THULE GROUP
ANNUAL REPORT
2022

Thule Group

Contents

The Sustainability Report encompasses pages 36–52 and 131–158.

The Annual Report encompasses pages 54–130 and is published in Swedish and English.

The Swedish version is the original and has been reviewed by Thule Group's auditor.

This version is an adjusted version for the layout of the legal Annual Report submitted to the AGM, which is available in Esef-format.

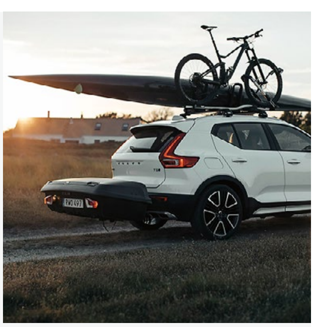
Thule Group in brief

Thule Group is a world-leading manufacturer of fantastic products with high-quality, smart features and a sustainable design that make it easy for people across the globe to live an active life. This means making it easy for users to take their equipment and luggage and being able to share wonderful experiences together with the youngest members of the family and four-legged friends. We have maintained a long-term focus on consumer-driven innovation and sustainable, profitable growth since we were founded in 1942 in Hillerstorp, Sweden.

~2,600 employees

9 production facilities

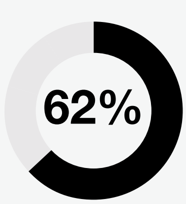
138 countries with sales



Sport&Cargo Carriers

Market position:
Clear global market leader as the only company with a truly global position.

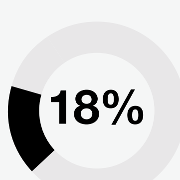
Share of Group sales in 2022:



RV Products

Market position:
Clear European market leader and niche player in the smaller RV segment in North America.

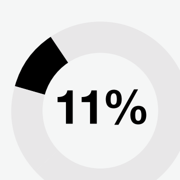
Share of Group sales in 2022:

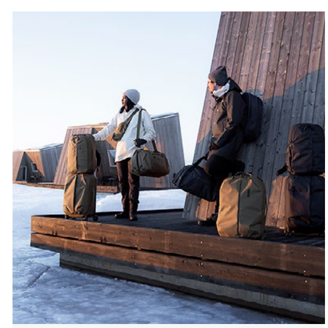


Juvenile & Pet

Market position:
Global market leader in bike trailers and one of the leading global players in child bike seats.

Share of Group sales in 2022:

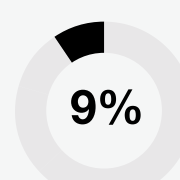




Packs, Bags & Luggage

Market position:
Stable, growing niche position in selected segments of everyday and outdoor bags.

Share of Group sales in 2022:



2022 in brief

In 2022, Thule Group had sales of SEK 10,138m. After currency adjustment, this represents a decrease of 9.7 percent compared with the record year of 2021, but growth of 40.6 percent after currency adjustment compared with 2019, the year before the pandemic.

In the first half of the year, sales increased 4 percent, while sales during the second half of the year declined 26 percent. The main reason for lower sales in the second half of the year was the sharp slowdown in sales of bike-related products to our retailers, who wanted to lower their inventory following excessively large pre-season orders.

Inventory at year-end amounted to SEK 3,129m, which is more than the Group considers appropriate over time. Inventory consists of components and products that we are convinced we will be able to sell in 2023 and to start off the reduction of inventory, the staffing levels in the Group's nine assembly plants have been reduced ahead of spring 2023.

The Group's long-term sustainability work continued with major initiatives and during the autumn, we committed ourselves to the globally established Net Zero commitment by 2050 undertaking as part of our long-term sustainability goals.

SALES

SEK 10,138m

In 2022, currency-adjusted sales declined 10 percent compared with 2021. A sharp slowdown in bike-related products during the second half of the year entailed that two of the product categories, Sport&Cargo Carriers and Juvenile & Pet, had reduced sales for 2022.

EBIT MARGIN

16.8%

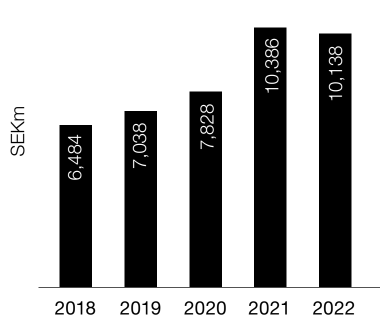
In 2022, the Group achieved an EBIT margin of 16.8 percent, a year-on-year decrease of 5.4 percentage points currency-adjusted. An unfavorable product mix, under-utilized production capacity during the second half of the year, and ambitious product development activities were the strongest contributing factors.

PRODUCT DEVELOPMENT

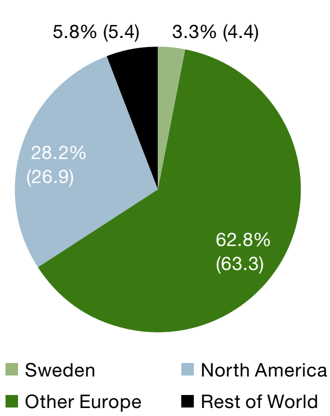
6.0%

In 2022, we invested 6.0 percent of sales revenue in product development, an increase of 1.4 percentage points. The increase was attributable to plans to enter two new product segments, car seats and dog transport products, as well as continued investment in our current categories.

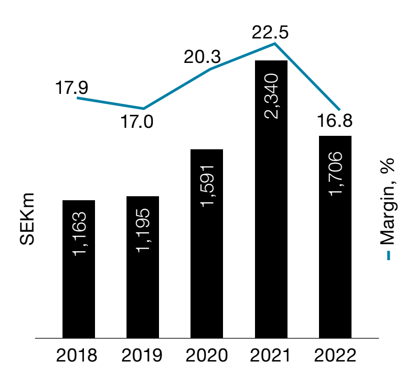
NET SALES



NET SALES PER GEOGRAPHICAL AREA



EBIT AND MARGIN



Well-attended capital markets day in Hillerstorp

A well-attended capital markets day was held on May 11 at Thule Group's global development and testing facility in Hillerstorp. The interest was extensive both from Swedish and from international investors.

In conjunction with the capital markets day in May:

- plans were presented to enter two exciting new product categories – car seats and dog transport solutions. Both are included in the Juvenile & Pets product category (formerly Active with Kids).
- the financial growth target was raised from slightly more than SEK 15 billion to SEK 20 billion in sales by 2030.

More on the capital markets day at www.thulegroup.com/en/capital-markets-day-2022

Continued extensive sustainability initiatives

Thule Group's long-term sustainability agenda continues to be developed and deepened.

- As in 2021, the UK Financial Times named Thule Group one of Europe's Climate Leaders 2022. The broadsheet highlighted 400 companies in Europe who had been the most successful in reducing their greenhouse gas emissions from 2015 to 2020. Thule Group was number 48.*
- Thule Group was included for the first time in the Dow Jones Sustainability Europe Index.
- During 2022, Thule Group set the target of achieving net-zero emissions in 2050 within the framework of the Science Based Targets initiative (SBTi) Net Zero.

* https://www.ft.com/climate-leaders-europe-2022

Crash test track opened at Thule Group's global test center

Thule Group's global test center in Hillerstorp was expanded during the year with an advanced crash test facility, where the company's products will be tested under rigorous conditions. Having access to these facilities in our own plant entails that product development can be conducted more rapidly and more efficiently.

Award-winning products visible in media

Thule's products continue to be awarded design and product prizes and commendations. During 2022, the new Thule Shine stroller and the Thule Sapling child carrier backpack received RedDot Design Awards.

Several of our products have gained a large amount of attention in local and international media, primarily some of the year's newcomers, such as our fourth stroller model Thule Shine and the bluesign-certified luggage collection, Thule Aion.

Thule Sapling child carrier backpack.

"A year with large fluctuations"

In the first half of 2022, Thule Group delivered solid growth, despite a challenging global supply chain and quickly escalating costs for materials and freight. In the second half of the year, similar to the entire bike sector, we were negatively impacted by a sharp decline in purchasing from bike retailers who already had large inventories.

Despite a challenging second half of the year, with a sharp decline in sales of bike-related products, we succeeded in delivering sales of SEK 10.1 billion, somewhat less than the record year of 2021 (10.4), due to our strong brand and a broad product portfolio. This corresponded to a currency-adjusted annual growth of 12 percent in the past three years.

Due to high material and freight costs, an unfavorable product mix, and an unexpectedly rapid slowdown in the bike sector during the second half of the year – at the same time as we continued our aggressive investment in future growth – we did not meet our EBIT margin target of 20 percent, but ended the year with a margin of 16.8 percent.

Another revolutionary year on the global stage
We were all affected, in many different ways, by the revolutionary world events in 2022.

The Russian invasion of Ukraine shook the world and at the time of writing, March 2022, we can still see no end to the conflict in the near future. Although these markets accounted for only 1 percent of Thule Group's sales the previous year, the war also poses additional challenges in logistics and supply. But above all, it affects us on a human level, especially since many of the employees at our Polish assembly facilities are of Ukrainian origin.

"The RV Products product category delivered another year of solid growth, at 17 percent."

The global coronavirus pandemic and its management by different countries also had a strong impact on us during the year, with continued longer lead times, high material and freight costs, and shortages of specific components. The unexpectedly rapid policy turnaround in China at the end of the year, with the cancelation of zero tolerance and lifting of restrictions, resulted in a rapid increase in COVID-19 cases. With inventory levels that were higher than normal and a large local supplier base close to our major assembly plants in Europe, this will initially have no effect on Thule Group, but we are naturally monitoring developments closely.

As a result, the global economic situation has become uncertain, with such consequences as high inflation, rising interest rates and increased energy prices, which affect companies' propensity to invest and consumers' purchasing behavior.

The positive bike trend came to a temporary standstill
Biking has increased long before the outbreak of the pandemic, both because many cities made major infrastructure changes to support commuting by bike but also because exercising out on roads as well as trails in forests and the countryside increased around the world.

After several years of stable sector growth and captured market shares, followed by two very strong cycling seasons, bike-related products accounted for 48 percent of sales in 2021, compared with 37 percent the year before the pandemic. The 2022 pre-season showed continued strong growth and high levels of optimism among retailers and it was only in the summer that retailers understood that they had overestimated the continued large bike interest.

At Thule Group, we had communicated about an expected slowdown, but underestimated how rapid and deep it would be. We have a broad and deep portfolio of bike-related products and all four of our product categories were affected.

The trend impacted both of our regions, with a decrease in currency-adjusted sales of 9 percent for Region Europe & RoW and 11 percent in Region Americas.

However, in the long term, we foresee a continued positive development within bike-related categories, although we believe that the turnaround will come first during the peak season, spring and summer 2023, when retailers have balanced their inventories and orders have returned to normal levels.

Lower sales for bike-related product categories
During the year, sales by our largest product category Sport&Cargo Carriers decreased 17 percent in local currency after growing a full 43 percent in the preceding year. Sales of roof boxes continued to increase strongly as many people went on vacation by car, but this could not fully offset the slowdown in bike carriers during the second half of the year, when retailers decided to reduce their inventories.

Juvenile & Pet (formerly Active with Kids) saw reduced sales of bike-related products and sales therefore declined 17 percent, currency adjusted, after increasing 35 percent in the preceding year. The stroller product group grew thanks to among other things the launch of our fourth stroller model, the compact Thule Shine, which expands our offering of strollers to use immediately from birth. In conjunction with the capital markets day in May, the product category gained the addition of Pet to its name, as we in 2023 will launch our first products for the transport of dogs.

The RV Products product category delivered another year of solid growth, at 17 percent. The trend of younger consumers choosing smaller RVs for a flexible vacation with a mass of activities was strengthened and an active 55+ consumer group is investing in RV vacations. RV manufacturers continued to have difficulty in meeting demand, with component shortages and long lead times in the European market, which accounts

"We continue our strategic and long-term sustainability work unabated, in line with our 2030 goals within the framework of the Science Based Targets initiative (SBTi). During the year, we also signed the Net Zero by 2050 undertaking."

for more than 92 percent of our sales. In a more uncertain economic situation, we expect consumers to be more cautious in 2023, despite a strong interest in flexible travel.

Driven by increased travel and with students and personnel back at universities and in workplaces, sales in the Packs, Bags & Luggage category increased 21 percent currency-adjusted. Sales of everyday backpacks to use to and from work and school increased in particular, with a number of successful launches of new collections. Sales of duffel bags and small carry-on cases also grew as global air travel began to recover.

More sustainability initiatives and even more ambitious sustainability goals

During the year, we continued to build our long-term, sustainable company. Our main objective is for Thule Group to contribute to a more sustainable world by offering products that inspire people to live an active life. The products are manufactured and distributed responsibly with the least possible impact on the climate and environment during and after their use.

We continue our strategic and long-term sustainability work unabated, in line with our 2030 goals within the framework of the Science Based Targets initiative (SBTi). During the year, we also signed the Net Zero by 2050 undertaking. Due to our intensive product development with thorough life-cycle analysis, our products will become more energy-efficient in manufacturing and use, and will contain a higher share of recycled material.

Scope 3 represents Thule Group's largest climate impact and this is where we are focusing most on improvements. During 2022, our greenhouse gas emissions declined 20 percent. Some examples of improvements in terms of materials used during the year were increased use of low-energy aluminum in the most sold roof rack models and a higher percentage of recycled plastic in our bike carriers. In logistics, climate impact declined 19 percent, mainly related to the reduced use of air freight.

We are building further on our global lifestyle brand

The foundation of the strong position of the Thule brand globally is user-friendliness, a high level of quality and an attractive design based on a long-term sustainable perspective that also simplifies an active life with loved ones.

At the Capital Markets Day in May 2022, including a visit to our extended development and test center in Hillerstorp, we announced our intention to further broaden the base by launching two new product groups: car seats and dog transport products. We have an ambition to become one of the leading players in the market in both product areas and are convinced that, in addition to increased sales and profit, they will also strengthen Thule as a lifestyle brand.

To broaden and strengthen the Group's Thule core brand, we will continue to improve our consumer website and we are increasing our presence in the various digital channels where users are present. We currently sell directly to consumers in 11 countries. In the US, Canada and Sweden, this channel accounted for more than 10 percent of sales during the year.

New financial targets with focus on profitability and sustainable growth

At our capital markets day, we also presented our new long-term targets – achieving SEK 20 billion in sales by 2030. The profitability target of an EBIT margin of more than 20 percent and a target ordinary dividend of at least 75 percent, in relation to our profit, remain.

I have been asked several times whether we remain convinced of our ability to meet the targets we have set and I can assure you that we are. The long-term targets were not set on the basis of the exceptionally strong year of 2021, but are based on our ability to drive sustainable growth over the long term, as well as the plans to grow into new product areas that we have communicated.

This is not something that will happen by itself and we have demonstrated that we are quick and flexible, and skilled at using our strengths for continued strong performance.

As has already been announced, I will leave the role of President and CEO in August, but I promise that, in the next six months, I will be as committed as ever to ensuring that all of our fantastic colleagues at Thule do everything to manage the challenges of the spring and prepare the company for an exciting future, as well as ensuring that Mattias Ankarberg has the best possible start when he takes over the role of CEO.

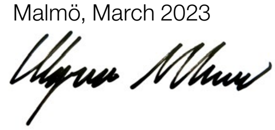
Now, as I sit writing my final CEO's statement, I am allowing myself to stop and reflect on all that has happened in my 17 years with the company. And I do so with happiness and pride. Among the huge number of memories, everything nonetheless revolves around all of you, committed, driven, skilled and wonderful colleagues. I want to thank all of you personally, for your commitment during a challenging, but ultimately successful 2022, but primarily for everything that we have achieved together over one and a half decade, while we have made sure that we also had fun at work.

I also want to thank all of the consumers throughout the world who have chosen to purchase our products over the years, our partners in the supply chain and the retailers and of course all the investors who continue to invest their confidence in us.

Thule is now a global lifestyle brand and we have a fantastic product portfolio, with our most important launches in our history ahead of us in the next 18 months. During the spring, we updated our online profile and in the vicinity of our major markets, there are our modern, well-invested assembly plants, ready to meet increased demand.

I look forward to an exciting 2023 and know that time will just fly until August.

Malmö, March 2023



Magnus Welander
CEO and President of Thule Group

Positive long-term macro trends in our product categories

From a longer perspective, we see that the global trends that had a positive impact on Thule Group's business already before the start of the pandemic will continue. Interest in sport and outdoor activities is growing in all markets and increasing numbers of people want to experience an active lifestyle with their loved ones – close to home. However, from a short-term perspective, the market is more uncertain, with a more turbulent world and higher inflation impacting on consumer behavior.

Our products are used by people who prioritize an active life filled with experiences, both in urban environments and in the outdoors by people at different stages of life and with different interests, but all of whom prioritize an active life full of experiences.

Increased leisure time and greater awareness of the benefits and joy of living an active life are resulting in people of all ages spending more money and time than ever before on sports and outdoor activities. This trend is also supported by a growing middle class in emerging markets and better health later in age in more mature markets, which leads to a more active life.

This means good potential for continued long-term growth in our classic product categories (like roof racks, roof boxes and bike carriers for cars). In our newer product categories, such as strollers and sports bags, we have the opportunity to create growth by capturing market shares, not to mention an overall growing market.

Brands connected to positive experiences strengthened

People all over the world are living in increasingly stressful and digital environments and are exposed to increasing numbers of brands and products through digital and physical channels. At the same time, physical outdoor activities with friends and family, are attracting more people than ever, and more time and money is being spent in pursuit of such experiences. This applies to more everyday experiences, like a short bike ride with a sleeping child in the bike trailer to a trip into the city for a nice coffee, as well as to the extreme mountain bike trip with your best friends.

Brands that are used in connection with positive feelings are strengthened, which makes it easier to build consumer loyalty, sales growth and healthy profitability. Lifestyle brands that aim to be more than just a product and deliberately work to create a connection to their consumers have greater possibilities of being long-term winners in a world of information shared on social media and online product comparisons.

MACRO TRENDS

- Allure of physical activities
- Winning sustainability-centric companies
- Lifestyle brands create loyalty
- Focus on customer experience in all channels
- Global uncertainty

Sustainability in a broader perspective

Consumer expectations have become significantly more demanding on all levels – everything from sustainability, product quality and customer service to the possibility of shopping whenever and wherever they want.

In particular, sustainability and the way in which companies and brands work long term with environmental and climate issues has become all the more important for consumers in the past few years. This is especially apparent in the premium segment of durable goods and even more so in the categories in which we are active, with products for consumers that appreciate an active life in the great outdoors.

Brands are no longer expected simply to minimize their impact on the environment and reduce their greenhouse gas emissions. Conscious consumers have increasingly stringent demands for transparency and openness when it comes to the company's work in issues like human rights and ethical production chains.

This means opportunities for companies like Thule Group that are seriously focused on sustainability, but at the same time it demands more proactive work in making facts about the work the company does readily available, for example by including more information on the brand's website and in social channels.

A global omnichannel strategy with a local twist

Meeting consumer needs on a local level is decisive in an increasingly competitive world. Brands are built over time. Products obviously need to meet consumer expectations, but communication and the level of service are also important success factors.

New purchasing patterns and new ways to meet customers in digital and physical channels were already strong trends before the coronavirus pandemic, but were strengthened radically in the last two years. Concern over infection and the closure of shopping centers and stores for periods in many cities accelerated this ongoing trend towards an increasing amount of online shopping, creating challenges and opportunities for brand owners.

Demand is increasing quickly and is not always easy to combine, since consumers and retail chains are demanding shorter lead times and improved delivery precision while maintaining an expectation that this will not negatively impact prices or the climate.

It is crucial for retailers to create value in order to avoid being considered an unnecessary middleman between brands and consumers. This can apply to everything from offering the broadest range and the quickest delivery times to the advisory service or the most sustainable total experience.

Thule Group has a global omnichannel strategy with a focus on digital solutions that enhance the customer experience. We cost-efficiently create local solutions by collaborating with the best retailers in each market and sell directly to consumers (DTC) in North America, Brazil and in eight markets in Europe.

Greater economic uncertainty in the short-term perspective

The coronavirus pandemic's global economic effects were followed in 2022 by Russia's invasion of Ukraine and the world's economy has been shaken. This has led to increased economic uncertainty in the market. Prices in several material categories have increased significantly and increased energy and base costs drove the rate of inflation in 2022. During the past few years, we have also noted increased protectionism and new trade barriers across the entire world.

The trend in the bike category, which is important for Thule Group in several of the product categories, was very positive overall in recent years. However, after a record year in 2021, retailers worldwide entered their season with inventories that were much too large and pulled on the brakes during the summer. This inventory adjustment effect will affect everyone in the bike sector during 2023. However, biking is growing over time and more infrastructure investments than ever were made in commuting by bike and biking as an outdoor activity during the pandemic years, so the market is expected to grow in the long term.

The total effects are difficult to predict, but overall, they mean that there is a great deal of financial uncertainty for suppliers, retailers and consumers in the short term.

Four product categories and international sales

Thule Group offers a broad range of products that are developed and manufactured with a focus on quality and sustainability. Products that make it easier for people to live an active life full of experiences. Before the pandemic, our markets grew 2–5 percent each year, with greater variations in different product categories and geographic markets, depending on factors such as market maturity, standard of living, urbanization, the competitive landscape and brand recognition.

In the pandemic years of 2020 and 2021, interest for outdoor activities without needing to travel increased, while restrictions and lockdowns dramatically reduced international travel. Three of our four product categories were thus very positively impacted by the pandemic, while the impact on Packs, Bags & Luggage was negative.

In 2022, the bike sector was impacted by the excessive inventory, while other categories continued to grow and, with increased travel, the bag category recovered rapidly. Our assessment is that the market in 2023 will continue to be affected by the uncertain economic situation and the inventory adjustment in the bike sector.

Sport&Cargo Carriers – strong market trend in all categories

Thule Group is a market-leader in its largest product category, Sport&Cargo Carriers, with around 50 percent of the global market. We offer the market's widest range of vehicle-related products that make it easy to pack for your entire family's holiday in roof boxes, bring along all of the bikes to the MTB trail, or take kayaks down to the sea for an after-work kayak excursion.

We drive growth through innovative product launches and intense focus on supporting retailers with store concepts, online tools and through inspiring marketing.

The market is very positively influenced by the global sports and outdoor trend, as well as the need for people to bring new products with them when traveling, such as heavier e-bikes that require new, smart solutions.

Sport&Cargo Carriers accounted for 62 percent (67) of the Group's sales in 2022 and by our assessment, the market will grow 2–5 percent annually over the long term.


Thule Yepp child bike seat.

Juvenile & Pet – category with stable growth

We are the international market leader in bike trailers in the premium segment, the largest sub-category in Juvenile & Pet, and one of the three leading companies in child bike seats. We have seen a highly positive market trend in these categories for several years, driven by increased biking all over the world. Even taking into account the reduced sales in these categories during 2022, it was from exceptional levels in 2021 and overall, the category performed very positively and is expected to do so going forward as a result of the major investments in improved infrastructure. We expect these categories to continue to grow in the long term by around 5 percent per year in the next few years.

Thule Group now has a complete offering of strollers and in the coming years, will launch a broad range of car seats and products that make it possible to take the dog in the car or by bike.

With the expanded range, Thule is beginning to become a well-known brand across the world even in the premium segment of these categories, which is expected to grow approximately 5 percent annually.

RV Products – strong demand but challenges for RV manufacturers

In RV Products, we focus on the European market, which accounts for 90 percent of sales for Thule Group in this category. Thule Group is market leader in terms of awnings and bike carriers for RVs and caravans in the European market. The trend with the greatest impact on the industry in the past few years, including before the pandemic, is the increased sale of smaller RVs.

Like every vehicle manufacturer around the world, RV manufacturers suffered through a shortage of semiconductors in 2020–2022, which meant they were unable to meet demand. This has generated long order backlogs, at the same time as the costs for vehicles is increasing rapidly, making the market difficult to assess from a short-term perspective.

Over the long term, the European market is estimated to have underlying growth of 2–3 percent, on average, for the next few years.

Thule Omnistor 5200 awning.

Thule Aion luggage collection.

Packs, Bags & Luggage – increased travel drives this category

Within the product category Packs, Bags & Luggage we offer a wide product range, everything from relatively simple cases for small electronic accessories to backpacks for everyday use at work, hiking backpacks for weekend trips or smart cabin bags for business trips.

The luggage and bag industry is highly fragmented with geographically limited brands and strong global players, usually with a product range that encompasses several categories.

During the last few years, Thule Group has focused on backpacks for everyday use in urban environments and also expanded our luggage offering to include duffel bags and carry-on cases for longer journeys, as well as launching different forms of sports bags, such as hiking backpacks and bike bags.

Sales in the traditional product categories under the Case Logic brand, such as camera bags and cases for cellphones and tablets, continue to decrease in an overall shrinking market, and there is no sign that the negative trend will turn around. We are spending very limited resources on development and marketing, at the same time as we are trying to fill the empty space left as competing brands cease to operate and disappear.

We estimate that the market for cabin bags and luggage will continued to grow after the dramatic decline in 2020–2021. For other prioritized sub-categories, we assess that the market will be stable with growth of about 2–3 percent per year.

Thule Group business concept and business model

Our business concept is to offer high-quality products with smart features and a sustainable design that make it easy for people across the globe to live an active life.

Thule Group is a global lifestyle company with its roots in Småland, in the south of Sweden. We develop, manufacture, market and sell high-quality, smart and well-designed products for people who want to live an active life.

The products are sold in 138 markets worldwide. With more than 80 years of experience in developing products with the user and sustainability in focus and deep insight into the trends that exist in the sports and outdoor sector, we have established the core brand Thule and Thule Group as a leading global player.

Consistent design of products and packaging, inspiring store design in both physical and digital store environments, as well as engaging and inspiring marketing in social media and PR contexts, connect us more closely with our customers.

By way of sales, financial strength, product development and sustainable, cost efficient operations, we create opportunities for our users to enjoy an active life, enhanced profitability for customers and suppliers, inspiring and safe workplaces for our employees, and lasting value for our shareholders.

An active life. Quite simply.

We offer a range of products; everything from backpacks and strollers to roof boxes and bike carriers for cars, which make it easier for people to bring everything they need to live an active life. Our products are developed based on the insights garnered from our users – from extreme sports enthusiasts to families and employees – but also on our deep expertise in various materials, technical solutions and the products' total impact on the climate and environment. The products are tested in our own facilities so that users can feel full confidence in their function and performance.

It should be easy to enjoy an active and sustainable life together with loved ones.

The consumer and the customer's first choice.

We are to be the first choice for consumers and customers. By this we mean that consumers who look for products that facilitate an active life opt for products from Thule. They trust that the brand stands for sustainability and quality, and they appreciate our smart solutions and our design.

Our customers should see Thule Group as their obvious choice of partner, since we supply innovative products that are manufactured with a long-term sustainability perspective and because we, in collaboration with our retailers, understand the importance of adapting our offering to the local market.

Shared passion.

Our employees, customers and consumers all play a major role in our development and success. Our shared passion, which is about always trying to exceed users' expectations, means that everyone from the assembly staff in our factories to our sponsored Thule Crew ambassadors are always coming up with smart suggestions on how we can improve our products or take the next step in manufacturing and selling them.

We aim to contribute to a more sustainable world by offering innovative, high-quality products that inspire and facilitate an active and sustainable lifestyle. We continuously reduce our products' environmental and climate impact – throughout the chain.

Strategy

Our strategy is based on creating long-term value through consumer-driven innovation, proven material and manufacturing competence, financial strength and a strong focus on sustainability throughout the entire value chain. Thanks to a well-communicated strategy that our employees feel a sense of responsibility and are passionate about achieving, we are building upon our strong position as a leading global lifestyle company.

A focused lifestyle company

GLOBAL BRAND
A strong lifestyle brand with global sales.

CULTURE OF INNOVATION
Strong culture of innovation focused on the user.

EFFICIENT MANUFACTURING
Proven material and manufacturing expertise.

FINANCIAL STRENGTH
Long-term financial stability, good profitability and strong growth.

FOCUS ON SUSTAINABILITY
Genuine interest in sustainability, comprehensive initiatives and ambitious long-term goals.

OBJECTIVE

To be the leading company in selected categories, by offering sought-after products that make it easier for people to enjoy an active life while minimizing the impact on the climate and environment generated by our operations and our products.

Culture of innovation

Strong culture of innovation focused on the user

Our long-term success is built on consumer-driven innovation. We develop sustainable and innovative products that facilitate an active everyday and outdoor life. With deep insights into consumers' priorities and with a focus on sustainability, safety, quality and design, we ensure that our product portfolio is attractive to thoughtful consumers all over the world.

Efficient manufacturing

Proven material and manufacturing expertise

Manufacturing at our nine assembly plants is efficient and highly automated, leading to a high level of quality and flexibility with a demonstrated ability to handle extreme fluctuations in demand and a continuous effort to create a safe work environment. Through constant improvements, we endeavor to enhance the efficiency of all processes, at the same time as we reduce the environmental and climate impact, internally and at our partners. This gives customers and consumers added value while we strengthen our competitiveness.

Financial strength

Long-term financial stability and strong growth

Our strong financial position and efficient business model allows a long-term and flexible approach when pursuing growth. We firmly believe that a focus on growth drives an organization to perform better and creates a winning culture. In conjunction with the company's capital markets day in May 2022, we presented our new growth target – to achieve sales of SEK 20 billion by 2030. The profitability target is an EBIT margin of more than 20 percent and a target ordinary dividend of at least 75 percent in relation to net income are unchanged.

Focus on sustainability

Genuine interest in sustainability, comprehensive initiatives and ambitious long-term goals

Our entire value chain is characterized by sustainability thinking and good ethics. In 2020, Thule Group presented new long-term sustainability ambitions and new targets for 2030. In terms of environmental aspects, the sustainability targets are closely connected to the company's decision to commit the company to the Science Based Target initiative (SBTi). In autumn 2022, Thule Group also signed the Net Zero undertaking, with the ambition of achieving net zero emissions by 2050.

We participate in the UN's Global Compact and work with partners and international organizations that work in various ways to support sustainability in the sports and outdoor industry and society at large. Overall, this forms a solid base for our overall sustainability work.

Global brand

A strong lifestyle brand with global sales

Our brand strategy is primarily focused on continuously strengthening our biggest and best-known brand, our core brand Thule. Through a deep understanding of long-term trends and our consumers' needs, we develop the next generation of products, at the same time as we offer smart solutions and good design in entirely new product categories.

Attractive and appreciated marketing material for digital and physical channels, both our ourselves and our retailers, contribute to positive associations with the brand. This is how we create growth and expansion of the Thule brand, which is used in all of the company's product categories.

Targets and their achievement

We create the prerequisites for continuous improvement by methodically following up and evaluating our operations against the business targets and our strategy. At the overall Thule Group level, we evaluate the achievement of financial and sustainable targets.

In conjunction with the company's capital markets day in May 2022, Thule Group presented new, long-term financial targets for 2030. New, long-term sustainability ambitions were set in conjunction with Thule Group's commitment in autumn 2022 to the Net Zero undertaking, in accordance with SBTi and with the target year of 2050.

Financial targets

Sales

Sustainable, long-term sales growth is at the root of the company's value creation. A focus on growth drives an organization to perform better and fosters a winning culture.

LONG-TERM TARGET

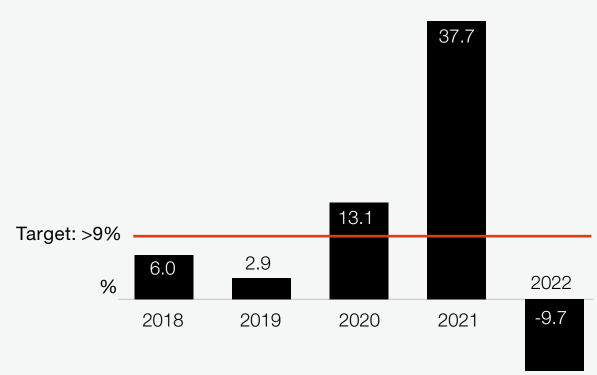
SEK 20bn in 2030

Corresponding to average currency-adjusted annual growth (CAGR) of +9 percent until 2030.

RESULT FOR 2022

-10%

Currency-adjusted growth compared with 2021.



FUTURE FOCUS

Sport&Cargo Carriers

With our global market-leading position and sharp product focus on regular launches, proactive support for retailers and an attractive online sales presence, we will generate continued stable growth.

62% of net sales in 2022.

RV Products

Continue strengthening of our market-leading position in Europe and capturing market shares with niche products for smaller vehicles in the premium segment in North America.

18% of net sales in 2022.

Juvenile & Pet

Continued rapid growth through a continually expanding offering of products, entry into the new car seat and dog transport segments, and a strengthened and expanded retail chain.

11% of net sales in 2022.

Packs, Bags & Luggage

Growth within the smaller backpacks, sports bags and luggage categories, which accounted for 3/4 of the category's sales in 2022.

9% of net sales in 2022.

Profitability

As a brand-driven lifestyle company, our growth must drive profitability and strengthen our earnings.

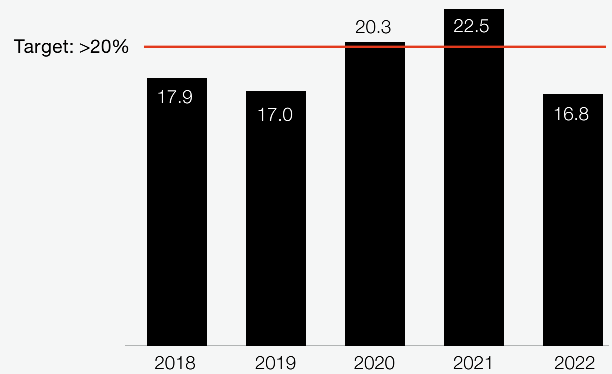
LONG-TERM TARGET

>20%

EBIT-margin.

RESULT FOR 2022

16.8%



FUTURE FOCUS

Sustained focus on exploiting economies of scale in a well-established supply chain and manufacturing in our own facilities close to our main markets.

Continuous focus on improvements to profitability.

Growth focus on product categories with high profitability.

Dividend

We intend to distribute at least 75 percent in relation to net profit in ordinary dividends.

LONG-TERM TARGET

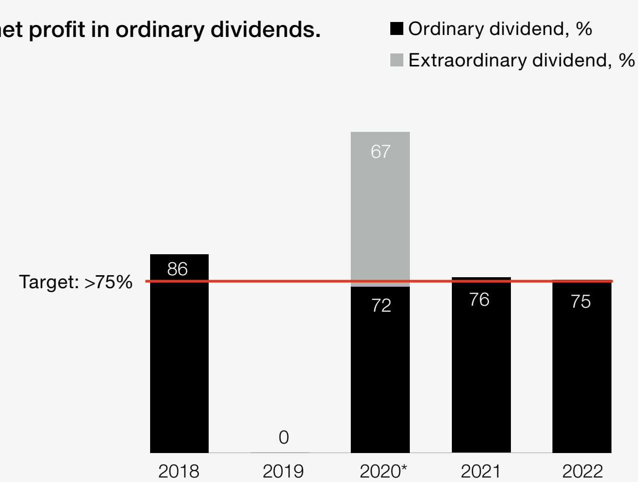
>75%

Proportion of annual net income to be distributed.

RESULT FOR 2022

75%

Proportion of annual net income proposed to be distributed.



* of which 67 percent pertains to an extraordinary dividend (representing 89 percent of the net income from 2019 that was not distributed due to the pandemic).

FUTURE FOCUS

Continued focus on driving balanced growth and a strong operating cash flow.

Our intention is to distribute a dividend of at least 75 percent of consolidated net income over time, while considering the capital structure, future profits, investment requirements, liquidity, development opportunities and general economic and business conditions.

Sustainability target – Environment

The sustainability targets are, in terms of environmental aspects, closely connected to the decision made in autumn 2020 to commit to the Science Based Target initiative (SBTi) and the decision in autumn 2022 to commit Thule Group to the Net Zero emissions goal by 2050, which has a clear focus on meeting the ambitions of the Paris Agreement to keep the earth's average temperature from rising more than 1.5°C.

Greenhouse gases

We aim to reduce our environmental impact by reducing our emissions of direct and indirect greenhouse gases.

LONG-TERM TARGET

-90%

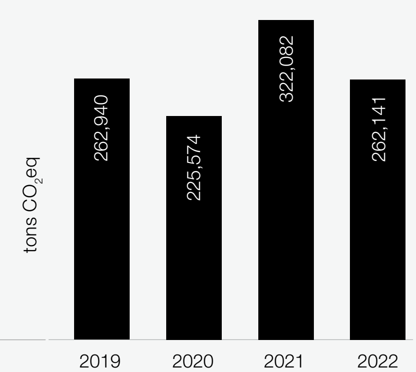
By 2050, Thule Group is to have achieved an absolute reduction of 90 percent in greenhouse gases compared to a 2019 base year.

RESULTS FOR 2022

-2%

Reduction in total emissions compared with base year 2019.

Indirect emissions, external (scope 1, 2, 3, incl. goods purchased and investments)



Change from the 2019 base year, %:
2020: -14%
2021: 22%
2022: -2%

FUTURE FOCUS

Reduce direct and indirect greenhouse gas emissions an average of 20 percent per product by 2030 compared to a 2020 base year.

Greenhouse gas emissions are to be central to the design of new products through the use of ecodesign models, material emissions databases and a library of previous life cycle evaluations.

Circular thinking through extended product lifetimes through modular focus in product families and expanded offering of spare parts.

Increase the share of recycled material or material with lower greenhouse gas emissions without negatively affecting product safety or lifetime.

Recycling

We aim to maintain a high recycling rate by identifying efficient and practical solutions for sorting waste.

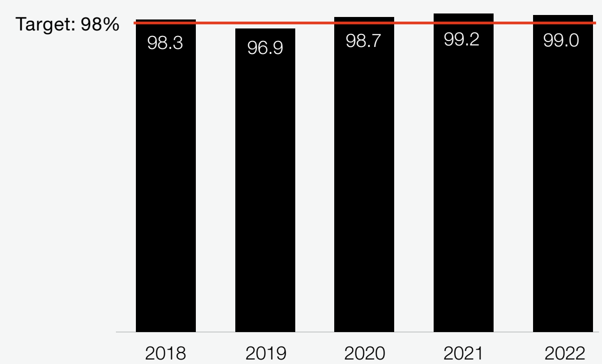
LONG-TERM TARGET

98%

Retain a recycling rate of at least 98 percent.

RESULTS FOR 2022

99%



FUTURE FOCUS

Operational strategies and goals for recycling at each manufacturing site, with clear processes for reusing process-related waste.

Social responsibility

Equality and diversity: We are convinced that a variety of skills and experiences are a strength for the group and we work actively to increase diversity and promote inclusion at all levels of the company.

LONG-TERM TARGET

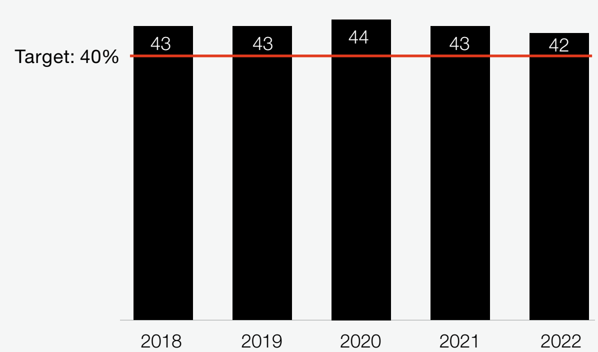
40%

At least 40 percent of Thule Group's employees are to be women (or men).

RESULTS FOR 2022

42%

Percentage of women employees, 2022.



FUTURE FOCUS

Actively work at the management level to ensure equal career opportunities and equal salaries for women and men.

Actively strive to increase the share of women in senior positions.

Our second best year – despite major challenges

Thule Group sales are managed and continuously followed up in two regions, Region Europe & Rest of World (RoW) and Region Americas, which altogether represent 138 markets. In both regions, the trend was characterized by a challenging bike market following record growth during 2021.

In 2022, the world was affected by major events on a global level. Russia's invasion of Ukraine, the continued pandemic outbreak, as well as rapidly rising inflation, had a large impact on Thule Group, with major delivery problems and continued high materials and freight costs.

Thule Group, as a world-leading company in bike-related accessories, was also impacted by the slowdown as retailers wanted to reduce their inventories during the second half of the year.

The underlying trend, with increased interest in and demand for sports and outdoor products, has been clear for several years. This was strengthened during the pandemic years of 2020–2021 by limits and restrictions that led to more consumers spending time on activities close to home. During 2022, this trend remained stable and we are convinced that it will remain strong in the years to come.

Thanks to excellent flexibility in the production stage, Thule Group managed to handle the challenges in the supply chain relatively well and the reduced demand for bike-related products during the second half of the year. However, the extremely rapid slowdown nonetheless meant that we had more personnel and more inbound components than required at the beginning of the autumn, which entailed higher inventory levels than planned and additional costs for higher inventory, as well as inefficiency at the production phase.

Sales for the Group declined SEK 248m to SEK 10,138m, corresponding to a decrease of 2.4 percent, or down 9.7 percent after currency adjustment. Although sales declined compared with the record year of 2021, it was nonetheless the Group's second-highest in history. Bike-related products such as bike carrier and bike trailers had the most negative performance, while there was growth in other transport products for cars and our products for RVs, as well as the bag category.

Sales are managed and followed up in two regions that collectively represent 138 markets: Region Europe & RoW, which had a decline in sales of 8.9 percent, after currency adjustment, and Region Americas, which had a decline in sales of 11.5 percent, after currency adjustment.

Thule Group has shared global processes for product development, purchasing, manufacture, logistics and marketing.

SALES BY REGION

			Change, %	
SEKm	**2022**	**2021**	**Reported**	**Adjusted***
Thule Group	10,138	10,386	-2.4	-9.7
– Region Europe & RoW	7,091	7,440	-4.7	-8.9
– Region Americas	3,047	2,946	3.4	-11.5

*Adjusted for changes in exchange rates

We are active in four product categories:

SPORT&CARGO CARRIERS

Roof racks, roof boxes, carriers for transporting bikes, water and winter sports equipment and rooftop tents.

Currency-adjusted growth:

-17%

RV PRODUCTS

Awnings, bike carriers and tents for RVs and caravans.

Currency-adjusted growth:

+17%

JUVENILE & PET

Bike trailers, child bike seats and strollers.

Currency-adjusted growth:

-17%

PACKS, BAGS & LUGGAGE

Luggage, backpacks and laptop bags for everyday use, hiking backpacks, camera bags and cases for consumer electronics.

Currency-adjusted growth:

+21%

Region Europe & RoW

Decreased sales of bike-related products

In Region Europe & RoW, sales decreased 9 percent after currency adjustment, impacted by a weak second half of the year for bike-related products. Bike-related products accounted for 41 percent (52) of sales. It is worth noting that the pandemic year of 2021 was an exceptionally strong year for the industry in general, and we also captured market shares in bikes as a result of our competitors having issues with meeting demand.

Moreover, during the year, sales moved over increasingly to digital channels, through retail chains offering sales in brick-and-mortar stores and via websites (known as omnichannel) as well as pure online stores. For a number of years, we have already offered our own online sales direct to consumers in Sweden (where we also operate two own brick-and-mortar stores), Denmark, Germany, the Netherlands, France, the UK and Belgium. During the year, direct sales to consumers also began in Italy.

Sport&Cargo Carriers

- 57% of net sales in 2022.
- 16% decline in net sales in 2022.

During 2022, sales of bike carriers for cars declined, since retailers had been too optimistic during the second half of the record year of 2021 and accumulated much too large inventories ahead of the start of the 2022 season.

The other areas of the category grew, primarily roof boxes, as consumers continued to choose vacations close to home. The small niche product group ski racks grew most rapidly, since several of the Alpine countries, where these are mainly sold, had more open ski facilities than in the preceding year. Rooftop tents, which were launched in 2020, also continued to grow rapidly.

RV Products

- 24% of net sales in 2022.
- 15% growth in 2022.

RV Products, dominated by awnings and tents, as well as bike carriers for RVs and caravans, grew 15 percent and we continued to capture market shares. RV manufacturers continue to have major supply problems due to the shortages of semi-conductors and chassis.

RV sales were lower than in the record year of 2021, despite long-term positive market trends with increased interest among older and younger consumers who appreciate the flexibility of an RV. New registration of RVs declined 19 percent and camper vans 10 percent.

Juvenile & Pet

- 13% of net sales in 2022.
- 17% decline in net sales. 2022

During 2022, we noted a decline in bike trailers and child bike seats, driven by retailers being far too optimistic during the second half of the record year of 2021 and accumulating large inventories ahead of the start of the 2022 season. The effects of the high inventory levels was most noticeable in the low-price segments, in which, in 2021, we captured higher market shares than historically when our competitors had greater difficulties in meeting rapidly increasing demand.

In strollers, we had healthy growth through a broader product offering and a more established retailer network.

Packs, Bags & Luggage

- 6% of net sales in 2022.
- 20% growth in 2022.

Sales in the Packs, Bags & Luggage category increased 20 percent during the year. The strongest contributory factor was sales of smaller backpacks for everyday use, when increasing numbers of consumers returned to more normal commuting to the workplace or school. Cabin and duffel bags were the product group that grew most rapidly as travel increased.

Sales within categories linked to consumer electronics, such as camera bags and tablet cases (known as the Legacy categories), continued as expected to decline this year as well.

Region Americas

Bike sector slowdown had negative impact

In Region Americas, sales decreased 11 percent after currency adjustment, impacted by a weak second half of the year for bike-related products, which accounted for 29 percent of sales (39 percent). In Region Americas, the pandemic year of 2021 was also an exceptionally strong year for the industry and we also captured market shares in bike-related products as a result of our competitors having issues with meeting demand.

Sport&Cargo Carriers

- 70% of net sales in 2022.
- 18% decline in net sales in 2022.

During 2022, we noted a decline in sales of bike carriers for cars. Here, retailers were also far too optimistic and built up large inventories ahead of the start of the season and when their sales to consumers did not increase in the second half of 2022, they decided to reduce their inventories.

Roof boxes were the product group that grew most and in this area, we also noted increased sales of ski racks after a generally strong winter season.

RV Products

- 5% of net sales in 2022.
- 43% growth in 2022.

In North America, we chose to have a niche product offering focused on smaller vehicles for active people. Accordingly, we are less dependent on the general RV market in North America, which was weak during the year.

Juvenile & Pet

- 8% of net sales 2022.
- 16% decrease in net sales 2022.

During 2022, we noted a decline in sales of bike trailers and child bike seats, driven by retailers being far too optimistic during the second half of the record year of 2021 and accumulating inventories ahead of the start of the 2022 season. The effects of the high inventory levels was most noticeable in the low-price segments, in which, in 2021, we captured higher market shares than historically when our competitors had greater difficulties in meeting rapidly increasing demand.

The trend for stroller sales in the US was not satisfactory. After evaluations of the strategy going forward, a reorganization of the commercial organization was conducted in the autumn.

Packs, Bags & Luggage

- 17% of net sales in 2022.
- 21% growth in 2022.

Increased sales in the Packs, Bags & Luggage category, driven by higher demand for small backpacks for everyday use and cabin and duffel bags for increased travel.

As expected, sales within categories linked to consumer electronics, such as camera bags and tablet cases (known as the Legacy categories), also continued to decline this year.

