

# Annual report 2021





# KABE group summary

KABE Group’s primary business is the construction and sale of caravans, motorhomes and camping accessories in the European market through the brands KABE, Adria, Affinity and Coachman as well as KAMA Fritid. Strong brands and an extensive range mean KABE group supplies the full range of products to its dealerships.

Since its establishment in 1957, KABE group has consistently developed into the international group it is today with production in Sweden, the UK and Poland and sales in 14 European markets. In Sweden, Norway and Finland, KABE group’s market share is around 40% (42) for caravans and 19% (20) for motorhomes.

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### Affinity - caravan and motorhome segment

Affinity Camper Vans are manufactured in Poland for the Scandinavian and European market.

## Five strong brands in the caravan, motorhome and accessories segment

### **KABE** - Caravan and motorhome segment

KABE develops, produces and sells caravans and motorhomes using the highest quality construction methods and materials.

A Swedish-made premium product sold primarily in the Nordic region but also across Europe.

*Read more on pages 14-17*

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### **Coachman** - Caravan and motorhome segment

Coachman is one of the leading producers of caravans in the premium market segment in England.

*Read more on pages 20-21*

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### **Adria** - Caravan and motorhome segment

Import of Adria caravans and motorhomes and Sun Living motorhomes into Sweden, Norway and Finland. Adria is the largest importer of and market leader for both caravans and motorhomes in the Nordic region.

*Read more on pages 18-19*

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### **KAMA Fritid** - Accessories segment

KAMA Fritid is the leading wholesaler of accessories and spare parts in the caravan and motorhome sector in the Nordic region. Agent for top brands in the industry alongside own brands.

*Read more on pages 22-23*

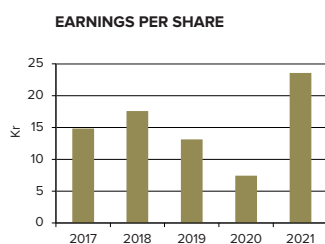
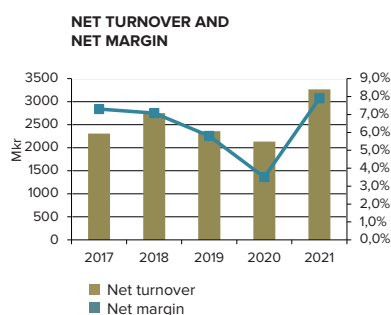


# Year in review

**SEK 3 266  
million**  
Turnover

**SEK 257 million**  
Operating profit/  
loss

- Net turnover amounted to SEK 3 266 million (2 132)
- For comparison, turnover amounted to SEK 2 753 million
- Profit after tax amounted to SEK 212 million (67)
- For comparison, profit after tax amounted to SEK 180 million
- Earnings per share were 23.56 kr (7.44)
- Operating profit amounted to SEK 257 million (75)
- Net margin was 7.9 % (3.5)
- Cash flow from operating activities amounted to SEK 449 million (265)





## Key figures

		2021 Full year	2020 Full year
Turnover	SEK million	3 266	2 132
Gross operating profit	SEK million	466	233
Gross margin	%	14.3	10.9
Operating profit/loss	SEK million	257	75
Net margin	%	7.9	3.5
Earnings per share	SEK	23.56	7.44
Equity ratio	%	60.7	70.0
Share price on date of balance sheet	SEK	276	165
Average number of employees	number	885	587

## Financial objectives

### Growth

Net turnover - the Group's organic growth will outperform change in the total market. Further growth can be achieved through complimentary acquisitions.

### Profitability

The target net margin is 8-10% over a business cycle.

### Debt

The Group's equity ratio shall exceed 40%.

### Dividend

Long term, the dividend should amount to 30-50% of annual profit.



# Chair's statement

**2021 was the most successful year for both turnover and profit in the history of the KABE Group. This was in spite of the impact of the pandemic on supply chains and staff absence. Significantly increased costs of transport, power and input materials have, of course, affected operations but thus far we have been able to compensate for this.**

**Although Covid-19 has shaped society, the market and the economy, our branch has experienced a growth in interest for recreational vehicles. Caravans, motorhomes and leisure accessories are a good fit for the ever-growing interest in sustainable and climate-neutral holidays. Restrictions have also affected people's opportunities for international travel. The new word "Staycation" highlights the increased interest in domestic holidays.**

The costs of alternative types of holidays are likely to increase in the coming years. If the industry can provide new caravan and motorhome owners a positive holiday experience, we expect the number of recreational vehicle users to continue to increase in the next few years. Even if this growth is slower than during the pandemic.

During the pandemic the demand for used and cheaper caravans and motorhomes saw significant growth. This growth in sales of both caravans and motorhomes was driven predominantly by new customer groups. We are extremely confident that the demand for premium caravans and motorhomes will increase strongly, as these new consumers choose to change their vehicles.

This year we have had major problems with deliveries of input materials for both caravans and motorhomes. However, above all there has been a major shortage of motorhome chassis. All Group activities have been affected by the shortage of components and in many cases we have been forced to accept significant price increases, well above agreed levels, in order to obtain components.

Regulations around Covid-19 have meant that staff absence has been considerably higher than in previous years. This has presented the organisation with new challenges. However, due to our flexible working practices and committed staff, production has been maintained with minimum efficiency losses.

The bonus malus tax introduced in 2018 and the subsequent new WLTP calculation have had a significant impact on the tax implications for motorhomes. Annual vehicle tax for a motorhome increased from approx 7,500 SEK to approx 30,000 SEK per year during the first three years. During the year, certain types of motorhomes have been able to halve their tax liabilities through individual registration inspections which has helped to mitigate the effects of the excessive tax due. In spring the requirements for the number of days a motorhome must be off the road to not be taxable was reduced from 14 to 4 days. Still, tax continues to be unreasonably high in Sweden when compared to other European markets. Overall, the tax increase has meant that new motorhome sales have grown considerably less in Sweden than in most other European markets. Industry representatives continue to work to get the government to reduce tax to a level comparable with Europe.

This year has seen a continued high rate of development, especially of motorhomes and vans. In order to increase production capacity, motorhomes and vans are now manufactured on separate production lines.

This year the Group has, within respective brands and vehicle types, maintained or strengthened market positions. With a comprehensive development programme for both caravans and motorhomes we have laid the foundations for a strong market

position in the coming years. However, there remains much potential for development in our operations.

## Turnover and profit

Turnover increased in 2021 to SEK 3 266 million (2 132). Operating profit increased to SEK 257 million (75) and profit/loss after financial items amounted to SEK 265 million (84). For comparison turnover amounted to SEK 2 753 million with an operating profit of 213 and a profit/loss after financial items of SEK 225 million.

Profit has been affected by increased operation capacity and changed product mix towards a larger share of premium products. The acquisition of Coachman Caravan in England has had a positive effect on the Group's turnover and profit. During the year we have largely been able to pass on increased input material and distribution chain transport costs. In the previous year, both turnover and profit were heavily affected by additional costs and lower productivity due to production cutbacks at the start of the pandemic.

Net margin amounted to 7.9 % (3.5). Our target is to achieve a net margin between 8 and 10% over a business cycle. The variation is due to an increased share of trading activity in the Group. Significant changes in production volumes often have a heavy influence on the Group's earning potential.

Adria's operations have been affected by major supply problems with Fiat chassis. Caravan production has also been affected by shortages in input materials. Demand for the entire Adria product line has grown strongly during the year, but due to the supply chain situation market share has reduced slightly.

Coachman, acquired in spring 2021, has increased both turnover and profit during the year. Coachman manufactures premium range caravans for the UK market primarily.

KAMA Fritid has seen strong development in operations during 2021. Since a large part of KAMA's product line is imported, price increased have been much higher this year. We have, however, managed to pass on a large number of price increases through the distribution chain.

## Product and model range

To strengthen the Group's market position, new motorhome models have been developed in recent years.

As part of this effort, during 2019 and 2020, KABE introduced fully integrated, semi-integrated and vans built on Mercedes chassis. During 2021, the company has continued to expand the number of layouts based on Mercedes chassis.

Thanks to KABE developing motorhomes on Mercedes chassis, the Group's product range has become even more complete, as Adria mainly uses other types of chassis.

We have continued to develop Affinity vans based on Fiat chassis. These units are manufactured at our new production site in Poland. KABE is the majority owner (80%) with the remaining part of the company owned the management in Poland (2 people).

Adria has a complete range of vans and sales in recent years have increased considerably.

Due to the Group's high volumes and market shares, the Group's importance to dealerships is very significant. This has strengthened collaboration with dealerships.

The Group's strong product and market offering has contributed to continued healthy order books for both caravans and motorhomes. We expect that the Group's competitive position will continue to improve in the coming years.

During the last two years, the Group's positive cash flow has grown sharply. This is linked to the strong market growth for used leisure vehicles, which has led to a significant reduction in the amount of capital tied up in stock by retailers.



### Market situation

During 2021, total sales of caravans and motorhomes in Europe increased by around 10%. The vans product group represents the largest portion of the increase. Demand has been very high throughout the year. But due to supply shortages of input materials (above all motorhome chassis), manufacturers have been unable to meet the increased demand.

The significant growth in demand for leisure vehicles in Europe has meant that most European producers have increased their production capacity in 2021. Dealerships reduced stocks of both new and used units have lead to them beginning to order units for their own stocks. This, together with increased consumer sales has contributed to the sharp rise in order for most manufacturers.

### Overall objective

KABE Group's overall objective is to be able to adapt production to the current market situation as quickly as possible at each stage of the economic cycle. One aspect of this is that we continually develop and streamline our production methods. To increase our customer base, KABE has continued to expand the range of caravan and motorhome models. Through investment in machinery and equipment to improve productivity alongside developing production methods, we can offer customers a comprehensive range of caravans and motorhomes at competitive prices in the long term.

### Market segment

KABE AB offers five different caravan model ranges from the entry level Estate to the exclusive Imperial - Europe's most exclusive caravan model. As a result of expanding the product range, KABE has maintained its market position and is very strongly placed within the premium segment.

KABE's market position in the exclusive motorhome segment is strengthened by the key success factor of year-round features. KABE offers both fully and semi integrated motorhomes built on Mercedes chassis, which will increase the customer base. KABE's van, produced at Mercedes, takes the step into a growing market segment.

Sales of the Adria brand, produced at one of Europe's largest and most modern factories in Slovenia, have continue to develop very positively. For several years, Adria has been the biggest caravan brand in Sweden, Norway and Finland. Adria has also been the leading name in motorhomes in these markets for some time.

KAMA Fritid increased turnover again. KAMA Fritid has continued to expand its product range and now offers dealerships one of the most comprehensive ranges of leisure accessories on the market. The number of KAMA Fritid stores has grown during the year and there are now over 100 stores in Sweden, Norway and Finland. The number of stores will continue to grow in the coming year.

### Risk and sensitivity analysis

Economic trends and employment rates have a major impact on overall sales of caravans and motorhomes. KABE Group's sales therefore on private consumption growth and consumers' ability and desire to invest in capital goods.

Real wage rises, low interest rates and low inflation lead to long term growth in private consumption and thus to positive trends in caravan and motorhome sales. Smaller changes in interest rates have a marginal impact on caravan sales, since only part of the customers' purchase is financed in instalments.

We depend on government decisions, such as the introduction of the bonus malus scheme in Sweden or other direct taxes, which affect the cost for users of motorhomes in particular.



In recent years we have to a great extent been able to compensate ourselves for the changes in raw material costs through increased prices for the customer. However, it is more difficult to compensate for major changes in exchange rates. During 2021 we have compensated for exchange rate changes for the Swedish krona. The Group's profit is affected by trends in the value of the Swedish krona, but exposure is reduced through an increased share of exports.

### Good prospects

Thanks to our complete product portfolio, we will be able to maintain our strong market position in the Nordic region. Long term our objective is to have a market leading position in our price or product segment for both caravans and motorhomes.

### Outlook for 2022

Long term we will develop and improve our market position in the Nordic market, for both caravans and motorhomes. Through the acquisition of Coachman, we have also created a position in the UK market. Our operations may, however, be affected by the government's decision on the bonus malus in Sweden and potentially national environmental taxes for motorhomes in other region.

The restrictions have had a major negative impact on production output and productivity. Where sales are concerned, the customers' interest in caravans and motorhomes has grown considerably.

We believe now that we have gained new customers, the increased interest in sustainable holidays and mobile homes will continue at a high level in the coming years.

Our strong market position, financial standing, complete product portfolio and high intrinsic innovation stands KABE Group in good stead to attract new customers. We are fully focused on following our strategic plan to build a stronger international KABE Group.

Tenhult, April 2022

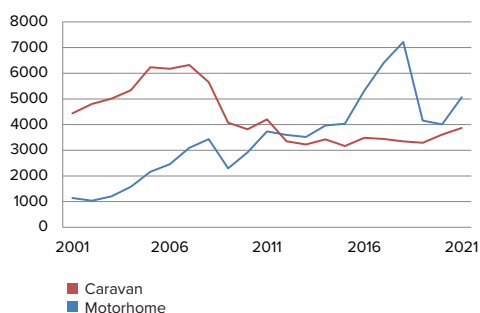
Alf Ekström  
President and CEO



# Market situation

**The Group's businesses are market leading in the Nordic region within their respective market segments.**

**REGISTRATIONS IN SWEDEN 2001-2021**  
NEW CARAVANS AND MOTORHOMES



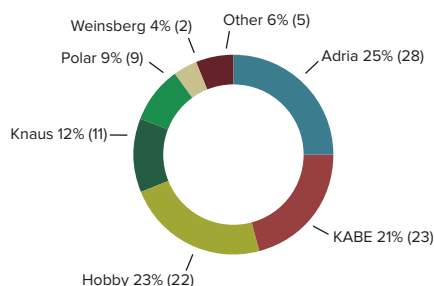
## Caravans

Total sales of caravans in Europe has increased over the year by 3.7% to a total of 78 780 units (75,946). The UK market is growing, while the German market has declined compared to the previous year.

During 2021, total sales in the Nordic region have increased by 10% compared with 2020. The total number of caravans registered reached 10 500 units (9,538).

Sales in the various Nordic markets increased as follows; Sweden 7%, Norway 9%, Denmark 10% and Finland 21%.

**MARKET SHARES IN SWEDEN 2021**  
CARAVANS



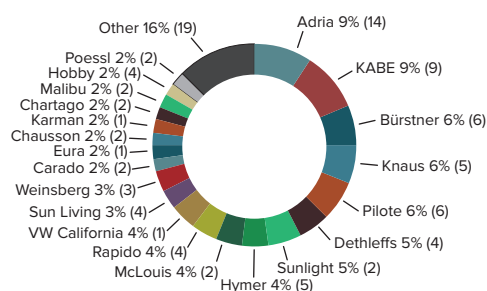
## Motorhomes

Sales of motorhomes in Europe have continued to grow, but there is still a major interest in vans. Total sales reached 181 297 units (160 185), an increase of 13%. Sales in Germany and France have increased most significantly.

Total sales of motorhomes in the Nordic region increased by 21% in 2021. The total number of registrations reached 12 281 units (10 113).

Sales in the various Nordic markets increased as follows; Sweden 26%, Norway 10%, Denmark 26% and Finland 27%.

**MARKET SHARES IN SWEDEN 2021**  
MOTORHOMES



## Distribution through independent dealerships

The KABE Group markets and sells all its products through local, independent dealerships. These dealerships have extensive experience and knowledge of the Group's entire range of caravans, motorhomes and leisure accessories. They also normally offer services to customers.

For several years, efforts have been made to increase the number of dealerships in Germany, Switzerland, the Netherlands and Belgium. This year, KABE AB has recruited local sales representatives and several new dealerships have been contracted.



# Sustainability efforts

## KABE Group supports the sustainability goal

During 2021, KABE Group continued to work towards identifying and systematising sustainability efforts within the Group based on our business model. This was achieved by directly connecting the Group's core values with striving to contribute to the most ambitious sustainable development agenda ever adopted by nations around the world; the UN's 17 Sustainable Development Goals.

During 2021, KABE Group continued to work on mapping our operational environmental impact. This mapping forms the conditions for continuous work to reduce KABE Group's climate impact.

*The full report is available at [www.kabegroup.se/hallbarhet](http://www.kabegroup.se/hallbarhet).  
See also Directors' Report/Sustainability Report, page 26.*



**GLOBALA MÅLEN**  
för hållbar utveckling

### Focus area:

**LONG-TERM AND SUSTAINABLE  
BUSINESS DEVELOPMENT**



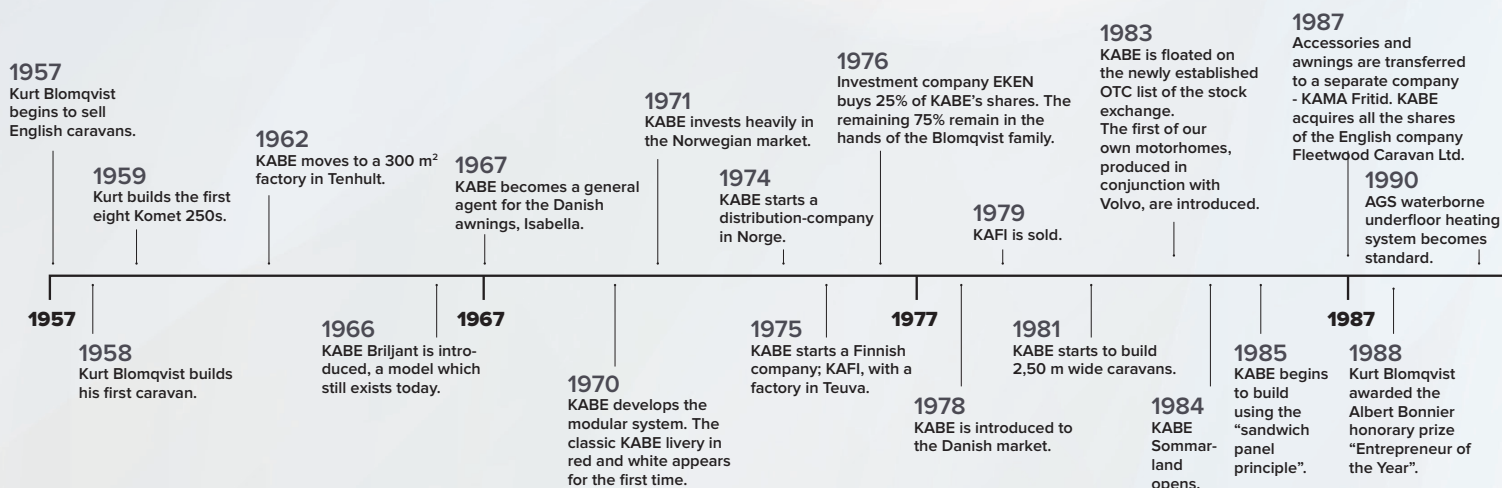
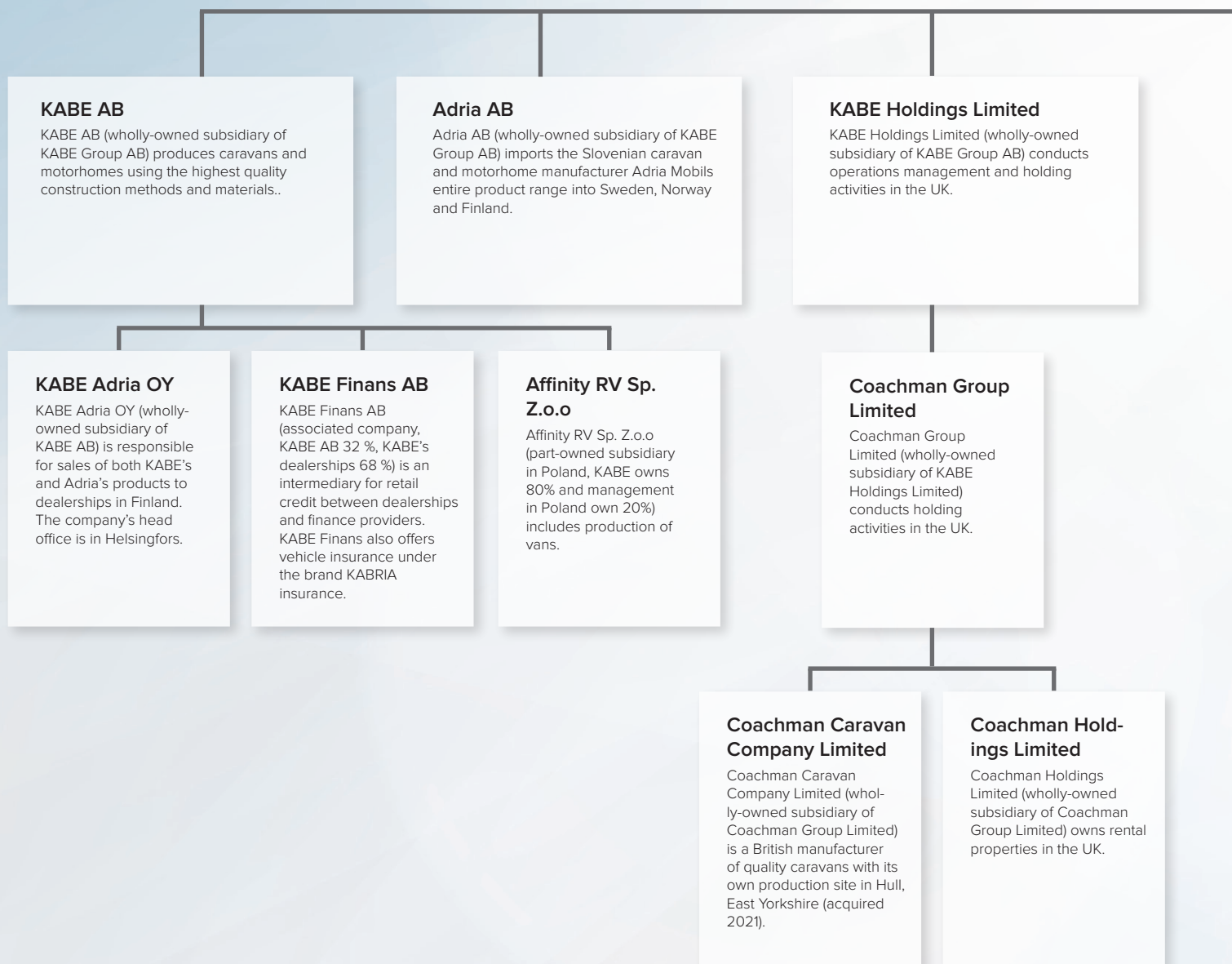
**GOOD WORKING CONDITIONS**



**BUSINESS PRINCIPLES**



# Companies in the Group







## GROUP AB

**KAMA Fritid AB**

KAMA Fritid AB (wholly-owned subsidiary of KABE Group AB) offers the market's most extensive range of accessories for mobile living and spare parts for caravans and motorhomes. KAMA Fritid is the largest wholesaler of leisure products for caravans and motorhomes in the Nordic region.

**KABE Transport AB**

KABE Transport AB (wholly-owned subsidiary of KABE Group AB) transports caravans and motorhomes for KABE, Adria and other importers of leisure vehicles. Operations also include transporting KABE Rentals hire fleet.

**KABE Rental AB**

KABE Rental AB's (associated company, KABE Group AB 46 %, KABE's dealerships 54 %) business consists of long-term rentals of caravans and motorhomes, mainly to companies.

**Other companies**

**KABE Försäljnings AB** provides caravans and motorhomes on consignment to dealerships. The business is being wound up.

The wholly-owned subsidiary **KABE Fast AB** (with subsidiary KABE Fastighet i Malmö AB) and **KABE Fastighet Momarken AB** own properties for rent.

**Leisure Vehicles i Sverige AB** is a wholly-owned subsidiary of KABE AB. The company engages in the management of movable and immovable property and related activities.

