2015

ANNUAL AND SUSTAINABILITY REPORT

Thule Group

”All in all, 2015 has been a fantastic year, with increased growth and improved profitability.”

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The Annual Report is published in Swedish and English. The Swedish version is the original and has been audited by Thule Group auditor.

The year in brief

Q1

- The Thule Legend series of GoPro bags, developed in collaboration with Thule Crew member Matthias Giraud, was launched and immediately attracted a great deal of attention.
- The tow-bar mounted bike carrier, Thule VeloCompact started to be sold in stores and quickly became one of our best sellers.
- We were named Vendor of the Year in Action Sports for the third time in four years by REI, the largest retail chain in the world within the Outdoor category.
- Thule won the prestigious iF Product Design Gold Award for its child bike seat the Thule RideAlong Mini.
- A new 10,000 square meter distribution center for Eastern Europe was opened adjacent to our largest assembly plant in Huta, Poland.

Q2

- The Thule Guidepost and Thule Capstone, our first entries in the area of hiking backpacks, went on sale in stores.
- The Thule Sapling child carrier backpack and Thule RideAlong Mini, front-mounted child bike seat, went on sale in stores, broadening the range of products in the Active with Kids category.
- Our warehouse for Bags for Electronic Devices was moved into a third-party distribution center in Venlo, the Netherlands, to manage retailers' increased service expectations more effectively.
- Three more of Thule Group's nine production facilities transitioned to 100 percent renewable electricity.

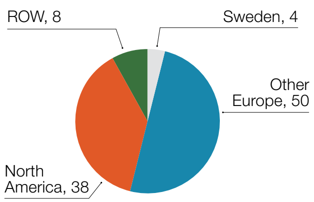
Q3

- At the summer's major sports and outdoor trade fairs for the 2016 season, we exhibited a wide range of products in Sport&Cargo Carriers, such as the Thule ProRide 598, an innovative follow-up to the world's best selling roof-mounted bike carrier, and Thule VeloSpace, a tow-bar mounted bike carrier for heavy e-bikes.
- At these trade fairs, we also exhibit a broad range of backpacks for the 2016 season including the Thule Versant and Thule Stir lightweight backpacks.
- A 600 square meter expansion of our world-leading Thule Test Center opened in Hillerstorp, Sweden.
- The company's Snow Chain Division was divested.

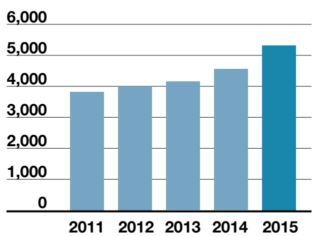
Q4

- Thule Flow, a roof box specially designed for winter sports, and Thule Upslope snowsport backpacks went on sale in stores.
- Sales started for the trendy Case Logic LoDo range of laptop cases.
- In cooperation with paddling legend and Thule Crew member Pedro Oliva and numerous researchers, we presented "The Waterfalls Project," an initiative to promote environmental and social aspects in Brazil.
- The restructuring of our European distribution set-up was completed as Sport&Cargo Carriers inventories were moved to the new western European third-party distribution center in Venlo, the Netherlands.

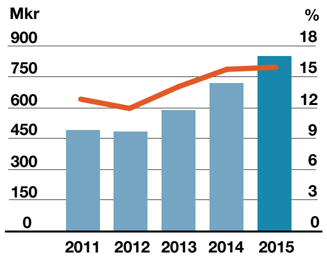
Net sales per geographical area, %



Net sales, SEKm



Underlying EBIT and margin



139

The number of markets where consumers can buy our products.

Thule Group continued to develop strongly in 2015. Sales grew 5.1 percent, after currency adjustment, driven by successful product launches. Thanks to an efficient organization, we also achieved an EBIT margin of 16 percent.

This is Thule Group

SEKm, Sales 2015.

A GLOBAL ORGANIZATION WITH TWO SEGMENTS, FOUR PRODUCT CATEGORIES AND TWO STRONG BRANDS.

- **We are active in two segments, Outdoor&Bags and Specialty. Outdoor&Bags has three product categories, which differ in terms of production and market conditions.**
- **Our product development, marketing, supply chain and various support functions are global, and our sales are regionally based (Region Americas, Region Europe & ROW).**
- **Our core brand is Thule (68 percent of sales in 2015).**
- **Case Logic is our biggest brand within Bags for Electronic Devices.**

You can see our products on Australian beaches, on the streets of Stockholm, on bike trails in the Andes and in the ski resorts of the Alps. For more than 70 years, we have been offering high-quality products with smart features and good design for an active life. With sales in 139 countries, we have established ourselves as a global leader in the growing sports and outdoor industry.

Our biggest development- and test center is still located in the small village of Hillerstorp, but today Thule Group is a global corporation with its head office in Malmö, Sweden. We offer our customers – active families and outdoor enthusiasts – safe, stylish and practical solutions for an active life.