Product categories – development and long-term ambitions

Moving forward, the long-term ambition levels for our four product categories remain firm.

Sport&Cargo Carriers

Market position: Clear global market leader as the only company with a truly global position.

Long-term ambition: Sustained stable growth by further strengthening our market-leading position.

Performance in 2022: Sales declined 17 percent in local currency after an exceptionally strong 2021. Annual average growth of 11 percent in local currency in the past three years.

Highlights in 2022:
- **Roofboxes:** Strong growth.
- **Winter sports products boxes:** Strong growth.
- **Rooftop tents:** Continued strong growth in Europe.

RV Products

Market position: Clear European market leader and niche player in the smaller RV segment in North America.

Long-term ambition: To exceed the market trend.

Performance in 2022: Growth of 17 percent exceeded that of the European RV and camper market, which according to our assessment decreased around 10 percent when it came to new manufacturing.

Annual average growth of 19 percent in local currency in the past three years in a market that we estimate has shrunk by an average of 3 percent per year in terms of new production.

Highlights in 2022:
- Ability to manage the majority of quickly growing demand despite a very challenging global production chain.
- Substantial growth in our niche premium products small RVs in a generally positive market in the US.

Juvenile & Pet

(formerly Active with Kids)

Market position: Global market leader in bike trailers and one of the leading global players in child bike seats. Relatively new and fast-growing brand in strollers.

Long-term ambition: Rapid growth driven by an expanded range, with the aim of expanding our market-leading position in bike-related products and becoming a major player also in premium strollers, and in the coming years, also in car seats and dog transport products.

Performance in 2022: Sales declined 17 percent in local currency after an exceptionally strong 2021. Annual average growth of 16 percent in local currency in the past three years.

Highlights in 2022:

- **Bike trailers and child bike seats:** Retained market shares in the premium segment in a challenging market.
- **Strollers:** Stable growth in Europe.
- **Child carrier backpack:** Strong growth in this niche category with the award-winning Thule Sapling.

Packs, Bags & Luggage

Market position: Smaller player with niche offering.

Long-term ambition: Stable growth through expanded offering of computer backpacks and sports bags, as well as through the further establishment of the Thule brand within cabin bags and duffel bags. Profitable management of phaseout of Legacy categories.

Performance in 2022: Growth of 21 percent in local currency. Average annual growth of 2 percent in local currency in the past three years, with continuing phaseout of Legacy categories.

Highlights in 2022:

- **Smaller bags for everyday use:** Increased sales of computer backpacks and successful launched of crossbody bags in a number of collections.
- **Cabin and duffel bags:** Successful launch of the Thule Aion collection, which is manufactured from 100-percent recycled material.
- **Sports bags:** Increased sales of hydration backpacks and bike bags.

2022	SPORT&CARGO CARRIERS		RV PRODUCTS		JUVENILE & PET		PACKS, BAGS & LUGGAGE	
Share of sales Thule Group	62%		18%		11%		9%	
	Europe & RoW	Americas	Europe & RoW	Americas	Europe & RoW	Americas	Europe & RoW	Americas
	57%	70%	24%	5%	13%	8%	6%	17%
Growth after currency adjustment 2022 vs 2021	-17%		+17%		-17%		+21%	
	Europe & RoW	Americas	Europe & RoW	Americas	Europe & RoW	Americas	Europe & RoW	Americas
	-16%	-18%	+15%	+43%	-17%	-16%	+20%	+21%

Thule – a globally established lifestyle brand

Our core brand, Thule, is a global lifestyle brand used in all four of the Group's product categories and is closely linked to products that make it easier for people around the world to live an active life.

For 80 years, Thule has offered innovative, safe, high-quality, user-friendly and sustainably designed products for users all over the world. With a focus on products, during recent years we have strengthened our platform for long-term profitable growth by strengthening all portions of the chain, primarily through a fast and flexible supply chain and inspiring marketing material to support our retailers.

Open and direct communication in all channels enables us to capture our users' requirements and perspectives, which strengthens their loyalty and feeling for the brand.

The Thule brand delivers rapid global growth

The Thule brand accounted for 86 percent of the Group's sales in 2022.

Deep insights into how consumers use and experience our products are the basis for our design and product development. This allows us to build the brand's DNA on safe, user-friendly and sustainably designed products for an active daily life in urban environments as well as for an adventurous outdoor life on weekends and holidays.

Marketing and sales take place in digital channels as well as brick-and-mortar stores, both indirectly through our retailers and directly to consumers via our website thule.com and social media. We make it easier for consumers to find the right products by focusing on improved buyer's guides and activity-based navigation, which captures their needs and interests.

We are also continuing to strengthen the brand based on our motto *Bring your life*. We use fantastic products, inspiring images of our own and from our passionate users to demonstrate that we at Thule are both an urban and an outdoors brand.

An investment case on a strong and sustainable foundation

Thule Group's investment case is based on a more than 80-year history of innovative product development, a globally recognized lifestyle brand and robust, long-term sustainability work. The company has efficient and flexible production in close proximity of the 138 markets where the products are sold. Growth benefits from a global trend that has been established for many years by which more people want to live an active life and there is a constantly growing interest in outdoor and leisure activities.

Continued growth with healthy profitability.
Opportunity for strategic acquisition.
High and sustainable returns for shareholders.

Thule – a globally recognized premium brand
Thule products have earned a premium position within all product categories in all of the 138 markets across the world where they are sold.

Proven capacity for innovation and award-winning design
Approximately 5 percent of the Group's sales is invested in product development and products launched within the past three years account for more than 50 percent of sales.

The high quality and functionality of the products, and their smart solutions, combined with a clear focus on safety and thoughtful design, brings recurring international awards and winning external tests.

Efficient, flexible and sustainable manufacturing and supply chain
Nine own production facilities close to the company's primary markets and proven ability over many years to flexibly and efficiently, with a focus on sustainability, manage the entire supply chain, from the sourcing of raw materials to customer and consumer deliveries.

A broad and flexible go-to-market model
Engaging meetings with consumers through physical and digital channels, and extensive experience in successfully interacting with customers throughout the world in parallel sales channels. We call this a well-developed omnichannel model.

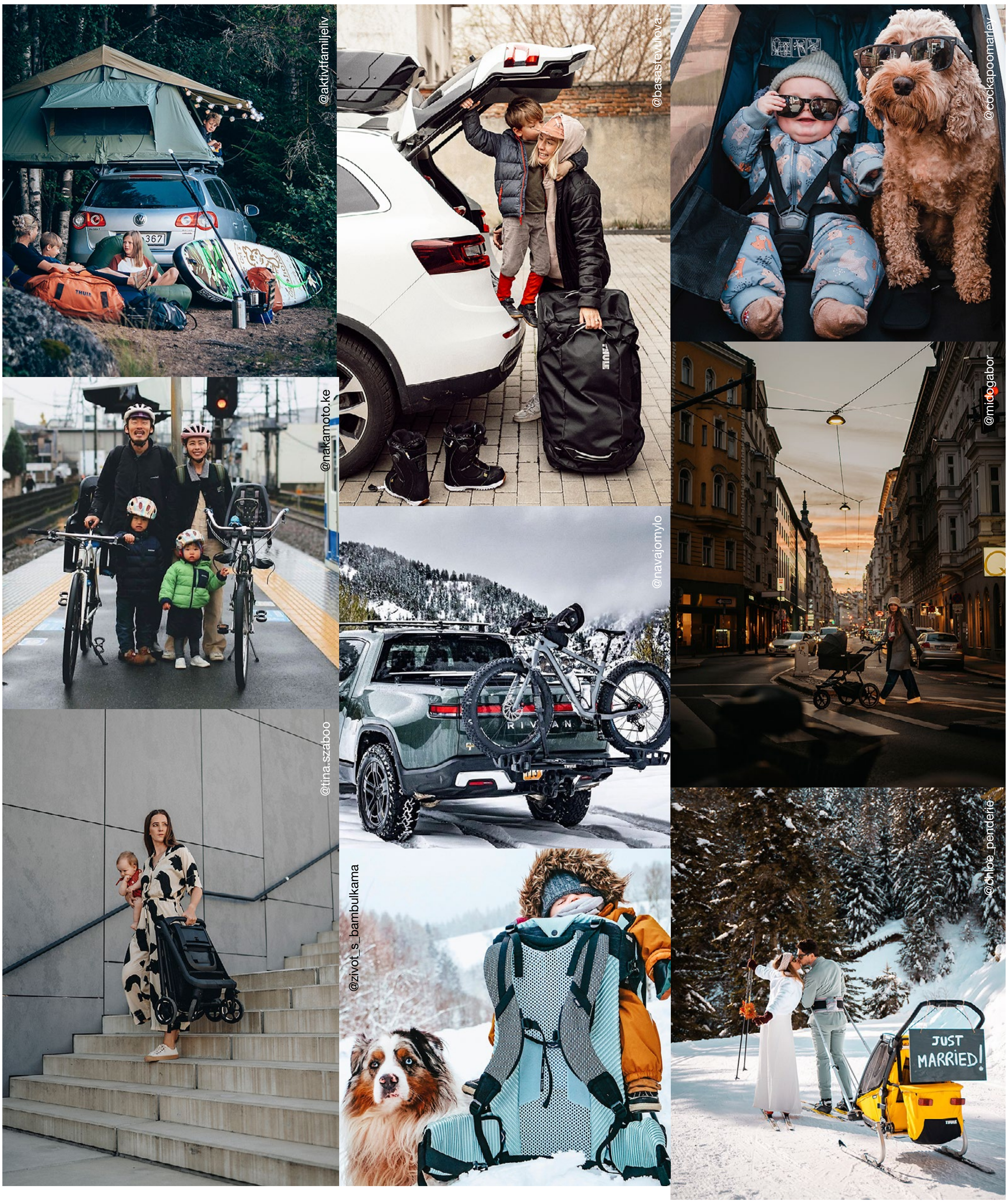
Thorough, long-term sustainability work
Due diligence, cost awareness and a concern for people and the environment have long been important aspects of the company's history.

With long-term sustainability goals based on the Science Based Target initiative (SBTi), the Net Zero undertaking and the UN's 2030 Agenda for Sustainable Development, Thule Group drives a comprehensive and successful sustainability agenda that is appreciated by employees, investors, customers, consumers and other stakeholders.

Favorable global trends
Staycations and being more active in everyday life and during leisure time has been a trend for a number of years in large parts of the world. The trend is accentuated by people in mature markets being more active to more advanced age, a growing middle class in emerging markets and the constant development of new sports and outdoor activities.

During the pandemic years, interest increased in outdoor activities close to home, such as biking, hiking, kayaking and camper van vacations. As the world now opens up, a return to the more balanced and long-term positive trend is occurring.

#bringyourlife @thule | @thule_adventure | @thule_family



Thule Group contributes to a more sustainable and circular world by offering innovative, high-quality products that inspire and help people to live an active life.

It is from the perspective of social, environmental and financial responsibility that Thule Group can contribute to lasting, responsible and sustainable development. Our sustainability initiatives encompass the entire value chain and are governed by our Code of Conduct and policies. The Code of Conduct is integrated into both our strategic and our day-to-day work, and permeates the entire operations. This is all based on continuous improvements.

We have a deep respect for the impact of our products and operations on the environment and climate. Our consumers should be able to trust that our products are safe and durable, and we strive for transparency with regard to how they are manufactured.

Our employees are to conduct their work in a safe and secure workplace, and the same applies to suppliers and sub suppliers. Thule Group strives to be an active and reliable employer, and through contacts with local communities, we can contribute to building a sustainable future.

We strive to have a long-term positive influence, both socio-economically and environmentally, in the areas where we operate. This applies for our own operations as well as the suppliers we work with.

Our owners should feel that their investment is sustainable in the long-term.

Connection with the company's business model

Thule Group's strategy is to deliver long-term value through a strong focus on sustainability throughout the value chain. We do so by offering innovative, high-quality products that inspire and help people to live an active life. Everything starts with sustainable word-class product development. Our products need to tolerate being used, repaired, sold and passed down, and material components need to be recyclable.

Stakeholder dialogue and materiality analysis

During 2022, a review was performed of the stakeholder dialogue conducted with customers, suppliers, shareholders and employees during 2021. The stakeholders continue to regard the most important factor to be the reduction of emissions of greenhouse gases through effective material and energy usage, and expanded use of renewable energy sources and recycled materials. Within the area of human rights, the areas of child labor, health and safety, and discrimination are considered the most important.

Based on this, we are continuing to focus our efforts to secure an efficient supply chain and sustainable products as well as offering an attractive workplace.

Responsibilities and governance

The Board is ultimately responsible for our sustainability efforts, and sets our long-term sustainability targets as part of the Group's strategic goals.

The CEO has delegated monitoring to the Compliance Committee, which reports continuously to the CEO. This ensures there is a link to Thule Group's overall business goals and integrates responsibility into the commercial managers' tasks. Group management regularly checks on the progress of sustainability efforts.

The Group's head of sustainability is responsible for coordinating and monitoring tangible issues.

Our web-based education platform, Thule Group Online Academy, is an interactive system for providing education on matters such as Thule Group's Code of Conduct and anticorruption, and participation is mandatory for all employees and Board members. The platform also provides all employees with access to current policy documents. As of December 2022, 93 percent (92) of all of our permanent employees had undergone relevant training. "Speak-Up" is the channel for our whistle-blowing system, which is maintained by a neutral third party and allows people to anonymously report improprieties that break with our Code of Conduct. Employees and other external stakeholders are encouraged to report any suspicions of improprieties, breaches of the Code of Conduct or other policies, and any other irregularities. No (0) cases were reported through this channel in 2022. For information about the sustainability risks and risk management, refer to the Board of Directors´ Report on pages 63–65.

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Internal governance documents

Strategic annual plan
The strategic annual plan includes business and financial sustainability plans for at least the next three years, and in many cases much longer. It also includes climate, environment and recycling goals, as well as social goals and health and safety initiatives.

Thule Group Code of Conduct
The Code of Conduct applies to the entire value chain. It offers guidance in how we should conduct ourselves in relation to our stakeholders, and describes the directives and principles we should follow. The Code assumes compliance with legislation and local regulations and is based on international standards such as the UN's Declaration of Human Rights, the Ten Principles of the UN Global Compact and the guidelines of the ILO and the OECD.

Thule Group Corporate Compliance Program
Thule Group Corporate Compliance Program describes distribution of responsibility and the overall structure of the Group's legal and ethical obligations in terms of issues such as anti-corruption, competition, the GDPR, trade sanctions and other policies.

INTERNAL GOVERNANCE DOCUMENTS

Four governance documents regulate the principles and values that guide our operations generally and in particular our sustainability initiatives.

- Strategic annual plan
- Thule Group Code of Conduct
- Thule Group Corporate Compliance Program
- Thule Group Corporate Governance Manual (TCGM)

OTHER POLICY INSTRUMENTS

- Whistle-blowing system "Speak-Up," which is managed by a neutral third party.
- Our web-based education platform, Thule Group Online Academy, is an interactive system for providing education on matters such as Thule Group's Code of Conduct and anticorruption.

Thule Group Corporate Governance Manual (TCGM)
Thule Group Corporate Governance Manual (TCGM) has been produced to support and guide the Group's various units in terms of applying and living up to core values and a shared standard in relation to legislation on health and safety, environment, product recalls, risk management and working and employment conditions. The steering group makes decisions regarding internal and external audits focused on risks. Supplier audits in the area of sustainability are also reviewed for decisions to be taken.

In 2022, we carried out 41 social audits, of which 35 were first-tier suppliers and six were second-tier suppliers. Nine of the audits were first-time audits and 32 were follow-up audits.

Out of the 41 supplier audits, 33 suppliers had a result of over 85 percent, which is considered the highest level. Six suppliers had a result between 71 and 85 percent, which is a good result with only minor remarks. Two of the audited suppliers had a result between 51 and 70 percent, which is below the desired level. Both of these had significant comments, primarily within health and safety but also salaries. Thule Group requires that corrections and improvements be carried out in the first quarter of 2023, otherwise the professional relationship with the supplier will be terminated. No suppliers were in the lowest category, with a score of less than 50 percent.

Taxonomy

Thule Group's 2022 Taxonomy reporting is based on the existing knowledge available on the taxonomy regulations. This is the second year of reporting and our qualified assessments and clarifications on the eligibility screening are listed here.

Thule Group has a high ambition in terms of minimizing our environmental footprint of our products, and production processes. However, our key production processes are not listed as a key sector within the taxonomy compass, nor are our key activities corresponding to activities listed within NACE (Statistical classification of economic activities in the European Community). Hence, this year's taxonomy reporting has focused on the construction activities carried out in order to minimize our environmental footprint.

Thule Group has invested a total of 186 MSEK in the construction of new facilities and upgrades during 2022, out of a total of 610 MSEK in capital expenditures. Such investments aim to minimize the energy consumption of our sites, and enable the use of electrical vehicles through the installation of electric charging points at our sites.

Not all investments in facilities are taxonomy-aligned, but those that have been scrutinized to meet the taxonomy criteria amount to 20 percent of our total capital expenditures, with 123 MSEK worth of investments. Below are some clarifications on how we approached screening of activities for eligibility and taxonomy alignment.

During the screening process for construction of facilities in Poland, we had to review if the facilities are built on arable land or not. In Poland where most of the construction activities have been carried out, the Polish authorities classify the land into grades spanning from 1 to 6. On lands that have been classified from1 to 3 by the Polish authorities, no permits are granted for repurposing of the soil for industrial activities. Thule Group's facilities are built on soil that has been classified mainly as grade 6, and some parts were classified as grade 4. Hence Thule Group has made the assessment that no valuable soil is used for its operations, hence allowing the construction of our facilities in Poland to meet the taxonomy criteria.

We have also reviewed the primary energy demand (PED) of newly constructed buildings. In order to be taxonomy-aligned, the building has to have a PED that is 10 percent below the threshold value stated by the local authorities. Our assessment indicates that the PED of the buildings fulfils the taxonomy criteria, based on the interpretation EU Commission Recommendation, 2016/1318, on the guidelines for nearly net-zero energy buildings, that energy produced on site reduces the primary energy needs and demands of the building. Therefore we have deducted the solar power produced on site from the overall PED calculation of the buildings. This is also the case for the Swedish facility in Hillerstorp where the solar energy production during 2022 accounts for 9 percent of the site's total energy consumption.

When building the larger facilities in Poland, Thule Group has not conducted the air tightness testing due to the size of the buildings. However, the buildings have been assessed throughout the construction process, from a stringent quality perspective to safeguard that they are compliant with the rules and regulations of Polish building laws, which also takes into account thermal integrity and building air tightness.

In 2022, we also installed LED lights in several sites. However, the taxonomy criteria require companies to use the two highest classes of energy efficiency, i.e. A and B. In 2022, LED lights in class A and B were not available in the market. Therefore, even if Thule Group chose the best available options in the market, we were unable to include the LED lights as part of taxonomy eligible capital expenditures.

The taxonomy eligible OpEX has also increased from 0.6 percent to 3 percent in 2022. There is a possibility that it is due to improvements in the interpretation of the taxonomy regulation, and due to improvements in maintenance, and repair of energy efficient equipment, improvements in the repair and maintenance of instruments and devices for measuring, regulating and controlling energy performance of buildings, and maintenance and repair of renewable energy.

	Taxonomy aligned CapEX (KSEK)	Taxonomy aligned OpEX (KSEK)
Taxonomy Activities		
7.1 Construction of new buildings	110,224	–
7.2 Renovation of existing buildings	–	84
7.3 Installation, maintenance and repair of energy efficiency equipment	5,165	756
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	432	–
7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	–	121
7.6 Installation, maintenance and repair of renewable energy technologies	7,362	144
Total in KSEK	**123,183**	**1,104**

Further information about the taxonomy recalculations is available on the company's website https://www.thulegroup.com/

An efficient and flexible supply chain for sustainable

A resource-efficient and flexible supply chain for sustainable growth is about being able to meet increased demand with investments that ensure a high level of supplier precision and reducing the impact on the environment and climate.

Our supply chain was also affected by major challenges in 2022, primarily the continued management of the pandemic throughout the world , but also the effects of Russia's invasion of Ukraine on the flow of freight from Asia and such natural resources as steel. Our manufacturing units and suppliers were also forced to manage two significantly different periods, high demand and pace of manufacturing at the beginning of the year and a rapid slowdown in the second half of the year when our own inventories and those of our retailers were too high.

Our structure, with our own assembly plants and a flexible staffing model, in and close to our most important markets remains a huge competitive advantage. This flexibility was required, since most of our key products have large seasonal volume fluctuations. Accordingly, in our own assembly plants, we have three staffing levels with full-time personnel as the base, supplemented by seasonally employed personnel and short-term personnel from external staffing companies for the absolute peaks.

To ensure that we can meet the challenges of the future, we make continuous investments to further build on our efficient, flexible and sustainable supply chain.

Strong relationships with suppliers and freight forwarders
Thule Group has a strong supplier base around the world, with long-term relationships with 650 suppliers in 32 countries. We have worked closely with our suppliers for many years to ensure increased efficiency and improvements in sustainability. Together, we work to reduce scope 3 emissions from purchased goods and services. Suppliers in plastic, aluminum and steel manufacturing are prioritized when we work together to reduce emissions by developing materials and processes.

For 2022, 114 suppliers, equivalent to 90 percent of our sourcing, reported sustainability information in CDP's Supply Chain platform.

Safe and secure workplaces
Thule Group aims to provide safe and secure workplaces and to work to ensure that all of our suppliers do the same. We want our employees to be part of a strong team characterized by a focus on high quality and a comprehensive approach to sustainability, where we all continuously contribute with identifying smarter ways to work. Together, we are creating a work environment that not only promotes safety, but positive collaboration, job satisfaction and a balance between work and leisure. The total number of workplace accidents decreased to 76 (106) during the year.

Automation-driven streamlining
With increased demands on capacity and flexibility in recent years, we have chosen to invest significally into an increased level of automation and the new models of bike carrier being launched in the market from spring 2023 will be manufactured using a considerably more automated process.

Among other activities during the year, we completed the planned expansion of our assembly plant in Pila (Poland). This is where, apart from bike carriers, child bike seats and strollers, we will also have the final assembly of the new car seat and dog transport product categories.

During the year, we invested a total of SEK 444m, corresponding to 4.3 percent of sales, mainly in manufacturing. After heavy investments in 2021 and 2022, when we conducted expansion to manage the significant increase in demand compared with before the pandemic and also prepared for new major product launches, the level of investment will decrease in 2023 and return to historical levels of around 2–3 percent in 2024.

More complete reporting of our reduced climate impact
For several years, we have invested heavily in improving our energy efficiency and reducing dependence on fossil fuels in our production sites and at our offices.

New climate goals were set in autumn 2020 for 2030, in accordance with the SBTi:

[redacted]

Reduced emissions of greenhouse gases from our own facilities
Emissions of CO_2eq from our facilities (scope 1) entails a 46 percent absolute reduction, compared to the 2019 base year.

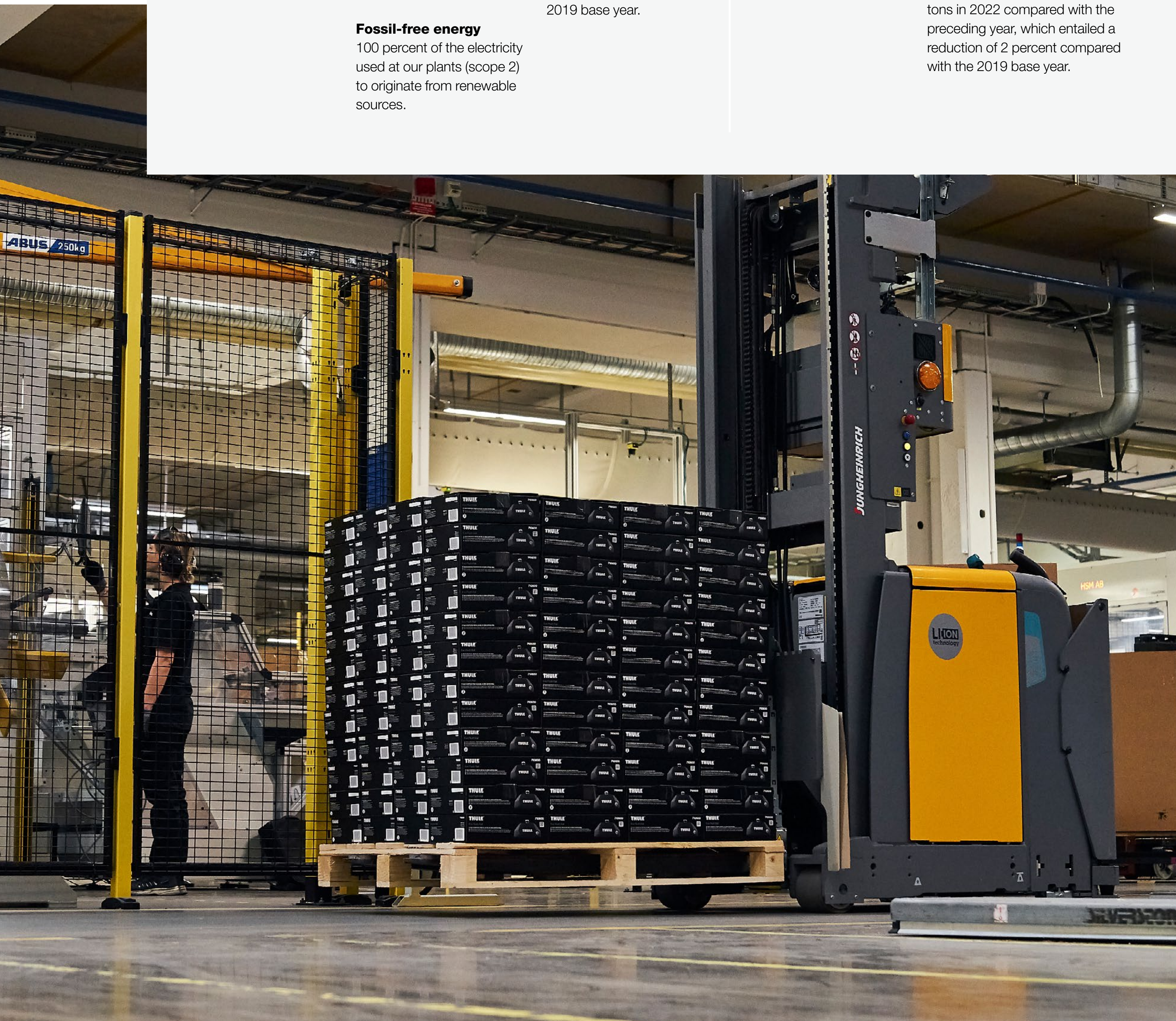
Fossil-free energy
100 percent of the electricity used at our plants (scope 2) to originate from renewable sources.

Reduced emissions of indirect greenhouse gases
Emissions of CO_2eq related to purchased material and transportation (scope 3) to have a 28 percent absolute reduction, compared to the 2019 base year.

In the autumn of 2022, we also committed to achieve net zero emissions, in accordance with SBTi, with 2050 as the target year, which entails:

Scope 1, 2 and 3 targets:
90 percent absolute reduction (compared with base year 2019) and 10 percent carbon offset.

The total greenhouse gas emissions according to scope 1, 2 and 3 declined by 63,618 tons in 2022 compared with the preceding year, which entailed a reduction of 2 percent compared with the 2019 base year.



In recent years, we have presented our emissions of greenhouse gases in scope 1, 2 and 3, with a number of restrictions regarding scope 3. Now, for 2022, in line with our SBTi 2030 commitment, the Net Zero by 2050 undertaking established during the year, and the GHG protocol, we are increasing our scope 3 reporting.

Scope 3 dominates the Group's climate impact. In the preceding year, due to deficient data, we had restricted reporting on purchased heating, purchased electricity, business travel and logistics. As of 2022, we also include the climate effects of purchased goods and capital goods, meaning the material used in the products we sell and the expansion of our plants. We also report for the first time the amounts of purchased goods per type of material in line with GRI 301-1.

This more complete reporting is a key step in our own reporting, since it better reflects Thule Group's business model, which is dependent on manufacturing and management of raw materials, components and ultimately, finished products.

For transparency and to facilitate comparisons with the preceding year, we have, wherever such data was available, also compiled revised greenhouse gas emissions for the preceding four years, see the table below.

Higher ambitions for reduced climate and environmental impact

The total greenhouse gas emissions according to scope 1, 2 and 3 declined by 63,618 tons in 2022 compared with the preceding year, which entails a reduction of 2 percent compared with the 2019 base year.

We continuously strive to improve our reporting procedures and knowledge internally and together with other players in the industry in terms of the effects of the raw materials we use in our products. This gives us a better basis for new decisions in our endeavor to reduce our environmental and climate impact by conducting product development work and close collaboration with suppliers. Examples of initiatives during the year are the decision from autumn 2022 to significantly increase the use of aluminum with lower carbon dioxide impact in several of our volume products, as well as the extended use of recycled plastic in the models being launched from spring 2023.

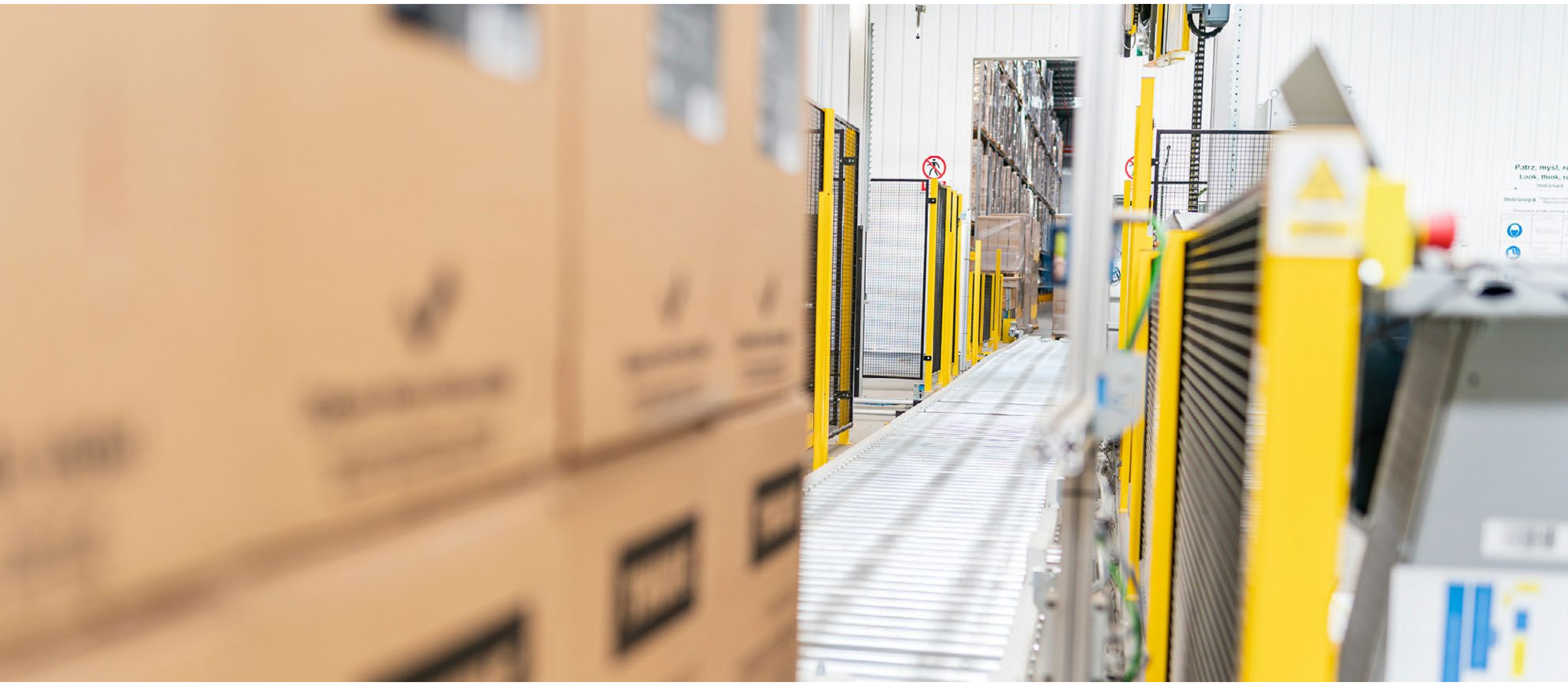
Constant focus on logistics

With sales in 138 markets, larger production volumes, suppliers in 32 different countries, product launches with new retailers in new categories and the growth of e-commerce, logistics account for most of the Group's emissions of greenhouse gases.

At the same time, retailers are reducing their inventory and direct deliveries to stores are on the rise.

EMISSIONS, GREENHOUSE GASES

	2019	2020	2021	2022
Scope 1 Direct emissions, tons of CO_2eq	3,185	2,591	3,617	3,531
Scope 2 Indirect emissions own company, tons CO_2eq	272	66	60	35
Scope 3 Indirect emissions from logistics, business travel, purchased heating/cooling and electricity, tons of CO_2eq	24,081	30,247	31,548	28,034
Scope 3 Indirect emissions from purchased materials and goods, as well as capital goods, tons CO_2eq	238,859	195,327	290,534	230,541
Total (scope 1, 2 & 3), tons CO_2eq	**266,397**	**228,231**	**325,759**	**262,141**
Change – Total emissions (scope 1, 2 and 3), percentage change compared with 2019 base year		*-14%*	*22%*	*-2%*
Emissions relative to turnover (scope 1, 2 and 3), tons of CO_2eq/SEKm	**37.9**	**29.2**	**31.4**	**25.9**
Change – Emissions relative to turnover (scope 1, 2 and 3), percentage change compared with 2019 base year		*-23%*	*-17%*	*-32%*



Emissions from transportation decreased 19 percent, compared with the preceding year. This was partly due to reduced volumes, but it was also an effect of our work to enhance transport efficiency. We are increasing capacity utilization and our objective is to reduce the proportion of air freight and replace bulk road freight with rail shipments wherever possible. During 2022, thanks to better processes and fewer problems in the supply chain, the climate impact of air freight decreased 61 percent compared with the preceding year. This meant that air freight accounted for 11 percent of the climate impact from logistics during the year, compared with 23 percent in 2021.

The climate impact from road freight decreased 8 percent compared with 2021. The still relatively high level of road freight is due to our customers requesting lower volumes per shipment to limit the size of their inventories, but also to more detailed reporting in 2022, with parcel freight being separated in terms of freight to customers and freight between production facilities and distribution centers. Since parcel freight generally has a climate impact that is 10 times higher than freight in a full truck, this can be interpreted as an increase in our emissions, when in practice it is only due to improved, more detailed reporting.

Water consumption and water management

Thule Group has a long-term objective of reducing water consumption at all of its production facilities, increasing the share of recovered rainwater and ensuring that there are no emissions to the water used. During the year, we used 5 percent less water than in the preceding year. Recovered rainwater is used at the facilities in Itupeva in Brazil, Huta in Poland and Menen in Belgium, and accounted for 4.2 percent of the Group's overall water consumption during the year, the same as the preceding year.

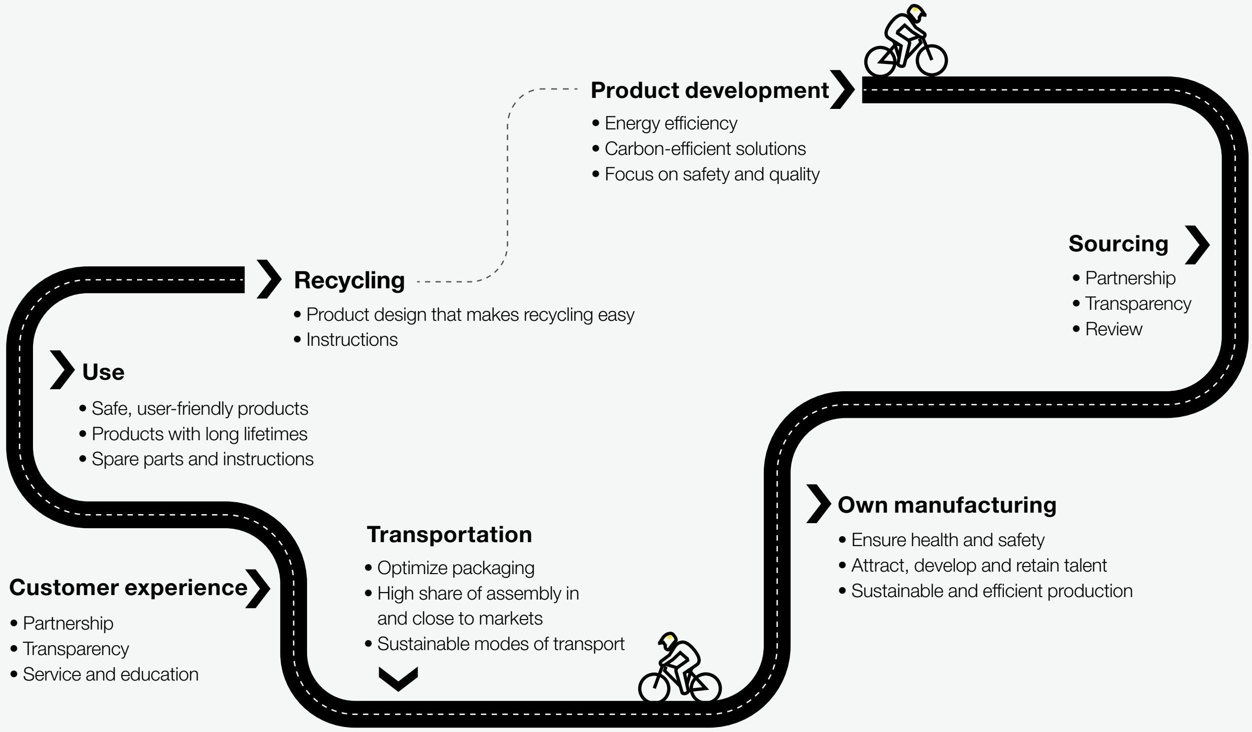
Waste and recycling

Working together with local recycling companies enables efficient and profitable waste management, which also leads to a larger proportion of materials being recycled or reused. We also collaborate with our suppliers to reduce the amount of waste from packaging materials, for example. In 2022 the recycling rate was 99 percent (99).

During 2022, we further improved our reporting of waste and recycling:

- For hazardous material, we provide information on whether the hazardous material is recycled or if it goes to incineration to better present how we manage the recycling of hazardous material. This also gives us the possibility to clarify the share of hazardous material that is not recycled.
- For recycling of non-hazardous material, we now include ground plastic from our roof box production.
- After reporting for the first time on recycled textiles and plastic in 2021, in 2022 we also reported on recycled material in packaging.

Our impact throughout the value chain



Our impact	Our approach	How we make a difference
Product development – Degree of influence: **HIGH**		
Energy efficiency, carbon-efficient solutions, focus on safety and quality and on smart use of materials are central priorities. In 2022, we invested SEK 609m (6.0 percent of our revenue) in sustainable product development.	• Design products based on a lifecycle perspective – carbon-efficient from the cradle to the grave. • Improve material use and the opportunity to recycle components. • Develop functions that are safe and functional • Ensure that products are of high quality and can be used for a long time.	By driving the development of products with lower carbon emissions and through innovations in safety and material use, we strengthen our competitive ability and reduce both waste and energy use.
Sourcing – Degree of influence: **MEDIUM**		
Thule Group purchases raw materials and components from 650 suppliers in 32 countries. We work continuously to choose the best suppliers to support our strategy of driving change and reducing risks in the supply chain.	• Run our operations according to best business practices and a high ethical standard and ensuring compliance with our Code of Conduct. • Conduct regular audits and focus on sustainability. • Encourage our suppliers to be innovative and share their good examples.	Partnership with our suppliers helps us achieve our sustainability goals and in parallel allows us to develop better products and drive cost savings. We encourage our suppliers to work with the same sustainability goals that we have, which helps us reduce negative effects and increase transparency in the supply chain.

Our impact	❯ Our approach	❯ How we make a difference
Own manufacturing – Degree of influence: **HIGH**		
Thule Group has nine own assembly plants and in seven countries. Our sustainability agenda includes social, economic and environmental impact and our actions affect all parts of the value chain. Our direct greenhouse gas emissions account for a relatively small portion of our total climate impact and come primarily from energy use in our assembly plants.	• Strive to always conduct business according to ethical business methods and follow our Code of Conduct. • Ensure health, safety and well-being. • Attract, develop and retain the best talent in all portions of operations. • Focus on always conducting operations sustainably and efficiently.	As an international market-leading lifestyle brand with an excellent reputation, we can attract the right skills. Our employees receive competitive remuneration, skills training and are offered career opportunities at the same time as society benefits from jobs and tax income. Efficient production close to our main markets means both reduced costs and lower climate impact.
Transportation – Degree of influence: **MEDIUM**		
Approximately 9 percent* of our carbon emissions come from transportation, both upstream from our suppliers and downstream to our customers and consumers. Choice of packaging, co-loading and the length and method of transportation affect our carbon emissions positively or negatively.	• Reduce the share of air freight. • Improve efficiency in the logistics chain. • Optimize product packaging. • Increase share of product assembly close to the market. • Use more sustainable transportation methods for the last mile to the customer.	The ambition to increase the share of sustainable transportation and reduce the share of air freight is an important part of our effort to contribute to society's shared ambition to reduce carbon dioxide emissions. Optimizing logistics also effects our long-term financial sustainability.
Customer experience – Degree of influence: **MEDIUM**		
We sell our products in more than 30,000 retailers in 138 countries, in physical stores and online. We strive to promote and increase the sales of the most sustainable product alternatives when it applies to safety as well as climate and environmental impact.	• Emphasize advantages of our most sustainable products. • Provide tools and marketing methods that can be adapted for local use all over the world. • Provide spare parts and instructions about how consumers can extend the lifetime of the product.	Through our transparency about the climate, environmental and social impact of our products, we help our customers meet consumer expectations.
Use – Degree of influence: **LOW**		
A large part of our sales come from products that are used on vehicles, a significant portion of our climate impact arises during use. Our ability to reduce this impact is entirely dependent on our knowledge of product design and ability to ensure the right material is chosen. Both aspects are central for being able to meet our stringent requirements and standards for safety in the most sustainable manner. It is also important for the product to be easy to mount on and off.	• Ensure lifecycle analyses based on actual use for all products. • Develop products with low climate impact that meet the quality requirements for tough environments. • Provide spare parts and instructions about how consumers can extend the lifetime of the product.	Ensure product solutions that increase personal safety, while product guarantees, spare parts and instructions extend the lifetime of the product.
Recycling – Degree of influence: **LOW**		
When our products reach the end of their lifecycle, material and components need to be recycling so they can begin a new cycle.	• Recycle as an integrated component of product specifications and design work. • Ensure lifecycle analyses based on actual use for all products. • Follow changes in laws and regulations as well as trends in material development. • Use more recyclable material in products. • Promote circular approaches in partnerships with other companies.	Our products are largely manufactured out of aluminum, steel and plastic, which are all recyclable. We are investigating how we can use more recycled material while we meet our stringent safety requirements and standards. The goal is to reduce waste from our products and come closer to creating a circular value chain. We collaborate with industry organizations when it comes to using sustainable fabrics.

* In previous years, our accounting of Scope 3 emissions included emissions from logistics, business travel, purchased heating and electricity only. Therefore, in previous years, it seemed that emissions from logistics comprised of a larger percentage of our scope 3 emissions, and consequently total emissions. From 2022, we have started accounting emissions of purchased goods, which reflects a more accurate depiction of how much emissions from logistics contribute to the total emissions from Thule Group. This explains why emissions from logistics was reported as 82% of total emissions in 2021, but in 2022 account for only 9% of total emissions.

Sustainable products for an active life

A cornerstone of our success since we were founded has been our excellent ability to develop well-designed products that make it easier for users across the globe to enjoy an active life. We are convinced that a focus on product development will also continue to be the driving engine for profitable growth.

All product development at Thule Group is based on four foundations: a deep understanding of how the products are used, a sustainable approach to design, advanced skills in development and production and a high level of quality demonstrated by extreme tests.

During the past two years, we have invested more than SEK 180m to be able to offer ultramodern premises fit for purpose for our rapidly expanding staff in design and construction. In the spring of 2021, our new development center in Hillerstorp was opened and a year later, our extended global Thule Test Center came into operation, including an ultramodern crash test facility. These investments strengthen Thule Group's world-leading product development and enable more streamlined work for increased competitiveness, especially as we enter new, exciting and technically advanced product categories, such as car seats and crash-proof dog carriers.

In all, we invested SEK 609m (474), or 6 percent (4.6) of the Group's sales, in product development in 2022. We launched new, exciting products in all of our product categories, which attracted positive attention and achieved a healthy sales start in the market. For an active outdoor life, our launches included the market's most spacious rooftop tent, Thule Approach, which combines easy and fast unfolding with a spacious and comfortable interior and a panorama window in the roof.

Another successful launch was that of the Thule Aion bag collection, comprising everything from cabin bags, duffel bags and backpacks to small hip bags. Consumers the world over appreciated the design, the smart functions and that the collection is made completely from recycled material. We launched several products designed for daily use in more urban environments, such as the two Red Dot Design Award-winning child-related products – the compact urban stroller Thule Shine and the very popular Thule Sapling child carrier backpack.


Thule Shine.

We know how the products are used

How people use our products in their daily lives provides the most important insights for successful development and our product managers, designers and technical developers spend a lot of time studying how the products are actually used.

Virtual simulations are combined with physical tests to provide detailed and immediate feedback during ongoing development projects. Through collaboration with our sponsored athletes in Thule Crew and our brand ambassadors, we gain insights from some of the most frequent and demanding users, which, in combination with more general user tests, gives us a good overview of how to improve the products. We utilize our solid internal testing skills and advanced test equipment, but none-theless attach the greatest importance to the early production

The overall sustainability focus within product development is placed on climate and environmental impact and can be divided into four parts:

Reduced climate and environmental impact of manufacturing and logistics through, for example, a conscious choice of materials, increased use of recycled materials and easily recycled materials, energy-efficient manufacturing methods, optimized packaging solutions, and efficient and climate-smart transportation.

Reduced climate and environmental impact in connection with use by reducing air drag on vehicle-related products to reduce energy consumption and facilitating attachment and removal to avoid products remaining on the vehicle when not in use.

Extended lifespan through, for example, timeless design, improved corrosion resistance and opportunities for repairing products by making it easy to replace or repair key components.

Increased recycling possibilities through increased use of recycled materials and materials that are easier to recycle, and through designs that facilitate the separation of the product into various material types.

Thule EasyFold XT bike rack, Thule Vector rooftop box och Thule Chasm duffelbag.

of prototypes that are then used actively in real life – many of our employees are enthusiastic and skilled test pilots. All of these insights have a considerable impact on the design of the final products.

Our products are sold in 138 markets worldwide and we collaborate with a large number of different retailers. This enables us to recognize new local trends at an early stage, both in terms of specific sports and changing behaviors. We follow and evaluate the trends that could potentially impact our operations in the long run. Our close collaboration with leading manufacturers of cars and RVs as well as sports and outdoor products, such as bikes, kayaks and skis, provides valuable input for our work creating the next major product successes.

Sustainable approach to design

The basis for our sustainability agenda is well-conceived product design with a focus on quality that can hold up to several years of tough daily use. We are aware that the consumers who choose to purchase and use our products place great value in their responsible production and long lifespan. We also aim for our designs to be timelessly modern and that it should be easy to find and replace worn parts.