Associated companies where KABE Group owns 33 %, are **Nordfarbo AB** in Kramfors which, inter alia, manufactures plastic sandwich panels and **Fastigheten Bodalsvägen i Kristinehamn AB**, which owns a rental property.

**KAMA Fritid OY**

KAMA Fritid OY (wholly-owned subsidiary of KAMA Fritid AB) is responsible for sales of KAMA's product range to dealerships in Finland.

**KAMA Fritid Norge AS**

KAMA Fritid Norge AS (wholly-owned subsidiary of KAMA Fritid AB) is responsible for sales of KAMA's product range to dealerships in Norway.

**2021**

The most successful year for both turnover and profit in the history of the KABE Group. Continued high rate of development, especially of motorhomes and vans with Mercedes chassis. Increased production capacity. Acquisition of the English company Coachman, which produced caravans in the premium segment for the UK market. The collaboration includes developing and launching a completely new premium motorhome designed for the UK market. The motorhome is manufactured at KABE's production facility in Tenhult.

**1992**

The modular system is developed and becomes the Flexline system.

**1994**

KABE becomes the market leader in Sweden.

**1997**

New Travel Master is displayed at Elmiä which imports caravans and motorhomes from the Slovenian Adria Mobil.

**2001**

KABE establishes Adria Caravan, which imports caravans and motorhomes from the Slovenian Adria Mobil.

**2004**

Slovenska Adria Mobil takes over Fleetwood.

**2007**

KABE celebrates fifty years in the business and showcases a new double-decker caravan - Royal Tower.

**2010**

A shared technology and development centre is built and KABE invests even more into research and development.

**2012**

KABE invests SEK 35 million in its motorhome and carpentry factory.

**2016**

KABE's intelligent control panel, Smart D, which controls and monitors all the vehicles functions was announced the winner of the prestigious European Innovation Award.

**2019**

New range of motorhomes and KABE Van based on Mercedes. KABE is part owner of Affinity Camper Van, manufactured in Poland.

**1995**

Founder Kurt Blomqvist becomes Chair of the Board and is succeeded as CEO by Alf Ekström.

**1997****2000**

Half of Fleetwood's shares sold to Slovenian Adria.

**2006**

Inauguration of a new production line; the KABE factory becomes one of Europe's most modern caravan factories.

**2007****2017**

KABE invests 50 million SEK in a new sandwich panel factory and establishing a new production line for fully-integrated motorhomes. KAMA Fritid moves to a new site. KABE celebrates 60 years and produces an new double-decker caravan - Imperial Tower.

**2017****2018**

Best ever financial performance. KABE Group AB signs an agreement to acquire 21.5 % of shares in Coachman Group Limited.

**2020**

KABE introduces a world-first innovation in the form of zone heating. KABE's first semi-integrated motorhome built with Mercedes is introduced. Expansion of an in-house KABE Van production line at the Tenhult plan is ongoing

# KABE Group 2021 events

**Today KABE Group has almost 900 employees who use their skills, commitment and innovation to continue to develop the market for leisure vehicles and accessories.**

KAMA Fritid has sales and spare parts handling agencies from the largest manufacturers of components for the caravan and motorhome industry in the Nordic region. In recent years, KAMA Fritid has strengthened its market leading position in awnings and canopies, most recently overtaking sales of Isabella's product range in Norway. KAMA Fritid also sells a growing number of products under its own brands WeCamp, GoCamp and Royal Camping.

*"Our large range of leisure accessories is well regarded by end users. This has meant that KAMA Fritid's sales have grown and business shows a consistently positive trend", said Jonas Tidqvist, CEO of KAMA Fritid AB.*



The Nordic region's most purchased caravans and motorhomes are manufactured in Novo Mesto, Slovenia. This year, Adria has further strengthened its already strong network of dealerships and for 2021 models launched a new generation of caravans and motorhomes in the form of Alpina and Sonic motorhomes.

*"With high quality, smart solutions and new, modern design, our extensive range has become even better", says Johan Skogeryd, CEO of Adria AB.*

The motorhome brand Sun Living is manufactured by Adria Mobil in a state-of-the-art factory in Novo Mesto, Slovenia. Sun Living was Launched in the Swedish, Norwegian and Finnish market in 2016. In line with Adria expanding its distributor network, demand for Sun Living's motorhomes and vans is growing. The updates in the product portfolio in 2021 have been well received by the market.

*"Our goal with Sun Living is to gain further market share in the entry-level segment for motorhomes and vans, a segment which we believe will continue to grow", said Johan Skogeryd, CEO of Adria AB.*







Almost 65 years have passed since Kurt Blomqvist launched his fantastic caravan project. KABE group is growing internationally at the company level. In 2021, KABE purchased all the shares in the English company Coachman Caravan Company Limited. Coachman is one of the leading producers of quality caravans in England and has been in businesses for 30 years in Hull with around 200 employees.

*"The acquisition creates opportunities for synergy and greater involvement in sales, product development and purchasing, as well as sharing production technology. This is in line with our strategic direction to build a stronger and more international KABE Group," said Alf Ekström, KABE Group CEO.*

Mobile leisure continues to attract new target groups and in recent years many families have discovered the perfect holiday in a KABE motorhome or caravan. KABE's model concept is characterised by constant development. For 2022, there are carefully considered caravan and motorhome models from which to choose.

*"Today KABE offers a comprehensive and varied range of the most well-equipped motorhomes and caravans on the market in every price segment. Investments made in recent years to increase exports are beginning to yield results and KABE has several new dealerships across Europe", says Andreas Gustafsson, CEO of KABE AB.*



For 2021, KABE launched a partnership with Mercedes Benz in combination with tailor-made chassis from AL-KO. This means that KABE has also developed our first van, Mercedes built and equipped for year-round use. This isn't just any old "patchwork" that the company has decided to develop, but a grown-up, winter-equipped campervan built on a Mercedes Sprinter with a raised roof.

*"Without doubt, we can state that KABE's van is the best-equipped on the market. It offers many of the unique features that you find in the larger motorhomes in our Travel Master range", explains Mikael Blomqvist, deputy CEO of KABE Group AB.*

The interest for small, light motorhomes in the van segment is growing steadily and in the model year 2021, the Affinity Camper Van entered the European market. Affinity is a new brand manufactured in Poland, but with Swedish KABE as part-owner. Affinity Camper Van is an completely stand-alone brand, with its own ambitions and development opportunities.

*"The whole concept is characterised by innovation and user-friendliness. There is a newly developed bed solution in the form of a secure bunk bed over the passenger seat and the double bed in the back of the vehicle is raised automatically for greater storage space. Affinity Camper Van is therefore an interesting alternative for large families", said Alf Ekström, CEO of KABE Group.*



## KABE - Caravan and motorhome segment

A Swedish manufactured premium product, built for year-round use in the Swedish climate.

**KABE AB's operations consist of developing, producing and selling caravans, motorhomes and vans. The products must be of the highest quality, both in terms of construction and material choice. The product's market position is within the premium segment and is sold predominantly in the Nordic region, but sales are growing even in Germany, Switzerland, the Netherlands and Belgium.**

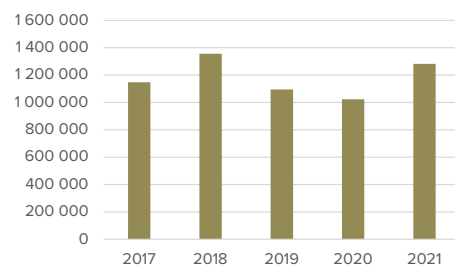
### Turnover

During 2021, turnover in the caravan and motorhome segment reached 1,282m SEK (1,024). The turnover increase is primarily related to increased sales of motorhomes.

The market for caravans and vans has also developed strongly, despite sales in Sweden continuing to be affected by the disproportionate tax burden. Our evaluation is that the market for caravans will also continue to be strong.

#### TURNOVER

SEK million



### Overall objective

KABE's overall objective is to be able to adapt production to the current market situation as quickly as possible at each stage of the economic cycle. One aspect of this is that we continually develop and streamline our production methods. To increase our customer base, KABE has continued to expand the range of caravan and motorhome models. Through investment in machinery and equipment to improve productivity alongside developing production methods, we can offer customers a comprehensive range of caravans and motorhomes at competitive prices in the long term.

### Sales organisation

#### Consumer sales

KABE's product range is sold to consumers through approx. 140 independent dealerships (approximately 60% of whom also sell Adria). In some cases, the dealerships are so-called multi-brand dealerships, i.e. they also sell brands other than KABE and Adria. KABE and Adria are, however, the major brand for the most of the dealerships. KABE-Group has long-standing business relationships with the majority of dealerships.

### Business process

#### Information on products and market information

In order to obtain information on new market influences or changes in the competition situation, work is conducted together with dealerships in various types of working groups (product development, quality, marketing).

For each market there are separate, national distributor groups. A group of experienced caravan and motorhome users are also interviewed annually for product reviews.

KABE also works with national brand clubs, which creates direct contact with a large number of interested and experienced KABE owners.

### Digitalisation and digital transformation

Through an increased focus on digitalisation and digital transformation, KABE will, amongst other things, ensure that end customers have a better experience before and during KABE ownership and provide our dealerships across Europe with digital tools in order to simplify and facilitate their work.

The goal with our digital transformation is to provide an improved customer experience by enabling unique customisation, increasing customer satisfaction and reducing sales and marketing costs.

In recent years the investment in digital solutions has intensified. To ensure the flow of information, security and customer-facing digital platforms, we have implemented an adaptation of the IT infrastructure.

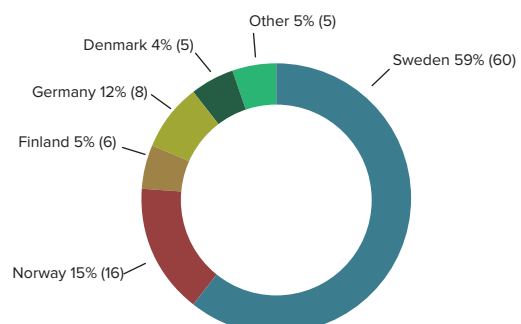
The digital platforms enable KABE to bring out new innovative products and preparedness to follow new market trends. The platform supports new services that increase and provide better and more secure communication with customers.

### Product development

Product development of new models and new constructions occurs internally in the company. External consultants are sometimes employed in development, predominantly for major model changes.

All product development and tests take place in our own technology centre in Tenhult. The technology centre includes a refrigeration chamber, flushing plant, ventilation testing, rolling road, various scales and a complete prototype workshop. The technology centre is one of Europe's most developed and complete facilities for testing and development of caravans and motorhomes. All product development employees and construction are based at the technology centre.

**SALES BY MARKET 2021**  
CARAVANS AND MOTORHOMES







Swedish KABE offers a comprehensive offer of caravans and motorhomes in various models, sizes and price categories. For the model year 2022, families with small children and active campers have been a focus and a complete new range of caravans was introduced.

### Production process changes

Certain larger projects concerning development of production processes are conducted in collaboration with external consultants. Otherwise internal resources are always used to drive change and development projects in the company.

Production is managed according to the "Toyota model" and Lean production methods. All factories use the same production and quality system, which inter alia makes it easier to redeploy employees between production facilities for caravans, motorhomes and vans.

Systems have been introduced so that all information on possible shortfalls and actual production compared to planned production is displayed in real time on large monitors in the factory.

### Certification and internal checks

KABE is certified according to the Swedish Transport Agency's type-approval. In addition to this there are comprehensive internal checks based on monitoring of each individual caravan and motorhome produced. The system makes it possible to follow up who has done specific pieces of work and which types and batches of material are included in a finished product. Following delivery of the products to the end-user, service work and warranty commitments are monitored on each caravan or motorhome.

### Quality assurance

KABE has developed its own computerised quality assurance system. The system makes it possible to monitor and ensure that shortfalls and defects are detected and that additions are made at the correct production intervals in the factory. The system enables continuous monitoring of actions on individual products.

The system is online and monitoring of actions is done with direct access. The system also provides information on material missing at a work station. The checks conducted by employees are independent from the production management.

### Flexline - a unique method of production

For many years, KABE has had a unique method of production called Flexline. The system means that the same type of modules can be used in different types of caravans and motorhomes. The Flexline system creates the possibility of producing customer adapted products (over 100,000 possible alternatives) in combination with mass production.

### Overall market development

#### Caravans

During 2021 the total market in the Nordic region reached 10,500 caravans (9,583), an increase of 10% on the previous year. The Swedish market grew 7% during 2021. In Denmark, the market increased by 10%, in Finland by 21% and in Norway the increase was 9%.

#### Motorhomes

The total motorhome market in the Nordic region reached 12,281 units (10,113), 21% higher than in 2020. The Swedish market grew by 26%, the Norwegian market by 10%, the Finnish market grew by 27% and the Danish market grew by 26%.

### Sales performance

#### Caravans

KABE's market share in Sweden reached 21% (23) in 2021. KABE's total market share in the Nordic region reached 13% (14). KABE continues to strengthen its market position within the more expensive and larger caravan segments. The decline in KABE's



Motorhomes of the Year 2022 - KABE won a prestigious award in Germany with the best imported motorhome in the category "semi-integrated motorhomes over €60,000". Over 14,000 readers of PROMOBIL, Germany's most popular motorhome magazine, voted us 2022's winner!

market share in the Nordic region is due to the fact that KABE has no models in the low-cost segment where most new customers have been added during the pandemic.

Other export markets, in particular Germany, the Netherlands and Switzerland are progressing. Several new major dealerships have chosen to start working with KABE products and this has generated substantial increases in volume in these countries.

#### Motorhomes

KABE's market share in Sweden reached 9% (9) in 2021. KABE's total market share in the Nordic region reached 5% (5).

Strong growth in the German market where several new dealerships have begun to work with KABE products. The Dutch and Swiss markets have also grown as we have found several new partners there.

Due to the introduction of Mercedes chassis for motorhomes, KABE's market share in the premium range has strengthened.

#### Model ranges

##### Caravans

The newly developed Estate range is primarily aimed at families which children and as a small, light travel vehicle for two people. The main target market for the Estate range is the growing group of first-time buyers.

The Gemstone range is offers very good basic trim and high comfort attracting mainly existing KABE customers and owners of other Scandinavian brands. The Gemstone range was founded in 1963 and is a proven model concept which is well-known among consumers.

The Royal range is for experienced campers looking for a well-equipped caravan with lots of technology, design and a high trim level. The broad range of models means the range encompasses the whole spectrum from small caravans through to large family caravans.

Hacienda has the same trim level as Royal vans but are the largest caravans produced in Europe. The vans are designed for our most well off customers. Hacienda is also for those looking at a caravan as an alternative to a holiday home.

The Imperial range is for those customers looking for the very latest as well as experienced KABE customers who want to progress within the brand. With its unique design and high trim level, this is a unique caravan in the entire industry.

#### Motorhomes

KABE continues to strengthen its market position for motorhomes in the premium segment. To achieve greater sales volumes, KABE has expanded its model lines with fully-integrated motorhomes and vans manufactured on Mercedes chassis. During 2021, KABE became the second best-selling caravan brand in Sweden for the second time, after Adria which was once again the market leader.

KABE Travel Master is available in five different ranges, with the Classic range built on Fiat Ducato and Royal, Crown, Imperial and Vans being built on a Mercedes Benz chassis.

Classic is an entry-level model, with slightly smaller motorhomes (740 length) and standard width. Classic is aimed primarily at new customer groups who have perhaps previously owned a holiday home, villa or a boat. Owners of older models of KABE motorhomes or caravans as well as owners of imported brands are also the target group for the Classic range. Classic is a basic equipped Swedish-manufactured winter motorhome.

KABE Royal is a new model range of semi-integrated motorhomes built on a Mercedes chassis. In the Royal range, models are available in a cross-over version, i.e. with a lowerable rood bed above the seating area. The motorhomes are unique on the market in being built in King Size width. The products are of a high technical level and trim specification. The Royal range is aimed at buyers with high expectations of trim and comfort.

Crown are fully-integrated motorhomes built on Mercedes with both the living area and vehicle offering a very high trim level as standard. The Crown range is available in 760, 810 and 860 lengths and is the natural step for customers looking to trade up.

Imperial are KABE's most luxurious motorhomes. The Imperial range includes fully-integrated motorhomes built to the highest specification standards. Imperial is for customers wanting to be unique and who appreciate a very high trim level. Available in 810, 860 and 910 lengths.

All of KABE's motorhomes are in the market's higher price segment.

KABE Van was introduced to the market with the 2020 year model and it a completely unique van equipped with everything needed for the year-round active user.



## Customers

KABE's customers are mainly consumers who already own a caravan or motorhome. The products are in the higher price segment with a high trim level. Products are thus mainly aimed at year-round users of their caravan or motorhome. Customers are predominantly homeowners (approx 80%), living outside urban areas with a wide range of leisure interests.

For customers who have not previously used a leisure vehicle, specific marketing efforts are required to inform customers of KABE's unique design and use features for the Nordic climate.

In recent years interest for caravans has grown among families with young children. With the launch of a more modern design in the Estate range, KABE now has a product to offer this customer group. Previously KABE has not reached these customers who, due to the price level, have often been signposted towards cheaper brands or second-hand vehicles.

## Export

Export share reached approx 40% (40) of total sales. The objective is to achieve a 50% share of exports. A large proportion of exports has been a purposeful strategy to reduce the company's reliance on the Swedish market. In particular, sales to Germany have increased in the last year.

## Caravans

By expanding the model range, KABE has strengthened its market position. Launching the Imperial model in European markets have strengthened KABE's position in the premium segment.

## Motorhomes

KABE Travel Master is designed to be used year-round in the Nordic climate, hence the primary market is the Nordic region, although German customers have also begun to discover KABE's customer benefits.



KABE's motorhome lines today includes Mercedes-built model ranges; vans, the semi-integrated crossover vehicles in the Royal series, fully-integrated Crown as well as the luxurious Imperial.

## Production

### Overall objective

KABE's production volume must be able to quickly adapt to fluctuating demand. Most of the company's costs are variable. The company strives to implement business changes early in a business cycle.

In order to streamline production and ensure high and consistent quality, the company works according to the so-called Toyota model (5S and Lean production) in production and development work. This method is primarily based on identifying shortfalls in production and through a continuous process of change and development, creating the conditions for further improvements in efficiency and quality.

All parts and sections within production work to a common pace (a caravan or motorhome leaves the factory at each time interval). Production adaptations to Lean production are ongoing and the company is expected to see continuous efficiency improvements in the years to come.

## Competition

### Caravans

The only Swedish competitor is Polar Caravans, produced in Dorotea. After many years in decline, Polar has successfully increased sales.

Of the imported brands, the Slovenian Adria (part of the KABE Group) and the German Hobby and Knaus have the highest sales in Sweden. Hobby also has a strong position in the other Nordic countries. In recent years, some other German and French brands have unsuccessfully attempted to break into the Nordic market.

### Motorhomes

The motorhome market is highly fragmented with a large number of brands within a few large Groups. The imported manufacturer Adria (part of the KABE Group), Bürstner, Dethleffs and Hymer are the largest in the Nordic market. KABE Travel Master has a high market share in the exclusive motorhome segment.

In recent years the market for vans has grown. Vans are aimed at a new customer group who mainly use their products for 'wild camping' away from established campsites.

## 2022

The Corona pandemic and introduction of social restrictions has meant that consumer interest in both caravans and motorhomes has developed significantly in recent years. The fact that more and more new customers have tried out leisure vehicles over the year guarantees continued good sales in the coming years.

In recent years, KABE has developed new motorhomes and vans. KABE has thus increased the number of models in the premium segment and is now the market leader in Sweden within this segment. All in all, this means that the company is now well-positioned to meet the market demands in coming years and has also successfully launched KABE in more export markets over the past year.

KABE has the markets best and strongest dealerships who ensure a strong position in both the Swedish and export markets.

## Adria and Sun Living - Caravan and motorhome segment

Adria AB imports the Slovenian caravan and motorhome manufacturer Adria Mobil d.o.o's entire product range into Sweden, Norway and Finland.

### Adria AB imports the Slovenian caravan and motorhome manufacturer Adria Mobil d.o.o's entire product range into Sweden, Norway and Finland.

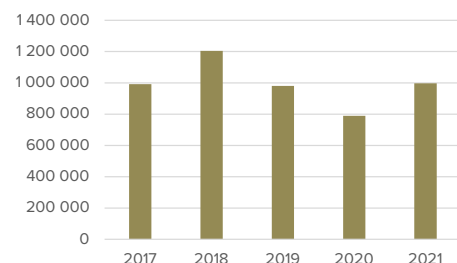
Sales of the Adria's entire product line have developed very well during the 2021 financial year. The majority of Adria's product range is in the mid- and low- price segment and it is this segment which has seen the largest increase now that new customers are looking for leisure vehicles.

For motorhomes, Adria has consolidated its position as the market leader throughout the Nordic region. Sales of motorhomes have continued to develop positively. Adria and Sun Living's market share in Sweden, Norway and Finland reached 13% (14).

In total, Adria has maintained its position as the best-selling brand of both caravans and motorhomes in Sweden, Norway and Finland. The market share for caravans in these markets reached 23% (25).

Due to Adria d.o.o's significant supply problems and shortages of input materials in production, Adria in Sweden has had a large number of orders cancelled by Adria.

**TURNOVER**  
SEK million



### Turnover

During 2021, turnover in the caravan and motorhome segment reached SEK 997 million (789).

### Sales organisation

Sales to consumers take place through approx. 85 independent dealerships (approximately 80% of whom also sell KABE). In Sweden and Norway products are sold directly to dealerships from the head office in Tenhult. In Finland, the whole product range is sold by the Group company KABE Adria OY, headquartered in Helsingfors.

### Business process

In order to obtain information on new market influences and the current competition situation, continuous work is carried out with the dealerships.

For each market there are separate national distributor groups who, together with Adria's employees adapt the products to the Nordic conditions. Representatives from the organisations in Sweden also meet representatives from the Adria factory in Slovenia to jointly develop long-term product development plans.

Adria works more closely with dealerships compared to many other players in the industry. The organisation strives for

efficiency and quality, with the goal of being the best partner for dealerships. Efficiency is clear since the size of Adria's Nordic organisation is on a par with competing comparable organisation only for the Swedish market.

### Market development

#### Caravans

Adria's caravans has been sold in Sweden since the mid-sixties. Overall, Adria is the best-selling brand in Sweden, Norway and Finland, with a market share of 23% (25). In Sweden the market share reached 25% (28). In Norway the market share reached 22% (22) and in Finland 21% (21).

Adria's product segment covers the whole market. Adria's product advantage is, among other things, that the products are better adapted to Scandinavian conditions and better-equipped compared to other Central European brands. Adria also has a low-weight product range aimed at buyers of lighter caravans.

#### Motorhomes

Adria has been the best-selling brand in Sweden, Norway and Finland for many years, where Adria is the market leader with a total share of 11% (12%). The largest proportion of Adria's sales are within the mid-price segment. Adria also has a complete product line of vans.

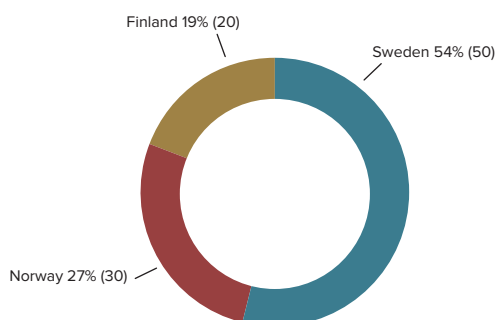
In Sweden, Adria's market share is 9% (14). The decline is linked to the supply issues at the Adria factory in Slovenia due to the shortage of input materials.

In Norway, Adria's market share reached 8% (6) and is one of the best-selling motorhome brands. The number of dealerships selling Adria's product lines in Norway has continually grown in recent years.

