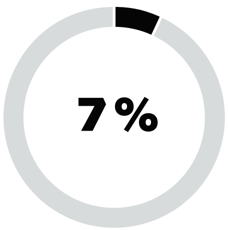
KEY FIGURES	2020	2021	2022
Net sales, SEKm	1,315	1,961	2,231
Net sales growth, %	–12%	49%	13%
Organic growth, %	–9%	34%	–4%
EBITA margin, %[1]	21.2%	26.8%	24.9%

[1] EBITA margin before items affecting comparability.

Net sales by application area



Segment as a proportion of Group net sales



SEGMENT MARINE

OVERVIEW AND OFFERING

The Marine segment was established in early 2022 and 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.

MARKET AND BUSINESS SUMMARY

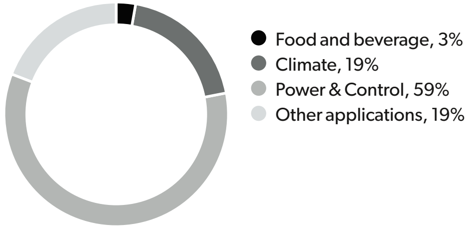
The Marine business showed a strong performance in 2022, supported by strong net sales growth in OEM. The demand for Dometic's products was high, further fueled by new product launches. The Service & Aftermarket business was negatively impacted by higher-than-normal retailer inventory levels. In 2022 Dometic acquired Treeline Capital LLC, a leading provider of value-adding engineered Service & Aftermarket products and Mobile Power Solutions for the Marine market. Distribution and Service & Aftermarket accounted for 37 percent (44) of total net sales.

In 2022 the facility in the US (Limerick) started purchasing electricity from renewable sources and a new project to eliminate single-use plastic items has been initiated for all sites.

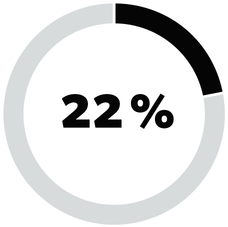
KEY FIGURES	2020	2021	2022
Net sales, SEKm	4,498	5,404	6,695
Net sales growth, %	–7%	20%	24%
Organic growth, %	–7%	25%	8%
EBITA margin, %[1]	24.8%	25.4%	26.0%

[1] EBITA 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: Other global verticals and Igloo. Igloo was approximately 85 percent of the segment's total net sales in 2022.

OTHER GLOBAL VERTICALS

Other global verticals consists of Residential, Hospitality, and Mobile deliveries. The aim of Other global verticals is to work, based on 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 established wine refrigerator assortment to a new level and expanding into new areas. In 2021, Dometic acquired Twin Eagles, a leading US manufacturer of freestanding and built-in grills and outdoor kitchen solutions for the Residential Outdoor market. In 2022, the new Drawbar wine cooler was launched.

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 Dometic technologies and products for new customer segments, such as health care and elderly care institutions.

Mobile Deliveries

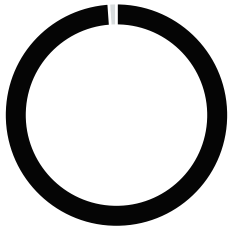
As logistics flows change and home deliveries of food and other goods increase, Dometic's heating and cooling products and capabilities are creating a strong foundation for developing products that can be used in the last-mile of food delivery or as home delivery boxes. Dometic has launched the Dometic Delibox and the Dometic Smart Delivery Box to meet this rising demand. 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.

KEY FIGURES	2020	2021	2022
Net sales, SEKm	318	1,201	6,086
Net sales growth, %	–28%	278%	407%
Organic growth, %	–26%	29%	4%
EBITA margin, %[1]	12.0%	8.5%	7.6%

[1] EBITA margin before items affecting comparability.

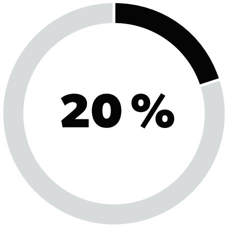
The Dometic Delibox preserves the quality and temperature of restaurant food until it reaches the end user.

Net sales by application area



- Food and beverage, 99%
- Climate, 0%
- Power & Control, 0%
- Other applications, 1%

Segment as a proportion of Group net sales



Igloo is a global provider of passive cooling boxes and drinkware products.

IGLOO

Igloo, acquired in 2021, is a global provider of passive cooling boxes and drinkware products for the Outdoor market. Founded in 1947, Igloo is one of the leading manufacturers in the world, with an iconic brand, a wide product range, and strong consumer orientation. 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.

The acquisition of Igloo was a major step in Dometic's strategy to continue to grow in the attractive Outdoor industry and created 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 also reduces 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 after transaction.

SEGMENT GLOBAL – MARKET AND BUSINESS SUMMARY

Other global verticals showed significant progress in 2022 supported by strong growth in the Hospitality business. Also the Residential business showed good growth in 2022. The business ramp-up of Mobile Deliveries was delayed to semiconductor supply constraints, but there is strong progress in ongoing field tests. Igloo showed strong performance with an increased market share, 16 percent organic sales growth, and a significantly improved EBITA margin. Investments in product innovation were paying off and integration activities are progressing as planned.

Sustainability activities in 2022 have been the implementation of processes around the Dometic Code of Conduct and sustainability focus areas, such as reporting and alignment with goals for safety and environment.

In Hospitality the strategy is to continue to address the lodging business, while also using Dometic's technology and products for new customer segments.

Menu

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STEFANO GHISOLF

IT'S THE ROCK 'N' ROAD LIFE FOR STEFANO

ABOUT STEFANO
Stefano is an Italian native. Originally hailing from Turin, he now lives in Arco, a town famed for its sheer limestone cliffs and ancient hilltop castle.

His dreams of a nomadic existence began when Stefano was a child, inspired by the active lifestyle and caravanning holidays he enjoyed with his parents.

Living in the shadow of Arco's limestone cliffs, today Stefano is a world-class climber with a thirst for adventure. Exploring Europe from his trusty Fiat Ducato, he relies on the Hub 2 activity shelter to help him build the perfect base camp.

What do you enjoy doing?
Climbing, taking pictures and videos, and traveling in my van.

What do you do?
I compete on the World Cup circuit, challenging myself to climb some of the hardest routes across the globe.

What Dometic gear do you use, and how has it helped you?
I've got a Hub 2. It provides instant shelter and shade when we stop to camp and is easy to put up. It's made of recycled plastic bottles. I've also got a portable active cooling box that I use when we travel by car rather than camper van, and an air conditioning unit for when the temperatures soar.

What's your favorite memory from your adventures?
Climbing Perfecto Mundo in Spain and Change in Flatanger, which are two of Europe's hardest routes.

What's the best thing about what you do?
I get to do what I love every day. I live for climbing and climb for a living. It's the perfect combination.

What's your dream trip?
Taking a road trip around America with my girlfriend.

Follow Stefano's journey at
stefanoghisolfi.it

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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 2022, the share price decreased by –43 percent (9). The closing price was SEK 67 (119) on the last business day of the year, corresponding to a market capitalization of SEK 21.5 billion (38.0). The highest price paid in 2022 was SEK 123.20 (157.10) and the lowest price paid was SEK 50.20 (109.00).

A total of 272.2 million shares were traded during the year on Nasdaq Stockholm, with a total value of SEK 20.5 billion, corresponding to an average daily trading volume of 1,076,051 shares.

SHARE CAPITAL AND CAPITAL STRUCTURE

As of December 31, 2022, 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 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 assesses 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. Among other things, the Board of Directors considers the Parent Company's and the Group's historical development, expected future development, and current business environment. For further information, please see page 128.

The Board of Directors proposes a dividend of SEK 1.30 (2.45) per share for 2022, equivalent to a total distribution of SEK 415 million (783). The proposed dividend corresponds to 23 percent (45) of net profit for the period. Based on the Dometic share price at the end of 2022, the dividend yield is 1.9 percent.

SHAREHOLDERS

On December 31, 2022, Dometic had 26,334 shareholders, according to the share register kept by Euroclear Sweden AB. Incentive was the largest shareholder, with 8.0 percent of the shares. Dometic's ten largest shareholders held shares corresponding to 54.6 percent of the shares. Institutional ownership amounted to 82.5 percent of shares.

Of the total number of shares, 41.9 percent was held by Swedish institutional owners. 6.2 percent was held by Swedish private individuals, and the remaining 51.9 percent was held by foreign institutional owners, other and by unknown ownersship.

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 2022, the following analysts had active coverage of Dometic.

ABG Sundal Collier	Fredrik Ivarsson
Berenberg	Trion Reid
Carnegie	Henrik Christiansson
Danske Bank	Daniel Schmidt
DnB	Douglas Lindahl
Handelsbanken	Karri Rinta
Jefferies	Rizk Maidi
Kepler Cheuvreux	Johan Eliasson
Nordea	Agnieszka Vilela
Pareto	Alexander Siljeström
SEB Enskilda	Gustav Hageus

FOR FURTHER INFORMATION

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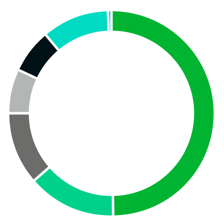
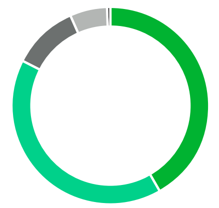
Tel: +46 73 056 97 35
rikard.tunedal@dometic.com

Shareholder countries, % of capital and votes



Shareholder categories



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15 LARGEST SHAREHOLDERS

	Shareholders	Share capital, %	Voting rights, %
1	Incentive AS	8,03	8,03
2	NN Group N.V.	6,91	6,91
3	1832 Asset Management	6,29	6,29
4	Swedbank Robur Funds	5,81	5,81
5	Didner & Gerge Funds	5,55	5,55
6	Nordea Funds	5,37	5,37
7	Alecta Pension Insurance	5,31	5,31
8	Fourth Swedish National Pension Fund	4,04	4,04
9	First Swedish National Pension Fund	3,79	3,79
10	Vanguard	3,53	3,53
11	ODIN Funds	3,09	3,09
12	SEB Funds	2,89	2,89
13	Norges Bank	2,36	2,36
14	Handelsbanken Funds	2,34	2,34
15	Länsförsäkringar Funds	1,58	1,58
Total top 15		66,90	66,90
Others		33,10	33,10
Total		100,00	100,00

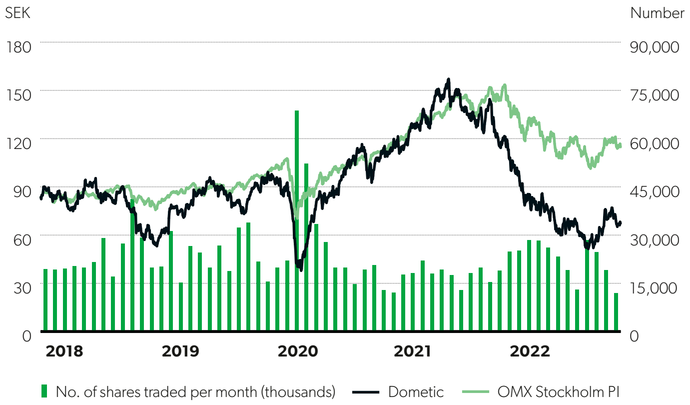
Source: Monitor by Modular Finance AB. Compiled and processed data from various sources, including Euroclear, Morningstar and the Swedish Financial Supervisory Authority as of December 31, 2022.

SHAREHOLDING BY SIZE

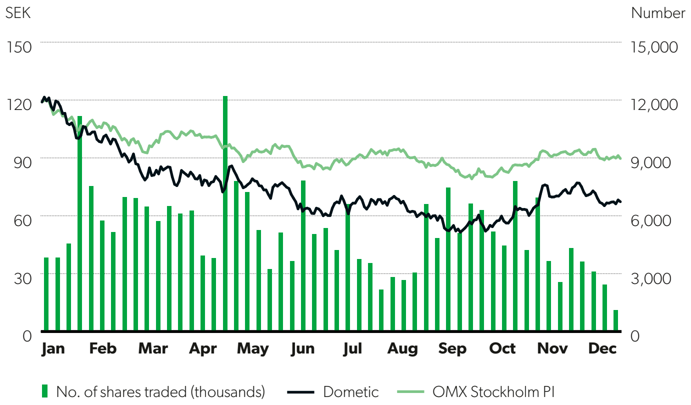
Size class	No. of shares	Capital, %	Votes, %	Number of known owners	Share of known owners, %
1 – 100	465,330	0.15	0.15	12,846	48.78
101 – 200	648,385	0.20	0.20	3,892	14.78
201 – 300	445,689	0.14	0.14	1,684	6.39
301 – 400	396,182	0.12	0.12	1,070	4.06
401 – 500	484,955	0.15	0.15	1,004	3.81
501 – 1,000	1,923,554	0.60	0.60	2,376	9.02
1,001 – 2,000	2,293,306	0.72	0.72	1,478	5.61
2,001 – 5,000	3,757,744	1.18	1.18	1,136	4.31
5,001 – 10,000	2,957,709	0.93	0.93	391	1.48
10,001 – 20,000	2,673,643	0.84	0.84	177	0.67
20,001 – 50,000	3,868,051	1.21	1.21	125	0.47
50,001 – 100,000	2,588,025	0.81	0.81	35	0.13
100,001 – 500,000	17,221,413	5.40	5.40	66	0.25
500,001 – 1,000,000	12,159,569	3.81	3.81	16	0.06
1,000,001 – 5,000,000	52,712,201	16.51	16.51	23	0.09
5,000,001 – 10,000,000	39,177,530	12.26	12.26	5	0.02
10,000,001 – 20,000,000	106,740,133	33.41	33.41	7	0.03
20,000,001 –	67,819,107	21.23	21.23	3	0.01
Unknown holding size	1,167,467	0.34	0.34	0	0.00
Total	319,499,993	100.00	100.00	26,334	100.00

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, 2022.

SHARE PRICE DEVELOPMENT 2018–2022



SHARE PRICE DEVELOPMENT 2022



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CONTENTS

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, 2022.

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. 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. Millions of people around the world use Dometic's products primarily in outdoor, but also in residential and professional applications. Dometic employs 8,500 people worldwide, had net sales of SEK 29.8 billion in 2022 and is headquartered in Stockholm, Sweden.

Dometic operates 24 manufacturing and assembly sites in 11 countries with sales in approximately 100 countries. The Group is organized into five segments: Americas, EMEA (Europe, Middle East and Africa), APAC (Asia Pacific), Marine and Global (consists of subsegments Other global verticals and Igloo).

Significant events in the fiscal year

Organization

Eric B. Fetchko was appointed as President of segment Marine as of February 1, 2022.

Brian Garofalow was appointed as new CMO for Dometic as of April 1, 2022.

Jenny Evelius was appointed as new Head of Group HR for Dometic as of January 1, 2023, replacing Silke Ernst who left Dometic on October 13, 2022.

Macroeconomic environment

2022 was impacted by geopolitical uncertainty, high inflation, increasing interest rates and high retail inventories. While closely monitoring and acting on short-term market developments, Dometic continued to drive its strategic agenda to deliver on its targets.

Dometic follows the development in Ukraine as well as in all neighboring countries and will take necessary actions needed to protect employees and the Group. Dometic has stopped all business activities in Russia and as a consequence SEK –22 m mainly related to write down of assets were recorded in the first quarter 2022.

Supply chain disturbances including rising raw material prices and freight costs, as well as availability of critical components and transport capacity, continues to impact profitability and cash flow. Mitigating actions from Dometic to safeguard Company profitability and cash flow includes price increases as well as close collaboration with suppliers and freight partners.

Acquisitions

Dometic completed three acquisitions during the year. For more details, see note 29 on page 125.

Additional global restructuring program

Dometic has two global restructuring programs running. The first program was initiated in 2019 targeting an annual saving of SEK 400 m to be fully realized by mid 2023 with a total cost estimated to SEK 750 m. An additional program was announced in the second quarter of 2022, targeting an annual saving of SEK 200 m to be fully realized by the end of 2023 with a total cost estimated to SEK 200 m.

SEK 1 b bond signed

A three-year private placement bond of SEK 1 b at a rate of 5.1 percent was signed and completed in the second quarter of 2022.

Class action complaint closed with no liability for Dometic

A federal court in Florida dismissed an alleged class action complaint against Dometic with prejudice. The case had been pending since 2016. Dometic always remained firm in its position that the allegations were without merit. The case was closed in the fourth quarter of 2022 with no liability for Dometic.

Lawsuit filed by ACON

ACON, the seller of Igloo, filed a lawsuit against Dometic in the fourth quarter of 2022, making certain claims related to the Stock Purchase Agreement ("SPA"). Dometic is confident that the lawsuit lacks any merit, is vehemently contesting this lawsuit and has filed a motion to dismiss the case. See note 24.

Business, result and financial position at Dometic

In a challenging macroenvironment impacted by geopolitical uncertainty, high inflation, increasing interest rates and high retail inventories, Dometic delivered record-high net sales of SEK 29,764 m (21,516) and EBITA[1)] of SEK 3,931 m (3,348). Net sales growth was 38 percent, of which organic growth was –3 percent and growth from M&A was 30 percent supported by ten acquisitions completed during the last two years. The acquired Igloo business had, as expected at the time of the transaction, a dilutive effect on the Group EBITA margin. EBITA margin before items affecting comparability was 13.2 percent (15.6). Earnings per share were SEK 5.58 (5.58). Adjusted[1)] Earnings per share were SEK 8.32 (6.75). Operating cash flow improved to SEK 2,268 m (1,749). The Net debt to EBITDA leverage ratio was 3.0x (2.6x) at year end. 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 a high pace.

Net sales

Net sales totaled SEK 29,764 m (21,516), a net sales growth of 38 percent, of which –3 percent organic growth, 11 percent currency translation and 30 percent M&A. All segments reported net sales growth in 2022. The organic net sales decline was mainly driven by segment Americas, while segments Marine and Global reported organic net sales growth. Organic net sales declined in sales channel Service & Aftermarket as retailers globally were rebalancing their inventory levels.

Segment Americas reported net sales of SEK 6,780 m (5,970). Total growth was 14 percent, of which –15 percent organic growth, 17 percent currency translation and 12 percent M&A. Net sales growth in application areas Climate, Power & Control and Other applications were partly offset by decline in application area Food & Beverage. The organic net sales decline was driven by lower Service & Aftermarket net sales.

Segment EMEA reported net sales of SEK 7,970 m (6,981). Total growth was 14 percent, of which –2 percent organic growth, 5 percent currency translation and 11 percent M&A. Net sales growth was driven by application areas Food & Beverage, Climate and Power & Control. The organic net sales decline was driven by lower Service & Aftermarket net sales.

Segment APAC reported net sales of SEK 2,231 m (1,961). Total growth was 13 percent, of which –4 percent organic growth, 9 percent currency translation and 8 percent M&A. Net sales growth was driven by application area Power & Control, however all application areas showed net sales growth. The organic net sales decline was mainly due to lower Distribution net sales.

Segment Marine reported net sales of SEK 6,695 m (5,404). Total growth was 24 percent, of which 8 percent organic growth, 13 percent currency translation and 3 percent M&A. Net sales growth was driven by application area Power & Control. The organic net

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

sales growth was driven by strong development in the OEM sales channel. This was partly offset by lower Service & Aftermarket net sales.

Segment Global reported net sales of SEK 6,086 m (1,201). Total growth was 407 percent, of which 4 percent organic growth, 17 percent currency translation and 386 percent M&A. The organic net sales growth was driven by the Hospitality business.

Sales and administration

Sales and administrative expenses were SEK –3,561 m (–2,679). The increase was due to acquisitions. Sales and administrative expenses in percent of net sales corresponds to 12.0 percent (12.5).

Research and development

Research and development expenses were SEK –531 m (–412). In addition, Research and development expenses of SEK –36 m (–11) were capitalized in the year. In total, this corresponds to 1.9 percent (2.0) of net sales.

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

EBITA[1] was SEK 3,931 m (3,348). The corresponding margin was 13.2 percent (15.6). The acquired Igloo business had, as expected at the time of the transaction, a dilutive effect on the Group EBITA margin. In addition, the margin was negatively impacted by the sales mix, with a lower share of Service & Aftermarket net sales. Furthermore the margin was negatively impacted by extraordinary logistic-related costs in EMEA. Currency effects had a positive impact on the margin. The gross impact from tariffs was SEK –163 m (–189).

Items affecting comparability

Items affecting comparability totaled SEK –532 m (–123) and were mainly related to activities in the previously announced global restructuring programs. This included a provision for the announced closure of the manufacturing operations in Siegen, Germany.

Amortization of acquisition-related intangible assets

Amortization of acquisition-related intangible assets increased to SEK –611 m (–369) as a consequence of the acquisitions made in 2021 and 2022.

Operating profit (EBIT)

Operating profit (EBIT) was SEK 2,789 m (2,855). The corresponding EBIT margin was 9.4 percent (13.3). The margin was negatively impacted by a lower EBITA[1] margin, by increased items affecting comparability and by increased amortization of acquisition-related intangible assets.

Segment Americas operating profit (EBITA) before amortization of acquisition-related intangible assets and items affecting comparability was SEK 330 m (398), corresponding to a margin of 4.9 percent (6.7). The sales mix, with a lower share of Service & Aftermarket, had a negative impact on the margin. This was partly offset by currency effects. Items affecting comparability totaled SEK –151 m (–55) and were mainly related to activities in the global restructuring programs. Amortization of acquisition-related intangible assets totaled SEK –118 m (–97). Operating profit (EBIT) was SEK 61 m (246), corresponding to a margin of 0.9 percent (4.1).

Segment EMEA operating profit (EBITA) before amortization of acquisition-related intangible assets and items affecting comparability was SEK 838 m (948), corresponding to a margin of 10.5 percent (13.6). The margin was negatively impacted by the sales mix with a lower share of Service & Aftermarket net sales and by inefficiencies in manufacturing. In addition, extraordinary logistics-related costs, as a consequence of the congestions and lead times in the supply chain combined with a decline in market demand, had a negative impact on the margin. Items affecting comparability totaled SEK –370 m (–28) and were mainly related to activities in the global restructuring programs. Amortization of acquisition-related intangible assets totaled SEK –74 m (–46). Operating profit (EBIT) was SEK 394 m (874), corresponding to a margin of 4.9 percent (12.5).

Segment APAC operating profit (EBITA) before amortization of acquisition-related intangible assets and items affecting comparability was SEK 555 m (525), corresponding to a margin of 24.9 percent (26.8). EBITA in 2021 was positively impacted by a gain from sale of fixed assets of SEK 21 m. Currency effects had a positive impact on the margin. Items affecting comparability totaled SEK –4 m (–). Amortization of acquisition-related intangible assets totaled SEK –21 m (–15). Operating profit (EBIT) was SEK 531 m (510), corresponding to a margin of 23.8 percent (26.0).