Our greatest opportunity to influence the products' long-term sustainability is during the development phase. By analyzing the materials, production methods, usage and recycling potential, we strive for our products to have as limited an impact on the climate and environment as possible without compromising on safety, quality and function. Thule Group has a solid foundation of expertise within eco-design. Lifecycle analyses (LCA) are an integral part of all product development projects and applies to the whole chain, from choice of materials and functionality to repairs and recycling. Our lifecycle analyses show that our environmental impact can be principally linked to inherent raw materials, particularly aluminum, steel and plastic, and we strive consistently to use as little material as is technologically possible to still be able to guarantee safety and practical use.

From a sustainability perspective, the user phase is a relatively small part of environmental impact in relation to our products. Nonetheless, we place a large amount of focus on this because we want to ensure that the consumers can use our products reliably and sustainably over a long time. When developing transport boxes for small cars, for example, it entails that we analyze how the vehicle's energy consumption is impacted by the box's placement, but also ensure that the rack is easy to

Thule Test Center™ – crash test facility, Hillerstorp, Sweden.

mount and unmount, so that the user can easily limit their impact on the climate and the environment.

Extensive and broad competence

We use structured development processes to ensure that manufacturing is efficient and sustainable, and most of all, to achieve our ambitious targets for user-friendliness and safety. Although we use various simulation tools and methods in this work, it is our employees' extensive experience and solid expertise that ensures that we convert our insights into smart and sustainable product solutions.

Over the years, we have proven that we are good at identifying smart technical solutions that make life easier for our users. A few examples from this year:

- The many innovative solutions in the new Thule Aion bag collection, that is manufactured in 100-percent recycled material. For example, separate inner bags for dirty sports clothes and smart solutions, such as the small crossbody bag that can also be used as a hip belt for the larger travel backpacks.
- The new innovative assembly solutions for the Thule Approach rooftop tent, with which the user can simply and safely use a torque wrench to attach the rooftop tent to the roof rack.

Tough tests inspire confidence

Valuable insights from our internal test pilots are combined with more formal and structured tests in accordance with our Thule Test Program™ to ensure that our products meet our stringent requirements on function, quality and safety.

The tests, which comprise more than 25 Thule Group standards for, for example, shock, collision, fatigue and environmental tests are carried out at the Group's advanced and certified Thule Test Center in Sweden.

Employees who develop and thrive in a multicultural environment

Thule Group is a global lifestyle company. Our success is built on skilled and motivated employees who thrive and develop in a creative, multicultural environment. Together we create a corporate culture that builds on shared values and where we strive to work smarter and more efficiently and to find ways forward towards long-term sustainable development.

Our culture and our fundamental values, *Shared passions for smart solutions that Enable an Active Life,* and how they are complied with in daily life, are critical to Thule Group's continued success and long-term sustainable development. The Code of Conduct applies across our entire value chain and the guidelines are the same all over the world.

Attract, develop and retain talent

The collective strength of our employees' skills and experiences form the basis of Thule Group's success. Thanks to our long-term growth, a clear focus on sustainability, exciting products in attractive contexts, a renowned lifestyle brand and strong core values, we attract a variety of potential employees all over the world. Many people can identify with us, our brands and our products.

We offer our employees training and support to enable them to face new challenges and develop as individuals. This focuses primarily on technical skill, new program goods, project management and health and safety as well as leadership training. However, we also organize training courses on, for example, Thule Group's Code of Conduct and specific sales tools, as well as highly popular product clinics.

Employee surveys and employee talks

Employees who are content and feel good, who are stimulated in their daily work and feel that they can make a contribution and develop, are a prerequisite for maintaining our strong position in the market.

Every other year, we carry out a comprehensive employee survey of all of our employees. The survey that was conducted in the spring of 2022 recorded a high satisfaction index of 78 percent (76 percent in 2020), well above the industry average of 73. The highest result was achieved in the areas of leadership, values and the sense that individual efforts are important. Areas for improvement were primarily related to issues of workload and stress. Following the rapid growth in autumn 2021 and spring 2022, this was not unexpected, since it was only in 2022 that we were only able to catch up with sufficient staffing for some functions.

During 2022, 81 percent (82) of salaried employees and 78 percent (56) of factory workers had an individual performance and career development review with their immediate manager, which entails that we have returned to similar levels to those prior to the exceptional pandemic year of 2021. The aim is for such a review to be held with all employees working for the company for a full calendar year.

A safe workplace that promotes diversity and equality

We aim to offer all of our employees equal opportunities to develop at the company and incorporate an equality-centric approach to recruitment, salary and career development. In accordance with our recruitment policy, the range of candidates is to be based on diversity and equality. However, we never overlook the right skills that come from training and work experience.

Skills, ambition and potential are to govern our employees' career opportunities, regardless of gender, age and background. In 2022, women comprised 42 percent (43) of the company's work force. 53 percent (56) of all vacant management positions were filled by women, and the management circle consists of 29 percent (28) women.

Today, Thule Group has an equally large attraction value among men and women, a positive trend that was strengthened through proactive work and a broader product portfolio, but also because more women are graduating from universities and colleges with the skills we require.

UN'S 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT

We continuously strive to meet target 8 of the UN's 2030 Agenda, Decent work and economic growth.

This applies to both Thule Group and our supply chain, where we work to ensure decent work conditions. This applies to salaries in line with the market and agreements, a safe workplace, working hours and more. Through our own and external audits of our suppliers, we work to strengthen and maintain decent work conditions, which are a requirement for creating sustainable economic growth.

A sustainability perspective on health

By maintaining a holistic approach in terms of the different aspects of our employees' lives, we strive to help create conditions conducive to a good balance between their work and private life, as well as support an active lifestyle. We offer the use of, for example, working-hour banks for more flexible working hours, wellness allowance and opportunities for gym sessions during the work day, externally or at our own premises.

Many employees are engaged in activities in and outside their work, often physical activities where they can use our products. Being active, both mentally and physically, and living a healthy life, has a strong connection to how we perform and how we handle stress.

Zero-tolerance policy toward harassment and discrimination

We have a zero-tolerance policy toward all forms of harassment and discrimination and our policy against discrimination and harassment clearly specifies how we manage these issues. All reported cases are handled by the local Health & Safety committee. During the year, no cases of discrimination or harassment were reported.

Ambassadors for an active life – employees

Our employees the world over testify about the value of an active lifestyle. Many share their experiences with friends and acquaintances as well as on social media. We are very proud that our employees are strong ambassadors for our products – regardless of whether they are an active cyclist, love skiing in the mountains or take their children to preschool in one of our bike trailers. This allows for them to gain a better understanding of our consumers and their needs.

Ideas for product improvements or new products are also submitted to the company's open internal idea database, where several employees have made it a habit to add comments and to recommend improvements based on their own experience.

Eliot Jackson, MTB-cyclist and member of the Thule family.

Board of Directors' Report

The Board of Directors and the CEO and President of Thule Group AB (publ), Corp. Reg. No. 556770-6311, hereby submit the Annual Report and the consolidated financial statements for the 2022 fiscal year.

Operations and organization

Thule Group is a global sports and outdoor company that offers high-quality products with smart features and a sustainable design that make it easy for people across the globe to live an active life.

Under the motto *Active Life, Simplified* — and with a focus on consumer-driven innovation and long-term sustainability — Thule Group develops, manufactures and markets products within the product categories Sport&Cargo Carriers (for example, roof racks, roof boxes and carriers for transporting cycling, water and winter sports equipment, and car-mounted rooftop tents); Juvenile & Pet Products, formerly known as Active with Kids, (for example, strollers, bike trailers and child bike seats); RV Products (for example, awnings, bike carriers and tents for RVs and caravans); and Packs, Bags & Luggage (for example, hiking backpacks, luggage and camera bags).

Thule Group has about 2,600 employees at nine production facilities and 35 sales offices worldwide. The Group's products are sold in 138 markets and in 2022, sales amounted to SEK 10.1 billion. Thule Group is a public limited liability company listed on the Nasdaq Stockholm Large Cap list. The head office is located in Malmö, Sweden.

Performance of the Group's operations, earnings and position – Group

Net sales

Net sales for the full-year 2022 amounted to SEK 10,138m (10,386), corresponding to a decrease of 2.4 percent. Adjusted for exchange rate fluctuations, net sales for the Group decreased 9.7 percent. Sales in the second half of the year declined substantially year-on-year. The main reason for lower sales in the second half of the year was the sharp slowdown in sales of bike-related products to our retailers, who wanted to lower their inventory following excessively large pre-season orders.

Operating income

Operating income amounted to SEK 1,706m (2,340), corresponding to an operating margin of 16.8 percent (22.5). Adjusted for currency effects, the margin declined 5.4 percentage points. Operating income was negatively impacted by the lower sales in the second half of the year. Increased development costs, which accounted for 6.0 percent (4.6) of sales and increased costs for managing higher inventory levels also had an impact. Operating income for 2021 was positively impacted by revenue recognized from release of the provision related to the Tepui Outdoors Inc. earn-out payment of SEK 15m.

Product development

The main portion of the Group's product development expenses are recognized through profit or loss as an expense as they arise. Expenses mainly comprise development and production of new products. Development expenses comprised 6.0 percent (4.6) of net sales in 2022.

Seasonal variations

During a normal year, Thule Group's sales and operating income are partially affected by seasonal variations. During the first quarter, sales in the Sport&Cargo Carriers category (roof boxes, ski racks, etc.) are affected by winter conditions. The second and third quarters are primarily impacted by how early the spring and summer arrive.

In the fourth quarter, seasonal variations are primarily attributable to sales of winter-related products (roof boxes, ski racks, snow sport backpacks, etc.) and sales of products in the bag category prior to major holidays. Thule Group has adapted its production processes and supply chain in response to these variations.

Net financial items

Net financial items for the year amounted to an expense of SEK 59m (expense: 37). Exchange rate differences on loans, and cash and cash equivalents amounted to an expense of SEK 1m (expense: 6). The net interest expense for borrowings was SEK 58m (expense: 32). Increased use of the credit facility and rising interest rates accounted for the change in net interest.

Sales trend by region

Region Europe & RoW (Rest of World)

In Region Europe & RoW, sales posted a year-on-year decline of 8.9 percent after currency adjustment. The growth within bike-related products during the pandemic year of 2020–2021 was exceptional. However, compared with 2019 – the year prior to the pandemic – this entailed growth of 39.1 percent after currency adjustment. Sales declined considerably during the second half of 2022. The main reason for the lower sales in the second half of the year was the sharp slowdown of sales of bike-related products to retailers in all markets. Their ambition to substantially reduce their inventories following excessively large orders and inventory levels were the same in all of the region's markets. For the full year, bike-related products accounted for 41 percent of sales, compared with 52 percent in 2021.

The slowdown of the bike sector means that those product categories where bike-related products comprise the greatest share of sales were negatively impacted. This was particularly evident in Juvenile & Pet Products (which declined a total of 17 percent, currency-adjusted) and Sport&Cargo Carriers (which declined a total of 16 percent, currency-adjusted). The RV Products product category (which, in total, grew 15 percent, after currency adjustment) and the Packs, Bags & Luggage category (which, in total, grew 20 percent, after currency adjustment) also recorded reduced sales of bike-related products. However, bike-related products comprise a significantly smaller share of these categories' sales.

Russia's invasion of Ukraine impacted most of the world negatively, from both a human and a business perspective. We shut down operations in Russia and Belarus shortly following the invasion of the neighboring country and sales to Ukraine have naturally been highly limited. These markets therefore comprised the region's weakest markets.

Other markets that showed weaker results comprised the Nordic countries, which have historically recorded a large share of bike-related children's products and which recorded an exceptionally strong 2021, and the UK, where consumer confidence has been very weak. The markets in which the strongest growing categories (RV accessories and bags) account for a large share of sales were the strongest performing markets in the region. Examples included Germany, which has a large share of sales in RV accessories, and countries in South-East Asia that have a large share of sales in the category of bags.

Region Americas

Sales in the region posted a year-on-year decline of 11.5 percent after currency adjustment. However, we posted growth of 44.3 percent after currency adjustment compared with 2019, the year prior to the pandemic.

Following exceptional growth within bike-related products during the pandemic years of 2020–2021, sales declined considerably, particularly during the second half of 2022. The main reason for the lower sales in the second half of the year was, as was the case in the Region Europe & RoW, the very distinct slowdown of sales of bike-related products to retailers in all of the region's markets. The ambition of retailers is to substantially reduce their inventories following excessively large orders and the high inventory levels were the same in both North and South America. For the full year, this meant that bike-related products accounted for 29 percent of sales, compared with 39 percent in 2021.

	SPORT&CARGO CARRIERS		RV PRODUCTS		JUVENILE & PET		PACKS, BAGS & LUGGAGE	
Share of sales Thule Group, 2022 (2021)	62% (67)		18% (14)		11% (12)		9% (7)	
Share of sales by region, 2022 (2021)	Europe & RoW 57% (63)	Americas 70% (76)	Europe & RoW 24% (19)	Americas 5% (3)	Europe & RoW 13% (14)	Americas 8% (9)	Europe & RoW 6% (4)	Americas 17% (12)
Growth, 2022 vs 2021 (after currency adjustment)	-17%		+17%		-17%		+21%	
	-16%	-18%	+15%	+43%	-17%	-16%	+20%	+21%

Sales trend by product category

Sport&Cargo Carriers

Sales declined in the product category during the year by 17 percent after currency adjustment following growth of 43 percent after currency adjustment in the record year of 2021. The largest product group – bike carriers – was the category that definitively had the most negative impact.

Following a very strong start for sales of bike-related products during the first quarter, we recorded relatively strong sales at the start of the cycling season only to then experience an extreme slowdown during the second half of the year. Since the cycling season in 2021 was longer than usual, with global retailers continuing to build inventory following difficulties in meeting demand during the 2021 spring–summer season, we also faced very strong comparative figures during the second half of the year.

We also recorded a stronger first half of the year in other product groups, even when compared to the exceptionally strong 2021. Compared with 2019, the year before the outbreak of the pandemic, growth was 39 percent after currency adjustment for the full year, with growth in all product groups.

RV Products

This category has a strong focus on Region Europe & RoW, which accounts for 92 percent of the Group's sales in the category. In the European market, the sector experienced healthy demand, with consumers looking for a way to vacation flexibly. However, vehicle production was, as in 2021, unable to meet demand owing to challenges like semiconductor shortages, which meant that RV manufacturers had difficulties obtaining the chassis on which the vehicles are built.

For the year as a whole, sales in the category grew 17 percent globally after currency adjustment, driven by currency-adjusted sales growth of 15 percent in Region Europe & RoW. A positive note was that sales of the niche premium offering in North America performed very well during the year, with growth of 43 percent in an otherwise weak North American RV market.

Juvenile & Pet Products

Sales in Juvenile & Pet Products declined 17 percent after currency adjustment, after having grown 35 percent after currency adjustment in the preceding year.

Similarly to Sport&Cargo Carriers, we recorded a strong start for sales of bike-related products during the first quarter, to then experience an extreme slowdown during the season. Since the 2021 cycling season was longer than usual, with global retailers continuing to build inventory following difficulties in meeting demand during the 2021 spring–summer season, we also recorded very strong comparative figures during the second half of the year. The strollers product group continued to record growth, despite a very weak performance in the US, and in this market we resolved to change the sales and market organization in the autumn.

Packs, Bags & Luggage

The bag category recorded growth of 21 percent after having been very negatively impacted during the pandemic.

It was particularly positive to note that the largest sub-category, smaller backpacks and laptop cases for daily use, grew strongly as a result of increased demand for this type of product in conjunction with increased commuting to work. It was also positive that our new collections of duffel and cabin bags for longer trips was very successful and drove sales growth. The market for legacy categories (including camera bags and tablet cases), which has been declining for several years, resulted in these categories accounting for 22 percent (26) of the category.

Financial position

As of December 31, 2022, the Group's equity amounted to SEK 6,553m (5,815). During the year, equity was affected by the dividend of SEK 1,359m resolved on by the Annual General Meeting (AGM). The equity ratio amounted to 56.1 percent (57.1).

Net debt amounted to SEK 2,868m (1,467) on December 31, 2022. Total long-term borrowing amounted to SEK 2,983m (1,559), comprising loans from credit institutions of SEK 2,816m (1,421), gross, long-term lease liabilities of SEK 170m (134), capitalized financing costs of SEK 3m (4), and the long-term portion of financial derivatives of SEK 1m (7). Total current financial liabilities amounted to SEK 107m (80) and comprised the short-term portion of financial derivatives and lease liabilities.

SEKm	Dec 31, 2022	Dec 31, 2021
Long-term loans, gross	2,986	1,556
Financial derivative liability, long-term	1	7
Short-term loans, gross	79	66
Financial derivative liability, short-term	28	14
Overdraft facilities	0	0
Capitalized financing costs	-3	-4
Accrued interest	2	1
Gross debt	**3,092**	**1,640**
Financial derivative assets	-48	-24
Cash and cash equivalents	-176	-149
Net debt	**2,868**	**1,467**

As of December 31, 2022, goodwill totaled SEK 4,963m (4,518). The increase was attributable entirely to currency effects. As of December 31, 2022, inventories totaled SEK 3,129m (2,510). Inventory has been accumulated during the first half of the year to counter disruptions in logistics and thereby efficiently meet the higher demand at that time. Year-on-year, the inventory value increased SEK 618m, of which SEK 179m pertained to currency effects.

As of December 31, 2022, deferred tax receivables amounted to SEK 320m (326), of which SEK 118m (127) pertained to capitalized loss carry forwards.

Cash flow

Cash flow from operating activities was SEK 616m (1,128) for the full year. Investments in tangible and intangible assets amounted to SEK 443m (503), net. During the year, SEK 1,359m was distributed to the company's shareholders and a further SEK 1,305m of the company's credit facility was utilized during the year.

In December 2022, the company's credit facility expanded with an additional EUR 70m. The Group's cash and cash equivalents at year end totaled SEK 176m (149). Moreover, the Group also has unutilized, binding loan commitments of SEK 1,443m (1,649) to finance the ongoing operations.

For more information regarding the terms of the loans, see Note 22.

Parent Company

Thule Group AB's principal activity pertains to head office functions such as Group-wide management and administration. The comments below refer to the period January 1–December 31, 2022. The Parent Company invoices its costs to Group companies. The Parent Company reported net income of SEK 684m (895). Cash and cash equivalents and current investments amounted to SEK 0m (0). Long-term liabilities to credit institutions totaled SEK 2,812m (1,418). The Parent Company's financial position is dependent on the financial position and development of its subsidiaries. The Parent Company is therefore indirectly impacted by the risks described in the Risks and risk management section.

Significant events during the fiscal year

Invasion of Ukraine

Russia's invasion of Ukraine impacted most of the world negatively, from both a human and a business perspective. Operations in Russia and Belarus were shut down shortly following the invasion of the neighboring country and sales to Ukraine have naturally been highly limited. Even though these markets accounted for only 1 percent of Thule Group's sales last year, the war also poses additional challenges in logistics and supply.

Coronavirus pandemic

2022 was another year impacted by the global pandemic and the management thereof by different countries continuing to impact in the form of longer lead times, high material and shipping costs, and shortages of specific components.

New product categories

At the Capital Markets Day, the intent was announced to further broaden the base by launching two new product groups: car seats and pet transport products.

Updated targets

At the Capital Markets Day, it was also communicated that the long term sales growth target to reach SEK 20 billion by 2030. The EBIT-margin target and the dividend target will be kept on the same level. During the autumn we committed ourselves to the globally established Net Zero by 2050 undertaking as part of our long-term sustainability goals.

Risks and risk management

Like all business operations, Thule Group's operations are associated with different types of risk. Continuously identifying and evaluating risks is a natural and integrated part of the work approach, thus enabling us to control, limit and manage prioritized risks in a proactive manner.

The Group's ability to identify, map and prevent risk reduces the likelihood of adverse events having a negative impact on the company's operations. The goal of risk management is not necessarily to eliminate risk, but rather to safeguard meeting our business goals by way of a balanced risk portfolio.

Identifying, mapping, planning and managing identifiable risks all support management when taking strategic decisions.

The risk assessment also aims to increase risk awareness across the entire organization, both for operational decision-makers and for the Board.

Organization

The Board of Directors of Thule Group bears ultimate responsibility for the company's risk management. Risks relating to business development and long-term strategic planning as well as the Group's work on sustainability and environmental initiatives and their related risks are managed and prepared by way of a prioritization proposal produced by Group management and prioritized ultimately by the Board. Prioritization is also allocated according to the assessed likelihood and level of impact should the risk materialize.

Group management reports ongoing risk issues such as the Group's financial status and compliance with the Group's finance policy to the Board. The Group's central finance department is responsible for the prioritization and management of financial risks.

Thule Group has a central function responsible for ensuring that the Group is appropriately protected by insurance for insurable risks. The Group's Code of Conduct and a number of more specific policies form the basis of ongoing operational risk management undertaken at every level of the organization.

Risk overview

A number of risk areas have been identified in Thule Group's risk management process. The tables briefly describe the most significant risks, along with their counteracting factors and management, to limit their potential impact on operations. Each of these risks is also assessed according to the likelihood and level of impact should the risk materialize. These assessments are presented using a graded scale for each of the risks.

A description of how Group management evaluates and manages the primary risks in operations relate to a time frame of 1–3 years. A more detailed compilation of financial risks can be found in Note 4, on pages 97–101. Thule Group has categorized identified risks according to industry and market-related risks, business-related risks, sustainability-related risks and financial risks.

Industry and market-related risks

Thule Group continually assesses and evaluates the risks that the company may be exposed to. In our compilation of industry and market-related risks, we include the management of business environment risks, both strategically through business and product development as well as operationally through daily sourcing, sales and marketing activities.

Operational risks

Operational risks are more important to the company in terms of the level of our own potential impact. This is also one reason why risk management often involves internal regulations with policies, guidelines and instructions. Operational risks form part of our day-to-day work and are managed by the operational units. Operational risks refer to risks relating to the brand, suppliers, production and insurable risks.

Sustainability-related risks

Thule Group pursues operations that have both a direct and an indirect impact within the areas that the company has identified as being important to sustainable operations: environmental principles, social responsibility and corporate governance.

Thule Group pursues proactive environmental work within all of the Group's units, to ensure that the operations are conducted with the least possible impact on the environment.

Thule Group adheres to rules and principles for human rights, working conditions and anti-corruption rules through affiliation with the UN Global Compact. As part of corporate governance, all employees and the Board of directors receive training in the company's Code of Conduct. Thule Group also requires that the company's suppliers, consultants and other business partners apply the principles.

Financial risks

Thule Group's management of financial risks is centralized at the Group's finance department, which manages its activities within its established risk mandates and limits.

Management is conducted in line with the guidelines in the Group's policies and regulations governing specific areas.

All policies and regulations within this area are updated and established annually by the company's Board of Directors. Read more about the accounting policies, risk management and risk exposure in notes 1 and 4 on pages 90–91 and 97–101 respectively.

A more detailed compilation of financial risks can be found in Note 4.

Industry and market-related risks

	Low	Medium	High
Likelihood:	□	□	□
Impact:	□	□	□

Risk area	Description	Counteracting factors and management
General business cycle and its impact on demand Likelihood: ■■□ Impact: ■□□	• Changes in the business cycle that lead to reduced spending power may have a negative effect on Thule Group's earnings. • Significant regional and global events such as the coronavirus pandemic could materially impact the economies of affected areas, which could negatively impact the operations and earnings of Thule Group. • RV Products is the Group's only cyclical product category, since purchases of products in this category normally coincide with the purchase of the vehicle (RV or caravan), which comprises a substantial financial investment for the consumer.	• Thule Group has sales in 138 markets, thereby reducing the impact risk of an event in any one market. • The sports and outdoor industry's historically relatively limited exposure to rapid fluctuations during the business cycle allows time for adaptation. • Thule's various product areas means reduced exposure to impact from the economic cycle. • Thule Group's purchasing, manufacturing and retailing organization has proven flexibility, resulting in a very high degree of adaptability.
Competition legislation Likelihood: ■□□ Impact: ■□□	• Thule Group's guidelines on competition legislation can be contravened. • Thule Group's strong position in some markets may entail restrictions on acquisitions and other business decisions.	• Thule Group works continuously with training employees in the relevant legislation and regulations. • Thule Group conducts continuous internal audits. • Thule Group engages expert legal support in cases of uncertainty.
Competition Likelihood: ■□□ Impact: ■□□	• Thule Group's operations are exposed to competition and if this competition should increase, it could have an adverse impact on Thule Group's earnings.	• Activities such as product development, quality work and prize-winning designs as well as proven security of supply and comprehensive sustainability efforts, are focused on maintaining the Group's market position and strengthening its competitiveness.
Demand for underlying products Likelihood: ■□□ Impact: ■■■	• In some cases, demand for Thule Group's range is dependent on demand for other underlying products. If such demand should change, it could entail an adverse impact on Thule Group's earnings.	• Thule Group consistently monitors consumer trends and developments in adjacent industries to which the Group has a link, and is accustomed to quickly adapting to new trends and needs. • Thule Group's proven flexibility in its purchasing and logistics organization entails a very high degree of adaptability.
Reputation Likelihood: ■□□ Impact: ■■□	• Thule Group's sales and results are dependent on the Group's reputation remaining positive.	• Thule Group conducts continuous preventative work by providing training and information about the Group's Code of Conduct. Procedures are in place encompassing how the products are developed and tested to how we ensure compliance with competition law and sustainability issues. • The Group's quality work is certified in line with ISO 9001:2015. • Thule Group has an established product recall policy in place with clear procedures and established steps for escalation and decision.

Industry and market-related risks

	Low	Medium	High
Likelihood:			
Impact:			

Risk area	Description	Counteracting factors and management
Local business risks in countries with operations Likelihood: Impact:	• Thule Group's business is subject to local laws and regulations in countries where the Group is active. • Violation of local laws and regulations could impede the Group's investments and result in increased costs.	• Thule Group's Code of Conduct is comprehensive and regulates local behavior. At the same time, Thule Group also implements various preventive measures to further reduce the risk of regulatory non-compliance.

Operational risks

Risk area	Description	Counteracting factors and management
Inability to retain and recruit qualified personnel and executive management Likelihood: Impact:	• Being able to attract and retain qualified personnel and its executive management is vital to Thule Group's future operations.	• By promoting career development and other development opportunities for employees while offering market-rate and competitive remuneration, we safeguard our ability to attract the right resources and ensure that employees choose Thule Group as a long-term employer because they thrive and develop in the environment provided by the company. • The risk of dependency on seasonal staff is reduced through increased automation, primarily of assembly lines.
Supply chain disruptions Likelihood: Impact:	• Thule Group works with external suppliers from around the world. Any disruption in the logistics chain for raw material or component goods in our own production, finished products produced by suppliers or in deliveries from Thule Group to customers could adversely impact the Group's delivery commitments and sales. • For several suppliers, the risk of supply difficulties and bankruptcies has increased in the supply chain in the challenging commercial environment that arose during the coronavirus pandemic. • Similarly, supply chains have faced significant pressures and capacity challenges in recent years. This risks delaying supplier deliveries to Thule Group and from the Group to customers.	• Thule Group collaborates closely with suppliers and freight forwarders, which enables the Group to be well-prepared and able to manage the risk of temporary supply-chain disruptions. • Thule Group's proven flexibility in its supply chain entails a very high degree of adaptability. • Thule Group's assembly facilities are strategically located close to the Group's main markets, which reduces exposure to supply chain risks for product deliveries to the Group's customers. • Equally, a large proportion of Thule Group's suppliers are geographically located close to the Group's facilities, which increases flexibility and reduces the risk of supply chain challenges.

Operational risks

	Low	Medium	High
Likelihood:			
Impact:			

Risk area	Description	Counteracting factors and management
Commodity price risk Likelihood: Impact:	• For the Group, it is primarily fluctuations in plastic, aluminum and steel prices that constitute a significant commodity price risk.	• The commodity price risk is managed through supplier contracts and through financial commodity contracts with terms of up to one year.
Disruption to critical IT systems, business processes and other digital infrastructure Likelihood: Impact:	• Disruption or failures in critical IT systems can directly impact production, logistics and our own online sales (DTC) for example, thereafter, leading to the risk of shortcomings relating to the delivery of products or information to customers and other stakeholders.	• The company has a structured Group-wide responsibility for IT security. The work follows a well-defined process for IT governance. • Thule Group continuously endeavors to keep the systems well protected and also invests in recovery plans, data storage functions, IT security expertise and employee training in information security with the aim of increasing internal know-how and awareness of the risks posed by increased threats and attacks on the company's IT infrastructure.
Inability to limit access to IT systems and information Likelihood: Impact:	• Shortcomings pertaining to data protection can also lead to business-critical data becoming accessible to unauthorized parties. • External breaches of the Group's IT environment entail increased risk of data loss, fraud and other irregularities.	• The General Data Protection Regulation (GDPR) has been implemented globally. • Thule Group continuously strengthens its technical IT security. • Continuous reviews and evaluations are conducted of the Group's systems and system providers as well as of procedures for data and information security.
Product safety Likelihood: Impact:	• Thule Group offers a large number of products intended for use in urban environments, on the roads and in nature. These products are exposed to extreme stress and if any failures or faults were to arise in the products, this could result in damage to property or in the worst case people.	• Thule Group complies with all laws and regulations that apply to the development and testing of the products in development. • Thule Group implements detailed failure mode effect analyses (FMEAs) for all new products in development. Possible risks and their potential negative consequences are evaluated and defined in these analyses. • Thule Group conducts extreme tests pursuant to Thule Test Standards. The requirements under Thule Test Standards are as or more stringent than all the requirements contained in the relevant product safety regulations. • Thule Group carries out a detailed follow-up on quality levels at suppliers and in their own assembly plants as well as follows up and manages any end-user complaints.

Operational risks

Low Medium High
Likelihood:
Impact:

Risk area	Description	Counteracting factors and management
Dependency on external suppliers Likelihood: Impact:	• In order to be able to manufacture, sell and deliver products, Thule Group is dependent on external suppliers. • If these suppliers are affected by financial, legal or operations-related problems, this could in turn result in adverse impacts on Thule Group's deliveries. • Deficiencies in quality and performance from suppliers can lead to consequences for Thule Group's products, their sustainability and safety-in-use for consumers.	• Thule Group conducts regular assessments of the status of external suppliers in order to predict and prepare its business and production for any potential changes. • Thule Group continuously monitors changes in relevant regulations. • Clear requirement specifications for external suppliers are used to assure follow-up of quality and business-related risks. • The Group has its own dedicated quality organization (Supplier Quality), which maintains regular contact with and inspections of external suppliers, including physical meetings for local follow-up. • Thule Group carries out regular tests of purchased material and our suppliers' products. These tests are performed both internally and with assistance from external parties.
Taxes Likelihood: Impact:	• Operations are pursued in accordance with Thule Group's interpretation of applicable laws and tax regulations. If these interpretations should prove to be incorrect, they could have an adverse impact Thule Group's earnings.	• Thule Group has a clear tax policy that sets out the company's fundamental approach to and management of considerations in conjunction with tax questions. • Thule Group has resources in place to ensure continuous assessments in ample time prior to any changes. Requisite provisions to cover any disputes that may arise are made in consultation with experts.

Sustainability-related risks

	Low	Medium	High
Likelihood:	□	□	□
Impact:	□	□	□

Risk area	Description	Counteracting factors and management
Deficiencies in sustainability efforts Likelihood: ■□□ Impact: ■■□	• The confidence of society and the market in Thule Group's sustainability efforts is a prerequisite for successful operations.	• Thule Group pursues comprehensive quality and sustainability initiatives that impose requirements on both our own operations and those carried out by suppliers. • Thule Group continuously trains employees and suppliers in the Group's Code of Conduct. • General sustainability targets relating to the environment, quality and social responsibility are monitored on a quarterly basis.
Energy consumption Likelihood: ■□□ Impact: ■□□	• Increased production may lead to increased energy consumption. • Any shortcoming in the use of renewable energy could adversely impact the environment.	• Thule Group continuously measures the energy consumption at all of its facilities. • Energy efficiency is a crucial factor for investments. • When procuring energy, where possible, energy from renewable sources should be the first choice.
Environmental impact Likelihood: ■□□ Impact: ■■□	• Regulatory compliance in relation to relevant environmental law and other provisions on the environment are requisite to avoiding penalty fees and other sanctioning measures. • Known, as well as currently unknown, clean-up costs could impact Thule Group's operations, earnings and financial position. • Increased production leads to an increase in overall environmental impact related to the manufacture and distribution of the Group's products.	• Thule Group conducts systematic work to reduce the Group's general environmental impact and to ensure the group's operations are conducted in compliance with relevant environmental legislation and other environmental provisions. • Thule Group pursues comprehensive quality and environmental management initiatives that impose requirements both on our own production and on that carried out by suppliers. As part of these efforts, the Group is gradually certifying all production facilities under the ISO 140001:2015 framework. The current status is always updated on the Group's website www.thulegroup.com/en/certificates. • Thule Group works proactively to reduce environmental impact in all parts of the value chain, i.e., from the design of the products, through to the manufacturing and distribution process, consumers' usage and the final waste management of the products.
Climate risk Likelihood: ■□□ Impact: ■□□	• Over a longer time horizon, the long-term climate change that the world is undergoing could impact opportunities to enjoy an active life in terms of, for example, skiing in an alpine environment or water sports in polluted watercourses.	• Thule Group participates in several interest organizations and follows developments closely. • Thule Group continuously renews its product portfolio to be able to follow trends in terms of consumer patterns as well as opportunities to carry out activities and live an active life.

Sustainability-related risks

	Low	Medium	High
Likelihood:	□	□	□
Impact:	□	□	□

Risk area	Description	Counteracting factors and management
Increased volume of shipments Likelihood: ■■■ Impact: ■■□	• Thule Group purchases products and components from 650 suppliers around the world. The company's products are sold in 138 markets. Overall, this inevitably entails the transportation of goods and components. The direct and indirect use of transportation services often involves the use of fossil fuels. • The pandemic years entailed significant sales increases, which in turn entailed an increased transportation volume of input goods as well as finished products. • A strained global logistics chain entails a risk of forcing more transportation to be conducted using energy-intensive modes of transport.	• Thule Group works to optimize necessary logistics flows. • When procuring transportation services, emissions requirements constitute a vital parameter.
Deficiencies in health and safety Likelihood: ■■□ Impact: ■■□	• The work environment, health and safety are central focus areas for Thule Group. • Deficiencies in safety and the work environment entail an increased risk of ill health and incidents for the Group's employees.	• Thule Group conducts systematic work to safeguard and improve the work environment. • Thule Group continuously monitors a number of parameters within the area of health and safety. Opportunities for improvements are discussed in the central and local Safety Committees. Improvements are continuously implemented and debriefed.
Deficiencies in gender equality, diversity and discrimination Likelihood: ■□□ Impact: ■□□	• Deficiencies in the implementation of and compliance with Thule Group's core values could lead to deficiencies in gender equality and diversity.	• Thule Group conducts recurring in-depth employee surveys and actively follows up on these results. • The work is conducted with full transparency in relation to policies, employee manuals and the reporting of breaches related to discrimination. • Thule Group has a well-established whistle-blowing function to enable employees, suppliers and customers to bring possible breaches of the Group's Code of Conduct to the Group's attention. Technical administration of the whistle-blowing function is through an external platform, which means, inter alia, that the service can be provided in the notifier's own language.

Sustainability-related risks

Low Medium High
Likelihood:
Impact:

Risk area	Description	Counteracting factors and management
Violation of human rights Likelihood: Impact:	• Thule Group is a global company. In some countries, insights into human rights may be limited. This entails a risk that the company could involuntarily contribute to violations of human rights.	• Thule Group is a participant in the UN Global Compact and therefore abides by its ten principles. • The company's global Code of Conduct applies to all of Thule Group's Board members, senior executives (including Group Management), employees and, to the greatest extent possible, suppliers, business partners, subsuppliers and customers. • Thule Group's supplier strategy includes the company's sustainability aspects. • Thule Group conducts CSR audits, both in-house and in partnership with the company Intertek.
Corruption Likelihood: Impact:	• Corruption threatens sustainable economic and social development around the world, particularly in poor regions. Corruption may exist to various extents in some countries and in different sectors of society. Thule Group sells products in 138 countries, and purchases products and components from more than 650 suppliers. This means that we, like many other companies, run a risk of becoming involved in unethical business transactions, fraud and irregularities in areas encompassing sales and procurement processes.	• Thule Group applies zero tolerance to unethical business practices. The Group conducts obligatory courses on the Group's Code of Conduct for employees, suppliers and business partners. In addition, courses are held on the regulatory framework pertaining to anticorruption and other policies. Combined with the framework of internal control and monitoring, this provides the foundation for an ethical business approach and correct financial reporting. • Thule Group applies global and local authorization manuals in order to avoid conflicts of interest. • Thule Group applies procurement processes that ensure sound business ethics. • Thule Group provides suppliers with training on the Group's Code of Conduct, and conducts CSR audits, both in-house and in partnership with the company Intertek, to monitor and audit compliance with the Code of Conduct.
Negative assessment in external sustainability reviews Likelihood: Impact:	• The increased number of external parties assessing the company's sustainability efforts entail a heightened risk of shortcomings in the quality of assessments – which could result in a misleading image of Thule Group among investors and customers.	• Thule Group regularly monitors new and local external sustainability assessors and their reviews of the Group. • The Group maintains active dialogue with assessment companies/organizations and regularly reviews their work to provide feedback on any shortcomings or errors.

Financial risks

	Low	Medium	High
Likelihood:			
Impact:			

Risk area	Description	Counteracting factors and management
Exchange rate risk Likelihood: Impact:	• Thule Group is active internationally and exposed to exchange rate risk that arise from various currency exposures, mainly with respect to EUR/SEK, for which the Group has a positive net inflow. • Exposure stems from transaction exposure as well as translation exposure.	• The central finance department is responsible for all hedging to reduce the effect of transaction exposure. • The Group's policy with regard to translation exposure, is to hedge ´current net investments for each currency with loans in the same currency to the extent possible.
Interest rate risk Likelihood: Impact:	• Interest rate risk is the risk that the value of financial instruments fluctuates due to changes in market interest rates and the risk that changes in the interest rate level will impact the Group's borrowing costs.	• This interest rate risk is managed by the Group's central finance department, which adheres to the company's finance policy. The finance policy stipulates the use of lock-in periods and the tool mainly comprises interest-rate swaps.
Refinancing and liquidity risk Likelihood: Impact:	• Refinancing risk refers to the risk that Thule Group is unable to refinance its operations at the desired moment, or that the cost of refinancing increases. • Liquidity risk refers to the risk that Thule Group is unable to fulfill its payment commitments.	• The central finance department continuously monitors whether Thule Group is fulfilling the binding key figures linked to the company's loan facilities. • The Group has a rolling eight-week liquidity plan that includes all divisions of the Group. The plan is updated monthly.
Credit risk Likelihood: Impact:	• Credit risk is the risk that Thule Group's counterparties are unable to pay their liabilities and thereby cause losses for Thule Group.	• Customers undergo credit checks in accordance with the Group's credit policy and outstanding balances are monitored continuously.

Employees and remuneration

Number of employees

The average number of employees was 2,799 (3,303).

Remuneration to the CEO and other executive management

Guidelines for remuneration of senior executives was resolved at the General Meeting in 2022. See Note 10 for a description of the guidelines and the amounts expensed under these guidelines.

The Board's proposal regarding the remuneration of senior executives

The Board of Directors of Thule Group AB (publ) proposes that the 2023 AGM resolves to adopt the following guidelines for remuneration of senior executives, with adjustment of the validity period for the guidelines to ensure their alignment with the applicable regulations, meaning that the Board will prepare new proposals at least every fourth year and not each year as previously.

The group of executives covered by the guidelines are the CEO and other members of Group management. Remuneration of Group Management is to be based on the company's sustainability in terms of its commercial financial development, its organizational structure designed to meet the business needs of the company's strategic objectives and its ability to supply the company with the right skills and resources at any given time. Group management's remuneration is to include market-based fixed salary and variable salary components (with the aim of stimulating reaching the company's business and sustainable development objectives), pension and other competitive benefits. The total remuneration package is to be based on market terms, be competitive and reflect the individual's performance and responsibilities.

For employment subject to other rules than Sweden's, pension benefits and other benefits may be duly adjusted to comply with mandatory rules or established local practices, while concurrently taking into account, as far as possible, the overall aim of these guidelines.

Long-term, share-based incentive programs are conducted within the company in accordance with a separate resolution by the general meeting. These programs are not subject to these guidelines. The aims of the share-based incentive programs include stimulating sustainable, positive value growth for Thule Group's share, that will accrue to shareholders. The incentive program is based on the company's strategic plan and sustainable development, moreover, the program also constitutes an incentive to meet the growth objectives stipulated by the company in its strategic three-year plan.

Fixed salary is at market rates. Variable salary can comprise annual variable cash bonuses and long-term variable cash bonuses. Annual variable cash bonuses are measured over a calendar year and are conditional on the fulfillment of predefined and measurable targets, by which the EBIT performance is weighted between 40 and 90 percent, sales performance or other financial targets, such as cash flow, tied-up capital or similar are weighted at 0 to 50 percent, and sustainability development targets at 10–50 percent Established personal targets can correspond to a maximum of 20 percent. The annual variable remuneration is subject to a ceiling of 75 percent of the fixed annual salary for the CEO and 60 percent for the other senior executives.

If and to the extent that the general meeting has not resolved in favor of the implementation of long-term, share-based incentive programs, variable remuneration can also comprise a long-term, variable cash bonus that is implemented annually. For participation in the program for long-term variable remuneration, a personal investment by the participant is required. Long-term variable remuneration is to be measured for a period of at least three calendar years and requires the fulfilment of defined and measurable targets during the measurement period and payment is conditional upon predetermined target fulfilment in sustainability. In terms of each measurement period, the long-term variable remuneration is to be a maximum of 150 percent of fixed salary.

The terms and conditions for variable remuneration are designed to enable the Board of Directors, under exceptional economic circumstances, to limit or withhold any payment of variable remuneration if such a measure is considered reasonable.

Pension benefits, including health insurance, for senior executives are to be defined-contribution-based. Variable cash remuneration does not count toward pensionable service. Pension premiums for defined-contribution pensions may amount to not more than 35 percent of the annual fixed cash salary.

Other benefits may include, inter alia, life insurance, medical insurance, company car and fuel benefits. Such benefits are limited to a maximum of 15 percent of the annual fixed cash salary.

Severance pay may be provided if employment is terminated by Thule Group. Senior executives are subject to a notice period of not more than 12 months in combination with severance pay corresponding to a maximum of 12 months' fixed salary. No severance pay accrues if notice is given by the employee.

In the preparation of the Board of Directors' proposal for these remuneration guidelines, the salary and terms of employment for the company's employees was considered as was information on total remuneration to the employee, the remuneration components as well as the rate of increase and growth in remuneration over time comprised components of the decision data provided to the Remuneration Committee and the Board of Directors for the evaluation of the reasonableness of the guidelines and the limitations following from these. The development of the gap between remuneration to senior executives and remuneration to other employees is disclosed in the current remuneration report.

The Board of Directors has established a Remuneration Committee. The Committee's tasks include preparing the Board of Directors' decision on the proposed guidelines for remuneration of senior executives. The Board of Directors is to prepare a proposal for new guidelines at least every fourth year and submit said proposal to the AGM. The guidelines remain valid until new guidelines are adopted by the general meeting. The Remuneration Committee also monitors and evaluates variable remuneration programs for the Group management, the application of the guidelines for remuneration of senior executives 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 management. The CEO and other members of the company management are not present during the Board of Directors' processing of and decisions on remuneration-related matters in so far as they are affected by such matters.

The Board may temporarily resolve to depart from the guidelines adopted by the AGM, if in a specific case there is special cause for the departure and said departure is necessary to serve the company's long-term interests and sustainability, or to ensure the company's financial viability.

The total expensed remuneration to senior executives, including obligations entered into previously that are not yet due for payment, are reported in the Annual Report. In addition, the company's remuneration report describes how the company applied the guidelines for remuneration to the CEO and other senior executives.

Description of significant changes to the guidelines and shareholders' comments

In relation to the current guidelines adopted by the 2022 AGM, the proposal to the 2023 AGM entails that the company has established long-term variable remuneration for senior executives, which can be implemented in the event that no share-based incentive program is resolved on by the general meeting and that other benefits can correspond to a maximum of 15 percent (10) of fixed salary. In addition, the guidelines were supplemented by the weighting method for various targets in the measurement of target fulfilment in relation to variable remuneration.

The Board of Directors has not received any comments from the shareholders on the guidelines for remuneration to senior executives.

Incentive program

Share-based incentive program 2020/2023

The warrants program resolved on by the Annual General Meeting (AGM) for executive management and key employees of Thule Group was implemented in 2020.

The program comprises 2,090,000 warrants issued to Thule AB for onward transfer to participants. The participants acquired the warrants at the fair market value and the program currently includes 27 participants.

The subscription price was SEK 216.60, which corresponded to 118 percent of the volume-weighted average price according to Nasdaq Stockholm's official price list for shares in the company during the period April 29, 2020 through May 13, 2020. The warrants may be exercised from June 15, 2023 to December 15, 2023.

Environment

Environmental impact

Thule Group has a long history of environmental focus due to a commitment to develop high-quality products built to last for a long time, encourage employees with deep environmental engagement and manage its own nine production facilities, not only to legal requirements, but to the higher Thule Group standards. The most important sustainability-related issues are integrated into the company's business and operational plans and reported in the annual Sustainability Report.

The Group is subject to a number of European Union, national, regional and local environmental and occupational health and safety laws, rules and regulations relating to the protection of the environment and natural resources including, among other things, the management of hazardous substances and waste, air emissions, the discharge of water, transportation, remediation of contamination and workplace health and safety.

Thule Group's operations require the Group to maintain certain environmental licenses for the production of its products including metal-based products with surface treatments and plastics. In addition, Thule Group's manufacturing sites have generally been certified according to the ISO 9001 quality management standards and IATF 16949 as well as the ISO 14001 environmental management system.

The plants outside Sweden adapt their operations, apply for the necessary licenses and report to authorities in accordance with local laws. The Group's Swedish plant, with the production facility in Hillerstorp, conducts operations that require an environmental license in accordance with Swedish environmental legislation.

Thule Sweden AB conducts class Coperations under a license for class B operations and is classified as mechanical manufacturing in the form of metal working in a workshop area of less than 18,000 square meters and guarantees that its impact in the form of, for example, noise, dust and emissions to air and water, both in the immediate area and in general, from its manufacturing unit in Hillerstorp is minimal. Systems are in place for classifying and sorting waste at source and for handling industrial waste. The unit is also certified pursuant to the environmental management standards EN-ISO 14001:2015, EN-ISO 9001:2015 and IATF 16949:2016 (quality management system for automotive industry suppliers).

Sustainability Report

The Group's Sustainability Report can be found on pages 36 – 52 and 131–153.

Future development

Forecast
Thule Group does not present a financial forecast.

The Thule share, shareholders and proposed appropriation of profits

Number of shares and quotient value
The shares of Thule Group AB are listed on the Nasdaq Stockholm Large Cap list. The Group did not buy back or hold any treasury shares during the fiscal year. The number of shares approved, issued and fully paid as per December 31, 2022 was 104,562,436. The company has only one class of share. At general meetings of shareholders, each share carries one vote and each shareholder is entitled to vote for the full number of shares such a shareholder holds in the company.