Adria's motorhomes have a market-leading position in Finland. The market for, above all, cheaper motorhomes has developed strongly but despite this Adria has been able to maintain its position. Market share reached 18% (15).

The sales success of Adria's motorhome range is due to the fact that both interior solutions and trim specifications are tailored to the Scandinavian market. The specifications are developed by Adria in Sweden together with the dealerships.

**SALES BY MARKET 2021**  
CARAVANS AND MOTORHOMES



### Sun Living

The caravan brand, Sun Living, launched in Sweden, Norway and Finland in 2016, is marketed as a low-cost, entry-level brand in the motorhome market. In recent years, the market for motorhomes in the low-cost segment has grown in every market in the Nordic region.

Total sales of Sun Living reached approximately 200 units. There is potential to increase sales and efforts are being made to contract more dealerships.

### Product ranges

#### Caravans

The caravans are divided into five different model ranges.

The Action range offer fashionable caravans for the active couple for whom design and aerodynamics are of the highest priority.

The Aviva range are entry-level models with price and weight being important. The Altea range are also entry-level models but with greater emphasis on design and function. The range is built for spring, summer and autumn and intended for cars with a low towing capacity. The Adora range is a mid-class range with the largest number of layouts. The Alpina range consists of only full width larger caravans. Alpina is the range best-adapted for the Scandinavian winter climate. This range also has a higher trim-level than other ranges.

#### Motorhomes

Adria's motorhomes are available in a total of four different model ranges, three of which have different trim levels for customers to choose from. In this way, every segment of the motorhome market is covered with a small number of versions. This approach has been very positive for both dealers and end customers, as they can quickly find a suitable motorhome model.

The Sun Living brand is produced in eight different models. Sun Living is an entry-level model for new motorhome buyers in the van, coach-built and semi-integrated motorhome segment.

### Customers

Adria's caravan have historically had a large proportion of customers among families with young children and first-time buyers. However, many Adria customers choose to trade-in for another Adria, meaning that the second-time buyer share is increasing.

In the case of Adria motorhomes, the majority of customers are middle-aged. Here too, the proportion of second-time buyers is increasing. In general, however, motorhome customers are more likely to change brand than caravan customers.

Adria also has a strong product portfolio of vans. This segment has grown considerably in recent years.

Adria's high market share leads to high second-hand value of the brand's products which contributes to a continued high market share despite market developments.

### 2022

Thanks to a national distributor network and a comprehensive product range, Adria is expected to continue to strengthen its market positions for both caravans and motorhomes. During 2021, sales volumes have been hampered by the Adria factories supply problems. In the latter part of 2022, the factory in Slovenia is expected to resolve the issues of shortages of input materials for both caravans and motorhomes.

Thanks to Adria's committed sales organisation and strong distributor network, Adria will be able to utilise the current market situation to their advantage.

A number of dealerships have ceased selling competitive brands and opted to work exclusively with the Group's brands. This has contributed to the strengthening of Adria's market position and will lead to higher sales in the coming years.

Adria's product line encompasses caravans, motorhomes, mobile homes and vans under the brand Adria as well as motorhomes and vans under the brand Sun Living.





## Coachman Caravan - Caravan and motorhome segment

Manufacturer of quality caravans and import of KABE motorhomes for the UK market.

**Coachman Caravan Company Limited is a British manufacturer of quality caravans with its own production site in Hull, East Yorkshire, where all the caravan models are manufactured.**

A general growing interest in domestic holidays has led to a rising demand for caravans and the company's market share has been steadily increasing in recent years.

Before the model year 2020, Coachman Caravan planned to enter the motorhome market. However, the launch of Coachman's new motorhome models was forced to be postponed due to the pandemic and will take place in 2022 instead.

Meanwhile the company continues to develop its caravan range with a clear focus on well-equipped models in the mid and premium segments.

### Turnover

Coachman Caravan reports strong sales figures, with a robust increase from 2020 to 2021 and the trend looks to continue during the 2022 financial year. The number of units sold in the 16 months until December 2021 was 3,038, compared to 1,574 units in the 12 months until August 2020. Even though the difference is in part due to the fact that 2021 covers a longer financial period and 2020 was affected by Covid 19, sales in the last financial period have been extremely strong and exceeded all expectations.

### Sales organisation

The company's products are sold to end-customers in the UK via a network of around 40 dealerships. During the last 16 months, Coachman Caravan has expanded with several new dealerships, including Adventure Leisure Vehicles, Newport Caravans Limited, Salop Leisure, Sharman Caravans, White Arches Caravans and UBS (United British Caravans).

This gives customers greater access to the products and strengthens Coachman Caravan's market position.

### Business process

Dialogue with dealerships is an important part of the business process. Here, new trends are captured and market trends can be monitored on an ongoing basis.

Coachman's sales team has regular contact with the network of dealerships in order to ensure that the caravans and motorhomes meet the users' expectations. Joint product development meetings are held to identify the wishes and needs of the target groups for the various product lines.

### Market development

#### Caravans

Coachman Caravan operates in the UK caravan market and the company had a 13.7% market share in 2021. In the 2022 financial year the market share is expected to increase, since Coachman will introduce more new, strong products early in the year, compared to their competitors.

An early prognosis in the spring indicates that Coachman can increase its caravans market share to 20% during 2022, based on the current demand.

#### Motorhomes

Motorhomes are rapidly growing in popularity in the UK. The pandemic has created a trend for 'staycations' meaning that not just the caravan life but also travelling with a motorhome is seen as an attractive holiday for many.

Coachman Caravan is now in the early stages of launching three Coachman motorhomes which have been developed and produced by KABE AB. The motorhomes will be introduced to the market in early 2022, under the Travel Master name.

### Product ranges

#### Caravans

The development of Coachman's caravan range continues ahead of the 2023 model year with a clear focus on well-equipped models in the mid and premium segments. This means that the entry-level Acadia range will offer only four layouts and the total number of models will go from 24 to 20.

Meanwhile the Acadia range is undergoing an interior and exterior update of colour schemes, along with the other ranges VIP, Laser, Laser Xcel and Lusso. This enables dealerships to sell 2023 models together with 2022's display models. Three of the 20 models will have entirely new layouts.

#### Motorhomes

Coachman Caravan launched three Coachman-styled Travel Master motorhomes at the NEC show in Birmingham in February. Display models were delivered to dealerships in the spring and delivery to customers starts in September 2022.

Coachman Travel Master 545, 560 and 565 offer popular layouts which appeal to a broad target group. 545 has a central double bed (Queen bed), 560 has a double bed (French bed) and in the 565 there are two separate single beds. All three models have four berths and are built on a Mercedes Sprinter with a 170 hp engine.

### Customers

The broad range makes Coachman Caravan a well-regarded choice for many target groups, from families with young children to pensioners. The caravans are known for their high quality creating a good reputation and high rate of second-time buyers among customers. The majority upgrade to a new Coachman on average every three years.

### 2022

Thanks to a growing national network of dealerships and a comprehensive product range, Coachman Caravan expects to continue to strengthen its market position for both caravans and motorhomes.

Due to the pandemic restrictions on international travel, the "staycation" industry has continued to flourish and is currently one of the fastest growing businesses in the UK. This has resulted in a clear increase in demand for caravans and motorhomes which is expected to continue in 2022.



Coachman Caravan continues to develop its caravan range with a clear focus on well-equipped models in the mid and premium segments.

Coachman Caravan launches three Coachman motorhomes, developed and produced by KABE AB in Tenhult.





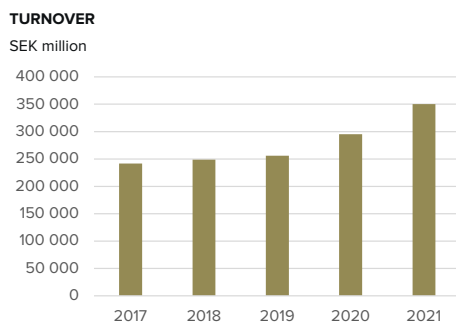
## KAMA Fritid –Accessories segment

The largest leisure accessories wholesaler in the Nordic region.

**KAMA Fritid AB is the largest accessories wholesaler of leisure products in the Nordic region.**

### Turnover

Turnover for the accessories segment reached SEK 350 million 295). KAMA Fritids sales of accessories is mostly concentrated on the period February to July.



### Sales organisation

Sales are made through 300 independent caravan and motorhome dealerships in Sweden, Norway and Finland. KAMA Fritid is purely a wholesaler which only sells to retailers. Most of the product supplies to Norway and Finland are direct from the central warehouse in Torsvik.

#### Norway

In 2020, KAMA Fritid took over Isabella's (Danish awning manufacturer) operations in Norway. This has created a separate organisation selling both KAMA and Isabella's product ranges.

#### Finland

Operations in KAMA Fritid are conducted from rented premises in the Vaanda area outside of Helsingfors. In order to increase the level of service to dealerships, KAMA Fritid OY stocks a specific range with a high rate of turnover.

### Market development

The increased interest in caravans and motorhomes during the Corona pandemic have positively affected KAMA's sales in 2022. Due to the low scrappage rate of both caravans and motorhomes in relation to new registrations, the number of caravans and motorhomes in the Nordic region is growing continually. This leads to greater demand for spare parts and accessories. The increased motorhome stock has led to a greater demand for special motorhome accessories and items for accommodation on more temporary sites.

The supplies of accessories for motorhomes and sales of consumer packaged goods has developed positively during the year. Sales of leisure items has continued to develop well with more dealerships implementing KAMA Fritid's store concept in their showrooms.

There have been major challenges during the year with managing price rises of both items and transport. We have, however, managed to pass on most of the price increases through the distribution chain. To ensure access to products we have been forced to increase stocks during the last two years.

### Business process

The aim is to provide complete KAMA Fritid stores at all caravan and motorhome dealerships. Regardless of which caravan or motorhome brands the dealership sells. Profiling in the stores strengthens KAMA Fritid's market leading position for accessories and leisure items.

New store solutions have been developed together with Hestra furniture. In recent years a number of new stores have been installed at dealerships. Packaging materials are continually developed to improve the product range display and to make it easier to handle goods in the dealership's stores.

In the low season, warehouse staff repackage items into different types of consumer packaging. The packaging is adapted to be displayed in the KAMA Fritid store system.

### Online store

KAMA Fritid has its own online store. Consumers can order from the entire KAMA Fritid range via the online store. Consumers choose retailers, so e-commerce does not compete with the regular distribution channel. The consumer can also choose whether to pay in instalments or to be invoiced for their purchase.

### Training of sales staff at dealerships

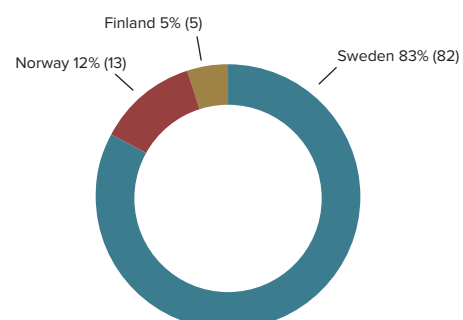
In recent years, investment in training has grown. KAMA Academy has a number of training sessions each year. The training covers both product training, shop display and sales skills.

### IT system

To improve efficiency from order to delivery, there is continual investment in development of web-based systems for ordering, stock control and order history. The system simplifies the ordering process for dealerships and allows them to control their own stock and purchasing history.

The number of dealerships using the web-based order system is increasing. The system also facilitates orders, goods management and payment systems in the dealership's stores.

**SALES BY MARKET 2021**







KAMA Fritid offers the most extensive product range and highest level of service in the Nordic region. As the only accessories company, KAMA has developed a store and data system which enables dealerships to manage large volumes in the peak season.

### Handling equipment

To increase volumes, goods handling must be constantly streamlined, as the bulk of deliveries are concentrated in the spring and summer seasons. Investment in new warehouse and picking systems is ongoing to increase productivity and service to dealerships. All systems are up-to-date and are highly reliable.

### Product range

KAMA Fritid offers the market's most extensive range of accessories for mobile living and spare parts for caravans and motorhomes.

KAMA Fritid has sales and spare parts management from the largest manufacturers of components for the caravan and motorhome industry including Dometic, Thule, Thetford, Alde, Fiamma and more. KAMA Fritid is also a general agent for Fiamma's entire range of leisure items in Sweden and Finland and for Westfield's range of camping furniture.

KAMA Fritid has, in recent years, increased its market leading position for awnings and canopies for caravans and motorhomes. KAMA Fritid is also an importer of the Danish manufacturer, Isabella's, awnings; one of Europe's largest tent manufacturers. KAMA Fritid has Isabella agents in Sweden and Finland. The canopies are manufactured by the companies Thule in Belgium, Dometic in Belgium and Fiamma in Italy.

KAMA Fritid also sells a growing number of products under its own brands WeCamp and GoCamp.

### WeCamp

The WeCamp brand has been established in the Scandinavian market for about 12 years. From the beginning, the range consisted of leisure furniture. The range has since developed and now also includes barbecues, camping equipment, tent material and more.

### Gocamp

Gocamp is the brand used by KAMA Fritid for industry specific technical products such as e-bikes, smart TVs, LED lights, solar panels, cleaning products, motorhome accessories and more.

### Royal Camping

In 2018, the brand Royal Camping was introduced, with the underlying brands Camping Queen, Camping King and Camping Kidz. The range has developed in the "glamping" direction (glamour camping) and includes tableware, glasses, textiles, interior decor, furniture and more.

### Competition

KAMA Fritid offers the most extensive product range and highest level of service in the Nordic region. As the only accessories company, KAMA has developed a store and data system which enables dealerships to manage large volumes in the peak season. As the only wholesaler, KAMA offers the opportunity for dealerships to create their own online business.

In Norway there are competitors such as Max Fritid (Kroken Caravan AS) and in Finland Caravan Tukko OY and KAHA. In recent years, however, there has been increased competition from German wholesale companies seeking to establish themselves in the Nordic market.

### 2022

KAMA Fritid is expected to see continued positive business development in 2022. Through the inventory and expansion of the business premises, there is continued opportunity to expand business volumes. Ongoing market investments will strengthen sales in Norway and Finland.

# KABE Group shares

## Price changes and share turnover 2017-2021

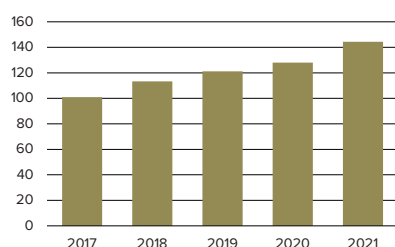
KABE Group AB



Share data at balance sheet date	2021	2020	2019	2018	2017
Earnings/share, SEK	23:56	7:44	13:11	17:59	14:83
Equity/share, SEK	144:33	128:00	121:11	113:21	100:80
Proposed dividend/share, SEK	7:00	3:00	0	5:50	5:50
Stock exchange rate, SEK	276	165	144	143	177
Number of shares	9 000 000	9 000 000	9 000 000	9 000 000	9 000 000

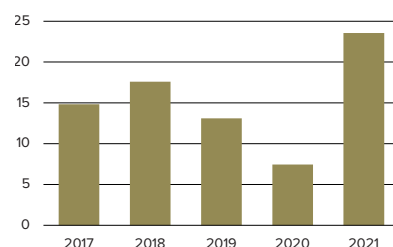
### EQUITY/SHARE

SEK



### EARNINGS/SHARE

SEK



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## Definitions

This report contains financial ratios in accordance with the framework applied by the KABE Group, based on the IFRS. Additionally, other ratios (alternative ratios) are used by management and other stakeholders to analyse trends and developments in the Group's business that cannot be directly inferred or derived from the financial statements. KABE Group's stakeholders should not consider these alternative ratios as substituting, but rather as complementing the financial reporting prepared in accordance with IFRS. Please note that the alternative ratios defined below may differ from other companies' definitions of the same concept. See below for a list of definitions and ratios used and referred to in this report.

### Rounding differences

All items expressed in SEK million and thus rounding differences may occur.

### Rate of return

#### Gross margin

Gross profit as percentage of net turnover.

#### Operating margin

Operating profit/loss as percentage of net turnover.

### Equity measures

#### Equity per share

Equity attributable to the parent company shareholders divided by the average numbers of shares outstanding.

### Earnings per share

Profit for the period attributable to the parent company's shareholders divided by the average number of shares outstanding.

### Capital terms

#### Investments

Investments in tangible fixed assets, right-of-use assets and intangible fixed assets.

#### Cash and cash equivalents

Cash at bank, short-term investments and fair value of derivative instruments.

#### Interest-bearing liabilities

Long- and short-term borrowing, net pension liability and fair value derivative instruments.

### Equity ratio

Equity attributable to the parent company's shareholders as a percentage of total assets.



# Directors' report

Annual Report for KABE Group AB 556097–2233 for the financial year 1.1-31.12 2021

## Structure and organisation

KABE Group AB is a company with its registered office and headquarters in Tenhult and is registered in Sweden with company registration number 556097-2233. KABE Group's web address is kabegroup.se.

The parent company KABE Group AB rents out premises and, in addition to normal management issues, also handles the Group's overall finance, accounting, insurance and IT issues.

KABE Group's primary business is the construction and sale of caravans, motorhomes and camping accessories in the European market through the brands KABE, Adria, Affinity and Coachman as well as KAMA Fritid. Strong brands and an extensive range mean KABE group supplies the full range of products to its dealerships. KABE is the largest and leading Nordic manufacturer of caravans and motorhomes. Adria is the largest importer of and market leader for both caravans and motorhomes in the Nordic region. Adria's products are imported from the manufacturer Adria Mobil d.o.o in Slovenia and distributed in Sweden, Norway and Finland. Affinity Camper Vans are manufactured in Poland for the Scandinavian and European market. Coachman is one of the leading producers of caravans in the premium market segment in England. KAMA Fritid is the Nordic region's caravan and motorhome segment accessories wholesaler.

The Group has 885 employees and turnover was 3.3 billion SEK in 2021.

## Shares and shareholders

As at 31 December 2021, share capital consisted of SEK 45 million, divided into 9 million shares, of which the number of A shares amounts to 0.6 million and the number of B shares amounts to 8.4 million. A shares are entitled to 10 votes and B share to 1 vote. All shares have the same right to a proportion of the company's assets and profits. The quota value is 5 SEK per share. A preemptive rights clause applies to A share, meaning that A shares being sold must be offered first to the other A shareholders.

KABE Group AB has been listed on the NASDAQ OMX Stockholm since 1983. The major shareholder is the Blomqvist family who also founded the businesses (8 persons) who own 52% of the capital and 68% of votes. The next largest owner is Nordea Investment fund with 13% of the capital and 8% of votes.

Of the total number of shares, institutional ownership accounts for 4% of the capital and 2% of the votes. Foreign ownership accounts for 24% of the capital and 15% of the votes. The total number of shareholders is 4 347

## Role of the Board of Directors

In addition to the inaugural meeting, the Board held five ordinary Board meetings and two extraordinary Board meetings during the year. The Board receives a monthly report on company results, order situation and development of the various parts of the business. Furthermore, the managing director maintains ongoing contact with the Chair of the Board.

Officials from the company participate in the Board's meetings as rapporteurs or experts in individual areas as required. At ordinary meetings, the Board deals with standing items on the agenda of each Board meeting in accordance with the Rules of Procedure of the Board.

The company's auditor reports its opinion to the Board as a whole, hence no audit committee has been appointed.

## Corporate Governance

KABE Group's Corporate Governance is based on the Swedish corporate governance code and the listing agreement with NASDAQ OMX Stockholm. Directives issued by authorities and stakeholders in Swedish business and the financial market also apply to various matters.

Governance, management and control are divided between the Board and managing director by the shareholders at the Annual General Meeting. This is in accordance with Swedish

law on limited companies, the company's articles of association and rules of procedure. All companies listed on NASDAQ OMX Stockholm must follow the revised "Swedish Code of Corporate Governance", the so-called Code. KABE Group's Corporate Governance Report can be found on pages 30-35.

## Nomination Committee

Rules for the composition and role of the nomination committee were adopted in 2010 and have not changed. Pursuant to this, the following decisions have been taken:

At the 2021 AGM, it was decided that the chair of the nomination committee shall be elected at the AGM. One person shall be appointed by the majority owner (Blomqvist family) and one person shall be appointed by the next largest shareholder.

At the 2021 AGM, Brivio Thörner was elected as chair of the nomination committee. The Blomqvist family appointed Lennart Oliu as their representative and the next largest shareholder appointed Mats J Andersson from Nordea Investment Fund to the nomination committee.

The nomination committee's role before the 2022 AGM is to propose the chair of the board, other members of the board and deputies at the meeting, as well as board and audit fees. The nomination committee has conducted a meeting in line with protocol.

## Group turnover and profit

The Group's total turnover amounted to SEK 3 266 million (2 132). Profit after financial items amounted to SEK 265 million (84). Profit for the year was SEK 212 million (67). Earnings per share was 23:56SEK (7:44).

## Significant events during the financial year

On the 19 February 2021, KABE Group signed the agreement and completed the acquisition of all remaining shares in Coachman Group LTS ("Coachman"). Coachman is one of the leading producers of caravans in the premium segment in England. With the acquisition, KABE Group has strengthened its position in the premium segment and is a stronger international concern. The existing Coachman management will continue to lead the company. The purchase price for the remaining 78.5% of shares in Coachman amounted to GBP £15.71 million. GBP £13.46 million was paid cash at closing. The remaining GBP £2.25 million will be settled two years after the acquisition. On a cash and debt free basis, the purchaser price amounted to GBP £12.21 million. The acquisition has made a positive contribution of SEK 3.58 to the Group's earnings per share. KABE Group's favourable view of Coachman's business, financial position and possible synergistic effect has not changed since completion of the acquisition. There are no other individual events of significant value to report during the period.

## Environmental impact

KABE AB carries out activities which require a permit under the Environmental Code concerning the gluing of sandwich elements at the Tenhult plant, which has an environmental impact through emissions into the air. The activities subject to authorisation and notification concern only a minor part of the company's production.

## Research and development

A major part of product development concerns new models and new constructions which takes place internally in the company. External consultants are contracted for the development of major model changes, predominantly to make design proposals or to manufacture tools. Since KABE Group's objective is to consistently be a "step ahead", several employees work on product development full time. For further information see note 1.

## Group investments

The Group's net investments/disposals amounted to SEK 78 million (11) of which 43 (0) are attributable to business transactions during the period.

For more information on corporate affairs see note 11. Exclusive of investments in companies, the Group has invested a total of

SEK 36 million (11) in fixed assets of which SEK 18 million (7) was in machines and equipment, SEK 14 million (2) in buildings and land, SEK 1 million (0) in intangible fixed assets and SEK 3 million (2) in rights of use.

#### Liquidity and financing

The Group's cash and cash equivalents was SEK 578 million (279). Solidity amounted to 61% (70). Equity per share amounted to 144:33SEK (128:00).

#### Risk management

Since the Russian invasion of Ukraine, there is prevailing uncertainty and unpredictability regarding key external factors. Kabe Group has not experienced any direct impact. However, the developments may impact KABE Group risks and risk management and we are monitoring the development of events carefully and actively. The information below complements this and additional information is provided in note 27.

#### Foreign exchange risks

The Group's most prominent foreign exchange risk is Adria's import of caravans and motorhomes from Adria Mobil d.o.o in Slovenia. Sales to Norway and Finland are made in the same currency as purchases (EUR), so the currency risk only relates to purchases/sales in Sweden. Currency exposure for KABE's, Coachman's and Affinity's products is related to imports of inputs and exports of finished products. Currency exposure for KAMA's products is related to imports of commodities. According to the KABE Group's financial policy, a maximum of 75% of net currency flows 6-12 months ahead can be hedged via forward contracts.

#### Interest rate risk

Interest rate risk consists, among other things, of changes in interest rates affecting the Group's results through the impact on borrowing costs. The interest-bearing debt mainly relates to factoring receivables. All interest-bearing liabilities are financed at variable interest rates.