Segment Marine operating profit (EBITA) before amortization of acquisition-related intangible assets and items affecting comparability was SEK 1,743 m (1,375), corresponding to a margin of 26.0 percent (25.4). The improvement was supported by net sales growth and currency effects, partly offset by the sales mix with a lower share of Service & Aftermarket net sales. Items affecting comparability totaled SEK –1 m (–33). Amortization of acquisition-related intangible assets totaled SEK –202 m (–171). Operating profit (EBIT) was SEK 1,541 m (1,171), corresponding to a margin of 23.0 percent (21.7).

Segment Global operating profit (EBITA) before amortization of acquisition-related intangible assets and items affecting comparability was SEK 464 m (102), corresponding to a margin of 7.6 percent (8.5). The acquired Igloo business was the driver for the increased operating profit, but had, as expected at the time of the transaction, a dilutive effect on the EBITA margin for segment Global. Other global verticals EBITA margin was in line with last year. Items affecting comparability totaled SEK –7 m (–9). Amortization of acquisition-related intangible assets totaled SEK –196 m (–41). Operating profit (EBIT) was SEK 262 m (52), corresponding to a margin of 4.3 percent (4.3).

Global restructuring programs

Total costs for the two global restructuring programs amounted to SEK –499 m (–86). Two additional sites and more than 900 additional employees were affected. Since the start, 24 sites and more than 1,700 employees have been affected with a total cost of SEK –817 m.

Financial items

Financial items totaled a net amount of SEK –351 m (–499), including SEK –531 m (–374) in interest on external bank loans. Other FX revaluations and other items amounted to SEK 135 m (–138) and financial income amounted to SEK 45 m (13).

Taxes

Taxes totaled SEK –654 m (–630), corresponding to 27 percent (27) of profit before tax. Current tax amounted to SEK –723 m (–715) and deferred tax to SEK 70 m (84). Paid tax was SEK –991 m (–1,009), corresponding to a paid tax rate of 41 percent (43). Paid tax was impacted by deferred tax payments related to previous years.

Profit for the year

Profit for the year was SEK 1,784 m (1,726).

Operating cash flow

Operating cash flow was SEK 2,268 m (1,749). The improvement was driven by improved cash flow from operations, partly offset by increased investments in fixed assets. Inventory levels remained high due to longer than normal supply lead times, increased raw material prices and reduced demand during the year. Inventory levels declined and operating cash flow improved significantly in the second half of the year.

Investments

Total investments in both intangible and tangible fixed assets amounted to SEK 593 m (413), corresponding to 1.9 percent (1.9) of net sales. The increase is partly a result of acquisitions. Investments in tangible fixed assets amounted to SEK 516 m (380) of which SEK 112 m (86) refers to machinery, equipment and tools, SEK 7 m (8) to buildings and SEK 397 m (286) to construction in progress and advance payments. Investments in intangible fixed assets amounted to SEK 77 m (34).

The investments related to acquisitions during the year have increased the intangible assets in the balance sheet by SEK 792 m (10,243), mainly good-

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

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will, and the tangible assets in the balance sheet by SEK 35 m (1,478).

Acquisition of operations amounted to SEK –847 m (–8,555). For more details, see note 29 on page 125.

Cash flow from financing and financial position

Cash flow from financing, including paid interest, amounted to SEK –570 m (4,028). The amount included a dividend payout of SEK –783 m (–680) and a SEK 1 b three-year private placement bond at a rate of 5.1 percent that was signed and completed in the second quarter of 2022. Net paid interest/received interest amounted to SEK –489 m (–381), and other financing activities to SEK 45 m (–74). Payment of lease liabilities related to lease agreements (IFRS 16) amounted to SEK –343 m (–225).

Interest-bearing liabilities, excluding pension provisions, amounted to SEK 18,643 m (16,099). The debts are expressed in SEK, EUR and USD. The average time to maturity at the end of 2022 was 2.8 years.

Group cash and cash equivalents at year-end amounted to SEK 4,399 m (4,408). In addition, the Group has unutilized loan facilities under the revolving credit facility of SEK 2,170 m (2,058), and unutilized local loan facilities of SEK 244 m (213). The Senior Credit Facilities agreement ("SFA"), the EKN-guaranteed facility and the bonds issued under the EMTN-program may be terminated 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 SFA and EKN financing 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 was 46 percent (43) at year end. Net debt to EBITDA leverage ratio was 3.0x (2.6x) at year end.

Financial instruments

Dometic Group uses currency forward contracts to hedge forecasted future cash flows in foreign currency, interest rate swaps to hedge future floating rate interest payments, and loans in foreign currency to hedge the translation risk from net investments in foreign operations.

The fair values of Dometic's derivative assets and liabilities were SEK 147 m (119) and SEK 111 m (13), 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.

Other current and non-current liabilities referring to holdbacks and potential earnouts related to acquisitions are fair valued based on management's best estimate of future outcome and belong to level 3 in the fair value hierarchy.

For financial assets and liabilities other than derivatives and deferred considerations, 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 2022, the parent Company Dometic Group AB (publ) had an operating profit (loss) of SEK –3 m (–2), including administrative expenses of SEK –228 m (–282) and other operating income of SEK 225 m (280), of which the full amount relates to income from subsidiaries.

Profit (loss) from financial items amounted to SEK 6 m (33), including interest income from subsidiaries of SEK 509 m (191), interest expenses to subsidiaries of SEK - m (–1) and other financial income and expenses of SEK –503 m (–156).

Profit (loss) for the year amounted to SEK –11 m (278).

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 and/or warrants and/or convertibles in Dometic Group AB (publ)

The board of directors proposes that the 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 and/or warrants and/or convertibles 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 or otherwise on special conditions. The total number of shares that may be issued and the total number of shares that shall be possible to subscribe/convert to under the authorization shall in total 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 on an issue.

The purpose of the authorization, and the reasons for any deviation from the shareholders' pre-emptive right, is to increase the Company's financial flexibility. Should the board of directors resolve on an issue with deviation from the shareholders' pre-emptive right, the reason shall be to enable the Company to finance the operations or to strengthen the balance sheet in a fast and efficient way, acquire companies, businesses or parts thereof with payment in own shares, warrants and/or convertibles, secure financial capacity for current or future possible acquisitions of companies, businesses or parts thereof and/or to enable a broadening of the ownership of the Company. The issue price shall be determined in accordance with prevailing market conditions.

Significant events after the reporting period

Brian Garofalow, Dometic CMO, left the Company on January 6, 2023 for another external assignment. An interim CMO has been appointed and the recruitment process for a permanent CMO has started.

There have been no 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:

- Average annual 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 to EBITDA leverage ratio around 2.5x.
- Dividend of at least 40 percent of net profit for the period.

Employees and remuneration

Number of employees

The average number of employees in terms of headcount was 8,834 (7,650). The increase is coming from acquisitions.

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 did not propose any amendments to the guidelines before the annual shareholders' meeting 2021 and 2022 respectively, consequently 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, Dometic is leveraging its full strengths as a global Company and industrializing Dometic whilst maintaining a 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 EBITA, 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 amount for the CEO to a maximum of 75 percent of the base salary and for the other members of Group Management 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.

Sustainability and environmental impact

For more information on the Dometic Group and sustainability, read the full sustainability report on pages 32–44. This is the statutory sustainability report in accordance with the Swedish Annual Accounts Act. See pages 132–143 for the sustainability notes. For information on subsidiaries in the Group, see note 26.

Dometic conducts activities subject to notification to and permission from authorities in Tidaholm, Sweden, in the form of devices containing enclosed radiation sources and storage of flammable goods. The business has the necessary permits, and no permit processes are ongoing. No changes are planned in the business that affect the permits and no violations have occurred during the year. Dometic's dependence on the activity subject to notification and authorization is not significant.

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, 2022 Dometic had 26,334 shareholders according to the share register kept by Euroclear Sweden AB. Of the total number of shares, 41.9 percent was held by Swedish institutional owners, 6.2 percent was held by Swedish private individuals and the remaining 51.9 percent was held by foreign institutional owners, other and by unknown ownership. Incentive was the largest shareholder, with 8.0 percent of the shares and 8.0 percent of the corresponding voting rights. NN Group N.V. was the second-largest shareholder, with 6.9 percent of the shares and 6.9 percent of the correponding voting rights. The ten largest shareholders accounted for 54.6 percent of the shares and 54.6 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	12,069,829
Profit for the year	–10,867
Total	12,058,962

For the Board of Directors justification of dividend, see page 128.

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

A dividend to the shareholders of SEK 1.30 per share, totaling	415,350
To be carried forward	11,643,612
Total	12,058,962

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 to. 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 17.

During 2022 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.

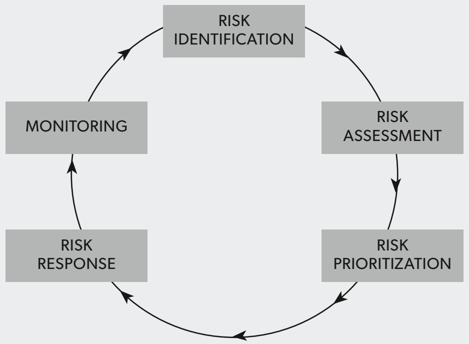
The Risk Committee, which comprises the members of Group Management, held meetings in connection with Group Management meetings, during which significant time was dedicated to plan for and present results from risk assessments as well as review of risk mitigating actions.

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.

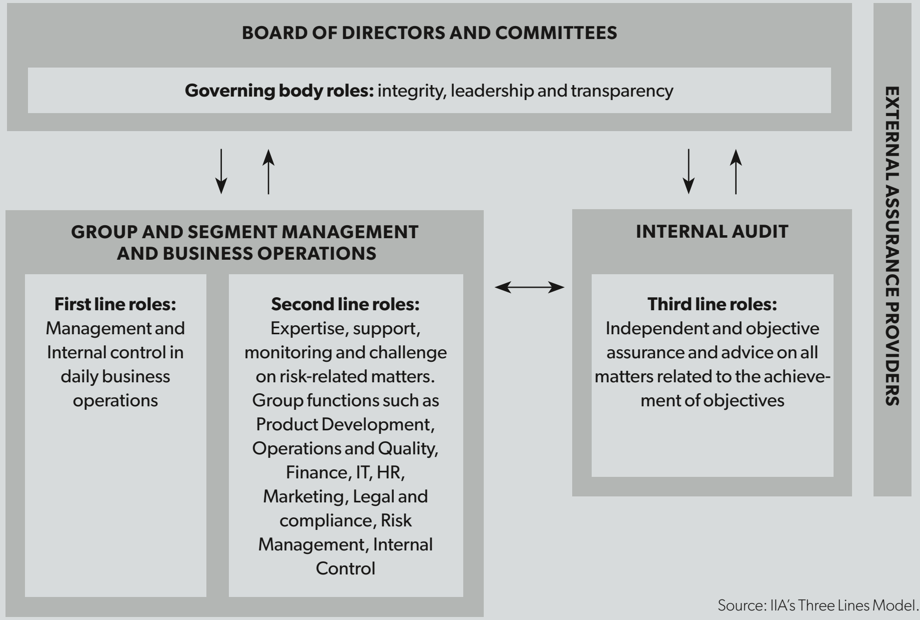
With strategic, execution, compliance & regulatory and reporting risks identified and assessed annually, the results thereof in terms of risk registers and risk maps help raise risk awareness and support management and the business operations at different levels of the organization in prioritization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



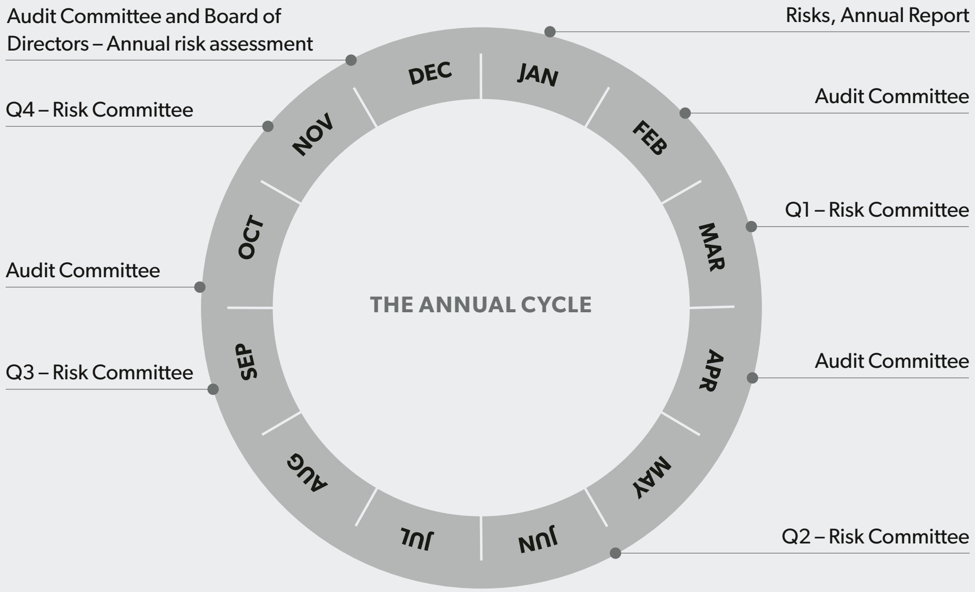
Dometic Three Lines Model



Source: IIA's Three Lines Model.

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.

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 lifecycle 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, inflation, sourcing 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 and sourcing risk, as an effect of the development in Ukraine.

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 impact the business and operations. The current pandemic situation in China is closely monitored.

Dometic continues to follow the development in Ukraine as well as in all neighboring countries and will take necessary actions needed to protect employees and the Group. Dometic has stopped all business activities in Russia and as a consequence SEK –22 m mainly related to write down of assets were recorded in the first quarter of 2022.

The current macroeconomic situation brings uncertainty, and it is difficult to predict how geopolitical developments and increased inflation will impact the business. Dometic is actively working to balance capacity and resources with demand across the organization. While closely monitoring and acting on short-term market developments, Dometic will continue to implement its strategic agenda to deliver on its targets.

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, 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, internal controls, 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 asset risks. For more information on financial risks and risk management, see Note 3 financial risk management and financial instruments on page 94.

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 include 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 74.

Reporting risks

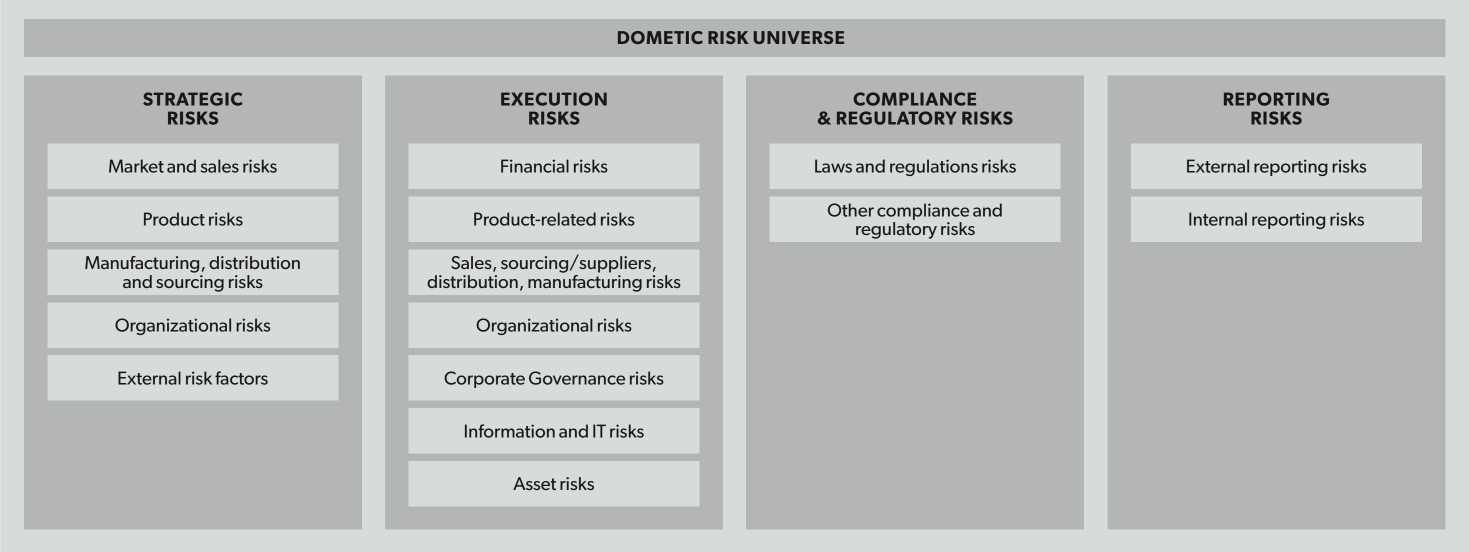
Reporting risks are risks associated with Dometic's reporting, information and communication, both financial and non-financial. Reporting risks are divided into the following subcategories:

- 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 74.



DOMETIC'S CLIMATE ROADMAP (TCFD)

Risk and opportunities in accordance with TCFD

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. The Company shall therefore meet the growing demand for a mobile living lifestyle while continuously reducing its carbon footprint.

In 2021, Dometic began to apply the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) framework and developed climate scenarios to understand and quantify the potential financial impact of transition risks and physical risks that may impact its operations. The energy efficiency of production and the product-use phase have long been key priorities that contribute to reducing the environmental impact of Dometic and its customers. 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 Group 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 targets for 2024 and corresponding key activities aim to reduce the emissions from scope 3, represented by the product lifecycle. These targets are related to energy efficiency in the use phase, extending expected lifetime, and increasing the use of recycled materials.

Applying the TCFD framework gives stakeholders a better understanding of the potential financial consequences of climate change and what Dometic is doing to develop strategies to manage these consequences.

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

Sustainability is the foundation of Dometic's strategy and an integrated part of the business that is found throughout the Group's strategic priorities. Integrating sustainability into the business leads to setting challenging climate targets that affect decisions throughout the entire value chain. Priorities for sustainability efforts are set by the Sustainability Team with input from the segments and other relevant stakeholders. Dometic's sustainability efforts are linked to several of the UN SDGs (see page 34), with the ambition to align with the Paris Agreement and keep the average increase in global temperature well below 2° Celsius. Below are examples of how sustainability is integrated and accounted for through the Group's strategy.

- 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, for example, mobile power solutions.
- Offer innovative, durable, circular, low-carbon products.
- Minimize climate impact, increase resource efficiency, and support circularity in operations.
- Further develop the Service & Aftermarket business to extend the expected product lifetime through service, preventive maintenance, spare parts, and upgrade kits.
- Consider environmental impact and sustainability opportunities in acquisitions, divestments, and investments.

Governance

The sustainability team and Group Management regularly review the effectiveness of implemented measures. For more information on the governance structure and related policy documents, see page 132.

Climate-related risks and opportunities

Potential risks associated with the transition to a low-carbon economy include both changing consumer preferences and stricter laws, rules and regulations. These risks may also prove to be opportunities for Dometic in the form of increased market share, higher competitiveness, and profitability through a successful transition process.

Climate-change-related risk management is integrated into Dometic's risk governance. Physical risks and transition risks are considered within the risk framework, both from a strategic and an execution perspective, see page 63–67. Dometic aims to continue to integrate climate issues into risk and decision-making processes in order to further spread knowledge of climate change within the Company, in order to become more agile in relation to the financial consequences of climate-related risks.

In 2021, Dometic approached the risks and opportunities of climate change through scenario analysis, as recommended in the TCFD framework. A ten-year perspective was used to draw conclusions on the potential future impact on Dometic. This approach helps to identify, manage, and minimize risks on a deeper level, and to take the correct and necessary actions as well as estimate and reduce the negative financial impact. Understanding how risks and opportunities are managed within operations can contribute to achieving a competitive advantage for Dometic. The risks are multifaceted and involve both transition risks that arise as a result of adapting to a more sustainable business and the physical risks of climate change.

Physical risks

Physical risks are associated with climate and weather-related events such as heat stress, fires, and floods. These events may have both direct financial consequences in the form of property damage and indirect financial consequences from lost or more expensive deliveries of goods. Physical risks in Dometic's operations are managed within the Loss Prevention Standard (LPS) framework and assessments are performed by a third party. The LPS assessment covers risks related to both internal and external environments, such as fire, earthquakes, and flooding, which would impact daily operations if they occurred.

Transition risks

Climate-related transition risks and opportunities are risks that may arise during the conversion to a climate-neutral economy. These risks are likely to impact Dometic in the form of new legislative requirements concerning products as well as operations and developments in technology and changing market conditions.

SCENARIO ANALYSIS

Dometic has approached climate-related risks and opportunities, and the potential impact on Dometic's financial result, by means of scenario analysis as recommended by the TCFD framework. Below is 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)]

"Scenario 1 - Rapid transition"
1.5–2 degree temperature increase by 2100

Description: Global warming is limited to no more than 2°C through collaboration between governments, industries, and companies. Individuals push for tougher legislation and green innovation, and increase 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 materials, energy sources, and the environmental performance of products.
- Higher costs for goods sold due to price increases on raw materials, energy, and distribution, as well as higher carbon taxes.
- Increased costs for facilities due to changing weather conditions.
- Changed consumption patterns.

Opportunities
- Competitive advantage through Dometic's long-term efforts to achieve more efficient resource use and a lower 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 degree 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. 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. Millions of people around the world use Dometic's products primarily in outdoor, but also in residential and professional applications. Dometic employs 8,500 people worldwide, had net sales of SEK 29.8 billion in 2022 and is headquartered in Stockholm, Sweden.

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, system of internal controls 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 2022. 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 2022.

Highlights 2022

Re-election of Fredrik Cappelen as the Chairman of the Board. The appointment of Jenny Evelius, Eric B. Fetchko and Brian Garofalow as members of Group Management.

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.dometicgroup.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

Applicable laws, rules and regulations, examples	Internal regulations in terms of Dometic's internal 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).