All shares carry equal rights to the company's assets and profits. The quotient value (nominal value) of the share is SEK 0.01118 per share.

Largest shareholders
As of December 31, 2022, Thule Group AB had 30,625 known shareholders. At this date, the largest shareholders were AMF Försäkringar & Fonder (14.9 percent of the capital and votes), Swedbank Robur Fonder (5.8 percent of the capital and votes), Nordea Fonder (4.7 percent of the capital and votes) and SEB Fonder (3.8 percent of the capital and votes).

Articles of Association
The Articles of Association contain no separate provisions pertaining to the appointment and dismissal of Board members, nor to amendment of the Articles of Association.

Proposed appropriation of profits
Parent Company
Proposed appropriation of the company's earnings.

At the disposal of the Annual General Meeting:	
Share premium reserve, SEK	1,101,563,037
Net income, SEK	683,727,391
	1,785,290,428

The Board proposes that the profit brought forward be appropriated as follows:

Dividend to shareholders,	
SEK 9.20 x 104,562,436	961,974,411
To be carried forward, SEK	823,316,017
	1,785,290,428

Corporate Governance Report

Thule Group is a Swedish public limited liability company listed on the Nasdaq Stockholm Large Cap list. Thule Group's corporate governance is mainly regulated by the Swedish Companies Act and other Swedish laws, Nasdaq Stockholm's Rule Book for Issuers and the Swedish Corporate Governance Code, "the Code" (available at www.corporategovernanceboard.se). The Code is to be applied to all Swedish companies whose shares are traded on a regulated marketplace in Sweden. Thule Group has applied the Code since November 26, 2014, when Thule Group's share started to be traded on Nasdaq Stockholm.

The 2022 Corporate Governance Report describes Thule Group's corporate governance, management and administration as well as the internal control and risk management.

Regulatory compliance

External governance systems

The external governance systems that comprise the framework for corporate governance at Thule Group primarily comprise the Swedish Companies Act, the Swedish Annual Accounts Act, Nasdaq Stockholm's Rule Book for Issuers, the Swedish Corporate Governance Code (the "Code") and other applicable rules and relevant legislation.

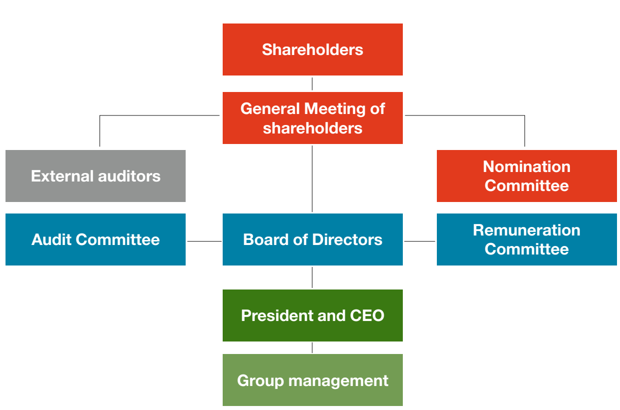
Internal governance systems

The Articles of Association adopted by the Annual General Meeting (AGM) and the documents on the rules of procedure for the Board of Thule Group, instructions for the CEO and instructions for the Remuneration and Audit Committees, as adopted by the Board of Directors, are the most important internal governance documents. In addition, the Group has a number of policies and instructions containing rules and principles for the Group's operations and employees.

Deviations from the Code

Companies are not obliged to at all times apply every rule in the Code, but are allowed the freedom to choose alternative solutions which they feel are better in their particular circumstances, provided they report every deviation, describe the alternative solution and explain the reasons for the deviation in its annual corporate governance report (the "comply or explain" principle). Thule Group did not deviate from the rules of the Code in 2022 and therefore has no such deviations to report.

THULE GROUP'S CORPORATE GOVERNANCE STRUCTURE



General Meeting of shareholders

Pursuant to the Swedish Companies Act (2005:551), the General Meeting is the company's highest decision-making body and the body where shareholders exercise their voting rights. Shareholders who are recorded in the share register on the record date and have notified the company of their intention to participate in the General Meeting not later than the date and time indicated in the notice are entitled to attend the Meeting in person or by proxy. Resolutions are made at the General Meeting normally by a simple majority. However, in certain matters, the Swedish Companies Act stipulates that a certain level of attendance is required to form a quorum or a qualified majority of votes.

Annual General Meetings must be held within six months from the end of each fiscal year. Thule Group's Annual General Meeting is usually held in April. The Annual General Meeting resolves on such issues as the Articles of Association and is tasked with appointing Board members and the Chairman of the Board, electing auditors and resolving to adopt the income statement, balance sheet and the appropriation of the company's profits, and the discharge from liability of the Board and the CEO vis-à-vis the company. In addition, where necessary, the Annual General Meeting also resolves to adopt principles for the appointment and work of the Nomination Committee, and on principles for the terms of remuneration and employment for the CEO and other executive management.

An Extraordinary General Meeting can be held if specifically required. At the Annual General Meeting, shareholders have the opportunity to ask questions about the company and its results for the year just ended. In addition to annual general meetings (AGMs), extraordinary general meetings (EGMs) can be called.

In accordance with the Articles of Association, notice of a general meeting is published in Post- and Inrikes Tidningar and on the company's website, www.thulegroup.com. In conjunction with notice being given, an announcement is made of the notification in Dagens Industri. The Articles of Association contain no separate provisions pertaining to the appointment and dismissal of Board members, nor to amendment of the Articles of Association. For the complete Articles of Association, refer to the website www.thulegroup.com.

Shareholders

Thule Group's share has been listed on Nasdaq Stockholm since November 26, 2014 and moved to the Large Cap list on January 1, 2017. At year end, the share capital amounted to SEK 1,168,626.50, divided between 104,562,436 shares. All of the shares are of the same class and all of the shares in the company carry equal rights in all respects. On December 31, 2022, Thule Group AB had 30,625 shareholders. On this date, the largest shareholders were AMF Pension & Försäkringar (14.9 percent of the votes), Swedbank Robur Fonder (5.8 percent of the votes), Nordea Fonder (4.7 percent of the votes), SEB Fonder (3.8 percent of the votes) and Handelsbanken Fonder (3.8 percent of the votes). Further information about the share and shareholders is available at www.thulegroup.com.

Resolutions at the 2022 Annual General Meeting

The 2022 AGM was held on April 26, 2022. The complete minutes of and information about the 2022 AGM are available at www.thulegroup.com. The AGM resolved to adopt the submitted income statement and balance sheet and the consolidated income statement and consolidated balance sheet. In accordance with the Board's and the CEO's proposal, the AGM resolved to distribute a dividend of SEK 13.00 for the 2021 fiscal year. The dividend was distributed in two instalments for a better adaptation to the Group's cash flow profile.

The AGM also resolved that the company's profit, together with earnings for 2021 after dividend, were to be carried forward. The Meeting discharged the Board members and the CEO from liability and resolved on fees to Board members. The AGM approved the Board's proposal regarding the remuneration of executive management.

2023 Annual General Meeting

The 2023 Annual General Meeting will be held on Thursday, April 27 in Malmö. For more information, refer to www.thulegroup.com.

Nomination Committee

The Nomination Committee is, in accordance with the principles decided by the AGM in April 2019, to be composed of five members comprising representatives from each of the four largest shareholders in terms of the number of votes as of August 31 every year, and the Chairman of the Board.

The Nomination Committee member representing the largest shareholder in terms of votes is to be appointed as Chairman unless the Committee unanimously appoints another. If more than three months prior to the Annual General Meeting, one or more of the shareholders who have appointed members to the Nomination Committee should cease to belong to the four largest shareholders in terms of votes, the members appointed by these shareholders are to vacate their membership and the shareholder/shareholders who has/have instead become among the four largest shareholders in terms of votes is/are to be entitled to appoint his/their representatives. If a member leaves the Nomination Committee before its work is completed and the Committee finds it desirable to appoint a replacement, the new member should be sourced from the same shareholder or, if this shareholder is no longer one of the largest shareholders in terms of votes, from the next shareholder in line. Changes in the composition of the Nomination Committee must be announced immediately.

The Nomination Committee's duties are to present proposals to the AGM regarding the Chairman of the Board and other Board members together with an explanatory statement for the proposal, to propose fees and other remuneration for Board assignments for each of the Board members, including any remuneration for Committee work, to present proposals on auditors and their fees, to present a proposal for the Chairman of the AGM and, where appropriate, to propose changes to the appointment of the Nomination Committee. In addition, the Nomination Committee is to assess the independence of the Board members in relation to the company and the largest shareholders. The composition of the Nomination Committee for the AGM is normally announced on the company's website six months before the meeting. No remuneration is paid to members of the Nomination Committee.

The company is to pay any necessary expenses that the Nomination Committee may incur in its work. The term of office for the Committee ends when the composition of the following Nomination Committee has been announced.

Nomination Committee prior to 2023 Annual General Meeting

The composition of the Nomination Committee was published in a press release and on www.thulegroup.com on September 16, 2022. The Nomination Committee prior to the 2023 Annual General Meeting comprises Anders Oscarsson (AMF Försäkring and Fonder), Henrik Didner (Didner & Gerge Fonder), Bo Lundgren (Swedbank Robur Fonder), Andreas Wollheim (SEB Fonder) and Hans Eckerström (Chairman of the Board of Thule Group).

NOMINATION COMMITTEE

Name	Appointed by	Percentage of votes, Aug 31, 2022, %
Anders Oscarsson	AMF Försäkring and Fonder	13.40
Bo Lundgren	Swedbank Robur Fonder	4.80
Andreas Wollheim	SEB Fonder	4.10
Henrik Didner	Didner & Gerge Fonder	3.60
Hans Eckerström	Chairman of the Board of Thule Group	

After the 2022 Annual General Meeting and until the date on which this Annual Report was presented, the Nomination Committee held seven meetings. As a basis for its proposals to the 2023 Annual General Meeting, the Nomination Committee assessed whether the current Board was appropriately composed and meets the requirements imposed on the Board considering the company's operations, financial position and other circumstances. The Nomination Committee interviewed the company's Board members and discussed the main requirements that should be imposed on Board members, including the independence of members given the number of Board assignments that they have in other companies.

Board of Directors

Composition in 2022

The Board's duty is to manage the company's affairs on behalf of the shareholders. Under the Articles of Association, the Board of Thule Group is to comprise no fewer than three and not more than ten members appointed by the AGM for the period until the end of the next AGM. Five Board members were re-elected at the Annual General Meeting on April 26, 2022:

Hans Eckerström, Helene Willberg, Heléne Mellquist, Mattias Ankarberg and Therese Reuterswärd. Sarah McPhee and Johan Westman were elected as new members of the Board.

Moreover, Hans Eckerström was elected Chairman of the Board. No member of Group management is a Board member. However, both the CEO and the CFO of Thule Group participate at Board meetings. Other officers of the company participate at Board meetings when presenting separate issues.

In its reasoned statement ahead of the 2022 AGM, the Nomination Committee stated that it had applied rule 4.1 of the Swedish Corporate Governance Code on diversity policy. The objective of the policy is to ensure that the Board of Directors will, with consideration for the company's business, phase of development and other relevant circumstances, have an appropriate composition of Board members that collectively display diversity and breadth in respect of skills, experience and background, and an equal gender distribution.

The 2022 AGM resolved to appoint the Board members in accordance with the Nomination Committee's proposal, entailing the election of seven members, four of whom were women and three men. Annual fees to the Board's members are decided by the AGM.

For 2022, fees amounted to SEK 1,345,000 to the Chairman of the Board and SEK 415,000 to each of the other Board members. The Chairman of the Audit Committee is to receive

BOARD COMPOSITION

Name	Year elected	Total fee, SEK (annual)[1]	Independent	Board meetings	Audit Committee	Remuneration Committee
Chairman						
Bengt Baron[2]	2011	–	Yes	3/3		1/1
Hans Eckerström[3]	2009	1,515,000	Yes	10/10	2/2	4/4
Board members						
Heléne Mellquist	2016	415,000	Yes	9/10	1/2	3/3
Mattias Ankarberg	2018	460,000	Yes	10/10		2/3
Helene Willberg	2019	635,000	Yes	10/10	4/4	
Therese Reuterswärd	2020	415,000	Yes	10/10		
Johan Westman[4]	2022	415,000	Yes	7/7		
Sarah McPhee[4]	2022	495,000	Yes	7/7	2/2	

1) Fee resolved at the 2022 Annual General Meeting.
2) Bengt Baron declined re-election at the 2022 Annual General Meeting.
3) Hans Eckerström was elected as the new Chairman at the 2022 Annual General Meeting.
4) Johan Westman and Sarah McPhee were elected as Board members at the 2022 Annual General Meeting.

remuneration of SEK 220,000 for Committee work, while SEK 80,000 is to be paid to each of the other members. The Chairman of the Remuneration Committee is to receive remuneration of SEK 90,000 for Committee work, while SEK 45,000 is to be paid to each of the other members.

Independence of the Board

In accordance with the Code, a majority of the members of the Board elected by the General Meeting are to be independent in relation to the company and its management. The independence of the Board members is presented in the table Board composition below.

Each member's assessment of his or her independence in relation to the company, its management and major shareholders is presented in the Facts about the Board and Group management section.

The composition of the Board meets the Code's requirements for independence.

Responsibilities of the Chairman

The Chairman of the Board leads the Board's work and ensures that activities are conducted efficiently. The Chairman ensures that the Swedish Companies Act and other applicable laws and regulations are adhered to and that the Board receives the necessary training and improves its knowledge of the company. The Chairman monitors the operations in close dialog with the CEO, conveys opinions from shareholders to other Board members and serves as a spokesman for the Board. The Chairman is also responsible for providing the other members of the Board with information and decision data and for implementing Board decisions.

In addition, the Chairman is responsible for ensuring that the work of the Board is evaluated every year and reported to the Nomination Committee.

Board responsibilities and work

The duties of the Board of Directors are primarily set out in the Swedish Companies Act and the Code. In addition, the work of the Board is guided by rules of procedure that the Board adopts every year. The rules of procedure regulate the allocation of work and responsibility between the Board, Chairman of the Board and CEO, as well as stipulate procedures for financial reporting by the CEO.

The Board also adopts instructions for the Board's Committees. The Board is tasked with establishing strategies, business plans and budgets as well as submitting interim financial statements, annual accounts, and adopting policies and guidelines. The Board is also charged with following the financial developments, ensuring the quality of financial reporting and control functions and evaluating the company's operations based on the established goals and guidelines adopted by the Board. Finally, the Board also takes decisions regarding major investments and organizational and operational changes in the company. Working closely with the CEO, the Chairman of the Board is tasked with monitoring the company's performance and acting as Chairman at Board meetings. The current rules of procedure state that the Board is to meet at least six times a year in addition to the statutory meeting following election. The Board held ten meetings during the year, of which one was held per capsulam. All Board meetings follow a predetermined agenda. Attendance at Board meetings is presented in the table on the composition of the Board.

In 2022, the Board mainly addressed matters regarding the operations under the continued extraordinary conditions prevailing in 2022. In addition, matters addressed included acquisitions, financing, strategic direction and other ongoing accounting and company law issues.

Board committees

The Board has two committees, the Remuneration Committee and the Audit Committee. The committees report to the Board on the issues addressed in the committees at the board meetings. The work of the respective committees is carried out pursuant to written instructions and rules of procedure from the Board. Minutes of the committees' meetings are available to all Board members.

Remuneration Committee

The Remuneration Committee is tasked with preparing issues regarding remuneration and other terms of employment for the CEO and the company's executive management. The work involves the preparation of proposals for guidelines for items, such as: the allocation between fixed and variable remuneration, the relationship between performance and compensation, the main terms of bonus and incentive programs, conditions for other benefits, pensions, termination and severance pay, and the preparation of proposals for individual remuneration packages for the CEO and executive management.

Furthermore, the Remuneration Committee also monitors and evaluates the outcome of variable remuneration, and how the company complies with the remuneration guidelines adopted by the general meeting of shareholders.

The Remuneration Committee comprises three members: Hans Eckerström (Chairman), Heléne Mellquist and Mattias Ankarberg. During 2022 the Remuneration Committee has had Hans Eckertröm as chairman and Bengt Baron as a member until the annual general meeting when Heléne Mellquist and Mattias Ankarberg were appointed as new members. The Remuneration Committee held four meetings in 2022. The members' attendance at meetings of the Remuneration Committee is presented in the table Board composition.

Audit Committee

The main task of the Audit Committee is to ensure that the Board meets the supervision requirements relating to accounting and financial reporting, internal control, auditing, financial risk management and prepares accounting and auditing matters.

The Audit Committee is also charged with reviewing processes and procedures for accounting and financial control. In addition, the Audit Committee monitors the impartiality and independence of the auditor, evaluates the audit work and discusses coordination between the external audit and the internal work on internal control issues with the auditor. The Audit Committee also assists the company's Nomination Committee when preparing proposals for auditors and recommendations for auditor's fees.

The Audit Committee of Thule Group has three members: Helene Willberg (Chairman), Hans Eckerström and Sarah McPhee. The Audit Committee has had Helene Willberg as chairman throughout 2022 with Heléne Mellquist as a member until the Annual General Meeting. Hans Eckerström and Sarah McPhee were subsequently appointed members of the committee. The Audit Committee held four meetings in 2022. The members' attendance at meetings of the Audit Committee is presented in the table Board composition.

The Audit Committee meets all the requirements vis-à-vis auditing and accounting competence as stipulated in the Swedish Companies Act.

Auditors

The auditor is elected at the Annual General Meeting every year. The auditors review the company's and subsidiaries' financial reports and accounts as well as the administration of the Board and the CEO. The auditor participates at the Board meeting that addresses the year-end accounts. At this meeting, the auditor presents the financial information and discusses the audit with the Board members without the CEO and executive management attending. The auditor maintains continuous contact with the company and its management.

Thule Group's auditors are to review the Annual Report and consolidated financial statements for Thule Group AB and the administration of the Board and the CEO. The auditors follow an audit plan that is discussed with the Audit Committee.

Reports were presented to the Audit Committee during the course of the audit and finally to the Board as a whole when the year-end report was adopted. The auditor is also to attend the Annual General Meeting and describe the audit activities and observations made in an auditor's report. The 2017 Annual General Meeting elected PricewaterhouseCoopers AB with Eric Salander as Auditor in Charge. In conjunction with the 2022 Annual General Meeting, PricewaterhouseCoopers AB was re-elected for a term of one year with Eric Salander as Auditor in Charge. During the year, the auditors performed certain audit-related consulting assignments in addition to the audit, mainly pertaining to incentive program issues. The appointed auditor is responsible for auditing all of the important subsidiaries in the Group.

CEO and other executive management

The CEO is subordinate to the Board of Directors and is responsible for the day-to-day management and operations of the company.

The division of work between the Board of Directors and the CEO is set out in the rules of procedure for the Board of Directors and instructions for the CEO. The CEO is also responsible for the preparation of reports and compiling information from management for Board meetings and for presenting such material at Board meetings.

According to the instructions for financial reporting, the CEO is responsible for the financial reporting in Thule Group and consequently must ensure that the Board receives adequate information for the Board to be able to evaluate the company's and the Group's financial position. The CEO keeps the Board continuously informed of developments in Thule Group's operations, the development of sales, Thule Group's results and financial position, liquidity and credit status, important business events and all other events, circumstances or conditions that can be assumed to be of significance to the company's shareholders.

AUDIT FEES

	Group		Parent Company	
SEKm	2022	2021	2022	2021
Audit PwC	3.6	3.1	1.2	0.8
Audit in addition to audit assignment PwC	0.0	0.0	–	–
Tax consultancy PwC	–	–	–	–
Other services PwC	0.2	0.3	0.2	0.3
Total	**3.8**	**3.4**	**1.4**	**1.1**

Information about remuneration, share-based incentive programs and terms of employment for the CEO and other executive management is available at www.thulegroup.com.

Internal control and risk management

The Board's responsibility for the internal control is governed by the Swedish Companies Act, the Swedish Annual Accounts Act (1995:1554), and the Code.

Information regarding the most important aspects of the company's system for internal control and risk management in connection with financial reporting must each year be included in the company's Corporate Governance Report.

The procedures for internal control, risk assessment, control activities, and monitoring with respect to the financial reporting have been designed to ensure reliable overall financial reporting and external financial reporting in accordance with IFRS, applicable laws and regulations as well as other requirements, which apply to companies listed on Nasdaq Stockholm. This work involves the Board, Group management and other personnel.

Control environment

The Board has adopted instructions and governance documents aimed at regulating the roles and allocation of responsibility between the CEO and the Board. The way in which the Board monitors and ensures quality in the internal control is documented in the Board's rules of procedure and Thule Group's finance policy.

The control environment also includes the Board evaluating the performance and results of the operations through monthly and quarterly report packages. The reporting contain outcomes, budget comparisons, forecasts, operational targets, strategic plans, assessment and evaluation of financial risks, and analysis of important financial and operational key figures. The responsibility for the presentation of the report package to the Board and the responsibility for maintaining an effective control environment, and the day-to-day risk assessment and internal control over the financial reporting are delegated to the CEO. However, the Board is ultimately responsible. Managers at various levels in Thule Group's business areas are, in turn, responsible for ensuring compliance with established guidelines within their business area.

Risk assessment and control activities

The company conducts continuous risk assessment to identify risks in all areas of operation. These risks, which include the risk of both loss of assets as well as irregularities and fraud, are assessed regularly by the Board. The structure of control activities is of particular importance in the company's work of preventing and discovering deficiencies. The assessment and control of risks also cover the operational management of each reporting unit, where meetings are held at least six times a year in connection with business review meetings. Thule Group's CEO and CFO, as well as local and regional management, participate at these meetings.

Information and communication

The company's governance documents for financial reporting primarily comprise guidelines, policies and manuals that are continuously updated and communicated to the appropriate employees via relevant information channels. A communication policy is in place for external information that provides guidelines on how such information is to be provided. The aim of the policy is to ensure that the company complies with the requirements for disseminating correct and complete information to the market.

Monitoring, assessment and reporting

The Board regularly assesses the information provided by Group management. Between Board meetings, the Board regularly receives updated information regarding Thule Group's performance. Thule Group's financial position, operations, development and capital expenditures are discussed at each Board meeting. The Board is also responsible for monitoring the internal control. This work includes ensuring that measures are taken to address any deficiencies, as well as follow-up of proposals for measures to which attention has been drawn in connection with the external audit.

Each year, the company carries out a self-assessment of the risk management and internal control work. This process includes a review of the manner in which established routines and guidelines are applied.

The Board receives information regarding important conclusions drawn from this annual assessment process, and regarding any measures relating to the company's internal control environment.

Internal audit

Under paragraph 7.3 of the Code, the Board is to annually evaluate the need for a separate audit function, which is to ensure that financial reports are produced in accordance with legislation, applicable accounting standards and other applicable requirements for listed companies.

Considering the internal control activities that have been performed, the Board does not deem there to be any need to establish a separate internal audit function.

Board of Directors

Hans Eckerström

Chair of the Board since 2022.
Board member since 2007.

Born 1972.

CIO (Chief Investment Officer) at Aligro Planet Acquisition Company AB (publ).

Education: M.Sc. Mechanical Engineering, Chalmers University of Technology. M.Sc. Business Administration, University of Gothenburg.

Current Board appointments: Chairman of Profoto Holding AB (publ), and Board member of Swedbank AB (publ).

Previous Board appointments: Chairman of Henri Lloyd Group AB, Nobia AB (publ), Brink International AB and Britax Childcare Limited, and Board member of Nordstjernan AB, Nefab AB (publ), Cloetta AB (publ) and Aditro AB (publ).

Shareholding at March 1, 2023: 35,000 (through legal part).


Hans Eckerström


Mattias Ankarberg

Mattias Ankarberg

Board member since 2018.
Takes office as CEO and president in August 2023.

Born 1976.

CEO Byggmax Group AB (publ).

Education: M.Sc. in Economics and Business Administration Stockholm School of Economics.

Current Board appointments: Chair of Sigrid Therapeutics AB.

Previous positions: Leading positions at H&M Group and Consultant at McKinsey & Company in Sweden and USA.

Shareholding at March 1, 2023: 1,500 (own).


Heléne Mellquist


Therese Reuterswärd


Sarah McPhee

Sarah McPhee

Board member since 2022.

Born 1954.

Education: M.Sc. in Economics and Business Administration, Stockholm School of Economics and MA at Stanford University, USA.

Current Board appointments: Chair of Houdini Sportswear AB and Board member of Bure Equity AB, ACQ Bure AB, Atle AB, Axel Johnson Inc in USA and Grover GmbH.

Previous positions: Chair of Fjärde AP-Fonden and Sällskapet Näringsliv Samhälle (SNS) and Board Member of Klarna AB and SAXO Bank. CEO at SPP and Group Director at Storebrand ASA as well as leading roles within AMF Pension, Fjärde AP-Fonden, Svenska Handelsbanken and GE Capital.

Shareholding at March 1, 2023: 2,050 shares (own).


Helene Willberg


Johan Westman

Heléne Mellquist

Board member since 2016.

Born 1964.

CEO Volvo Penta.

Education: BSc in International Business Administration, Gothenburg School of Econimics, Executive Program IFL, Gothenburg School of Econimics.

Current Board appointments: Board member of Atlas Copco AB (publ).

Previous Board appointments: Board member of AlfaLaval AB (publ), Cavotec S.A. (publ), Partnertech AB and Opus Group AB (publ).

Shareholding at March 1, 2023: 1,740 (own).

Therese Reuterswärd

Board member since 2020.

Born 1981.

CIO at Qred.

Education: Master's degree in media technology from KTH Royal Institute of Technology in Stockholm.

Current Board appointments: Board member of LMK Group (publ), and Deputy Board member of Robam AB.

Previous positions: CMO (Chief Marketing officer) at Mentimeter AB, Office Depot Sweden AB, Director of Product at MatHem, Head of Digital at Arla Foods and several digital roles within, among others, Nespresso, Electrolux and Scandic Hotels. Board member of The Feelgood Company AS.

Shareholding at March 1, 2023: 430 (own).

Helene Willberg

Board member since 2019.

Born 1967.

Education: M.Sc. Stockholm School of Economics.

Current Board appointments: Chair of Footway Group AB (publ) and Board member of Enzymatica AB (publ), Renewcell AB, Byggfakta Group Nordic HoldCo AB, Aligro Planet Acquisition Company AB (publ), Xshore AB, Profoto Holding AB (publ), Nordic Paper Holding AB (publ), Indecap Holding AB and Infrea AB (publ).

Previous positions: Board member of Netlight Consulting AB Publ, Zenith Group AB, KPMG AB and Alvarez & Marsal Sweden AB. Country Head Alvarez & Marsal, Sweden AB, and several leading roles at KPMG, including as CEO of KPMG Sweden and as Head of KPMG's Financial Advisory Services.

Shareholding at March 1, 2023: 1,800 (own).

Johan Westman

Board member since 2022.

Born 1973.

President & CEO AAK (publ).

Education: Civil engineering degree in Industrial Economics from Chalmers tekniska högskola.

Current Board appointments: Chair of Absolent Air Care Group AB.

Previous positions: SVP Europe and Managing Director at BlankLight division at Shiloh Industries, Inc., President & CEO at FinnvedenBulten-concern and Management Consultant at Arthur D. Little.

Shareholding at March 1, 2023: 3,332 shares (own).

Independence:
All members are independent in relation to the company's owners.

Group Management

Magnus Welander

CEO & President

Born 1966.

Education:M.Sc. in Industrial Engineering and Management, Institute of Technology at Linköping University.

Employed at Thule Group since 2006.

Previous positions: President of Envirotainer, various senior positions at Tetra Pak in Italy and Australia.

Current Board appointments: Chair of Mips (publ).

Shareholding at March 1, 2023: 636,990 shares (through LeMore Invest AB) and 204,498 warrants, 2020/2023 series (own).

Rickard Andersson

Senior Vice President Supply Chain

Born 1977.

Education: M.Sc. in Civil Engineering from Royal Institute of Technology (KTH), Stockholm. M.Sc. in Business Administration and Economics from Stockholm University.

Employed at Thule Group since 2008.

Previous positions: Vice President Supply Chain Region Europe & RoW at Thule Group and various positions within Supply Chain at Hexpol (publ) and IKEA.

Shareholding at March 1, 2023: 750 shares and 72 426 warrants 2020/2023 series (own).

Fredrik Erlandsson

Senior Vice President Communications and IR

Born 1970.

Education: University studies in political science and economics, Lund University and Copenhagen University.

Employed at Thule Group since 2010.

Previous positions: Corporate Relations Director at DiageoPlc., GM and PR-consultant at Ehrenberg Marketing & Kommunikation Sweden, and chief of staff in the European parliament.

Current Board appointments: Board member of Landskrona Stadshus AB.

Shareholding at March 1, 2023: 108,138 shares and 72,426 warrants 2020/2023 series (own).

Kajsa von Geijer

SVP HR and Sustainability

Born 1964.

Education: B.Sc. in Human Resource Development and Labour Relations, Lund University.

Employed at Thule Group since 2005.

Previous positions: HR Director at FMC FoodTech, HR Director Nordic at Levi Strauss, different HR- roles at Nestlé and Trelleborg AB.

Current Board appointments: Board member of Geveko AB and of H+H International A/S.

Shareholding at March 1, 2023: 14,508 shares and 72,426 warrants, 2020/2023 series (own).

Hilary Hartley

President Region Americas.

Born 1967.

Education: BBA Marketing, University of Maine.

Employed at Thule Group since 2021.

Previous positions: President North America Victorinox Swiss Army, Vice President North America Oakley/Luxottica, Managing Director Oakley Canada, sales, product and marketing roles at Rossignol Ski Company.

Current Board appointments: Board member of Outdoor Foundation.

Shareholding: none.

Jonas Lindqvist

CFO

Born 1962.

Education: Education M.Sc. in Business and Economics, Lund University, EMBA, Stockholm School of Economics and Advanced Management Program, Harvard Business School.

Employed at Thule Group since 2020.

Previous positions: CFO Arjo (publ), CFO Beijer Ref (publ).

Shareholding at March 1, 2023: 2,000 shares and 119,290 warrants 2020/2023 series (own).

Karl-Johan Magnusson

Director Product Development

Born 1972.

Education: Bachelor's degree in mechanical engineering from Högskolan in Halmstad.

Employed at Thule Group since 1999.

Previous positions: Various positions within product development and product management at Thule Group. Engineering and supply at Turnis AB.

Shareholding at March 1, 2023: 1,365 shares and 30,769 warrants, 2020/2023 series (own).

Consolidated income statement

January 1–December 31, SEKm	Note	2022	2021
Net sales	5, 6	10,138	10,386
Cost of goods sold		-6,279	-6,226
Gross income		**3,859**	**4,160**
Other operating revenue	7	–	15
Selling expenses		-1,768	-1,481
Administrative expenses		-385	-354
Operating income	8, 10, 11, 12	**1,706**	**2,340**
Financial revenue	13	32	14
Financial expenses	13	-91	-51
Income before taxes		**1,647**	**2,303**
Taxes	14	-373	-513
Net income		**1,275**	**1,790**
Net income pertaining to:			
Shareholders of Parent Company		1,275	1,790
Net income		**1,275**	**1,790**
Earnings per share, SEK	15		
before dilution		12.19	17.12
after dilution		12.12	16.95

Consolidated statement of comprehensive income

January 1–December 31, SEKm	Note	2022	2021
Net income		**1,275**	**1,790**
Other comprehensive income			
Items that have been carried over or can be carried over to net income			
Foreign currency translation		827	437
Cash flow hedges		14	-14
Net investment hedge		-87	-20
Tax on components in other comprehensive income	14	-5	-2
Items that cannot be carried over to net income			
Revaluation of defined-benefit pension plans		98	-11
Tax pertaining to items that cannot be carried over to net income	14	-20	2
Other comprehensive income		**826**	**394**
Comprehensive income		**2,101**	**2,183**
Comprehensive income pertaining to:			
Shareholders of Parent Company		2,101	2,183
Comprehensive income		**2,101**	**2,183**

Consolidated balance sheet

Per December 31, SEKm	Note	2022	2021
Assets			
Intangible assets	16	4,999	4,556
Tangible assets	17, 21	2,007	1,479
Long-term receivables		8	8
Deferred tax receivables	14	320	326
Total fixed assets		**7,334**	**6,369**
Inventories	18	3,129	2,510
Tax receivables		22	6
Accounts receivable	19	723	872
Prepaid expenses and accrued income		108	81
Other receivables		187	205
Cash and cash equivalents	25	176	149
Total current assets		**4,345**	**3,823**
Total assets		**11,679**	**10,192**
Equity and liabilities			
Equity	20		
Share capital		1	1
Other capital contributed		2,644	2,648
Reserves		801	53
Profit brought forward including net income		3,107	3,114
Total equity		**6,553**	**5,815**
Liabilities			
Long-term interest-bearing liabilities	21, 22	2,983	1,559
Provision for pensions	11	156	244
Deferred income tax liabilities	14	393	370
Total long-term liabilities		**3,533**	**2,174**
Short-term interest-bearing liabilities	21, 22	107	80
Accounts payable		576	1,057
Tax liabilities		114	165
Other liabilities		71	92
Accrued expenses and deferred income	23	631	716
Provisions	24	93	94
Total short-term liabilities		**1,593**	**2,203**
Total liabilities		**5,126**	**4,377**
Total equity and liabilities		**11,679**	**10,192**

Information about the Group's pledged assets and contingent liabilities is provided in notes 28 and 29.

Consolidated statement of changes in equity

	Equity attributable to shareholders of Parent Company					
SEKm	Share capital	Other capital contributed	Translation reserve	Hedge reserve	Profit brought forward including net income	Total equity
Opening balance, January 1, 2021	**1**	**2,649**	**-362**	**13**	**2,953**	**5,253**
Comprehensive income						
Net income	–	–	–	–	1,790	1,790
Other comprehensive income	–	–	413	-11	-8	394
Comprehensive income	**0**	**0**	**413**	**-11**	**1,781**	**2,183**
Transactions with the Group's owners						
Dividend	–	–	–	–	-1,621	-1,621
Buy back of warrants	–	-1	–	–	–	-1
Total contribution from owners	**0**	**-1**	**0**	**0**	**-1,621**	**-1,622**
Closing balance equity, December 31, 2021	**1**	**2,648**	**51**	**2**	**3,114**	**5,815**
Opening balance, January 1, 2022	**1**	**2,648**	**51**	**2**	**3,114**	**5,815**
Comprehensive income						
Net income	–	–	–	–	1,275	1,275
Other comprehensive income	–	–	737	11	78	826
Comprehensive income	**0**	**0**	**737**	**11**	**1,352**	**2,101**
Transactions with the Group's owners						
Dividend	–	–	–	–	-1,359	-1,359
Buy back of warrants	–	-4	–	–	–	-4
Total contribution from owners	**0**	**-4**	**0**	**0**	**-1,359**	**-1,363**
Closing balance equity, December 31, 2022	**1**	**2,644**	**788**	**13**	**3,107**	**6,553**

The translation reserve and hedge reserve are included in the item Reserves under equity in the balance sheet.

Consolidated statement of cash flow

January 1–December 31, SEKm	Note	2022	2021
Operating activities	25		
Income before taxes		1,647	2,303
Adjustments for items not included in cash flow		261	177
Paid income taxes		-410	-402
Cash flow from operating activities prior to changes in working capital		**1,498**	**2,079**
Cash flow from changes in working capital			
Increase(-)/Decrease (+) in inventories		-412	-1,370
Increase(-)/Decrease (+) in receivables		218	-142
Increase(+)/Decrease (-) in liabilities		-689	561
Cash flow from operating activities		**616**	**1,128**
Investing activities			
Acquisition of subsidiaries		-20	–
Acquisition of intangible assets		-1	-2
Acquisition of tangible assets		-443	-505
Divestment of tangible assets		1	3
Cash flow from investing activities		**-464**	**-503**
Financing activities			
Dividend		-1,359	-1,621
Warrants		-4	-1
Borrowings		1,305	500
Debt repaid		-78	-64
Cash flow from financing activities		**-136**	**-1,186**
Net cash flow		16	-561
Cash and cash equivalents at beginning of year		149	706
Effect of exchange rates on cash and cash equivalents		11	4
Cash and cash equivalents at end of year		**176**	**149**

Parent Company income statement

January 1–December 31, SEKm	Note	2022	2021
Other operating revenue	7	21	18
Administrative expenses		-46	-57
Operating income	8, 10, 11	**-24**	**-39**
Profit from financial items:	13		
Profit from participations in Group companies		650	900
Other interest income and similar profit/loss items		36	13
Interest expense and similar profit/loss items		-55	-16
Income after financial items		**608**	**858**
Appropriations	26	85	36
Income before taxes		**693**	**894**
Taxes	14	-9	1
Net income		**684**	**895**

Parent Company statement of comprehensive income

January 1–December 31, SEKm	Note	2022	2021
Net income		684	895
Other comprehensive income			
Other comprehensive income		–	–
Comprehensive income		**684**	**895**

Parent Company balance sheet

Per December 31, SEKm	Note	2022	2021
Assets			
Fixed assets			
Financial fixed assets			
Participations in Group companies	27	1,000	1,000
Receivables from Group companies	31	4,410	3,415
Deferred tax receivables		6	5
Other long-term receivables		22	18
Total financial fixed assets		**5,438**	**4,439**
Total fixed assets		**5,438**	**4,439**
Current assets			
Receivables from Group companies	31	736	536
Other current receivables		13	7
Cash and bank balances		0	0
Total current assets		**748**	**543**
Total assets		**6,186**	**4,982**
Equity and liabilities			
Equity	20		
Restricted equity			
Share capital		1	1
Non-restricted equity			
Share premium reserve		1,102	1,569
Profit brought forward		–	–
Net income		684	895
Total equity		**1,786**	**2,466**
Long-term liabilities			
Provisions for other pensions		28	24
Liabilities to credit institutions	22	2,812	1,418
Liabilities to Group companies	31	0	368
Total long-term liabilities		**2,841**	**1,810**
Short-term liabilities			
Liabilities to credit institutions	22	0	0
Liabilities to Group companies	31	1,540	679
Other short-term liabilities		6	2
Accrued expenses and deferred income	23	12	25
Provisions	24	0	0
Total short-term liabilities		**1,559**	**706**
Total equity and liabilities		**6,186**	**4,982**

Parent Company statement of changes in equity

SEKm	Share capital	Share premium reserve	Profit brought forward	Net income	Total equity
Opening balance, January 1, 2021	**1**	**1,642**	**836**	**713**	**3,192**
Comprehensive income					
Net income	–	–	–	895	895
Total comprehensive income	**0**	**0**	**0**	**895**	**895**
Appropriation of profits	–	–	713	-713	0
Dividend	–	-72	-1,548	–	-1,621
Warrants	–	–	-1	–	-1
Closing balance equity, December 31, 2021	**1**	**1,569**	**0**	**895**	**2,466**
Opening balance, January 1, 2022	**1**	**1,569**	**0**	**895**	**2,466**
Comprehensive income					
Net income	–	–	–	684	684
Total comprehensive income	**0**	**0**	**0**	**684**	**684**
Appropriation of profits	–	–	895	-895	0
Dividend	–	-468	-891	–	-1,359
Warrants	–	–	-4	–	-4
Closing balance equity, December 31, 2022	**1**	**1,102**	**0**	**684**	**1,786**

Parent Company cash flow statement

January 1–December 31, SEKm	Note	2022	2021
Operating activities	25		
Income before taxes		693	894
Adjustments for items not included in cash flow		-650	-900
Dividend received		900	700
Paid income taxes		0	-9
Cash flow from operating activities prior to changes in working capital		**943**	**685**
Cash flow from changes in working capital			
Increase(-)/Decrease (+) in receivables		-69	23
Increase(+)/Decrease (-) in liabilities		-4	-4
Cash flow from operating activities		**870**	**704**
Investing activities		–	–
Financing activities			
Dividend		-1,359	-1,621
Warrants		-4	-1
Borrowings		1,305	500
Debt repaid/borrowings to subsidiaries		-812	418
Cash flow from financing activities		**-870**	**-704**
Net cash flow		0	0
Cash and cash equivalents at beginning of year		0	0
Cash and cash equivalents at end of year		**0**	**0**

Notes for Parent Company and Group

All amounts are in million Swedish kronor (SEKm) unless otherwise stated.

Note 1 Significant accounting policies

General information
Thule Group AB (publ), Corp. Reg. No. 556770-6311, is a Swedish registered, limited liability company with its registered office in Malmö, Sweden. The shares of Thule Group are listed on the Nasdaq Stockholm Large Cap list. The consolidated financial statements for the fiscal year January 1 to December 31, 2022 comprise Thule Group AB (Parent Company) and its subsidiaries.

The annual and consolidated accounts were approved for publication by the Board of Directors and the CEO & President on March 30, 2023.

The consolidated income statement, statement of comprehensive income, and the consolidated balance sheet, and the Parent Company income statement and balance sheet are subject to approval by the Annual General Meeting on April 27, 2023.

The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) as adopted by the EU. In addition, the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups was applied. The Parent Company applies the same accounting policies as the Group except in cases listed below in the section "Parent Company accounting policies." Refer to Alternative performance measures and other financial definitions on page 162 for alternative performance measures.

Basis of preparation of the consolidated financial statements
The Parent Company's functional currency is SEK, which is also the presentation currency for the Parent Company and the Group. This means that the financial statements are presented in SEK. All amounts, unless otherwise stated, are rounded to the nearest million.

Assets and liabilities are recognized at historical cost, except for certain financial assets and liabilities, and contingent considerations that are measured at fair value. Financial assets and liabilities measured at fair value consist of derivatives. A defined-benefit pension liability/asset is measured at the net of fair value on plan assets and the present value of the defined-benefit liability, adjusted for any asset limitations.

Fixed assets and disposal groups held for sale are recognized, with some exceptions, from when the assets were classified, at the lower of the carrying amount at the time of reclassification and the fair value less deductions for selling expenses.

The preparation of the financial statements in accordance with IFRS requires management to make assessments and estimates, as well as assumptions, that affect the application of the accounting policies and the amounts of assets, liabilities, revenue and expenses recognized. The actual outcome may differ from these estimates and assessments.

Estimates and assumptions are reviewed regularly. Changes in estimates are recognized in the period in which the change is made if the change only affects that period, or in the period in which the change is made and future periods if the change affects the period in question and future periods.

Assessments made by management when applying IFRS that have a significant effect on the financial statements and estimates made that may involve material adjustments in the following year's financial statements are described in detail in Note 2. The accounting policies presented below have been consistently applied to all periods presented in the consolidated financial statements, unless otherwise stated below.

Amended accounting policies resulting from amended IFRS
Amended IFRSs that became effective from January 1, 2022 have had no material impact on the Group's accounting.

Standards, amendments and interpretations not yet applied
New and amended IFRSs that will be applied in the future are not expected to have any significant impact on the company's financial statements.

Classification
Fixed assets essentially comprise amounts that are expected to be recovered or paid more than twelve months after the balance sheet date, while current assets essentially comprise amounts expected to be recovered or paid within twelve months from the balance sheet date. Long-term liabilities essentially comprise amounts that, at the end of the reporting period, the Group has an unconditional right to choose to pay more than twelve months after the end of the reporting period.

If no such right should exist at the end of the reporting period, or if the liability is held for trading or is expected to be settled within the normal business cycle, the liability is recognized as a current liability.

Operating segment reporting
An operating segment is part of the Group that conducts business operations from which it generates revenue and incurs expenses and for which independent financial information is available. Furthermore, the earnings of an operating segment are followed up by the company's chief operating decision-maker, the CEO, and the company management for evaluating performance and for allocating resources to the operating segment.

Consolidated financial statements
The consolidated financial statements include the Parent Company and its subsidiaries. Subsidiaries are companies over which Thule Group AB has controlling influence. Controlling influence exists if Thule Group AB has power over the investee, is exposed to or has rights to variable returns from its involvement, and has the ability to use its power over the investee to affect the amount of the returns. Shares that potentially carry voting rights and any de facto control are taken into account in assessing the existence of a controlling influence.

Subsidiaries are recognized in accordance with the purchase method. This method entails that the acquisition of a subsidiary is considered to be a transaction whereby the Group indirectly acquires the subsidiary's assets and assumes its liabilities. The acquisition analysis determines the fair value of the acquired identifiable assets and assumed liabilities, as well as any non-controlling interests, on the acquisition date. Transaction charges that arise, with the exception of transaction charges attributable to equity instruments on issue or debt instruments, are recognized directly through profit or loss. In the event of a business combination in which the consideration transferred exceeds the fair value of the acquired assets and assumed liabilities that are recognized separately, the difference is recognized as goodwill. If the difference is negative, known as a bargain purchase, it is recognized directly in profit or loss. Consideration transferred in conjunction with the acquisition does not include payments pertaining to settlement of previous business relationships. This type of settlement is recognized through profit or loss. Contingent considerations are measured at fair value at the acquisition date. If the contingent consideration is classified as an equity instrument, no remeasurement takes place and settlement takes place in equity. All other contingent considerations are remeasured at fair value on each reporting date and the difference is recognized through profit or loss.

Subsidiaries are fully consolidated from the acquisition date until the controlling influence ends. In cases where the subsidiary's accounting policies are not the same as the Group's accounting policies, adjustments were made to the Group's accounting policies. Losses attributable to non-controlling interests are also allocated if the non-controlling interest is negative.

Elimination of intra-Group transactions
Intra-Group receivables and liabilities, revenue or costs and unrealized gains or losses arising from intra-Group transactions are eliminated in their entirety when preparing the consolidated financial statements.

Transactions in foreign currency
Transactions in foreign currency are translated to the functional currency at the exchange rate on the date of the transaction. The functional currency is the currency in the primary financial environments in which the Group companies operate their business. Monetary assets and liabilities in foreign currency are translated to the functional currency at the exchange rate that applies on the balance sheet date. Exchange rate differences arising on translation are recognized through profit or loss. Non-monetary assets and liabilities that are recognized at historic cost are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities measured at fair value are translated to the functional currency using the exchange rate on the date that fair value was determined. Exchange rate differences on operating receivables and operating liabilities are included in operating income, while exchange rate differences on financial receivables and liabilities are classified as financial items.

Translation of foreign subsidiaries
Assets and liabilities in foreign operations, including goodwill and other consolidated surplus and deficit values, are translated from the foreign operation's functional currency to the Group's presentation currency, SEK, at the existing exchange rate on the balance sheet date. Revenue and expenses in foreign operations are translated to SEK using an average exchange rate that is an approximation of the exchange rates prevailing on each individual transaction date.

Translation differences that arise in currency translations of foreign operations are recognized in other comprehensive income and accrued in a separate component in equity, called the translation reserve. When a foreign operation is divested, accumulated translation differences attributable to the business are realized, at which time they are reclassified from the translation reserve in equity to net income.

Net investment in a foreign operation
Monetary long-term receivables from foreign operations for which settlement is not planned or will likely not occur in the foreseeable future are, in practice, part of the company's net investment in the foreign business. Exchange rate differences arising on the monetary long-term receivable are recognized in other comprehensive income and accrued as a separate component in equity, called translation reserve. When foreign operations are divested, the accrued exchange rate differences attributable to monetary long-term receivables are included in the accrued translation differences that are reclassified from the translation reserve in equity to net income.