#### Customer credit risk

The Group has historically low customer losses. KABE Group's customers are generally vehicle dealerships. The Group's network of dealerships consists largely of well-established dealerships with whom the Group has long experience. Credit risks are managed through active credit monitoring and procedures for the follow-up of trade receivables. Furthermore, the necessary provisions for receivables are continuously monitored. In individual cases, as a result of strategic decisions a significant concentration of credit risk may be found in a small number of strategically important dealerships at that time. In general, however, credit risk is spread over a larger number of independent dealerships in different national markets. Exposure at the balance sheet date is generally smaller to each of the dealerships, although there is some concentration towards 10 individual dealerships. These dealerships together accounted for approximately 39% of the of total outstanding trade and bills receivable.

#### Insurance

KABE Group procures and administers group-wide insurance programmes. This creates synergies and cost benefits. Work is also underway to identify, limit and eliminate claims risks in its operations.

#### Employees

The average number of employees was 885 persons (587). In addition see note 3.

#### The Board's proposal for guidelines for remuneration of the CEO and other senior executives before the 2022 AGM.

The Board proposes that the 2022 AGM approves the following guidelines for determining the salary and other remuneration of the CEO and senior executives. For paid remuneration determined by the 2021 AGM, see note 3. The most recent approved guidelines agree with the proposals.

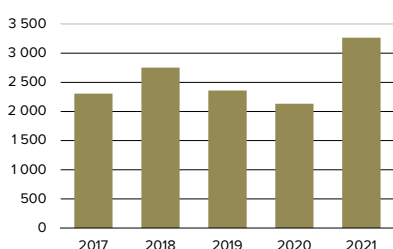
#### Salary and other remuneration

The overall Group objective is to achieve market leadership, in which long-term profitable growth and an innovation leading position are important aspects. The Group's business model builds on the strategy of achieving market leadership and profitable growth by providing competitive products that contribute to sustainable development and the transition to a sustainable society. A prerequisite for successful implementation of the company business strategy and the pursuit of its long-term interests, including sustainability, is the company's ability to recruit and retain qualified employees. For this reason it is necessary for the company to offer competitive remuneration. The guidelines described in this section shall apply to the remuneration and other conditions of employment for the Executive Committee. The guidelines shall apply to contracts of employment agreed after the 2022 AGM as well as any amendments to existing contracts after that date. Remuneration to the Executive Committee shall be in line with the market and based on the position, individual performance and the Group's results. In addition to an annual salary, the CEO and senior executives may also receive variable compensation. This variable compensation shall be linked to one of more predetermined targets, which can be linked to the business' financial outcomes or individual targets. The qualifying period for the variable compensation shall be one year and the variable compensation shall not exceed 50% of the total cash salary during the period.

For the CEO pension and medical insurance benefits shall be defined-contributions. Variable cash compensation shall not be pensionable. Pension premiums for defined-contribution pension shall be a maximum of 35% of the fixed annual salary. Other senior executives are currently covered by the ITP plan and have the option of an alternative ITP under this. Pension premiums for other senior executives in respect of fixed salary shall not exceed 35% of fixed annual salary. Variable compensation is pensionable to the extent that it complies with the collective agreements applicable to the post holder. Other benefits may include medical insurance and a company car. Premiums and other costs

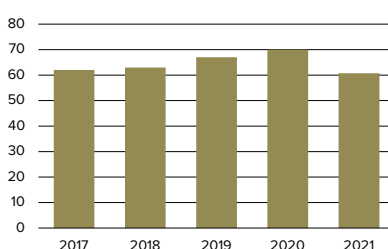
#### GROUP TURNOVER

SEK million



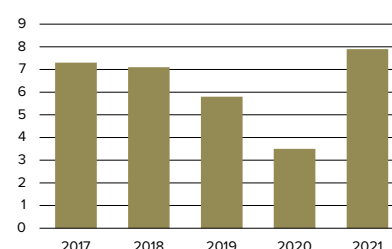
#### GROUP SOLIDITY

%



#### GROUP OPERATING MARGIN

%



relating to such benefits shall be in line with the market and only constitute a limited proportion of the total compensation.

The Board of Directors may decide to temporarily deviate from the guidelines, in whole or part, if in a specific case there are special reasons for doing so and if a deviation is in the long-term interests of the company, including its sustainability, or to ensure the financial viability of the company. In addition, there are terms and conditions for dismissal and severance pay as described in note 3.

Remuneration of the Managing Director is decided by the Chair of the Board. Remuneration of other senior executives is decided by the CEO in consultation with the Chair of the Board. Decisions are reported to the Board. See note 3 for other terms of pension and special agreements.

#### Share repurchase

KABE Group's Board of Directors proposes to the AGM to give the Board the authority to decide to repurchase shares. Such a mandate means that, until the next AGM, the board is able to decide to repurchase shares. Any eventual repurchase may take place on the stock exchange or through an offer to shareholders.

#### Future

With KABE Group's complete product portfolio and the acquisition of the English caravan manufacturer Coachman, the Group has consolidated and developed its strong market position. Our objective is for the Group to have a long-term

market leading position in our price and product segment for caravans and motorhomes. The Group is confident that the trends for "mobile living" continue to be positive and that an increased interest in sustainable types of holidays is here to stay. With its strong market position, financial standing, complete product portfolio and high internal pace of innovation, KABE Group is well positioned to meet new customers and is fully focused on following its strategic direction of building a stronger international KABE Group.

#### Sustainability report

In accordance with the Annual Reporting Act Chapter 6 § 11, KABE Group has elected to prepare the statutory sustainability report separate from the annual report. The sustainability report has been submitted to the auditor along with the annual report and can be found at [www.kabegroup.se/hallbarhet](http://www.kabegroup.se/hallbarhet).

The sustainability report outlines the Group's focus areas and ability to create financial, social and environmental value for its stakeholders.

In accordance with the Annual Reporting Act Chapter 6 § 12, KABE Group is obliged to report on certain sustainability related matters, which are outlined in the sustainability report under "Long-term and sustainable business development", "Good working conditions" and "Our business principles".

#### Significant events after the end of the financial year

No significant events have occurred to affect financial reporting after the date of the balance sheet.

## Profit distribution proposal

#### Dividends

The Board intends to propose to the AGM a dividend of 7:00 (3:00) SEK per share. KABE Group's policy is that the dividend must reflect the group's long-term earning profitability. The objective of the KABE Group's dividend policy is that the dividend in the long term account should amount to 30-50% of the Group's profit for the year. The dividend for the year in the Group is 30% of profit after tax and 5% of adjusted equity capital.

#### The Board's statement on the proposed dividend

Following the proposed dividend, the parent company's solidity will amount to 22% and the Group's solidity to 60%. The solidity is reassuring in view of the continued profitability of the company's and Group's operations. The company's and Group's liquidity is judged to be maintained at a reassuring level.

The Board's opinion is that the proposed dividend will not impede the parent company or the other Group companies from fulfilling their obligations in the short or long term, or from implementing required investments. The proposed dividend can, therefore, be justified in light of the provisions of the Chapter 17, section 3, § 2-3 of the Swedish Companies Act (precautionary principle)

#### Profit distribution proposal (SEK)

##### The Board proposes that the profit available to the Annual General Meeting:

Retained earnings	1 142 406
Profit for the year	91 493 267
<b>Total</b>	<b>92 635 673</b>

##### Is distributed as follows:

To shareholders a dividend of 7:00 SEK/share	63 000 000
carried forward	29 635 673
<b>Total</b>	<b>92 635 673</b>



## Multiannual overview

	2021	2020	2019	2018	2017
<b>Profit/loss items SEK million</b>					
Net turnover <sup>2</sup>	3 266	2 132	2 358	2 752	2 306
Operating profit/loss <sup>2 3</sup>	257	75	137	195	168
Net interest income <sup>2 3</sup>	-1	-	11	6	3
Profit after financial items	265	84	148	201	171
<b>Profit for the year</b>	<b>212</b>	<b>67</b>	<b>118</b>	<b>158</b>	<b>133</b>
<b>Balance sheet item</b>					
Goodwill	27	-	-	-	-
Fixed assets <sup>3</sup>	557	411	426	334	269
Account receivables and inventories	978	949	1 181	1 243	963
Cash and cash equivalents	578	279	32	38	221
<b>Total assets</b>	<b>2 140</b>	<b>1 639</b>	<b>1 639</b>	<b>1 615</b>	<b>1 453</b>
Equity capital	1 299	1 152	1 090	1 019	907
Non-current liabilities <sup>3</sup>	161	76	82	68	68
Current liabilities <sup>1 3</sup>	680	411	467	528	478
<b>Total equity and liabilities</b>	<b>2 140</b>	<b>1 639</b>	<b>1 639</b>	<b>1 615</b>	<b>1 453</b>
<b>Key figures</b>					
Operating margin % <sup>2 3</sup>	7.9	3.5	5.8	7.1	7.3
Solidity %	61	70	67	63	62
<b>Other</b>					
Number of employees	885	587	607	659	608
<sup>1</sup> Of which non-interest-bearing liabilities	619	397	444	561	507

<sup>2</sup>The comparative year 2017 has been recalculated according to the transition to IFRS 15.

<sup>3</sup>The comparative year 2018-2017 is not recalculation according to the transition to IFRS 16.

# Corporate governance report

**KABE Group AB (publ) is a Swedish limited-liability company listed on the Stockholm Stock Exchange since 1983. KABE Group adheres to the Swedish corporate governance code and hereby submits the 2021 Corporate Governance Report. The report has been prepared by the company directors and audited by the company's auditors. The 2021 audit reports no deviations from the Code.**

Governance of the Group is based on, among other things, the Articles of Association, Swedish legislation such as the Swedish Companies Act and the listing agreement with NASDAQ OMX Nordic, Stockholm ("the Exchange"), as well as rules and recommendations such as the Swedish Corporate Governance Code ("the Code") and good practice on the stock market. This Corporate Governance Report describes KABE Group's corporate governance, management and administration as well as the controls in regards to financial reporting. The Code is based on the principle of "follow or explain", which means that a company can deviate from individual rules but must provide a reason for the deviation. Information on the Corporate Governance Report can be found on the Group website [www.kabegroup.se](http://www.kabegroup.se).

## Shareholders

At year end, the KABE Group had 4 347 shareholders. As at 31 December 2021, share capital consisted of SEK 45 million, divided into 9 million shares, of which the number of A shares amounts to 0.6 million and the number of B shares amounts to 8.4 million. A shares are entitled to 10 votes and B share to 1 vote. Those shareholders entitled to more than 10% of votes in KABE Group AB are Maud Blomqvist 47% and Anita Svensson 14%. Shareholders can vote for all their shares at the AGM. Information on shareholders and shareholder structure is on page 34.

## Annual General Meeting

The AGM is the company's highest decision making body and the forum at which shareholders' right to make decisions on company affairs is exercised. Notice of the AGM is issued no earlier than six weeks and no later than four weeks before the meeting. Notice to extraordinary company meetings is issued in the same way. The AGM takes place once a year to, amongst other things, approve the annual report and consolidated accounts, grant discharge to the Board of Directors and the CEO and determine the appropriation of the previous year's profit. The Board of Directors and auditors are also elected at the AGM.

Notification of attendance at the meeting can be done on the company website. Proposals for the meeting must be addressed to the Board of Directors and submitting in good time before the meeting.

All shareholders directly registered in the share registered who have notified their attendance in time may attend the meeting and vote for all their shares. Shareholders who cannot attend in person can send a representative.

## Annual General Meeting 2021

KABE Group's 2021 AGM was held on Tuesday 11 May by postal vote in accordance with the temporary legislation on Annual General Meetings. The AGM resolved in agreement with all proposals submitted by the Board and Nomination Committee. 7 Shareholders represented 73% of the votes and 64% of total shareholders participated in the meeting. The main decisions taken were:

- The meeting adopted the profit and loss account and balance sheet, agreed the appropriation of profits and granted discharge to the Board of Directors.
- The meeting agreed a dividend of 3.00 SEK per share as ordinary dividend.
- Reelection of Board members Nils-Erik Danielsson, Maud Blomqvist, Anita Svensson, Benny Holmgren, Eric Stegemyr, Alf Ekström and Ulf Rostedt. Election as deputies of Mikael Blomqvist and Peter Blomqvist. Election as Chair of the Board of Nils-Erik Danielsson. In addition, KPMG AB was appointed as auditors with Olle Nilsson as the principal auditor.
- Approval of fees to the Board and auditor, guidelines for remuneration of senior executives and the composition of the nomination committee.
- The meeting agreed to authorise the Board of Directors to acquire and transfer shares on behalf of the company up to a

maximum of one tenth of the number of shares issued. (This authority has not been used.)

- The meeting agreed to authorise the Board of Directors on one or more occasions before the next AGM, to decide to issue new B shares to a maximum of ten percent of the total number of shares in the company adjusted for division of shares. (This authority has not been used.)

## Annual General Meeting 2022

KABE Group's 2022 AGM will be held on Thursday 12 May at 17:00 at the company premises in Tenhult. Further information is on page 59 and on the company's website, [www.kabegroup.se](http://www.kabegroup.se).

## Nomination Committee

The nomination committee is the AGM's body for preparing the AGM's decisions on appointments in order to form a sound basis for the AGM's consideration of these matters.

At the 2010 AGM, the following process for the election of the nomination committee was agreed. The AGM appoints the Chair of the Nomination Committee, whose task it is, in good time before the meeting, to contact the three largest registered shareholders, or otherwise known shareholders, and ask them to appoint two members to the Nomination Committee.

The Blomqvist family is considered as one shareholder. The deadline is the 31 December.

## Nomination committee ahead of 2022 AGM.

In accordance with the rules agreed at the 2010 AGM, the Chair of the Nomination committee appointed at the 2021 AGM, Brivio Thörner, has been supplemented with two members. The member appointed by the Blomqvist family is Lennart Oliw and other shareholders are represented by Mats J Andersson, Nordea Investment fund i.a. The nomination committee's role before the 2022 AGM is to propose the chair and members of the board, the chair of the meeting, as well as board and audit fees. The nomination committee has evaluated the work of the Board and held a meeting in line with protocol before the AGM, with all members present, as well as a number of other contacts. The nomination committee has prepared the following proposals for the 2022 AGM:

- Reelection of the current board members Nils-Erik Danielsson, who is also proposed for reelection as Chair of the Board, Anita Svensson, Benny Holmgren, Eric Stegemyr, Maud Blomqvist, Alf Ekström och Ulf Rostedt.
- Reelection as deputies of Mikael Blomqvist and Peter Blomqvist.
- For the period until the next AGM, the appointment of the registered auditing company KPMG AM as auditor with Olle Nilsson as authorised lead auditor.
- Fees to the Board: 325 (300) KSEK to the Chair as well as 125 KSEK (100) as remuneration for other services and 175 KSEK (150) to each of the other members. No directors' fees are paid to company employees.

The nomination committees comprehensive proposals can be found in the notice of the AGM.

## Board

Board members are elected annually by the AGM for the period until the next AGM is held. According to the Articles of Association, the Board must comprise three to eight members with a maximum of two deputies and election of Board members takes place at the AGM. The decision to have two deputies, despite the fact that according to the Code point 4.2 they should not be elected as members of the Board of Directors at the AGM, is due to the company's ownership structure. The Articles of Association contain no other provisions for the appointment or dismissal of directors or on amendments to the Articles of Association. There are no rules regarding the length of time a member can sit on the Board.

The Board's role is to manage company affairs on behalf of its owners. KABE Group's Board consists of seven elected members, two deputies and two employee representatives. Among the elected members, some represent KABE Group's major shareholders while some are independent of the owners. The CEO (Member of the Board) and other Group officials attend Board meetings in a rapporteur or administrative capacity.

In addition to legislation and recommendations, the work of KABE Group's Board of Directors is governed by the Board's

Rules of Procedure, which are adopted once a year. The Rules of Procedure contain, i.e., rules for the division of tasks between the Board and the CEO, financial reporting and investments.

### Board of Directors activities 2021

In 2021, the Board held five ordinary meetings and two extraordinary meetings. At each ordinary meeting there are, in addition to business information, fixed reporting and decision points in accordance with the Board's rules of procedure. The Board takes a position on issues of a general nature such as the Group's strategy, structural and organisational matters, policies and guidelines and major investments.

One meeting was dedicated to strategic business planning and one to the Group's budget for 2022.

The company's auditor participates in a minimum of one of the Board's meetings annually. The auditor reports on their observations on the company's accounts, procedures and internal controls.

In addition to the information provided at Board meetings, the CEO submits a monthly report to the board members and maintains close contact with the Chair of the Board.

Each year the Board conducts an evaluation of the Board's work and the nomination committee has been informed of the content of the 2021 evaluation. This forms the basis of planning for the Board's work in the coming year.

### Remuneration Committee

Remuneration of the Managing Director is decided by the Chair of the Board. Remuneration of other senior executives is decided by the CEO in consultation with the Chair of the Board. Decisions are reported to the Board.

### Audit committee

The Board shall perform the obligations of an audit committee. Obligations mainly include reviewing the financial policy and information policy, reviewing the company's financial reporting and internal reporting and control systems, monitoring risks and evaluating the external audit. One of the Board's external members has the necessary accounting expertise.

### Group Management

The CEO is appointed by the Board to be responsible for the day-to-day operational management in accordance with the Board's guidelines and instructions. CEO Alf Ekström together with the Deputy CEO, the CFO and three CEOs of subsidiaries, make up the Executive Committee.

### Auditor

The auditor is appointed by the shareholders at the AGM. The auditor examines the company's annual report, consolidated accounts and financial statements as well as the management of the Board of Directors and CEO. At the 2021 AGM, KPMG AB was appointed auditor with Olle Nilsson as the principal auditor. The mandate is held until the 2022 AGM. In addition to his mandate with the KABE Group, Olle Nilsson has audit mandates with Ahlstrom-Munksjö AB and Väderstad AB. KPMG AB implements the auditing for KABE Group AM for the groups and the Swedish subsidiaries. Financial statements are audited for the period January-December. Auditing of internal procedures and control systems starts in the third quarter and then continues on an ongoing basis until the year-end. Reviews and audits of the annual accounts and financial statements are conducted in January-March. Interim reports for January-September form the basis for the auditor's overall review.

KABE Group has opted for the Chair of the Board to participate in meetings with the auditor on behalf of the board. The Board's reporting instructions include the requirement for Board members to receive a report from the auditor annually on whether the organisation of the company is such that the accounts, the management of funds and the financial position of the company in general can be controlled satisfactorily.

For 2021, the auditor has reported to the CEO and Chair of the Board on two occasions and at one meeting to the whole Board of Directors. KABE Group has, in addition to the audit mandate, consulted with KPMG AB with regards taxation, auditing matters and for other investigations. The amount of remuneration paid to KPMG AB for 2021 is shown in note 7. KPMG AB is obliged to verify its independence before deciding to provide independent advice to the KABE Group in addition to its audit mandate.

### Principles for remuneration to senior executives, incentive schemes etc

The guidelines agreed at the 2021 AGM mean that the terms must be in line with the market. For paid remuneration determined by the 2021 AGM, see note 3. The Board proposes that the 2022 AGM approves the following guidelines for determining the salary and other remuneration of the CEO and senior executives.

### Salary and other remuneration

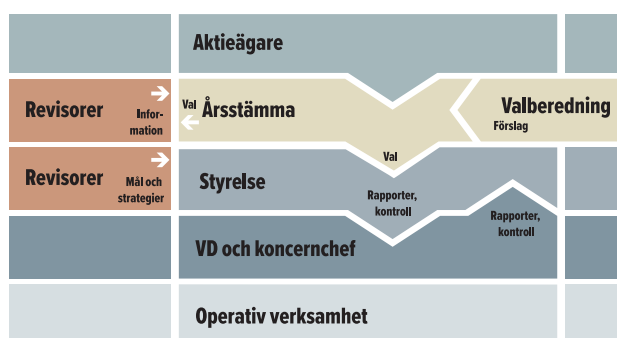
The overall Group objective is to achieve market leadership, in which long-term profitable growth and an innovation leading position are important aspects. The Group's business model builds on the strategy of achieving market leadership and profitable growth by providing competitive products that contribute to sustainable development and the transition to a sustainable society. A prerequisite for successful implementation of the company business strategy and the pursuit of its long-term interests, including sustainability, is the company's ability to recruit and retain qualified employees. For this reason it is necessary for the company to offer competitive remuneration. The guidelines described in this section shall apply to the remuneration and other conditions of employment for the Executive Committee. The guidelines shall apply to contracts of employment agreed after the 2022 AGM as well as any amendments to existing contracts after that date. Remuneration to the Executive Committee shall be in line with the market and based on the position, individual performance and the Group's results. In addition to an annual salary, the CEO and senior executives may also receive variable compensation. This variable compensation shall be linked to one of more predetermined targets, which can be linked to the business' financial outcomes or individual targets. The qualifying period for the variable compensation shall be one year and the variable compensation shall not exceed 50 % of the total cash salary during the period.

For the CEO pension and medical insurance benefits shall be defined-contributions. Variable cash compensation shall not be pensionable. Pension premiums for defined-contribution pension shall be a maximum of 35% of the fixed annual salary. Other senior executives are currently covered by the ITP plan and have the option of an alternative ITP under this. Pension premiums for other senior executives in respect of fixed salary shall not exceed 35% of fixed annual salary. Variable compensation is pensionable to the extent that it complies with the collective agreements applicable to the post holder. Other benefits may include medical insurance and a company car. Premiums and other costs relating to such benefits shall be in line with the market and only constitute a limited proportion of the total compensation.

The Board of Directors may decide to temporarily deviate from the guidelines, in whole or part, if in a specific case there are special reasons for doing so and if a deviation is in the long-term interests of the company, including its sustainability, or to ensure the financial viability of the company. In addition, there are terms and conditions for dismissal and severance pay as described in note 3.

Remuneration of the Managing Director is decided by the Chair of the Board. Remuneration of other senior executives is decided by the CEO in consultation with the Chair of the Board. Decisions are reported to the Board. See note 3 for other terms of pension and special agreements.

For further information about the remuneration to the CEO/Group CEO, see the company's compensation report published on its homepage.





## Board of Directors and Auditors



**Nils-Erik Danielsson**



**Alf Ekström**



**Benny Holmgren**



**Maud Blomqvist**

<b>Mandate</b>	Chair of the Board	President, Group CEO, Member of the Board	Member of the Board	Member of the Board
<b>Born</b>	1944	1956	1961	1955
<b>Position</b>	Former Group CEO Ballingslöv International AB	President and Group CEO KABE Group AB	CEO Holmgren Group AB	Retired Design Director KABE AB until December 2021
<b>Shareholdings</b>	15 000	171 000	0	2 409 150
<b>Other directorships</b>	Member of the Board: S-Invest Trading AB Ballingslöv Int. AB		Chair of the Board: Flodin Holding in Jönköping AB Member of the Board: Nivika Fastigheter AB (publ.)	
<b>Member of the Board since</b>	1998	1984	2010	1998
<b>Independent from the company and company management</b>	Yes	No	Yes	No
<b>Independent from major shareholders</b>	Yes	No	Yes	No
<b>Attendance at board meetings</b>	7/7	7/7	5/7	7/7
<b>Participation in audit committee <sup>1)</sup></b>	1/1	1/1	1/1	1/1
<b>Board fee incl. committee- remuneration SEK</b>	300 000	-	150 000	-

<sup>1)</sup> **Audit committee**

During the year, the Audit Committee consisted of the Board of Directors.