Menu

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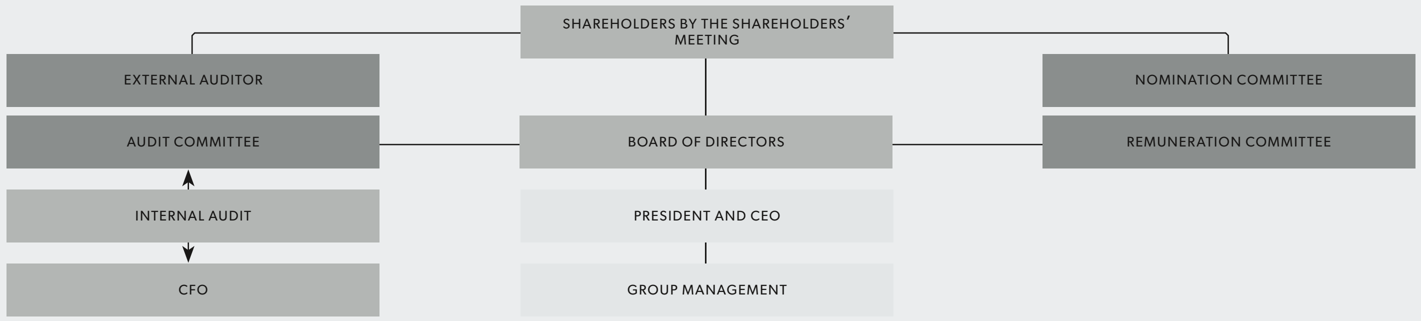
Dometic's corporate governance structure



Dometic Three Lines Model

(Source: IIA's Three Lines Model).

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 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 2022

The 2022 annual shareholders' meeting of the Company was held at Clarion Hotel Sign, Östra Järnvägsgatan 35, SE-111 20 Stockholm, Sweden, on April 13, 2022. The shareholders were also able to exercise their voting rights by voting in advance of the meeting (postal voting), in accordance with the Articles of Association. 320 shareholders representing a total of 71.3 percent of the votes were represented at the meeting.

Decisions at the 2022 annual shareholders' meeting included:

- Adoption of statutory financial statements for the financial year 2021.
- Approval of a dividend to shareholders of SEK 2.45 per share for fiscal year 2021. The record date for the dividend was set for April 19, 2022. The dividend was paid out to shareholders on April 22, 2022.
- Discharge from liability of the individual Board members and the CEO.
- Re-election of the Board members: Fredrik Cappelen, Erik Olsson, Heléne Vibbleus, Jacqueline Hoogerbrugge, Magnus Yngen, Mengmeng Du, 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.
- Approval of remuneration to the Board members, the Chairman of the Board and the external auditor.
- Approval of the Board's remuneration report.
- Authorization for the Board to issue new shares in the Company.

Annual Shareholders' Meeting 2023

The 2023 annual shareholders' meeting of the Company shall be held on Wednesday, April 12, 2023, 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.dometicgroup.com.

Nomination Committee

The 2021 annual shareholders' meeting resolved to adopt the following principles for the appointment and work of the Nomination Committee, applicable until further notice.

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.dometicgroup.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.dometicgroup.com.

Nomination Committee for the 2022 Annual Shareholders' Meeting

The Nomination Committee for the 2022 annual shareholders' meeting comprised four members. Mr. Magnus Billing (Alecta Pension Insurance) was the Chairman of the Nomination Committee.

For the proposal for the 2022 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.

The Nomination Committee proposed re-election of all Board members: Fredrik Cappelen, Erik Olsson, Heléne Vibbleus, Jacqueline Hoogerbrugge, Magnus Yngen, Mengmeng Du, Peter Sjölander and Rainer Schmückle and the re-election of Fredrik Cappelen as the Chairman of the Board. After the election at the 2022 annual shareholders' meeting, three out of eight Board members are women.

Nomination Committee for the 2023 Annual Shareholders' Meeting

The Nomination Committee for the 2023 annual shareholders' meeting is based on the ownership in the Company as of August 31, 2022. The composition of the Nomination Committee was announced on the Group's website, www.dometicgroup.com on October 10, 2022, i.e. six months before the 2023 annual shareholders' meeting, in accordance with the Code's announcement requirement.

The Nomination Committee's members are: Mr. Magnus Billing (Alecta Pension Insurance), Mr. Niklas Antman (Incentive AS), 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, 2022
Niklas Antman	Incentive AS	7.4%
Magnus Billing	Alecta Pension Insurance	6.7%
Monica Åsmyr	Swedbank Robur Funds	5.1%
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 of the Board 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 pages77–78.

The information is updated regularly on the Group's website, www.dometicgroup.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 2022 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 2022 annual shareholders' meeting resolved to appoint the Board members in accordance with the Nomination Committee's proposal. After the election at the 2022 annual shareholders' meeting, three out of eight Board members are women (37.5 percent).

The above-mentioned application of the Diversity Policy has also been made in respect of the Nomination Committee's preparation of the proposals for the 2023 annual shareholders' meeting.

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 regulations in terms of Dometic's governing documents ("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 2022

During the year, the Board held 13 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 2022 included:

- Strategy implementation.
- Monitoring emerging uncertainties, Risk assessments and Contingency plans.
- Organizational changes.
- Restructuring program.
- Sustainability.
- Cost reduction and price increase activities.
- Integration of acquired businesses including visit to the acquired Igloo business in the U.S.
- Funding strategy, expansion of financing sources and cash flow.

Ensuring Quality in Financial Reporting

The Rules of Procedure for the Board of Directors and the Instructions for the reporting of financial situation of Dometic Group AB (publ) and the Dometic Group 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 74.

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 2022 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 Board 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 2022. For an overview of remuneration to the Board members and the Chairman of the Board please see the table below.

Remuneration to the Board 2022 and 2021 (applicable from the respective annual shareholders' meeting)

SEK	2022	2021
Chairman of the Board	1,250,000	1,100,000
Board member	460,000	450,000
Chairman of the Audit Committee	160,000	150,000
Member of the Audit Committee	80,000	75,000
Chairman of the Remuneration Committee	103,000	100,000
Member of the Remuneration Committee	52,000	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 power as set out in the respective Instructions or in a specific authorization by the Board in an individual case. 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, and internal governing documents, as well as monitoring that the Company and the Group has an appropriate system of internal controls and risk management. As of the 2022 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 independence as stipulated in the Code.

At least four (4) meetings are held annually. Additional meetings are held if required. In 2022, the Audit Committee held 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 and Internal Control, Risk Management, Accounting, Business Control, Tax, Treasury, Investor Relations as well as IT participated in the Audit Committee meetings. The external auditor participated in the ordinary Audit Committee meetings. The Dometic Group General Counsel serves as secretary at 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 reports and the consolidated financial reports 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

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integrity of the financial reporting and of the role of the Audit 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 2022, 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. Moreover, 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 the other members of 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 the other members of Group Management. The Remuneration Committee also monitors the application of the Guidelines for remuneration for the CEO and the other members of Group Management adopted by the annual shareholders' meeting.

As of the 2022 annual shareholders' meeting, the Remuneration Committee comprises three members: Erik Olsson (Chairman), Fredrik Cappelen and Rainer Schmückle. At least two (2) meetings are held annually. Additional meetings are held if required.

In 2022 the Remuneration Committee held 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 the other members of 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 approve changes for the other members of Group Management.
- To monitor and evaluate programs for variable remuneration, both ongoing and those that have ended during the year, for the CEO and the other members of Group Management.
- To monitor and evaluate compliance with the Guidelines for remuneration for the CEO and the other members of 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 four segment presidents and the additional five 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 2022 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 779,995 shares in the Company as of December 31, 2022. For details regarding members of Group Management, see pages79–80. The information is updated regularly at the Group's website www.dometicgroup.com.

Changes in Group Management during 2022

Eric B. Fetchko was appointed President of segment Marine and a member of Group Management as of February 1, 2022. Furthermore, on April 1, 2022, Brian Garofalow was appointed Chief Marketing Officer and a member of Group Management. Silke Ernst left the Company as of October 13, 2022 and Jenny Evelius was appointed Head of Group HR, starting on January 1, 2023.

Remuneration for the CEO and Group Management

Guidelines for remuneration for the CEO and the other members of 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 the 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 the other members of 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 the other members of Group Management can be found on the Group's website, www.dometicgroup.com.

External auditor

The 2022 annual shareholders' meeting re-elected PricewaterhouseCoopers AB (PwC) as the Company's external auditor for a one-year period until the 2023 annual shareholders' meeting. Authorized Public Accountant Patrik Adolfson 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 2022 annual shareholders' meeting, the external auditor's fee until the 2023 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 and 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 performance supporting material.

During 2022 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 63.

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

The Group's control functions i.e. the Internal Audit function and the Internal Control function are organized under one lead, the Head of Internal Audit and Internal Control, with different functional reporting lines, to the Audit Committee Chairman for the Internal Audit function to ensure its independence, and to the CFO for the Internal Control function.

Internal Control

Internal Control is a Group function within Dometic that shall 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 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 2022, 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 was started of the MICR self-assessments on selected legal entities and for selected controls which were performed by the segment Internal Control Coordinators and the Internal Audit function, which was continued in 2022.

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 for the Board, primarily through its 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. 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. The Internal Audit function 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 prepares an annual Internal Audit plan, including segment annual Internal Audit plans, utilizing a risk-based approach. The results of the annual risk assessment described in the section Risks and Risk Management on pages 63–65, serve as input to the Internal Audit plans, which means that the plans are directly linked to these annual risk assessment results with risk maps. 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.

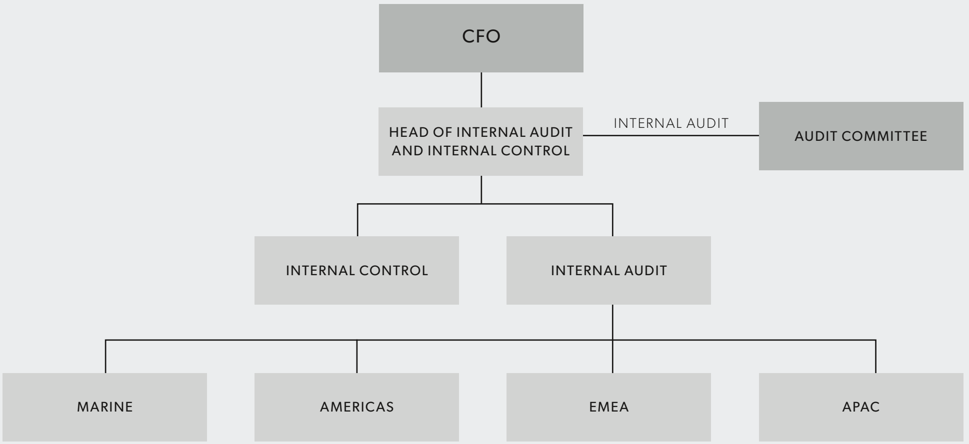
Internal audits are conducted based on a defined Internal Audit process comprising the activities e.g. internal audit announcement, communication of information requests, field work and issuance of a formal internal Audit Report, with recommendations, and subsequent following up on agreed action plans and deadlines in response to the recommendations to verify their status of implementation.

The Internal Audit reports are distributed to different organizational levels and legal entities both at Segment and Group levels as applicable, along with a separate report to the Audit Committee.

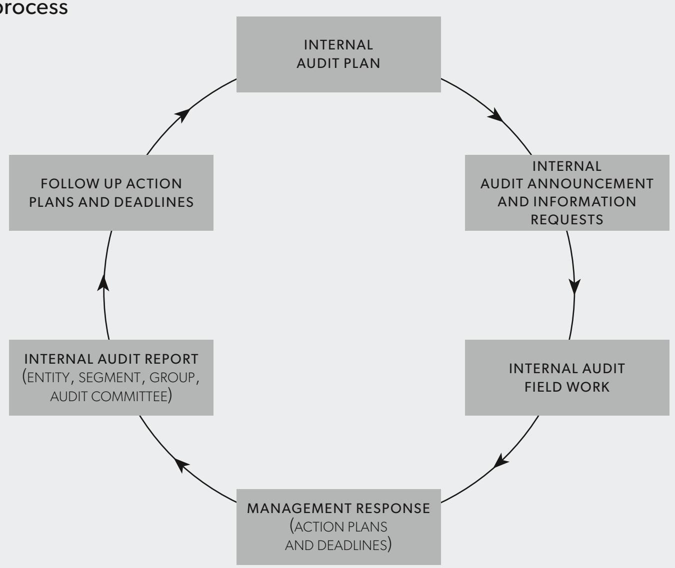
The Internal Audit methodology includes data analytics as a means of assessing and testing large data populations for selected internal audits, to increase coverage, identify abnormalities and increase testing efficiency.

The COVID-19 pandemic had still an impact on the Internal Audit work in the Segment APAC in 2022. For this Segment 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´s internal audit and internal control functions



Internal audit process



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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, Ideal of Sweden AB, Rossignol Group S.A. and Zacco AS. 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, Terveystalo Oy and KonfiDents GmbH. 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: 13/13

Remuneration Committee attendance: 4/4

Holdings in Dometic: 923,740[1)]

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

[1)] Through legal entity.

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 Clas Ohlson, Tryg and Swappie.

Previous positions: Member of the Swedish National Innovation Council. Board member of Netonnet, Saminvest, 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: 12/13

Holdings in Dometic: 2,500

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 Broadview B.V., BA Glass I- Serviços de Gestão e Investimentos S.A. and Koninklijke jumbo Food Groep B.V.

Previous positions: President Operations of Cloetta. Member of the board of directors of Swedish Match AB, IKEA Industries AB and 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.

Board meeting attendance: 13/13

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 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: 12/13

Remuneration Committee attendance: 4/4

Holdings in Dometic: 32,000

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: 12/13

Remuneration Committee attendance: 2/4

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 Holding I AB, Eton Holding III AB, Eton Group AB and Eton AB, Grundéns 1911 Holding AB and Grundéns Rainwear AB and Super Dry Plc. Board Member of R&R AS.

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 Fiskars Oy, Helly Hansen Group AS, Swims AS, Stokke AS, BTX Group A/S, OBH Nordica Group AB, Varier AS, Fit Flop Ltd, F&S Ltd and Stadium AB. Senior advisor to F&S (London, UK).

Board meeting attendance: 13/13

Holdings in Dometic: 22,000[1)]

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 of Segulah Medical Acceleration AB.

Previous positions: Member of the board of directors of Trelleborg AB, TradeDoubler AB, Scandi Standard AB, Marine Harvest ASA (Norway), Renewable Energy Corporation ASA (Norway), Orio AB, Swedbank Sjuhärad AB and of 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: 13/13

Audit Committee attendance: 6/6

Holdings in Dometic: 5,000

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.

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: 13/13

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.

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GROUP MANAGEMENT

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: 779,995[1)]

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

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

Holdings in Dometic: 2,650

JENNY EVELIUS
Born 1969. EVP and Head of Group HR from January, 2023.

MSc Business Administration – Stockholm School of Economics, Sweden.

Holdings in Dometic: 1,000

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: 30,000

ERIC B. FETCHKO
Born 1962. President of segment Marine since 2022.
Mechanical Engineering from British Columbia Institute of Technology, Vancouver, Canada.

Holdings in Dometic: 2,000

1) Including related party.

GROUP MANAGEMENT CONT.

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: 8,400

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: 5,000

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

Management Education IMD Lausanne (CH), M.Sc. in Mechanical Engineering from Chalmers University of Technology.

Holdings in Dometic: 25,341[1)]

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: 41,700

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: 3,757

1) Including related party.

AUDITOR

PATRIK ADOLFSON
Born 1973. Auditor in charge, PricewaterhouseCoopers AB.

Auditor in charge for Dometic since 2022.

Other auditor assignments: AcadeMedia AB (publ), Bonava AB (publ), Nordstjernan AB (publ) och Pandox AB (publ). Member of FAR (the institute for the accountancy profession in Sweden).

OTHER CHANGES IN GROUP MANAGEMENT

BRIAN GAROFALOW, appointed as CMO for Dometic as of April 1, 2022, left the Company on January 6, 2023 for another external assignment. An interim CMO has been appointed and the recruitment process for a permanent CMO has started.

JENNY EVELIUS was appointed Head of Group HR for Dometic from January 1, 2023, replacing Silke Ernst who left Dometic on October 13, 2022.

KEY RATIOS

SEK m	2022	2021	2020	2019	2018
Result					
Net sales	29,764	21,516	16,207	18,503	18,274
Organic growth, %	–3	23	–10	–7	5
EBITDA	4,265	3,775	2,669	3,155	3,113
EBITDA before items affecting comparability	4,797	3,899	2,728	3,252	3,205
EBITA	3,399	3,225	2,176	2,641	2,805
EBITA before items affecting comparability	3,931	3,348	2,235	2,738	2,897
Operating profit (EBIT)	2,789	2,855	1,880	2,338	2,587
Operating profit (EBIT) before items affecting comparability	3,321	2,979	1,939	2,434	2,679
Net result	1,784	1,726	451	1,325	1,576
Margins					
Operating margin, %, EBITDA	14.3	17.5	16.5	17.1	17.0
Operating margin, %, EBITDA before items affecting comparability	16.1	18.1	16.8	17.6	17.5
Operating margin, %, EBITA	11.4	15.0	13.4	14.3	15.3
Operating margin, %, EBITA before items affecting comparability	13.2	15.6	13.8	14.8	15.9
Operating margin, %, operating profit (EBIT)	9.4	13.3	11.6	12.6	14.2
Operating margin, %, operating profit (EBIT) before items affecting comparability	11.2	13.8	12.0	13.2	14.7
Return on operating capital					
Return on operating capital, %	6.8	9.9	7.4	8.6	10.0
Return on operating capital, excl. goodwill and trademarks, %	23.1	36.9	26.9	28.3	30.5
Financial position					
Total assets	57,451	52,030	37,615	36,681	34,111
Interest-bearing debt	19,170	16,802	14,252	13,109	12,349
Net debt/EBITDA	3.0	2.6	2.0	2.4	2.8
Equity	26,415	22,447	16,201	17,363	16,029
Operating capital	41,186	34,841	22,541	26,183	26,265
Operating capital excluding goodwill and trademarks	13,079	8,894	5,336	7,308	8,062
Equity ratio, %	46	43	43	47	47
Share					
Earnings per share before dilution, SEK	5.58	5.58	1.52	4.48	5.33
Earnings per share after dilution, SEK	5.58	5.58	1.52	4.48	5.33
Adjusted earnings per share before dilution, SEK[1)]	8.32	6.75	2.40	5.44	–
Adjusted earnings per share after dilution, SEK[1)]	8.32	6.75	2.40	5.44	–
Dividend per share, SEK[2)]	1.30	2.45	2.30	0.00	2.15
Number of shares (note 28)	319,499,993	319,499,993	295,833,333	295,833,333	295,833,333
Employees					
Average number of employees	8,834	7,650	6,482	7,257	7,991
Revenue per employee, SEK m	3.37	2.81	2.50	2.55	2.29

1) New measurement from 2019, previous periods have not been calculated. 2) Proposed by Board of Directors.

CONSOLIDATED INCOME STATEMENT

SEK m	Note	2022	2021
Net sales	5, 6	29,764	21,516
Cost of goods sold	6	–21,883	–15,155
Gross profit		**7,880**	**6,361**
Sales expenses	6	–2,185	–1,593
Administrative expenses	6.7	–1,376	–1,086
Research and development expenses		–531	–412
Other operating income and expenses	10	143	78
Items affecting comparability	6	–532	–123
Amortization of acquisition-related intangible assets	6	–611	–369
Operating profit	6, 8, 9	**2,789**	**2,855**
Financial income	11	45	13
Financial expenses	11	–396	–512
Net financial expenses		**–351**	**–499**
Profit (loss) before tax		**2,438**	**2,357**
Taxes	12	–654	–630
Profit (loss) for the year		**1,784**	**1,726**
Profit (loss) for the year attributable to owners of the Parent Company		**1,784**	**1,726**
Earnings per share	28		
before dilution, SEK		5.58	5.58
after dilution, SEK		5.58	5.58
Average number of shares	28		
before dilution		319,499,993	309,644,288
after dilution		319,499,993	309,644,288

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK m	Note	2022	2021
Profit (loss) for the year		1,784	1,726
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit pension plans, net of tax	19	178	79
		178	79
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges, net of tax	3	–73	108
Gains/losses from hedges of net investment in foreign operations, net of tax	3	573	294
Exchange rate differences on translation of foreign operations		2,289	1,389
		2,788	1,790
Other comprehensive income for the year		2,966	1,869
Total comprehensive income for the year		4,751	3,595
Total comprehensive income for the year attributable to			
Owners of the Parent Company		4,751	3,595

CONSOLIDATED BALANCE SHEET

SEK m	Note	December 31, 2022	December 31, 2021
ASSETS			
Non-current assets			
Goodwill	14	22,086	20,503
Trademarks	14	6,020	5,444
Other intangible assets	14	7,580	7,016
Buildings, land and land improvements	15	685	652
Machinery and other technical installations	15	947	801
Tools, equipment and installations	15	528	420
Construction in progress and advance payments	15	380	407
Right of use assets	8	972	1,000
Deferred tax assets	12	513	686
Other non-current assets	3, 13	168	145
Total non-current assets		39,879	37,075
Current assets			
Inventories	16	9,314	6,983
Trade receivables	3, 17	2,807	2,686
Current tax assets	12	109	74
Derivatives, current	3	147	119
Other curren assets	3	506	488
Prepaid expenses and accrued income	18	289	197
Cash and cash equivalents	25	4,399	4,408
Total current assets		17,572	14,955
TOTAL ASSETS		57,451	52,030

SEK m	Note	December 31, 2022	December 31, 2021
EQUITY			
Equity attributed to owners of the parent company			
Share capital	28	1	1
Other paid-in capital		14,777	14,777
Other reserves		5,586	2,797
Retained earnings		6,051	4,872
TOTAL EQUITY		26,415	22,447
LIABILITIES			
Non-current liabilities			
Liabilities to credit institutions, non-current	21	15,304	16,099
Deferred tax liabilities	12	3,113	2,822
Other non-current liabilities	3, 29	90	2,910
Leasing liabilities, non-current	3, 8	740	881
Provisions for pensions	19	528	704
Other provisions, non-current	20	255	246
Total non-current liabilities		20,030	23,661
Current liabilities			
Liabilities to credit institutions, current	21	3,339	–
Trade payables	3	2,978	3,193
Current tax liabilities		296	477
Advance payments from customers		47	51
Leasing liabilities, current	3, 8	351	233
Derivatives, current	3	111	13
Other provisions, current	20	594	332
Other current liabilities	3.29	1,919	193
Accrued expenses and prepaid income	22	1,371	1,429
Total current liabilities		11,007	5,921
TOTAL LIABILITIES		31,037	29,583
TOTAL EQUITY AND LIABILITIES		57,451	52,030

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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, 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[1]					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
Opening balance January 1, 2022	28	1	14,777	2,797	4,872	22,447
Profit (loss) for the year					1,784	1,784
Other comprehensive income						
Remeasurements of defined benefit plans, net of tax[2]					178	178
Cash flow hedges, net of tax				–73		–73
Gains/losses from hedges of net investment in foreign operations, net of tax				573		573
Exchange rate differences on translation of foreign operations				2,289		2,289
Total comprehensive income		–	–	2,788	1,962	4,751
Transactions with owners						
New share issue, net of transaction costs and tax			–			–
Dividend paid to shareholders of the Parent Company					–783	–783
Total transactions with owners		–	–	–	–783	–783
Closing balance December 31, 2022		1	14,777	5,586	6,051	26,415

1) 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.
2) 2022 Remeasurements of defined benefit plans amounted to SEK 243 m, and the tax related remeasurements of defined benefit plans amounted to SEK –65 m.
3) Other reserves mainly consist of exchange rate differences on translation of foreign operations.