Our products are sold in 139 markets at more than 31,000 retailers, of which just over 2,900 are authorized Thule Retail Partners. Thule Group is the world leader in racks and carriers for transporting bicycles, skis and surfboards, but we also offer products such as hiking backpacks, sport strollers and laptop cases – everything to enable you and your family to enjoy an active life together.

Global brands

Our biggest brand Thule, with its slogan *Bring your life* is synonymous with quality products with thoughtful design and is well known all over the world. Many of our products have received awards for their ease-of-use and good design. Today, Thule is a lifestyle brand with products in many different categories.

Bags and cases for electronic devices are also sold under the brand name Case Logic. Under the slogan of *Life, Simplified* we offer products and solutions for an urban lifestyle that make it easy and convenient to take your things with you when you are on the go.

FIVE-YEAR OVERVIEW, SEKm	2015	2014	2013	2012	2011
Net sales	5,320	4,556	4,153	4,004	3,813
Underlying EBIT	850	718	586	482	490
Operating income (EBIT)	825	644	517	453	467
Cash flow, operating activities[1]	662	355	390	424	310

1) Based on total operations, meaning both continuing and discontinued operations.

Efficient processes generate added value

Efficiency and productivity are key elements in our day-to-day operations. Continuous improvements in sourcing, production and distribution lead to better business for us and for our customers through efficient processes, shorter lead times and more successful innovations. Ultimately, this generates value for our shareholders by enabling investments in growth with healthy profitability.

Sustainability is a natural part of our business

For us at Thule Group, sustainability is a natural part of our business operations and our passion for an active life with family and friends.

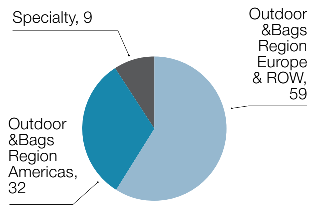
This means that we go further than what is required by laws and regulations, for example, when it comes to taking responsibility for our impact on the environment and the climate. It also means that we aim to be an active, committed partner in long-term business relationships where we place stringent requirements on ethics and anticorruption, and on good working conditions.

Thule Group aims to be part of a sustainable and functioning society. Our operations are dependent on our employees, customers and consumers being able to enjoy an active life in the great outdoors.

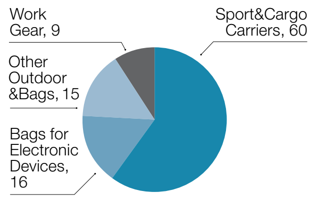
We share a passion for our products and values

We share a passion to develop high-quality, smart and innovative products based on an overall sustainability concept. To achieve this and to develop our employees, we aim to offer a safe and stimulating working environment where we all contribute to finding smarter ways to work. We attach great importance to all our employees having an understanding of our shared values and what the company's brands stand for. For a number of years, we have

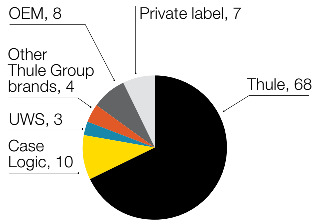
Sales per segment, %



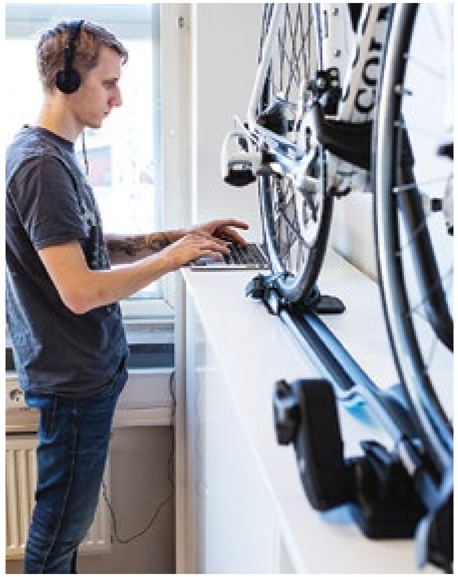
Sales by product category, %



Sales by brand, %



Thanks to our global reach and broad range of products, we continuously strengthen the position of our biggest brand, Thule, which now accounts for more than two thirds of all sales.



worked to ensure that the company's core value "*Shared Passion for Smart Solutions that Enable an Active Life*" permeates everything we do on a daily basis. We often work in project form in cross-functional teams. We have a substantial focus on change, and being able to retain and motivate valuable employees is important. We are convinced that by promoting a healthy lifestyle, we can ensure that our employees perform and feel better. Our employees are offered opportunities to try out the company's products in their natural element. Many of our employees are also passionate users and the most important ambassadors of our products and our values.

”Continued strong growth”

A very successful 2015 can be written into Thule Group’s 73-year history. We continued our strategic repositioning with increased focus on sports and outdoor products. Successful product launches and close collaboration with our retailers resulted in us increasing both sales and earnings. During the year, we also implemented a radical revamp of the European distribution structure which will bring benefits next year in the form of shorter lead times, improved service and a reduction in environmental impact.