**Anita Svensson**

Member of the Board

1952

Retired

2 011 750

1998

Yes

No

6/7

1/1

150 000

**Eric Stegemyr**

Member of the Board

1967

Vice President,  
Sales and service Northern  
Europe,  
Husqvarna AB

500

Chair of the Board:  
KABE AB  
Member of the Board:  
Adria AB,  
KAMA Fritid AB

2014

Yes

Yes

7/7

1/1

150 000

**Ulf Rostedt**

Member of the Board

1967

CEO of Herenco  
Invest AB

2 700

Chair of the Board:  
Hagab Industri AB,  
ACTICON Aktiebolag,  
Miljöhallen Golv i  
Jönköping Aktiebolag,  
LA Leif Arvidsson AB  
Member of the Board:  
Herenco Invest AB

2020

Yes

Yes

6/7

1/1

150 000

**Peter Lilja**

Employee Representative

1974

KABE AB

0

2014

**Göran Larsson**

Employee Representative

1955

KABE AB

0

2011

Secretary to the Board  
**Viktor Trojefors**  
Finance director  
KABE Group AB**Auditor KPMG AB**  
with lead auditor  
**Olle Nilsson**

## Shareholders

Shareholders	Number of shares	Of which A-shares	Of which B-shares	Number of votes	Proportion of votes	Proportion of share capital
Blomqvist Family	4 716 218	560 800	4 155 418	9 763 418	67.8%	52.4%
Nordea Nordic Small Cap Fund	1 127 179		1 127 179	1 127 179	7.8%	12.5%
Bengt Karlsson	322 000		322 000	322 000	2.2%	3.6%
Brown Brothers Harriman & CO	311 251%		311 251%	311 251%	2.2%	3.5%
Stig-Olof Simonsson	223 921		223 921	223 921	1.6%	2.5%
Alf Ekström	171 000	39 200	131 800	523 800	3.6%	1.9%
Reino Sigonius	120 978		120 978	120 978	0.8%	1.3%
KBC Bank NV	102 671		102 671	102 671	0.7%	1.1%
Insurance company, Avanza pension	75 161		75 161	75 161	0.5%	0.8%
Spiltan Fonder AB	74 418		74 418	74 418	0.5%	0.8%
Other	1 755 203		1 755 203	1 755 203	12.2%	19.5%
<b>Total</b>	<b>9 000 000</b>	<b>600 000</b>	<b>8 400 000</b>	<b>14 400 000</b>	<b>100.0%</b>	<b>100.0%</b>

Ownership distribution	Number of shares	Of which A-shares	Of which B-shares	Number of votes	Proportion of votes	Proportion of share capital
Swedish limited liability companies	147 160		147 160	147 160	1.0%	1.6%
Swedish private individuals	6 344 142	600 000	5 744 142	11 744 142	81.6%	70.5%
Swedish financial and institutional companies	312 310		312 310	312 310	2.2%	3.5%
Owners resident abroad	2 196 388		2 196 388	2 196 388	15.3%	24.4%
<b>Total</b>	<b>9 000 000</b>	<b>600 000</b>	<b>8 400 000</b>	<b>14 400 000</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Euroclear Sweden 30/12/2021

## Group Management



**Alf Ekström**

President and Group  
CEO KABE Group AB

Born 1956



**Mikael Blomqvist**

Deputy CEO  
KABE Group AB

Born 1981



**Viktor Trojefors**

Finance director  
KABE Group AB

Born 1991



**Andreas Gustafsson**

CEO KABE AB

Born 1982



**Johan Skogeryd**

CEO Adria AB

Born 1977



**Jonas Tidqvist**

CEO KAMA Fritid AB

Born 1969



## Internal control over financial reporting

### Principle

The Board's responsibility for internal control is set out in the Companies Act and internal control over financial reporting is covered by the Board's reporting instructions to the CEO. The Code's regulations and the guidance produced by the Confederation of Swedish Enterprise and FAR/SRS has been the point of departure for the description. KABE Group's financial reporting follows the laws and regulations applicable to companies registered on the Stockholm Stock Exchange and local regulations in each country. The overall objective of the internal control is to safeguard the company's assets and thereby the owners' investments.

### Financial reporting

All business units report monthly financial results. Reporting is consolidated and forms the basis of quarterly reports and operational monitoring. Operational monitoring is conducted in line with an established structure within which intake of orders, turnover, liquidity, profit, capital commitments and other key figures important to the Group are compiled and form the basis for analysis and action by the management group and controllers at various levels. Other important and Group-wide elements of the internal controls common are business plans and the annual forecasting process. An information policy is in place for communication with external partners with the purpose of ensuring that all information obligations are properly and fully complied with.

### Control Environment

The Board of Directors is responsible for overseeing the accounting and reporting processes and ensuring the quality of these reports and processes. Responsibility for maintaining an effective control environment and ongoing work with risk management and internal control with regards financial reporting is delegated to the CEO. Managers at different levels in then company are, in turn, responsible for their respective areas. Responsibility and authorities are defined, inter alia, in CEO instructions, attestation instructions, manuals and other policies, procedures and codes. The Board establishes the Group's key policies on communication, credit, finance and risk management. Other policies and instructions are established by the Group Management and the responsible Group functions issue guidelines and monitor their application.

The Group's accounting and reporting rules are set out in financial instructions which are available to all finance staff.

Together with legislation and other external regulatory frameworks, this forms the organisational structure and the internal regulatory control environment.

The audit includes an annual statutory audit of KABE Group's annual report, a statutory audit of the parent company and all subsidiaries (where required), and audit of the financial statements and a review of an interim financial report. Internal control reviews are used as part of this work.

### Risk analysis

KABE Group works continuously with risk analysis, reviewing the risk of errors in the financial reporting of material income and balance sheet items. Operational risk is also mapped out. A model for systematic risk management is applied to identify and classify risks at both group and company level.

KABE Group's largest risk regarding the financial reporting is to do with the valuation of trade receivables and inventories.

### Control activities

KABE Group's internal control activities aims to ensure that the Group achieves its target for financial reporting.

Policies and guidelines are particularly important for accurate accounting, reporting and provision of information and also determine which control activities shall be conducted. Within KABE Group, policies and guidelines are updated on an ongoing basis in writing and at meetings. Control activities include, for example, certification procedures, account reconciliations, analytical follow-up and control of IT systems.

The monitoring structure follows COSO's roadmap for smaller companies regarding internal control of financial reporting. COSO's roadmap contains a total of 20 principles divided into the five areas of control environment, risk analysis, control activities, information and communication and monitoring. Adaptations have been made based on the assessed needs of KABE Group's various businesses.

### Follow-up

Group management and controllers monitor economic and financial reporting and key business events on an ongoing basis. At each Board meeting, financial developments are monitored against forecasts and the correspondence of investments to plans drawn up is reviewed. The Board evaluates internal control, the Company Code and significant accounting matters.

KABE Group has not yet had reason to establish a special internal auditing function. Internal control activities are conducting in the framework for other business and mainly use central resources. In the company's assessment, this evaluation is broadly similar to the work undertaken by an internal audit function in other companies. Elements of internal control are review by the auditor on an ongoing basis. The matter of a dedicated internal audit function remains under review.

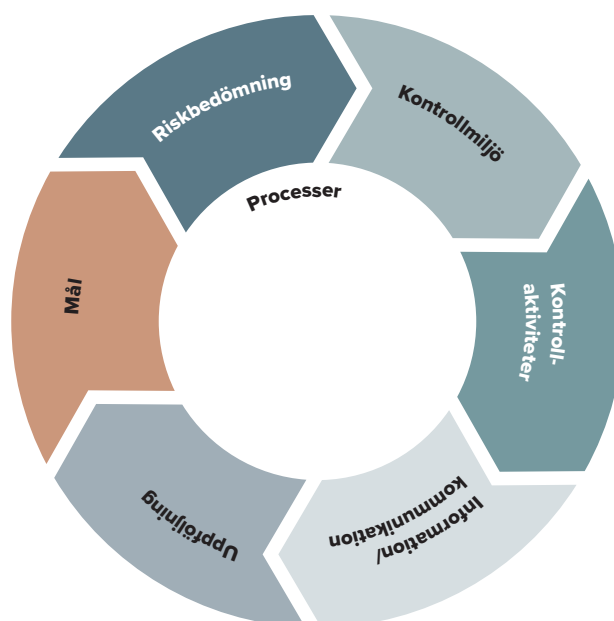
### Information and communication

KABE Group's information to shareholders and other stakeholders is provided in the annual report, year-end and interim reports and press releases. These can be found on the company website ([kabegroup.se](http://kabegroup.se)). In addition, there is also presentation material from recent years and information on corporate governance and the articles of association. Provision of information in the company is in accordance with the Board's established information policy.

### Objectives

External financial reporting shall be accurate and complete while complying with all applicable laws, rules and recommendations, providing a fair description of the company's activities and support a rational and informed assessment of the business.

Internal financial reporting shall, in addition to these three aims, support correct decision making at every level of the group.



## Statement of Group comprehensive income

SEK million	Note	2021	2020
Net turnover	2	3 266	2 132
Cost of goods sold	5	-2 800	-1 899
<b>Gross operating profit</b>		<b>466</b>	<b>233</b>
Selling costs	5	-127	-91
Administrative expenses	5	-91	-46
Other operating income	6	18	1
Other operating expenses	6	-9	-22
<b>Operating profit/loss</b>	3, 4, 7, 8	<b>257</b>	<b>75</b>
Profit from shares in associated companies	18	9	9
Financial income	9	2	4
Financial expenses	9	-3	-4
<b>Profit after financial items</b>		<b>265</b>	<b>84</b>
Tax expense	10	-53	-17
<b>Profit for the year</b>		<b>212</b>	<b>67</b>
<b>Other total profit:</b>			
<i>Items to be transferred to the profit and loss account</i>			
Translation differences		3	-5
<b>Other total profit net after tax</b>		<b>3</b>	<b>-5</b>
<b>Total profit for the year</b>		<b>215</b>	<b>62</b>
Earnings per share (9 000 000 shares)	24	23.56	7.44
<b>Total comprehensive profit for the period attributable to:</b>			
Parent company owners		215	62
Interests without significant control		0	0

## Group balance sheet

SEK million	Note	2021	2020
<b>Assets</b>			
<b>Fixed assets</b>			
Goodwill	15	27	-
Other intangible fixed assets	15	132	2
Tangible fixed assets	16	309	225
Right-of-use assets	17	14	10
Share in associated companies	18	46	87
Other long-term receivables	19	56	87
<b>Comprehensive fixed assets</b>		<b>584</b>	<b>411</b>
<b>Current assets</b>			
Inventories	13	632	529
Accounts receivable	12	295	385
Other receivables	12	38	26
Prepaid costs and accrued income	12	13	9
Cash and cash equivalents	14	578	279
<b>Comprehensive current assets</b>		<b>1 556</b>	<b>1 228</b>
<b>Total assets</b>		<b>2 140</b>	<b>1 639</b>
<b>Total equity and liabilities</b>			
<b>Equity attributable to the parent company's shareholders</b>	21		
Share capital		45	45
Other reserves		6	3
Profit brought forward		1 248	1 104
<b>Comprehensive equity attributable to the parent company's shareholders</b>		<b>1 299</b>	<b>1 152</b>
Interests without significant control		0	0
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Bank loans payable	22	21	-
Deferred tax liability	10	104	72
Long-term lease liabilities	22	8	4
Other long-term liabilities	22	28	-
		<b>161</b>	<b>76</b>
<b>Short-term liabilities</b>			
Bank loans payable	22	55	9
Short-term lease liabilities	22	6	5
Guarantee reserves	20	23	10
Accounts payable		408	206
Current tax due		43	-
Other liabilities		41	112
Accrued liabilities and prepaid income	23	104	69
		<b>680</b>	<b>411</b>
<b>Total debts</b>		<b>841</b>	<b>487</b>
<b>Total equity and liabilities</b>		<b>2 140</b>	<b>1 639</b>

For information on the Group's collateral and contingent liabilities, see Notes 25 and 26.



## Group cash flow analysis

SEK million	Note	2021	2020
<b>Ongoing business</b>			
Operating profit/loss		257	75
<b>Adjustments for items not included in the cash flow:</b>			
Depreciation charged to profit and loss		46	33
Profit/loss on sale of equipment		-1	0
Change in guarantee reserve		3	1
Dividend from associated companies		-	2
Interest received		2	4
Interest paid		-3	-4
Tax paid		-46	-17
<b>Cash flow from operating activities before changes in operating capital</b>		<b>258</b>	<b>94</b>
<b>Changes in operating capital</b>			
Inventories		-63	105
Operating receivables	12, 19	94	121
Operating liabilities		160	-55
<b>Cash flow from operating activities</b>		<b>449</b>	<b>265</b>
<b>Investment activities</b>			
Investment in intangible fixed assets		-1	0
Investment in tangible fixed assets		-32	-9
Change in long-term receivables	12, 19	1	-1
Sales of tangible fixed assets		2	1
Acquisition of company and businesses		-43	-
<b>Cash flow from investment activities</b>		<b>-73</b>	<b>-9</b>
<b>Financing activities</b>			
Amortisations		-9	-8
Dividends to shareholders		-68	-
<b>Cash flow from financing activities</b>		<b>-77</b>	<b>-8</b>
<b>Cash flow for the year</b>		<b>299</b>	<b>248</b>
Cash and cash equivalents at the start of the year		279	32
Exchange differences in cash and cash equivalents		-	-1
<b>Cash and cash equivalents at year end</b>		<b>578</b>	<b>279</b>

## Report on the Group's change in equity

SEK million	Share capital	Other reserves	Profit brought forward	Interests without significant control	Total comprehensive equity
<b>Equity brought forward 1 January 2020</b>	<b>45</b>	<b>8</b>	<b>1 037</b>	<b>0</b>	<b>1 090</b>
Profit for the year			67	0	67
Other total profit:		-5	-	0	-5
<b>Total comprehensive income</b>		<b>-5</b>	<b>67</b>	<b>0</b>	<b>62</b>
<b>Balance carried forward 31 December 2020</b>	<b>45</b>	<b>3</b>	<b>1 104</b>	<b>0</b>	<b>1 152</b>
<b>Balance brought forward 1 January 2021</b>	<b>45</b>	<b>3</b>	<b>1 104</b>	<b>0</b>	<b>1 152</b>
Profit for the year			212	0	212
Other total profit:		3	-	0	3
<b>Total comprehensive income</b>		<b>3</b>	<b>212</b>	<b>0</b>	<b>215</b>
<b>Transactions with the Group owners</b>					
Dividends paid <sup>1</sup>			-68		-68
<b>Balance carried forward 31 December 2021</b>	<b>45</b>	<b>6</b>	<b>1 248</b>	<b>0</b>	<b>1 299</b>

<sup>1</sup> In 2021, KABE Group paid out a total of SEK 67,5 million to shareholders in the form of an ordinary dividend of 3,00 SEK per share and an extra dividend of 4.50 SEK per share.

For further information see note 21.

## Note 1 Reporting and valuation principles

### Basis of preparation of the financial statements

The following accounting policies have been applied consistently to all periods presented in the Group and parent company's financial statements. KABE Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union. Furthermore, RFR 1, Supplementary Accounting Rules for groups issued by the Financial Reporting Council has been applied. The parent company applies the same accounting policies as the Group, except as set out in the parent company accounting policies in note 1.

The consolidated financial statements comprise the accounts of the KABE Group AB and its subsidiaries. Functional currency of the parent company is Swedish kronor, which is also the reporting currency for the parent company and for the Group. This means that the financial statements are presented in Swedish kronor rounded to the nearest million.

The Annual Report was approved for issue by the Board of Directors on 8 April 2022. The balance sheets and profit and loss statements will be approved at the Annual General Meeting on 12 May 2022.

### New or changed accounting policies applicable from 2021 onwards.

The Group applies the new and amended standards and interpretations for the first time to these financial statements applicable for annual periods beginning on or after 1 January 2021 or later. These have not have a material impact on the Group's financial reports.

### New and amended standards for 2022 onwards

New and amended IFRS, which have not yet come into effect, have not been applied in advance of the preparation of the Group's financial statements. None of this has a significant impact on the Group's financial reports.

### Consolidated financial statements

The consolidated income statements and balance sheets include KABE Group AB and the companies in which KABE Group AB directly or indirectly has a controlling influence. Controlling influence is defined as when the company is exposed to, or has the right to, variable returns from its involvement in the investee and can influence returns through its influence in the company. This is normally achieved when the company owns more than 50 % of the voting rights.

The following applies to acquisitions of companies where a controlling influence exists as well as to divestments of companies:

- Subsidiaries acquired during the year are included in the consolidated financial statements from the date on which the KABE Group obtained control.
- Subsidiaries acquired during the year are included in the consolidated financial statements from the date on which the KABE Group receives KABE Group obtains control.

Business combinations are accounted for using the purchase method. The approach considers the acquisition of a subsidiary as a transaction in which the Group indirectly acquires the subsidiary's assets and assumes its liabilities. To determine the value of the acquisition to the Group, the assets, liabilities and contingent liabilities of the subsidiary are measured at fair value at the acquisition date.

The consolidated income statement and balance sheet include the parent company and the directly and indirectly owned subsidiaries after elimination of intra-group transactions, as well as elimination of unrealised intra-group profits on inventories, and amortisation of acquired goodwill.

Transaction costs, other than those attributable to equity or debt instruments, are recognised directly in the profit for the year.

In business combinations where the transferred compensation, any non-controlling interest and the fair value of the previously owned interest (in the case of step acquisitions) exceeds the fair value of the assets acquired and liabilities assumed, which are recognised separately, the difference is recognised as goodwill. Where the difference is negative, so-called bargain purchase, this is recognised directly in profit and loss.

In the case of step acquisitions, goodwill is determined on the date on which control is acquired. Previous holdings are valued at fair value and change in value is recognised in profit and loss.

### Associated companies

Companies in which the KABE Group has significant influence, but not control of the Group, generally those companies in which the Group holds between 20% and 50% of the voting rights, are classified as associated companies. Associated companies include KABE Rental AB, Nordfarbo AB, Fastigheten Bodalsvägen i Kristinehamn AB and KABE Finans AB. Investments in associated companies are accounted for according to the equity method. The equity method involves measuring the value of the associated company in the Group's share of the associate's equity plus consolidated goodwill and any other residual consolidated surplus or deficit. Profit for the year includes "Results from investments in associate companies", which represents the Group's shares in the results of associates adjusted for any depreciation, amortization and dissolutions of negative surplus and surplus values. The equity method is applied until the date on which significant influence ceases to exist. Dividends from associated companies are recorded as a reduction in the carrying amount of the investment. No single investment in associates is considered to be of such material significance that or to be associated with a particular or significant risk of the Group that increased disclosure is required in accordance with IFRS 12 'Disclosure of Interests in Other Entities'.

### Foreign currency translation

Transactions in foreign currencies have been translated to the functional currency at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities have been translated into the functional currency at the exchange rate at the balance sheet date. Foreign exchange gains and losses are recognised in the operating result.

Profit and loss account and balance sheet of all group companies that have a functional currency other than the reporting currency, are translated to the Group's reporting currency. All balance sheet items are translated at the exchange rate prevailing at the balance sheet date, income and expenses are translated at the average rate. Translation differences arising from the conversion of foreign operations for consolidation purposes are recognised in other comprehensive income. On disposal of a foreign operation the translation difference, previously recognised in other comprehensive income, is in the profit and loss account as part of the gain or loss on disposal.

### Reporting per segment

Operating segments are reported in accordance with the internal reporting structure established by the President and CEO of the KABE Group (the Group's most senior operational decision maker) to evaluate performance and to decide on the allocation of resources to the segments. The Group has three segments: Caravans/motorhomes, Accessories and Other. The segments are reported under the same accounting policies as the Group. Market conditions are applied to transactions between segments. For further information on the three segments, see note 2.

### Revenue from contracts with customers

The Group's revenue consists mainly of sales of new caravans and motorhomes as well as accessories. Contracts with customers for finished products have a performance commitment. Revenue is recognised at the time control of the assets transferred to the customer. The time control of the goods transferred to the customer depends on the terms and conditions of carriage. A receivable is recognised when the goods have been delivered as payment is secure at that point as time is required before payment is made. Standard credit terms are 30-90 days.

Revenue from the sale of demonstration vehicles placed with dealerships is recognised when control is assumed by the finance company and the revenue is recognised net of the dealerships interest-free period. The period varies depending on when in the year the vehicle is delivered. KABE Group is director for sale of goods as well as for transport services. All concluded agreements with customers are short-term (<1 year) and KABE Group does not disclose the transaction price of unfilled orders.

In the industry in which KABE Group is operational, many products are covered by a warranty which is included in the price and is normally limited to 24 months. Provision for warranty obligations covers any costs incurred to repair or replace sold products and is calculated on the basis of historical data. For additional information see further under the heading provisions.

### Compensation of employees

Employees are compensated by salaries paid as well as accrued bonuses, if any. Full provision is made for various commitments such as untaken holidays and social security contributions.



### Pensions

Pensions and other post-employment benefits classified as either a defined contribution or defined benefit plan. The Group operates defined contribution and defined benefit pension plans. The costs of these are recognised in the period in which the employees render the services to which the contribution relates.

All Swedish employees are covered by the so-called ITP plan, which is financed through the pension scheme Alecta. For the financial year 2021, the company has not had access to such information that makes it possible to account for this plan as a defined-benefit plan. The pension plan under the ITP is secured by an Alecta policy is therefore accounted for as a defined contribution plan. In addition, there are pension commitments for a limited number of officials which are defined contribution and are by the payment of premiums to insurance companies.

### State aid

State aid is financial contributions from state and supra-state bodies received in exchange for KABE Group meeting certain conditions. Grants related to profit or loss are recognised as a reduction of the cost of the items to which they relate over the period in which the costs are incurred. Grants are recognised in the profit and loss account and balance sheet when it is reasonably certain that the grants will be received and any conditions attached to the grants have been met.

### Financial income and expenses

Financial income consists of interest income on bank deposits and dividend income. Financial expenses consist of interest costs on overdraft facilities, mortgaged trade receivables and lease payables.

### Other operating income and expenses

Other operating income and other operating expenses consist of exchange rate differences, as well as realisation gains on the disposal of fixed assets.

### Taxation

Recognised tax includes tax payable or receivable for the current year, adjustments for prior years' tax, and changes in deferred tax. Deferred tax is valued based on how assets and liabilities are expected to realised or settled. The valuation of deferred tax is based on how assets and liabilities are expected to realised or settled.

Deferred tax is calculated by applying the tax rates and tax rules resolved or announced as of the balance sheet date. Deferred tax assets in respect of provisions of the guarantee reserve and expected credit losses are recognised to the extent to which it is probable that future taxable profits will be available against which the temporary differences can be used. Deferred tax assets and liabilities are offset when there is a legal right of set-off and when the deferred taxes relate to the same taxation authority.

### Intangible fixed assets

#### Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the amount by which the purchase price exceeds the KABE Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired company and the fair value of non-controlling interests in the acquired company. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to cash-generating units which represent segments that are expected to benefit from the synergies of the combination. Each segment goodwill has been allocated to correspond to the lowest level within the Group at which the goodwill in question is monitored in internal management. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate a possible impairment. The carrying amount of goodwill is compared to the recoverable amount, which is the higher of the value in use and the fair value less selling costs.

#### Balance sheet expenditure on development work

Expenditure on product development is recognised as an expense when it was issued. The Group has not capitalised any expenditure on product development costs as the development work undertaken does not meet the criteria for recognition as an asset under IAS 38. Expenditure on the development of internal software has been capitalised when deemed to meet the criteria for recognition as an asset under IAS 38. Development expenditure recognised in the balance sheet relates to the development of new software for internal use. Amortisation commences when the asset is available for use. The useful life

is assessed on the basis of the period over which the expected benefits are expected to benefit the company. The useful life is estimated to be 5 years and depreciation is applied on a straight-line basis over this period

### Other intangible fixed assets

The useful life of acquired customer relations has been estimated at 10 years. Straight-line depreciation is applied to the depreciable amount over the useful life of the customer relations. Acquired trademarks have been estimated to have an indeterminate useful life since KABE Group intends to use the trademark for an indefinite period of time. Other intangible fixed assets acquired by the Group, often in connection with the business combination, are stated at the Group's cost less any accumulated depreciation and, if the asset has a finite useful life, accumulated amortisation.