CONSOLIDATED STATEMENT OF CASH FLOW

SEK m	Note	2022	2021
Cash flow from operating activities			
Operating profit		2,789	2,855
Adjustment for other non-cash items			
Depreciation and amortization	8, 25	1,477	920
Adjustment for other non-cash items	25	421	–204
Changes in working capital			
Changes in inventories		–1,247	–2,275
Changes in trade receivables		231	141
Changes in trade payables		–609	600
Changes in other working capital		–200	125
Income taxes paid		–991	–1,009
Net cash flow from operations		**1,869**	**1,153**
Cash flow from investments			
Acquisition of operations, net of cash acquired	29	–847	–8,555
Investments in fixed assets	14, 15	–593	–413
Proceeds from sales of fixed assets		4	61
Deposit		–	147
Other investing activities		10	1
Net cash flow from investments		**–1,426**	**–8,760**
Cash flow from financing			
New share issue	25	–	3,326
Borrowings from credit institutions	25	1,000	3,062
Repayment of loans to credit institutions	25	–	–1,000
Payment of lease liabilities related to lease agreements	25	–343	–225
Paid interest		–492	–385
Received interest		3	4
Other financing activities	25	45	–74
Dividend paid to shareholders of the Parent Company		–783	–680
Net cash flow from financing		**–570**	**4,028**
Cash flow for the year		**–127**	**–3,579**
Cash and cash equivalents at beginning of year	25	4,408	7,913
Exchange differences on cash and cash equivalents		117	74
Cash and cash equivalents at end of year		**4,399**	**4,408**

PARENT COMPANY INCOME STATEMENT

SEK m	Note	2022	2021
Administrative expenses	7	–228	–282
Other operating income		225	280
Operating profit (loss)	6, 9	**–3**	**–2**
Interest income from Group companies	11	509	191
Interest expenses to Group companies	11	–	–1
Other financial expenses	11	–503	–156
Profit (loss) from financial items		**6**	**33**
Group contributions		–	346
Profit (loss) before tax		**3**	**378**
Taxes	12	–14	–99
Profit (loss) for the year		**–11**	**278**

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

SEK m	Note	2022	2021
Profit (loss) for the year		–11	278
Other comprehensive income			
Other comprehensive income		–	–
Total comprehensive income for the year		**–11**	**278**

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PARENT COMPANY BALANCE SHEET

SEK m	Note	December 31, 2022	December 31, 2021
ASSETS			
Non-current assets			
Shares in subsidiaries	26	16,228	16,228
Other intangible assets	14	0	0
Equipment	15	1	1
Deferred tax assets	12	10	10
Receivables from subsidiaries		12,456	10,830
Other non-current assets	13	54	50
Total non-current assets		28,749	27,120
Current assets			
Receivables from subsidiaries		2,400	2,652
Other current assets		54	34
Prepaid expenses and accrued income	18	9	9
Cash and cash equivalents		–	–
Total current assets		2,463	2,695
TOTAL ASSETS		31,212	29,815

SEK m	Note	December 31, 2022	December 31, 2021
EQUITY	28		
Equity attributed to owners of the parent company			
Restricted equity			
Share capital		1	1
Unrestricted equity			
Other reserves		–	–
Retained earnings		12,070	12,574
Profit (loss) for the year		–11	278
TOTAL EQUITY		12,060	12,853
PROVISIONS			
Other provisions	20	104	99
Total provisions		104	99
LIABILITIES			
Non-current liabilities			
Liabilities to credit institutions, non-current	21	15,304	16,099
Total non-current liabilities		15,304	16,099
Current liabilities			
Liabilities to credit institutions, current	21	3,339	–
Trade payables		32	22
Liabilities to subsidiaries		29	450
Other current liabilities		97	114
Accrued expenses and prepaid income	22	248	179
Total current liabilities		3,745	765
TOTAL LIABILITIES		19,152	16,962
TOTAL EQUITY AND LIABILITIES		31,212	29,815

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

SEK m	Note	Share capital	Other reserves	Retained earnings	Total equity
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
Opening balance January 1, 2022	28	1	–	12,852	12,853
Profit (loss) for the year				–11	–11
Other comprehensive income				–	–
Total comprehensive income		–	–	–11	–11
Transactions with owners					
Dividend paid to shareholders of the Parent Company				–783	–783
Total transactions with owners		–	–	–783	–783
Closing balance December 31, 2022		1	–	12,059	12,060

PARENT COMPANY
STATEMENT OF CASH FLOW

SEK m	Note	2022	2021
Cash flow from operating activities			
Operating profit		–3	–2
Adjustment for other non-cash items			
Depreciation and amortization	25	0	1
Adjustment for other non-cash items	25	–102	27
Changes in working capital			
Changes in trade payables		10	0
Changes in other working capital		–432	367
Income taxes paid		–43	–46
Net cash flow from operations		**–569**	**346**
Cash flow from investments			
Investments in fixed assets		–	–
Other investing activities		–	–
Net cash flow from investments		**–**	**–**
Cash flow from financing			
New share issue	25	–	3,326
Borrowings from credit institutions	25	1,000	3,062
Repayment of loans to credit institutions	25	–	–1,000
Group contributions		346	–
Paid interest		–503	–369
Received interest		509	185
Other financing activities	25	–	–4,870
Dividend paid to shareholders of the Parent Company		–783	–680
Net cash flow from financing		**569**	**–346**
Cash flow for the year		**0**	**0**
Cash and cash equivalents at beginning of year	25	0	0
Exchange differences on cash and cash equivalents		–	–
Cash and cash equivalents at end of year		**–**	**–**

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, sustainable and reliable products with outstanding design for an outdoor and mobile lifestyle in the application areas of Food & Beverage, Climate, Power & Control, and Other applications.

The Company is a limited liability company with corporate identity number 556829-4390. The registered office of the Board of Directors of the Company is in Solna, Sweden. The address of the Group headquarters is Hemvärnsgatan 15, 6th floor, SE-171 54 Solna, Sweden.

The consolidated financial statements and annual report cover the period January 1 to December 31, 2022 (comparative figures January 1 to December 31, 2021), and were authorized for issue by the Board of Directors on March 16, 2023.

The balance sheets and income statements are subject to approval by the annual shareholders' meeting on April 12, 2023.

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.

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 and in note 2, which presents a summary of material accounting policies applied.

Dometic Group applies hedge accounting for derivatives that hedge forecasts of future cash flows in foreign currency, derivatives that hedge cash flow risk in future interest payments and for loans in foreign currency that hedge the translation risk in net investments in foreign operations.

2.1.1 Changes in accounting policies

New or amended accounting policies for 2022:

A number of new, amended or improved accounting policies and interpretations have been published with no material impact on the consolidated financial statements and annual report as of 2022.

New or amended accounting policies for 2023 and later:

The following new, amended or improved accounting policies and interpretations have been published and are to be applied in 2023 or thereafter: A number of narrowscope amendments to IAS 12 Income Taxes, IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, as well as the new standard IFRS 17 Insurance Contracts, have been published effective periods beginning on or after January 2023. Possible early adoption has not been applied. These new and amendmend policies are not expected to have a material impact on the financial reporting for the financial year 2023.

Narrowscope amendments have been published and are to be applied as from January 2024 relating to IAS 1, Presentation of financial statements, on the classification of liabilities, and to IFRS 16, Leases, on reporting lease liability associated with sale and leaseback transactions.

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, adjusted with dividend. The Group's share of postacquisition profit or loss is recognized in the income statement.

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

		Average rate		Closing rate as of December 31	
Country	Currency	2022	2021	2022	2021
Australia	AUD	6.99	6.44	7.08	6.58
Canada	CAD	7.71	6.87	7.70	7.09
China	CNY	1.49	1.34	1.50	1.42
Denmark	DKK	1.43	1.37	1.50	1.38
Euro Zone	EUR	10.63	10.19	11.13	10.26
United Kingdom	GBP	12.43	11.84	12.57	12.22
Hong Kong	HKD	1.28	1.11	1.34	1.16
Japan	JPY	0.08	0.08	0.08	0.08
Norway	NOK	1.05	1.00	1.06	1.03
Poland	PLN	2.27	2.23	2.37	2.23
United States	USD	10.05	8.65	10.43	9.07

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's impairment methodology for financial assets is a loss matrix that is designed in accordance with IFRS 9's impairment model for financial assets. The Dometic Group 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 Group company 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 management 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.

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 Derivatives and hedge accounting

Derivative instruments are used to financially hedge the exchange rate and interest rate risks that Dometic is exposed to. Derivatives are recognized at fair value in the balance sheet both initially on the contract date and at subsequent revaluations. Profit and loss relating to derivatives is reported in the income statement at the same time as profit and loss is reported for the hedged items. Hedge accounting is applied for derivatives that hedge forecasts of future cash flows in foreign currency, derivatives that hedge cash flow risk in future interest payments and for loans in foreign currency that hedge the translation risk from net investments in foreign operations.

Cash flow hedges

Hedging forecast of future sales and purchases in foreign currencies

For hedges of currency risk in highly probable forecasts of future sales and purchases in foreign currencies, currency forward contracts are used. The effective portion of changes in the fair value of currency forward contracts that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated in other reserves in equity. The accumulated value changes in equity are transferred to profit or loss for the year in conjunction with the effects of the hedged cash flow on profit or loss for the year. The profit or loss relating to any ineffective portion is recognized immediately in the income statement.

Cash flow hedges of interest rate risks

For hedging of interest rate risks for highly probable forecasted interest payments for borrowing at floating interest rates the Group uses interest rate swaps, where the Group receives a floating interest rate and pays a fixed interest rate. Interest coupon as part of the interest rate swap is continuously recognized in the income statement as interest costs whereby the cash flows from hedging instruments meet the cash flows from the hedged items. Unrealized changes in the fair value of interest rate swaps, to the extent they comprise an effective hedge, are recognized in other comprehensive income and are included as part of the hedging reserve until the hedged item impacts the profit and loss and as long the hedge accounting criteria's are fulfilled. Any ineffectiveness is recognized in the income statements on an ongoing basis.

Hedging of currency risk in foreign net investments

Net investments in foreign subsidiaries have been hedged to a certain extent by borrowings in foreign currencies which are translated at the exchange rate prevailing at the balance sheet date. Translation differences for the period on the hedging instruments are reported, to the extent that the hedging is effective, in other comprehensive income and accumulated changes in other reserves in equity. This is in order to neutralize the translation differences that impact other comprehensive income when the group is consolidated. Gains or losses accumulated in equity are transferred to the income statement in the event of the sale of a foreign operation. The profit or loss relating to any ineffective portion is recognized continuously in the income statement.

Hedging of receivables and payables denominated in a foreign currency

For hedging of currency risk in receivables or payables in foreign currencies, currency forwards are used. Hedge accounting is not applied for these derivatives because economic hedging is achieved in the accounts as both the hedged item and the hedging instrument are recognized at fair value and changes in value are met in the income statement. Exchange rate changes relating to operating receivables and payables are recognized in operating profit, while exchange rate changes relating to financial receivables and payables are recognized in net financial income.

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, which replaced IAS 39 Financial instruments: Recognition and measurement. 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.

Shares in subsidiaries

Shares in subsidiaries are recognized in the Parent Company's financial statements according to the cost method of accounting. The value of shares in 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 as a result of the Group having receipts and payments in foreign currencies. Transaction exposure arises with both commercial and 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's Treasury policy targets to hedge all main future currency flows. The policy permits up to 95 percent 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.

Translation risk arises in the translation of foreign subsidiaries to the reporting currency, SEK. Dometic Group has a number of holdings in subsidiaries whose net assets are exposed to translation risk. Currency exposure arising from the net assets in the Group's foreign operations is managed to a certain degree through borrowing in the relevant foreign currencies. These loans are reported as foreign net investment hedges. As of December 31, 2022, 100 percent (100) of the Group's net assets in EUR and 22 percent (24) of the net assets in USD were hedged with loans in the respective currency.

Exposure from external and internal liabilities and receivables in foreign currency that are not part of the hedging relation under hedging of net investment in foreign operations is hedged with currency forward contracts and currency swaps. These derivatives are recognized at fair value through the income statement together with changes in fair value of the hedged items.

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 that external borrowing between 50 percent and 75 percent shall have fixed rates, with a duration between 6 months and 3 years. As of December 31, 2022, 59 percent (63) of the debt portfolio had fixed interest rates. To limit the interest rate risk, the outstanding bank loan portfolio has a maximum interest period of nine months and in the case of interest-bearing assets, the fixed interest rate period is matched against the closest debt maturity. As of December 31, 2022, Dometic Group had hedged 55 percent (55) of bank loans in USD by swapping from a variable to fixed interest rate. This hedge expires in January 2023.

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 risks) and interest rate swaps with external counterparts, as reported below.

Interest swaps per currency

	December 31, 2022			December 31, 2021		
Currency (maturity date)	Nominal value in currency	Amount SEK m	Interest rate, %	Nominal value in currency	Amount SEK m	Interest rate, %
USD (Jan 2023)	300	3,128	0.7	300	2,720	1.6
		3,128			2,720	

Market value derivatives

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

December 31, 2022	Nominal value	Assets	Liabilities
Derivative financial instruments			
Interest rate swaps – cash flow hedges	3,128	5	–
Currency forwards & options			
– cash flow hedges	4,364	56	–105
– fair value estimation	2,696	87	–7
Total		147	–111
Less non-current portion:		–	–
Current portion		147	–111

Interest rate swaps mature on a quarterly basis whereas currency forward hedges mature on a monthly basis. During the period SEK 113 m (before taxes) have been moved from OCI to realized hedge result. As of December 31, 2022, a net of SEK –73 m (108) is reported in OCI (Other comprehensive income) relating to cash flow hedges.

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. No such financial contracts were in place either as of December 31st, 2022, or previous year.

Sensitivity analysis

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

			Impact on the result before income taxes	
Currency	Variable	Change	2022	2021
Transaction effect	USD/CNY	+5%	178	177
	EUR/USD	+5%	98	101
	EUR/AUD	+5%	–7	–8
	AUD/USD	+5%	48	48
Transaction effect	USD/CNY	–5%	–178	–177
	EUR/USD	–5%	–98	–101
	EUR/AUD	–5%	7	8
	AUD/USD	–5%	–48	–48

			Impact on the result before income taxes	
Interest rate	Variable	Change	2022	2021
Interest rate effect	Interest rate	+1%	–77	–69
Interest rate effect	Interest rate	–1%	77	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, 2022, the financial credit risk was equal to the balance sheet value of cash and cash equivalents of SEK 4,399 m (4,408) and the unrealized results from derivatives positions was SEK 36 m (73). All derivative transactions are covered by ISDA netting agreements to reduce the credit risk, and in 2022 SEK 97 m (42) can be netted with counterparties. No credit losses were incurred during 2022 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, for a description of credit risk).

December 31, 2022	Assets	Liabilities
Derivatives		
Net amount recognized in the balance sheet	147	–111
ISDA agreements whose transactions are not offset in the balance sheet	–97	97
Net after offsetting in accordance with ISDA agreements	**51**	**–15**

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.

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 the Group's borrowings, all subsidiaries report to management with a weekly cash balance. Also, a liquidity forecast of twelve 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 2023 an annual undiscounted cash flow of SEK 3,858 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, 2021	< 1 year	1–2 years	2–3 years	3–4 years	4 years >
Long-term debt obligations including future undiscounted in interest payments	368	3,445	2,166	5,218	6,432
Derivative financial instruments	–	–	–	–	–
Forward foreign exchange contracts	13	–	–	–	–
Trade and other payables	3,193	–	–	–	–
Total	3,574	3,445	2,166	5,218	6,432

December 31, 2022	< 1 year	1–2 years	2–3 years	3–4 years	4 years >
Long-term debt obligations including future undiscounted in interest payments	3,858	2,796	6,896	3,506	3,472
Derivative financial instruments	–27	–	–	–	–
Forward foreign exchange contracts	111	–	–	–	–
Trade and other payables	2,978	–	–	–	–
Total	6,920	2,796	6,896	3,506	3,472

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

December 31, 2022	< 1 year	1–2 years	2–3 years	3–4 years	4 years >
Lease liabilities	306	229	143	100	120
Total	306	229	143	100	120

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 bank loan agreements, has to be compliant with bank covenants. These obligations has been unchanged during 2022. At year-end 2022 the headroom was adequate in these covenants. If in a hypothetical situation Dometic were to break these covenants, the lenders under the bank loan agreement would 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, 2022	December 31, 2021
Total Borrowing	18,643	16,099
Less: cash and cash equivalents	–4,399	–4,408
Net Debt	**14,243**	**11,691**
Total Equity	26,415	22,447
Total Capital	**40,658**	**34,138**
Gearing Ratio, %	35	34

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 2022 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 and Other current liabilities consist of considerations not yet paid, which relate to holdbacks and potential earn-outs from acquisitions, where the size of the earn-out is usually linked to profitability targets in the acquired company during a specific period of time. These liabilities are valued on the date of the transaction based on management's best estimate of the future outcome and belong to level 3 of the fair value hierarchy, according to IFRS 13.

At year-end 2022 the fair value for level 2 financial assets was SEK 147 m (119) and for the total financial liabilities SEK 111 m (13), and the fair value for level 3 financial liabilities amounts to SEK 1,697 m.

Performing 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.

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, 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

December 31, 2022	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	168	168	–	–	–
Derivatives, short-term	147	–	–	56	92
Trade receivables	2,807	2,807	–	–	–
Other current receivables	506	506	–	–	–
Cash and cash equivalents	4,399	4,399	–	–	–
Total assets	8,028	7,880	–	56	92
Current portion	7,860	7,712	–	56	92

December 31, 2022	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	15,304	15,304	–	–	–
Other non-current liabilities	90	–	90	–	–
Derivatives, short-term	111	–	–	46	66
Liabilities to credit institutions, short-term	3,339	3,339	–	–	–
Trade payables	2,978	2,978	–	–	–
Other current liabilities	1,919	312	1,607	–	–
Total liabilities	23,741	21,933	1,697	46	66
Current portion	8,347	6,629	1,607	46	66

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. Further information on estimates and assumptions are presented in note 12.

Post-employment benefits
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.

Material assumptions include discount rate, inflation, salary trends, development of pensions over time, mortality, trends in cost of health care, and other variables. 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.

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. See further information in note 20.

Provision for restructuring
The definition of restructuring costs includes estimated costs for severence pay as well as other direct costs in connection with closure of operations. The calculation for provision is based on detailed plans for activities that are expected to improve the Group's cost structure and productivity. The amounts have been calculated based on management's best estimates. To minimize the level of uncertainty, historical outcomes from past similar events have been considered in the estimates. See further in note 20 for more information.

Businesses combinations and consideration not yet paid
Valuation of identifiable assets and liabilities in connection with the acquisition of subsidaries/bunesses involves that items in the acquired company's balance sheet and items that have not been recognized in the acquired company's balance sheet, such as customer relationships, intellectual property and brands, should be measured at fair value. In normal circumstances, because listed market prices are not available for the assets and liabilities to be valued, different valuation methods have to be used. These valuation methods are based on a number of assumptions. In addition, several balance sheet items in the acquisition balance sheet are also subject to estimates and assumptions. This also means that a preliminary measurement may need to be conducted and subsequently adjusted. Given the above description and the practical feasibility of compiling and disclosing all individual adjustments in a way that is useful to the reader of the annual report, Dometic Group has, unless relating to material adjustments, chosen not to disclose, specifically for each acquisition, the reasons why the initial accounting of the business combination is preliminary nor the assets and liabilities for which the initial accounting are preliminary.

All payments for acquiring a subsiduary/business are recorded at acqusition date to fair value, including liabilities related to earn-outs or deferred considerations. These liabilities are measured at fair value in subsequent periods, with remeasurement recognized through profit or loss, if the remeasurement is attributable to circumstances after the date of acquisition. The final outcome of earn-outs often depends on one or several factors related to future development, such as profitability targets, of the acquired company for and agreed period of time. The final outcome can therefore either be lower or higher than the initially recognized value. Other current liabilities related to potential earn-outs and deferred considerations from acquisitions amounting SEK 1,607 m and Other non-current liabilities amounting SEK 90 m, are therefore subject to estimates and assumptions. Further information on acquisitions is presented in note 29.

Disputes
Dometic Group is involved in disputes in the ordinary course of business. Disputes may include product liability, alleged defects in the delivery of goods and services, and other issues of rights and obligations. Companies within the group may also be involved in a number of proceedings, other legal proceeding sand tax audits that have arisen in the operations. Accounting for these may be subject to critical estimates and judgments. It cannot be ruled out that an unfavorable outcome in a dispute may have a significant impact on the group's earnings and financial position. Dometic Group has an ongoing legal dispute with former owners of Igloo. For further information note 24.