Revenue
Revenue is measured based on the compensation specified in the contract with the customer. The Group recognizes revenue when control of a product or service is transferred to the customer. All revenue recognition takes place at one point in time. The Group's revenue is mainly attributable to goods.

Sales of products to retailers and distributors normally have short delivery times. Control of the goods passes to customers when these have been delivered and accepted by the customer. In conjunction with delivery of the products, invoices are normally prepared with customary payment terms depending on the product category and geographic market. Some contracts entitle the customer to discounts and certain contracts allow the customer to return goods under specific circumstances. For contracts that allow customers to return goods, revenue is recognized to the extent that it is highly likely that a substantial reversal of recognized revenue will not arise. Discounts and volume discounts affect the transaction price continuously.

Government grants
Government grants are recognized in the balance sheet as deferred income when there is reasonable certainty that the grant will be received and that the Group will meet the conditions associated with it. Government grants are allocated and recognized through profit or loss in the same way and over the same period as the expenses that they are intended to compensate unless the terms of the received grants are met after the related costs have been recognized. In these cases, the grant is recognized in the period during which the company obtained a receivable from the state.

Leases
The Group recognizes a right-of-use asset and a lease liability on the commencement date of a lease. The right-of-use asset is initially recognized at cost, which comprises the initial value of the lease liability plus any lease payments paid on or prior to the commencement date plus any initial direct costs. The right-of-use asset is depreciated on a straight line basis from the commencement date to the earlier of the end of the asset's useful life and the lease term, which for the Group is normally the end of the lease term. In less usual cases, where the cost of the right-of-use asset reflects the Group's intention to exercise an option to purchase the underlying asset, the asset is depreciated until the end of its useful life. Right-of-use assets are included under the balance sheet item tangible assets.

The lease liability – which is allocated to long-term and short-term components – is initially measured at the present value of the remaining lease payments over the estimated lease term. The lease term comprises the non-terminable period with the addition of further periods in the agreement if, on the commencement date, it is deemed reasonably certain that this option will be exercised. Lease liabilities are included in the respective balance sheet items long-term interest-bearing liabilities and short-term interest-bearing liabilities.

The lease payments are normally discounted at the Group's incremental borrowing rate, which in addition to the Group's credit risk, reflects the respective lease term, currency and quality of the underlying asset as collateral.

However, when the implicit interest rate of the lease can easily be established, this is used instead. The lease liability comprises the present value of the following fees over the estimated lease term:

- fixed payments, including essentially fixed fees;
- variable lease payments linked to an index or a price ("rate"), and initially measured using an index or price ("rate") that applied on the commencement date;
- any residual value guarantees that are expected to be paid;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- penalty fees that arise on termination of the lease if the estimated lease term reflects that such a termination will take place.

Lease payments are allocated between repayment of the liability and interest payments. The interest expense is recognized in profit or loss over the lease term so as to produce a fixed rate of interest on the remaining balance of the lease liability for each period.

The lease liability for the Group's premises with index-linked rent is calculated on the rent payable at the end of each reporting period. At this point in time, the liability is adjusted together with a corresponding adjustment to the carrying amount of the right-of-use asset. The liability and the asset value are adjusted in a corresponding manner in conjunction with any reassessment of the lease term.

This is done when the last date for terminating the lease of the premises in the previously assessed lease term has passed or, alternatively, when significant events occur or circumstances materially change in a manner within the Group's control, and which impact the assessment of the lease term.

Leases with a term of 12 months or less, or with an underlying asset of low value, are not recognized as right-of-use assets and lease liabilities. Lease payments for these leases are recognized as costs in a straight line over the lease term.

Financial revenue and expenses
Financial revenue and expenses comprise interest income on bank deposits and receivables and interest-bearing securities, interest expense on loans, exchange rate differences and the results from derivatives used in financial operations.

Interest income on receivables and interest expense on liabilities are calculated using the effective interest rate method.

The effective interest is the interest rate that makes the present value of all estimated future receipts and disbursements during the expected fixed-rate period equal to the carrying amount of the receivables or liabilities. Interest income and interest expense include allocated transaction costs and any discounts, premiums and other differences between the original carrying amount of the receivables and liabilities and the amount that is settled on maturity and the estimated future receipts and disbursements during the contract period.

Taxes
Income tax includes both current tax and deferred tax. Income tax is recognized through profit or loss, except when the underlying transaction is recognized in other comprehensive income or in equity, whereby the associated tax effects are recognized directly in other comprehensive income or equity. Current tax is tax that is to be paid or received in the current year, using tax rates that are decided or decided in practice on the balance sheet date. Current tax also comprises current tax adjustments for prior periods. Deferred tax is calculated using the balance sheet method, based on temporary differences between carrying amounts and tax bases of assets and liabilities. Temporary differences are not recognized in consolidated goodwill, nor are

differences attributable to participations in subsidiaries that are not expected to be reversed in the foreseeable future. The measurement of deferred tax is based on how underlying assets and liabilities are expected to be recovered or settled. Deferred tax is calculated using the tax rates and tax rules established or decided in practice on the balance sheet date.

Deferred tax receivables relating to deductible temporary differences and loss carryforwards are recognized only to the extent that it is probable that they will be utilized. The value of the deferred tax receivables is reduced when it is no longer considered likely that they can be utilized. Any additional income tax relating to the dividend is recognized on the same date as the dividend is recognized as a liability.

Financial instruments

Financial instruments recognized in the balance sheet include assets such as cash and cash equivalents, loans, accounts receivable and derivatives. The liability side includes accounts payable, loans and derivatives. A financial asset or financial liability is recognized in the balance sheet when the company becomes a contracting party in accordance with the instrument's contractual conditions. A receivable is recognized when the company has performed and a contractual obligation exists for the counterparty to pay, even if an invoice has not yet been sent. A liability is recognized when the counterparty has performed and a contractual obligation exists for the company to pay, even if an invoice has not yet been received. A financial asset is derecognized from the balance sheet when the contractual rights are realized, expire or the company loses control of them. The same applies to a portion of a financial asset. A financial liability is derecognized from the balance sheet when the contractual obligation is met or extinguished in another manner. The same applies to portions of a financial liability. A financial asset and a financial liability are offset and recognized at a net amount in the balance sheet only when a legal right exists to offset the amounts and there is an intent to settle the items in a net amount or simultaneously realize the asset and settle the liability.

With the exception of derivatives, the acquisition or disposal of financial assets is recognized when the transaction is completed (cash settlement approach). Derivatives are recognized when an agreement has been entered into (trade date accounting).

Classification and measurement

Financial instruments are initially recognized at cost corresponding to the instrument's fair value plus transaction costs for all financial instruments except those that belong in the measured at FVTPL category, which are measured at fair value excluding transaction costs. The classification determines how the financial instrument is measured after initial recognition as described below. The classification of financial assets that are debt instruments is determined by the business model of the portfolio in which the financial asset is included and the nature of the contractual cash flows. Thule Group's business model for all such financial assets aims to collect the principal amount and any interest accrued on the principal. The contractual cash flows from these assets consist solely of principal amounts and interest, and accordingly are classified as financial assets measured at amortized cost.

All financial liabilities are classified under amortized cost except derivatives, which are classified as FVTPL.

Derivatives are initially measured at fair value, meaning that transaction costs are charged to net income for the period.

After initial recognition, derivatives are recognized in the manner described below. If the derivative is used for hedge accounting and this is effective, then changes in the value of the derivative are recognized on the same line in the consolidated net income as the hedged item. When the derivative is part of a cash flow hedge and the hedged item has as yet not impacted the result, the value changes are recognized in other comprehensive income and accumulated in the hedge reserve in equity. Even if hedge accounting is not applied, the result from derivatives is recognized as revenue or expense in operating income or in net financial items based on the purpose of the derivative and how its use is related to an operating or a financial item. For hedge accounting, the ineffective portion is recognized in the same manner as changes in the value of the derivative that is not used for hedge accounting. If hedge accounting is not applied when using interest rate swaps, then the interest coupon is recognized as interest and other changes in the value of the interest-rate swap are recognized as other financial revenue or other financial expense.

Financial assets at fair value through profit or loss

Assets in this category are continually measured at fair value with value changes recognized through profit or loss. This category comprises two sub-categories: obligatory recognition at fair value and other financial assets that the Group has initially decided to place in this category identified as recognized at fair value. Financial instruments in this category are continuously measured at fair value, with changes in value recognized through profit and loss. The first sub-group includes derivatives with a positive fair value, with the exception of derivatives that are an identified and effective hedging instrument.

The Group has only used assets in the obligatory recognition at fair value sub-category.

Financial assets at amortized cost

The category includes accounts receivable, short-term receivables and cash and cash equivalents. Cash and cash equivalents comprise cash and immediately available funds at banks and similar institutions, and short-term liquid investments that have a term of less than three months from the date of acquisition and have limited risk for value fluctuations. Accounts receivable are recognized after deduction of expected credit losses. Discounting is not applied because of the short term, which is why the amortized cost corresponds to the nominal value.

Financial assets at fair value through other comprehensive income (FVTOCI)

The category includes financial assets and debt instruments, whose contractual cash flows solely consist of principal amounts and interest, and are held in a business model where financial assets are held to collect the contractual cash flows and cash flow from the sale of financial assets in the portfolio. Equity instruments that the company has chosen at initial recognition to identify as recognized at FVTOCI may also be included in this category. Assets in this category are continuously measured at fair value in the balance sheet. Fair value changes in debt instruments are recognized in other comprehensive income with the exception of those pertaining to effective interest, expected credit losses and possible currency revaluations which are recognized through profit or loss. The allowance for expected credit losses is not recognized as a provision in the balance sheet but in a separate fund in equity. Unrealized results pertaining to debt instruments that have accumulated in equity are reclassified to profit or loss upon divestment or maturity.

All unrealized and realized results from equity instruments in the category, excluding any dividends, are recognized in other comprehensive income and accumulate in a fair value reserve in equity. Upon divestment, accumulated changes in value from the fair value reserve are reclassified to retained earnings.

Financial liabilities at fair value through profit or loss (FVTPL)
This category comprises two sub-groups: financial liabilities subject to obligatory recognition at FVTPL and other financial liabilities that the Group has decided to place in this category. The first category includes the Group's derivatives with negative fair value except for derivatives that are an identified and effective hedging instrument.

Changes in fair value are recognized through profit or loss. The Group only uses the category for derivatives.

Financial liabilities at amortized cost
Loans and other financial liabilities, for example, accounts payable, are included in this category. The liabilities are initially recognized at fair value and thereafter at amortized cost through application of the effective-interest method.

Derivatives and hedge accounting
The Group's derivatives have been acquired to financially secure risks for interest rate, raw material and exchange rate exposures that the Group is exposed to. To meet the IFRS 9 requirements for hedge accounting, an economic relationship must exist with the hedged item. Moreover, the hedge is required to effectively offset the value changes or cash flows pertaining to the hedged item, hedging documentation must have been prepared and the credit risk is not permitted to dominate value changes in the hedging instrument. Gains and losses for hedging are recognized through profit or loss at the same time period that gains and losses are recognized for the hedged entries. Hedge accounting is applied for loans used as hedging instruments for currency hedging of the translation risk for net investments in foreign operations, for transaction exposure in foreign currency and to hedge the cash flow risk of interest payments.

Receivables and liabilities in foreign currency
Currency forward contracts are used to hedge receivables or liabilities against exchange rate risk. Hedge accounting is not used to protect against exchange rate risk since a financial hedge is reflected in the accounting in that both the underlying receivable or liability and the hedging instrument are recognized at the exchange rate on the balance sheet date and exchange rate fluctuations are recognized through profit or loss. Exchange rate fluctuations for receivables and liabilities are recognized in operating income, while exchange rate fluctuations for financial receivables and liabilities are recognized in net financial items.

Hedging of forecasted sale/purchases in foreign currency
Currency forward contracts used for hedging a highly probable forecasted sale/purchase in foreign currency are measured at fair value in the balance sheet. Changes in value for the period that comprise an effective hedge are recognized in other comprehensive income and the accumulated changes in value remain in a specific component of equity (hedge reserve) until the hedged flow affects net income, at which point the hedging instrument's accumulated change in value is reclassified to operating income. Ineffectiveness is recognized through profit or loss on an ongoing basis.

Cash flow hedging against interest rate risk
Interest rate swaps are used for hedging against uncertainty in highly probable forecast interest rate flows for borrowing at variable interest rates, where the company receives a variable interest rate and pays a fixed interest rate. The Group applies hedge accounting.

Interest rate swaps are measured at fair value in the balance sheet. Interest coupons are continuously recognized through profit or loss as part of interest expenses, whereby the cash flows from hedging instruments meet the cash flows from the hedged item.

To the extent they comprise an effective hedge, the unrealized changes in the fair value of interest rate swaps are recognized in other comprehensive income and are included as part of the hedge reserve until the hedged item affects net income and as long as the criteria for hedge accounting are met. Any ineffectiveness is recognized in net financial items on an ongoing basis.

Hedging exchange rate risk in foreign net investments
Investments in foreign subsidiaries (net assets including goodwill) have, to some extent, been hedged by borrowing in foreign currency that was translated at the closing day rate on the balance sheet date. Translation differences on hedging instruments for the period are recognized in other comprehensive income to the extent that the hedging is effective, and accumulated changes are recognized in a specific component of equity (translation reserve). This neutralizes translation differences that affect other comprehensive income when the Group is consolidated.

Tangible assets
Tangible assets in the Group are recognized at cost less accumulated depreciation and any impairment losses. The cost includes the purchase price and expenses directly attributable to the asset in order to make it operational and ready for use as intended with the acquisition. Borrowing costs that are directly attributable to the purchase, construction or production of assets that take considerable time to complete for intended use or sale are included in the cost. Tangible assets that consist of components with various useful lives are treated as separate components of tangible assets. The carrying amount of tangible assets is removed from the balance sheet when it is scrapped or divested or when there is no future financial benefits expected from the

use or scrapping/divestment of the asset. Gains or losses arising on the divestment or scrapping of an asset comprise the difference between the sales price and the carrying amount of the asset, less direct selling expenses. Gains and losses are recognized in operating income. Additional expenses are added to the cost only if it is likely that future financial benefits associated with the asset will accrue to the Group and the cost can be calculated in a reliable manner. All other additional expenses are recognized as costs in the period in which they arise. An additional expense is added to the cost if the expense is for replacement of identifiable components or related parts. Even in situations where a new component is created, the expense is added to the cost. Any carrying amounts of replaced components, or parts of components, that have not been depreciated are scrapped and expensed in conjunction with the replacement. Repairs are regularly expensed.

Intangible assets

Goodwill

Goodwill is measured at cost less any accumulated impairment losses. Goodwill is distributed to the Group's operating segments which make up the Group as a whole and the need for impairment is tested annually.

Other intangible assets

Other intangible assets acquired by the Group are recognized at cost less accumulated amortization and any impairment losses. Expenses for internally generated goodwill and brands are recognized through profit or loss as a cost when incurred. Payroll expenses that are directly attributable to the purchase, construction or production of assets that take considerable time to complete for intended use or sale are included in the cost. Cost of system development and research and development are only recognized as an asset in the balance sheet if the product or process is technically and commercially usable and the company has sufficient resources to complete development and then use or sell the intangible asset. Other product development expenses are recognized through profit or loss as costs when incurred. The majority of the Group's development expenses are attributable to the maintenance and development of existing products and are recognized through profit or loss when incurred.

Depreciation/amortization

Principles of depreciation for tangible assets

Depreciation takes place on a straight line basis over the estimated useful life of the asset. Land is not depreciated. Leased assets are also depreciated over the estimated useful life or, if shorter, over the contracted lease period. The Group applies component depreciation, which means that the estimated useful life of the components is the basis for depreciation. The residual value and useful life of an asset is determined annually.

Useful lives	Group	Parent Company
Buildings and land improvements	35–40 years	–
Plant and machinery	7–15 years	–
Equipment, tools, fixtures and fittings	3–7 years	–

Principles of amortization for intangible assets

Goodwill and other intangible assets with an indeterminate useful life or that are still not ready to be used are tested for impairment annually or as soon as indications appear indicating that the asset in question has decreased in value. Intangible assets with definite useful lives are amortized from when they are available for use.

Amortization is recognized through profit or loss straight line over the estimated useful lives of the intangible assets. The residual value and useful life of an asset is determined annually.

Useful lives	Group	Parent Company
Capitalized development expenses	5–10 years	–
IT systems	5–7 years	–
Other intangible assets	5–10 years	–

Inventories

Inventories are measured at the lowest of cost and net realizable value. The cost of inventories is calculated by the first-in, first-out principle (FIFO) and includes expenses from the acquisition of the inventory assets and the transportation of them to their current place and condition. For manufactured goods and work in progress, the cost includes a reasonable share of indirect expenses based on normal capacity. Net realizable value is the estimated sales price in the ordinary course of business, less estimated cost of completion and sale.

Impairment

At each balance sheet date, the carrying amount of the Group's assets is tested to determine whether there is an indication for a need for impairment. If evidence exists, the asset's recoverable amount is calculated. The recoverable amount of goodwill and other intangible assets with indeterminate useful lives is calculated annually. IAS 36 is used for impairment losses of assets other than financial assets and financial guarantees, which are recognized according to IFRS 9, assets held for sale and disposal groups, which are recognized according to IFRS 5, inventories and deferred tax receivables. The carrying amount of the excluded assets listed above is calculated according to the respective standard.

An impairment loss is recognized if the recoverable amount is lower than the carrying amount. An impairment loss is charged to profit or loss.

The recoverable amount is the higher of fair value less selling expenses and the value-in-use. When determining the value-in-use, future cash flows are discounted using a discount factor that takes into consideration risk-free interest and the risk associated with the specific asset. For an asset that does not generate essential cash flows, irrespective of other assets, the recoverable amount of the cash-generating unit that the asset belongs to is calculated. A cash-generating unit is primarily performed for goodwill and then other assets in the unit are amortized proportionally.

All financial assets, except those in the financial asset category that are measured at fair value through profit or loss, are tested for impairment. For each reporting date, the Group calculates the expected credit losses (ECLs) pertaining to a financial asset or group of financial assets over their remaining lifetime. All financial assets subject to the impairment rules are short-term, and accordingly, the Group has chosen to apply the simplified model in which ECLs are recognized for the remaining lifetime of the assets from the date of initial recognition. The ECL levels are based on customers' payment history, together with loss data for the same period. Historical losses are then adjusted to take into account current and forward-looking information on macroeconomic factors that may impact customers' ability to pay. Accounts receivable and contract assets are written off when no reasonable expectation exists of reimbursement. Indicators of no reasonable expectation of recouping the claim include, inter alia, that the debtor fails with the repayment plan or that contractual payments are significantly delayed.

Credit losses on accounts receivable and contract assets are recognized as loan losses – net of operating income.

Recoveries of amounts previously written off are recognized under the same item in profit or loss. Impairment of assets included in the IAS 36 application sphere is reversed if there is an indication that the need for impairment no longer exists and there has been a change in the assumptions that were the basis of the recoverable amount calculation. Impairment of goodwill is not reversed. A reversal is only performed to the extent that the asset's carrying amount after reversal does not exceed the carrying amount that would have been recognized, less depreciation when applicable, if no impairment had been applied.

Earnings per share

The earnings per share calculation is based on the consolidated net income attributable to the shareholders of Parent Company and the weighted average number of shares outstanding during the year. When calculating earnings per share after dilution, earnings are adjusted as well as the average number of shares in order to take into consideration the impact from the dilutive potential common shares.

Remuneration of employees

Pensions

The majority of the Group's pension obligations are met through continuous payments to independent insurance companies that administer the plans, known as defined-contribution pension plans. The responsibility for the amount of future pension payments lies with the external insurance companies. The Group has no further responsibility than paying the premium. A pension expense, which corresponds to the contributions paid, is continuously recognized for defined-contribution pension plans. The expense is recognized in the period in which the employee performed the services to which the contribution refers. Some of the Group's subsidiaries in Sweden have defined-benefit plans that are unfunded.

These defined-benefit pension plans include a commitment regarding future pension benefits, the amount of which is determined by such factors as final salary and service period. The employer bears all material risks for meeting this commitment. The Group's net obligation for defined-benefit plans is calculated separately for each plan by estimating the future remuneration that the employees have earned through their employment in both present and earlier periods; this remuneration is discounted to present value.

The discount rate used by the Group to calculate the defined-benefit pension liabilities in Sweden comprises the market interest rate on the balance sheet date of Swedish mortgage bonds with a term corresponding to the duration of the Swedish pension obligations. The calculation is performed by a qualified actuary using the Projected Unit Credit Method. The special employer's contribution is part of actuarial assumptions and is therefore recognized as a portion of net obligations. The portion of special employer's contribution that is calculated on the basis of the Pension Obligation Vesting Act for legal entities is recognized, for reasons of simplification, as an accrued expense instead of as a part of net obligations. Actuarial gains and losses may arise when determining the present value of the obligation. These will arise when the actual result differs from the previously made assumption or when assumptions are changed. Revaluation effects are recognized in other comprehensive income. Other retirement pensions according to ITP/ITPK in Sweden are guaranteed for the Group through premium payments to Alecta. According to a statement from the Swedish Financial Reporting Board, UFR10, this must be reported as a multi-employer defined-benefit plan. For the 2022 fiscal year, the Group did not have access to information from Alecta that made it possible to recognize this plan as a defined-benefit plan. Accordingly, the plan has been recognized as a defined-contribution plan.

Bonuses

A provision is recognized for the anticipated cost of profit share and bonus payments when the Group has a contractual or informal duty to make such payments as a result of services received from employees, the conditions for remuneration are deemed to be fulfilled and the obligation can be reliably calculated.

Remuneration if employment is terminated

A cost for remuneration in connection with the termination of employment is recognized earliest when the Group can no longer retract the offer to the employees or when the Group recognizes restructuring costs. Remuneration expected to be settled after twelve months is recognized at present value. Remuneration not expected to be settled completely within twelve months is recognized in accordance with long-term remuneration.

Share-based remuneration

Within the framework of the 2020/2023 share-based incentive program, participants may receive a retention bonus in the form of a gross salary supplement from the company that in total corresponds to the amount paid by the participant for the warrants. Such payment is conditional upon continued employment in the Group at the time of payment and that the participant has not terminated their employment. The cost for the above, including social security costs, is recognized in profit or loss.

Provisions

A provision differs from other liabilities in that there is uncertainty about the time of payment and the amount of settlement. A provision is recognized in the balance sheet when there is an existing legal or informal obligation resulting from a past event and when it is probable that an outflow of financial resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are made based on the best estimate of what will be required to settle the existing obligation on the balance sheet date.

When it is important to know when the payment will occur, provisions are calculated by discounting the expected future cash flow using a pretax interest rate that reflects current market assessments of the time value of money and, if suitable, the risks associated with the liability.

A provision for restructuring is recognized when there is an established, detailed and formal restructuring plan, and the restructuring has either started or been officially announced. Provisions are not made for future operating losses.

Contingent liabilities
A contingent liability is recognized when there is a possible obligation that originates from past events and whose occurrence is only confirmed by one or more uncertain future events or when there is an obligation that is not recognized as a liability or a provision because it is not likely that an outflow of resources will be needed.

Parent Company accounting policies
The Parent Company prepares its Annual Report in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. RFR 2 stipulates that the Parent Company, in the annual accounts for the legal entity, is to apply all IFRS and statements adopted by the EU to the extent that this is possible within the framework of the Annual Accounts Act and the Pension Obligations Vesting Act and taking into consideration the connection between accounting and taxation. The recommendation stipulates the permissible exceptions from and additions to IFRS. Based on RFR 2, the Parent Company has decided not to apply IAS 9 to the legal entity.

Amended accounting policies
Unless otherwise stated below, the Parent Company's accounting policies for 2022 changed in accordance with the amendments described above for the Group.

Differences between the Group's and the Parent Company's accounting policies
The differences between the accounting policies of the Group and the Parent Company are stated below. The accounting policies for the Parent Company stated below have been consistently applied in all periods presented in the financial statements of the Parent Company.

Classification and presentation format
The income statement and the balance sheet for the Parent Company are presented following the format of the Annual Accounts Act, while the statement of comprehensive income, statement of changes in equity and cash flow statement are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows. The differences compared with the consolidated financial statements that apply in the Parent Company's income statement and balance sheets primarily comprise reporting of financial revenue and expenses, fixed assets, equity, as well as the presence of provisions as a separate heading in the balance sheet.

Subsidiaries
Participations in subsidiaries are recognized in the Parent Company according to the cost method. This means that transaction charges are included in the carrying amount for holdings in subsidiaries. In the consolidated financial statements, transaction costs are recognized directly through profit or loss when they arise, while in the Parent Company, financial fixed assets are measured at cost less any impairment.

Net investments
Exchange rate differences on monetary items that comprise part of the Parent Company's net investment in foreign operations are recognized through profit or loss.

Leased assets
In accordance with the exception under RFR 2, the Parent Company does not apply IFRS 16. As the lessee, lease payments are recognized in a straight line over the lease term and are therefore not recognized as right-of-use assets and lease liabilities in the balance sheet.

Anticipated dividends
Anticipated dividends from subsidiaries are reported in cases where the Parent Company has the exclusive right to determine the size of the dividend and has made a decision on the size of the dividend prior to publication of the Parent Company's financial statements.

Taxes
In contrast to the Group, untaxed reserves in the Parent Company are recognized in the balance sheet without any specification between equity and deferred tax liabilities. Correspondingly, the Parent Company does not specify the portion of appropriations to deferred taxes in the income statement.

Group contributions
Group contributions are recognized as appropriations.

Note 2 Assessments and assumptions

The preparation of the annual accounts and the application of accounting standards are, in some cases, based on assessments, estimates and other assumptions that management considers to be reasonable under the current conditions. For obvious reasons, these assessments and assumptions are based on experiences and expectations of future events. If different assessments and assumptions were made, the results might be different.

Goodwill
An assessment is made every year as to whether goodwill requires impairment. Impairment testing is performed through estimation of the recoverable amount. Assumptions about future cash flows and estimates of parameters are made as a basis for the calculation. These are explained in Note 16.

Taxes
Deferred tax is calculated on the temporary differences between the tax and carrying amounts of liabilities and assets. There are two types of assessments and assumptions in these calculations that can affect the deferred tax recognized. The first is the assessments and assumptions made to determine the carrying amount and, the second, the assessments made to determine the possibility of using existing loss carryforwards on future taxable profits. The budget and strategic plan for future years were also taken into consideration in the assessment of loss carryforwards. For more information, refer to Note 14.

Note 3 Measurement of financial assets and liabilities at fair value

Fair value and carrying amounts in the balance sheet

	Carrying amount				Fair value			
Group 2022	**FVTPL**	**Derivatives used in hedge accounting**	**Amortized cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value	Obligatory							
Interest rate derivatives	–	35	–	**35**	–	35	–	**35**
Currency derivatives	4	10	–	**14**	–	14	–	**14**
Total	**4**	**44**	**0**	**48**	**0**	**48**	**0**	**48**
Financial assets not measured at fair value								
Accounts receivable	–	–	723	**723**	–	–	–	**723**
Cash and cash equivalents	–	–	176	**176**	–	–	–	**176**
Total	**0**	**0**	**899**	**899**	**0**	**0**	**0**	**899**
Financial liabilities measured at fair value								
Interest rate derivatives	–	–	–	**0**	–	–	–	–
Currency derivatives	2	27	–	**29**	–	29	–	**29**
Total	**2**	**27**	**0**	**29**	**0**	**29**	**0**	**29**
Financial liabilities not measured at fair value								
Bank borrowings	–	–	2,812	**2,812**	–	–	–	**2,812**
Accounts payable	–	–	576	**576**	–	–	–	**576**
Total	**0**	**0**	**3,388**	**3,388**	**0**	**0**	**0**	**3,388**

	Carrying amount				Fair value			
Group 2021	**FVTPL**	**Derivatives used in hedge accounting**	**Amortized cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value	Obligatory							
Interest rate derivatives	–	6	–	**6**	–	6	–	**6**
Currency derivatives	1	16	–	**17**	–	17	–	**17**
Total	**1**	**22**	**0**	**24**	**0**	**24**	**0**	**24**
Financial assets not measured at fair value								
Accounts receivable	–	–	872	**872**	–	–	–	**872**
Cash and cash equivalents	–	–	149	**149**	–	–	–	**149**
Total	**0**	**0**	**1,021**	**1,021**	**0**	**0**	**0**	**1,021**
Financial liabilities measured at fair value								
Interest rate derivatives	–	9	–	**9**	–	9	–	**9**
Currency derivatives	1	11	–	**12**	–	12	–	**12**
Total	**1**	**20**	**0**	**21**	**0**	**21**	**0**	**21**
Financial liabilities not measured at fair value								
Bank borrowings	–	–	1,418	**1,418**	–	–	–	**1,418**
Accounts payable	–	–	1,057	**1,057**	–	–	–	**1,057**
Total	**0**	**0**	**2,474**	**2,474**	**0**	**0**	**0**	**2,474**

Information is provided below about how fair value is determined for financial instruments that are measured at fair value on the balance sheet (see above). The following three-level hierarchy is used to determine fair value:

Level 1: according to prices quoted in an active market for the identical instrument.
Level 2: from either direct or indirect observable market information not included in Level 1.
Level 3: from inputs unobservable in the market.

The following summarizes the methods and assumptions that are primarily used to determine the fair value of the financial instruments presented above.

Derivatives
Currency
The fair value of a forward contract is determined beginning with quoted rates. The market price, calculated by using the current rate adjusted for the interest rate spread between currencies and number of days, is compared with the contract's rate to determine the fair value.

The market value of currency options is calculated using the Black & Scholes model.

Interest rates
The fair value of interest rate swaps is based on an intermediary institution's measurement, whose fairness is tested by discounting estimated cash flows according to the conditions and due dates of the contract, using the market interest rate for identical instruments on the balance sheet date.

Accounts receivable and accounts payable

The carrying amount reflects the fair value of accounts receivable and accounts payable with a remaining term of less than 12 months. Accounts receivable and accounts payable with a term exceeding 12 months are discounted when determining fair value.

Interest-bearing liabilities

The fair value of financial liabilities that are not derivatives is calculated using future cash flows of principal amounts and interest rates discounted to the current market interest rate on the balance sheet date. The carrying amount agrees with the fair value of the Group's borrowing when the loans have variable interest rates and the credit spread is not such that carrying amount materially deviates from fair value.

Note 4 Financial risk management

Thule Group is continuously exposed to various financial risks through its international operations. Financial risks refer to fluctuations in the company's earnings and cash flow due to changes in exchange rates, interest rate levels, raw material prices, refinancing and credit risks. The Group's finance policy for managing financial risks is prepared by the Board and creates a framework of guidelines and regulations in the form of risk mandates and limits on the financial operations. The Board decides on the finance policy annually. The Group's finance department centrally manages responsibility for the Group's financial transactions and risks. The overall goal of the finance department is to provide cost efficient financing, to map out financial risks that affect the Group, and to minimize negative impacts on the Group's earnings that stem from market risks. The Board's Audit Committee prepares, on behalf of the Board, the practical application of the policy in consultation with the Group's CFO. The Group's Director of Treasury regularly reports to the Board's Audit Committee.

Organization and activities

The Group's finance operations are coordinated by the subsidiary Thule Holding AB, which acts as an internal bank for the Group's financial transactions in the currency and interest rate markets.

Refinancing and liquidity risks

Refinancing and liquidity risks are risks that payment commitment cannot be met due to insufficient liquidity or difficulties in obtaining credit from outside sources. The Group has a rolling eight-week liquidity plan that includes all divisions of the Group. Results are reported regularly on a weekly basis. The plan is updated monthly. The liquidity plan is used to manage liquidity risk and as a tool for following the cash flow from the operational and financial business. In-depth analyses are made against previous years in order to measure trends and noticeable deviations. The objective is for the Group to be able to manage its financial obligations in upturns and downturns with a buffer for unforeseeable expenses and without risking the Group's reputation.

The Group policy is to minimize its borrowing need by centralizing surplus liquidity via the Group's cash pools that have been established by the central finance department. Liquidity risks are centrally managed for the entire Group by the central finance department. The central finance department manages a Group-wide, monthly netting process to minimize the number of payment transactions and thereby related expenses. In countries with several operational companies, the surpluses and deficits are matched at the country level using cash pools. There were cash pools during the year in Sweden, Poland and the US. The central finance department manages liquidity in, as well as between, these cash pools.

A syndicate with two Scandinavian banks finances the Group through a revolving credit facility. In addition, the Group has an overdraft facility with another Scandinavian bank outside the syndicate. The revolving credit facility is contingent on compliance with financial and commercial commitments, which are tested regularly. The covenants tested quarterly are the leverage ratio and interest coverage ratio. In 2022, the Group increased its credit facility EUR 70m to a total of EUR 370m under the existing revolving facility, and raised the overdraft facility SEK 150m to a total of SEK 200m. The Group's fixed-term credit commitments amounted to SEK 4,328m (3,121), which includes a revolving credit facility of SEK 4,128m and an overdraft facility of SEK 200m.

Credit facilities	Notional value	Notional value, SEKm	Utilized	Available
Syndicated credit commitments, term until 2025	EUR 370m	4,128	3,027	1,243
Bilateral credit commitment, term until 2023	SEK 200m	200	0	200
Total		**4,328**	**3,027**	**1,443**
Available cash and cash equivalents				176
Liquidity reserve				**1,619**

Unutilized credit commitments totaled SEK 1,443m (1,649).

Including cash flows for future interest payments, the Group's financial liabilities amounted to SEK 3,922m (2,720) at year end with a term structure as set out in the following table.

Term structure of financial liabilities – undiscounted cash flows

2022, SEKm	Total	<1 month	1–3 months	3 months–1 year	1–5 years	>5 years
Long-term liabilities to credit institutions including interest payments	**3,069**	–	20	80	2,968	–
Derivatives	**29**	3	10	16	–	–
Short-term liabilities to credit institutions including interest payments	–	–	–	–	–	–
Overdraft facilities	**0**	–	–	–	–	–
Accounts payable	**576**	–	576	–	–	–
Lease liabilities	**249**	–	1	78	113	57

2021, SEKm	Total	<1 month	1–3 months	3 months–1 year	1–5 years	>5 years
Long-term liabilities to credit institutions including interest payments	**1,434**	–	–	–	1,434	–
Derivatives	**21**	2	5	12	3	–
Short-term liabilities to credit institutions including interest payments	**8**	–	2	6	–	–
Overdraft facilities	**0**	–	–	–	–	–
Accounts payable	**1,057**	–	1,057	–	–	–
Lease liabilities	**200**	–	1	65	115	20

Market risk
Market risk is the risk that the fair value of, or future cash flows from, a financial instrument could fluctuate due to changes in market prices. IFRS has divided market risks into three types: exchange rate risk, interest rate risk and other price risks. The market risks that primarily impact the Group consist of interest rate risk, exchange rate risk and commodity price risk. The Group's objective is to manage and control the market risks within established parameters while optimizing earnings through risk-taking within stated limits. The parameters are established with the purpose that the market risks in the short term (up to 12 months) only impact the Group's earning and position marginally. In the long term, however, lasting changes in exchange rates, interest rates and raw material prices have an impact on consolidated earnings.

The Group applies hedge accounting, where all relevant criteria are met, to remove the accounting mismatch between the hedging instrument and the hedged item. Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are measured at fair value through profit or loss.

Exchange rate risk
The risk that fair values and cash flows can fluctuate when the value of currencies changes is called exchange rate risk. The Group is exposed to different types of exchange rate risks.

Transaction exposure
The largest exposure comes from the Group's sale and purchase in foreign currencies. These exchange rate risks consist of risk in the value fluctuations of financial instruments, customer liabilities or accounts payable, and the exchange rate risk in expected and contractual payment flows. These risks are called transaction exposure.

The Group's total transaction exposure, net, amounts to about SEK 3,337m (4,004) annually. The single most important currency relationship is EUR/SEK, in which the Group has a positive net inflow. The central finance department is responsible for all hedging to reduce the effect of exchange rate fluctuations.

The Group's transaction exposure and hedged amounts on the balance sheet date distributed by currency were as follows:

Transaction exposure and hedged amounts, SEKm

Dec 31, 2022 Currency	Exposure	Hedged amounts – maturity 2023	Exposure after hedge	Average hedged rate
EUR/SEK	2,103	1,146	957	10.91
CNY/SEK	-111	-57	-54	1.44
PLN/SEK	-240	-140	-99	2.25
USD/EUR	-171	-49	-121	0.93
GBP/SEK	226	91	135	12.62
USD/CAD	-272	-94	-178	1,35
Other	215	94	121	–
Total	**3,337**	**1,671**	**1,666**	

Dec 31, 2021 Currency	Exposure	Hedged amounts – maturity 2022	Exposure after hedge	Average hedged rate
EUR/SEK	1,690	881	810	10.24
CNY/SEK	-576	-282	-293	1.39
PLN/SEK	-413	-269	-143	2.19
USD/EUR	-159	-48	-112	0.87
GBP/SEK	205	112	93	12.22
USD/CAD	-434	–	-434	–
Other	527	190	337	–
Total	**4,004**	**1,782**	**2,222**	

The Group uses currency forward contracts and currency options to optimize its exchange rate risk management.

The fair value of the Group's currency derivatives outstanding (currency forward contracts and currency options) was a negative SEK 15.6m (5.1) as per December 31, 2022. All currency derivatives outstanding fall due in 2023. Hedge accounting is used for currency forward contracts. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments of the hedged item and the hedging instrument to ensure that the relationship meets the requirements. When the Group hedges sales/purchases in foreign currency, hedge relationships are contracted where the critical terms of the hedging instrument match the terms of the hedged item, and thereby conducting a qualitative assessment of the hedge relationship's effectiveness. The critical terms are the notional value and the currency of the hedging instrument, and the expected cash flows from the hedged item. The hedge ratio is 1:1 since the currency forward and option contracts are denominated in the same currency as the extremely likely projected future cash flows. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the dollar-offset method to assess effectiveness.

Translation exposure

There are also exchange rate risks in the conversion of assets and liabilities of foreign subsidiaries to the Parent Company's functional currency, called translation exposure. The total translation exposure was SEK 5,038m (3,617). The largest translation exposures were in USD, PLN and EUR. The translation exposure in USD was SEK 1,959m (1,630), in PLN SEK 1,255m (413) and in EUR, SEK 1,221m (1,084).

The Group's policy is to hedge net investments with external loans but otherwise not to hedge translation exposure. The currency effects that the loans give rise to are recognized as a financial currency effect in the income statement. The currency effect in 2022 was SEK 87.4m (19.5). However, the Group applies hedge accounting and SEK 87.4m (19.5) of the total of SEK 87.4m (19.5) was transferred to the translation reserve for net investment hedging.

Net investment – total effect for 2022

Currency	Net investment – hedged item	External loans	Currency effect of external loans, SEKm	Hedging instruments	Hedging instruments	Effectiveness equity in SEKm	Ineffectiveness in SEKm
EUR	110.6	(100.0)	(87.4)	(100.0)	100%	(87.4)	0.0

The translation impact of the conversion of the liabilities and assets of foreign subsidiaries in 2022 was SEK 737m (413) after taking into account the effects of hedging.

Sensitivity analysis – exchange rate risk
Compared with the closing exchange rates applied as per December 31, 2022, a 10 percent strengthening of the SEK against other currencies would have negatively impacted equity by SEK 504m (negative: 362).

A 10 percent strengthening of the SEK against other currencies, compared with the average exchange rates in 2022 (not taking into consideration any correlation between currencies), would mean a negative change in EBITDA of SEK 221.3m (negative: 271.6) (transaction and translation effects). The following table shows the effect broken down by currency:

Sensitivity analysis for exchange rate risk on EBITDA 2022, SEKm

Currency	Transaction effect	Translation effect	Total effect
EUR	-194.4	-10.8	-205.3
CAD	-5.4	-48.5	-53.8
GBP	-8.7	-8.4	-17.1
PLN	120.5	-94.5	26.0
CNY	15.8	33.5	49.3
USD	-6.9	5.1	-1.7
Other	-17.7	-0.9	-18.7
Total	**-97.0**	**-124.4**	**-221.3**

Interest rate risk
Interest rate risk is the risk that the value of financial instruments fluctuates due to changes in market interest rates and the risk that changes in the interest rate level will impact the Group's borrowing costs. Interest rate risk can lead to a change in fair values and changes in cash flows. A significant factor that affects the interest rate risk is the fixed-rate period. This interest rate risk is managed by the Group's central finance department. According to the finance policy, the objective of the long-term liability portfolio is for the average fixed-rate period to be between six months and three years. The average fixed-rate period was 1 year and 3 months (1 year and 2 months) as per December 31, 2022. The maturity structure of the interest rate derivatives outstanding is spread over the period from June 2024 through December 2027. ISDA-agreements were signed with all lenders.

The fair value of the Group's interest rate derivatives outstanding (interest rate swaps and interest rate floors) was SEK 34.6m (negative: 2.4) as per December 31, 2022. Hedge accounting is used for interest rate derivatives. The Group enters into interest rate swaps that have similar critical terms as the hedged item. The hedging ratio is 1:1. Critical terms can include reference rates, reset dates, payment dates, maturities and notional values. The Group does not hedge 100 percent of its loans, and therefore only identifies the proportion of the outstanding loans up to the notional values of the swaps. Swaps outstanding covered 30 percent (50) of the variable loan capital outstanding. As all critical terms matched throughout the year, the economic relationship was 100 percent effective.

Sensitivity analysis – interest rate risk
The impact on the Group's results in the form of interest expense during the coming 12-month period in the event of an interest rate uptick/downtick of 1 percentage point on the balance sheet date is SEK -19.9/+19.9m (-1.2/+0.0) – given the interest-bearing liabilities that exist on the balance sheet date.

An interest rate change of +/-1 percentage point on the balance sheet date would result in a change in the market value of interest rate derivatives of SEK +25.1m (7.6)/-25.5m (-1.3). The change in market value impacts equity if hedge accounting can continue to be applied.

Commodity price risk
Commodity price risk refers to continuously fluctuating prices of input goods from our suppliers and its possible impact on earnings. For the Group, it is primarily fluctuations in aluminum, plastic and steel prices that constitute a significant commodity risk. In 2022, 47 percent (46) of total direct materials consisted of plastic, aluminum and steel. They consist of a number of

different subcategories with various degrees of processing that often cannot be tied to a direct market price. Of the three exposures, only aluminum, in principle, is directly associated with a traded market index.

In 2022, the Group purchased raw materials and components for SEK 4,401m (4,986). Total purchases of raw materials amounted to SEK 2,090m (2,379). Direct purchases of raw materials amounted to SEK 1,304m (1,523) and indirect purchases of raw materials (share of value added of the total value of raw materials) amounted to SEK 786m (857). Direct purchases of aluminum amounted to SEK 423m (421) and indirect purchases of aluminum amounted to SEK 423m (421). Direct purchases of plastic amounted to SEK 477m (563) and indirect purchases of plastic amounted to SEK 318m (376). Direct purchases of steel amounted to SEK 404m (538) and indirect purchases of steel amounted to SEK 45m (60).

However, a significant portion of the supplier contracts for these categories are indexed, which means that if the market price for a raw material changes, then the Group's purchase prices will increase or decrease. Direct materials amounted to 75 percent (77) of the Group's cost of goods sold.

Credit risk

The Group's financial operation creates exposure to credit risks. Primarily counterparty risks in connection with receivables from banks arise when purchasing derivatives and deposits to these banks. The exposure can be attributable to surplus values in derivatives. In order to reduce credit risk, the derivatives are spread between different counterparties. The ISDA-agreements permit the offset of derivative assets and derivative liabilities per counterparty, which reduces credit risk. ISDA-agreements were signed with all counterparties for settlement of mutual obligations to deliver and pay, and thereby reduce credit risk.

Group 2022, SEKm	Financial assets	Financial liabilities
Amount recognized in balance sheet	48.2	29.1
Danske Bank	4.1	4.1
Nordea	-8.2	-8.2
SEB	1.2	1.2
Swedbank	-8.9	-8.9
Amount after netting	**36.3**	**17.3**

Group 2021, SEKm	Financial assets	Financial liabilities
Amount recognized in balance sheet	23.7	21.2
Danske Bank	3.7	3.7
Nordea	-6.9	-6.9
Swedbank	6.2	6.2
Amount after netting	**26.7**	**24.1**

The credit risk in derivatives on the balance sheet date was SEK 48.2m (23.7) and corresponded to the total positive market value of the derivatives. The credit risk in cash and bank balances was SEK 176m and corresponded to the Group's cash and cash equivalents.

Credit risk on accounts receivable

Refer to Note 19 Accounts receivable.

Net debt

As of December 31, 2022, net debt amounted to SEK 2,868m (1,467).

Net debt consists of the Group's interest-bearing liabilities, including accrued interest and financial derivative liabilities less cash and cash equivalents, short-term interest-bearing receivables and financial derivative assets.

Note 5 Revenue

The Group generates revenue from the sale of products to external customers. Sales are organized in two regions, Region Europe & RoW and Region Americas, and are divided into four product categories: Sport&Cargo Carriers – this category includes roof racks, roof boxes, bike carriers and racks for water and winter sports transported by car and rooftop tents to be mounted on vehicles. Computer and camera bags, hiking backpacks and luggage are recognized under Packs, Bags & Luggage. Bike trailers, strollers and child bike seats are included under the product category Juvenile & Pet. Awnings, bike carriers and tents for RVs and caravans are recognized under RV Products. For further information, refer to Note 6 Segment accounting.

Other revenue pertains to development work conducted for external customers.

Group, SEKm	2022	2021
Revenue from Contracts with Customers		
Product categories		
Sport&Cargo Carriers	6,195	6,903
Packs, Bags & Luggage	919	674
RV Products	1,855	1,504
Juvenile & Pet Products	1,146	1,289
Other	24	17
Total	**10,138**	**10,386**
Geographic markets:		
Sweden	334	458
Other Nordic countries	349	463
Germany	2,431	2,338
Other Europe	3,585	3,777
USA	2,247	2,221
Other North America	608	570
Central/South America	171	152
Asia/Pacific Rim	367	363
Rest of world	45	45
Total	**10,138**	**10,386**

All revenue recognition takes place at one point in time. Information about receivables and contract assets from contracts with customers are set out below:

Contract balances:	2022	2021
Receivables included in accounts receivable	723	872
Contract assets	29	22

Contract assets primarily pertain to the Group's right to compensation for not yet invoiced development performed o behalf of the customer at the balance sheet date.

The contract assets are transferred to receivables when the rights become unconditional. This is generally when the Group issues an invoice to the customer. Contract assets are included in the balance sheet item Prepaid expenses and accrued income.

Note 6 Segment accounting

The Group's operations are divided into operating segments based on the parts of the operations that are followed up by the company's CEO. Thule Group comprises one segment. Though the Group has shared global processes for product development, purchasing, manufacture, logistics and marketing, its sales are managed in two regions, Region Europe & RoW and Region Americas. Internal monthly follow-up focuses on the Group as a whole, in addition to certain geographic sales data, which is presented at other levels than Group level.