### Tangible fixed assets

Tangible fixed assets are recognised at cost less accumulated depreciation and any accumulated impairment losses. Cost includes costs directly attributable to the acquisition of the asset. Property, plant and equipment fixed assets are broken down into significant components where the components have significantly different useful lives. Repair and maintenance costs are expensed while major improvements and replacements are capitalised. Land is not subject to depreciation, as it is deemed to have an indefinite useful life.

Straight-line depreciation is applied to the depreciable amount (cost less estimated residual value) over a period of over the useful life of the assets as follows:

- Buildings 15-50 years
- Ground installations 20-25 years
- Machines and equipment 3-8 years

In each quarterly financial statement, an assessment is made whether there are indications of impairment needs.

### Financial instruments

Financial instruments are any form of agreement which gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are classified at initial recognition based, among other things, on the purpose for which the instrument was acquired and the basis on which the individual instrument is managed. A financial instrument classification affects how the instruments are or can be valued, primarily whether it is to be measured at amortised cost or fair value. Financial liabilities are classified as measured at amortised cost or fair value through profit or loss.

#### Accounting and derecognition

A financial asset or liability is recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instrument. Trade receivables are recognised in the balance sheet when an invoice has been sent and the Company's right to payment is unconditional. A liability is recognised when the counterparty has performed and there is a contractual obligation to pay, even if the invoice has not yet been received. Supplier payables are recognised when the invoice is received. A financial asset is derecognised on the balance sheet when the rights under the contract are realised, expire or the company loses control of them. A financial liability is derecognised from the balance sheet when the obligation under the contract is discharged or otherwise extinguished. The same applies to part of a financial asset or financial liability. Profit and loss arising from derecognition and modification are recognised in profit or loss.

#### Classification and valuation of financial assets

The classification of interest-bearing financial assets is based on the Group's business model for managing the asset and the nature of the asset's contractual cash flows. Depending on the business model applied to an individual financial asset instrument, it may be measured at either:

- amortised cost,
- fair value through profit or loss; or
- fair value through other comprehensive income

Financial assets classified and measured at amortised cost are initially measured at fair value plus transaction costs. After initial recognition they are measured net of a loss allowance of expected credit losses. Assets classified at amortised cost are held exclusively for the purpose of obtaining contractual cash flows, i.e. payments of nominal amounts principal amount and interest on the principal amount outstanding. The Group's financial assets measured at amortised cost consist of other long-term receivables, trade receivables, cash and cash equivalents and other current receivables. Assets that do not qualify for recognition

at amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. To the extent that the entity holds derivative financial instruments, they are accounted for exclusively at their fair values through profit or loss. The Group does not apply hedge accounting. When settlement or disposal is expected to occur more than 12 months after the balance sheet date a financial asset is recognised as a non-current asset. KABE holds no investments in equity instruments that are carried at their respective fair values. Carrying amount of trade receivables, other receivables, cash and cash equivalents, trade payables and other liabilities are a reasonable approximation of fair value.

#### **Impairment**

A reserve is recognised for expected credit losses. A provision for losses is made where there is exposure to credit risk, usually at the initial recognition of an asset or receivable. The Group also assesses at the end of each reporting period whether there is objective evidence of impairment for a financial asset or group of financial assets.

For trade receivables, the Group applies the simplified approach for credit provisions. A loss reserve is recognised for the expected remaining life of the asset or receivable and is based on historical customer losses combined with projected macro-economic factors.

#### **Classification and valuation of financial liabilities**

Financial liabilities are classified at amortised cost with the exception of derivatives. Financial liabilities classified at amortised cost are initially measured at fair value plus transaction costs. Subsequent to initial recognition, they are measured at amortised cost under the effective interest method. A majority of the Group's financial liabilities (amounts due to credit institutions, trade payables, any overdraft and other current liabilities) are classified at amortised cost. Derivative instruments are classified at fair value and recognised in the profit and loss account. Financial liabilities falling due later than 12 months after the balance sheet date are recorded as long-term liabilities.

#### **Inventories**

Inventories of raw materials, semi-finished and finished goods are valued at the lower cost and net realisable value, according to the first-in, first-out principle (FIFO) and net realisable value. The net realisable value is the sales value less estimated costs of completion and estimated selling expenses. For manufactured goods, cost includes a reasonable proportion of manufacturing overheads based on normal capacity.

#### **Cash and cash equivalents**

Cash and cash equivalents consists of cash in hand and at bank.

#### **Appropriations**

A provision is recognised in the balance sheet when there is an existing legal obligation as a result of a past event and the it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. The amount recognised as a provision is the amount that specified in existing legal obligations or is estimated to settle the obligation at the balance sheet date.

In the industry in which KABE Group is operational, many products are covered by a warranty which is included in the price and is normally limited to 24 months. Provision for warranty obligations covers any costs incurred to repair or replace sold products and is calculated on the basis of historical data.

#### **Leasing**

KABE Group mainly leases assets in the categories "buildings and land", "trucks and machinery" and "cars and other vehicles". The lease agreements contain several different contractual terms. KABE Group's lease agreements for buildings and land normally have a 2-5 year non-cancellable lease term at the commencement of the agreement. The agreement for trucks leases normally have a non-cancellable period of 5 years, and cars 3 at commencement of the agreement. Renewal and termination options are included in the majority of leases. These terms are used for maximum flexibility. Renewal and early termination options can only be exercised primarily by the Group and not the respective lessor. Options to extend/terminate the lease agreement are included in the lease term only if it is reasonable to assume that the lease will be renewed. Lease agreements do not contain any covenants. Leases are recognised as assets (fixed assets) with the corresponding lease liability. Initial recognition takes place on the date that the leased asset is available for use by the Group. The right of use is depreciated on a straight-line basis over the period of the asset's useful life and the lease term, whichever is shorter.

Assets and liabilities arising from leases are recognised initially at present value. Lease liabilities falling due within 12 months are classified as current and those falling due later as non-current. Each lease payment is allocated between the amortisation of debt and interest expense. The interest component shall be allocated over the lease term so that each accounting period is charged with a amount equal to a fixed rate of interest for the period in which the period. Lease liabilities include the present value of the following lease payments:

- Fixed lease payments
- Lease payments depending on an index or premium
- Guaranteed residual value that the lessee is expected to pay to the lessor
- The exercise price of the call up option where it is reasonably certain that the lessee will exercise the option
- Penalties for terminating the lease, if the lease term reflects that the lessee will use the option .

Lease payments are discounted at the marginal lending rate as the interest rate implicit in the lease contracts cannot be determined. The discount rate used to value the commitment has been adjusted for all leases according to the type of leased asset, the geographical location of the asset and the estimated financial risk of the Group. The discount rate used for varies between 1 % and 5 % depending on various assumptions and refers to the weighted average marginal borrowing rate of lease debt.

The rights of use are valued at cost and include the following:

- The amount at which the lease liability was originally measured
- Lease payments made on or before the date of the lease available for use by the Group, after deducting any benefits received in connection with the signing of the lease
- Initial direct expenditure
- Expenditure to restore the asset to the condition prescribed by the lease.

Payments for short-term leases and leases for which the underlying asset is of lesser value are expensed on a straight-line basis. Short-term leases are those with a lease term of 12 months or less. Leases where the underlying asset is of lower value are assets with a value of SEK 50 000 or less in new condition.

#### **Significant estimates and judgements for accounting purposes**

Preparing financial statements in accordance with IFRS requires the use of some critical accounting estimates. It also requires management to make certain judgements in the application of the Group's accounting policies. The areas involving a high degree of judgement, which are complex or those areas where assumptions and estimates are material are mainly the following:

##### **Accounts receivable**

Receivables are reported net of allowance for doubtful debts. The Group sells to a large number of independent dealerships. Individual assessments are made on an ongoing basis of the dealership's financial position. Amount of outstanding trade receivables is assessed in relation to the financial position of the respective company. The net value reflects the amounts expected to be collected based on circumstances known at the time of the balance sheet date. Changes in circumstances, such as the absence of or changes in the nature of a business, or customer's financial position, may result in material differences in assessment. At the end of 2021, trade receivables were net, after credit risk provisions, amounted to SEK 295m (385). Reserves for doubtful debt are made based on an analysis of the dealer's financial position and the reserve of SEK 29m (15) is estimated at sufficient at the balance sheet date.

In certain circumstances, KABE Group enters into factoring agreements, whereby certain trade receivables are sold to a financial actor. As this operator has the possibility in specific cases to provide the receivable in cases where payment is not received, the receivable, and the corresponding liability in the balance sheet.

##### **Inventories**

KABE Group's inventories are valued at the lower of cost or market on a first-in, first-out basis (FIFO) and the net realisable value. Net realisable value is the selling price less the estimated cost of completion costs and estimated selling expenses. When the Group's main products (caravans and mobile homes) are made up of different model years, it is more difficult to assess the inventory value of earlier model years. The Group continuously monitors the market value of earlier model years and is continuously to maintain inventory levels at a reasonable level. At the end of 2021 the total inventory value was SEK 632m (529). The impairment charge for the year amounts to SEK 32m (23)

## Note 2 Segment reporting

The segments are responsible for the operating profit and net assets used in their operations, which are also the financial measures that used by the President and CEO to evaluate the performance of the segments. Tax, net obligation and equity are unallocated items that are not reported by segment. Operating expenses not included in the caravans and motorhomes and accessories segments are reported in the other segment and mainly include costs for the Group's central staff. The segment other includes transport, local and group-wide rental costs. There are no sales of finished goods or services between the segments. The segments include only revenues from external customers. Segment reporting is based on the same accounting policies as for the Group. The segments are responsible for the management of the operational assets and their performance is measured at this level. The caravans and motorhomes segment includes production, development logistics, marketing and sales. The accessories segment includes purchasing, developing, logistics, marketing and sales.

### Reporting by segment

Areas of business 2021	Caravans Motorhomes	Accessories	Other	Total
<b>Net turnover</b>	<b>2 888</b>	<b>350</b>	<b>28</b>	<b>3 266</b>
<b>Operating profit/loss</b>	<b>212</b>	<b>37</b>	<b>8</b>	<b>257</b>
Interest income	2	-	-	2
Interest expenses	-3	-	-	-3
Profit from shares in associated companies	6	-	3	9
<b>Profit after financial items</b>	<b>217</b>	<b>37</b>	<b>11</b>	<b>265</b>
Assets	1 724	179	191	2 094
Share in associated companies	3	-	43	46
<b>Total assets<sup>1</sup></b>	<b>1 727</b>	<b>179</b>	<b>234</b>	<b>2 140</b>
<b>Total debts<sup>1</sup></b>	<b>809</b>	<b>6</b>	<b>26</b>	<b>841</b>
Investments	71	-	8	79
Depreciation	30	3	13	46

Areas of business 2020	Caravans Motorhomes	Accessories	Other	Total
<b>Net turnover</b>	<b>1 813</b>	<b>295</b>	<b>24</b>	<b>2 132</b>
<b>Operating profit/loss</b>	<b>47</b>	<b>24</b>	<b>4</b>	<b>75</b>
Interest income	4	-	-	4
Interest expenses	-4	-	-	-4
Profit from shares in associated companies	5	-	4	9
<b>Profit after financial items</b>	<b>52</b>	<b>24</b>	<b>8</b>	<b>84</b>
Assets	1 149	212	191	1 552
Share in associated companies	47	-	40	87
<b>Total assets</b>	<b>1 196</b>	<b>212</b>	<b>231</b>	<b>1 639</b>
<b>Total debts</b>	<b>434</b>	<b>33</b>	<b>20</b>	<b>487</b>
Investments	8	1	3	12
Depreciation	18	3	12	33

Segment reporting - External revenue by geographical markets 2021	Caravans Motorhomes	Accessories	Other	Total
Sweden	1 253	280	25	1 558
Norway	471	43	3	517
UK	513	-	-	513
Finland	313	27	-	340
Denmark	48	-	-	48
Germany	155	-	-	155
Other countries	135	-	-	135
<b>Total</b>	<b>2 888</b>	<b>350</b>	<b>28</b>	<b>3 266</b>

Segment reporting - External revenues by geographic markets 2020	Caravans Motorhomes	Accessories	Other	Total
Sweden	965	236	21	1 222
Norway	389	38	3	430
UK	-	-	-	-
Finland	266	21	-	287
Denmark	51	-	-	51
Germany	72	-	-	72
Other countries	70	-	-	70
<b>Total</b>	<b>1 813</b>	<b>295</b>	<b>24</b>	<b>2 132</b>

Assets and investments by country	Assets		Investments	
	2021	2020	2021	2020
Sweden	1 611	1 531	14	11
Norway	1	1	-	-
UK	435	-	64	-
Finland	69	96	-	-
Other countries	24	11	1	1
<b>Total</b>	<b>2 140</b>	<b>1 639</b>	<b>79</b>	<b>12</b>

<sup>1</sup>In 2021 there have been changes in the assets and liabilities of the segments. See note 11.



## Note 3 Employees and compensation of employees

	2021			2020		
	Men	Women	Total	Men	Women	Total
<b>Average number of employees by women and men</b>						
Sweden	470	145	615	424	135	559
Finland	6	-	6	6	-	6
Norway	2	-	2	2	-	2
Poland	53	6	59	-	-	-
UK	178	22	200	-	-	-
Other countries	2	1	3	16	4	20
	<b>711</b>	<b>174</b>	<b>885</b>	<b>448</b>	<b>139</b>	<b>587</b>
Gender balance on company boards	22	3	25	17	3	20
Gender balance in company management	6	-	6	5	-	5
	2021			2020		
	Board of Directors, CEO and other senior executives <sup>1</sup>	Other employees	Total	Board of Directors, CEO and other senior executives	Other employees	Total
<b>Salaries, other benefits and social security costs</b>						
Salaries and other benefits	36	307	343	12	210	222
Social security costs	10	98	108	6	79	85
(of which variable compensation)	(13)	(3)	(16)	(-)	(-)	(-)
(of which pension costs)	(3)	(17)	(20)	(2)	(13)	(15)
	<b>46</b>	<b>405</b>	<b>451</b>	<b>18</b>	<b>289</b>	<b>307</b>

<sup>1</sup>Refers to salary costs for all directors, CEOs and other senior executives in parent and subsidiary companies.

	2021		2020	
	Directors' fees	Other compensation	Directors' fees	Other compensation
<b>Compensation and other benefits to members of the Board of Directors (KSEK)</b>				
Chair of the Board:				
Nils-Erik Danielsson	300	100	300	100
Other board members:				
Eric Stegemyr	150	-	150	-
Anita Svensson	150	-	150	-
Benny Holmgren	150	-	150	-
Alf Ekström	-	-	-	-
Maud Blomqvist	-	-	-	-
Pernilla Ljungbergh	-	-	150	-
Ulf Rostedt	150	-	150	-
Göran Larsson <sup>1)</sup>	-	-	-	-
Peter Lilja <sup>1)</sup>	-	-	-	-
	<b>900</b>	<b>100</b>	<b>1 050</b>	<b>100</b>

<sup>1)</sup>Employee representatives

### Remuneration of the CEO and senior executives

The Chairman of the Board and the members of the Board shall be remunerated in accordance with the decision of the Annual General Meeting. Employees within the Group and employee representatives are not remunerated for Board work. Fees to Board members approved by the Annual General Meeting 2021 amounted to SEK 900,000 (SEK 1 050 000), of which to Chairman Nils-Erik Danielsson SEK 300 000 (300), social security contributions will be added. In addition, remuneration for other services was paid to the Chairman of the Board in the amount of SEK 100 000 (100). The Chairman of the Board and the members of the Board have no pension benefits for their directorships. Remuneration of the Board of Directors is shown in the table above. In 2021, salary and remuneration to the CEO amounted to SEK 5 604 000 (3 721). In addition to salary and other benefits there are pension costs of SEK 476 000 (471) and the benefit of a free car. Salary to other senior executives amounts to SEK 6 236 (5 522) thousand and pension costs amount to SEK 1 767 (1 501) thousand. Notice period for the CEO is 24 months by the company and six months by the CEO. Other senior executives receive salary during the notice period six months. Senior executives are defined as the CEO, the CFO, three managing directors and one vice president of subsidiaries. No other specific agreements regarding severance pay or notice periods exist.

Retirement age for both the CEO and other senior executives is 65 years.

### Variable compensation

In 2021, a bonus of SEK 2 530 000 (150) was paid to the CEO and senior executives.

### Pensions

The year's contributions for pension insurance taken out with Alecta amount to SEK 6 566 000 (SEK 5 703 000) for the Group. Alecta's surplus may be distributed to policyholders and/or insured persons.

At 2021, Alecta's surplus, measured as the collective consolidation level, amounted to 172% (148).

The collective consolidation level is the market value of Alecta's assets as a percentage of insurance liabilities calculated according to Alecta's actuarial calculation assumptions, which do not comply with IAS 19.

During the year, the Group has received payment from FORA related to contractual group medical insurance. The payment is based on previous repayments of AGS premiums for the years 2004-2008 and amounts to SEK 7 896 000, which is accounted for as a reduction of staff costs.

## Note 4 Depreciation by function

	2021					2020				
	Buildings	Machines and equipment	Intangible fixed assets	Right-of-use assets	Total	Buildings	Machines and equipment	Intangible fixed assets	Right-of-use assets	Total
Cost of goods sold	11	17	8	3	39	10	12	-	5	27
Selling costs	-	3	-	2	5	-	2	-	2	4
Administrative expenses	-	1	-	1	2	-	1	-	1	2
<b>Total</b>	<b>11</b>	<b>21</b>	<b>8</b>	<b>6</b>	<b>46</b>	<b>10</b>	<b>15</b>	<b>-</b>	<b>8</b>	<b>33</b>

**Note 5 Cost by type of cost**

	2021	2020
Purchases for production	2 124	1 421
Personnel costs	450	311
Depreciation	46	33
Other external costs	398	271
<b>Total</b>	<b>3 018</b>	<b>2 036</b>

State aid related to the coronavirus has been recognised in the 2020 income statement as a reduction of the corresponding costs to which the aid relates. The support received in 2020 represents support for short-term work of SEK 4 million.

**Note 6 Other operating income and other operating expenses**

	2021	2020
<b>Other operating income</b>		
Exchange rate differences	17	1
Profit from sales of equipment	1	-
<b>Total</b>	<b>18</b>	<b>1</b>
<b>Other operating expenses</b>		
Exchange rate differences	-9	-22
<b>Total</b>	<b>-9</b>	<b>-22</b>
<b>Total other operating income/expenses</b>	<b>9</b>	<b>-21</b>

The exchange rate differences line includes the fair value of derivatives of SEK 6 million (-2).

**Note 10 Tax**

	2021	2020
<b>Tax on profit for the year</b>		
Current tax expenditure	-54	-17
Deferred tax expense relating to temporary differences	1	-
<b>Reported tax expenses</b>	<b>-53</b>	<b>-17</b>

	2021		2020	
<b>Specification of recognised tax expense</b>				
Profit before tax	265		84	
Tax at current rate 20.6% (21.4%)	-55	-20.6%	-18	-21.4%
Effect of non-deductible expenses	-1	-0.2%	-1	-0.7%
Effect of non-taxable income	-	0.0%	1	0.6%
Effect of foreign tax rates	1	0.4%	-	0.2%
Share of profit of associates recognised net of tax	1	0.3%	1	1.7%
Change in tax rate in Sweden	-	0.0%	-	-0.2%
Other	1	0.2%	-	-0.2%
	<b>-53</b>	<b>-19.9%</b>	<b>-17</b>	<b>-20.0%</b>

Temporary differences arise when the carrying amounts of assets or liabilities are different from their tax bases. The company's temporary differences have resulted in deferred taxes on the following items:

	2021			2020		
	Assets	Liabilities	Net	Assets	Liabilities	Net
<b>Deferred tax liability</b>						
Buildings and land assets	-	-27	-27	-	-19	-19
Intangible fixed assets	-	-25	-25	-	-	-
Reserve accounts receivable	6	-	6	3	-	3
Untaxed reserves	-	-59	-59	-	-58	-58
Other	1	-	1	2	-	2
<b>Total</b>	<b>7</b>	<b>-111</b>	<b>-104</b>	<b>5</b>	<b>-77</b>	<b>-72</b>

	2021	2020
<b>Changes in deferred tax</b>		
Current deferred tax liability	-72	-73
Acquisitions	-33	-
Buildings and land	1	1
Reserve accounts receivable	3	-1
Untaxed reserves	-1	-
Translation difference	-1	-
Other	-1	1
<b>Outstanding deferred tax liability</b>	<b>-104</b>	<b>-72</b>

The deferred tax has been recorded net as there is a legal right of set-off.

**Note 7 Fee to auditor**

	2021	2020
Fees have been paid to the Group's auditing company KPMG AB (Ernst & Young AB).		
For audit assignments, other assignments and tax consultations	1	1
Fees were paid to the other auditors for other assignments	1	-
	<b>2</b>	<b>1</b>

The main part of the audit fee relates to audit engagements.

**Note 8 Transactions with related parties****Business transactions with associated companies:**

During the year, KABE AB and Adria AB have sold caravans and motorhomes to KABE Rental AB for SEK 13m (13) and receivables were SEK 0m (0) as at 12/31/2021. Transactions with related parties are conducted at market conditions.

**Senior executives**

For compensation to senior executives, see note 3.

**Note 9 Financial income and expenses**

	2021	2020
<b>Financial income</b>		
Bank interest rates	2	4
<b>Total</b>	<b>2</b>	<b>4</b>
<b>Financial expenses</b>		
Interest expenses	-	-1
Bank interest rates	-3	-3
<b>Total</b>	<b>-3</b>	<b>-4</b>

## Note 11 Company acquisitions

### Acquisitions in 2021

On the 19 February 2021, KABE Group signed the agreement and completed the acquisition of all remaining shares in Coachman Group LTS ("Coachman"). Coachman is one of the leading manufacturers of caravans in the premium segment in England. The business was founded 30 years ago in its own premises in Hull, England. The company has approximately 200 employees. Coachman has a strong balance sheet with good solidity and liquidity.

The purchase price for the remaining 78.5 % of the shares in Coachman amounted to GBP £15.71 million. GBP £13.46 million was paid cash at closing. The remaining GBP £2.25 million will be settled two years after the acquisition. On a cash and debt free basis, the purchase price amounted to GBP £12.21 million. The acquisitions has been financed by its own resources. The acquisition has made a positive contribution of SEK 3.58 to the Group's earnings per share. During the period, Coachman contributed SEK 513 million to the Group's turnover and SEK 32 million to the profit for the period.

Along with the acquisition of the remaining shares in Coachman Group LTD, the former holding has been revalued, giving rise to a consolidation profit of SEK 5 million.

KABE Group's favourable view of Coachman's business, financial position and possible synergistic effect has not changed since completion of the acquisition.

### Effect of 2021 acquisitions

The table below describes in detail the financial effects of the acquisition on the full purchase price, additional assets and liabilities and net changes in the Group's cash and cash equivalents.

Net assets acquired at estimated fair value at the time of acquisition amounted to SEK 206m and goodwill of SEK 26m. Goodwill consists mainly of synergies in sales, product development, purchasing and exchange of production technology. Other intangible fixed assets consisted of customer relations and trademarks. Expenses related to the acquisition are recognised as current expenses and amounted to SEK 2 million.

Coachman has been consolidated in the caravan and motorhome segment from the 19 February 2021.