NOTE 5 | SEGMENT INFORMATION

Consolidated operating segments

2021	Segment Americas	Segment EMEA	Segment APAC	Segment Marine	Segment Global	Unallocated	Total
Net sales, external	5,970	6,981	1,961	5,404	1,201	–	21,516
Operating profit (EBITA) before items affecting comparability	**398**	**948**	**525**	**1,375**	**102**		**3,348**
Amortization of acquisition-related intangible assets	–97	–46	–15	–171	–41		–369
Items affecting comparability	–55	–28	–	–33	–9		–123
Operating profit (EBIT)	**246**	**874**	**510**	**1,171**	**52**	**–**	**2,855**
Financial income	–	–	–	–	–	13	13
Financial expenses	–	–	–	–	–	–512	–512
Taxes	–	–	–	–	–	–630	–630
Profit (loss) for the period	**–**	**–**	**–**	**–**	**–**	**–**	**1,726**
Investments in intangible and tangible assets	–	–	–	–	–	413	413
Net assets [1]	8,372	7,422	3,788	11,614	9,882	–	41,078

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

2022	Segment Americas	Segment EMEA	Segment APAC	Segment Marine	Segment Global	Unallocated	Total
Net sales, external	6,780	7,970	2,231	6,695	6,086	–	29,764
Operating profit (EBITA) before items affecting comparability	**330**	**838**	**555**	**1,743**	**464**		**3,931**
Amortization of acquisition-related intangible assets	–118	–74	–21	–202	–196		–611
Items affecting comparability	–151	–370	–4	–1	–7		–532
Operating profit (EBIT)	**61**	**394**	**531**	**1,541**	**262**	–	**2,789**
Financial income	–	–	–	–	–	45	45
Financial expenses	–	–	–	–	–	–396	–396
Taxes	–	–	–	–	–	–654	–654
Profit (loss) for the period	**–**	**–**	**–**	**–**	**–**	**–**	**1,784**
Investments in intangible and tangible assets	–	–	–	–	–	593	593
Net assets [1]	10,014	8,641	4,025	13,559	10,423	–	46,662

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

Dometic has a new segment reporting structure from the first quarter of 2022. Business area Marine is reported as a new separate segment and is separated from segment Global, thus consists of Other Global Verticals and Igloo. Dometic's segments are thus Americas, EMEA, APAC, Marine and Global. Business areas included in the segments Americas, EMEA and APAC are RV, Outdoor and CPV. Business areas included in segment Marine is the entire Dometic Marine operation and the business aeras included in Global are Other Global Verticals (Residential, Hospitality and Mobile Deliveries) and Igloo, a global supplier of passive cooling boxes and drinkware products for the Outdoor market acquired during 2021. In connection with implementation of the new segment reporting, the segments started to be measured at Operation profit (EBITA) before amortization of acquisition-related intangible assets and items affecting comparability. Previous year has been restated according the new reporting structure.

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 on page 100 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 review 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

	2022	2021
Net sales, external		
OEM	13,034	10,848
Distribution	8,688	3,127
Service & Aftermarket	8,042	7,541
Total net sales, external	29,764	21,516

Inter-segment sales

Inter-segment sales were as follows:

	2022	2021
Segment Americas	170	146
Segment EMEA	340	376
Segment APAC	3,316	3,472
Segment Marine	49	30
Segment Global	–	–
Total eliminations	3,875	4,025

Application areas

SEK m	2022	2021
Net sales, external		
Segment Americas		
Food & Beverage	1,494	1,580
Climate	2,970	2,733
Power & Control	1,032	546
Other applications	1,284	1,111
Segment Americas net sales, external	6,780	5,970
Segment EMEA		
Food & Beverage	2,871	2,484
Climate	3,763	3,451
Power & Control	925	632
Other applications	412	414
Segment EMEA net sales, external	7,970	6,981
Segment APAC		
Food & Beverage	919	901
Climate	734	726
Power & Control	431	232
Other applications	147	102
Segment APAC net sales, external	2,231	1,961
Segment Marine		
Food & Beverage	217	221
Climate	1,262	1,033
Power & Control	3,939	3,017
Other applications	1,278	1,133
Segment Marine net sales, external	6,695	5,404
Segment Global		
Food & Beverage	6,009	1,146
Climate	4	4
Power & Control	3	0
Other applications	71	52
Segment Global net sales, external	6,086	1,201
Net sales, external		
Food & Beverage	11,509	6,331
Climate	8,732	7,946
Power & Control	6,331	4,427
Other applications	3,191	2,812
Total net sales, external	29,764	21,516

Geographical information

	Net sales by country	
	2022	2021
United States	16,686	10,491
Germany	3,704	3,395
Australia	2,049	1,463
United Kingdom	1,058	922
France	862	777
Canada	679	435
Italy	657	576
The Netherlands	556	404
Japan	390	253
Sweden	349	329
Other	2,774	2,471
Total	29,764	21,516

Net sales attributable to countries on the basis of the customer's location.

Non-current assets

	Non-current assets by country	
	2022	2021
United States	24,125	22,728
Germany	5,068	4,901
Australia	3,376	3,136
Canada	2,491	2,344
Sweden	1,270	650
United Kingdom	772	732
Italy	639	372
China	468	455
South Africa	247	405
Hong Kong	146	128
Other	597	392
Total	39,199	36,242

Non-current assets located in Sweden amount to SEK 1,270 m (650).

Menu

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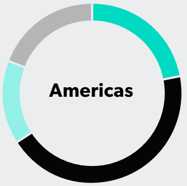
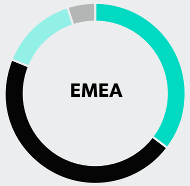
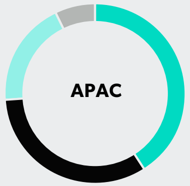
Net sales, external by segment and application area



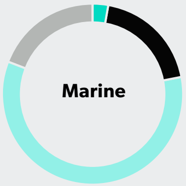
- Food & Beverage, 22%
- Climate, 44%
- Power & Control, 15%
- Other applications, 19%



- Food & Beverage, 36%
- Climate, 47%
- Power & Control, 12%
- Other applications, 5%



- Food & Beverage, 41%
- Climate, 33%
- Power & Control, 19%
- Other applications, 7%



- Food & Beverage, 3%
- Climate, 19%
- Power & Control, 59%
- Other applications, 19%

- Food & Beverage, 99%
- Climate, 0%
- Power & Control, 0%
- Other applications, 1%

NOTE 6 | NET SALES AND OPERATING PROFIT

Dometic Group net sales 2022 amounted to SEK 29,764 m (21,516).

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 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 disclosured in the financial statements.

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.

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 54 percent (48) 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 2022 government grants received amounted to SEK 11 m (12), whereof costs of goods sold SEK 10 m (11). Other support measures, including governmental support regarding short-term work compensation did not occur for financial year 2022 (2).

	Group		Parent	
Expenses by nature	2022	2021	2022	2021
Raw materials and manufacturing supplies	–16,018	–10,412	–	–
Employee benefit expenses (note 9)	–5,154	–3,849	–76	–104
Amortization and depreciation (note 8, 14 and 15)	–1,477	–920	–	–
Other	–4,326	–3,479	73	102
Total	**–26,975**	**–18,660**	**–3**	**–2**

	Group		Parent	
Expenses by function	2022	2021	2022	2021
Cost of goods sold	–21,883	–15,155	–	–
Sales expenses	–2,185	–1,593	–	–
Administrative expenses	–1,376	–1,086	–228	–282
Research and development expenses	–531	–412	–	–
Other operating income [1)]	246	188	225	280
Other operating expenses	–103	–110	–	–
Items affecting comparability	–532	–123	–	–
Amortization of acquisition-related intangible assets	–611	–369	–	–
Total	**–26,975**	**–18,660**	**–3**	**–2**

1) The Parent Company has reported other operating income of SEK 225 m (280) 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 management and IT, human resources, finance and administration departments.

Research and development expenses

Product development costs amounted SEK 531 m (412), not including capitalized spend of SEK 37 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. These costs are separately reported in the Group income statement as its effects are important to consider when comparing profit for the period to previous years.

	Trademarks		Customer relationship assets		Technology		Intellectual property		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Cost of goods sold	–	–	–	–	–74	–49	–1	–19	–75	–69
Sales expenses	–91	–63	–444	–238	–	–	–	–	–535	–301
Administrative expenses	–	–	–	–	–	–	–	–	–	–
Other operating income and expenses	–	–	–	–	–	–	–	–	–	–
Total	–91	–63	–444	–238	–74	–49	–1	–19	–611	–369

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	
	2022	2021	2022	2021	2022	2021
Cost of goods sold	–476	–81	–	–	–476	–81
Sales expenses	–3	–1	–21	–	–24	–1
Administrative expenses	–8	0	–1	–	–8	0
Research and development expenses	–11	0	–	–	–11	0
Other operating income and expenses	–2	–5	–11	–37	–13	–42
Total	–499	–86	–33	–37	–532	–123

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	2022	2021
Global restructuring program	–499	–86
Other	–33	–37
Total	–532	–123

During 2022 total costs to the global restructuring program amounted to SEK –499 m (–86). A provision is included for the announced closure of the manufacturing entity in Siegen, Germany. Two additional sites and over 900 employees are affected. Since the start, 24 sites and over 1,700 employees have been affected, with a total cost of SEK –817 m. During the financial year, acquisition-related transaction costs amounted to SEK –7 m (–9), included in Other.

NOTE 7 | AUDIT FEES

	Group		Parent	
	2022	2021	2022	2021
PricewaterhouseCoopers (PwC)				
Audit fees [1]	–23	–18	–3	–3
Audit-related fees [2]	–1	–	–1	0
Tax fees [3]	–1	–2	0	0
All other fees [4]	0	–1	–	0
Total fees to PwC	–25	–21	–4	–3
Other auditors				
Audit fees to other audit firms	–	–	–	–
Audit-related fees	–	–	–	–
Tax fees	–	–	–	–
All other fees	–	–	–	–
Total fees to other auditors	–	–	–	–
Total fees to other auditors	–25	–21	–4	–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 in 2022 amount to SEK –3 m (–3), audit-related fees to SEK – 1 m (0), tax fees to SEK 0 m (0) and all other fees to SEK – m (–0.5).

NOTE 8 | LEASING AGREEMENTS

Right-of-use assets information is specified below:

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, 2021	919	81	1,000

2022	Buildings	Machinery, equipment and other technical installations	Total
Acquisition costs			
Opening balance	1,301	119	1,420
Additions during the year	181	22	203
Reductions	–82	–21	–103
Exchange rate differences	151	11	162
Closing balance	1,551	131	1,682
Depreciation			
Opening balance	–382	–37	–420
Depreciation and impairment for the year	–298	–41	–338
Reductions	78	19	97
Exchange rate differences	–45	–4	–49
Closing balance	–648	–63	–711
Net carrying amount December 31, 2022	903	68	972

Total depreciation and amortization of SEK 1,477 m (920) includes depreciation of right-of-use assets of SEK 338 m (223) for 2022.

Depreciation and amortization

	2022	2021
Depreciation and amortization	–1,477	–920
Add back depreciation related to right-of-use assets	338	223
Total depreciation and amortization excl. depreciation of right-of-use assets	–1,139	–697

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 75 m (13). Variable lease cost amounted to SEK 26 m (17).

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.

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 in the balance sheet.

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 480 m (281).

NOTE 9 | EMPLOYEE BENEFIT EXPENSE AND REMUNERATION

Salaries, wages, other remuneration and social security costs

	Group		Parent	
Employee benefits	2022	2021	2022	2021
Salaries and remunerations	–4,159	–3,066	–52	–57
Social security costs	–509	–418	–15	–23
Pension costs				
– defined contribution plans	–83	–113	–5	–18
– defined benefit plans	–14	–6	0	0
Other personnel costs	–388	–245	–4	–7
Total	–5,154	–3,849	–76	–104

Remuneration is applied based on local market conditions and collective agreements. The total cost for employee benefits in 2022 amounted to SEK 5,154 m (3,849).

Remuneration to the Board of Directors

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 the Board of Directors approved by the 2022 annual general shareholders' meeting	SEK thousand
Fredrik Cappelen, Chairman	1,264
Jacqueline Hoogerbrugge, Board member	536
Erik Olsson, Board member, Chairman Remuneration Committee	560
Mengmeng Du, Board member	458
Peter Sjölander, Board member	458
Rainer E. Schmückle, Board member	509
Magnus Yngen, Board member, Chairman Audit Committee	615
Heléne Vibbleus, Board member	536
Total remuneration to the Board of Directors	4,935

Remuneration to representatives in the Board of Directors for Board- and Committee work amounts to SEK 4,935 thousand (4,530). Remuneration for the Committee work (Audit Committee and Remuneration Committee) until the next annual shareholders' meeting amounts to SEK 460 thousand in total (of which SEK 160 thousand to the Chairman of the Audit Committee, SEK 103 thousand to the Chairman of the Remuneration Committee, SEK 80 thousand to each Audit Committee member and SEK 52 thousand to each Remuneration Committee member).

Group Management consist of the CEO and ten other members. The roles represented in the Group Management directly reporting to the CEO are the four 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 2022 amount to SEK 82,224 thousand (81,723). In addition to Dometic's short-term and long-term incentive plans, the variable pay reported includes a severance pay (–). Other benefits include allowances and benefits associated with the position, such as company car or car allowance and health care benefits.

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 2022 amounted to SEK 10,227 thousand (9,797).

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

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

2022 SEK thousand	Annual fixed salary	Variable salary for 2022	Other benefits	Pension contribution	Total
President and CEO	10,483	4,493	853	3,623	19,452
Other members of Group Management	34,586	12,904	8,679	6,604	62,773
Total	45,069	17,396	9,531	10,227	82,224

Salaries and remunerations to senior executives and other employees

Salaries and remunerations to senior executives and other employees	Group 2022	Group 2021
Board, president and other senior executives	76	76
Other employees	4,083	2,990
Total	4,159	3,066

Average number of employees and gender distribution

The average number of employees in Dometic Group during the period January 1 to December 31, 2022 was 8,834 (7,650). 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, 2022		December 31, 2021	
	Number on closing date	Of which men	Number on closing date	Of which men
Group (including subsidiaries)				
Board members	8	5	8	5
CEO and other senior executives	10	6	10	6
Group total	18	11	18	11

	2022		2021	
	Average number of employees	Of which men, %	Average number of employees	Of which men, %
Parent				
Sweden	7	58	8	63
Total	7	58	8	63
Subsidiary				
Australia	190	73	142	75
Austria	5	81	6	83
Belgium	4	100	13	87
Canada	561	74	526	75
China	1,445	62	1,492	63
Denmark	15	92	16	88
Finland	8	75	8	75
Subsidiary cont.				
France	52	52	46	51
Germany	1,211	67	1,167	67
Hong Kong	83	41	81	41
Hungary	370	59	330	60
Italy	133	77	108	77
Japan	18	75	21	71
Korea	8	52	8	46
Mexico	373	50	308	50
The Netherlands	53	72	37	77
New Zeeland	10	61	9	62
Norway	9	84	10	90
Poland	26	54	25	54
Portugal	1	0	1	–
Russia	6	66	15	67
Singapore	7	66	8	55
Slovakia	205	65	227	62
South Africa	352	80	147	82
Spain	19	55	19	58
Sweden	334	61	344	62
Switzerland	8	87	9	89
United Arab Emirates	12	63	15	66
United Kingdom	212	59	210	59
United States	3,096	63	2,293	62
Group total	8,834	64	7,650	64

NOTE 10 | OTHER OPERATING INCOME AND EXPENSES

Other operating income	2022	2021
Gain on disposal of fixed assets	2	42
Exchange rate effect changes	203	137
Other	41	8
Total	246	187

Other operating expenses	2022	2021
Loss on disposal of fixed assets	–1	–1
Exchange rate effect changes	–80	–64
Acquisition-related costs	–17	–37
Other	–5	–7
Total	–103	–109
Other operating income and expenses	143	78

Parent Company

Other operating income amounts to SEK 225 m (280) of which the full amount relates to income from subsidiaries.

NOTE 11 | FINANCIAL INCOME AND EXPENSES

	Group	
	2022	2021
Interest income	45	13
Total financial income	**45**	**13**
Interest expenses borrowing, credit institutions	–531	–374
Interest expense on pension liabilities and expected return on plan assets (note 19)	–12	–12
Amortization capitalized long-term financing expenses	–25	–22
Interest expense leases	–36	–26
Exchange rate difference, net	227	–58
Other financial expenses	–19	–20
Total financial expenses	**–396**	**–512**
Net financial expenses	**–351**	**–499**

Interest income is recognized on a time-proportion basis using the effective interest method.

	Parent Company	
	2022	2021
Interest income subsidiaries	509	191
Total interest income subsidiaries	**509**	**191**
Interest expense subsidiaries	–	–1
Total interest expense subsidiaries	**–**	**–1**
Interest expenses borrowing, credit institutions	–564	–369
Amortization capitalized long-term financing expenses	–25	–22
Exchange rate difference, net	98	251
Other financial expenses	–12	–16
Total other financial expenses	**–503**	**–156**
Profit (loss) from financial items	**6**	**33**

NOTE 12 | TAXES

	Group		Parent	
	2022	2021	2022	2021
Current tax on profit for the year	–746	–669	–14	–83
Current tax prior year	23	–46	–	–
Deferred tax income/expense (–)	70	84	–	–16
Total tax income/expense	**–654**	**–630**	**–14**	**–99**

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	
	2022	2021	2022	2021
Profit (loss) before income tax	2,438	2,357	3	378
Weighted average tax[1]	–624	–589	–1	–78
Effects of:				
Change in tax rates	–	–	–	–
Non-taxable income and other credits[2]	45	24	–	5
Non-deductible expenses	–23	–24	–19	–6
Current tax prior year	23	–46	–	–
Withholding tax[3]	–37	–27	–	–
Utilization previously unrecognized tax losses/credits	6	–	6	–
Unrecognized tax losses/credits	–8	–11	–	–2
Revaluation of deferred tax related to prior year	–36	41	–	–19
Other differences[4]	0	2	–	1
Total tax income/expense	**–654**	**–630**	**–14**	**–99**
[1] Weighted average tax rate is, %	25.6	25.0	20.6	20.6

[2] Non-taxable income includes as from 2022 also other credits which mainly relates to tax incentives for research and development.

[3] Withholding tax related to distributed dividends in subsidiaries are disclosed separately as from 2022.

[4] Other differences year 2021 have been adjusted to reflect the above.

The weighted average tax rate for the Group is estimated based on a weighting of the Group's result before income taxes by country multiplied by the local corporate tax rate. The weighted average tax rate for the Parent Company corresponds to the statutory 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	
	2022	2021	2022	2021
Deferred tax assets				
Intangible assets	45	67	–	–
Pension commitments	68	135	11	10
Tax loss carryforward	421	479	–	–
Provisions	106	93	–	–
Inventories, including internal profit in inventories	196	214	–	–
Derivatives	22	3	–	–
Operating liabilities	53	96	–	–
Other non-current liabilities	113	198	–	–
Other assets and liabilities	18	12	–	–
Total deferred tax assets	**1,042**	**1,297**	**11**	**10**
Netting of assets/liabilities	–530	–611	–	–
Net deferred tax asset	**513**	**686**	**11**	**10**
Deferred tax liabilities				
Trademarks	–1,470	–1,333	–	–
Other intangible assets	–1,814	–1,712	–	–
Tangible assets	–303	–288	–	–
Derivatives	–12	–26	–	–
Other non-current liabilities	–38	–	–	–
Other assets and liabilities	–5	–74	–	–
Total deferred tax liabilities	**–3,643**	**–3,433**	**–**	**–**
Netting of assets/liabilities	530	611	–	–
Net deferred tax liabilities	**–3,113**	**–2,822**	**–**	**–**
Net deferred tax	**–2,601**	**–2,136**	**11**	**10**

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	Group		Parent	
Change in net deferred tax	**2022**	**2021**	**2022**	**2021**
Opening balance	–2,136	–1,068	10	26
Deferred tax recognized in Other comprehensive income	–194	–132	–	–
Tax income (expense) during the period recognized in profit or loss	70	84	–	–16
Operations/Acquisitions	–27	–1,012	–	–
Exchange rate differences	–314	–8	–	–
Closing balance	–2,601	–2,136	10	10

Of total deferred tax recognized in equity of SEK –194 m (–132), SEK –65 m (–31) relates to pensions and SEK –129 m (106) to financial instruments. Of total deferred tax in recognized in equity 2021 SEK 5 m referred to the 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 161 m (185).

	Group		Parent	
Expiry dates, tax losses	**2022**	**2021**	**2022**	**2021**
Expiring next fiscal year	–	–	–	–
Expiring 2–5 years after date of close	–	–	–	–
Expiring later	9	14	–	–
Unused tax losses without time restraints	1,257	1,716	–	–
Total	1,266	1,730	–	–

The table below shows the maturity date for the Group and the Parent Company's tax credits:

	Group		Parent	
Expiry dates, tax credits	**2022**	**2021**	**2022**	**2021**
Expiring next fiscal year	–	–	–	–
Expiring 2 years after date of close	–	–	–	–
Expiring 3 years after date of close	61	–	61	–
Expiring 4 years after date of close	156	90	153	90
Expiring 5 years after date of close	31	169	15	160
Expiring later	–	85	–	9
Unused tax credits without time restraints	829	557	–	–
Total	1,077	901	229	259

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 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, 2022	December 31, 2021
Shares and participation in associated companies	22	14
Capital insurance	96	90
Other non-current receivables	50	41
Closing balance	168	145

Parent Company

Other non-current assets in the Parent Company consist of capital insurance of SEK 54 m (50).

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

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 7,580 m (7,016).

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	–	–	83	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, 2021	**20,503**	**5,444**	**5,894**	**963**	**15**	**37**	**107**	**32,963**

2022	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	20,503	5,603	6,822	1,155	175	124	440	34,823
Acquired in business combinations	619	16	132	21	–	–	3	792
Investments for the year	–	–	–	–	2	37	39	77
Sales and disposals	–	–	–	–	–	–	–5	–5
Exchange rate differences	964	669	909	130	1	0	34	2,707
Closing balance	**22,086**	**6,289**	**7,863**	**1,307**	**178**	**161**	**510**	**38,394**
Amortization								
Opening balance	–	–159	–927	–193	–160	–87	–333	–1,860
Acquired in business combinations	–	–	–	–	–	–	–2	–2
Sales and disposals	–	–	–	–	–	–	13	13
Amortization for the year	–	–91	–444	–74	–2	–2	–44	–657
Exchange rate differences	–	–16	–129	–23	0	0	–31	–201
Closing balance	**–**	**–267**	**–1,501**	**–290**	**–162**	**–89**	**–397**	**–2,706**
Net carrying amount December 31, 2022	**22,086**	**6,020**	**6,362**	**1,016**	**16**	**72**	**114**	**35,687**

Amortization for the year

Total amortization for the year related to intangible assets amounts to SEK –657 m (–408). The increase compared to last year mainly relates to amortization of customer relationships, trademarks and technology related to the acquisition. See also the table to the left.

Amortization of capitalized development expenses and other intangible assets

The amortization of capitalized development expenses and other intangible assets has been charged to cost of goods sold at SEK –46 m (–40).

Amortization of acquisition-related intangible assets

The amortization of acquisition-related intangible assets is specified in the table below.

	2022	2021
Amortization trademarks	–91	–63
Amortization customer relationship assets	–444	–238
Amortization technology	–74	–49
Amortization intellectual property and other rights	–2	–19
Amortization of acquisition-related intangible assets	**–611**	**–369**

Parent Company

Other intangible assets amounted to SEK 0 million (0).