Sales increased 5.1 percent, adjusted for currency effects, and operating income, excluding items affecting comparability, improved SEK 132m year-on-year. This means that we achieved an operating income of SEK 850m and an EBIT margin of 16 percent, well over our previous target of 15 percent. Therefore, at the start of 2016, the Board decided to adopt a new long-term target for our EBIT margin of 17 percent.

Thanks to our strong result for 2015, we have further strengthened our already stable financial position, and will enable us to focus on continued strong growth.

Great products are the key to our success

By selling great products that simplify an active life for families and outdoor enthusiasts all over the world, we keep on building on the solid foundation of our brand promise: *Active Life, Simplified*. In 2015, we invested approximately four percent of our sales in innovative, sustainable product development, a doubling compared to five years ago. In September, I had the privilege of opening the major extension of our global Thule Test Center in Hillerstorp, the company’s birthplace. The new facility doubles the center’s capacity and gives us the opportunity to test new product categories faster and more efficiently.

Strengthening our market-leading position

2015 was a strong year for innovation in the company. We strengthened our market-leading position in our biggest product category, Sport&Cargo Carriers, through a number of successful product launches, such as the Thule VeloCompact, a tow-bar mounted bike carrier for up to four bicycles, and Thule Flow, a new aerodynamic roof box for ski enthusiasts.

”Successful product launches and close collaboration with our retailers resulted in us increasing both sales and earnings.”

We also increased our sales in Other Outdoor&Bags, in which the Active with Kids category is a rapidly growing product group. Our new child bike seat, the Thule RideAlong Mini, and the Thule Urban Glide stroller both received the prestigious iF Product Design Award.

We also launched a large number of new products such as hiking- and snowsport backpacks in the Sport&Travel Bags product category.

Bags for Electronic Devices continued to be affected by the weak camera market and a decline in the sales of tablets, particularly in the US. At the same time, sales of laptop cases and computer backpacks rose and, during the year, we launched additional products in this category, such as the trendy Case Logic LoDo series.

Focus on Thule Retail Partners

We continued our focus on the Thule Retail Partner concept and by the end of the year we had more than 2,900 authorized partner stores around the world. Smart in-store solutions, sales-oriented product training, and efficient online tools are helping our retailers increase their turnover and strengthen our relationships with customers and consumers. Our brands' websites make it easy to find the right product and the nearest retailer. There are also inspirational videos that feature the great athletes in our Thule Crew. Thule.com is now available in more than 24 languages and in 2015 had almost 19 million visitors.

A sustainable business in a sustainable world

Thule Group aims to promote sustainable development. We aim to go further than what is required by laws and regulations, across the board, but in my view environmental impact is particularly important for our company.

Our entire operations are dependent on employees, customers and consumers being able to enjoy an active life in appealing and sustainable environments in the great outdoors.

"Thule Group aims to promote sustainable development and we aim to go further than what is required by laws and regulations."

In 2015, all major environmental indicators improved. I would like to highlight the targeted efforts of our design and product development departments in reducing the impact of our products on the environment and climate. As an example, all our competence centers were trained in eco-design. Life Cycle Analysis is also an integral part of all our product development projects.

During the autumn, we conducted a stakeholder dialogue and a materiality analysis on which future efforts will be based, and new targets for 2020 have been adopted by the Board of Directors. Read more about this on pages 26–32.

2016 will see many new product launches

All in all, 2015 has been a fantastic year, with increased growth and improved profitability. We are continuing our commitment to consumer-driven innovation with many new and exciting products to be launched in 2016.

A big thank you to everyone in the Thule Group team and to all our shareholders who put their trust in us!

Malmö, March 2016

Magnus Welander, CEO and President Thule Group

Innovative products in focus

We offer high-quality products with smart features and good design that make it easy for people to live an active life. With sales in 139 countries, strong finances and a long-term approach, we have established ourselves as a global leader in the growing sports and outdoor industry. Our success is driven in equal parts by innovation and passion.

The customer's first choice

By this we mean that consumers looking for a product for an active life will choose products from Thule because they trust that the brand stands for quality and appreciate our smart solutions.

Our customers should see Thule as their obvious choice of partner. We deliver innovative products and we understand the local market.

Customers and consumers can trust us.

An active life. Quite simply.

We offer products that facilitate an active life. Big or small, everything from waterproof cellphone cases to bike carriers and roof boxes. Our product developers collaborate with active families as well as extreme athletes to give you the ultimate experience. All our products are tested in our own facilities so that you can feel full confidence in their function and performance.