Assets and liabilities included in the acquisition	Actual value
Cash and cash equivalents	125
Tangible assets	80
Intangible fixed assets	132
Inventories	40
Receivables	21
Liabilities	-159
Deferred tax liabilities	-33
<b>Net assets</b>	<b>206</b>
Fair value of previously owned shared	-50
<b>Acquired net assets</b>	<b>156</b>
Cash purchase price	156
Cash assets in the acquired company	-125

### The purchase price consists of the following components

Cash payment for 78.5% of the shares	156
Deferred purchase price	26
<b>Consolidation purchase price:</b>	<b>182</b>
Fair value of previously owned shares (21.5%)	50
<b>Total:</b>	<b>232</b>
Acquired net assets	206
<b>Goodwill</b>	<b>26</b>

## Note 12 Operating receivables

	2021	2020
<b>Operating receivables</b>		
Accounts receivable	324	400
Reserves for doubtful customer receivables	-29	-15
Other receivables	38	26
Current tax receivables	-	-
Prepaid costs and accrued income	13	9
<b>Net operating receivables</b>	<b>346</b>	<b>420</b>
<b>Prepaid expenses and deferred income</b>		
Prepaid insurance premiums	3	-
Other prepaid expenses	10	8
Deferred income	-	1
<b>Total</b>	<b>13</b>	<b>9</b>
<b>Age analysis of trade receivables</b>		
Trade receivables not yet due	255	225
Trade receivables due in 0-30 days	24	20
Trade receivables due in 30-90 days	13	15
Trade receivables due > 90 days	32	140
Reserves for trade receivables	-29	-15
<b>Book value of trade receivables</b>	<b>295</b>	<b>385</b>

### Credit reserve, simplified method

For trade receivables, the Group applies the simplified approach for credit provisions. For further information see note 1 and note 27.

The credit reserve for receivables other than trade receivables (e.g. bills receivable) amounts to a minor amount. The ratio was the same in 2020.

	2021	2020
<b>Balance brought forward</b>	<b>-15</b>	<b>-21</b>
Reversal of previous reserves	1	6
Reserves for the year	-15	-
Impairments	-	-
Amounts written off (recognised losses)	-	-
Recovered amounts previously written off	-	-
Translation differences	-	-
<b>Balance carried over</b>	<b>-29</b>	<b>-15</b>

## Note 13 Inventories

	2021	2020
Raw materials and consumables	248	161
Goods in production	13	1
Finished goods	351	359
Goods in transport	20	8
<b>Total inventory</b>	<b>632</b>	<b>529</b>
Impairment for the year amounted to SEK 32 million (23), of which SEK 29 million (21) relates to raw materials and supplies and SEK 3m (2) to finished goods. The amount is included in the profit and loss account within sold goods expenses.		

## Note 14 Cash and cash equivalents

	2021	2020
SEK	377	243
EUR	67	28
NOK	14	8
DKK	-	-
GBP	119	-
USD	-	-
PLN	1	-
<b>Cash and cash equivalents</b>	<b>578</b>	<b>279</b>

Cash and cash equivalents comprised cash in hand and at bank.



**Note 15 Intangible fixed assets**

	2021					2020	
	Customer relations	Trademarks	Goodwill	Other intangible fixed assets	Total	Other intangible fixed assets	Total
Costs brought forward	-	-	-	3	3	2	2
New procurements	-	-	-	1	1	-	-
Acquisitions	91	41	26	-	158	-	-
Translation differences	3	2	1	-	6	-	-
<b>Remaining cumulative acquisition values</b>	<b>94</b>	<b>43</b>	<b>27</b>	<b>4</b>	<b>168</b>	<b>2</b>	<b>2</b>
Comprehensive depreciation	-	-	-	-1	-1	-	-
Depreciation for the year	-7	-	-	-1	-8	-	-
<b>Accumulated depreciation carried forward</b>	<b>-7</b>	<b>-</b>	<b>-</b>	<b>-2</b>	<b>-9</b>	<b>-</b>	<b>-</b>
<b>Planned residual value</b>	<b>87</b>	<b>43</b>	<b>27</b>	<b>2</b>	<b>159</b>	<b>2</b>	<b>2</b>

**Impairment testing of goodwill and other intangible assets with indefinite useful lives**

Goodwill is allocated to the Group's cash-generating units, which are comprised of segments. Other intangible assets with indefinite useful lives are allocated to the smallest cash-generating unit, i.e. is the company level. The recoverable amount of the unit has been determined based on the value in use, which is the current value of future cash flows. The calculation of future cash flows is based on an assessment of the expected growth rate using conservative forecasts for the next four years prepared by management.

The forecast growth rates are based on previous years' experience but take into account expected future developments. The average growth of the business is forecast to be 14% per year over the next four years. Adopted operating margins amount to 7.5% for the next year, followed by a projected slight deterioration in the operating margin due to the absence of compensation from increased input prices, resulting in an operating margin of 6.9% at the lowest. Cashflow beyond this four-year period is extrapolated with the aid of an estimated growth rate of 2 percent per year which corresponds to estimated long-term inflation.

Growth and margin assumptions are based on previous year results and management's expectations of market developments. Investment amounts are based on the forecast and are then sustained at the level of depreciation. Goodwill and trade marks with indefinite useful lives are tested annually for impairment, or more often if there are indications that they may be impaired. A pre-tax discount rate (WACC) of 9.6% was used for this year's test. The annual test has not demonstrated any impairment requirement. A number of sensitivity analyses have been carried out where the sustainable growth rate is set at 0 percentage points and the operating margin deteriorates by 3 percentage points from the forecast level. None of these analyses indicate any impairment requirement.

**Note 16 Tangible fixed assets**

	2021			2020		
	Buildings and land	Machines, equipment	Total	Buildings and land	Machines, equipment	Total
Costs brought forward	288	178	466	286	171	457
Acquisition of subsidiary	62	18	80	-	-	-
New procurements	14	18	32	2	7	9
Reclassifications	3	-3	0	-	-	-
Divestments	-	-2	-2	-	-	-
Translation differences	3	2	5	-	-	-
<b>Remaining cumulative acquisition values</b>	<b>370</b>	<b>211</b>	<b>581</b>	<b>288</b>	<b>178</b>	<b>466</b>
Comprehensive depreciation	-118	-123	-241	-108	-108	-216
Depreciation for the year	-11	-21	-32	-10	-15	-25
Divestments	-	1	1	-	-	-
<b>Accumulated depreciation carried forward</b>	<b>-129</b>	<b>-143</b>	<b>-272</b>	<b>-118</b>	<b>-123</b>	<b>-241</b>
<b>Planned residual value</b>	<b>241</b>	<b>68</b>	<b>309</b>	<b>170</b>	<b>55</b>	<b>225</b>

The planned residual value of buildings and land carried over includes land of SEK 44 (31) million. Of the new acquisitions made during the year, SEK 0 (2) million relates to ongoing investments in buildings and SEK 0 (1) million to ongoing investments in machinery and equipment.

**Note 17 Rights of use**

	2021					2020				
	Buildings and land	Trucks and machines	Cars and other vehicles	Other	Total	Buildings and land	Trucks and machines	Cars and other vehicles	Other	Total
<b>Cost</b>										
Opening accumulated cost values	7	4	5	4	20	9	3	7	5	24
New lease agreements	-	-	3	-	3	2	1	-	-	3
Terminated contracts	-	-	-3	-	-3	-4	-	-2	-1	-7
Contract modifications and change in indices or interest rates in contracts	7	-	-	-	7	-	-	-	-	-
<b>Remaining cumulative acquisition values</b>	<b>14</b>	<b>4</b>	<b>5</b>	<b>4</b>	<b>27</b>	<b>7</b>	<b>4</b>	<b>5</b>	<b>4</b>	<b>20</b>
<b>Accumulated impairments</b>										
Brought forward accumulated impairments	-4	-2	-2	-2	-10	-4	-1	-1	-1	-7
Depreciation	-3	-1	-2	-	-6	-4	-1	-2	-1	-8
Terminated contracts	-	-	3	-	3	4	-	1	-	5
<b>Accumulated depreciation carried forward</b>	<b>-7</b>	<b>-3</b>	<b>-1</b>	<b>-2</b>	<b>-13</b>	<b>-4</b>	<b>-2</b>	<b>-2</b>	<b>-2</b>	<b>-10</b>
<b>Net book value</b>	<b>7</b>	<b>1</b>	<b>4</b>	<b>2</b>	<b>14</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>10</b>

The total cash flow from leases during the year was SEK 6 (8) million.

As at 31 December 2021, the Group only has renewal options amounting to minor insignificant amounts.

Contract modifications mainly relate to estimates of the length of remaining contractual periods.

For new contracts, the Group has chosen to apply the implicit interest rate of the lease.

The lease term varies between 2-5 years.

For changes in lease liabilities see note 22.

## Note 18 Shares in associated companies

	Organisation nr.	Registered office	Andel i %	Book value 2021	Book value 2020
KABE RENTAL AB	556542-5930	Jönköping	46	9	8
Nordfarbo AB	556523-6972	Kramfors	33	31	30
Fastigheten Bodalsvägen i Kristinehamn AB	559080-5965	Kristinehamn	33	2	2
KABE Finans AB	556813-7698	Jönköping	32	4	3
Coachman Group Limited <sup>1</sup>	10390413	East Yorkshire	100 (21.5)	-	44
<b>Total</b>				<b>46</b>	<b>87</b>
Carrying amount at the beginning of the year				87	85
Investments				-	-
Associated companies transferred to subsidiaries <sup>1</sup>				-50	-
Share in associated companies' profit <sup>1</sup>				9	9
Dividends received				-	-2
Translation difference				-	-5
<b>Closing value of the Group</b>				<b>46</b>	<b>87</b>
Specification of financial information on associated companies owned by the Group. The table shows the amount owned of associated companies.					
Revenue				28	103
Profit				4	9
Assets				66	92
Liabilities				15	44
Equity capital				51	48

The purpose of the Group's holdings in associated companies is to participate but not to control.

The Group's shareholding is classified as significant but there is no controlling influence.

<sup>1</sup> Along with the acquisition of the remaining shares in Coachman Group LTD, the former holding has been disposed of on a consolidated basis, giving rise to a consolidated profit of SEK 5 million.

## Note 19 Other long-term receivables

	2021	2020
Costs brought forward	87	81
Additional receivables	-	26
Amortisations	-32	-19
Translation difference	1	-1
<b>Carried forward cumulative acquisition values</b>	<b>56</b>	<b>87</b>

Of the year-end carrying amount, 92% (94) relates to loan repayments on overdue trade receivables. The remainder relates to other loans, security deposits and other. Amortisations due within one year amount to SEK 16 million (17) and are reported as other receivables. The credit risk of outstanding receivables is assessed on an ongoing basis. For further information on credit risks, see note 27.

## Note 20 Provisions

	2021	2020
<b>Provisions for guarantees</b>		
Amount at beginning of year	10	9
Acquisition of subsidiary	10	-
Provisions for the year	13	9
Sums drawn for the year	-11	-8
Translation difference	1	-
<b>Balance carried over</b>	<b>23</b>	<b>10</b>

## Note 21 Equity

### Share capital

The share capital of KABE Group AB amounts to SEK 45 million divided into 600,000 A-shares and 8,400,000 B-shares, totalling 9,000,000 shares. Each A share entitles the holder to ten votes and each B share to one vote. All shares have the same dividend entitlement. The quotient value per share is 5 per share. For more on the progress of share capital see page 24.

### Dividends in 2021

In 2021, KABE group paid a total of SEK 67.5 million in dividends to shareholders in the form of an ordinary dividend of 3.00 SEK per share and an extraordinary dividend of 4.50 SEK per share.

### Dividend proposal for 2022

The Board intends to propose to the AGM a dividend of 7:00 (3:00) SEK per share.

### Other reserves

Other equity reserves consist of translation reserve.

### Translation reserve.

Translation differences relating to subsidiaries abroad are recognised as a separate equity item. The translation reserve consists of all exchange rate differences occurring in the conversion of financial reports from foreign businesses which have prepared their financial reports in a currency other than the Group's functional currency.

### Translation reserve attributable to the parent company's shareholders.

	2021	2020
Balance brought forward	3	8
Translation difference for the year	3	-5
<b>Balance carried over</b>	<b>6</b>	<b>3</b>
<b>Total other reserves attributable to:</b>		
Parent company owners	6	3
Interests without significant control	-	-

### Retained earnings

Retained earnings including profit for the year includes unearned profit for the parent company and its subsidiaries. Previous provisions for the reserve fund are included in this item.

## Note 22 Change in financial liabilities

	Balance brought forward, 1 January 2021	Cash flow from financing activities	Cash flow from ongoing operations	Acquisitions	Translation difference	New and amended leases	Balance carried forwards, 31 December 2021
Other long-term liabilities	-	27	-	-	1	-	28
Long-term interest-bearing liabilities to credit institutions	-	-3	-	23	1	-	21
Short- and long-term lease liabilities	9	-6	-	-	-	11	14
Short-term interest-bearing liabilities to credit institutions	9	-	44	2	-	-	55
Overdraft facilities	-	-	-	-	-	-	-
<b>Total financial liabilities</b>	<b>18</b>	<b>18</b>	<b>44</b>	<b>25</b>	<b>2</b>	<b>11</b>	<b>118</b>

Short-term interest-bearing liabilities to credit institutions refers to factored receivables and the short-term portion of interest-bearing liabilities to credit institutions. Authorised overdraft facility amounts to SEK 0m (200). The Group has no specific loan conditions (covenants) to fulfil with external lenders. Financial liabilities bear interest at variable rates; for more information, see "Interest rate risks" in note 27.

## Note 23 Accrued charges and deferred income

	2021	2020
Accrued salary and holiday pay liabilities	42	36
Accrued social security charges	19	12
Other accrued expenses	43	20
Prepaid income	-	1
<b>Total</b>	<b>104</b>	<b>69</b>

## Note 24 Earnings per share

Earnings per share are defined as profit for the year/average number of shares outstanding. Total number of shares amounted to 9 000 000 (9 000 000). No dilution has occurred.

## Note 27 Financial risk management

### Financial risk management

The KABE Group is exposed to a number of financial risks such as liquidity risks, interest rate, credit and currency risks. Each year, the Board of Directors adopts a financial policy for the Group, which regulates how these risks are managed and controlled. The financial risk management is managed centrally by the parent company.

### Liquidity risk

Cash and cash equivalents consist of cash on hand and bank balances. Liquidity risk refers to the risk of that a company cannot borrow money to meet its obligations. The KABE Group strives to have a high level of financial readiness, which is guaranteed by cash and cash equivalents plus secured credit facilities.

### Interest rate risks

Interest rate risk is the risk that changes in interest rates will affect the Group's results through increased borrowing costs. The Group's interest-bearing debt at the balance sheet date amounted to SEK 90m (18). The interest-bearing debt relates to mainly factoring debts, the amount of which varies during the year. All interest-bearing liabilities bear variable interest. One percentage point change in interest rate would only have a marginal impact on the net profit.

### Credit risks

Credit risk refers to the risk that a counterparty will breach its payment obligations resulting in financial loss to the Group.

Credit risk within the KABE Group is almost exclusively in trade receivables as well as counterclaims for overdue trade receivables. The Group has historically low customer losses. KABE Group's customers are generally vehicle dealerships. The Group's network of dealerships consists largely of well-established dealerships with whom the Group has long experience. Credit risks are managed through active credit monitoring and procedures for the follow-up of trade receivables. Furthermore, the necessary provisions for receivables are continuously monitored. In individual cases, as a result of strategic decisions a significant concentration of credit risk may be found in a small number of strategically important dealerships at that time. In general, however, credit risk is spread over a larger number of independent dealerships in different national markets. Exposure at the balance sheet date is generally smaller to each of the dealerships, although there is some concentration towards 10 individual dealerships. These dealerships together accounted for approximately 39% of the of total outstanding trade and bills receivable. The Group's total trade receivables at the balance sheet date amounted to SEK 295m (385). The reserve for doubtful receivables comprises trade receivables and amounted to SEK 29m (15) at the same date. See note 12 and note 19 for further information.

The Group's total converted trade receivables to bills receivable amounted to SEK 68 million at the balance sheet date. SEK 52 million is recognised as long-term receivables and the part where repayments are due within one year of SEK 16 million is recognised as other receivables. The credit reserve for these receivables amounts to minor amounts. The ratio was the same in 2020. Some credit risk also exists in respect of demonstration vehicles sold to leasing companies placed with the dealerships, see note 26 for further information. This risk is spread over a number of finance companies which in turn lease the demonstration vehicles to a large number of independent dealers. As a result, there is no significant concentration of credit risk exposure. External guarantees relate to external companies (note 26).

## Note 28 Events after balance sheet date

No significant events have occurred to affect financial reporting after the date of the balance sheet.

## Note 25 Collateral securities

	2021	2020
Corporate bonds	108	258
Loan receivables	53	9
<b>Total</b>	<b>161</b>	<b>267</b>

## Note 26 Contingent liabilities

	2021	2020
Guarantees for demonstration vehicles <sup>1</sup>	347	251
Other guarantees and commitments	58	33
<b>Total</b>	<b>405</b>	<b>284</b>

<sup>1</sup> A guarantee to finance companies for demonstration vehicles leased by dealers is in place.

### Foreign exchange risks

The KABE Group is exposed to foreign exchange risks due to the fact that unfavourable changes in foreign exchange rates may adversely affect earnings and equity. To manage these risks, the Group hedges currency risks within the framework of the financial policy. The overall currency risk exposure is managed centrally by the parent company.

### Recalculation of the profit and loss accounts of foreign subsidiaries

The income statements of foreign subsidiaries are translated at the average exchange rate for the period. During the year, changes in exchange rates have affected the Group's comprehensive income by SEK 3m (0). Assuming that the EUR/SEK, GBP/SEK, NOK/SEK and PLN/SEK exchange rates for the year change by 5%, this would affect net sales for the year by SEK 43m (10). The net result would be affected by SEK 2 million.

### Recalculation of the balance sheets of foreign subsidiaries

The balance sheets of foreign subsidiaries are translated at the exchange rate on the balance sheet date. Translation risk relates to changes in exchange rates that affect the value of net foreign assets when translated into SEK. At the balance sheet date, net foreign assets amounted to SEK 74m (32). In accordance with the financial policy, the Group does not hedge this risk. A 5% change in the EUR/SEK, GBP/SEK, NOK/SEK and PLN/SEK exchange rates would affect equity by SEK 4 million (2).

### Transaction risk and sensitivity analysis

Commercial payment flows in currencies other than SEK entail a transaction risk. The largest transaction exposure to the Euro in the KABE Group, mainly concerns the purchase of caravans and motorhomes from Adria Mobil d.o.o in Slovenia.

A change in the EUR/SEK exchange rate of +5%, on an annual basis, could have a maximum impact on results of SEK -44m (-31).

Net exposure per currency		
SEK million	2021	2020
EUR	-871	-625
NOK	276	233
DKK	58	48
USD	-31	-17
GBP	92	-2
PLN	5	-1
<b>Total</b>	<b>-471</b>	<b>-364</b>

Net exposure refers to the net of receipts and payments.

### Currency hedging

According to the financial policy, a maximum of 75% of net currency flows can be hedged by forward contracts over a period of 6 to 12 months.

During the year, the Group had forward foreign exchange contracts with a notional amount of EUR 41 million (45) with an average value of SEK 10.39/EUR and forward foreign exchange contracts in Norwegian kroner with a notional amount of MNOK 56 (8) with an average value of SEK 0.97/NOK. At the end of the year, the Group had foreign exchange forward contracts with a nominal value of EUR 33 million with an average value of SEK/EUR 10.22 and MNOK 20 with an average value of SEK/NOK 1.00. All financial derivatives are so-called level 2 instruments.



## Parent company statement of comprehensive income

SEK million	Note	2021	2020
Net turnover		33.9	27.8
Operating costs		-9.0	-7.9
<b>Gross operating profit</b>		<b>24.9</b>	<b>19.9</b>
Administrative expenses		-23.4	-18.1
Other operating income		4.2	0.1
<b>Operating profit/loss</b>	2,3,4,5,6,7	<b>5.7</b>	<b>1.9</b>
Revenue from shares in associated companies		-	2.3
Interest income	9	3.1	4.1
Interest expenses	9	-1.3	-3.7
Group contributions		95.3	44.4
<b>Profit after financial items</b>		<b>102.8</b>	<b>49.0</b>
Balance sheet allocations	8	13.4	-2.4
Tax expense	10	-24.7	-9.7
<b>Profit for the year*</b>		<b>91.5</b>	<b>36.9</b>

\*The comprehensive income for the year is consistent with the profit for the year as no items are recognised in other comprehensive income.

## Parent company balance sheet

SEK million	Note	2021	2020
<b>Assets</b>			
<b>Tangible fixed assets</b>			
Buildings and land	11	86.8	92.0
Machines and equipment	11	2.3	1.3
		<b>89.1</b>	<b>93.3</b>
<b>Financial fixed assets</b>			
Shares in group companies	12	62.7	62.7
Share in associated companies	13	2.8	38.5
Receivables from group companies	14	139.0	-
Other long-term receivables		-	0.1
		<b>204.5</b>	<b>101.3</b>
<b>Comprehensive fixed assets</b>		<b>293.6</b>	<b>194.6</b>
<b>Current assets</b>			
<b>Short-term receivables</b>			
Receivables from group companies		18.1	140.8
Other receivables		12.0	0.4
Prepaid costs and accrued income	15	0.8	0.9
		<b>30.9</b>	<b>142.1</b>
Cash in hand and at bank		420.6	256.4
<b>Comprehensive current assets</b>		<b>451.5</b>	<b>398.5</b>
<b>Total assets</b>		<b>745.1</b>	<b>593.1</b>
<b>Total equity and liabilities</b>			
<b>Equity capital</b>			
Tied up equity			
Share capital	16	45.0	45.0
Reserve fund		3.6	3.6
<b>Total tied up equity</b>		<b>48.6</b>	<b>48.6</b>
<b>Free equity</b>			
Profit brought forward		1.2	31.8
Profit for the year		91.5	36.9
<b>Total free capital</b>		<b>92.7</b>	<b>68.7</b>
<b>Total comprehensive equity</b>		<b>141.3</b>	<b>117.3</b>
<b>Untaxed reserves</b>	17	88.5	101.9
<b>Appropriations</b>			
Deferred tax liability	10	6.4	6.6
<b>Short-term liabilities</b>			
Liabilities to group companies		481.8	355.9
Accounts payable		0.8	1.1
Current tax due		16.7	4.7
Other liabilities		4.7	4.0
Accrued liabilities and prepaid income	18	4.9	1.6
		<b>508.9</b>	<b>367.3</b>
<b>Total debts</b>		<b>603.8</b>	<b>475.8</b>
<b>Total equity and liabilities</b>		<b>745.1</b>	<b>593.1</b>

For information on the parent company's contingent liabilities, see note 19.