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, 2021	**0**	**0**	**0**

	Other intangible assets		
2022	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	–3	–5
Amortization for the year	–	–	–
Closing balance	–2	–3	–5
Net carrying amount December 31, 2022	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, 2022 Dometic implemented a new organizational structure to generate additional focus and performance. The new structure is based on five segments instead of four. Segment Marine has been separated from segment Global. The new structure will allow for stronger emphasis on existing and new strategic business areas and further improve efficiencies. Goodwill and trademarks are allocated to the Cash-Generating Units (CGUs) of the Group, which are the five segments: Americas, EMEA, APAC, Marine and 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, 2022 the impairment test of the measured goodwill and trademarks shows no indication of impairment, which also was the conclusion from impairment test performed previous financial year.

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 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 income statement during 2022, and neither during previous financial year.

Key assumptions in valuation

The following key assumptions have been applied:

The weighted average cost of capital (WACC) rates are based on equity beta set in comparison with 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 generates a discount rate which Management assess to be adequate.

The Group pre-tax discount rate applied to cash flow projections is set to 12.72 percent (8.16) and set by region along with the carrying amounts as follows:

Goodwill, Trademarks and discount rate	Goodwill & Trademarks		Average discount rate pre-tax %	
	2022	2021	2022	2021
Americas	5,682	4,959	13.05	8.68
EMEA	5,459	5,210	11.63	7.16
APAC	3,079	2,874	13.46	9.30
Marine	8,327	7,062	13.70	8.68
Global	5,558	5,841	13.02	8.68
Group	28,106	25,947	12.72	8.16

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 can be considered conservative given the 2.1 percent annual increase since 2000.

Impact of possible changes in key assumptions

The calculations are based on management's consideration and assessment of a reasonably possible change of cost of capital and growth given the current macroecomic environment and geopolitical uncertainty. By applying a 2 percent higher pre-tax discount rate and a 0.5 percent lower estimated perpetual growth rate to forecast the cash flows for each cash-generating unit no impairment requirement arises. Management has therefore assessed that book values as per balance sheet date for the segments Americas, EMEA, APAC, Marine and Global can be defended even in events of reasonable changes in material assumptions, such as market share, growth, foreign exchange rates, raw material prices and other assumptions. Regardless the changes in assumptions stated above, the cash-generating unit most sensitive to changes in assumptions is Americas. The development of the cash-generating units will be followed during the coming financial year.

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NOT 15 | TANGIBLE FIXED ASSETS

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	104	20	367
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, 2021	**207**	**445**	**801**	**99**	**321**	**407**	**2,280**

2022	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	257	971	2,478	597	1,995	407	6,705
Acquired in business combinations	0	5	9	7	13	1	35
Investments for the year	0	7	33	27	51	397	516
Sales and disposals	–1	–5	–133	–39	–234	–2	–413
Reclassifications	0	29	221	21	191	–471	–9
Exchange rate differences	20	89	259	50	213	48	677
Closing balance	**277**	**1,095**	**2,868**	**662**	**2,230**	**380**	**7,510**
Depreciation							
Opening balance	–12	–432	–1,655	–488	–1,660	–	–4,247
Acquired in business combinations	–	–2	–8	–2	–3	–	–15
Sales and disposals	0	5	126	38	231	–	399
Depreciation for the year	–1	–57	–192	–43	–188	–	–481
Reclassifications	–	–	–	–	–	–	–
Exchange rate differences	–1	–41	–167	–40	–181	–	–430
Closing balance	**–14**	**–527**	**–1,896**	**–536**	**–1,801**	**–**	**–4,775**
Impairment							
Opening balance	–38	–94	–23	–10	–13	–	–178
Impairment charge for the year	–	–13	–2	–	–1	–	–16
Reclassifications	–	–	–	–	–	–	–
Exchange rate differences	–	–1	0	–	–1	–	–2
Closing balance	**–38**	**–108**	**–25**	**–10**	**–16**	**–**	**–196**
Net carrying amount December 31, 2022	**225**	**460**	**947**	**116**	**412**	**380**	**2,540**

Land, land improvements and buildings amount in total to SEK 685 m (652). The total of equipment, installations and tools amounts to SEK 528 m (420).

Depreciation for the year – by line in the Income statement

In the consolidated income statement the total depreciation SEK 481 m (287) has been charged to the following: cost of goods sold, SEK 363 m (196), sales expenses, SEK 74 m (47) and administrative expenses, SEK 45 m (44).

Parent Company

Equipment in the parent company SEK 1 m (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	–	–
Closing balance	**0**	**0**
Net carrying amount December 31, 2021	**1**	**1**

2022	Equipment	Total
Acquisition costs		
Opening balance	1	1
Investments for the year	–	–
Closing balance	**1**	**1**
Depreciation		
Opening balance	0	0
Depreciation for the year	–	–
Closing balance	**0**	**0**
Net carrying amount December 31, 2022	**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
- 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, 2022	December 31, 2021
Acquisition value inventories		
Raw materials and consumables and products in progress	3,088	2,453
Finished products	6,743	4,749
Advances to suppliers	76	159
Total inventories before provisions	**9,907**	**7,361**
Provisions for obsolescence		
Raw materials and consumables and products in progress	–222	–97
Finished products[1)]	–370	–281
Total provisions for obsolescence	**–592**	**–378**
Book value inventories		
Raw materials and consumables and products in progress	2,865	2,356
Finished products	6,373	4,468
Advances to suppliers	76	159
Total book value	**9,314**	**6,983**

1) Internal profit in inventory has, as of 2022, been included in Acquisition value inventories. As of 2021, the corresponding internal profit was reported in Provisions for obsolescence, Finished products. Comparison year 2021 has been adjusted in line with reporting for 2022.

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 (write-down inventory) are included in the value for inventory.

NOTE 17 | TRADE RECEIVABLES

	December 31, 2022	December 31, 2021
Trade receivables	3,027	2,836
Less provision for expected credit losses	–220	–150
Trade receivables – net	**2,807**	**2,686**

	December 31, 2022	December 31, 2021
Opening balance	–150	–74
Provision Acquired in Business combination	0	–8
Provision for expected credit losses	–64	–159
Receivables written off during the period as uncollectible	13	85
Unused amounts reversed	4	16
Exchange rate differences and other changes	–23	–9
Closing provision for expected credit losses	**–220**	**–150**

Ageing analysis of trade receivables	December 31, 2022	December 31, 2021
Trade receivables, not due	2,219	2,107
Past due:		
Less than two months	300	384
2–6 months	288	139
6–12 months	74	73
More than 1 year	145	132
Total past due	**807**	**728**
of which provision for expected credit losses	–220	–150
Closing book value, net	**2,807**	**2,686**

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, 2022, provisions for impairment of trade receivables amounted to SEK 220 m (150). The primary reasons for the increase are residual effects of the pandemic, translation effect and the market situation.

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 management 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 trade receivables 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, 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, 2022	December 31, 2021
Prepaid rent	18	12
Prepaid insurance	104	91
Prepaid financing expenses	5	6
Prepaid market expenses	21	11
Prepaid personnel expenses	2	2
Prepaid administrative expenses	56	37
Prepaid consumable supplies	16	11
Prepaid costs, other	18	25
Accrued interest	42	1
Accrued income, other	7	1
Total	**289**	**197**

Parent Company

The Parent Company had prepaid expenses and accrued income of SEK 9 m (9), of which prepaid consumer supplies amounts to SEK 5 m (6), prepaid insurance SEK 4 m (3) and accrued interest amounts to SEK 0 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. The inflation risk has been affected given the macroeconomic situation. Assumptions regarding inflation are based on, among other, long-term inflation objectives of central banks.

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 2022, Alecta reports a plan surplus of 172 percent (172). 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 9 m (10) has been charged by Alecta. The amount is expected to be immaterially changed for 2023.

The amounts recognized in the balance sheet are determined as follows:

	December 31, 2022	December 31, 2021
Present value of funded or partly funded obligations	949	1,145
Fair value of plan assets	–618	–681
Net liabilities relating to funded obligations	**331**	**464**
Present value of unfunded obligations	196	238
Asset ceiling	1	1
Net liability in the balance sheet	**528**	**704**
Reconciliation to the balance sheet		
Defined benefit pension plan, net	528	704
Other pensions	–	–
Provision for pensions	**528**	**704**

The movement in the defined benefit obligation over the year is as follows:

	December 31, 2022	December 31, 2021
Opening balance	1,383	1,381
Current service cost	12	14
Past service costs	–	–10
Interest expense	30	25
Remeasurements:		
Actuarial changes arising from changes in demographic assumptions	0	3
Actuarial changes arising from changes in financial assumptions	–372	–35
Experience adjustments	–2	–37
Exchange difference	157	92
Benefits paid	–66	–60
Acquisitions	7	9
Settlement of pension plan	–6	–
Closing balance	**1,145**	**1,383**

The movement in the fair value of plan assets over the year is as follows:

	December 31, 2022	December 31, 2021
Opening balance	681	585
Interest income	19	14
Remeasurements:		
Return on plan assets, excluding amounts included in interest[1)]	–135	49
Exchange difference	91	55
Employer contributions	28	38
Benefits paid	–66	–60
Acqusitions	5	–
Settlement of pension plan	–6	–
Closing balance	618	681

[1)] Incl. admin. expenses of SEK 2 m (2).

	December 31, 2022	December 31, 2021
Present value of funded or unfunded obligations	1,145	1,383
Present value of plan assets	–618	–681
Asset ceiling	**1**	**1**
Net liabilities relating to funded and unfunded obligations	**528**	**704**

Breakdown by country	December 31, 2022	December 31, 2021
Of which Funded plan Germany and USA	330	466
Of which Unfunded plans	198	238
Closing balance	528	704

The amounts recognized in the income statement are as follows:

	2022	2021
Current and Past service cost[1)]	14	6
Interest cost, net	12	12
Costs attributable to defined benefit plans	**26**	**17**
Costs attributable to defined contribution plans	83	113
Total cost in the income statement	**109**	**130**

[1)] Incl. admin. expenses of SEK 2 m (3).

Remeasurement gain in Other comprehensive income amounts to SEK 243 m before deductions for tax.

Major assumptions for the valuation of the liability:

Major actuarial assumptions	December 31, 2022 Germany	United States	Other	December 31, 2021 Germany	United States	Other
Discount rate, %	4.02	5.22	3.50	1.12	2.64	1.26
Expected salary increase rate, %	2.50	3.02	3.28	2.50	3.01	1.48

Change of the asset celling	December 31, 2022	December 31, 2021
Opening asset celling	–1	–
Interest income	0	–
Changes in asset celling excluding interest income	1	–1
Exchange difference	0	0
Closing asset celling	**–1**	**–1**

Major categories of plan assets	December 31, 2022	December 31, 2021
Cash and cash equivalents	2	1
Equity instruments	313	355
Debt instruments	215	235
Real estate	6	8
Investment funds	82	82
Closing balance	618	681

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 31 m (26).

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 +1 %	–104
Discount rate –1 %	121
Inflation +0.5%	17
Inflation –0.5%	–14
Salary increase +0.5%	3
Salary increase –0.5%	0
Life expectancy +1 year	–25
Life expectancy –1 year	37

NOTE 20 | OTHER PROVISIONS

	Warranty commitments	Environmental provision	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:						
Non-current	76	18	2	0	150	246
Current	218	0	1	28	86	332
Total	294	18	3	28	236	578

	Warranty commitments	Environmental provision	Recall provision	Restructuring provision	Other provisions	Total
Opening balance January 1, 2022	294	18	3	28	236	578
Acquired in business combinations	1	–	–	–	0	1
Charged to the income statement:						
– Additional/revaluation provisions	5	0	0	419	32	457
– Unused amounts reversed	–	–18	–	–	–34	–52
Used during year	–	–	0	–165	–15	–180
Exchange rate differences	33	0	0	11	2	46
Closing balance December 31, 2022	332	0	3	293	221	849
Provisions consist of:						
Non-current	104	0	2	1	148	255
Current	227	0	1	292	73	594
Total	332	0	3	293	221	849

Parent Company

Provisions for the Parent Company consist of provisions for other post-employment benefits of SEK 65 m (59) and other provisions of SEK 38 m (39) in total SEK 104 m (99).

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 discount 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 prior year reserves for handling of electric and electronic waste, known as the WEEE directive, but because this provision is no longer relevant, it has been reversed during the year.

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. Dometic has two ongoing global restructuring programs in order to optimize operations and reduce costs to increase competitiveness. The first program launched in 2019 with an annual savings goal of SEK 400 m, which will be fully realized in mid-2023, to a total estimated cost of SEK 750 m. Another program was announced in the second quarter of 2022 with an annual savings goal of SEK 200 m, which will be fully realized in late 2023, to a total estimated cost of SEK 200 m. During 2022 total costs to the global restructuring program amounted to SEK –499 m (–86). A provision is included for the announced closure of the manufacturing unit in Siegen, Germany. Since the start, 24 sites and over 1,700 employees have been affected, with a total cost of SEK –817 million. The amounts have been calculated based on management's best estimates and are adjusted in event of changes to these estimates. The calculation for provision is based on detailed plans for activities that are expected to improve the Group's cost structure and productivity, and mainly includes severence pay as well as other direct costs in connection with closure of operations.

Other provisions

Other provisions consist for example of other post-employee benefits and other liabilities where the timing of any outflows is uncertain.

NOTE 21 | LIABILITIES TO CREDIT INSTITUTIONS

As of December 31, 2022 the Dometic Group's outstanding liabilities to credit institutions were:

	Group		Parent	
	Dec 31 2022	Dec 31 2021	Dec 31 2022	Dec 31 2021
Non-current				
Bank loans, USD	5,657	4,903	5,657	4,903
Bank loans, SEK	2,000	2,000	2,000	2,000
Bond loans, EUR	6,647	9,196	6,647	9,196
Bond loans, SEK	1,000	–	1,000	–
	15,304	16,099	15,304	16,099
Current				
Bond loans <1 year, EUR	3,339	–	3,339	–
Other bank loans	–	–	–	–
Accrued interest	205	136	227	136
	3,544	136	3,566	136
Total borrowings	18,847	16,235	18,869	16,235

The liabilities include capitalized loan transaction costs accrued over the loan terms, and as of December 31, 2022 amount to SEK 41 m (62).

Of the non-current financial liabilities SEK 3 338 m falls due for payment more than five years after the balance sheet date.

Borrowing

Dometic Group has a Euro Medium Term Note (EMTN) program with a framework amount of EUR 1,500 m (SEK 16,694 m) for bond issues on the European capital market. On December 31, 2022, nominally EUR 900 m (SEK 10,016 m) was outstanding in public and SEK 1,000 m was outstanding in bilateral issues at a fixed rate and with an average maturity of 3.2 years. Borrowing under the EMTN program is an unsecured obligation that is ranked pari passu with other unsubordinated non-prioritized debt. Borrowing is conditional on the Group being able to maintain an interest coverage ratio, calculated proforma, of at least 2.0x on any increase in borrowings.

Bond loans

Issued	Maturity	Amount	Interest rate, %
EUR 300 m	2023	3,339	3.00
EUR 300 m	2026	3,339	3.00
EUR 300 m	2028	3,338	2.00
SEK 1,000 m	2025	1,000	5.10
Total		11,016	

Dometic Group also has a syndicated bank loan facility with 5 relationship banks consisting of non-current borrowing in USD and a revolving credit facility in EUR. On December 31, 2022, USD loans amounted to SEK 5,667 m (4,927). The revolving credit facility under which loans and bank guarantees can be drawn in several currencies amounted to SEK 2,226 m, of which SEK 49 m was used for bank guarantees on December 31, 2022.

Dometic also has a bilateral bank loan, guaranteed by EKN (the Swedish Export Credits Guarantee Board), which amounted on December 31, 2022 to SEK 2,000 m (2,000).

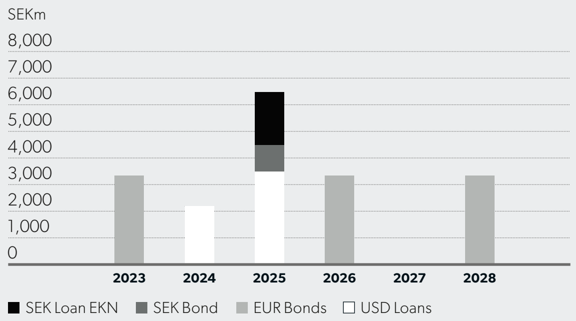
The bank loan runs at a variable rate based on IBOR and a credit margin that varies depending on the Group's net debt in relation to EBITDA.

The bank loan facilities are not hedged. They are ranked pari passu with other unsubordinated non-prioritized debt in the Company and are conditional on the bank loan market's usual commercial restrictions and financing agreements (so-called covenants) for Dometic Group and its subsidiaries. The restrictions limit the ability to, inter alia, pledge or dispose of assets, make corporate acquisitions and increase external leverage in the subsidiaries. The financial covenants that are tested on a quarterly basis are net debt in relation to EBITDA and interest cover. As of December 31, 2022, the margin in relation to the financial covenants are assessed to be at an adequate level.

Dometic Group also has a certificate program of SEK 3,000 m (3,000), with the possibility to issue commercial papers in SEK and EUR with maturities between 1 month and 1 year. On December 31, 2022, SEK 0 m (0) had been issued under the program.

Certain Chinese subsidiaries in the Dometic Group have granted local bank facilities. As of December 31, 2022, these facilities amounted to SEK 556 m (427), of which SEK 0 m (0) was utilized for local loans. These facilities are partially secured through pledging of fixed assets in the Chinese subsidiaries.

Maturity profile



Interest-bearing debt

The Group's definition of interest-bearing debt of SEK 19,170 m (16,802) includes the following items: bond loans SEK 11,016 m (9,233), syndicated bank loan facility SEK 5,667 m (4,927) and EKN-guaranteed bank loan facility SEK 2,000 m (2,000), amortized transaction costs SEK –41 m (–62) and provisions for pensions SEK 528 m (704). Derivative financial liabilities related to interest rate swaps were SEK 0 m (9).

December 31, 2021	Currency	SEK m	Interest rate, %	Margins, %	Final payment year
Syndicated bank loans					
Dometic Group AB	USD	1,905	1.67	1.45	2024
Dometic Group AB	USD	3,022	1.67	1.45	2025
Syndicated revolving loan facility					
Dometic Group AB	EUR	–	–	1.20	2025
Bond loans					
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-guaranteed bank loan facility					
Dometic Group AB	SEK	2,000	1.95	1.95	2025
Total		16,160			

December 31, 2022	Currency	SEK m	Interest rate, %	Margins, %	Final payment year
Syndicated bank loans					
Dometic Group AB	USD	2,191	5.98	1.90	2024
Dometic Group AB	USD	3,476	5.98	1.90	2025
Syndicated revolving loan facility					
Dometic Group AB	EUR	–	–	1.50	2024
Bond loans					
Dometic Group AB	EUR	3,339	3.00	–	2023
Dometic Group AB	EUR	3,339	3.00	–	2026
Dometic Group AB	EUR	3,338	2.00	–	2028
Dometic Group AB	SEK	1,000	5.10	–	2025
EKN-guaranteed bank loan facility					
Dometic Group AB	SEK	2,000	3.98	1.95	2025
Total		18,683			

The margins in the table are the applicable interest margins according to the syndicated bank loan facilities as of the balance sheet date.

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NOTE 22 | ACCRUED EXPENSES AND PREPAID INCOME

	Group		Parent	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Prepaid income for extended guarantee period	9	8	–	–
Accrued employee related items	423	459	7	28
Accrued bonus to customers	355	383	–	–
Accrued interest	233	143	227	137
Accrued production costs	35	31	–	–
Accrued administrative expenses	108	175	13	14
Accrued marketing expenses	32	26	–	–
Accrued finance expenses	9	4	–	–
Product liability claims	99	70	–	–
Other	68	130	–	–
Total	1,371	1,429	248	179

NOTE 23 | PLEDGED ASSETS

As of December 31, 2022 the local bank facilities in China are partly supported by pledged assets of SEK 347 m (321).

Parent Company

There are no pledged assets in the Parent Company on December 31, 2022 (–).

NOTE 24 | CONTINGENT LIABILITIES

A federal court in Florida dismissed an alleged class action complaint against Dometic with prejudice. The case had been pending since 2016. Dometic always remained firm in its position that the allegations were without merit. The case was closed in the fourth quarter of 2022 with no liability for Dometic.

ACON, the seller of Igloo, filed a lawsuit against Dometic in the fourth quarter of 2022, making certain claims related to the Stock Purchase Agreement ("SPA"). Dometic is confident that the lawsuit lacks any merit, is vehemently contesting this lawsuit and has filed a motion to dismiss the case. Dometic assesses that there is no significant impact on the Group's business operations or financial position attributable to this dispute.

No other material contingent liabilities exist as of 31 December 2022 (–).

NOTE 25 | CASH FLOW DETAILS

	Group		Parent	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Cash and cash equivalents includes				
Cash in hand and balances with banks	4,399	4,408	0	0
Total cash and cash equivalents	4,399	4,408	0	0
Adjustments for non-cash items				
Depreciation and amortization (Note 8, 14, 15)	1,477	920	0	1
Exchange rate differences	218	–104	–102	–
Other non-cash items	203	–101	–	27
Total non-cash items	1,898	–715	–102	28

Other financing activities

Group

Other financing activities amount to SEK 45 m (–74) including pensions paid SEK –28 m (–38), realized result financial hedges SEK 95 m (–8) and paid financial fees SEK –19 m (–20) and other SEK –3 m (–8).

Parent Company

Other financing activities amount to SEK – m (–4,870) including paid financial fees SEK – m (–19).

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 – (–) overdrafts were drawn December 31, 2022.