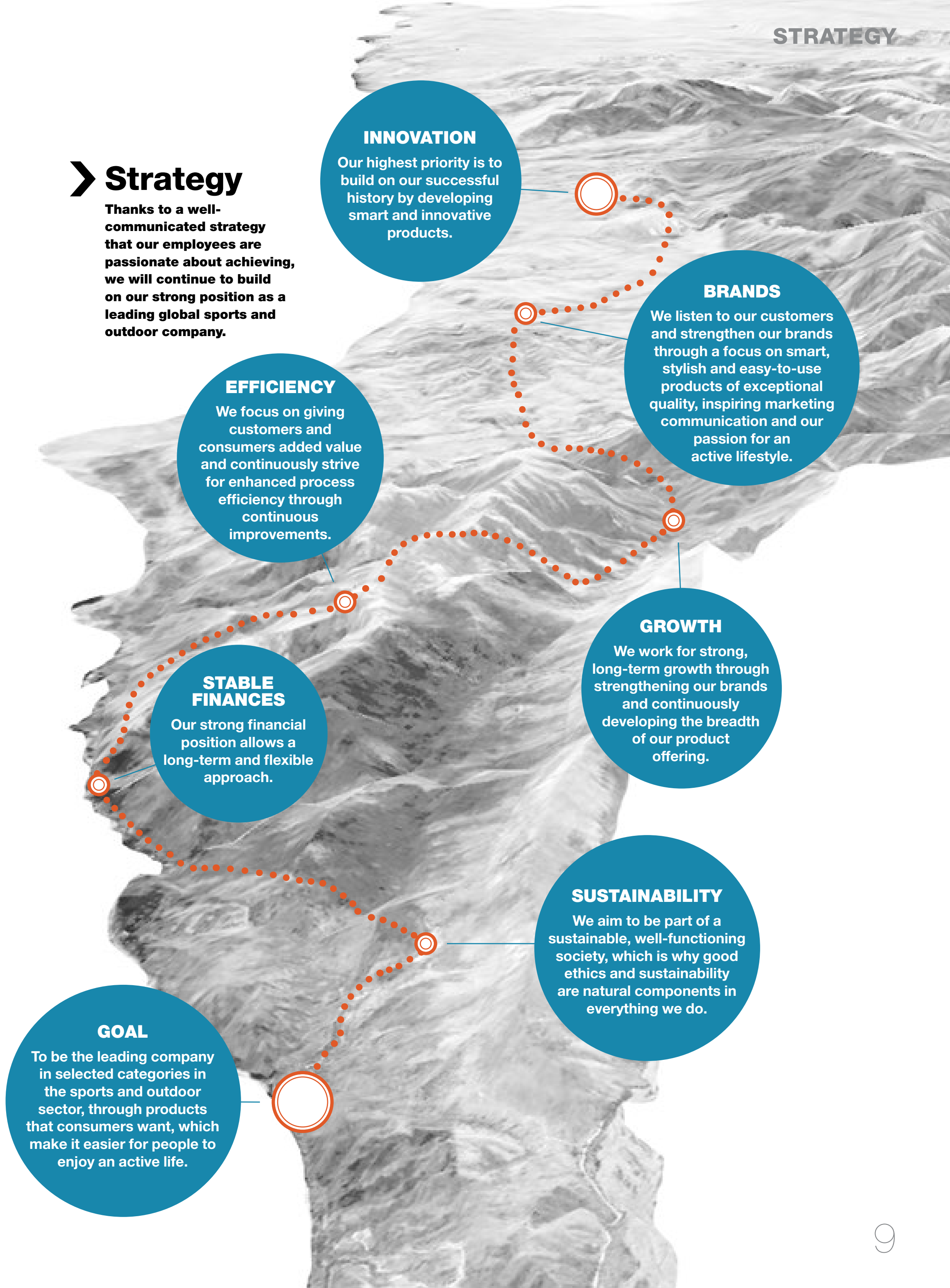
Everything so that you and your family can enjoy an active life together.

Shared passion

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

Strategy

Thanks to a well-communicated strategy that our employees are passionate about achieving, we will continue to build on our strong position as a leading global sports and outdoor company.



We add value through products that make it easier for people to live an active life

Thule Group is an innovative company that develops, produces and sells high-quality, easy-to-use products in 139 countries for people who want to live an active life. With many years of experience in developing smart, technical products focused on customer benefit, and a deep understanding of current trends in the sports and outdoor sector, we have established Thule Group as a leading global player. Through our long-term approach to financial stability and a genuine interest in sustainability, in addition to our world-leading product development, we have built up our production and marketing skills over a long period. Taken together, these factors allow us to be very effective in supporting our retailers in helping consumers choose the right products.

Our business model is based on creating opportunities for our users to enjoy an active life, enhanced profitability for our customers, inspiring and secure jobs for our employees and lasting value for our shareholders based on sales growth and cost-efficient operations.

Innovation

To be the consumer's first choice, we must have a thorough insight into how, when and why people want to use our products. We are privileged to be working in the midst of the exciting sports and outdoor sector, every day. How do you design the next generation bike carrier so it can handle both fat bike tires and carbon fiber frames? What smart solutions do you need to facilitate loading a kayak on a carrier, so that the owner gets another half hour on the water before the sun goes down? How can parents, safely and practically, cycle with their kids to preschool?

Our most important strategic focus area is to continuously strengthen our brands by developing products that build on our leading market position by solving problems better than expected. We have 135 employees who work full-time on product development. Our biggest development center is located in Hillerstorp, Sweden, but we also have specialized teams in Belgium, the US and Canada. We have significantly expanded our focus on design, product development and product testing over the past five years. New products, developed over the past three years, have increased their share of sales from 32 percent in 2009 to 50 percent in 2015.