Group, SEKm	2022	2021
Sales to customers	**10,138**	**10,386**
Region Europe & RoW	7,091	7,440
Region Americas	3,047	2,946
EBITDA	**1,906**	**2,493**
Depreciation/amortization and impairment	-200	-153
Operating income	**1,706**	**2,340**
Financial revenue	32	14
Financial expenses	-91	-51
Taxes	-373	-513
Net income	**1,275**	**1,790**

Sales are divided into four product categories: Sport&Cargo Carriers – this category includes roof racks, roof boxes, bike carriers and racks for water and winter sports transported by car and rooftop tents to be mounted on vehicles. Computer and camera bags, hiking backpacks and luggage are recognized under Packs, Bags & Luggage. Bike trailers, strollers and child bike seats are included under the product category Juvenile & Pet. Awnings, bike carriers and tents for RVs and caravans are recognized under RV Products. For additional information, refer to Note 5 Revenue.

The information presented for the segments' revenue pertains to the geographic areas based on the location of customers. The table is available under Note 5 Revenue. No single customer exceeds 10 percent of external revenue. Information regarding the assets is based on the geographic areas grouped according to the location of the assets.

Fixed assets – Group, SEKm	2022	2021
Sweden	496	394
Other Nordic countries	–	–
Germany	98	80
Other Europe	844	544
USA	332	277
Other North America	5	2
Central/South America	1	1
Asia	3	2
Total	**1,778**	**1,300**

The assets in the above table refer to owned tangible assets.

Note 7 Other operating revenue

	Group		Parent Company	
SEKm	**2022**	**2021**	**2022**	**2021**
Previous provision for earn-out payment	–	15	–	–
Re-invoicing of expenses	–	–	21	18
Total	**0**	**15**	**21**	**18**

Pertains to the previous provision for the earn-out payment pertaining to the acquisition of Tepui Outdoors Inc., which was not triggered.

Note 8 Audit fees

	Group		Parent Company	
Audit fees, SEKm	**2022**	**2021**	**2022**	**2021**
Audit PwC	3.6	3.1	1.2	0.8
Audit in addition to audit assignment PwC	0.0	0.0	–	–
Tax consultancy PwC	–	–	–	–
Other services PwC	0.2	0.3	0.2	0.3
Total	**3.8**	**3.4**	**1.4**	**1.1**
Audit, Other	0.8	0.7	–	–
Total	**0.8**	**0.7**	**–**	**–**

Audit assignments pertain to a review of the Annual Report and accounts, and the administration by the Board of Directors and the CEO, other work assigned to the company's auditors, and advice or other assistance required due to observations made during the review or implementation of such other assignments. Everything else is considered other assignments.

Note 9 Average number of employees and gender distribution in company management

Parent Company	2022	Of whom, men	2021	Of whom, men
Sweden	6	5	7	6

Subsidiaries	2022	Of whom, men	2021	Of whom, men
Sweden	578	377	545	356
Europe	1,719	947	1,983	980
North America	401	183	675	411
South America	39	30	38	32
Asia	56	27	55	27
Total subsidiaries	**2,793**	**1,564**	**3,296**	**1,806**
Total	**2,799**	**1,569**	**3,303**	**1,812**

Gender distribution for Board members and other executive management

		Group		Parent Company
Board members, %	**2022**	**2021**	**2022**	**2021**
Women	14	16	57	50
Men	86	84	43	50

CEO and other executive management, %	2022	2021	2022	2021
Women	14	14	17	17
Men	86	86	83	83

Note 10 Remuneration of employees

	Group		Parent Company	
SEKm	**2022**	**2021**	**2022**	**2021**
Salaries and other remuneration	1,157	1,056	27	37
Social security	312	264	10	14
Pension expenses – defined-contribution plans	50	41	6	7
Pension expenses – defined-benefit plans	21	16	–	–
Total	**1,541**	**1,378**	**43**	**57**

Salaries and other remuneration, pension expenses and pension obligations for the Board and executive management

Remuneration and benefits 2022, SEKt	Basic salary incl. change in vacation pay liability, fees	Variable remuneration	Pension expenses	Other remuneration	Total
Chairman of the Board*					
Bengt Baron	299	–	–	–	299
Hans Eckerström	1,259	–	–	–	1,259
Board members					
Mattias Ankarberg	445	–	–	–	445
Sarah McPhee	371	–	–	–	371
Heléne Mellquist	465	–	–	–	465
Therese Reutersward	411	–	–	–	411
Johan Westman	311	–	–	–	311
Helene Willberg	631	–	–	–	631
CEO					
Magnus Welander	8,979	662	2,968	314	12,921
Other executive management (6 individuals)	15,910	3,008	3,582	1,990	24,491
Total	**29,081**	**3,670**	**6,550**	**2,304**	**41,605**

* The following individuals have the position of Chairman for parts of 2022: Bengt Baron four months and Hans Eckerström eight months.

Pension obligations for the CEO amounted to SEK 26,458t (23,127) on December 31. Pension obligations for other executive management amounted to SEK 4,882t (4,129).

Remuneration and benefits 2021, SEKt	Basic salary incl. change in vacation pay liability, fees	Variable remuneration	Pension expenses	Other remuneration	Total
Chairman of the Board					
Bengt Baron	1,175	–	–	–	1,175
Board members					
Mattias Ankarberg	396	–	–	–	396
Hans Eckerström	485	–	–	–	485
Heléne Mellquist	474	–	–	–	474
Therese Reutersward	396	–	–	–	396
Helene Willberg	611	–	–	–	611
CEO					
Magnus Welander	7,782	5,831	2,673	2,075	18,362
Other executive management (7 individuals*)	14,896	9,519	3,781	2,486	30,681
Total	**26,215**	**15,350**	**6,454**	**4,561**	**52,580**

* The group comprising executive management for 2021 included Hilary Hartley for a period of 9.5 months and Fred Clark for 6 months.

Remuneration of the Board

According to a resolution of the General Meeting, fees to the members of the Board, excluding Committee work, are to be paid as follows: SEK 1,345,000 to the Chairman of the Board and SEK 415,000 to each of the Board members elected by the Meeting.

The Chairman of the Audit Committee is to receive remuneration of SEK 220,000 for Committee work, while SEK 80,000 is to be paid to each of the other members. The Chairman of the Remuneration Committee is to receive remuneration of SEK 90,000 for Committee work, while SEK 45,000 is to be paid to each of the other members. Expensed remuneration is presented in the table above.

Guidelines for remuneration to the CEO and other executive management

Thule Group applies the following guidelines for remuneration of senior executives, resolved at the General Meeting held on April 26, 2022.

The group of executives covered by the guidelines are the CEO and other members of Group management. Remuneration of Group Management is to be based on the company's sustainability in terms of its commercial financial development, its organizational structure designed to meet the business needs of the company's strategic objectives and its ability to supply the company with the right skills and resources at any given time. Group management's remuneration is to include market-based fixed salary and variable salary components (with the aim of stimulating reaching the company's business and sustainable development objectives), pension and other competitive benefits. The total remuneration package is to be based on market terms, be competitive and reflect the individual's performance and responsibilities.

For employment subject to other rules than Sweden's, pension benefits and other benefits may be duly adjusted to comply with mandatory rules or established local practices, while concurrently taking into account, as far as possible, the overall aim of these guidelines.

A long-term, share-based incentive program has been implemented in the company. This was adopted by the 2020 General Meeting and accordingly, is not encompassed by these guidelines. The aim of the share-based incentive program adopted by the 2020 General Meeting includes stimulating sustainable, positive value growth for Thule Group's share that will accrue to shareholders. The incentive program is based on the company's strategic plan and long-term sustainable development, moreover, the program also constitutes an incentive to meet the growth objectives stipulated by the company in its strategic three-year plan. The incentive program has been designed pursuant to similar programs in other listed companies and is aimed at ensuring positive development for Thule Group, as well as to secure long-term loyalty and commitment from the participants in relation to the company's interests.

Fixed salary is at market rates. Variable salary can comprise annual variable cash bonuses and long-term variable bonuses in the form of cash, shares and/or share-based instruments in Thule Group AB. Total annual variable cash bonuses are measured over a calendar year and are conditional on the fulfillment of predefined and measurable targets, such as sales development, EBIT performance, sustainability development and fulfillment of personal targets for each year. The variable remuneration is subject to a ceiling of 75 percent of the fixed annual salary for the CEO and 60 percent for the other senior executives. The terms and conditions for variable remuneration are designed to enable the Board of Directors, under exceptional economic circumstances, to limit or withhold any payment of variable remuneration if such a measure is considered reasonable.

Pension benefits, including health insurance, for senior executives are to be premium defined. Variable cash remuneration does not count toward pensionable service. Pension premiums for defined-contribution pensions may amount to not more than 35 percent of the annual fixed cash salary.

Other benefits may include, inter alia, life insurance, medical insurance, company car and fuel benefits. Such benefits are limited to a maximum of 10 percent of the annual fixed cash salary.

Severance pay may be provided if employment is terminated by Thule Group. Senior executives are subject to a notice period of not more than 12 months in combination with severance pay corresponding to a maximum of 12 months' fixed salary. No severance pay accrues if notice is given by the employee.

In the preparation of the Board of Directors' proposal for these remuneration guidelines, an evaluation of the salary and terms of employment for the company's employees was considered as was information on total remuneration to the employee, the remuneration components as well as the rate of increase and growth in remuneration over time in the decision data provided to the Remuneration Committee and the Board of Directors. The development of the gap between remuneration to senior executives and remuneration to other employees is disclosed in the current remuneration report.

The Board of Directors has established a Remuneration Committee. The Committee's tasks include preparing the Board of Directors' decision on the proposed guidelines for remuneration of senior executives. The Board of Directors is to prepare a proposal for new guidelines at least every fourth year and submit said proposal to the AGM. The guidelines remain valid until new guidelines are adopted by the general meeting. The Remuneration Committee also monitors and evaluates variable remuneration programs for the Group management, the application of the guidelines for remuneration of senior executives 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 management. The CEO and other members of the company management are not present during the Board of Directors' processing of and decisions on remuneration-related matters in so far as they are affected by such matters.

The Board may temporarily resolve to depart from the guidelines adopted by the AGM, if in a specific case there is special cause for the departure and said departure is necessary to serve the company's long-term interests and sustainability, or to ensure the company's financial viability.

Remuneration of the CEO
Remuneration is paid to the CEO in the form of basic salary, variable remuneration, pension and other benefits. Basic salary amounts to SEK 8,820t per year. Variable remuneration can amount to a maximum of 75 percent of basic salary. Any bonus payments and the amount of bonus are related to the degree of fulfillment of annual, predefined financial targets. These targets are linked to sales growth and EBIT. The sustainability targets are linked to the company's sustainability initiatives.

A mutual period of notice of six months applies to the CEO. Full salary and other employment benefits are paid during the period of notice, regardless of whether or not the CEO has an obligation to work. Severance pay corresponding to twelve monthly salaries is also paid if employment is terminated by the company.

Pension benefits are paid at 31–35 percent of basic salary. In 2022, the pension benefit amounted to 35 percent of basic salary. To the extent that premiums are not fully tax deductible for the company, excess premiums are to be agreed as direct pension, insured through endowment insurance pledged to the CEO.

Other executive management
Remuneration is paid in the form of basic salary, variable remuneration, pension and other benefits. For other executive management, variable remuneration may amount to between 40 and 60 percent of basic salary. Any bonus payments and the amount of bonus are determined based on the degree of fulfillment of annual, predefined financial targets, sustainability targets and individual targets. The financial targets are linked to sales growth and EBIT. The sustainability targets are linked to the company's sustainability initiatives and to individual targets based on personal performance.

Other executive management has a mutual period of notice of six months. Full salary and other employment benefits are paid during the period of notice. Severance pay corresponding to between six and twelve monthly salaries is also paid if employment is terminated by the company.

Pension benefits at 27–35 percent of basic salary are paid for executive management employed in Sweden. To the extent that premiums are not fully tax deductible for the company, excess premiums are to be agreed as direct pension, insured through endowment insurance pledged to the senior executive. Pension benefits at 12–15 percent of basic salary are paid for executive management employed in the US.

Remuneration Committee
The Remuneration Committee is to assist the Board by submitting proposals on remuneration issues and continuously monitoring and evaluating remuneration structures and levels for the CEO and other executive management.

Incentive program
Share-based incentive program 2020/2023
The warrants program resolved on by the Annual General Meeting (AGM) for executive management and key employees of Thule Group was implemented in 2020. The program comprises 2,090,000 warrants issued to Thule AB for onward transfer to participants. The participants acquired the warrants at the fair market value and the program currently includes 27 participants. The original subscription price was SEK 216.60, which corresponded to 118 percent of the volume-weighted average price according to Nasdaq Stockholm's official price list for shares in the company during the period April 29, 2020 through May 13, 2020. If on subscribing for the share, the latest price paid for the company's share when the stock exchange closes on the last trading day preceding the subscription date exceeds 162.3 percent of the average share price based upon which the subscription price has been determined, the subscription price shall be increased correspondingly. The warrants may be exercised during the period June 15–December 15, 2023. As part of the incentive program, participants may receive a retention bonus in the form of a gross salary supplement from the company that corresponds in total to the amount paid by the participant for the warrants, conditional upon continued employment at the time of payment and that the participant has not terminated the employment.

Executive management's holdings of warrants in Thule Group AB are presented below.

Warrants 2022	Opening balance, warrants outstanding	Warrants acquired during the year	Warrants exercised during the year	Warrants that matured during the year	Warrants bought back during the year	Closing balance, warrants outstanding
Group management						
CEO						
Magnus Welander	204,498	–	–	–	–	204,498
Other executive management						
Jonas Lindqvist	119,290	–	–	–	–	119,290
Fredrik Erlandsson	72,426	–	–	–	–	72,426
Kajsa von Geijer	72,426	–	–	–	–	72,426
Karl-Johan Magnusson	30,769	–	–	–	–	30,769
Rickard Andersson	72,426	–	–	–	–	72,426
Other participants						
Other participants	641,620	–	–	–	-105,676	535,944
Unsold warrants	876,545	–	–	–	105,676	982,221
Total	**2,090,000**	**0**	**0**	**0**	**0**	**2,090,000**

As of December 31, 2022, the number of redeemable warrants was 0. The market value of the warrants was calculated by using an established valuation model (Black-Scholes) with the following preconditions.

Market value per Series:	
2020/2023	SEK 19.50

Conditions of valuation 2020/2023:	
Exercise price	SEK 216.60 (based on 118 percent of the volume-weighted average price according to Nasdaq Stockholm's official price list for shares in the company during the period April 29, 2020 through May 13, 2020).
Volatility	25 percent (based on statistical data for comparable, listed companies)
Risk-free interest	-0.23 percent (based on Swedish government bonds with matching maturities to the warrants).

No dividend estimate is applied in the valuation, instead the option terms entail conversion of the exercise price and the number of shares to which each option entitles subscription for at each dividend date.

Note 11 Provision for pensions

Group

Post-employment remuneration, such as pensions and other remuneration, is usually paid through regular payments to independent authorities or agencies that thus take over the obligations to the employees, meaning through defined-contribution plans.

Other pension plans in the Group comprise defined-benefit plans where the obligation remains with the Group. Defined-benefit plans primarily exist in Sweden through the ITP plan in accordance with the PRI System (retirement pension).

The ITP plan is encompassed by collective agreement between the Confederation of Swedish Enterprise and PTK.

The defined-benefit ITP plan (ITP2) primarily comprises a retirement pension for life. It is based on final salary on retirement. The benefit amounts to 10 percent of final salary on incomes of up to 7.5 income base amounts, 65 percent of final salary on incomes of between 7.5 and 20 income base amounts and 32.5 percent of final salary on incomes of between 20 and 30 income base amounts. No retirement pension benefit is paid on incomes over 30 income base amounts. Companies in the Group have decided to insure the ITP2 retirement pension by making provisions to an account for pensions in the balance sheet, alongside credit insurance with PRI Pensionsgaranti. In addition to the ITP2 retirement pension, the plan also includes a family pension, disability pension, complementary retirement pension (ITPK) and group life insurance benefits (TGL) for which companies in the Group continuously pay premiums to Alecta/Collectum. According to a statement from the Swedish Financial Reporting Board (UFR 10), the defined-benefit ITP in Alecta is defined as a multi-employer defined-benefit plan. For the 2022 fiscal year, the Group did not have access to information from Alecta that made it possible to recognize these pension obligations as defined-benefit. Accordingly, these obligations are recognized as defined-contribution pension obligations.

A surplus or a deficit with Alecta may entail a refund to the Group or lower or higher future contributions. At the end of the year, Alecta's surplus in the form of the collective consolidation level was 172 percent (172). The collective consolidation level comprises the market value of the manager's assets as a percentage of the insurance commitments calculated according to the manager's actuarial calculation assumptions.

For the portion of the ITP plan in Sweden that the Group recognizes as a liability via credit insurance with PRI, the Group is exposed to interest rate risk and long lifetime risk.

For defined-benefit plans, the Group's expenses and present value of outstanding obligations are calculated on the balance sheet date using actuarial calculations. The table below provides information about the most significant actuarial assumptions, recognized expenses during the fiscal year and the value of obligations at the end of the period.

		Group
Assumptions in actuarial calculations, %	**2022**	**2021**
Discount rate	3.90	1.60
Expected rate of salary increase, above inflation	1.75	1.75
Rate of inflation	1.75	2.00

The discount rate used by the Group to calculate the defined-benefit pension liabilities in Sweden comprises the market interest rate on the balance sheet date of Swedish mortgage bonds with a term corresponding to the duration of the Swedish pension obligations.

For Sweden, the updated mortality assumption, DUS 21, is used. The average remaining life expectancy for a 65-year-old man today is 20 (22), and the average remaining life expectancy for a 65-year-old woman today is 23 (24).

In addition to the impact from amended actuarial assumptions such as a change in the discount rate, etc., actuarial gains and losses arose due to an adjustment of experience-based effects. Experience-based effects refer to actual salary increases compared with assumed increases, actual personnel turnover rate compared with the assumed personnel turnover rate, etc. The distribution between actuarial gains and losses that are dependent on changes in assumptions and experience-based gains and losses are shown below.

		Group
Changes in assumptions, SEKm	**2022**	**2021**
Gains (-) and losses (+) due to changes in financial assumptions	-105	-1
Gains (-) and losses (+) due to changes in demographic assumptions	–	8
Experienced-based gains (-) and losses (+)	7	4
Recognized in other comprehensive income	**-98**	**11**

		Group
Carrying amount of defined-benefit pension plans, SEKm	**2022**	**2021**
Present value of unfunded obligations	156	244
Provision for pensions	**156**	**244**

		Group
Changes in present value of obligation for defined-benefit plans, SEKm	**2022**	**2021**
Obligation per January 1	244	224
Service cost during current period	17	14
Interest expense	4	2
Pension payments	-11	-6
Actuarial gains (-) and losses (+)	-98	11
Obligation per December 31	**156**	**244**

In 2023, the costs are expected to amount to SEK 17m. At the end of 2022, the average duration of the Swedish pension obligation was approximately 22 years.

The present value of the Group's pension obligations is sensitive to changes in the discount rate (interest rate risk). A decline in the discount rate will lead to the present value of the obligations increasing and an increase in the discount rate will lead to the present value of the obligation declining. The table below presents the impact on the present value of the obligations in the event of a 1.0 percentage point increase and decrease in the discount rate.

SEKm	Group
1.0 percent increase in discount rate	-25
1.0 percent decrease in discount rate	32

		Group
Expenses for defined-benefit plans, SEKm	**2022**	**2021**
Service cost during current period	17	14
Interest expense	4	2
Recognized in income statement	**21**	**16**

		Group
Pension expense recognized in the following lines in income statement, SEKm	**2022**	**2021**
Selling expenses	17	14
Financial expenses	4	2
Total	**21**	**16**

Defined-contribution pension plans
In Sweden, the Group has defined-contribution pension plans for employees that are entirely funded by the companies.

Abroad, there are defined-contribution plans that are partly funded by the subsidiaries and partly covered through contributions paid by employees. Payments to these plans are carried out on a regular basis according to the rules of the respective plan.

		Group		Parent Company
Defined-contribution pension plans, SEKm	**2022**	**2021**	**2022**	**2021**
Expenses for defined-contribution plans	50	41	6	7
Total	**50**	**41**	**6**	**7**

Note 12 Expenses divided by type of cost

		Group
SEKm	**2022**	**2021**
Changes in inventory of finished products and work in progress	-318	325
Raw materials and manufacturing supplies	-4,413	-5,185
Expenses for remuneration of employees	-1,732	-1,573
Depreciation/amortization	-200	-153
Other expenses	-1,770	-1,459
Total expenses for goods sold, sales and administration	**-8,432**	**-8,046**

Note 13 Net financial items

		Group		Parent Company
SEKm	**2022**	**2021**	**2022**	**2021**
Profit from participations in Group companies	–	–	650	900
Interest income	32	14	36	13
Financial revenue	**32**	**14**	**686**	**913**
Interest expenses	-84	-39	-53	-11
Other financial expenses	-2	-4	-2	-5
Interest expenses on defined-benefit pension obligations	-4	-2	0	0
Net exchange rate fluctuations	-1	-6	0	0
Financial expenses	**-91**	**-51**	**-55**	**-16**
Net financial items	**-59**	**-37**	**632**	**897**

Of interest expenses SEK 27m (5) pertained to the category of financial liabilities recognized at amortized cost and SEK 12m (2) pertained to the category of financial liabilities measured at fair value. Interest coupons for financial derivatives are netted, meaning that both receipts and payments are recognized as interest expense.

Note 14 Taxes

		Group		Parent Company
Recognized in income statement, SEKm	**2022**	**2021**	**2022**	**2021**
Current tax expense/tax revenue				
Tax expense for the year	-335	-408	-9	1
Deferred tax expense/tax revenue				
Deferred tax pertaining to temporary differences and loss carryforwards	-38	-105	0	0
Total recognized tax expense (-)/tax revenue (+)	**-373**	**-513**	**-9**	**1**

				Group
Effective tax rate reconciliation, SEKm	**2022 (%)**	**2022**	**2021 (%)**	**2021**
Income before taxes		1,647		2,303
Tax according to current tax rates for Parent Company	20.6	339	20.6	474
Impact of other tax rates on foreign subsidiaries	1.3	21	1.4	32
Non-deductible expenses	0.5	8	0.4	9
Non-taxable income	0.0	-1	-0.1	-2
Increase in loss carryforwards without corresponding capitalization of deferred tax	0.0	0	0.1	2
Utilization of previously non-capitalized loss carryforwards	-0.1	-2	-0.1	-1
Tax attributable to previous years	0.4	6	0.0	0
Effect of amended tax rates/regulations	0.0	0	0.0	0
Other	0.0	0	0.0	0
Recognized effective tax	**22.6**	**373**	**22.3**	**513**

The effective tax rate for 2022 amounted to 22.6 percent (22.3).

				Parent Company
Effective tax rate reconciliation, SEKm	**2022 (%)**	**2022**	**2021 (%)**	**2021**
Income before taxes		693		894
Tax according to current tax rates for Parent Company	20.6	143	20.6	184
Non-taxable income	-19.3	-134	-20.7	-185
Recognized effective tax	**1.3**	**9**	**-0.1**	**-1**

Recognized in statement of comprehensive income

			2022			2021
Group, SEKm	**Before tax**	**Taxes**	**After tax**	**Before tax**	**Taxes**	**After tax**
Foreign currency translation	827	-20	807	437	-9	428
Hedge reserve	14	-3	11	-14	3	-11
Net investment hedge	-87	18	-69	-20	4	-15
Actuarial gains and losses	98	-20	78	-11	2	-8
Other comprehensive income	**852**	**-25**	**826**	**394**	**0**	**394**

Recognized in balance sheet
Deferred tax receivables and liabilities pertain to the following:

	Deferred tax receivables		Deferred tax liabilities		Net	
Group, SEKm	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Tangible assets	14	15	-18	-16	-4	-1
Intangible assets	22	30	-15	-11	7	19
Inventories	57	37	0	-1	57	36
Receivables	11	11	0	0	11	11
Liabilities	80	93	0	0	80	93
Other	17	14	-1	0	17	13
Loss carryforwards	118	127	–	–	118	127
Tax allocation reserves	–	–	-360	-343	-360	-343
Tax receivables/liabilities	**320**	**326**	**-393**	**-370**	**-73**	**-45**

Changes in deferred tax, net, recognized as follows, SEKm	2022	2021
Deferred tax, net, on January 1	-45	34
Recognized in profit or loss:	-38	-105
of which, temporary differences	-6	-47
of which, loss carryforwards	-32	-58
Recognized in statement of comprehensive income	-20	5
Currency effect	29	22
On December 31	**-73**	**-45**

Non-recognized deferred tax receivables
Deductible temporary differences and loss carryforwards for which no deferred tax receivables have been recognized in the balance sheet:

Group, SEKm	2022	2021
Tax deficit	835	747
	835	**747**

Deferred tax receivables have not been recognized for the above tax deficit, since it is unlikely the Group will utilize them for deductions against future taxable gains. All loss carryforwards are due no earlier than 2026 or are unlimited in time.

Note 15 Earnings per share

	2022	2021
Earnings per share before dilution		
Net income attributable to Parent Company shareholders, SEKm	1,275	1,790
Average number of shares outstanding, thousand	104,562	104,562
Earnings per share before dilution, SEK	**12.19**	**17.12**
Earnings per share after dilution		
Net income attributable to Parent Company shareholders, SEKm	1,275	1,790
Average number of shares outstanding, thousand	105,179	105,573
Earnings per share after dilution, SEK	**12.12**	**16.95**

Earnings per share before dilution
The calculation for earnings per share is based on net income attributable to the Parent Company shareholders and on a weighted average number of shares outstanding.

In thousands of shares	2022	2021
Total number of shares issued as of January 1	104,562	104,562
Impact of issues	–	–
	104,562	**104,562**

Earnings per share after dilution
The calculation for earnings per share after dilution is based on net income attributable to the Parent Company shareholders and on a weighted average number of shares outstanding.

In thousands of shares	2022	2021
Weighted average number of shares	104,562	104,562
Impact of warrants	617	1,010
	105,179	**105,573**

Note 16 Intangible assets

Group, SEKm	Goodwill	Intangible assets	Total
Accumulated cost			
Opening balance, January 1, 2021	**4,256**	**245**	**4,502**
Other investments	–	2	2
Other changes/reclassifications	–	–	–
Exchange rate differences for the year	262	11	273
Closing balance, December 31, 2021	**4,518**	**258**	**4,776**
Opening balance, January 1, 2022	**4,518**	**258**	**4,776**
Other investments	–	1	1
Other changes/reclassifications	–	-23	-23
Exchange rate differences for the year	445	14	458
Closing balance, December 31, 2022	**4,963**	**250**	**5,213**
Accumulated amortization and impairment			
Opening balance, January 1, 2021	**0**	**-206**	**-206**
Other changes/reclassifications	–	–	–
Amortization for the year	–	-6	-6
Exchange rate differences for the year	–	-8	-8
Closing balance, December 31, 2021	**0**	**-220**	**-220**
Opening balance, January 1, 2022	**0**	**-220**	**-220**
Other changes/reclassifications	–	23	23
Amortization for the year	–	-6	-6
Exchange rate differences for the year	–	-10	-10
Closing balance, December 31, 2022	**0**	**-213**	**-213**
Carrying amounts			
As of January 1, 2021	4,256	40	4,296
As of December 31, 2021	**4,518**	**38**	**4,556**
As of January 1, 2022	4,518	38	4,556
As of December 31, 2022	**4,963**	**36**	**4,999**

Amortization and impairment are included in the following rows of the income statement

SEKm	2022	2021
Cost of goods sold	1	1
Selling expenses	2	3
Administrative expenses	3	3
Total	**6**	**6**

The Group does not have any internally generated intangible assets. The total development expenses for the year amounted to SEK 609m (474).

Impairment testing of goodwill
Goodwill is tested if there is any need for impairment as soon as such indications occur. Furthermore, an annual test is performed regardless of the occurrence of indications. Impairment testing is performed through estimating the recoverable amount and comparing it with the carrying amount.

Impairment testing 2022

In the impairment test, the cash-generating unit's estimated value-in-use constitutes the recoverable amount. The current weighted average cost of capital (WACC), estimated at 7.5 percent (6.9) after tax and 8.9 percent (8.3) before tax, is used in the present value calculation of the value-in-use. The requirement for return on equity is determined according to the Capital Asset Pricing Model and interest for debt/equity ratio reflects a market-based borrowing cost. The optimal leverage ratio has been set at 20 percent. The estimates that form the basis of calculating the value-in-use were based on budgets determined by company management for the coming year and on strategic plans established by the Board for the next three years. The cash flow for the subsequent years has been extrapolated, assuming an annual growth rate of 3 percent (3).

Important variables in forecasting cash flows

Growth rate

Thule Group's growth rate is based on sales volume growth. These assumptions are based on planned launches of new products, planned price increases, marketing investments and historical experience. The market growth used is expected to follow the general growth rate of each market.

Level of performance

Raw material costs for the larger categories were reviewed. Forecasted payroll expenses are based on expected inflation, a degree of real income growth, planned efficiency enhancements in the Group's production and impacts of planned recruiting. The forecast is also based on the effective handling of the Group's working capital and necessary replacement investments. The recoverable amount exceeds the carrying amount. On analysis of the impairment need for goodwill, the company performed a sensitivity analysis through a +2 percentage points adjustment of the discount rate and a -2 percentage points adjustment of sales growth.

The variables were sensitivity tested in combination with each other, and the sensitivity analysis indicated no need for any impairment.

Note 17 Tangible assets

The Group's tangible assets comprise owned and leased assets:

SEKm	Note	2022	2021
Owned tangible assets		1,778	1,300
Right-of-use assets	21	228	179
		2,007	**1,479**

Group, SEKm	Buildings and land	Plant and machinery	Equipment, tools, fixtures and fittings	Construction in progress	Total
Accumulated cost					
Opening balance, January 1, 2021	**635**	**666**	**201**	**127**	**1,629**
Other investments	83	58	12	351	505
Divestments and scrapping	-4	-15	-17	0	-35
From in progress	173	97	7	-277	0
Other changes/reclassifications	0	0	-7	0	-6
Exchange rate differences for the year	27	21	10	1	59
Closing balance, December 31, 2021	**915**	**828**	**206**	**202**	**2,152**
Opening balance, January 1, 2022	**915**	**828**	**206**	**202**	**2,152**
Other investments	45	44	32	355	476
Acquisitions	20	0	0	0	20
Divestments and scrapping	-4	-31	-9	0	-44
From in progress	188	153	26	-367	0
Other changes/reclassifications	0	0	0	0	0
Exchange rate differences for the year	80	58	21	9	168
Closing balance, December 31, 2022	**1,246**	**1,052**	**276**	**198**	**2,773**

Group, SEKm	Buildings and land	Plant and machinery	Equipment, tools, fixtures and fittings	Construction in progress	Total
Accumulated depreciation and impairment					
Opening balance, January 1, 2021	**-241**	**-379**	**-150**	**0**	**-771**
Divestments and scrapping	0	14	17	–	31
Other changes/reclassifications	0	0	7	–	6
Depreciation for the year	-25	-51	-13	–	-89
Exchange rate differences for the year	-9	-12	-8	–	-29
Closing balance, December 31, 2021	**-274**	**-429**	**-147**	**0**	**-852**
Opening balance, January 1, 2022	**-274**	**-429**	**-147**	**0**	**-852**
Divestments and scrapping	3	31	7	–	41
Depreciation for the year	-34	-66	-18	–	-118
Exchange rate differences for the year	-22	-29	-14	–	-66
Closing balance, December 31, 2022	**-328**	**-494**	**-172**	**0**	**-995**
Carrying amounts					
As of January 1, 2021	394	286	50	127	858
As of December 31, 2021	**641**	**399**	**59**	**202**	**1,300**
As of January 1, 2022	641	399	59	202	1,300
As of December 31, 2022	**918**	**558**	**105**	**198**	**1,778**

Note 18 Inventories

Group, SEKm	Dec 31, 2022	Dec 31, 2021
Raw materials and consumables	651	539
Products in progress	301	225
Finished goods and goods for resale	2,178	1,746
Total	**3,129**	**2,510**

Change in recognized inventory obsolescence	2022	2021
On January 1	168	127
Provision for obsolescence	109	106
Impairment of inventories	-31	-35
Reversal of previous years' reserves	-34	-37
Currency effect	13	7
On December 31	**225**	**168**

Note 19 Accounts receivable

Thule Group applies the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for accounts receivable. The approach also entails an assessment of expected credit losses (ECLs) as opposed to events incurred. When assessment of a customer on an individual basis is not reasonable, an assessment is made using ECLs based on payment history and age analysis of accounts receivables past due.

Based on the above, the loss allowance for accounts receivable as per December 31, 2022 follows in the table below.

Age analysis of provision for doubtful receivables

Group, SEKm	Dec 31, 2022
Not past due	-3
1–30 days past due	-1
31–60 days past due	-10
More than 60 days past due	-46
Total	**-60**

Group, SEKm	Dec 31, 2022	Dec 31, 2021
Accounts receivable, gross	784	932
Less provision for doubtful receivables	-60	-60
Accounts receivable, net	**723**	**872**

There was no significant concentration of credit exposure on the balance sheet date.
The majority of the Group's customers primarily comprise medium-sized customers.

Age analysis of accounts receivable, SEKm	Dec 31, 2022	Dec 31, 2021
Not past due	642	777
1–30 days past due	63	82
31–60 days past due	27	27
More than 60 days past due	51	47
Less provision for doubtful receivables	-60	-60
Total	**723**	**872**

Fair value of accounts receivable agrees with the carrying amount.
The credit quality of receivables with no provision is considered to be high.

Changes in the provisions for doubtful receivables are as follows, SEKm	2022	2021
On January 1	-60	-60
Provision for doubtful receivables	-10	-8
Receivables written off during the year as uncollectible	2	6
Reversal of previous years' reserves	10	1
Currency effect	-2	2
On December 31	**-60**	**-60**

Note 20 Specific disclosures regarding equity

Thousand shares	2022	2021
Issued January 1	104,562	104,562
Issued December 31 – paid	**104,562**	**104,562**

The shares of Thule Group AB are listed on the Nasdaq Stockholm Large Cap list. The Group did not buy back or hold any treasury shares during the fiscal year. The number of shares approved, issued and fully paid as per December 31, 2022 was 104,562,436. The company has only one class of share. At General Meetings of shareholders, each share carries one vote and each shareholder is entitled to vote for the full number of shares such a shareholder holds in the company. All shares carry equal rights to the company's assets and profits. The quotient value (nominal value) of the share is SEK 0.01118 per share.

Capital management

Under the Board's policy, the Group's financial target is to maintain a financial position that is conducive to maintaining investor, creditor and market confidence and to constitute a stable foundation for continued development of business operations.

The Board seeks to maintain a balance between the higher returns, that may be possible with higher levels of borrowings, and the advantages and security offered by a sound capital structure. The key metric that the company's management and external stakeholders mainly assess with respect to capital structure is the net debt to EBITDA ratio. Thule Group aims to maintain an effective long-term capital structure, defined as the net debt to EBITDA ratio (adjusted for items affecting comparability). This key metric is monitored on a regular basis via the internal reporting to management and the Board. Net debt in relation to EBITDA totaled 1.5 (0.6) as per December 31, 2022.

Group

Translation reserve

The translation reserve includes all exchange rate differences arising on the translation of the financial statements from foreign operations that have prepared their financial statements in a different currency than the currency in which the consolidated financial statements are presented. The Parent Company and Group present their financial statements in Swedish kronor (SEK). Furthermore, the translation reserve comprises exchange rate differences arising from the revaluation of liabilities that were recognized as hedging instruments of a net investment in a foreign business.

Hedge reserve

The hedge reserve includes the effective portion of the accumulated net change in fair value of a cash flow hedging instrument attributable to hedge transactions that have not yet occurred.

Parent Company

Restricted reserves

Restricted reserves may not be reduced through dividends. Aside from the share capital, the Parent Company has no restricted reserves.

Non-restricted equity

The following reserves, together with net income, comprise non-restricted equity – the amount that is available for shareholder dividends.

Share premium reserve

When shares are issued at a premium, meaning that a higher amount than the quotient value is paid for the share, an amount corresponding to the surplus of the quotient value of the share is recognized in the share premium reserve.

Profit brought forward

Profit brought forward comprises profit brought forward from the preceding year and earnings after deductions for any dividends paid during the year.

Note 21 Leases

The Group's tangible assets comprise owned and leased assets:

SEKm	Note	2022	2021
Owned tangible assets	17	1,778	1,300
Right-of-use assets		228	179
		2,007	**1,479**

Group, SEKm	Properties	Plant and machinery	Equipment, tools, fixtures and fittings	Total
Accumulated right-of-use assets				
Opening balance, January 1, 2021	**225**	**0**	**76**	**301**
Right-of-use assets acquired/divested for the year, net	-3	0	22	19
Exchange rate differences for the year	16	0	2	18
Closing balance, December 31, 2021	**238**	**0**	**100**	**338**
Opening balance, January 1, 2022	**238**	**0**	**100**	**338**
Right-of-use assets acquired/divested for the year, net	60	0	22	82
Exchange rate differences for the year	23	0	5	28
Closing balance, December 31, 2022	**321**	**0**	**127**	**449**
Accumulated depreciation and impairment				
Opening balance, January 1, 2021	**-92**	**0**	**-34**	**-126**
Right-of-use assets acquired/divested for the year, net	17	0	15	32
Depreciation for the year	-31	0	-27	-58
Exchange rate differences for the year	-6	0	-1	-7
Closing balance, December 31, 2021	**-112**	**0**	**-47**	**-159**
Opening balance, January 1, 2022	**-112**	**0**	**-47**	**-159**
Right-of-use assets acquired/divested for the year, net	10	0	18	27
Depreciation for the year	-41	0	-34	-76
Exchange rate differences for the year	-11	0	-3	-13
Closing balance, December 31, 2022	**-154**	**0**	**-67**	**-221**
As of January 1, 2021	133	0	42	175
As of December 31, 2021	**126**	**0**	**53**	**179**
As of January 1, 2022	126	0	53	179
As of December 31, 2022	**167**	**0**	**61**	**228**

The Group leases several types of assets, primarily premises and vehicles, but assets also include machinery and IT equipment to a limited extent. No leases include covenants or other limitations over and above collateral in the leased asset.

Lease liabilities

Group, SEKm	Dec 31, 2022	Dec 31, 2021
Short-term	79	66
Long-term	170	134
Lease liabilities in the balance sheet	**249**	**200**

Refer to Note 4 Financial risk management for the maturity analysis of lease liabilities.

Amounts recognized through profit or loss

Group, SEKm	2022	2021
Depreciation and impairment of right-of-use assets	-76	-58
Interest on lease liabilities	-5	-6
Variable lease payments not included in the measurement of the lease liability	-5	-1
Costs for short-term leases	-2	0
Costs for low-value leases, not low-value short-term leases	-1	-1

The total cash flow for leases in 2022 was SEK 87m (72).

Property leases
The Group leases buildings and land for its offices, warehouses and factories. The leases extend for periods of 1–24 years for offices, 1–13 years for warehouses and 3–20 years for factories.

Some leases include lease payments based on changes in a local price index. Accordingly, the Group is to some extent exposed to possible future increases in variable lease payments based on indices or interest that are not included in the lease liability until they enter into force. When index- or interest-linked adjustments of lease payments enter into force, the lease liability is remeasured and adjusted against the right-of-use asset. Some leases also require the Group to pay fees pertaining to property taxes levied on the lessor. These fees are set each year.

Extension and termination options
Some leases contain extension and termination options that the Group could choose to exercise or allow to expire. When the Group makes an assessment that sufficient financial inducement exists to extend a contract, an assumption is made from the start of the contract that it will be extended if possible. Extension options can only be used by the Group, not by the lessor. It is assumed that the extension option will not be used for contracts where the Group's assessment at the start of the contract was that the extension option held no significant financial incentives. The Group re-examines whether it is reasonably certain that an extension option will be exercised if there is an important event or significant changes in circumstances that are within the Group's control.

The Group's office leases extend for periods of 1–24 years. The majority of these contracts offer extension options, whereby the Group must notify the lessor that the Group intends to exercise an extension option at least 1 year before the contract expires. Other contracts are subject to automatic renewal unless the Group uses a termination option within a stated period prior to the end of the contract. This period varies among the contracts between 3, 6, 9 or 12 months.

The Group's warehouse leases mainly extend for periods of 1–13 years. Following the first period, most contracts can be extended for one or more periods of 1–5 years. Some of the contracts are automatically renewed unless terminated 1–9 months prior to the end date of the contract, while in other contracts the Group must actively notify the lessor of the choice to exercise an extension option no later than 1 year before the end date of the contract.

For offices and warehouses, in the majority of cases, the Group considers that it is not reasonably certain that the contracts will be renewed beyond the first period. In other words, the lease term is usually assessed as one period and is only extended if or when this assessment changes. The recognized lease liability for these contracts amounted to SEK 64m (48) and SEK 93m (61), respectively.

The Group also has contracts for factory leases. These extend for periods of 3–20 years, with options for the Group to extend for further periods. For the majority of factory leases, the Group's assessment is that it is reasonably certain that further periods will be used. The recognized lease liability for these contracts amounted to SEK 30m (37).

Over the year, lease liabilities/assets increased SEK 40m (2) as a result of utilizing options that were not previously included in the lease liability. Significant changes could arise in the future if the lease term of the Group's material property leases should be subjected to retesting.

Other leases
The Group also leases plant and machinery as well as other technical installations and equipment, tools, fixtures and fittings. These categories mainly comprise vehicles, machinery and IT equipment with respective lease periods of 1–7, 2–5 and 1–5 years. While residual value guarantees and extension options arise, these are of limited and non-material scope.

Payments for short-term leases of equipment and vehicles, and all low-value leases, are recognized on a straight line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value leases include IT equipment, small forklifts and other small pieces of equipment.

Note 22 Interest-bearing liabilities

	Group		Parent Company	
Long-term interest-bearing liabilities, SEKm	**Dec 31, 2022**	**Dec 31, 2021**	**Dec 31, 2022**	**Dec 31, 2021**
Long-term liabilities to credit institutions	2,812	1,418	2,812	1,418
Leases	170	134	–	–
Long-term derivative liabilities	1	7	–	–
Total	**2,983**	**1,559**	**2,812**	**1,418**
Short-term interest-bearing liabilities, SEKm				
Short-term liabilities to credit institutions	–	–	–	–
Overdraft facilities	–	–	–	–
Leases	79	66	–	–
Short-term derivative liabilities	28	14	–	–
Total	**107**	**80**	**0**	**0**
Term structure of liabilities, SEKm				
Overdraft facilities	–	–	–	–
1 year	107	80	–	–
2–3 years	2,879	75	2,812	–
4–5 years	48	1,464	–	1,418
More than 5 years	57	20	–	–
Total	**3,090**	**1,639**	**2,812**	**1,418**

Note 23 Accrued expenses and deferred income

	Group		Parent Company	
SEKm	**Dec 31, 2022**	**Dec 31, 2021**	**Dec 31, 2022**	**Dec 31, 2021**
Employee-related expenses	283	308	11	24
Bonuses to customers	154	223	–	–
Other items	194	185	1	1
Total	**631**	**716**	**12**	**25**

Note 24 Provisions

	Group		Parent Company	
SEKm	**Dec 31, 2022**	**Dec 31, 2021**	**Dec 31, 2022**	**Dec 31, 2021**
Restructuring expenses	1	2	–	–
Guarantee commitments	85	86	–	–
Other provisions	7	6	–	–
Total	**93**	**94**	–	–

SEKm	**Restructuring expenses**	**Other provisions**	**Guarantee commitments**
Carrying amount at beginning of year	2	6	86
New provisions	–	–	10
Amounts utilized during the period	-1	–	-14
Currency effect	0	1	3
Carrying amount at end of period	**1**	**7**	**85**

Note 25 Cash flow statement

SEKm	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
Interest paid	-64	-32	-28	-3
Adjustments for items not included in cash flow				
Anticipated dividends from subsidiaries	–	–	-650	-900
Depreciation/amortization and impairment of assets	200	153	–	–
Capital gain/loss from divestment of operations/shares/equipment	2	1	–	–
Unrealized and other financial items	59	23	–	–
Total	**261**	**177**	**-650**	**-900**

Reconciliation of liabilities attributable to financing activity

SEKm	Opening balance, January 1, 2022	Cash flows	Concluded agreements entered into, net	Financing costs	Exchange rate differences	Closing balance Dec 31, 2022
Long-term liabilities to credit institutions	1,418	1,305	–	2	87	2,812
Leases	200	-78	110	–	17	249
Derivative liabilities	21	–	–	–	8	29
Total according to balance sheet	**1,639**	**1,227**	**110**	**2**	**112**	**3,090**

Cash and cash equivalents

SEKm	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
The following sub-components are included in cash and cash equivalents:				
Cash and bank balances	176	149	–	–
Short-term investments, equal to cash and cash equivalents	0	0	–	–
Total according to balance sheet	**176**	**149**	**0**	**0**

Note 26 Appropriations

Parent Company, SEKm	2022	2021
Group contribution received	85	36
Total	**85**	**36**

Note 27 Participations in subsidiaries

Parent Company, SEKm	Dec 31, 2022	Dec 31, 2021
Opening cost	1,000	1,000
Closing accrued cost	1,000	1,000
Closing carrying amount of direct holdings of participations in subsidiaries	**1,000**	**1,000**

Name	Corp. Reg. No.	Registered office	Share of equity, %
Thule AB	556770-6329	Malmö	100
Thule Holding AB	556662-7138	Malmö	100
Thule Towing Systems AB	556259-0298	Malmö	100
Thule NV		Menen	100
Thule Organization Solutions Asia Pacific Ltd.		Hong Kong	100
Thule Trading (Beijing) Co. Ltd		Beijing	100
Thule Organization Solutions S.A.		Louvain-La-Neuve	100
Thule Organization Solutions S.A.R.L		Rosny-Sous-Bois	100
Thule Organization Solutions BV		Utrecht	100
Thule Finans AB	556043-6858	Malmö	100
Thule Sp.zo.o.		Huta	100
Thule Japan KK		Tokyo	100
Thule S.r.o		Prague	100
Thule Sweden AB	556076-3970	Gnosjö	100
Thule Brasil Comercial e importadora Ltda.		São Paulo	100
Thule Sweden Fastighet AB	559228-7469	Gnosjö	100
Thule IP AB	556578-1282	Malmö	100
Thule Merchandizing AB	556849-4016	Malmö	100
Thule Brasil Distribuidora Ltda		São Paulo	100
Thule Sport Rack Beheer B.V.		Staphorst	100
Thule Canada Holding LLC		Wilmington, Delaware	100
Thule Canada Inc.		Granby	100
Thule Holding ApS		Copenhagen	100
Brink Nordisk Holdings ApS		Copenhagen	100
Thule Inc.		Seymour	100
Thule Holding Ltd.		Haverhill	100
Thule Outdoor Ltd.		Haverhill	100
Thule Deutschland Holding AB	556662-7419	Malmö	100
Thule GmbH		Neumarkt	100

Note 28 Pledged assets

There are no pledged assets in the Group.

Note 29 Contingent liabilities

Group, SEKm	Dec 31, 2022	Dec 31, 2021
Bank guarantees	24	23
Pension liability, PRI	2	2
Other guarantee commitments	37	34
Total contingent liabilities	**64**	**58**

Note 30 Events after the balance sheet date

On February 9, Thule Group's Board of Directors decided to appoint Mattias Ankarberg as the new President and CEO of the company. To secure a seamless handover, Magnus Welander will remain in his role until Mattias Ankarberg has finished his current role.