Group

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 borrowings from credit institutions	Non-cash changes: Reclassification financial liabilities	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
Bank loans, long-term	6,434	–	–	–	–	–	469	–	6,903
Bank loans, short-term	–	–	–	–	–	–	–	–	–
Bond loans, long-term	6,021	–	–	3,062	–	–	113	–	9,196
Bond loans, short-term	1,000	–	–1,000	–	–	–	–	–	–
Provisions for pensions	797	–	–	–	–	–	–	–93	704
Accrued interest	135	–	–	–	–	1	–	–	137
	14,387	–	–1,000	3,062		1	582	–93	16,940
Cash and cash equivalents	7,913	–3,505	–	–	–	–	–	–	4,408
Net Debt	6,474								12,531

2021	On January 1	Changes arising from cashflow: Leasing payments	Changes arising from cashflow: Leasing interest	Non-cash changes: Additions/reductions during the year	Non-cash changes: Foreign exchange movements	On December 31
Lease liabilities	740	–225	–26	546	79	1,114

Group

2022	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 borrowings from credit institutions	Non-cash changes: Reclassification financial liabilities	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
Bank loans, long-term	6,903	–	–	–	–	–	754	–	7,657
Bank loans, short-term	–	–	–	–	–	–	–	–	–
Bond loans, long-term	9,196	–	–	1,000	–3,130	–	581	–	7,647
Bond loans, short-term	–	–	–	–	3,130	–	209	–	3,339
Provisions for pensions	704	–	–	–	–	–	–	–176	528
Accrued interest	137	–	–	–	–	69	–	–	205
	16,940	–	–	1,000	–	69	1,543	–176	19,376
Cash and cash equivalents	4,408	–9	–	–	–	–	–	–	4,399
Net Debt	12,531								14,977

2022	On January 1	Changes arising from cashflow: Leasing payments	Changes arising from cashflow: Leasing interest	Non-cash changes: Additions/reductions during the year	Non-cash changes: Foreign exchange movements	On December 31
Lease liabilities	1,114	–343	–36	196	160	1,091

Parent Company		Changes arising from cashflow			Non-cash changes				
2021	On January 1	Change in cash and cash equivalents	Amortization of senior term loans	New bank/ bond loans	Reclassification financial liabilities	Change accrued interest	Foreign exchange movements incl. fees	Changes in defined benefit obligations	On December 31
Bank loans, long-term	6,434	–	–	–	–	–	469	–	6,903
Bank loans, short-term	–	–	–	–	–	–	–	–	–
Bond loans, long-term	6,021	–	–	3,062	–	–	113	–	9,196
Bond loans, short-term	1,000	–	–1,000	–	–	–	–	–	–
Accrued interest	136	–	–	–	–	1	–	–	137
	13,591	–	–1,000	3,062	–	1	582	–	16,236
Cash and cash equivalents	–	–	–	–	–	–	–	–	–
Net Debt	13,591								16,236

Parent Company		Changes arising from cashflow			Non-cash changes				
2022	On January 1	Change in cash and cash equivalents	Amortization of senior term loans	New bank/ bond loans	Reclassification financial liabilities	Change accrued interest	Foreign exchange movements incl. fees	Changes in defined benefit obligations	On December 31
Bank loans, long-term	6,903	–	–	–	–	–	794	–	7,657
Bank loans, short-term	–	–	–	–	–	–	–	–	–
Bond loans, long-term	9,196	–	–	–	–3,130	–	581	–	7,647
Bond loans, short-term	–	–	–	1,000	3,130	–	209	–	3,339
Accrued interest	137	–	–	–	–	91	–	–	227
	16,236	–	–	1,000	–	91	1.543	–	18,870
Cash and cash equivalents	–	–	–	–	–	–	–	–	–
Net Debt	16,236								18,870

NOTE 26 | SHARES IN SUBSIDIARIES

Dometic Group AB (publ)

Company name	Corp. id. No	Domicile	Number of shares	Proportion of equity in %	2022 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 Outfitters 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	Brasil	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
Shenzhen 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
Cadac France S.a.r.l.	818 608 606 R.C.S. Paris	France	100
Dometic S.A.S	438636425 R.C.S Compiegne	France	100
Dometic Germany MPS 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
WAECO Germany WSE GmbH	HRB 14141	Germany	100
Cadac Leisure Ltd	06833828	United Kingdom	100
Dometic UK Ltd.	04190363	United Kingdom	100
Dometic UK Awnings Ltd	05964899	United Kingdom	100
Dometic UK Blind Systems Ltd	02504653	United Kingdom	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 Co. Ltd	22342626-000-03	Hong Kong	100
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.	08934890156	Italy	100
Dometic Italy S.r.l.	00718330400	Italy	100
SMEV S.r.l.	03410350247	Italy	100
NDS Energy	02065080687	Italy	100
Dometic KK	0104-01-045566	Japan	100
Dometic Korea Co. 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
Cadac Europe B.V.	08104966	The Netherlands	100
Dometic Benelux B.V.	20051965	The Netherlands	100
Dometic Netherlands Holding B.V.	06050846	The Netherlands	100
Sierra Netherlands Coöperatief U.A	59086122	The Netherlands	100
Dometic New Zealand Ltd	2084564	New Zeeland	100
Dometic Norway AS	841914422	Norway	100
Dometic Poland Spółka 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
Igloo EMEA AB	559388-7093	Sweden	100
WAECO Sweden WSE AB	559403-8464	Sweden	100
Dometic Switzerland AG	CH-020.3.906.004-9	Switzerland	100
Dometic RUS Limited Liability Company	1107746208338	Russia	100
Dometic Middle East FZCO	2774	United Arab Emirates	100
Balmar Acquisition Company LLC	35-2507978	United States	100
CDI Electronics LLC	63-0848240	United States	100
Cool Gear International. LLC	90-0634641	United States	100
Dometic Corporation	32-0145464	United States	100
Dometic Mexico LLC	3457538	United States	100
Ensambladora Holdings, LLC	46-2685007	United States	100
Front Runner Outfitters LLC	20-8700484	United States	100
I Products Corporation	33-0984483	United States	100
Igloo Acquisition Holdings Corp	26-3416632	United States	100
Igloo Products Asia HoldCo Inc	82-1119004	United States	100
Igloo Products Corp	36-3474772	United States	100
Marine Acquisition Corp.	27-5496404	United States	100

Company name	Corp. id. No	Domicile	Proportion of equity in %
Marine Acquisition (US) Inc.	23-2467492	United States	100
Sierra International LLC	36-2643586	United States	100
Inca Products Acquisition Corp.	46-2862973	United States	100
Marine Digital Integration LLC	46-4518541	United States	100
Sierra Netherlands Holdings, LLC	46-3981447	United States	100
Treeline Capital LLC	20-8392940	United States	100
Valterra Power US, LLC	82-2205649	United States	100
Valterra Products, LLC	90-0974095	United States	100
ZampTech Sub LLC	82-4021581	United States	100

Change analysis of shares in subsidiaries	December 31, 2022	December 31, 2021
Opening balance	16,228	16,228
Impairments	–	–
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 –228 m (–282); of this SEK 225 m (280) 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, 2022	December 31, 2021
Earnings per share before dilution		
Earnings attributable to the Parent Company's shareholders (thousands)	1,784,242	1,726,290
Weighted average number of shares issued	319,499,993	309,644,288
Earnings per share before dilution (SEK per share)	5.58	5.58
Earnings per share after dilution		
Earnings attributable to the Parent Company's shareholders (thousands)	1,784,242	1,726,290
Weighted average number of shares issued	319,499,993	309,644,288
Earnings per share after dilution (SEK per share)	5.58	5.58

Proposed distribution of earnings

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

Retained earnings	12,069,829
Profit for the year	–10,867
Total	12,058,962

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

A dividend to the shareholders of SEK 1.30 per share, totaling	415,350
To be carried forward	11,643,612
Total	12,058,962

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.

2022

Acquisition of Cadac International

Dometic has acquired Cadac International, a supplier of high-quality barbecue equipment for the vehicle-based outdoor market. The acquisition of Cadac International is a perfect fit with Dometic's existing offering of cooling boxes, tents, mobile power solutions and other outdoor equipment.

Acquisition of NDS Energy

Dometic has acquired NDS Energy, a supplier of mobile power solutions for the outdoor market based in Italy. The acquisition of NDS Energy strengthens Dometic's offering and market presence in Mobile Power Solutions on the European outdoor market.

Acquisition of Treeline Capital LLC

Dometic acquired 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.

Summary of acquisitions

The paid purchase price amounted to SEK 691 m on a debt and cash free basis excluding potential earn-out elements. The total purchase price amounted to SEK 949 m. In the purchase price allocation below, calculation of intangible assets and goodwill are only preliminary.

Goodwill is justified by customer relationships, market positions and new future technologies. Acquisition-related costs for all acquisitions in the consolidated income statement amounts to SEK 24 m of which SEK 7 m were reported as items affecting comparability, and SEK 17 m as Other operating income and expenses.

Participating interest is 100 percent in all acquired companies.

The acquisitions have affected consolidated net sales by SEK 577 m and EBITA before i. a .c. by SEK 130 m since the date of acquisition. If the acquisitions had been consolidated on January 1, 2022, total effect on proforma net sales would have been SEK 618 m and on EBITA SEK 139 m. This does not include amortization of acquisition-related intangible assets.

Acquisition analysis

Preliminary acquisition analysis, SEK m	Total
Trademarks and brand names	15
Other intangible assets (technology, customer relationship assets)	154
Non-current assets	21
Right of use assets	6
Other non-current assets	1
Operating assets	246
Cash and cash equivalents	54
Provisions and other non-current liabilities	–35
Deferred tax liabilities	–27
Leasing, long and short-term	–3
Operating liabilities	–88
Fair value of net assets	**343**
Goodwill	606
Purchase price	**949**
Consideration transferred	–745
Cash and cash equivalents in acquired company	54
Consideration attributable to previous year's acquisitions	–156
Change to Group cash and cash equivalents	**–847**

Effect on Group cash flow

Effect on Group cash flow amounts to SEK –847 m (–8,555).

Adjustments of acquisition analyses acquisitions made in 2021

Valterra Products
Fair value of acquired net assets was adjusted during the second quarter of 2022, which increased goodwill by SEK 9 m.

Front Runner
Fair value of acquired net assets was adjusted during the second quarter of 2022, which reduced goodwill by SEK 6 m.

Igloo
The preliminary acquisition analysis has been adjusted due to an adjustment of net working capital, leading to an increase of goodwill of SEK 16 m.

Consideration not yet paid

Consideration not yet paid refers to holdbacks and potential earn-outs. These liabilities are reported on the lines Other non-current liabilities and Other 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 accounting principles for considerations not yet paid implies that items are valued at the acquisition date at fair value, based on management's best estimate in accordance with IFRS 13. Reassessments of estimated outcome of holdbacks and potential earn-outs are performed at each reporting period. Information obtained after the acquisition is assessed whether this new information refers to circumstances at the date of acquisition or to subsequent events. Information referring to circumstances at the date of acquisition is recognized as adjustments to the purchase price, if still prepared on a preliminary basis.

Acquisition	Date of announcement	Included and controlled from	Segment	Previous year net sales[1]	Number of employees[1]
Treeline Capital LLC	Mar. 2, 2022	Mar. 2, 2022	Marine	USD 16 m	70
NDS Energy	Nov. 11, 2021	Feb. 1, 2022	EMEA	EUR 11 m	25
Igloo	Sept. 17, 2021	Oct. 26, 2021	Global	USD 401 m	1,100
Cadac International	Sept. 16, 2021	Jan. 4, 2022	EMEA	EUR 17 m	40
Büttner Elektronik	July 2, 2021	July 2, 2021	EMEA	EUR 13 m	17
Zamp Solar	May 26, 2021	May 26, 2021	Americas	USD 14 m	65
Front Runner	May 20, 2021	Aug. 3, 2021	EMEA	USD 35 m	320
Enerdrive	May 18, 2021	June 1, 2021	APAC	AUD 28 m	45
Valterra	April 22, 2021	May 25, 2021	Americas	USD 94 m	550
Twin Eagles	Feb. 2, 2021	Feb. 18, 2021	Global	USD 34 m	130

[1] Annual net sales and number of employees as disclosed in the press release when announced.

NOTE 30 | SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Brian Garofalow, Dometic's CMO, left the Company on January 6, 2023, for a new position outside of the Company.

An acting CMO has been appointed and the recruitment process for a permanent CMO has been initiated.

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

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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. dometicgroup.com for the detailed reconciliation.

Core working capital
Consists of inventories and trade receivables less trade payables.

EBITDA
Operating profit (EBIT) before Depreciation, Amortization and Impairment.

EBITDA margin
Operating profit (EBIT) before Depreciation, Amortization and Impairment divided by net sales.

EBITA
Operating profit (EBIT) before Amortization of acquisition-related intangible assets.

EBITA margin
EBITA divided by net sales.

EBITA before items affecting comparability
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.

Investments in fixed assets
Expenses related to the purchase of tangible and intangible assets.

CPV
Commercial and Passenger Vehicles.

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	12,069,829
Profit for the year	–10,867
Total	**12,058,962**

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

A dividend to the shareholders of SEK 1.30 per share, totaling	415,350
To be carried forward	11,643,612
Total	**12,058,962**

The Board of Directors has proposed April 14, 2023, as the record day for the right to dividend.

The Board of Directors has proposed that the 2023 annual shareholders' meeting resolves on a dividend to the shareholders of SEK 1.30. 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, the short and long-term liquidity requirements and the economic situation and macroeconomic conditions.

After the proposed dividend, the solvency 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 short or long-term 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 international accounting principles, IFRS as adopted by the EU, and give a true and fair view of the Group's financial position and results of operations. The annual report have been prepared in accordance with generally accepted accounting principles 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 overview 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 16 2023

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 20 2023

PricewaterhouseCoopers AB

Patrik Adolfson
Authorized public accountant
Partner in charge

Anna Rozhdestvenskaya
Authorized Public Accountant

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 2022, except for the corporate governance statement on pages 68–80. The annual accounts and consolidated accounts of the company are included on pages 58–128 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 2022 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 2022 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. Our opinions do not cover the corporate governance statement on pages 68-80. The statutory administration report is 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 24 manufacturing and assembly sites in 11 countries. The business is organized into five segments: Americas, EMEA (Europe, Middle East and Africa), APAC (Asia Pacific), Marine, and Global (consists of subsegments 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 75% of the Group's total sales in 2022. Following the acquisitions that Dometic Group have conducted during 2022 we have had a focus on audit procedures relating to purchase price allocations and other accounting topics relating to acquiring businesses.

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 21 reporting units were the most significant and should be in scope for the Group audit – for instance reporting units in the US, Germany, China and Australia were in scope. In addition to this, during the year the auditor in charge has visited operations in Germany and the USA to discuss the audit, gain understanding of the operations in these entities, making an brief overview of the financial reporting based on the group's accounting principles and the entities' internal control. In order to tailor an appropriate audit strategy, we updated our understanding of, among other things, organization, strategic focus areas and the overall control environment. We have had a series of interviews with management and have obtained and read material governing documents, operational reports and other relevant documentation. In addition to the valuation of goodwill and inventory, which are particularly significant areas in our audit given the acquisitions that Dometic Group has carried out in recent years, we have had a focus on the review of acquisition analyzes and other accounting issues linked to these acquisitions as well as financing and liquidity.

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.

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 2022, 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 2022, we issued a limited review report.

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 36 billion as of December 31, 2022, 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 in prior years including 2022. There are a number of instances where the company'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, Marine and Global which constitute Cash-generating units, the level on which the impairment test is performed. No impairment is recognised in 2022. Refer to the Annual Report Note 4 Critical accounting estimates and assumptions, Note 14 Intangible assets and Note 29 Business Combinations.	When testing for impairment of goodwill, trade marks and other acquisition-related intangible assets, in order to ensure primarily the valuation and accuracy, we have performed audit procedures including: • Evaluation of the assumptions as disclosed in note 14 as well as that the model used are in accordance with IFRS, we used PwC valuation experts to test and evaluate the models and methodology used, as well as the significant assumptions. • On a sample basis we have tried, verified, evaluated and challenged the data used in the calculation versus the Company's long-term plans and, where possible, external information. We have focused on assessed growth rates, margin developments and discount rate applied per cash generating unit. We also followed-up the accuracy and inherent quality of the Company's process to prepare business plans and financial plans based on the historic outcome. • Control of the sensitivity of the valuation of negative changes in essential parameters that could, on an individual or common basis, cause a writedown need. As noted in note 14, the cash-generating unit that has the least margin for impairment needs is Americas, thus the result of the impairment test for this cash-generating unit is most sensitive to changes in assumptions. Future development of the segments will be continuously followed during the coming financial year. • Assessment of that the disclosures provided in the financial statements are correct based on the impairment test performed, particularly for information on the sensitivity in the valuations. • Comparison of the disclosures in the annual report to the requirement of IAS 36 and found them to be consistent in all material aspects.
Inventory valuation Inventories in the Group's consolidated financial statements amount to SEK 9 billion as of December 31, 2022. The provision for obsolescence was SEK 0,6 billion. 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. During the year, the stock balance increased from SEK 7 billion at the beginning of the year to SEK 9 billions at the end of the year due to currency effects, acquisitions, increased costs of input products but also because of, among other things. a. Long lead times.	Our audit included but was not limited to the following procedures: • Assessing the group's accounting principles for inventory in compliance with IFRS • Assessing processes and procedures for inventory accounting. • Audit of the internal control environment regarding valuation of inventory and test of identified key controls including IT systems, • 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 net selling prices to assess that book values are inline with accounting principles. • Evaluating management's estimates related to provisions for obsolescence. • 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 1–57,81 and 127–133 and the Sustainability report and sustainability notes on pages 132–143. 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 Director's 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

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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 2022 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 Director's 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 2022.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for 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 Goup 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 the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies 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 examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report has been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 68–80 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially 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 opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

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 2022 and has been the company's auditor since the general meeting of the shareholders on 15 June 2001.

Stockholm 20 March, 2023
PricewaterhouseCoopers AB

Patrik Adolfson
Authorized Public Accountant
Partner in charge

Anna Rozhdestvenskaya
Authorized Public Accountant

SUSTAINABILITY GOVERNANCE AND DETAILED INFORMATION

SUSTAINABILITY GOVERNANCE

Sustainability is an integrated part of Dometic's strategy. The CEO and Group management are in charge of incorporating sustainability into the strategy and global sustainability initiatives into operations as well as 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. The Board of Directors is responsible for the statutory sustainability report and quarterly interim financial reports, which contain selected sustainability information.

Organization and Governance related to sustainability

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. Read more in the chapter Governance on pages 43–44.

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 to a defined audit plan.

WHISTLEBLOWING

The Dometic whistleblowing system, called the Dometic SpeakUp Line, is available for reporting in all Group languages. It offers Dometic's employees an anonymous channel through 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. This system enables employees to report cases in their native language, either through a website or a toll-free phone call. Employees are encouraged to report any conduct that they believe is 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 through the SpeakUp line. 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, a total of 21 alleged violations of the Code of Conduct and/or applicable laws and regulations were reported through Dometic's SpeakUp line. No evidence of wrongdoing was found in any of the alleged cases of fraud. The majority of cases related to labor relations were handled in the respective segment. In one case, weaknesses were found in internal processes, which were subsequently improved with support from the Internal Control function. No cases were reported to police or any other governmental authorities, nor were any legal proceedings initiated.

Reported alleged violations

Fraud	1
Labor relations including discrimination and harassment	18
Other	2

[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.

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 modified focus areas: people, planet and governance. Goals, KPIs, and key activities have been identified within each focus area for 2024 and beyond. Dometic actively works with relevant measures for each area to further enhance value creation and compliance, and to reduce and mitigate sustainability risks. For more information about Dometic's stakeholder dialogue, see the overview on the website, dometicgroup.com.

SUSTAINABILITY RISKS

Sustainability risks are integrated in the governance of risk within Dometic. This includes climate-related physical risks and transition risks, both from a strategic and an execution perspective. All identified risks are quantified from a financial point of view. The Sustainability Board and Management Team regularly review and evaluate the effectiveness of global mitigation initiatives. Read more about risk management in the risk chapter on pages 63–65 and climate risks on pages 66–67.

ENVIRONMENTAL IMPACT

Dometic undertakes production in Americas, EMEA, and APAC. Manufacturing mainly comprises the 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 mobile cooling boxes, refrigerators, air conditioning systems, windows, steering systems and other equipment and appliances.

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. For details on permits, see page 62 in the Board of Directors' report.

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.

Product safety and substance control

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 in order to manage constantly growing substance legislation requirements and ensure product safety throughout the product life cycle. The Dometic Restricted Substances List (RSL), which is used in communication with suppliers, is available at Dometicgroup.com.

Refrigerants are key components in many of Dometic's products. To minimize their potential negative impact, Dometic is phasing out refrigerants with high 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.

CERTIFICATIONS

An overview of site certifications is available at Dometic's website. Read more at dometicgroup.com

TAXONOMY

DOMETIC'S REPORTING IN ACCORDANCE WITH THE EU TAXONOMY REGULATION

In accordance with the EU's green taxonomy (EU 2020/852), for the fiscal year of 2022, Dometic has assessed which of its business activities are covered by the taxonomy and can thereby be classified as "eligible" and subsequently "aligned" if they meet the technical screening criteria and minimum social safeguards.

The taxonomy is an EU regulation based on economic activities that research shows are responsible for a large share of greenhouse gas emissions, and that the EU deems to have a critical role to play in the transition to a low-carbon, resilient economy that uses resources efficiently. Dometic's business related to mobile capital goods is not directly connected to any of the economic activities referenced above. The majority of Dometic's products are intended and designed for use outside the home and are therefore not categorized as household products in the context of the EU energy legislation. Most of the taxonomy's activities that are relevant to Dometic refer to household products, which is why only a limited share of Dometic's business can be classified as eligible.

The Group manufactures and sources traded goods under the Dometic brand name. From a market perspective, Dometic is considered to be a manufacturer of the products that the company puts on the market, despite the fact that a share of the products placed on the market are fully sourced traded goods. Dometic operates in 24 manufacturing and assembly sites in 11 countries with sales in approximately 100 countries. A majority of Dometic's products are mobile. Dometic has three main go-to-market channels in four areas: Food & Beverage, Climate, Power & Control, and Other Applications. In 2022, three newly acquired companies, Cadac International, NDS Energy & Treeline Capital LLC, were included in the screening criteria. A limited share of Dometic's sales are classified as direct revenue-generating activities, according to the taxonomy's first delegated act on mitigation and adaptation to climate change. The Group's acquisitions and investments in property, plant and equipment and right-of-use assets are the parts of the business with the greatest coverage by the taxonomy.

All eligible activities are classified as "enabling" and related to the objective "mitigation." No eligible activities are related to multiple environmental objectives. To avoid dual reporting, Dometic has a materiality perspective when approaching activities that can be applied under both objectives; this relates to where Dometic has the most impact or highest risk.

Limitations

Dometic is trading products globally while the taxonomy is an EU specific regulation. Some of the taxonomy regulation´s technical screening criteria refer to EU labelling legislation which only applies to products traded within the EU. This means that the same products, when traded outside the EU, cannot be aligned with the requirements in the taxonomy, as they are not allowed to have an EU-energy label, and are therefore not considered eligible.

Revenue

Dometic's share of total reported revenue associated with taxonomy-eligible activities in 2022 was 7 percent. This proportion mainly includes net sales from solar panels, batteries and refrigeration appliances that have an EU energy label, mainly mini bars, wine cellars, and some cooling boxes.

EU-labelled wine cellars and minibars are not aligned since they do not meet the technical screening criteria for energy efficiency. Some of the eligible compressor cooling boxes do fulfill the technical screening criteria set for energy efficiency. However, as they contain components with brass

The majority of Dometic's products are intended and designed for use outside of the home and are therefore not categorized as household products within the framework of EU energy legislation.

with a small content of lead, they do not fulfill the DNSH according to Appendix C, see section below under Substances & Material usage the generic criteria. Manufacturing of solar panels and solar panel batteries is considered as a green activity according to the taxonomy but as lead are present in a few of the components they do not fulfill the DNSH criteria. Dometic have batteries that are free from lead and any other substances stated in the DNSH and are therefore considered aligned. Their share of total net sales is however neglectable.