Brands

Our brand strategy is primarily focused on the growth and diversification of our biggest and best known brand – our core brand Thule – which accounted for 68 percent of Group net sales in 2015. Thule is a global premium brand with a very high level of recognition in all 139 markets in which these products are sold. By building on the brand slogan *Bring your life* in all our marketing communication, we have been able to further strengthen the brand.

Our second biggest brand, Case Logic, accounted for 10 percent of net sales in 2015. Case Logic is a very well-established brand that, over its 30-plus years, has created a strong market position in the Bags for Electronic Devices category, with a focus on products for people who use their electronic devices in an urban environment. These products have a contemporary design based on the slogan *Life, Simplified* they are designed to be easy and convenient for carrying and accessing your devices when you are on the go. To a limited extent, Thule also uses regional and category-specific brands.

> "We are convinced that the combination of innovative and sustainable product development, strong marketing and long-term customer relationships will continue to drive growth."

Growth

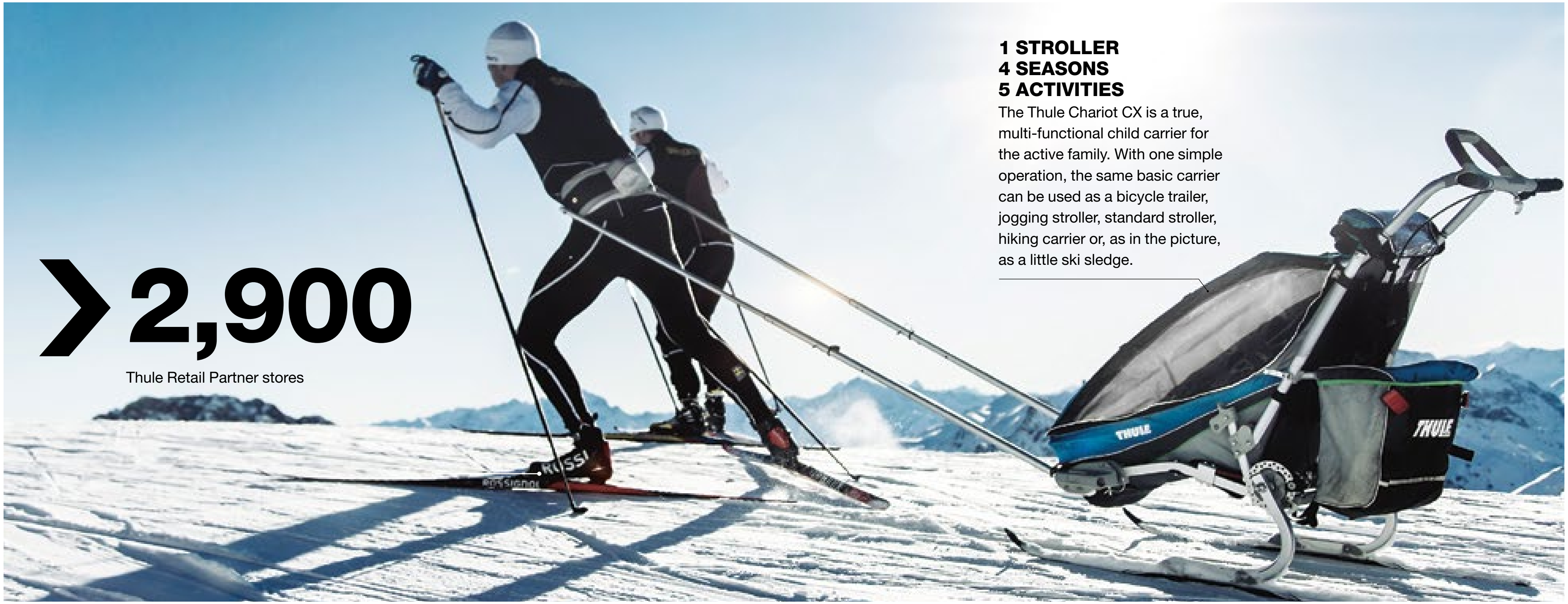
For many decades we generated good growth in our biggest product category, Sport&Cargo Carriers, and we are convinced that the combination of innovative and sustainable product development, strong marketing and our long-term customer relationships will continue to drive growth. Increased investment in product development, the broadening of our Thule Retail Partner Program and a long-term approach to expansion in emerging markets such as Brazil, Russia and China are the foundations of continued growth in this category.

We have also broadened our product offering by expanding into related categories such as strollers, child bike seats and backpacks. We will continue to grow in these recently launched categories as well as in new areas.

Sustainability

At Thule Group, sustainability means going one step further than the requirements imposed by laws and regulations. We aim to be part of a sustainable and functioning society. This means being an active and committed partner in our business relationships. This benefits the local community through fairness, good business practices and working conditions. Thoughtfully designed climate and environmental efforts are particularly important to us because our operations depend on our employees, customers and consumers being able to enjoy an active life in an appealing environment in the great outdoors.