## Parent company's cash flow analysis

SEK million	2021	2020
<b>Ongoing business</b>		
Operating profit/loss	5.7	1.9
<b>Adjustments for items not included in the cash flow:</b>		
Depreciation charged to profit and loss	6.2	6.1
Dividend from associated companies	-	2.3
Profit/loss from sale of equipment	-	-0.1
Group contributions	95.3	44.4
Interest received	3.1	4.1
Interest paid	-1.3	-3.7
Tax paid	-24.9	-10.1
<b>Cash flow from operating activities before changes in operating capital</b>	<b>84.1</b>	<b>44.9</b>
<b>Changes in operating capital</b>		
Operating receivables	123.2	182.2
Operating liabilities	141.6	30.9
<b>Cash flow from operating activities</b>	<b>348.9</b>	<b>258.0</b>
<b>Investment activities</b>		
Investment in tangible fixed assets	-2.0	-1.7
Lending	-151.0	-0.1
Sales of fixed assets	35.8	0.2
<b>Cash flow from investment activities</b>	<b>-117.2</b>	<b>-1.6</b>
<b>Financing activities</b>		
Dividends to shareholders	-67.5	-
<b>Cash flow from financing activities</b>	<b>-67.5</b>	<b>-</b>
<b>Cash flow for the year</b>	<b>164.2</b>	<b>256.4</b>
Cash and cash equivalents at the start of the year	256.4	-
<b>Exchange differences in cash and cash equivalents</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at year end</b>	<b>420.6</b>	<b>256.4</b>

## Change in equity of the parent company

SEK million	Share capital	Reserve fund	Total tied up capital	Retained earnings	Total free capital	Total capital
<b>Equity brought forward 1 January 2020</b>	<b>45.0</b>	<b>3.6</b>	<b>48.6</b>	<b>31.8</b>	<b>31.8</b>	<b>80.4</b>
Profit for the year				36.9	36.9	36.9
<b>Total profit for the year</b>				<b>36.9</b>	<b>36.9</b>	<b>36.9</b>
<b>Balance carried forward 31 December 2020</b>	<b>45.0</b>	<b>3.6</b>	<b>48.6</b>	<b>68.7</b>	<b>68.7</b>	<b>117.3</b>
<b>Balance brought forward 1 January 2021</b>	<b>45.0</b>	<b>3.6</b>	<b>48.6</b>	<b>68.7</b>	<b>68.7</b>	<b>117.3</b>
Profit for the year				91.5	91.5	91.5
<b>Total profit for the year</b>				<b>91.5</b>	<b>91.5</b>	<b>91.5</b>
Dividends paid <sup>1</sup>				-67.5	-67.5	-67.5
<b>Balance carried forward 31 December 2021</b>	<b>45.0</b>	<b>3.6</b>	<b>48.6</b>	<b>92.7</b>	<b>92.7</b>	<b>141.3</b>

<sup>1</sup>In 2021, KABE Group paid out a total of SEK 67,5 million to shareholders in the form of an ordinary dividend of 3,00 SEK per share and an extra dividend of 4.50 SEK per share.

For further information see note 15.



## Note 1 Accounting and valuation principles of the parent company

The Parent Company has prepared its annual accounts in accordance with the Annual Accounts Act (ÅRL 1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities. According to RFR 2, the parent company shall apply in the annual financial statements of the legal entity all IFRS and pronouncements endorsed by the EU as far as possible within the framework of the Annual Accounts Act and taking into account the relationship between accounting and taxation. Accordingly, the Parent Company follows the same principles as presented in the Group's Note 1, with the exceptions set out below.

### Presentation in the annual report

The Parent Company's income statement and balance sheet have been prepared in accordance with the Annual Accounts Act. Deviations from IAS 1, Presentation of Financial Statements, relate mainly to financial income and expenses, equity and the existence of a separate item for provisions in the balance sheet.

### Group contributions

Group contributions are accounted for in accordance with the main rule of RFR 2, whereby group contributions received are recognised as financial income.

### Operational lease agreements

Costs relating to operating leases are recognised in the income statement on a straight-line basis over the lease term. Benefits received in connection with the signing of a contract are recognised in the income statement on a straight-line basis over the term of the contract. Operational leases relate to passenger cars and office equipment.

### Taxation

Unlike the consolidated balance sheet, the parent company's balance sheet shows untaxed reserves with no split between equity and deferred tax liabilities.

### Shares in subsidiaries and associated companies

Investments in subsidiaries and associates are accounted for in the parent company using the cost method. This means that transaction costs are included in the carrying amount of investments in subsidiaries and associates. In the consolidated financial statements, transaction costs relating to subsidiaries are recognised directly in profit or loss as incurred. The value of the shares is reviewed annually or when there are indications that the value has decreased. Dividends from subsidiaries and associated companies are recognised as financial income.

### Financial instruments

The Parent Company has chosen not to apply IFRS 9 for financial instruments. However, some of the principles in IFRS 9 still apply - such as those relating to impairment, recognition/ derecognition, criteria for applying hedge accounting and the effective interest method for interest income and interest expense.

In the Parent Company, financial assets are valued at cost less any impairment and current financial assets at the lower of cost or market. For financial assets carried at amortised cost, IFRS 9 impairment rules are applied.

## Note 2 Employees and compensation of employees

	2021			2020		
	Men	Women	Total	Men	Women	Total
<b>Average number of employees by gender</b>						
Sweden	7	6	13	5	6	11
Gender balance on the company's Board	7	2	9	7	3	10
Gender balance in company management	3	-	3	2	-	2
	2021			2020		
	Board, CEO and other senior executives	Other employees	Total	Board, CEO and other senior executives	Other employees	Total
<b>Salaries, other benefits and social security costs</b>						
Salaries and other benefits	8.5	4.1	12.6	5.8	3.8	9.6
Social security costs	3.6	2.3	5.9	2.4	1.8	4.2
(of which variable compensation)	(2.0)	(0)	(2.0)	(-)	(-)	(-)
(of which pension costs)	(1.0)	(0.4)	(1.4)	(0.7)	(0.4)	(1.1)
	<b>(12.1)</b>	<b>6.4</b>	<b>18.5</b>	<b>8.2</b>	<b>5.6</b>	<b>13.8</b>

See also note 3 in notes for the Group

## Note 3 Depreciation by function

	2021		2020	
	Buildings	Machines and equipment	Buildings	Machines and equipment
Operating costs	5.7	-	5.7	-
Administrative expenses	-	0.5	-	0.4
<b>Total</b>	<b>5.7</b>	<b>0.5</b>	<b>5.7</b>	<b>0.4</b>

**Note 4 Cost by type of cost**

	2021	2020
Personnel costs	18.5	13.8
Depreciation	6.2	6.1
Other external costs	7.7	6.1
<b>Total</b>	<b>32.4</b>	<b>26.0</b>

**Note 5 Transactions with related parties**

The Parent Company's net turnover consists of rents and remuneration for services rendered. Of the parent company's net sales of SEK 33.9m (27.8), 95.4% (99.2) related to income from group companies and 0.8% (1) of purchases related to purchases from group companies. Transactions with related parties are conducted under market conditions.

**Note 6 Operational leasing**

The parent company's operating leases include passenger cars and office equipment.

	2021	2020
Leasing costs for the year	0.2	0.1
<b>Future operating lease payments agreed</b>		
Maturity		
– within one year	0.4	0.1
– more than one but maximum five years	0.4	0.1

**Note 7 Fee to auditor**

	2021	2020
Fees have been paid to the company's auditing firm KPMG AB (Ernst & Young AB):		
For auditing activities	0.4	0.4
For other activities	0.1	0.1
For tax consultations	-	-
<b>Total</b>	<b>0.5</b>	<b>0.5</b>

**Note 8 Gross operating result**

	2021	2020
Reversal of accrual fund	53.8	13.4
Allocation to accrual fund	-40.3	-15.7
Difference between book depreciation and scheduled depreciation	-0.1	-0.1
<b>Total</b>	<b>13.4</b>	<b>-2.4</b>

**Note 9 Financial income and expenses**

	2021	2020
<b>Financial income</b>		
Bank interest rates	0.4	0.1
Intra-group interest	2.7	4.0
<b>Total</b>	<b>3.1</b>	<b>4.1</b>
<b>Financial expenses</b>		
Bank interest rates	-0.3	-1.7
Intra-group interest	-1.0	-2.0
<b>Total</b>	<b>-1.3</b>	<b>-3.7</b>

**Note 10 Tax**

	2021	2020
<b>Tax on profit for the year</b>		
Current tax expenditure	-24.9	-10.1
Deferred tax expense relating to temporary differences	0.2	0.4
<b>Reported tax expenses</b>	<b>-24.7</b>	<b>-9.7</b>
	<b>2021</b>	<b>2020</b>
<b>Reconciliation of effective tax rate</b>		
Profit before tax	116.2	46.6
Tax at current rate 20.6% (21.4%)	-23.9	-20.6%
Effect of tax-free dividends	-	0.0%
P-funds to previous years' taxation	-0.7%	-0.6%
Other	-0.1	-0.1%
	<b>-24.7</b>	<b>-21.3%</b>
	<b>2021</b>	<b>2020</b>
<b>Deferred tax liability</b>		
Buildings and land	6.4	6.6
Current deferred tax liability	6.6	7.0
Change for the year	-0.2	-0.4
<b>Outstanding deferred tax liability</b>	<b>6.4</b>	<b>6.6</b>

## Note 11 Tangible fixed assets

	2021	2020
<b>Buildings and land</b>		
Costs brought forward	150.8	149.4
New procurements	0.5	1.4
<b>Carried forward cumulative acquisition values</b>	<b>151.3</b>	<b>150.8</b>
Comprehensive depreciation	-80.7	-76.6
Depreciation for the year	-4.1	-4.1
<b>Accumulated depreciation carried forward</b>	<b>-84.8</b>	<b>-80.7</b>
Brought forward accumulated revaluations	21.9	23.5
Depreciation for the year	-1.6	-1.6
<b>Carried forward accumulated revaluations</b>	<b>20.3</b>	<b>21.9</b>
<b>Planned residual value</b>	<b>86.8</b>	<b>92.0</b>
Of which land	10.0	10.0
<b>Data on investment properties</b>		
Reported value	86.8	92.0
Actual value	164.4	164.4

The fair value of the properties has been based on a valuation carried out by an independent valuer. The fair value is assumed to be unchanged between years, as there has been no change in conditions and the market price in the areas where the properties are located has been assessed to be broadly unchanged. There are no restrictions on the right to dispose of the properties. There are no material commitments in relation to the properties.

Most of the properties are rented to group companies. Of the company's total rental income of SEK 17.8 million, 91% relates to rental income from group companies.

	2021	2020
<b>Machines and equipment</b>		
Initial cost	10.0	9.8
New procurements	1.5	0.3
Divestments	-	-0.1
<b>Carried forward cumulative acquisition values</b>	<b>11.5</b>	<b>10.0</b>
Comprehensive depreciation	-8.7	-8.3
Depreciation for the year	-0.5	-0.4
<b>Accumulated depreciation carried forward</b>	<b>-9.2</b>	<b>-8.7</b>
<b>Planned residual value</b>	<b>2.3</b>	<b>1.3</b>

## Note 12 SShares in group companies

	Organisation nr.	Registered office	Andel i %	Book value 2021	Book value 2020
<b>Subsidiary company</b>					
KABE AB <sup>1</sup>	556075-7832	Jönköping	100	0.4	0.4
KABE Transport AB <sup>2</sup>	556269-1633	Jönköping	100	-	-
KAMA Fritid AB <sup>3</sup>	556122-9807	Jönköping	100	3.2	3.2
Adria AB	556269-1591	Jönköping	100	4.9	4.9
KABE Fast AB <sup>2</sup>	556907-6481	Jönköping	100	-	-
KABE Försäljnings AB <sup>2</sup>	556907-6465	Jönköping	100	-	-
KABE Fastighet Momarken	559075-0179	Jönköping	100	54.2	54.2
KABE Holdings Limited <sup>4</sup>	13062464	Hull, UK	100	-	-
<b>Total</b>				<b>62.7</b>	<b>62.7</b>

The ownership ratio corresponds to the proportion of votes for the total number of shares.

<sup>1</sup> KABE AB owns 100% of the shares in KABE Adria OY (based in Helsinki, Finland) and 80% of the shares in Affinity RV sp. z.o.o (based in Ozorkow, Poland).

<sup>2</sup> The companies have a share capital of SEK 50 000.

<sup>3</sup> KAMA Fritid AB owns 100% of the shares in KAMA Fritid OY (with registered office in Helsinki, Finland) and KAMA Fritid Norge AS (with registered office in Gjesdal, Norway).

<sup>4</sup> KABE Holdings Limited owns 100% of the shares in Coachman Group Limited, Coachman Holdings Limited and Coachman Caravan Company Limited (all based in Hull, United Kingdom)

## Note 13 Shares in associated companies

	Organisation nr.	Registered office	Andel i %	Book value 2021	Book value 2020
KABE Rental AB	556542-5930	Jönköping	46	0.6	0.6
Nordfarbo AB	556523-6972	Kramfors	33	0.2	0.2
Fastigheten Bodalsvägen i Kristinehamn AB	559080-5965	Kristinehamn	33	2.0	2.0
Coachman Group Limited <sup>1</sup>	10390413	East Yorkshire	-	-	35.7
<b>Total</b>				<b>2.8</b>	<b>38.5</b>

Specification of financial information on associated companies owned by the parent company.

The table shows the amount owned of associated companies.

<sup>1</sup> The previously held shares in Coachman Group Limited were disposed of in 2021 at book value.

	2021	2020
Revenue	26.1	22.5
Profit	2.5	1.5
Assets	62.1	76.5
Liabilities	14.2	45.1
Equity capital	47.9	31.4

**Note 14 Receivables from group companies**

	2021	2020
Costs brought forward	-	-
Additional receivables	139.0	-
Amortisations, outgoing receivables	-	-
<b>Closing book value</b>	<b>139.0</b>	<b>-</b>

**Note 15 Prepaid costs and accrued income**

	2021	2020
Prepaid insurance premiums	0.2	0.2
Other prepaid expenses	0.6	0.7
<b>Total</b>	<b>0.8</b>	<b>0.9</b>

**Note 16 Equity****Share capital**

The share capital of KABE Group AB amounts to SEK 45 million divided into 600,000 A-shares and 8,400,000 B-shares, totalling 9,000,000 shares. Each A share entitles the holder to ten votes and each B share to one vote. All shares have the same dividend entitlement. The quotient value per share is 5 per share. The proposed dividend is 7:00 SEK per share. For more on the progress of share capital see page 24.

**Reserve fund**

The purpose of the reserve fund has been to save a portion of net profits not used to cover accumulated loss.

**Retained earnings**

Retained earnings consists of the previous year's retained earnings including the previous year's profit after any dividend has been paid. Together with the profit for the year, retained earnings represent total unrestricted capital, i.e. the amount available for distribution to shareholders.

**Note 17 Untaxed reserves**

	2021	2020
Accumulated depreciation of machinery and equipment	0.7	0.6
Accrual fund allocated 2015	-	14.3
Accrual fund allocated 2016	-	18.3
Accrual fund allocated 2017	-	21.2
Accrual fund allocated 2018	18.4	18.4
Accrual fund allocated 2019	13.4	13.4
Accrual fund allocated 2020	15.7	15.7
Accrual fund allocated 2021	40.3	-
<b>Total</b>	<b>88.5</b>	<b>101.9</b>
<b>Deferred tax included with</b>	<b>18.7</b>	<b>22.2</b>

**Note 18 Accrued expenses and deferred income**

	2021	2020
Accrued salary and holiday pay liabilities	3.3	0.9
Accrued social security charges	1.2	0.4
Other accrued expenses	0.4	0.3
<b>Total</b>	<b>4.9</b>	<b>1.6</b>

**Note 19 Contingent liabilities**

	2021	2020
Third party guarantees	3.2	3.2
Intra-group guarantees	30.3	40.2
<b>Total</b>	<b>33.5</b>	<b>43.4</b>

**Note 20 Profit distribution proposal**

The Board intends to propose to the AGM a dividend of 7:00 (3:00) SEK per share. KABE Group's policy is that the dividend must reflect the group's long-term earning profitability. The objective of the KABE Group's dividend policy is that the dividend in the long term account should amount to 30-50 % of the Group's profit for the year. The dividend for the year in the Group is 30% of profit after tax and 5% of adjusted equity capital.

**The Board's statement on the proposed dividend**

Following the proposed dividend, the parent company's solidity will amount to 22% and the Group's solidity to 60%. The solidity is reassuring in view of the continued profitability of the company's and Group's operations. The company's and Group's liquidity is judged to be maintained at a reassuring level.

The Board of Directors is of the opinion that the proposed dividend will not impede the Parent Company or the other Group companies from fulfilling their short and long-term obligations, nor from making the necessary investments. The proposed dividend can, therefore, be justified in light of the provisions of the Chapter 17, section 3, § 2-3 of the Swedish Companies Act (precautionary principle)

**Proposal for appropriation of profit (SEK)**

**The Board of Directors proposes that the profit available to the Annual General Meeting:**

Retained earnings	1 142 406
Profit for the year	91 493 267
<b>Total</b>	<b>92 635 673</b>

**Is distributed as follows:**

To shareholders a dividend of 7:00 SEK/share	63 000 000
carried forward	29 635 673
<b>Total</b>	<b>92 635 673</b>

**Note 21 Events after reporting period**

No significant events have occurred to affect financial reporting after the date of the balance sheet.



We, the undersigned, declare that the consolidated and annual accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and with generally accepted accounting principles and give a true and fair view of the position and performance of the group and the company, and that the management report gives a true and fair view of the development of the group's and the company's business, position and performance and of the principal risks and uncertainties that the companies included in the group are exposed to.

The Annual Report and Consolidated Financial Statements have been approved for issue by the Board of Directors on 8 April 2022, as set out below. The Annual Report will be subject to approval at the Annual General Meeting on 12 May 2022.

Tenhult 2022-04-08

Nils-Erik Danielsson  
Chair of the Board

Alf Ekström  
CEO and Group CEO

Benny Holmgren  
Member of the Board

Maud Blomqvist  
Member of the Board

Eric Stegemyr  
Member of the Board

Anita Svensson  
Member of the Board

Ulf Rostedt  
Member of the Board

Peter Lilja  
Employee Representative

Göran Larsson  
Employee Representative

Our audit report was issued on 08/04/2022  
KPMG AB

Olle Nilsson  
Authorised auditor

# Invitation to the Annual General Meeting

The shareholders of KABE Group AB (publ.) are hereby invited to attend the Annual General Meeting on Thursday 12 May 2022 at 5 p.m. at the company's premises in Tenhult, outside Jönköping.

## Notification

Shareholders who wish to participate in the General Meeting must be registered in the share register maintained by Euroclear Sweden AB on 4 May 2022, and must notify the company of their intention to participate in the General Meeting no later than Tuesday 10 May at 12.00 to the address KABE Group AB, Box 14, 560 06 Tenhult, by telephone 036-39 37 00 or by email [bolagsstamma@kabe.se](mailto:bolagsstamma@kabe.se). In order to be entitled to participate in the Annual General Meeting, shareholders who have had their shares registered by a nominee must temporarily register the shares in their own name so that the shareholder is entered in the share register as of 4 May 2022. Such registration may be temporary (so-called registration of voting rights) and is requested from the trustee in accordance with the trustee's procedures at such time in advance as the trustee may determine. Voting registrations made no later than the second business day after 4 May 2022 are taken into account in the production of the share register.

## Items of Business

1. which, according to the Companies Act and the articles of association, must be discussed at an ordinary general meeting
2. any other business is indicated in the press release and the accompanying notice

## Dividends

The Board of Directors proposes a dividend of SEK 7:00 per share for 2021 (SEK 3:00).

The proposed record date is 16 May 2022.

If the AGM decides in accordance with the proposal, the dividend is expected to be distributed by Euroclear Sweden AB on 19 May 2022.

## Financial reporting

Information on the development of the company is to be provided as follows:

12/05/2022 Interim report for the first quarter

24/08/2022 Interim report for the second quarter

02/11/2022 Interim report for the third quarter

28/02/2022 Report for the fourth quarter and full year 2022.

The above named reports can be ordered from KABE Group AB, Box 14, 560 06 Tenhult or from KABE Group's website: [kabegroup.se](http://kabegroup.se).

Tenhult, April 2022

Management Board

Coffee, tea and canapes will be served at the General Meeting.  
Served from 16.00.

# Auditor's Report

To the general meeting of the shareholders of KABE Group AB (publ), corp. id 556097-2233

## Report on the annual accounts and consolidated accounts

### Opinions

We have audited the annual accounts and consolidated accounts of KABE Group AB (publ) for the year 2021, except for the corporate governance statement on pages 30-31. The annual accounts and consolidated accounts of the company are included on pages 25-58 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 30-31. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the statement of comprehensive income and statement of financial position for the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's 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.

### Other Matter

The audit of the annual accounts for year 2020 was performed by another auditor who submitted an auditor's report dated 9 April 2021, with unmodified opinions in the Report on the annual accounts and consolidated accounts.

### Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

#### Value of trade receivables

See disclosure 12, 19 and 27 and accounting principles on page 42 in the annual account and consolidated accounts for detailed information and description of the matter.

#### Description of key audit matter

The Group has trade receivables of SEK 295 million as at 31 December 2021. At the balance sheet date, trade receivables are impaired by SEK 29 million. An individual impairment test has been performed as the basis for valuation.

The valuation of trade receivables is based on the management's judgement and principles for provisioning of doubtful trade receivables. Changes in assumptions and judgements can have a material effect on the financial statements and therefore we have identified the valuation of trade receivables as a particularly key audit matter.

#### Response in the audit

We obtained information about and evaluated the Group's process for reviewing trade receivables to assess whether doubtful receivables exist and how they are disclosed. In addition, we evaluated the management's estimates and judgements for the impairment of doubtful trade receivables and the assumptions underlying the estimate.

Additional review included payment analysis, review of payment plan agreements and age analysis of outstanding trade receivables.

We have also verified the completeness of the disclosures made in the financial statements and assessed whether they are consistent with the assumptions applied by the Group in its valuation of trade receivables and that they are substantially equivalent to the disclosures required by IFRS.

#### Acquisition of Coachman Group Ltd

See disclosure 11 and accounting principles on pages 40-41 in the annual account and consolidated accounts for detailed information and description of the matter.

#### Description of key audit matter

By means of a subsidiary, KABE Group AB acquired all remaining shares in Coachman Group Ltd, England in February 2021. In 2021, the acquisition has added turnover of MSEK 513 and 200 employees.

#### Response in the audit

We have analysed the acquisition analyses in order to assess whether they have been prepared using the correct method. We have focused our work on the intangible fixed assets and whether the approaches used by the Group's management to assign values to these assets in the financial statements are consistent with the

The purchase price of the acquisition was MSEK 182 and the total surplus value according to the acquisition analysis was MSEK 176, of which MSEK 158 is intangible fixed assets and goodwill. Acquisition analysis requirements judgments by the Group management concerning which assets to recognise and what values to assign to them. The value remaining after all assets and liabilities have been assessed and valued is recognised as goodwill, which is not subject to amortisation but is instead tested for impairment at least annually. All the above assessments and any changes in these assumptions and assessments could have a significant effect on the Group's profit and financial position.

regulatory framework and established valuation techniques. Other key elements of our work have been to assess that the assets included in the acquisition analysis exist and that all assets have been accounted for.

Coachman Group Ltd was fully consolidated as at 31 December 2021 and we have received a report from the auditor for the unit in support of the group audit.

We have also verified the completeness of the disclosures in the annual report and assessed whether they are consistent with the information used by the Group in its acquisition analysis and whether the information is sufficiently comprehensive to enable an understanding of the Group management's assessments.

## Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 2-24 and 59. The other information comprises also of the remuneration report which we obtained prior to the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and



other matters that may reasonably be thought to bear on our independence, and where applicable, measures that have been taken to eliminate the threats or related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of

the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

## Report on other legal and regulatory requirements

### Auditor's audit of the administration and the proposed appropriations of profit or loss

#### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of KABE Group AB (publ) for the year 2021 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

#### Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

#### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the

group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

#### Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the

proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

## The auditor's examination of the Esef report

#### Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for KABE Group AB (publ) for year 2021.

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

In our opinion, the Esef report 5IFwrJwOnC/Jkls= has been prepared in a format that, in all material respects, enables uniform electronic reporting.

#### Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 *Examination of the Esef report*. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of KABE 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 Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528),

and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

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#### Auditor's responsibility

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

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

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

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

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

The procedures mainly include a technical validation of the Esef report, i.e. if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, financial position, changes in equity and cash flow.

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#### The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 30-31 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

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

KPMG AB, Box 214, 551 14, Jönköping, was appointed auditor of KABE Group AB (publ) by the general meeting of the shareholders on the 11 May 2021. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 11 May 2021.

Jönköping 8 April 2022

KPMG AB

Olle Nilsson

Authorized Public Accountant



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