Note 31 Related-party transactions

All of the Group companies presented in Note 27 are considered to be related parties. Transactions take place between Thule Group companies concerning deliveries of goods and services, and the provision of financial and intangible services. Market terms and pricing are applied to all transactions. All intra-Group transactions are eliminated. The Parent Company's transactions with subsidiaries comprise the transactions presented below.

Parent Company

Receivables from and liabilities to subsidiaries, SEKm	Dec 31, 2022	Dec 31, 2021
Long-term interest-bearing receivables	4,410	3,415
Short-term interest-bearing receivables	736	536
Long-term interest-bearing liabilities	–	368
Short-term interest-bearing liabilities	1,540	679
Total	**3,605**	**2,904**

Thule Group AB issued warrants as part of an incentive program for management. Warrants have been issued to and subscribed for by Thule Group AB's subsidiary, Thule AB.

For information regarding remuneration and benefits paid to executive management and the Board, refer to notes 10 and 11.

Assurance

The income statements and balance sheets will be presented to the Annual General Meeting on April 27, 2023 for adoption.

The Board of Directors and the CEO & President affirm that this Annual Report was prepared in accordance with generally accepted accounting policies in Sweden and that the consolidated financial statements were prepared in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and the Council issued on July 19, 2002 on the application of international accounting standards. The Annual Report and consolidated financial statements provide a true and fair view of the Parent Company's and the Group's financial position and earnings. The Board of Directors' Report provides a true and fair overview of the Parent Company's and the Group's operations, financial position and earnings, and describes the significant risks and uncertainties to which the Parent Company and the companies included in the Group are exposed.

Malmö, March 30, 2023

Hans Eckerström
Chairman of the Board

Mattias Ankarberg
Board member

Sarah McPhee
Board member

Heléne Mellquist
Board member

Therese Reuterswärd
Board member

Johan Westman
Board member

Helene Willberg
Board member

Magnus Welander
CEO & President

Our auditor's report was submitted on March 30, 2023.

PricewaterhouseCoopers AB

Eric Salander
Authorized Public Accountant
Auditor in Charge

Neda Feher
Authorized Public Accountant

Auditor's report

Unofficial translation
To the general meeting of the shareholders of Thule Group AB (publ), corporate identity number 556770-6311

Report on the annual accounts and consolidated financial statements

Opinions
We have audited the annual accounts and consolidated financial statements of Thule Group AB (publ) for the year 2022 except for the corporate governance statement on pages 70–77. The annual accounts and consolidated financial statements of the company are included on pages 54–126 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated financial statements 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 70–77. The statutory administration report is consistent with the other parts of the annual accounts and consolidated financial statements.

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 financial statements are consistent with the content of the additional report that has been submitted to the parent company's Board of Directors 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. Based on this, we determined which companies within the Group were deemed to be significant and determined audit activities to be performed on these companies. In total, 9 companies have been deemed to be significant. Entities that have not been deemed as significant, have been reviewed by the Group audit team. The majority of the entities not included in the Group audit are subject to statutory audits in their respective countries.

During the year, the Group audit team had digital and physical meetings with some of the significant entities in the Group with the aim of gaining understanding of the operations in these countries, compliance of the Group's internal control framework, including the process for financial reporting. The Group audit team has, in addition and amongst other things, executed an audit of the parent company, the consolidation, the annual financial statements and significant assumptions and estimates. Based on the performed audit activities mentioned above, we deem that we have obtained sufficient audit evidence to provide an opinion on the financial reports as a whole.

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 financial statements 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 financial statements 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
Impairment testing of goodwill	
As of 31 December 2022, the Group reported goodwill amounting to MSEK 4,963, which is specified in Note 16 where the allocation of goodwill and other intangible assets is presented. The reported value has been the subject to an impairment test, which contained both complex and major aspects of estimates. The impairment test has been prepared for the Group as the cash-generating unit. These tests imply that the Group is required to undertake future assessments regarding both the operation's internal and external premises and plans. Examples of such estimations include future cash flows, which amongst other things, requires assumptions on future product launches, price increases and marketing activities. In Note 1, section Impairments and Note 16, there is a description as to how the Group has made its assessment, and there is also a report on significant assumptions regarding the sustainable growth rate and the cost of capital (WACC), as well as regarding sensitivity analyses.	In executing our audit, we have focused on whether there is a risk for an impairment requirement as regards to goodwill. We have reconciled important assumptions with the company's budget and strategic plan, which includes evaluating management's assumptions and estimates. This has been done through an analysis of how well previous years' assumptions have been proven to be correct, and we have challenged the assumptions associated with those aspects which have the greatest impact on the impairment assessment, such as growth, earnings margins and cost of capital (WACC). We have also, through our own sensitivity analyses, tested the head-room margins for the cash-generating unit and based on these tests, we have assessed the risk of an impairment requirement. As a part of our audit, we have also assessed the calculation model applied by management. We have also assessed the accuracy of the disclosures included in the annual financial statements.

Other Information than the annual accounts and consolidated financial statements

This document also contains other information than the annual accounts and consolidated financial statements and is found on pages 1–53 and 131–165. The other information also consists of the Remuneration report which we have received before the date of this auditor's report and which has been published on the company's website before the publishment of this document. This information, in addition to the sustainability report and our statement regarding this report, do not constitute a part of the annual report. The Board of Directors and the Chief Executive Officer are responsible for this other information.

Our opinion on the annual accounts and consolidated financial statements 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 financial statements, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated financial statements. 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 Chief Executive Officer

The Board of Directors and the Chief Executive Officer are responsible for the preparation of the annual accounts and consolidated financial statements and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated financial statements, in accordance with IFRS as adopted by the EU. The Board of Directors and the Chief Executive Officer are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated financial statements, The Board of Directors and the Chief Executive Officer 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 Chief Executive Officer 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 Directors' 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 financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated financial statements.

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

The auditor's audit of the administration of the company and the proposed appropriations of the company's profit or loss

Opinions
In addition to our audit of the annual accounts and consolidated financial statements, we have also audited the administration of the Board of Director's and the Chief Executive Officer of Thule 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 Chief Executive Officer 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 Chief Executive Officer
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 Chief Executive Officer 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 Chief Executive Officer 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 financial statements, we have also examined that the Board of Directors and the Chief Executive Officer have prepared the annual accounts and consolidated financial statements 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 Thule 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 Thule Group AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Director's and the Chief Executive Officer
The Board of Directors and the Chief Executive Officer 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 Chief Executive Officer 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 Chief Executive Officer, 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 Chief Executive Officer.

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 70–77 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 financial statements and are in accordance with the Annual Accounts Act.

PricewaterhouseCoopers AB, 113 97 Stockholm, was appointed auditor of Thule Group AB (publ) by the general meeting of the shareholders on the 26 April 2022 and has been the company's auditor since the 26 April 2017.

Malmö 30 March 2023

PricewaterhouseCoopers AB

Eric Salander
Authorized Public Accountant
Auditor in charge

Neda Feher
Authorized Public Accountant

GRI content index

To adhere to the updated GRI (Global Reporting Initiative) requirements, we have incorporated additional disclosures into our annual reporting. For 2022 sustainability reporting we are reporting with reference to the GRI Universal Standards 2021, with certain omissions, which will be explained in the Appendix. Overall, we have 2 new environmental measures, and 15 new measures incorporated into social and governance reporting.

Statement of use:	Thule Group AB has reported the information cited in this GRI content index for the period January 2022–December 2022 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standards: Disclosure	Location	UN GC Principle	UN Sustainable Development Goal	Comments and omissions
GRI 2: General disclosure				
2-1 Organizational details	3			
2-2 Entities included in the organization's sustainability reporting				
2-3 Reporting period, frequency and contact point	131			
2-4 Restatements of information				
2-5 External assurance	156			Currently we externally assure our Scope 1,2 and 3 emissions.
2-6 Activities, value chain and other business relationships	3,4			
2-7 Employees	138	1–6	5, 8	
2-8 Workers who are not employees	138	1–6	5, 8	
2-9 Governance structure and composition	70–72	1–6	5, 8	
2-10 Nomination and selection of the highest governance body	70			
2-11 Chair of the highest governance body	70			
2-12 Role of the highest governance body in overseeing the management of impacts	156			
2-13 Delegation of responsibility for managing impacts	37, 156			
2-14 Role of the highest governance body in sustainability reporting	37, 156			
2-15 Conflicts of interest			16	
2-16 Communication of critical concerns				
2-17 Collective knowledge of the highest governance body	37, 156			
2-18 Evaluation of the performance of the highest governance body	72–75			
2-19 Remuneration policies	73, 93	1–6	5, 8	
2-20 Process to determine remuneration	73	1–6	5, 8	
2-21 Annual total compensation ratio	138	1–6	5, 8	
2-22 Statement on sustainable development strategy	8			
2-23 Policy commitments	8, 24, 41, 150		16, 17	
2-24 Embedding policy commitments			16, 17	
2-25 Processes to remediate negative impacts				

GRI Standards: Disclosure	Location	UN GC Principle	UN Sustainable Development Goal	Comments and omissions
GRI 2: General disclosure				
2-26 Mechanisms for seeking advice and raising concerns	37, 60, 62, 70		16	
2-27 Compliance with laws and regulations	37, 60, 62, 70		16, 17	
2-28 Membership associations			16, 17	
2-29 Approach to stakeholder engagement	37	3	11, 16, 17	
2-30 Collective bargaining agreements	139	3	11, 16, 17	
GRI 3: Material Topics 2021				
3-1 Process to determine material topics	156			
3-2 List of material topics				
3-3 Management of material topics				
GRI 201: Economic Performance 2016				
201-1 Direct economic value generated and distributed	4		8	
201-2 Financial implications and other risks and opportunities due to climate change	63		8, 13	
201-3 Defined benefit plan obligations and other retirement plans	93, 110, 145		8	
201-4 Financial assistance received from government	89			
GRI 202: Market Presence 2016				
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	139	1–6	5, 8, 10	
202-2 Proportion of senior management hired from the local community	139		5, 8, 10, 11	
GRI 203: Indirect Economic Impacts 2016				
203-1 Infrastructure investments and services supported	38–39		8, 9, 11	
203-2 Significant indirect economic impacts	7, 13		8, 9, 11, 12	
GRI 204: Procurement Practices 2016				
204-1 Proportion of spending on local suppliers	139		9, 11	
GRI 205: Anti-corruption 2016				
205-1 Operations assessed for risks related to corruption	37–38, 58, 65		10, 11, 16	
205-2 Communication and training about anti-corruption policies and procedures			10, 11, 16	
205-3 Confirmed incidents of corruption and actions taken	140		10, 11, 16	

GRI Standards: Disclosure	Location	UN GC Principle	UN Sustainable Development Goal	Comments and omissions
GRI 206: Anti-competitive Behavior 2016				
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices			10, 11, 16	
GRI 207: Tax 2019				
207-1 Approach to tax	62, 89, 162		16	
207-2 Tax governance, control, and risk management	62		16	
207-3 Stakeholder engagement and management of concerns related to tax	74		16	
207-4 Country-by-country reporting	78, 79, 80–89		16	
GRI 301: Materials 2016				
301-1 Materials used by weight or volume	139	7–9	12	
301-2 Recycled input materials used	139	7–9	12	
301-3 Reclaimed products and their packaging materials		7–9	12	N.A.
GRI 302: Energy 2016				
302-1 Energy consumption within the organization	45, 63, 150	7–9		
302-2 Energy consumption outside of the organization		7–9	6, 12	
302-3 Energy intensity	150	7–9	6, 12	
302-4 Reduction of energy consumption	44	7–9	6, 12	
302-5 Reductions in energy requirements of products and services		7–9	6, 12	
GRI 303: Water and Effluents 2018				
303-1 Interactions with water as a shared resource	43	7–9	6, 12	
303-2 Management of water discharge-related impacts	43	7–9	6, 12	
303-3 Water withdrawal	151	7–9	6, 12	
303-4 Water discharge	151	7–9	6, 12	
303-5 Water consumption	151	7–9	6, 12	
GRI 304: Biodiversity 2016				
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		7–9	6, 12	
304-2 Significant impacts of activities, products and services on biodiversity		7–9	12, 13, 14, 15	
304-3 Habitats protected or restored		7–9	13, 14, 15	
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations		7–9	13, 14, 15	

GRI Standards: Disclosure	Location	UN GC Principle	UN Sustainable Development Goal	Comments and omissions
GRI 305: Emissions 2016				
305-1 Direct (Scope 1) GHG emissions	148, 149, 150	7–8	7, 12, 13	
305-2 Energy indirect (Scope 2) GHG emissions	150	7–8	7, 12, 13	
305-3 Other indirect (Scope 3) GHG emissions	150	7–8	7, 12, 13	
305-4 GHG emissions intensity	150	7–8		
305-5 Reduction of GHG emissions	150	7–8	7, 12, 13	
305-6 Emissions of ozone-depleting substances (ODS)		7–9	7, 12, 13	Not used
305-7 Nitrogen oxides (NO_X), sulfur oxides (SO_X), and other significant air emissions		7–9		Not used
GRI 306: Waste 2020				
306-1 Waste generation and significant waste-related impacts		7–9	12	
306-2 Management of significant waste-related impacts	43, 45, 152, 156	7–9	12	
306-3 Waste generated	25, 43, 45, 68, 152, 156	7–9	12	
306-4 Waste diverted from disposal	152, 156	7–9	12	
306-5 Waste directed to disposal	152, 156	7–9	12	
GRI 308: Supplier Environmental Assessment 2016				
308-1 New suppliers that were screened using environmental criteria	150	7–8	12	
308-2 Negative environmental impacts in the supply chain and actions taken	65	7–8	12	
GRI 401: Employment 2016				
401-1 New employee hires and employee turnover	141	6	5, 8, 10	
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		6	5, 8, 10	
401-3 Parental leave	141	6	5, 8, 10	
GRI 402: Labor/Management Relations 2016				
402-1 Minimum notice periods regarding operational changes		6	5, 8, 10	

GRI Standards: Disclosure	Location	UN GC Principle	UN Sustainable Development Goal	Comments and omissions
GRI 403: Occupational Health and Safety 2018				
403-1 Occupational health and safety management system	142	1–2, 4–6	8, 12	
403-2 Hazard identification, risk assessment, and incident investigation	44	1–2, 4–6	8, 12	
403-3 Occupational health services		1–2, 4–6	8, 12	
403-4 Worker participation, consultation, and communication on occupational health and safety	50, 64	1–2, 4–6	8, 12	
403-5 Worker training on occupational health and safety	145	1–2, 4–6	8, 12	
403-6 Promotion of worker health		1–2, 4–6		
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		1–2, 4–6	8, 12	
403-8 Workers covered by an occupational health and safety management system	142	1–2, 4–6	8, 12	
403-9 Work-related injuries	143, 144	1–2, 4–6	8, 12	
403-10 Work-related ill health	144	1–2, 4–6	8, 12	
GRI 404: Training and Education 2016				
404-1 Average hours of training per year per employee	145	1–6	5, 8, 10	
404-2 Programs for upgrading employee skills and transition assistance programs	145	1–6	5, 8, 10	
404-3 Percentage of employees receiving regular performance and career development reviews	145	1–6	5, 8, 10	
GRI 405: Diversity and Equal Opportunity 2016				
405-1 Diversity of governance bodies and employees	146	1–6	5, 8, 10	
405-2 Ratio of basic salary and remuneration of women to men	146	1–6	5, 8, 10	
GRI 406: Non-discrimination 2016				
406-1 Incidents of discrimination and corrective actions taken	140	1–6	5, 8, 10	
GRI 407: Freedom of Association and Collective Bargaining 2016				
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		1–6	5, 8, 10	
GRI 408: Child Labor 2016				
408-1 Operations and suppliers at significant risk for incidents of child labor	65	1–6	5, 8, 10, 11	
GRI 409: Forced or Compulsory Labor 2016				
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor		1–6	5, 8, 10, 11	

GRI Standards: Disclosure	Location	UN GC Principle	UN Sustainable Development Goal	Comments and omissions
GRI 410: Security Practices 2016				
410-1 Security personnel trained in human rights policies or procedures	147	1–6	5, 8, 10, 11	
GRI 411: Rights of Indigenous Peoples 2016				
411-1 Incidents of violations involving rights of indigenous peoples		1–6	5, 8, 10, 11	
GRI 413: Local Communities 2016				
413-1 Operations with local community engagement, impact assessments, and development programs	147	1–6	5, 8, 10, 11	
413-2 Operations with significant actual and potential negative impacts on local communities		1–6	5, 8, 10, 11	
GRI 414: Supplier Social Assessment 2016				
414-1 New suppliers that were screened using social criteria	40, 44	1–6, 8	5, 8, 10, 11	
414-2 Negative social impacts in the supply chain and actions taken		1–6, 8	5, 8, 10, 11	
GRI 415: Public Policy 2016				
415-1 Political contributions				N/A
GRI 416: Customer Health and Safety 2016				
416-1 Assessment of the health and safety impacts of product and service categories	140	1–6, 9	9, 12	
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	140	1–6, 9	9, 12	
GRI 417: Marketing and Labeling 2016				
417-1 Requirements for product and service information and labeling	140	1–6, 9	9, 12	
417-2 Incidents of non-compliance concerning product and service information and labeling	140	1–6, 9	9, 12	
417-3 Incidents of non-compliance concerning marketing communications			9, 12	
GRI 418: Customer Privacy 2016				
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data			9, 12	

Contact person: Nashfa Hawwa | nashfa.hawwa@thule.com

Thule Group – GRI content

This report was prepared with reference to the GRI Universal Standards 2021. The GRI content index have been applied throughout this report, with certain omissions as explained in the Appendix.

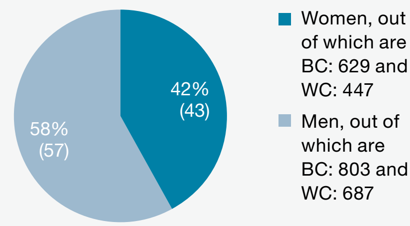
Each graph below has an explanatory text to clarify the graph's significance. The number of employees, promotions and employee turnover are also reported with reference to the GRI Standards' guidelines. In the Sustainability section we report the actual number of employees broken down by gender, age, new hires, promotions and employee turnover. In the financial section of the Annual Report, the number of employees is given as the average in accordance with the Annual Accounts Act. No major differences arose between the reporting methods.

GRI 2-7:
Employees

Temporary employment contracts are applied in high season, especially for blue collar workers.

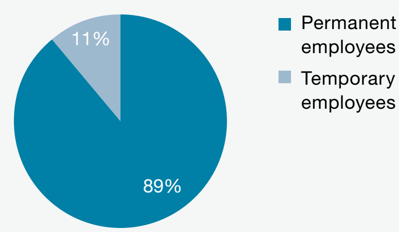
Employees by region and gender, 2022	%	Men	Women
Poland	29	327	414
Rest of Europe	31	507	277
North America	16	232	170
Sweden	21	369	178
South America	1	28	9
Asia	2	27	28
Total	**100**	**1,490**	**1,076**

Type of work 2022 (2021), % of men and women



Employees by type of contract, 2022	%	Number
Full time workers on permanent contracts men	48	1,225
Full time workers on permanent contracts women	34	874
Part time workers on permanent contracts men	3	80
Part time workers on permanent contracts women	4	100
Workers in seasonal/temporary contracts men	7	185
Workers in temporary seasonal/temporary women	4	102
Total	**100**	**2,566**

Type of contract



GRI 2-8:
Workers who are not employees, Dec 31, 2022

2022	Number
Number of agency workers	21
Number of consultants	39
Number of student interns/apprentices	41
	101

GRI 2-21:
Annual total compensation ratio

GRI 2-21a:
The compensation ratio between highest paid executive and average salary level for total number of employees.

18

GRI 2-21b:
Ratio of salary increase for highest paid executives and average salary increase for other employees.

3

GRI 202:

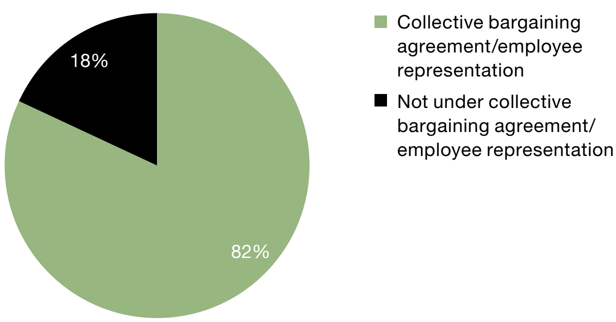
Market presence %

GRI 202-2: Proportion of senior management hired from the community, percent.

100

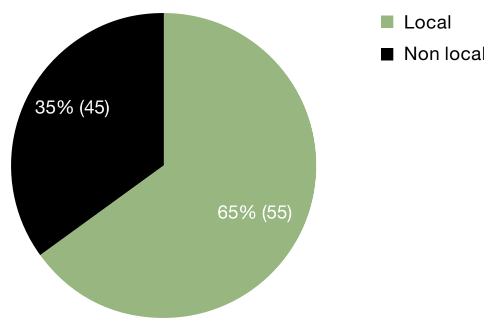
GRI 2-30:

Percentage of employees with collective bargaining agreement, 2022



GRI 204-1:

Proportion of spending on local suppliers, 2022 (2021)



GRI 301-1:

Materials used 2022, tCO_2eq

	Tons	tCO_2eq
Steel	14,716	31,272
Aluminum	13,644	99,012
Plastic	14,663	66,328
Packaging	6,629	7,861
Textiles	3,121	19,931
Total	**52,773**	**224,404**

GRI 301-2:

Recycled input materials used 2022

	2022	2021
Plastic, %	8	13
Paper packaging, %	29	26
Textiles, %	2	3
Total	**39**	**16**

The data in this table shows the total percentage of recycled material used per material category in 2022, out of the total weight of purchased materials.

In 2021, we reported on the use of recycled textiles and plastics. This year, we have gathered more data and are able to disclose the recycled materials used in paper packaging.

GRI 308-2, 414-2:

Number of CSR audits at our suppliers, 2022

	No. of audits
Poland	13
China	15
Italy	2
India	1
Latvia	1
Lithuania	1
Portugal	1
Spain	1
Indonesia	1
Taiwan	1
Romania	1
Slovakia	1
Vietnam	1
Hungary	1
Total	**41**

GRI 308-2, 414-2:

Number of suppliers audits in 2022

Score	No. of audits
>85%	33
71%-85%	6
51%-70%	2
<50%	0

Thule Group conducts an annual risk assessment to determine which suppliers are relevant for our CSR audit program.

- All suppliers are ranked by spend.
- Suppliers are categorized by country of operation at the levels: high, medium and low risk.
- Suppliers with high-risk processes and suppliers who supply specific product categories are identified. This process enables Thule Group to focus on suppliers in countries with medium to high risk , and with specifically prioritized processes and product categories.

In 2022, 41 suppliers were audited (35 direct suppliers and 6 tier 2 suppliers). 100 percent of the audited suppliers implemented the corrective measures. If a supplier scores below 50 percent, we limit further purchases from the supplier and conduct a new audit within the next six months.

Incident reporting 2022

GRI 205-3 Incidents of corruption and actions taken	0	
GRI 206-1 Incidents of anticompetitive behaviour	0	
GRI 308-2 Negative environmental impacts in the supply chain and actions taken	0	
GRI 406-1 Cases of discrimination	0	
GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	119	*We resolved 119 incident claims in 2022 (72% of all incident claims received in 2022). An incident claim is for the replacement of a product, or to receive a spare part. In response to the claims, we supplied 20,351 spare parts or pieces to be replaced. In 2022, we also repaired 1,295 products from Thule service centers in Germany, Belgium, Poland and UK.*
GRI 417-2 Incidents of non-compliance concerning product and service information and labelling	1	*We received one external request from our customers to update our labelling according to the Triman regulation, whereby we responded to that request by changing our packaging label.*
GRI 417-3 Incidents of non-compliance concerning marketing communications	0	
GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	0	
GRI 419-1 Incidents of fines or sanctions for breaches of social and economic laws	0	

GRI 401-1:

New employee hires 2022

- 40% of all new hires are women, 61% of new hires are from Europe.
- 23% of new hires are white collar workers, out of which 83% are women.
- 77% of new hires are blue collar workers, out of which 62% are women.

Age groups	Region	BC* %	WC* %	Total %
Women <30 years	Europe	7	4	18
	Americas	6	1	
	Asia	0	0	
Women 30–50 years	Europe	9	4	19
	Americas	6	0	
	Asia	0	1	
Women > 50 years	Europe	2	0	2
	Americas	1	0	
	Asia	0	0	
Men <30 years	Europe	11	5	26
	Americas	10	0	
	Asia	0	0	
Men 30–50 years	Europe	11	4	27
	Americas	10	1	
	Asia	5	1	
Men >50 years	Europe	3	1	7
	Americas	3	0	
	Asia	0	0	
Total		**77**	**23**	**100**

* BC: Blue collar
WC: White collar

GRI 401-3:

Parental leave 2022

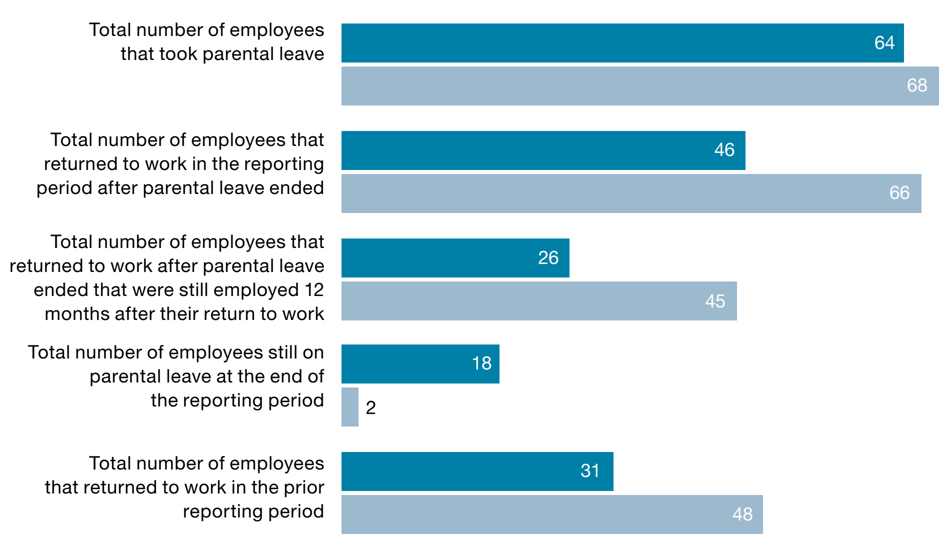
Women Men

Actual number of employees

PERCENTAGE OF EMPLOYEES ENTITLED TO PARENTAL LEAVE IN TOTAL:
100%

RETURN TO WORK RATE:
Women: 72%
Men: 97%

RETENTION RATE:
Women: 84%
Men: 77%



GRI 401-1:
Employee turnover 2022

- Total blue collar 1,432.
- Total white collar 1,134.
- Total turnover rate in 2022: 39%.
- Total employees: 2,566

This table illustrates voluntary turnovers, and turnovers that are determined by seasonal or fixed contracts, and mandated turnovers which are involuntary.

Turnovers blue collar	Region	Turnovers* %	Mandated turnover %
Women <30 years	Europe	5	0.3
	Americas	5	1.7
	Asia	0	0.0
Women 30–50 years	Europe	4	0.3
	Americas	6	2.2
	Asia	0	0.0
Women > 50 years	Europe	2	0.1
	Americas	1	0.6
	Asia	0	0.0
Men <30 years	Europe	8	1.6
	Americas	9	3.2
	Asia	0	0.0
Men 30–50 years	Europe	5	2.2
	Americas	9	3.0
	Asia	0	0.0
Men >50 years	Europe	1	0.1
	Americas	3	1.8
	Asia	0	0.0
Total		**58**	**17.1**

Turnovers white collar	Region	Turnovers* %	Mandated turnover %
Women <30 years	Europe	1.9	0.0
	Americas	0.8	0.2
	Asia	0.1	0.0
Women 30–50 years	Europe	2.1	
	Americas	1.1	0.4
	Asia	0.4	0.0
Women > 50 years	Europe	0.3	0.0
	Americas	0.2	0.1
	Asia	0.0	0.0
Men <30 years	Europe	2.0	0.1
	Americas	0.8	0.3
	Asia	0.0	0.0
Men 30–50 years	Europe	2.6	0.4
	Americas	1.1	0.7
	Asia	0.2	0.0
Men >50 years	Europe	0.9	0.1
	Americas	1.1	1.0
	Asia	0.0	0.0
Total		**15.3**	**3.1**

* Turnovers voluntary or determined by contract

GRI 403-1:
Occupational health and safety management system

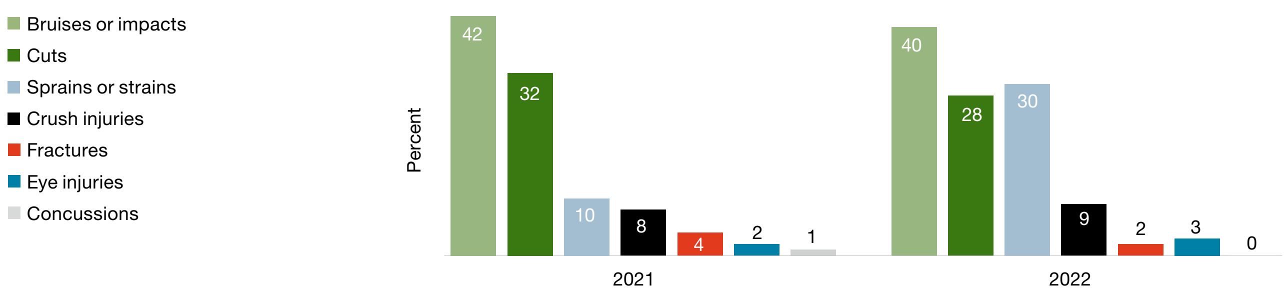
The occupational health and safety management system of Thule Group's production facility in Haverhill, UK is ISO 45001 certified. All of Thule Group's production facilities also work with occupational health and safety management under the direct guidance of Thule Group's Health and safety Committee.

GRI 403-8:
Workers covered by an occupational health and safety management system

All of Thule Group's employees are covered by occupational health and safety management systems at our production facilities.

GRI 403-9:

Types of work-related injuries 2022 in percent



LOST DAYS PER MILLION HOURS WORKED: 1,271

NO. OF ACCIDENTS LEADING TO 8 LOST HOURS: 68

NUMBER OF CASES OF RECORDABLE WORK RELATED ILL HEALTH OR FATALITIES: 0

RATE OF HIGH CONSEQUENCE WORKRELATED INJURIES (EXCLUDING FATALITIES): 0

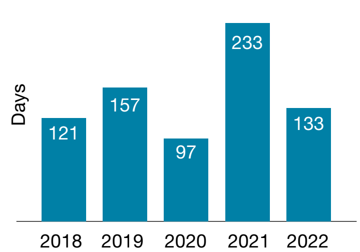
GRI 403-9:

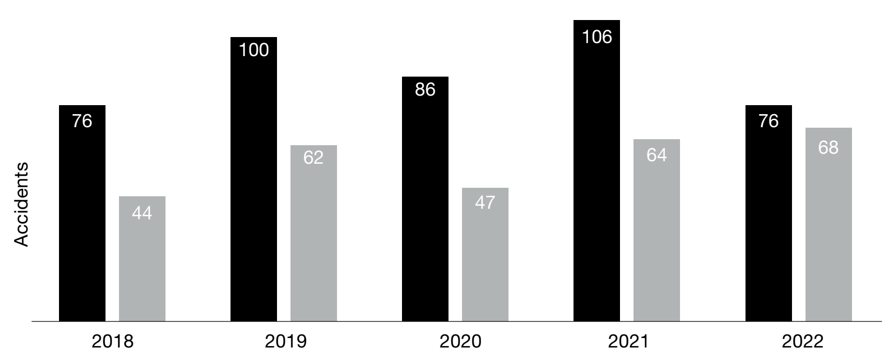
Work related accidents and injuries 2018–2022

Lost days per million hours worked

No. of work related accidents No. of accidents leading to at least 8h lost

No work-related deaths occurred during the year.

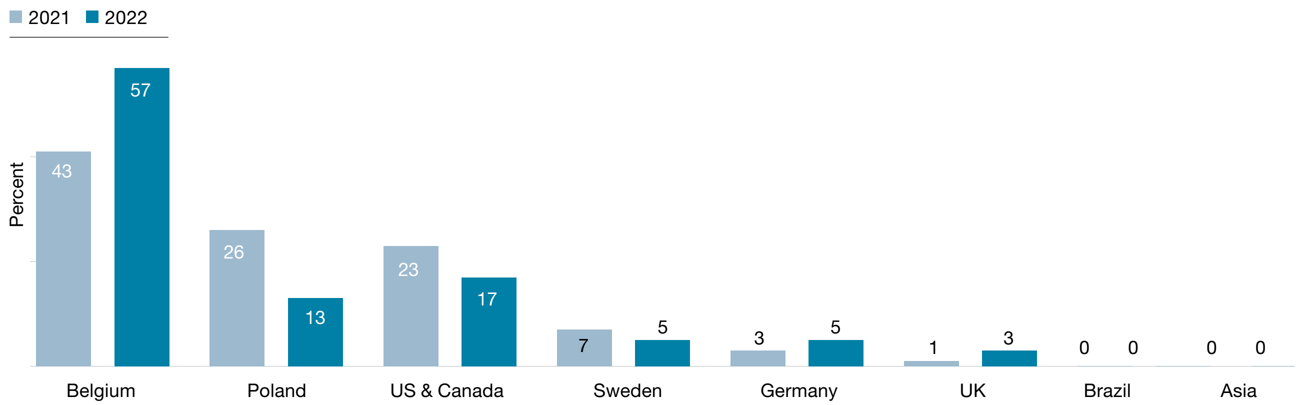




In the 2021 Annual Report, we published 96 lost days per million hours worked. However, due to a change in the calculation method which involves number of hours worked, we have revised the number to 233 accidents per million hours worked, for 2021.

GRI 403-9:

Workplace accidents and related injuries by sites 2022, in percent



GRI 403-9:

Total number of hours worked by employees of Thule Group in 2022

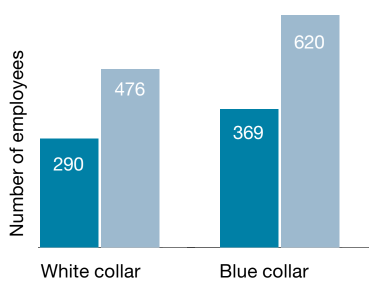
Number of total hours decreased by 11 percent in 2022 compared to 2021.

GRI 403-5:

Worker training on occupational health and safety 2022

■ Women ■ Men

- 68% of Thule Group employees received OHS training in 2022.
- 73% of all men received OHS training, and 61% of all women received OHS training.
- 67% of all WC and 69% of all BC received OHS training.

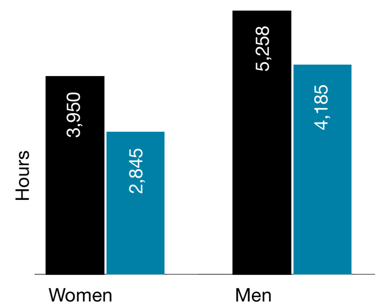


GRI 404-1:

Average hours of education per year 2022

■ White collar ■ Blue collar

- 95% of women received training and education.
- 92% of men received training and education.
- Average hours of training per employees is 191 hours.



GRI 404-2:

Programs for upgrading employee skills and transition assistance programs

We provide internal and external training programs for employees in different areas such as communications, product development, leadership skills, calibration, GD&T (Geometric Dimensioning and Tolerancing) trainings, and software enhancement trainings. We also provide training on new policies, legislation or trends. For BC workers, we also provide safety training on forklifts, manual handling, refresher courses on laser operations,
welder parameters, tube bending, and weld specification.

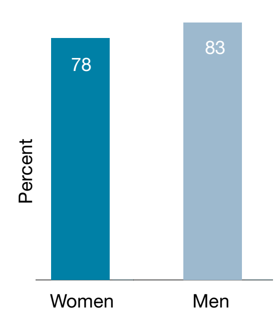
Transition assistance programs to facilitate management of career endings resulting from termination of employment:
We provide unemployment assistance, provide severance pay, and outplacement counselling.

Transition assistance programs to facilitate management of career endings resulting from retirement:
We provide access to financial management webinars, retirement planning webinar and unemployment assistance.

GRI 404-3:

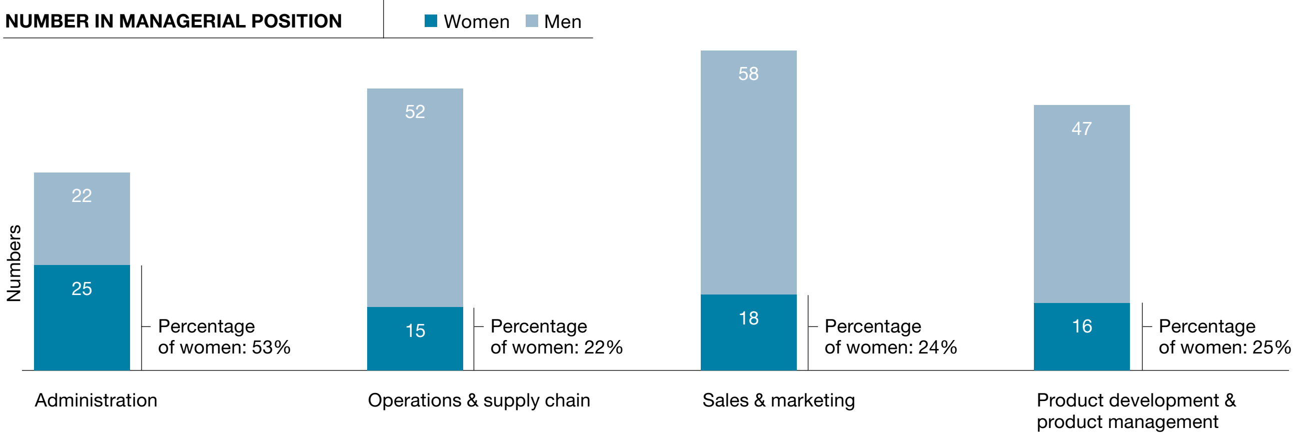
Percentage of employees who received performance and career development reviews 2022

RECEIVED PERFORMANCE REVIEW AND CAREER DEVELOPMENT REVIEWS: 81% OF ALL EMPLOYEES



GRI 405-1:
Employees by function 2022

NUMBER IN MANAGERIAL POSITION



GRI 405-2:
Ratio of basic salary and renumeration women to men 2022

Employee Category	Ratio
Executive level	99.05
Top management	105.56
Mid-level	94.51
Entry level	99

Satisfaction index according to employee survey 2022

PARTICIPATION IN THE SURVEY:
1,134 (100%) WC WORKERS
1,023 (71%) BC WORKERS

	Satisfaction Index, %
Workplace climate	75
Work environment	82
Leadership	78
Organization	78
Core values	81
Total Satisfaction Index	**78**

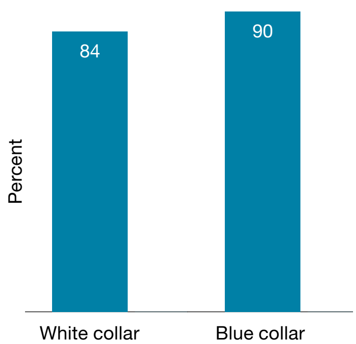
In 2022, 84 percent of employees participated in the employee satisfaction survey. The overall satisfaction index for 2022 is 78 percent.

GRI 405-1:
Diversity of governance bodies and employees 2022

- 41% of women in top+executive positions.
- 48% of women in mid level.
- 38% of women in entry level, 62% of men in entry level.

	Men	Women	% of women
The Board			
> 50 years	1	3	
30–50 years	2	1	57
< 30 years	0	0	
Executive level			
> 50 years	4	1	
30–50 years	2	0	14
< 30 years	0	0	
Top Management			
> 50 years	28	7	
30–50 years	34	16	27
< 30 years	0	0	
Mid level			
> 50 years	106	102	
30–50 years	347	353	48
< 30 years	113	78	
Entry level			
> 50 years	195	131	
30–50 years	420	256	38
< 30 years	241	132	
Total	**1,490**	**1,076**	

GRI 410-1:
Employee training on human rights policies or procedures 2022



GRI 413-1:
Operations with local community engagement, impact assessment and development programs

OUR ENGAGEMENTS WITH THE LOCAL COMMUNITY ARE INSPIRED BY THE FOLLOWING CRITERIA:

1. Is it a community engagement activity that promotes an active life?
2. Is it an activity that promotes Thule Group's core values?
3. Is it an activity that is inclusive, including people from vulnerable groups?
5. Does it involve nature?

We cooperate with local programs and organizations, and follow their input on what to give, how to give and when to give. We also give them time to inform our employees about the different local community projects whereby our employees can contribute to. For instance, in 2022, we spent SEK 1,270,850 to engage with local community organisations such as RBU in Sweden (Sweden's National Association for Disabled Children and Adolescents), Städa Sverige (Clean Sweden), and UNHCR, as well as to raise money for prostate cancer awareness in the month of November.

In our other locations in Europe, we also conducted forest cleaning activities, and engaged with local communities to organize activities for school children, and to provide gifts for elderly and seniors.

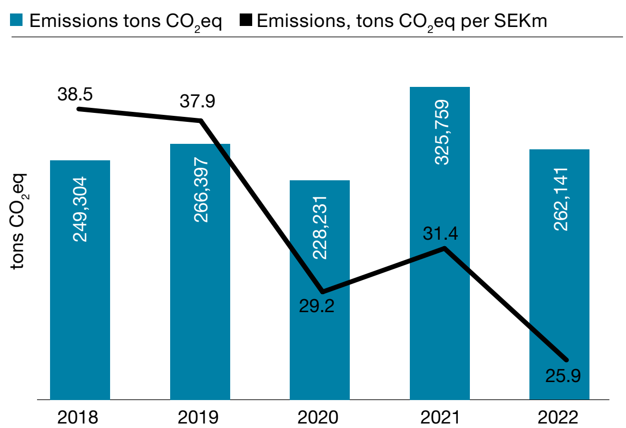
Another event we were proud to contribute to was "The Hand Project" in Germany. The Hand Project is a unique CSR opportunity for organisations to assemble real functional prosthetic hands for people in need in developing countries. The Hand Project enabled our team to make a real difference in the world.

Thule Group in Americas also actively engages with Affirmative Action plans, and participates in equal employment opportunity commissions. We are also part of the Manufacturing Association, Employer HR Association, and OSHA Commission.

We also engage in local food drives, local charity events such as Toys for Tots, Coat Drive, and engage with local boy scouts and other charity organisations.

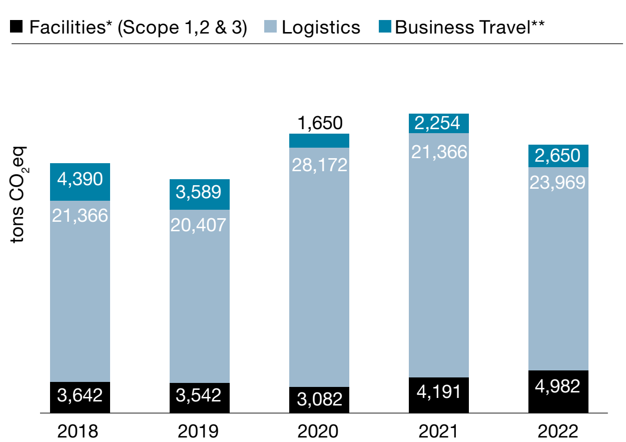
Sustainability in numbers — Other

Emissions and sales, tons of CO_2eq

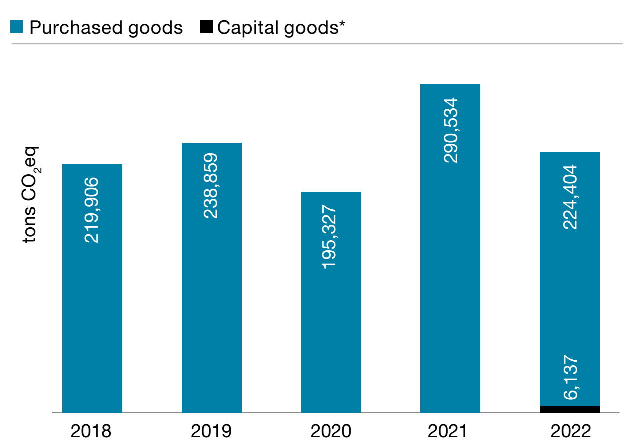


Compared with our 2019 baseline, emissions per SEKm decreased by 32 percent
In addition to increases in production and sales, the trend of emission reduction per SEKm reflects our commitment to sustainability, whether it is in purchasing lower emission materials, improving energy efficiency in our productions, and operations, switching to more electric vehicles, using smarter logistics, or reducing business travels.