In 2013, we set up long-term environmental goals for 2016, which to a great extent were met already in 2015.



Thule Chariot CX with cross-country skiing kit

Therefore we have decided to set even more ambitious long-term targets for 2020. Read more about our sustainability work on page 26.

Efficient processes add value for all stakeholders

We focus on giving customers and consumers added value and continuously strive for enhanced process efficiency through continuous improvements. This focus applies to all aspects of the company. One example that has been prioritized in recent years is how we distribute our products to our customers, where there are increased demands for short lead times and high delivery precision.

During the year, we have implemented some radical changes in terms of how we receive customer orders more efficiently, how we plan our own flows in the supply chain, and how we physically pack and load our products more efficiently.

Another example is improvements to our websites, with an easy-to-use Buyer's Guide for consumers and simplified procedures for our customers to access to all our marketing materials. This ensures that consumers get the product they want and can easily find the right retailer to give them the service they are looking for.

Stable finances mean security and a long-term perspective

A strong financial position creates a stable foundation for a business to determine its own future. For a long time, we have delivered a very strong operating cash flow of over 80 percent, in parallel, we have maintained solid investment levels in our assembly plants, thereby enabling them for capacity expansion. This results in a relatively low need for investment, where we invest approximately 2 percent of sales per year for the long-term.

In December 2015, the company's debt was 2.3 times EBITDA, which was in line with our financial target to be around 2.5 times EBITDA. With the growth we have planned, this means that we are creating substantial opportunities for expansion through acquisitions as well, and a generally stable financial platform for the future.

270

individual adjustments for the Thule Guidepost backpack allow the user to get the perfect fit.

>1,200

square meters, the size of the Thule Test Center after the expansion, which was opened in September 2015.

Goal	Focus in recent years	Previous target	Result for 2015	Focus in coming years	Target moving forward
Financial Sales growth	• Increased focus on product development has resulted in more new products than ever before. • The launch of new product categories with high growth potential such as strollers, child bike seats, bike bags and hiking backpacks. • Continued focus on the Thule Retail Partner Program. • Adjustment of focus on growth categories in under-performing Bags for Electronic Devices.	+5% **Annual organic growth after currency adjustment**	+5.1% **Organic growth after currency adjustment for 2015 compared with 2014**	• Continued focus on product development. • Continued focus on the Thule Retail Partner Program. • Broadening of our offering in recently launched product categories. • Focus on growth categories in Bags for Electronic Devices. • Launch of additional, logical new product categories. • Evaluation of logical acquisitions to add to organic growth targets.	+5% **Annual organic growth after currency adjustment**
Financial Operating margin	• Focus on consumer products by selling our Trailer, Towing and Snow Chain divisions. • Improved European distribution structure to meet high requirements for lead time and delivery precision cost-effectively. • More efficient administration to ensure favorable economies of scale.	>15% **Long-term underlying EBIT margin**	16.0% **Underlying EBIT margin for 2015**	• Improved distribution structures in Asia and North America to meet high requirements for lead time and delivery precision cost-effectively. • Greater focus on cross-functional teams to pursue cost effectiveness in "Design for Assembly." • Continued focus on efficient administration to ensure favorable economies of scale.	>17% **Long-term underlying EBIT margin**
Environment Energy	• Focus on a greater proportion of the electricity in our factories coming from renewable sources. • In 2015, three more production facilities completely transitioned to renewable electricity. • In 2015, the facility in Hillerstorp, Sweden, started using biogas for heating, thus sourcing all its energy from renewable sources.	>60% **The proportion of electricity from renewable sources in our factories by no later than 2016**	73% **The proportion of electricity from renewable sources in our factories in 2015**	• By 2020, all of our factories will have completely transitioned to renewable electricity. • Expanded focus on more efficient heating and a larger proportion of energy for heating from renewable sources. • The use of modern technical solutions for reducing energy requirements. • Reduce CO_2 emissions from our facilities by 65 percent (compared with 2014).	100% **The proportion of electricity from renewable sources in our factories by no later than 2020**

	Focus in recent years	Focus moving forward
Sustainability	• Define our sustainability focus and involve our employees. • Stakeholder dialogues and strategic review of our four defined areas of focus: - Products and consumers - Efficient and reliable manufacturing - Responsible sourcing and logistics - Responsible business practices • New targets, Code of Conduct and training programs rolled out in the company. • Steps taken in providing clearer external sustainability reporting in our Annual and Sustainability Report 2015.	• Products and consumers – continue to supply safe products that are designed with the environment in mind, are easy to use and provide inspiration for a healthy life. • Efficient and reliable manufacturing – pursue environmentally conscious production and expand on efforts to improve occupational health and safety. • Responsible sourcing and logistics – include clearer environmental and sustainability aspects in our assessments of suppliers, and greater consideration of environmental aspects in logistics. • Responsible business practices – to ensure compliance with our Code of Conduct. • Additional steps in more detailed external sustainability reporting.