The share of revenue covered by the taxonomy corresponds to the total sales from sold articles/components in Dometic's assortment. The screening criteria are reviewed for each article/component to fully understand the impact from the products Dometic places on the market. The revenue base corresponds to the total reported revenue for the financial year (see consolidated comprehensive income on page 83 and note 5). The policies for consolidated revenue recognition are described in more detail under note 6.

Capital expenditures (CapEx)

The Group's acquisitions and investments in property, plant and equipment and right-of-use assets as well as related costs are the parts of the business with the greatest coverage by the taxonomy. New acquired companies whose businesses contribute through new products and solutions and investments in more energy-efficient systems help Dometic and other parties to make the transition, while helping to reduce emissions in Dometic's value chain. Dometic mainly leases the group's manufacturing and assembly sites. This corresponds to the majority of the Group's reported right-of-use assets for leases signed by the Group. The property owner is usually responsible for maintenance, renovation, and repairs why Dometic has little to no possibility to impact the energy efficiency of the building. However, where it is possible Dometic work together with property owner in order to minimize the building's climate related impact, e.g., by converting to green electricity, installing solar panels and other actions that increase the building´s energy efficiency.

Dometic's share of investment associated with taxonomy eligible activities in 2022 was 21 percent. Compared to prior year the group have had lower gross investment, mainly due to fewer acquisitions. The majority of the investments that are eligible mainly include the group's right of uses assets in buildings and investment associated with eligible activities such as solar panels and batteries. A minor contribution is derived from investment in electrical cars, charging stations and improvement of building's energy efficiency. The right of use assets for buildings that are considered eligible with the taxonomy correspond to 89 percent of the year's new right of use commitments. The share of alignment is equivalent to 15 percent of this year eligible right of uses assets and corresponds to the buildings that, according to the taxonomy, meet the energy efficiency requirements for level A in their energy declaration or equivalent regional standard. Other additional investments related to installations, minor renovations, new machinery, and technical equipment etc. that do not have a direct connection to the group's eligible products have not had a substantial impact on the site´s total energy performance and are therefore not considered aligned.

The share of Dometic's newly added leasing contract for vehicles corresponds to 7 percent where the majority are related to leased electrical cars. The technical screening criteria for transport by passenger cars and light commercial vehicles state that the CO_2 emissions from exhaust fumes shall not exceed 50g CO_2/km. The electrical cars meet the technical screening criteria but due lack of transparency it cannot be determined whether the suppliers are compliant with the DNSH criteria.

The value of the assets covered by the taxonomy corresponds to the cost for these assets through total acquired non-current assets, including right-of-use assets during the current reporting period (see notes 8, 14 and 15). Property, plant and equipment are recognized at cost after deducting accumulated depreciation and any impairment. Cost includes the purchase price plus direct costs associated with putting the asset in place in a condition to be used in the operations. In cases where an investment cannot entirely be associated with a specific activity in the taxonomy, a standard rate is used based on the legal entity's eligibility and alignment from sold products. This principle is used primarily for investments and right to use assets in machinery and equipment as well as for intangible investments associated with customer relations, capitalized development expenditures, brands and patents, etc. Gross investments related to IT-systems and Goodwill are not part of the taxonomy's reporting scope.

Operating expenses (OpEx)

According to the taxonomy regulation, operating expenses are defined as direct non-capitalized costs associated with maintaining the value of assets linked to companies' eligible products. This relates to costs for research and development (R&D), short-term lease, repair and maintenance. The expenses defined by Dometic are represented by an eligible share of repair and maintenance costs. Remaining costs are deemed neglectable as the total share of eligible expenses associated with the taxonomy represents less than 1 percent. The majority of expenses related to product development is targeting 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 (note 8) and product development cost. Repair and maintenance costs is presented as a part of costs for raw materials and manufacturing supplies (not 6).

Do No Significant Harm (DNSH)

The criteria related to the principle of not doing any significant harm to the taxonomy's six objectives is partly covered by Dometic's risk management process. Potential risks associated with the transition to a low-carbon economy include both changing consumer preferences and stricter laws and regulations. The risk framework aligns the Group's strategic objectives and the strategy toolbox for execution where climate and other risks are continuously identified, managed, and reported (see pages 63–65). Mitigating risks usually comes at a cost. To obtain a better understanding of the financial consequences of climate change, Dometic has chosen to apply the TCFD's recommendations, see page 66–67.

Lifecycle assessment & risk assessments

A lifecycle assessment for a product is used to identify the product's vulnerability and related risks. The product life cycle includes product generation planning with phase-in and phase-out of products and spare-part strategy. Dometic has conducted lifecycle assessments on three main product groups: mini bars, rooftop air-conditioners, and cooling boxes. These studies are used to inform future environmental priorities that have a substantial positive environmental impact on the basis of lifecycle considerations. The assessments also provide valuable data in the product development process to reduce the Group's environmental footprint. With this knowledge, Dometic can make informed decisions about new products, and by mapping the product's life cycle, Dometic can identify areas that offer the greatest opportunity to reduce that impact. From a climate-impact perspective, the use-phase of energy-consuming products often represents the largest CO_2 emissions. Other material areas relate to the manufacturing of material inputs.

Dometic also uses third-party-conducted risk assessments on manufacturing sites. These assessments include both internal and external environmental aspects, such as fire, earthquakes, and flooding, to fully understand the vulnerability in, for example, a production process. These reports serve as the basis for Dometic's insurance policies and fees. Each risk is assessed on the basis of two equally important aspects: probability and impact. Physical risks due to extreme weather that can impact the early process stages of a product are primarily related to the supplier and production process. With reference to the products' eligibility with the taxonomy, no undetected risks related to the products' life cycle have resulted in a material cost for the Group.

Substances & material usage

Dometic has a Restricted Substances List (RSL) and must be notified if an article or material delivered to the Dometic Group contains any of these restricted substances. The RSL is communicated to suppliers and information about the listed substances is requested and collected. More information about the RSL is available at Dometicgroup.com.

Dometic complies with all legal requirements described in Appendix C under the generic criteria for DNSH to pollution prevention and control regarding use and presence of chemicals. For products to fully align with the taxonomy and to be considered green from a climate perspective there are some substances that need to be avoided. Many of the existing substance requirements are related to whether the concentration is above a threshold or not. Most of Dometic's electrical products contains a substance mentioned in Reach´s candidate or intention lists referred to in the legislation, eg lead in brass. Since the criteria in appendix C has a detailed oriented focus exceeding the legal requirements there is a transparency gap at some levels in the supply chain, and substances that Dometic needs phase out, before stating that the products are fully aligned with the DNSH criteria.

Water risk management

Risks related to preserving water quality and avoiding water stress are identified and addressed from an operation and site perspective. The amount of water used in Dometic's production processes is not material from an environmental perspective. Dometic complies with national legislation. No material risk has been identified. Dometic continuously tracks and attempts to minimize water usage in the factories.

End-of-life and recycling

Dometic's Design for Sustainability Guideline provides recommendations for development projects on how to enhance the recyclability of each product. Dometic participates in relevant recycling schemes in the markets where products are sold. Service and aftermarket programs ensure durability and extended product lifetime.

Minimum Safeguards

The following procedures have been implemented to ensure alignment with the policies and procedures of the Social 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, and 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 performs ESG assessments of all new direct material suppliers as part of the onboarding process. In addition, 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 ethical business practices and ESG aspects concerning business partners are described in the chapter Governance (page 43–44) and in the Sustainability notes section (page132).
- Dometic has adopted effective environmental management systems (ISO 14001, ISO 50001, ISO 45001, SA 8000) in selected sites. See overview of certified sites on Dometicgroup.com.
- Being tax compliant is an essential component of our commitment to grow in a sustainable, responsible, and socially inclusive manner. Dometic complies with the tax regulations in the countries where the Company operates. The Group and national tax functions ensure that the financial, regulatory, and reputational risks associated with taxation are fully identified and evaluated to manage any tax-related risks. Dometic's tax policy is approved annually by the Board of Directors. The purpose of the tax policy is to ensure that the Group has a framework that is in line with the Group objectives regarding taxes and tax-related risks. According to the policy, Dometic shall comply with and be up to date with laws, rules and regulations, manage risk, and not engage in artificial transactions/structures that do not have any business purpose. For more information related to the Group's tax disclosures, see note 12.
- Dometic's Code of Conduct states that the company supports the principles of free enterprise and fair competition as the basis for business development and innovation. Dometic strives to compete on the market in a manner that is both ethical and fair, without engaging in any inappropriate activities or unfair trade practices. In addition to training in the Code of Conduct, a global training on fair competition and anti-trust is assigned to selected target groups in the organization.

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Turnover[1]				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)										
Economic activities	Code(s)	Absolute turnover	Proportion of turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of turnover, year N	Taxonomy-aligned proportion of turnover, year N-1	Category (enabling activity)	Category (transitional activity)
		SEKm	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Manufacture of batteries	3.4	11	0.04%	100%	0%						Y	Y	Y	Y	Y	Y	0.04%	–	E	–
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		11	0.04%	100%	0%												0.04%			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Manufacture of renewable energy technologies	3.1	806	2.7%																	
Manufacture of batteries	3.4	535	1.8%																	
Manufacture of energy efficiency equipment for buildings	3.5	831	2.8%																	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		2,172	7.3%														–			
Total (A.1 + A.2)		2,183	7.3%														–			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities (B)		27,581	92.7%																	
Total (A+B)		29,764	100%																	

[1] Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year N

CapEx[2]				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)										
Economic activities	Code(s)	Absolute CapEx	Proportion of CapEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of CapEx, year N	Taxonomy-aligned proportion of CapEx, year N-1	Category (enabling activity)	Category (transitional activity)
		SEKm	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Acquisition and ownership of buildings	7.7	30	3.0%	100%	0%						Y	Y	Y	Y	Y	Y	3.0%	–	E	–
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		30	3.0%	100%	0%												3.0%			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Manufacture of renewable energy technologies	3.1	5	0.5%																	
Manufacture of batteries	3.4	0.5	0.0%																	
Manufacture of energy efficiency equipment for buildings	3.5	2	0.2%																	
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	15	1.5%																	
Installation, maintenance, and repair of energy efficiency equipment	7.3	3	0.3%																	
Installation, maintenance, and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4	0.2	0.0%																	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	1	0.1%																	
Acquisition and ownership of buildings	7.7	150	15.1%																	
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		178	17.8%														–			
Total (A.1 + A.2)		208	20.9%														–			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy-Non-eligible activities (B)		789	79.1%																	
Total (A+B)		997	100%																	

[2] Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year N

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OpEx[3]				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)										
Economic activities	Code(s)	Absolute OpEx	Proportion of mitigation	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of OpEx, year N	Taxonomy-aligned proportion of OpEx, year N-1	Category (enabling activity)	Category (transitional activity)
		SEKm	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.0	0.0%	–	–						–	–	–	–	–	Y	0.0%	–	E	–
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Manufacture of renewable energy technologies	3.1	0.3	0.0%																	
Manufacture of batteries	3.4	0.6	0.1%																	
Manufacture of energy efficiency equipment for buildings	3.5	2	0.3%																	
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		3	0.4%														–			
Total (A.1 + A.2)		3	0.4%														–			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
OpEx of Taxonomy-Non-eligible activities (B)		738	99.6%																	
Total (A+B)		741	100%																	

[3] Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year N

PEOPLE	2022	2021	2020
% White collar employees (WC)	41	38	38
% Blue collar employees (BC)	59	62	62
% female employees at year end	36	36	36
% female managers at year end	24	24[1]	24
Diversity & Inclusion index	–[2]	78	–
Lost time accidents	25	40	41
Lost time accidents per million working hours (LTIFR)	1.6	2.4	2.8
Health & Safety index	–[2]	75	–
Fatalities	0	0	0
Leadership index	–[2]	77	–
Core values index	–[2]	77	–

PLANET	2022	2021	2020
Renewable electricity %	32.4	21.6	5.8
Total energy GWh	**103**	**115**	**99**
Direct energy GWh	48	50	39
Indirect energy GWh	55	64	60
Total energy MWh/net sales SEKm	5.2	5.7	6.1
CO_2 total energy (scope 1 and 2 market based) ton	**24,180**	**30,100**	**32,600**
CO_2 direct (scope 1) ton	9,920	10,400	9,200
CO_2 indirect (scope 2) market based ton	14,260	19,800	23,400
CO_2 total energy (scope 1 and 2 market based) ton/net sales SEKm	**1.2**	**1.5**	**2.0**
CO_2 indirect (scope 2) location based ton	21,100	25,700	24,100
CO_2 outbound transport (scope 3) ton	24,350	28,800	24,600
CO_2 outbound transport (scope 3)/net sales SEKm	1.2	1.4	1.5
Waste ton	12,780	15,100	12,300
hazardous waste ton	200	400	400
Recycling waste %	76	80	76
Water m^3	268,700	261,600	224,400
Water m^3/net sales SEKm	13.6	13.0	13.9

GOVERNANCE	2022	2021	2020
Employees that have been trained in the CoC (WC)	96%[3]	94%	95%
Employees that have been trained in the CoC (BC)	84%[3]	95%	95%
Suppliers that have signed the CoC	95%	94%	95%
% of supplier spend in LCC that has been audited (last 36 months)	92%	88%	82%

[1] New broader measurement specification from 2022.
[2] Employee survey, conducted every other year. Next will be in 2023.
[3] Including acquisitions from 2021/2022.

REPORTING PRINCIPLES AND DEFINITIONS

Boundaries

Dometic's sustainability report covers all the Group's own operations except companies acquired in 2021 and 2022, unless stated otherwise. All data have been collected in accordance with Dometic's financial year and policies.

Precautionary principle

The precautionary principle is applied to sustainability where necessary.

PEOPLE

Employees

Reported data includes all of Dometic's active employees including employees from acquired companies. Active employees pertain to the total number of employees with whom the company has an employment contract/agreement at the end of each respective reporting period, irrespective of whether the employment is temporary, part-time, or full- time. Contractors are not included. A contractor represents a person who is not on the Dometic payroll, but who works in-house at Dometic facilities. The reported data include employees on leave of absence, on parental leave etc. White-collar employees represent staff not directly involved in manufacturing/assembly, e.g. purchasing, finance staff etc. Blue-collar employees represent personnel who perform manual labor, e.g. construction work, mechanical maintenance, warehousing, technical installation etc.

Female managers

The share of female managers is calculated as the percentage of female managers in the company at the end of each period. The manager definition has been updated in 2022 compared to previous years. Management position refers to managers with employee responsibility, employees who report directly to Group management members, and/or have a managerial position that belongs to any of the Group's segments' management teams.

Lost time accidents

Lost time accidents are defined as the number of unplanned work-related events that resulted in personal injury, with absenteeism for a minimum of one full day or a full work shift. Accidents resulting from non-work-related activities, commuting injuries/ from home to and back from the office, are not included in the data. The Lost Time Injury Frequency Rate is defined as work related accidents with lost time >=1 day per million working hours. Rolling 12 months.

Actual working hours include regular work hours of permanent and temporary workers, paid and unpaid overtime. The definition excludes time not worked due to public holidays, annual paid leave, sick leave, injury and temporary disability, parental leave, schooling or training, slack work for technical or economic reasons, strike, or labor disputes etc.

PLANET

Energy consumption

The total amount of consumed energy is reported in Gigawatt hours (GWh) and includes electricity consumption, heating, and cooling. The energy consumption is divided between direct and indirect energy. Direct energy includes energy produced and consumed by Dometic in its own operations, projects, and facilities. Indirect energy includes the energy used in our suppliers manufacturing sites. The reported consumption covers all of Dometic's 24 manufacturing and production sites. The measurement share of renewable energy includes energy consumption from the 13 sites that have converted to green energy. Self-generated energy pertains to solar power from Group-owned solar panel systems. All data pertain to actual consumption during the 2022 calendar year.

Emissions

Environmental data, energy, and emissions are collected through the Group's environmental reporting system. The consolidation principles used for environmental data are used for all parameters and reporting units/sites. Climate data are generally associated with a certain level of uncertainty, owing to varying measurement methods and data quality. The Group GHG (greenhouse gases) emissions disclosure is prepared in a GRI-conformed tool aligned with the GHG protocol for CO_2 reporting. The total volume of greenhouse gases is reported in tons of CO_2 equivalents (CO_2e). Recalculation to CO_2e consists mainly of carbon dioxide, methane, and nitrous oxide. CO_2e constitutes a common measurement of emissions from certain types of greenhouse gases and their impact on the climate. The impact of the emissions is recalculated to the corresponding amount of carbon dioxide that would cause the same effect.

In accordance with the GHG protocol, Scope 1 and 2 emissions are obligatory to report. Reporting Scope 3 emissions is not obligatory. Country-specific emissions factors have been used to calculate Scope 1, 2, and 3 emissions in accordance with the market-based method. For calculations of Scope 2 emissions in accordance with the location-based method, the emission factors used are based on average emissions intensity of grids on which the energy consumption occurs. Currently, the reported emissions correspond to all of Dometic's 24 manufacturing and production sites, except for acquisitions made in 2021 and 2022. The following emissions sources are currently included in the reporting scope:

- Purchased natural gas for the Group's manufacturing and production sites, (Scope 2).
- Purchased electricity and district heating for offices, dormitories, manufacturing, and production sites (Scope 2).
- Outbound transportation by rail, air, road, and ocean (Scope 3).

Transport

Reported emissions from transport include transportation by air, train, road, or ocean, where Dometic pays for the specific leg of transportation. This includes transportation of incoming components or/and products sent by suppliers, in intercompany transports or shipments to final customers. Transport from Dometic sites to end user are classified as outbound and are included in the current reporting scope.

Waste

Reported waste corresponds to data from the Group's different waste handling contractors, based on the number of collections made during the current reporting period. Data are reported as the number of tons of waste from the Group's manufacturing sites. Data from waste are reported into the Group's system for environmental reporting (CSM) on site level based on predefined waste fractions. Waste fractions are determined by type of material and the handling method for the sorted waste.

Water use

Data for the Group's water consumption correspond to water used in the processes at Dometic's manufacturing sites.

Product programs with extended lifetime

This is defined as the share of products launched from January 2022, with a defined program for extended product lifecycle. The ambition level for the program is broken down into four levels on a scale from A to D, where A is considered the highest while D the lowest. All levels prior to the selected ambition level needs to be fulfilled in order to reach the next. All projects above C-level are considered to fulfill the requirement for extended lifetime. The share is based on data from the Group's project tool.

Recycled materials

Recycled material is referred to as post- industrial or/and post-consumer recycled material content, meaning that the consumer has already used it and it has been processed at a recycling center to make use in new items or products.

Recycled fabric
The share of recycled fabrics is defined as the total spend from products that are composed of recovered material or/and post- consumer recovered material, where fabric is a dominated component. The sales volume for each item is retrieved from the reporting system and the total spend is based on each item's material cost.

Recycled plastic
The share of recycled plastic is defined as the spend of purchased plastic parts or resin that comes from recycled sources. The total spend data is retrieved from the groups purchasing BI system, which is based on invoiced direct material from external suppliers.

Direct material spend per geographical supplier region
The graphs are based on data from the Groups purchasing BI system. Data is based on invoiced direct material from external suppliers. The acquired companies from 2021 and 2022 are excluded except for Igloo.

Direct material spend per main raw material category
The graphs are based on data from the Group's purchasing BI system. Data is based on invoiced direct material from external suppliers. The material spend corresponds to the raw material used to produce the product. Non-material, such as overhead cost for IT, freight, energy etc. are not included. The acquired companies from 2021 and 2022 are excluded except for Igloo.

GOVERNANCE

Suppliers
External suppliers are suppliers that are not part of the Dometic Group, but from which the Group makes direct and/or indirect purchases. Active suppliers are suppliers with a spend in the last 12 months rolling of > SEK 20,000. Suppliers to acquired companies in 2021 and 2022 are currently not part of the reporting scope. New suppliers are defined as suppliers that have had an accumulated spend exceeding SEK 20,000 in the last 12 months rolling before December 2021. Suppliers of tooling equipment are not considered direct material suppliers and are therefore not part of the ESG objective. Potential suppliers that are involved in pre-production samples or prototype approval samples do not need to be ESG audited until contracted as suppliers for normal production. If samples and/or prototypes are approved, the supplier will need to sign the Code of Conduct for Business Partners and have a valid ESG audit result prior to supplying Dometic with any production materials.

Direct material suppliers that have signed the Code of Conduct
Share of active direct material suppliers with signed Dometic's Code of Conduct corresponds to active: suppliers with signed Code of Conduct, divided by the total number of active external direct material suppliers. As part of the Dometic supplier evaluation process, all new external direct material suppliers shall be ESG audited and approved before any contracts or orders are drawn up or made.

Direct material suppliers that have been ESG audited
The share of new direct material suppliers that have been ESG audited (on-site, remote or 3rd party audits). Measuring period to be included as a new supplier is January 1, 2022, until end of 2024. An audit is equivalent to a Dometic on-site audit, a remote audit, or third-party audit carried out on behalf of Dometic. An audit is valid for 36 months. Suppliers in low-cost countries (LCC) is predefined by the Dometic Management.

Trainings
All training activities for white-collar employees are conducted through Dometic's global learning management system. Results and passing rates are retrieved from the system on a quarterly basis. All training activities for blue-collar workers are conducted through classroom sessions. Acquisitions that have been part of Dometic for at least 12 months are included.

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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 2020 on pages 32–45 and 132–143 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, 20 March 2023
PricewaterhouseCoopers AB

Patrik Adolfson
Authorized Public Accountant
Partner in charge

Anna Rozhdestvenskaya
Authorized Public Accountant

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FINANCIAL CALENDAR 2023

ANNUAL SHAREHOLDERS' MEETING **2022**

The 2022 annual shareholders' meeting of Dometic Group AB (publ) will be held on **April 12, 2023**.

INTERIM REPORT **Q1**

The Interim Report January 1–March 31, 2023 will be published on **April 26, 2023**.

INTERIM REPORT **Q2**

The Interim Report April 1–June 30, 2023 will be published on **July 18, 2023**.

INTERIM REPORT **Q3**

The Interim Report July 1–September 30, 2023 will be published on **October 26, 2023**.

FOR FURTHER INFORMATION

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In the event of any discrepancies, the Swedish version shall govern.

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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 mobile outdoor lifestyle, for freedom and for adventure.

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