Climate Impact



*direct energy, indirect electricity consumption
**includes company cars

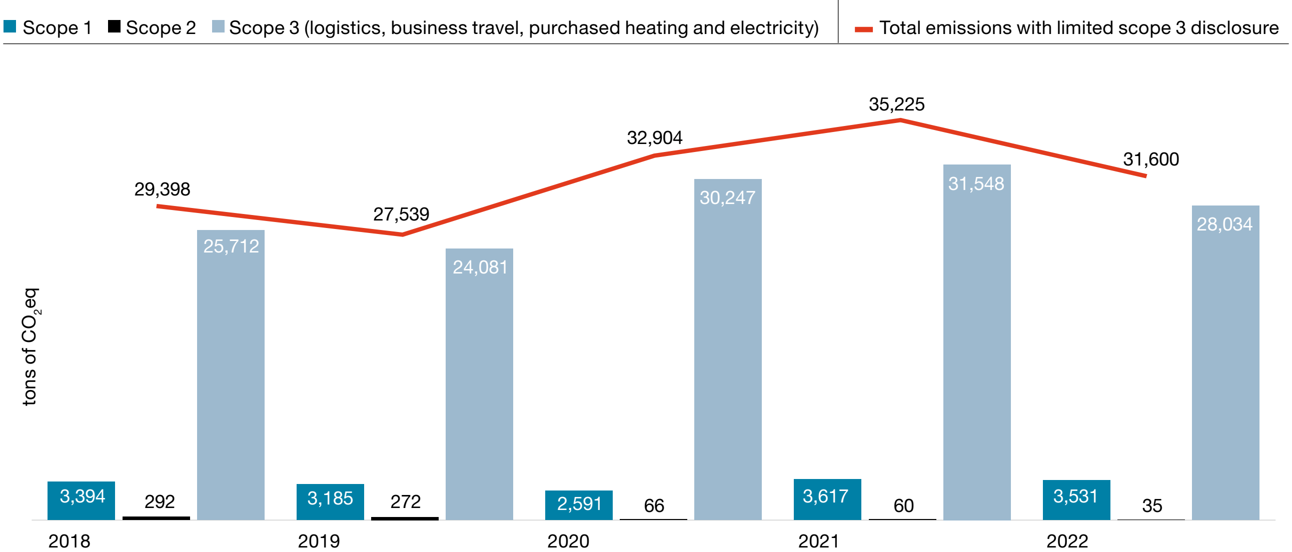


*new facilities, extensions, renovation

GHG Emissions

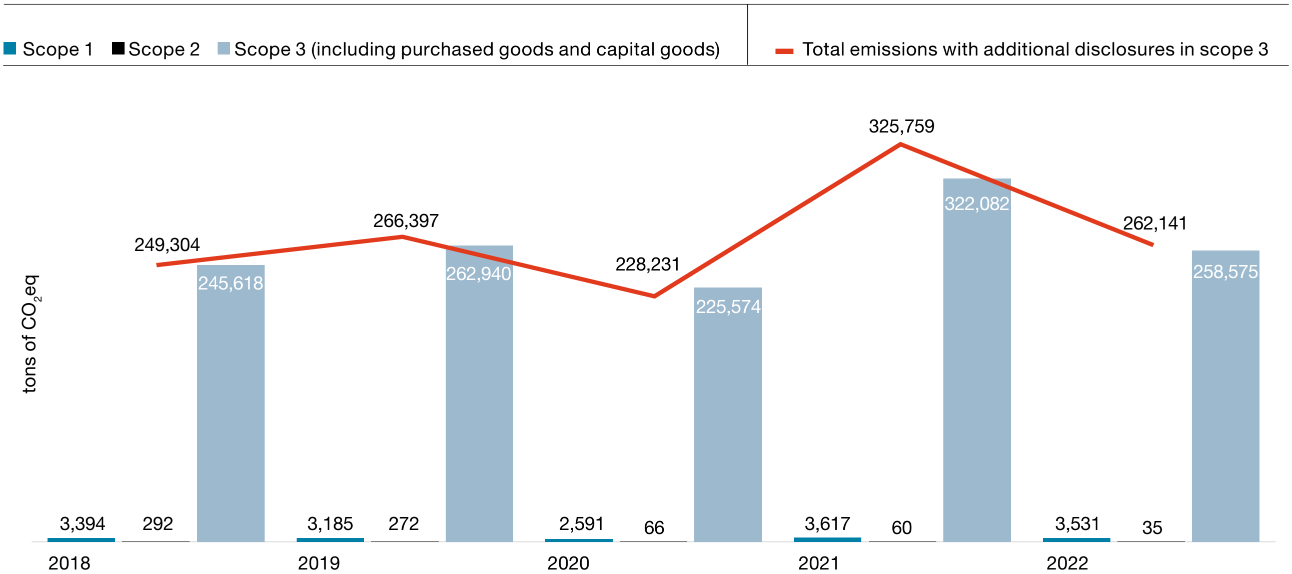
During previous years, we have disclosed our scope 1, 2 and 3 Greenhouse gas (GHG) emissions (see graph 1a). Scope 3 emissions have been by far the largest category, and our reporting has been limited to Purchased heating, Purchased electricity, Business travel, and Logistics.

1 a. Emissions with limited scope 3 disclosure



Limited disclosure in Scope 3 includes only logistics, business travel, purchased heating and electricity.

1 b. Emissions with new disclosures in Scope 3



Scope 3 disclosures in graph 1b includes logistics, business travel, purchased heating and electricity, and the newly incorporated data from purchased goods and capital goods.

In 2022, following the requirements of the GHG Protocol, our SBTi 2030 commitments and application to set Net Zero targets, we have expanded the scope of our disclosure regarding Scope 3 emissions in order to include Purchased goods and Capital Goods, which reflect the impact of the materials used both in our products and in the expansion of our facilities. In addition, for the first time we disclose disaggregated data on purchased materials (GRI 301-1). To provide comparability and for the sake of transparency, where data availability permits, we disclose and revise-up GHG emissions figures for the previous four years (see graph 1b on previous page). Such noticeable change on Scope 3 emissions reflects Thule's core business activity, which relies upon the manufacturing and transformation of raw materials, parts and whole products.

It is worth noting that our SBTi 2030 climate targets and our application to Net Zero use the 2019 GHG emissions report as baseline year. The baseline uses the complete range of emissions including the category of Purchase Goods that we begin disclosing in this year's report and will continue to disclose in the upcoming years. As required by the GHG Protocol and the SBTi, the 2019 baseline can be subject of recalculation after a five year period.

At Thule we continue to improve our data collection routines and collective knowledge both at Thule and across the industry concerning the climate impact of raw materials and industrial processes. This is reflected in an overall improvement in the quality of our reported data, as well as in our R&D and purchasing practices. In particular, we continue our R&D work in collaboration with key suppliers in order to design products that use materials and parts with a reduced climate impact. Among such initiatives, during Q3 for our European manufacturing, we have begun purchasing low GHG emissions Aluminium, which will reduce the overall climate impact of our economic activities.

Emissions, tons of CO_2eq

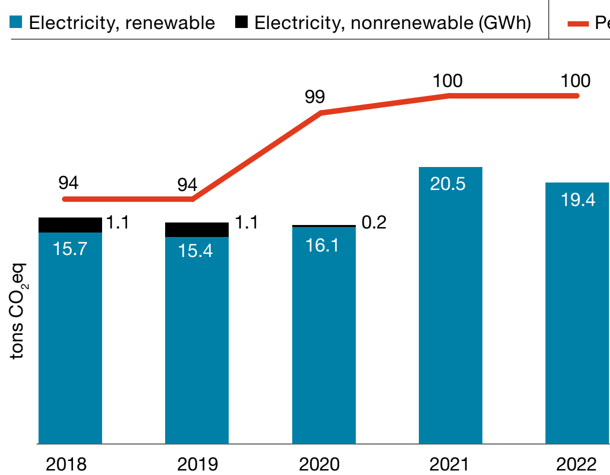
	2022	2021	2020	2019	2018
Direct emissions (scope 1)	3,531	3,617	2,591	3,185	3,394
Indirect emissions (scope 2)	35	60	66	272	292
Total scope 1 & 2	**3,566**	**3,677**	**2,656**	**3,458**	**3,686**
Scope 3 (logistics, business travel, purchased heating and electricity)	28,034	31,548	30,247	24,081	25,712
Scope 3 (purchased goods and capital goods)	230,541	290,534	195,327	238,859	219,906
Total scope 3	**258,575**	**322,082**	**225,574**	**262,940**	**245,618**
Total	**262,141**	**325,759**	**228,231**	**266,397**	**249,304**

Energy (GWh) and energy intensity (GWh/SEKm)

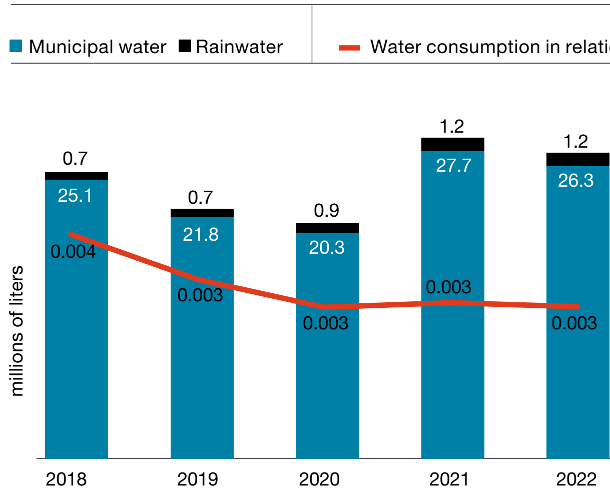
GWh	**2022**	**2021**	**2020**	**2019**	**2018**
Fuel, renewable**	1.3	2.3	1.5	1.0	1.3
Fuel, non-renewable*	10.5	11.3	8.2	13.9	15.5
Purchased electricity	19.4	20.6	16.2	16.4	16.7
Purchased heating	0.29	0.32	0.25	0.25	0.27
Energy intensity (GWh/SEKm)	0.00311	0.00332	0.00335	0.00448	0.00519

* Non-renewable fuel includes diesel, gasoline, heating oil, LPG and natural gas.
** Renewable fuel includes bio gas and ethanol.

Electricity (GWh) and proportion from renewable sources (%)



Water withdrawal, water consumption, millions of liters

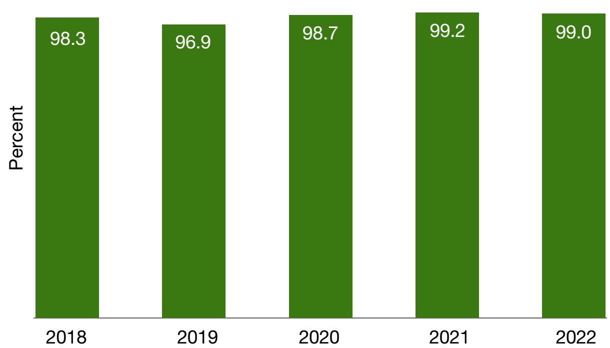


Water discharge
In previous years, we have not reported on water discharge. This year we are reporting on water discharge and distinguishing it with the fact that it is third party water discharge i.e., discharge to municipal water treatment systems and not to the natural environment.

Water recycling
Despite the fact we have relatively small amounts of recycled water used in closed-loop production systems, we are reporting on this measure to adhere to the GRI requirements.

As explained above, most of the water is discharged into municipals systems.

Recycling rate, %



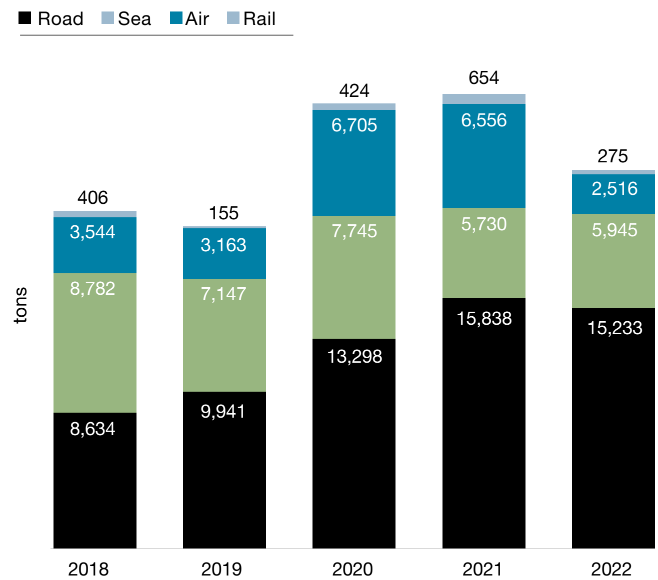
Waste, metric tons

tons	2022	2021	2020	2019	2018
Hazardous waste – recycled	240	77	16	0	0
Hazardous waste energy recovery, incineration and reuse	314	–	–	–	–
Hazardous waste – non recycled	12	220	194	239	229
Non-hazardous waste – landfill (fabric, ceramic, other)	77	86	98	225	132
Non-hazardous waste – recycled material (plastic, metal, packaging, wood, plastic regrind)	7,538	9,233	6,709	6,458	6,940
Non-hazardous waste – with energy recovery	1,049	1,048	624	509	456
Total waste	**9,230**	**10,663**	**7,641**	**7,432**	**7,757**

From this year onwards, we begin disaggregating our reporting of Hazardous waste management. This allows us to show the types of practices employed in waste disposal and management. For non-hazardous waste recycling, we have included the amount of plastic regrind into the overall calculation of non-hazardous waste recycling.

Regarding hazardous waste, previously we did not report on the hazardous waste that was incinerated or reused. This year, we are able to disclose the hazardous waste that is either reused or incinerated, and this allows us to capture the different ways we manage hazardous waste. In addition, this allows us to isolate the actual amount of hazardous waste that is not recycled.

Logistics – emissions, tons of CO_2eq



Emissions from logistics decreased by 17 percent in 2022 compared to 2021. The emissions thus follow the pattern of the sales volume, which decreased in 2022 compared to 2021.

However, it is important to highlight that several actions have been taken in order to drive CO_2eq reduction from logistics, and improve our data collection. One of the main actions for 2022 is the implementation of a new approval process, whereby a manager's approval is needed before booking any air freight. This has resulted in a reduction of air shipments, which can also be reflected from the emissions, where the total CO_2eq dropped from 6,556 to 2,516 tons (between 2021–2022) resulting in the reduction of air freight by 62 percent compared to 2021.

With regards to road shipments, as can be seen in the graph, the emissions remain quite high. This has two main explanations:

1) Volumes of road shipments remained high despite reduction of sales. This follows the trend of road shipments being the most frequently used mode of transport globally, as they are more accessible and have lower emissions than air freight.

2) Change in data granularity. While the methodology for calculating logistics emissions is the same as for previous years, we have improved the data quality and granularity of emissions data for road shipments.

In previous years, parcel shipments were categorized as Less than Truckload (LTL) transports. In 2022, we identified emission factors for parcel shipments, and we obtained third party assurance for calculations of emissions for parcel shipments.

Therefore, the decision to separate parcel shipments from LTL transports resulted in improved granularity of road shipments, and consequently reflected in higher road emissions, since parcel shipments have five times higher CO_2eq impact.

Due to this change in data granularity, it appears as if the road emissions have gone up compared to all previous years. In reality it is our knowledge that has improved, helping us to better understand both our upstream and downstream logistics.

Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in Thule Group AB (publ), corporate identity number 556770-6311

Engagement and responsibility
It is the board of directors who is responsible for the statutory sustainability report for the year 2022 on pages 36–52 and 131–153 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.

Malmö, 30 March 2023

PricewaterhouseCoopers AB

Eric Salander
Authorized Public Accountant
Auditor-in-charge

Neda Feher
Authorized Public Accountant

External sustainability assessments

The following external institutes and companies evaluate Thule Group each year in terms of sustainability and ESG results.

CDP

CDP (Carbon Disclosure Project) is a non-profit charity that collects and compiles companies' reports on their environmental impact, governance, strategy, risks and possibilities. Thule Group completes the annual climate change questionnaire that CDP later evaluates and scores. A number of other organizations that produce sustainability assessments based on ESG use CDP as an important data source.

Thule Group received grade C by CDP in 2022.

DOW JONES SUSTAINABILITY EUROPE INDEX

Member of
Dow Jones
Sustainability Indices
Powered by the S&P Global CSA

In 2022, Thule Group was included, as one of 12 Swedish companies, in the S&P Dow Jones Sustainability Europe Index (DJSI).

The Dow Jones Sustainability Europe Index lists the top 20 percent companies in terms of sustainable development among the 600 most important European companies in the S&P Global Broad Market Index. Thule Group was included in the Industry group "Consumer Durables & Apparel".

Read more

ECOVADIS

EcoVadis is a company that provides sustainability assessments of companies that have global supply chains.

In 2020, Thule Group advanced from Gold to EcoVadis' highest rating, Platinum, for our sustainability work.

Thule Group received 75 of a maximum of 100 points and thus belongs to the best 1 percent of all (more than 65,000) companies in 160 countries under review by EcoVadis.

GAIA

Gaia is a branch of the French firm, EthiFinance. Gaia conducts annual assessments and scores the sustainability work of SMEs.

Thule Group scored 76 out of a maximum score of 100.

ISS-OEKOM

ISS-oekom is a company within the ISS Group that conducts annual sustainability assessments and provides ratings for global companies.

Thule Group received a rating of C+ (Prime) of the maximum A+.

MSCI

MSCI is a global company that provides various stock market indices and assessments. Each year, MSCI ESG Research LLC assesses and evaluates Thule Group's sustainability work.

Thule Group received the highest rating, AAA since 2016.

NASDAQ LISTING CENTER

Nasdaq Listing Center is a subsidiary of Nasdaq Inc., which owns and operates nine global stock exchanges. Each year, Nasdaq Listing Center collects the listed companies' ESG data to ensure stock market transparency.

Thule Group is transparent in terms of sharing ESG data and actively participates in this annual data collection by updating the data already registered and, where appropriate, updating with additional data. The Nasdaq Listing Center does not give the participating companies ratings or points, but rather collects ESG data to help investors make decisions.

SUSTAINALYTICS

Sustainalytics is a Dutch company that uses public ESG data to assess and score companies annually on their sustainability work.

Thule Group received a rating of 68.5 of the maximum 100 and the lowest level of ESG risk, negligible.

south pole

This assurance statement is published in its original version provided by South Pole.

Assurance Statement: AA1000

This is a statement from the independent assurance by South Pole of Thule Group's 2022 reporting of greenhouse gas (GHG) emissions.

Background and criteria
The assurance provider South Pole was engaged by Thule AB ('Thule') to provide independent assurance of Thule Group's GHG reporting for the calendar year 2022. The GHG inventory has been developed by Thule based on GRI Standards. The scope of this assurance covers and is limited to GHG accounting and reporting.

The GHG Protocol Corporate Accounting and Reporting Standard (Revised Edition, 2004), and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard, developed by the World Business Council for Sustainable Development and the World Resources Institute, have been used as criteria for reviewing Thule Group's GHG inventory. This assurance is based on the AA1000AS v3 with Type 2 moderate-level assurance.

Responsibility
Thule has sole responsibility for the content of its GHG inventory. Thus, the information reviewed is the sole responsibility of Thule. South Pole's responsibility is to provide an independent assessment of the completeness and accuracy of the GHG inventory based on the AA1000AS v3 assurance process.

Intended user
The intended users of this assurance statement are, among others, the management, and stakeholders of Thule Group.

Methodology
The greenhouse gas accounting was performed by Thule through a platform provided by a separate third-party organisation. The scope of the assurance made by South Pole is the independent and objective review of these reported GHG emissions. A review of the submitted documentation was undertaken and other available documents were checked by the members of the verification team. To further analyse the correctness and accuracy of the information provided, follow-up interviews were conducted. In addition to reviewing the processes by which Thule Group defines the sustainability issues relevant to and material for its operations and stakeholders, the verification process checked the following for the GHG emissions:
- definition of system boundaries and completeness of climate impact accounting;
- relevance of input data;
- accuracy of emission factors;
- accuracy of climate impact calculations of owned sources, purchased electricity and heat, and other indirect sources; and
- accuracy and reliability of assumptions.

GHG emissions covered by the assurance
The organization boundaries include Thule AB and all subsidiaries collectively referred to as 'Thule Group'. The sites along with third-party warehouses included are found below.

LOCATION	COUNTRY	TYPE OF FACILITY
Malmö HQ	Sweden	HQ office, store x2 (including Stockholm store)
Itupeva	Brazil	Roof box manufacturing, offices, warehouse/DC
Calgary	Canada	Warehouse, offices
Granby	Canada	Warehouse
Rosny/Viry	France	Sales office
Neumarkt	Germany	Roof box manufacturing, offices
Forest Park	United States	Roof box manufacturing, offices
Milford	United States	Warehouse
Seymour production site (assembly)	United States	Assembly, offices
Seymour production site (fabrication)	United States	Manufacturing
Tokyo	Japan	Office
Menen	Belgium	Manufacturing, offices, warehouse
Hong Kong	Hong Kong	Sourcing office
Longmont	United States	Office, R&D
Louvain-la-Neuve	Belgium	Sales office, PB&L R&D
Veghel	Netherlands	Sales office
Haverhill	United Kingdom	Roof box manufacturing, offices, warehouse
Prague	Czech Republic	Sales office
Piła	Poland	Assembly, offices, warehouse
Huta Szklana	Poland	S&CC Manufacturing/ assembly, offices, warehouse
Hillerstorp	Sweden	S&CC Manufacturing/ assembly, R&D, offices, test centre, warehouse
Beijing	China	Sourcing office
Shanghai	China	Sourcing office
Shelton	USA	S&CC Manufacturing, Warehouse
Shenzhen	China	Sourcing office
WDC	USA	Warehouse/DC (3rd party)
Venlo	Netherlands	Warehouse (3rd party)
Rest of World	China	Warehouse (3rd party)

south pole

This assurance statement is published in its original version provided by South Pole.

Thule Group reports its emissions using the operational control approach. The operational boundary includes 100 % of its direct emissions, i.e., Scope 1 and Scope 2 indirect emissions, except for small offices (with less than 12 employees) and partially for Scope 3 indirect emissions. The Scope 3 indirect emissions included are:

- Purchased goods and services;
- Capital goods;
- Fuel and energy-related activities;
- Upstream transportation and distribution;
- Business travel; and
- Downstream transportation and distribution;

The reporting period covered 01 January 2022 to 31 December 2022.

Adherence to AA1000AS principles

Based on the work conducted, nothing has come to our attention demonstrating that Thule Group did not adhere to the Accountability Principles, as discussed below.

Inclusivity
Thule Group's prioritised stakeholder groups include the Board of Directors, Group management, investors, employees, retailers, customers, consumers, suppliers, business partners and research institutions. A stakeholder dialogue was performed in November 2021 via an interactive ranking survey sent to several stakeholders. Stakeholder Dialogues are performed every second year, or otherwise per group management's request.

Materiality
Thule Group carries out a biennial materiality analysis and prioritises sustainability issues through dialogue with its stakeholders. Most important issues identified in the 2021 stakeholder dialogue were (in order of highest to lowest): GHG emissions, Human rights, Energy, Waste, Product, Logistics and transport, Supply chain, Community, Anti-corruption, Diversity, Water, Biodiversity, Governance, and Risk. For all aforesaid issues except Biodiversity, Thule Group has data collection, progress monitoring, and in most cases relevant targets as well.

Responsiveness
Thule Group has formed various working groups for monitoring and reporting tasks that have been further developed and spread throughout key functions, and various sub-targets have been set for specific functions such as purchasing, logistics, supply chain, product development, and human resource. To reduce its climate impact, Thule Group has been investing in ways to reduce its dependence on fossil fuels, improve energy efficiency, and use of low-emission materials, low-emission suppliers, and activities. Some of Thule Group's targets and achievements are outlined in Table 1.

Table 1. Thule Group's target and achievements

Target	Achievement
Hazardous solid waste recycled (target >98%).	Achieved, 99.0% of all non-hazardous solid waste recycled in 2022.
Solid waste sent to landfill (target 0% to landfill by 2030).	0.8% of all solid waste was sent to landfill in 2022.
Scope 1 emissions (target of 46% reduction by 2030 compared to 2019 base year).	Increased from 3,186 tCO_2e in 2019 to 3,532 tCO_2e in 2022.
Scope 2 emissions (target of 100% renewable electricity by 2030).	Achieved, 100% of purchased electricity for sites with over 12 employees was certified renewable in 2022.
Scope 3 emissions (target of 28% reduction by 2030 compared to 2019 base year).	Decreased from 266,396 tCO_2e in 2019 to 258,575 tCO_2e in 2022.

Impact
Thule Group performs an internal review on a quarterly basis of its progress in the key focus areas. The yearly results are communicated to the stakeholders in Thule Group Annual Reports, containing a sustainability section along with reporting of progression towards key targets.

Adherence to GHG Protocol principles

Based on the scope and methods of the review, we can conclude that Thule Group calculated its carbon footprint in 2022 in accordance with the principles of the GHG Protocol.

Relevance and completeness
Thule Group's carbon footprint reflects the company's GHG emissions well, and all material GHG emission sources are accounted for within the boundary, especially with the inclusion of purchased goods and services and capital goods. Exclusions have been disclosed and justified.

Consistency and transparency
Thule Group uses consistent methodologies and has provided transparent documentation on boundaries, data, assumptions, and methods used.

Accuracy
The carbon footprint is deemed to have achieved sufficient accuracy. The emission factors have been chosen with a conservative approach.

This assurance statement is published in its original version provided by South Pole.

Conclusions

Based on the boundaries of the review and the methods used, South Pole comes to the following conclusions:

1. Thule Group has calculated and reported its 2022 carbon footprint following the principles covered by the GHG Protocol Corporate Accounting and Reporting Standard.

2. Thule Group has implemented processes and procedures that follow the guidelines of the GHG Protocol and the AA1000 Accountability Principles Standard.
3. Based on the completed review, no issues or circumstances emerged that gave us any reason to deem that Thule Group's 2022 GHG reporting did not meet the current standard's requirements and criteria.

All relevant emission sources within the chosen system boundary were accounted for. Where estimates were deemed necessary to measure GHG emissions, Thule Group provided satisfactory comments on the mode of estimation. The emission factors, units and calculation formulas were correct.

In terms of the reliability of performance data, nothing came to our attention to suggest that these data and claims had not been properly collated from the information reported at an operational level, nor that the assumptions used were inappropriate. Thule Group has a process whereby data is collected from each site, including processed reports provided by the third-party service providers for logistics and consolidated at the Group level. The verification team found that the data used for GHG calculation was consistent with the site reports. The choice of assumptions and emission factors followed a conservative approach. Emission factors were derived from credible sources and were found to be applied correctly. A few corrections in the data and emission factors have been carried out by Thule Group based on findings by the verification team. However, these findings lie within the recommended materiality threshold of 5%.

Table 2. GHG emission data verified

Scope 1	3,531 tCO_2e Market-based	Location-based
Scope 2	35 tCO_2e	6,727 tCO_2e
Scope 3	258,575 tCO_2e	258,544 tCO_2e

Recommendations

Without affecting our assurance opinion, we would also provide the following recommendations:

- Thule Group has made efforts to establish a more streamlined reporting system and improved the structuring of the data. Thule Group should keep using the most recent emission factor database for the calculation of its Scope 3 emissions for purchased goods and services, and capital goods. It is recommended that the choice of emissions factors in case of lack of available value for same being picked from similar materials as proxy from the database should be cross- checked from other sources too. Further, for increased transparency, Thule Group should also state the specific names of all emission factors used.

- It is also recommended that Thule Group should carry out and keep proper inventory of the underlying refrigeration and air- conditioning systems to avoid discrepancies.

- Thule Group should adopt a consistent approach for the compilation of the logistics emissions accounting for the data provided by the logistics service provider, internal calculations and checks performed. Owing to inconsistent application of emission factors and issues with data transfer for consolidation it is recommended that internal cross-check team be used by Thule Group in particular for logistics emissions.

Independence of assurance
Thule Group and South Pole do not exchange any type of services that could affect their independence or cause conflict of interest for this work. South Pole was neither engaged in the data collection process nor the GHG emissions calculations.

About South Pole
South Pole has more than 15 years of experience in providing decarbonisation pathways across a wide range of industries, sectors, and scopes. Our assurance team has extensive knowledge and experience in corporate GHG accounting, the development of carbon management plans, carbon emission reductions and carbon offsetting strategies, as well as good knowledge of relevant standards such as the GHG Protocol, ISO 14064- 1, and AA1000 v3.

Stockholm, 16 March 2023

Marie Gustafsson
Principal Consultant

Sandeep Kanda
Senior Sustainability Strategist

Information to shareholders

The Annual General Meeting of Thule Group AB (publ) will be held on April 27, 2023.

Information about the resolutions passed by the General Meeting will be published in the customary General Meeting press release after the General Meeting on April 27, 2023.

Right to attend the General Meeting
Shareholders who wish to attend the Annual General Meeting must:
- be recorded in the share register prepared by Euroclear Sweden AB (the Swedish Central Securities Depository) on Wednesday, April 19, 2023; and
- notify the company if they intend to attend in person at the Meeting venue or notify participation by casting their postal vote not later than Friday, April 21.

To be entitled to participate in the General Meeting, shareholders with nominee-registered shares must – in addition to submitting a notice to attend the General Meeting – request to be temporarily included in the share register prepared by Euroclear. Voting rights registered by nominees no later than April 21, 2023, will be taken into consideration when producing the share register.

Voting by mail
The Board of Directors has resolved that shareholders must be able to exercise their voting rights through postal votes pursuant to the provisions of the Articles of Association. A special form is to be used for postal voting.

The postal voting form is available on the Group's website: www.thulegroup.com.

Completed and signed postal voting forms can be sent by mail to the address:

Thule Group AB (publ)
Annual General Meeting 2022
c/o Euroclear Sweden
Box 191, SE-101 23 Stockholm

or by e-mail to generalmeetingservice@euroclear.com.

The completed forms must be delivered to Euroclear no later than April 21, 2023, preferably before 4:00 p.m.

Shareholders who are natural persons can also submit their postal votes electronically by using BankID authentication at Euroclear Sweden AB's website: https://anmalan.vpc.se/EuroclearProxy/.

Such electronic votes must be submitted no later than April 21, 2023. Shareholders may not enclose any special instructions or terms and conditions with their postal votes. The entire postal vote will be rendered invalid should this be the case.

Additional instructions and terms and conditions are provided on the postal voting form and are available at https://anmalan.vpc.se/EuroclearProxy.

Power of attorney
In the event that a shareholder is postal voting through a proxy, a written and dated power of attorney signed by the shareholder must be attached to the postal voting form.

A Form of Proxy can be provided on request and is also available at the Group's website: www.thulegroup.com. If the shareholder is a legal entity, a registration certificate or other authorization document must be attached to the form.

Entitlement of shareholder to disclosures
The Board of Directors and the President shall, if a shareholder should so request and if the Board of Directors deems that this can be undertaken without causing material damage to the company, disclose information at the General Meeting about circumstances that could impact the assessment of an item of business on the agenda, circumstances that could impact the assessment of the financial position of the company or its subsidiaries, and the company's relationship to other Group companies.

IR Contact
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Tel: +46 (0)703-09 00 21
ir@thule.com

FINANCIAL CALENDAR

2023	
Quiet period	Jan 11 – Feb 9
Year-end report 2022	Feb 10
Thule Group's Annual Report 2022 published	Mar 31
Quiet period	Mar 28 – Apr 26
Interim report Jan to Mar, 2023	Apr 27
Annual General Meeting	Apr 27
Quiet period	Jun 19 – Jul 18
Interim report Apr to Jun, 2023	Jul 19
Quiet period	Sep 27 – Oct 26
Interim report Jul to Sep, 2023	Oct 27
2024	
Quiet period	Jan 10 – Feb 8, 2024
Year-end report	Feb 9, 2024

About the share and shareholders

During 2022, the share value fell 60.3 percent compared with the OMXS30 -15.6 percent and the OMXSPI -24.6. For the five-year period since 2017, the company's total return was 71.8 percent compared with the OMXS30GI 47.7 percent.

Thule Group's share has been listed on Nasdaq Stockholm since November 26, 2014. As of December 31, 2022, Thule Group had 30,625 (21,318) shareholders, of whom 259 (90.2 percent of shares) were financial and institutional investors, 28,966 (20,025), representing 4.9 percent (2.9) of shares were private Swedish individuals and 1 401 (996) shareholders (1.5 percent of shares) were legal entities.

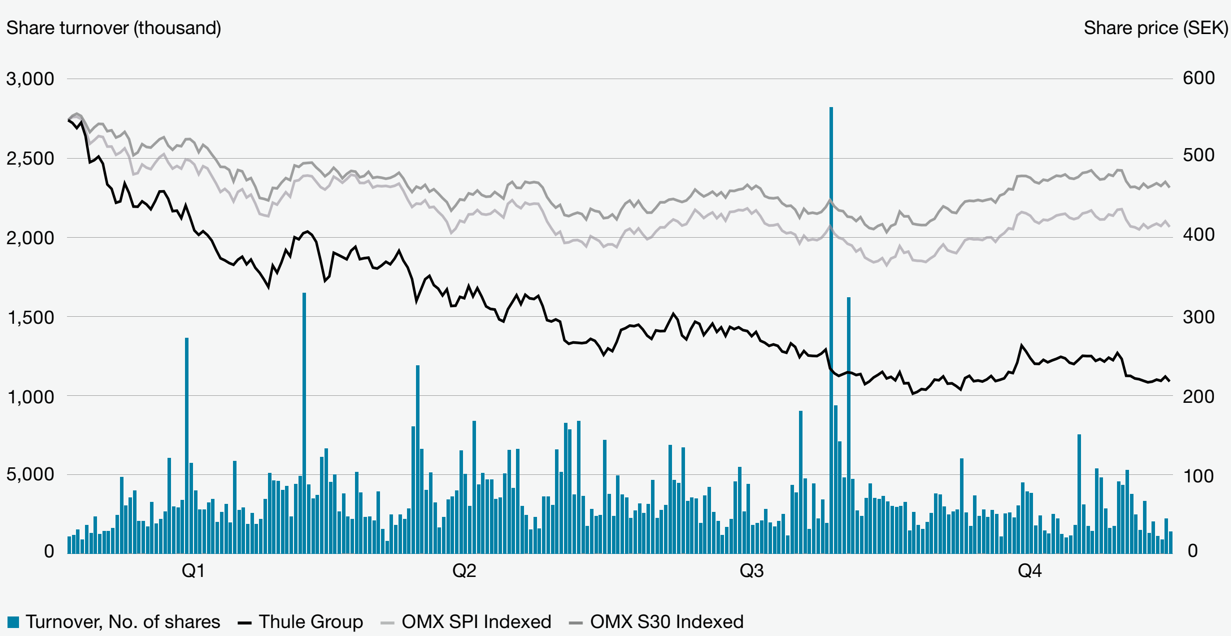
The remaining shareholders (3.4 percent of shares) cannot be classified. Foreign owners accounted for 44.8 percent (63.9) of the votes and capital. The ten largest owners represented 48.8 percent (36.9) of the votes and capital.

The highest price paid during the period between January 1 and December 31, 2022 was SEK 556.50 (555.50) and the lowest price paid was SEK 199.60 (303.40). During the period January 1 to December 31, 2022, Thule Group's share price declined 60.3 percent (increase: 77.5).

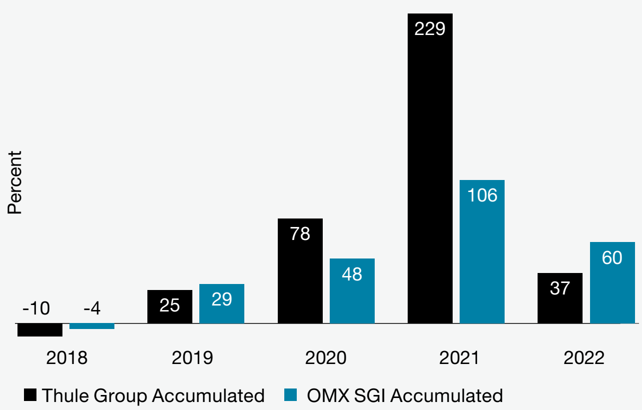
As of December 31, 2022, Thule Group's share capital amounted to SEK 1,168,626.50. The number of common shares was 104,562,436. According to the Articles of Association, share capital may not amount to less than SEK 500,000 or more than SEK 2,000,000, divided between a minimum of 44,737,320 and a maximum of 178,949,280 shares.

Thule Group's Articles of Association contain a central securities depository clause and the company's shares are registered with Euroclear Sweden AB, which means that Euroclear Sweden AB administers the company's share register. All shares carry equal rights to the company's profits and shares of surpluses in the event of liquidation.

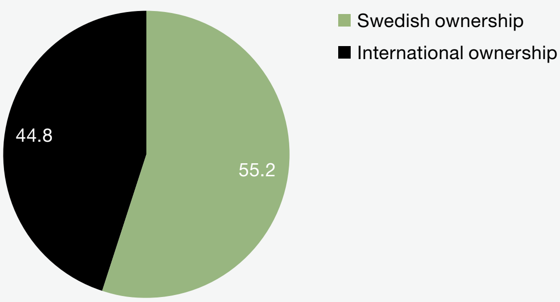
SHARE TURNOVER AND SHARE PRICE 2022



TOTAL RETURN ACCUMULATED FROM DECEMBER 31, 2017

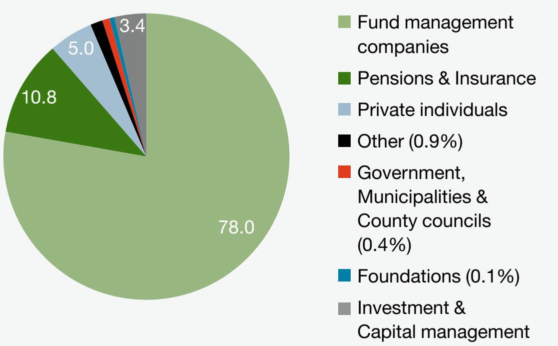


SHARE OF VOTES AND CAPITAL, SWEDISH AND INTERNATIONAL OWNERS, %



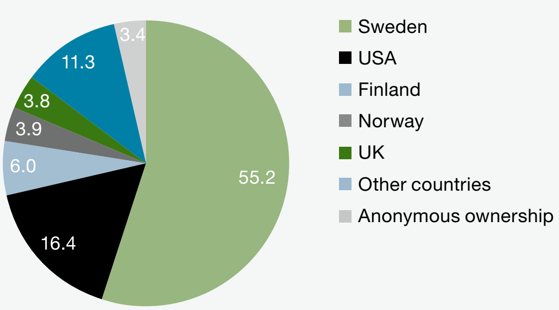
10 LARGEST OWNERS	NO. OF SHARES	CAPITAL AND VOTES, %
AMF Pension & Fonder	15,523,482	14.85
Swedbank Robur fonder	6,036,243	5.77
Nordea Fonder	4,905,505	4.69
SEB Fonder	3,941,756	3.77
Handelsbanken Fonder	3,920,429	3.75
Vanguard	3,791,943	3.63
Columbia Threadneedle	3,297,289	3.15
Didner & Gerge Fonder	3,284,449	3.14
ODIN Fonder	3,262,024	3.12
Spiltan Fonder	3,101,029	2.97
Ten largest owners	**51,064,149**	**48.84**
Other	53,498,287	51.16
Total	**104,562,436**	**100.00**

SHARE OF VOTES AND CAPITAL, SWEDEN, %



SHARE TURNOVER IN THE LARGEST MARKET PLACES	NO. OF SHARES	SHARE, %
Cboe Global Markets	165,571,870	52.29
Nasdaq OMX	90,790,131	28.67
LSE Group	40,890,432	12.91
ITG	8,861,154	2.80
Aquis	7,428,934	2.35
Sigma-X	2,734,753	0.86
UBS	190,346	0.06
Nomura Group	147,874	0.05
Equiduct Systems	16,082	0.01
Total	**316,631,576**	**100.00**

OWNER BREAKDOWN, COUNTRIES IN CAPITAL, %



Alternative performance measures and other financial definitions

Facts: Alternative performance measures
Alternative performance measures are used to describe the underlying development of operations and to enhance comparability between periods. These are not defined under IFRS but correspond to the methods applied by Group management and the Board of Directors to measure the company's financial performance. These performance measures should not be viewed as a substitute for financial information presented in accordance with IFRS but rather as a complement. Refer to definitions of alternative performance measures, including calculation tables and other financial definitions below.

Gross margin
Gross income as a percentage of net sales.

Gross income
Net sales less cost of goods sold.

CAGR
(Compounded Annual Growth Rate)
A measure of the growth rate achieved over a defined period as if the growth rate were the same each year over the defined period (expressed in percent).

EBIT margin/Operating margin
EBIT as a percentage of Net sales/ Operating income as a percentage of net sales.

EBIT – Operating income
(Earnings before interest and taxes) Income before net financial items and taxes.

EBITDA – Operating income before depreciation/amortization/impairment
(Earnings before interest, taxes, depreciation and amortization) Income before net financial items, taxes, depreciation/amortization and impairment of tangible and intangible assets.

Organic growth, currency-adjusted
Change in net sales for the period adjusted for structural changes and currency effects. Organic growth excludes the effects of structural changes in the Group's structure and exchange rates, which enables the comparison of net sales over time, excluding the effects of acquisitions, for example.

Net sales growth, currency-adjusted
The change in net sales for the period adjusted for currency effects.

Net debt
Gross debt less cash and cash equivalents. Gross debt is the total of long- and short-term borrowing, derivative instruments, capitalized transaction costs and accrued interest.

Net debt is a metric used for monitoring the debt trend and the scope of refinancing requirements. Since cash and cash equivalents can be used to repay debt at short notice, net debt is used instead of gross debt as a metric for total loan financing.

LTM
Rolling 12-month.

Earnings per share
Net income for the period divided by the average number of shares during the period.

Leverage ratio
Net debt divided by EBITDA (LTM).

This APM is a debt ratio that indicates how many years it would take to repay the company's debt, provided that its net debt and EBITDA are constant, without factoring cash flows pertaining to interest, tax and investments.

Equity ratio
Equity as a percentage of total assets.

Alternative performance measures

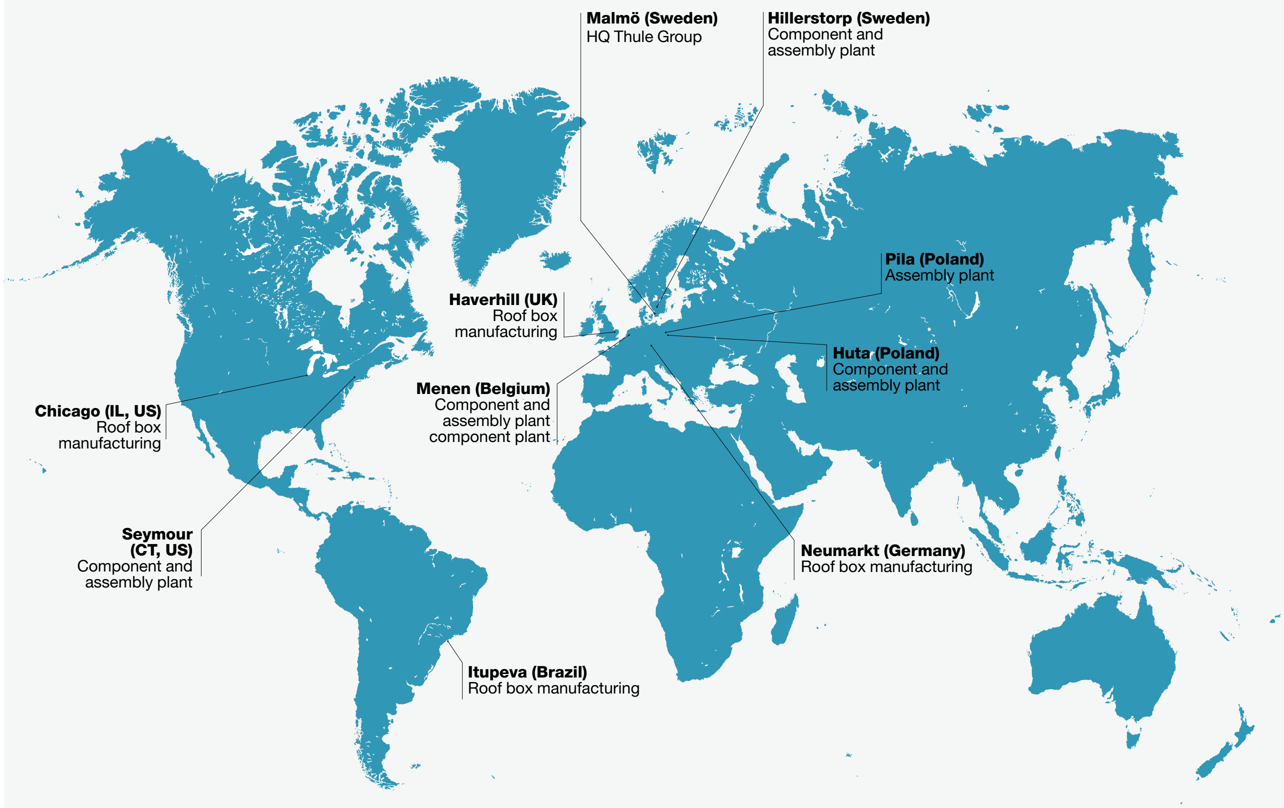
	2022	2021
Organic growth, currency-adjusted		
Change in net sales, %	-2.4	32.7
Exchange rate fluctuations, %	-7.3	5.0
Net sales, currency-adjusted growth, %	-9.7	37.7
Structural changes	–	–
Organic growth, %	-9.7	37.7
EBITDA		
Operating income (EBIT), SEKm	1,706	2,340
Add back of depreciation/amortization and impairment, SEKm	200	153
EBITDA, SEKm	1,906	2,493
Net debt		
Long-term interest-bearing liabilities, gross, SEKm	2,986	1,556
Derivative liabilities, long-term, SEKm	1	7
Short-term interest-bearing liabilities, SEKm	79	66
Derivative liabilities, short-term, SEKm	28	14
Capitalized financing costs, SEKm	-3	-4
Accrued interest, SEKm	2	1
Gross debt, SEKm	3,092	1,640
Derivative assets, SEKm	-48	-24
Cash and cash equivalents, SEKm	-176	-149
Net debt, SEKm	2,868	1,467
Leverage ratio		
Net debt, SEKm	2,868	1,467
EBITDA, SEKm	1,906	2,493
Leverage ratio, X	1.5	0.6
Equity ratio		
Equity, SEKm	6,553	5,815
Total assets, SEKm	11,679	10,192
Equity ratio, %	56.1	57.1

Five-year overview

	2022	2021	2020	2019	2018
Results and key figures					
Net sales, SEKm	10,138	10,386	7,828	7,038	6,484
Net sales growth, %	-2.4	32.7	11.2	8.5	10.4
Net sales growth, currency-adjusted, %	-9.7	37.7	13.1	3.9	6.0
Net sales organic growth, currency-adjusted, %	-9.7	37.7	13.1	2.9	6.0
Gross income, SEKm	3,859	4,160	3,230	2,829	2,626
Operating margin, %	38.1	40.1	41.3	40.2	40.5
EBITDA, SEKm	1,906	2,493	1,737	1,383	1,238
Operating income (EBIT), SEKm	1,706	2,340	1,591	1,195	1,163
Operating margin, %	16.8	22.5	20.3	17.0	17.9
Net income, SEKm	1,275	1,790	1,166	883	837
Financial position and key figures					
Total assets, SEKm	11,679	10,192	8,448	8,285	7,697
Equity, SEKm	6,553	5,815	5,253	4,330	4,012
Net debt, SEKm	2,868	1,467	384	2,119	1,974
Leverage ratio, x	1.5	0.6	0.2	1.5	1.6
Equity ratio, %	56.1	57.1	62.2	52.3	52.1
Cash flow					
Cash flow from operating activities, SEKm	616	1,128	1,614	1,030	606
Investments excl. business acquisitions, SEKm	444	507	173	161	179
Other Key figures					
Weighted average number of shares, million	104.6	104.6	103.8	103.2	103.0
Earnings per share before dilution, SEK	12.19	17.12	11.23	8.56	8.13
Ordinary dividend as percentage of earnings per share, %	75	76	71	–	86
Ordinary dividend as percentage of net income, %	75	76	72	–	86
Extraordinary dividend as percentage of net income, %	–	–	67	–	–
Average number of employees	2,799	3,303	2,669	2,422	2,356

Our manufacturing sites

Since its foundation in 1942, Thule Group has focused on innovative product development and owning all rights to the products developed. To ensure a long-term sustainability focus and quality approach, this also involves the company continuously developing a very deep and robust manufacturing competence. The decision on how, where and by whom the actual manufacturing is to be carried out is based on pragmatic, long-term reasoning, by which we as a Group choose where it is most logical to conduct the manufacturing internally and when it should be done externally. Factors affecting such decisions are the securing of quality, financial factors and the protection of intellectual property rights. The Group currently has nine well-invested modern manufacturing sites with differing focuses that are located in or near our large markets.



Category	Production strategy
Sport&Cargo Carriers	Mainly in-house assembly with limited sourcing of finished goods
RV Products	Mainly in-house assembly with limited sourcing of finished goods
Juvenile & Pet	Combination of in-house assembly and sourcing of finished goods
Packs, Bags & Luggage	Mainly sourcing of finished goods

DESIGN & PRODUCTION: STHLM KOMMUNIKATION & IR AB

Thule Approach rooftoptent was launched 2022.

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Thule Group