Growing market with strong global trends

Thule RideAlong Mini

TRENDS SUPPORTING THULE'S AMBITION TO GROW

Focus on an active life:
As the disposable income of consumers rises, a greater proportion of it is spent on sports and outdoor activities.

Active later in life:
Sales to the increasingly active 50+ generation is growing, and this group also spends more on high-quality, premium products.

More activities:
Consumers are participating in more sports and recreational activities including hiking, cycling and paddling. This is driving the need for consumers to be able to carry equipment for multiple activities.

Our sports and outdoor markets are being supported by a number of positive global trends: a rapidly growing urban middle class, high interest in health and well-being, the rise of new sports, and a 50+ generation who lead increasingly active lives.

Our product portfolio is broad and deep and our products are used in a wide variety of contexts with one thing in common: they make it easier for people to live an active life. This means that a number of global macro trends impact all our product categories and in general these long-term trends are positive for the segments in which we operate. Our product categories are also impacted by more specific trends in competition, marketing channels, degree of innovation, and maturity to mention some examples.

Health and well-being in focus in mature markets

More and more people are seeking an active life with sports and outdoor activities to counterbalance their sedentary jobs in urban environments. Interest in health and well-being and greater environmental awareness are strong global trends. Many people want to pursue outdoor activities, which are also family experiences enjoyed by all, regardless of age. These trends are in harmony with our product offering and we assess that the market will grow by 2 to 5 percent annually, depending on the category. Most analysts believe that these trends, and hence growth for the segment as a whole, will continue for the foreseeable future.

Participation in various sports activities remains relatively stable, but there is a trend toward more people trying several different activities and generally seeking to increase activity in their daily life. Modern consumers are


Thule Commuter Backpack

often well informed and place high demands on the products they buy. Through online product comparisons and information shared on social media, the market is being driven towards either low-cost products, or premium products with manifest user benefits where the brand is the guarantor of a positive experience.

Another trend generating consumer-driven growth in mature markets is that people are now more active at higher ages than they were just 10–20 years ago. Once their kids have left home, today's 50+ consumers are spending more money and time than ever before on sports and outdoor activities.

A growing middle class in emerging markets

A feature of emerging markets all over the world is a growing middle class with higher incomes and new patterns of consumption. Interest in sports and outdoor activities is growing rapidly in these markets, and young, conscious consumers are being inspired by the activities and brands they see used in more established markets. They often choose well-known global brands.

A sector that is still consolidating

The sports and outdoor market remains fragmented, despite its ongoing consolidation. We are convinced that this trend will continue as companies in pursuit of growth seek out new markets, new marketing channels and enhanced profitability through economies of scale in their production, marketing and distribution.

A growing trend among the major retail chains is a desire to reduce the number of their suppliers and brands that they carry, while also seeking the benefits of closer cooperation with key partners. Increased pressure on short lead times, improved delivery precision, good marketing support, simplified online sales and smart store concepts require brand owners with resources and the right skills.

TRENDS DRIVING GROWTH IN MATURE MARKETS

Emergence of new sports: **As new sports and consumer interests evolve, niche activities appear, creating a need for various accessories to transport the equipment.**

Parents and children together: **Today's young parents want to continue to live an active life and stay in shape even after they have had children.**

Conscious consumers: **Consumers are increasingly conscious of the brands and products they are looking for. With information that is globally accessible, consumers search for either the cheapest solution, or the brands they can trust and feel an affinity with.**

Positive trends increase sales in Outdoor&Bags

The big global macro trends driving growth in the sports and outdoor sector are also having a positive impact on the Outdoor&Bags market.

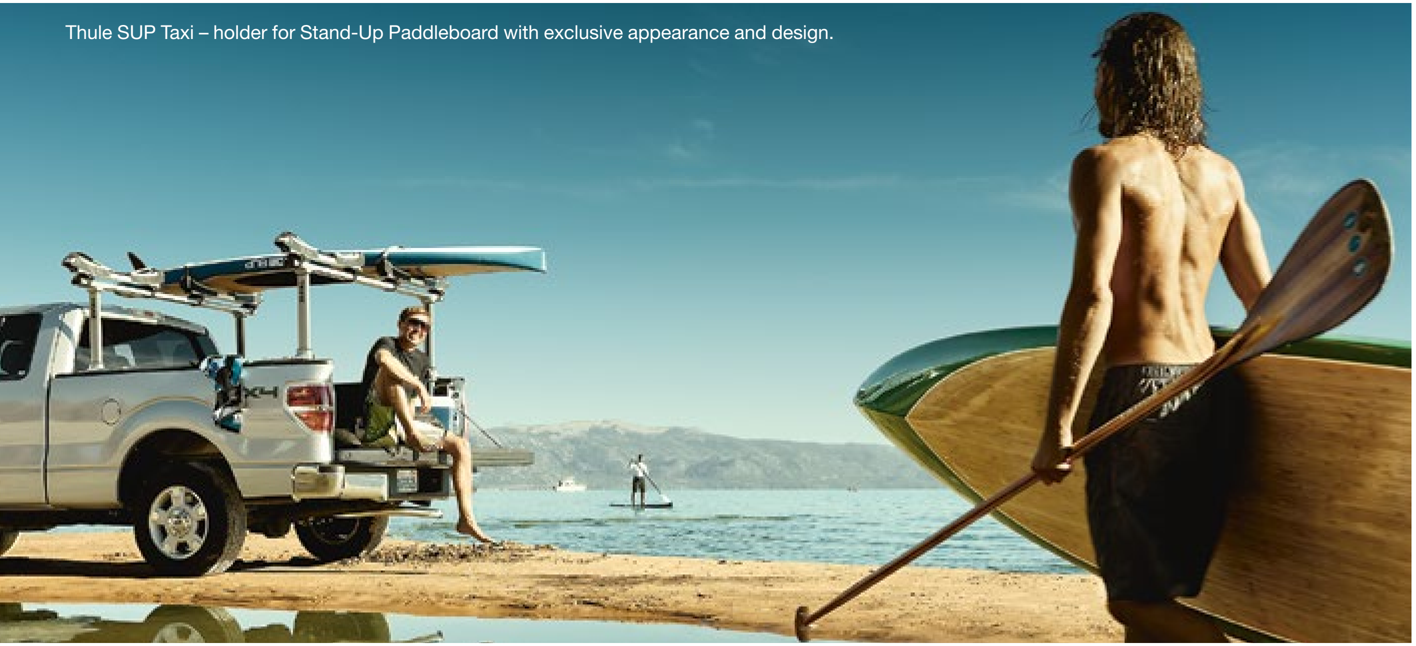
There are also specific trends of great significance in the different product categories in this segment.

Sport&Cargo Carriers

Our biggest product category, Sport&Cargo Carriers, where we have an extremely strong, market-leading position with approximately 50 percent of the global market, is fully in line with the global activity trend. Our products make it easier for families and enthusiasts to take their sports equipment


Thule VeloCompact

Thule SUP Taxi – holder for Stand-Up Paddleboard with exclusive appearance and design.



with them to the ski slope, the beach or the bike trail. The market is also being affected by a number of more specific trends:

- Growth is coming from new sports such as Stand-Up Paddling (SUP), which has grown strongly in North America in the past five years.
- New trends in popular sports such as skiing and cycling demand new, smart solutions such as ski-racks for wider carving skis and bike carriers that can carry battery-powered e-bikes and fat bikes.

Bags for Electronic Devices

In Bags for Electronic Devices, many sub-trends are linked to sales of various electronic devices. Sales of camera bags have been impacted by the rapid drop in sales of digital cameras, for example. In recent years, we have shifted our focus to backpacks and laptop cases which, today, are being used to not only bring the laptop, but also all other gear needed during a busy day.

The industry is dominated by a small number of large retail chains; consequently long-term relationships with these big retailers are vital for brand owners.

Other Outdoor&Bags – Sport&Travel Bags

Sport&Travel Bags are driven by global macro trends such as interest in an active lifestyle, but also by an increase in international travel, which is anticipated to grow by around 5 percent per year, and even faster in emerging markets. This market is highly fragmented with many geographically limited brands, but here too there are strong players in various categories such as hiking backpacks and bike bags.

We have a strong global presence, and in the past two years we have launched many popular products in this category. Moving forward, our focus is on taking a position among the major global brands.

Other Outdoor&Bags – Active with Kids

We have identified a growing trend primarily in Europe where young parents use products that facilitate an active life or sports and outdoor activities together with their kids. In mature markets, we have noted that premium strollers are capturing market shares from less feature-rich products and we assess that this category will grow by 3–5 percent per year.

We are the market leader in bicycle trailers and growing rapidly in child bike seats and strollers.

Other Outdoor&Bags – RV Products

The main global trends impacting the caravan and camper industry (RV products) are that people want to live active mobile lives, particularly in the important and growing 50+ group in mature markets. This sector is also impacted by access to finance for such a large capital purchase as an RV or caravan, for both retailers and consumers. During the 2007–2009 financial crisis, the number of campers and caravans registered in the world fell by 45 percent. However, since 2010 the industry has been growing steadily, although the number of new registrations remains below the level of the peak year of 2007. The European market, where we sell our products and where we are the market leader in bike carriers and awnings, is expected to grow by more than 5 percent per year over the next five years.

Specialty is growing in a positive market for pick-up trucks

In the Specialty category, we mainly market toolboxes for pick-up trucks which are often used by small-business building professionals in the US, but also by consumers wanting to take larger equipment with them when hunting or fishing. In addition, we sell racks for pick-up trucks. These are used by consumers who want to take large sports equipment with them, such as surfboards to the beach, but also by building professionals for loading ladders or other gear. This segment is impacted mainly by the sale of pick-up trucks, but also to some degree by general health and activity trends.

Overview of operations

Segment
Share of Thule Group sales 2015

Outdoor&Bags
91%
+5.0%

Specialty
9%
+6.5%

Continued focus on driving profitable growth with the current product offering while completing the strategic review of its future role in the Group.

Regions
Share of Outdoor&Bags sales 2015

Europe & ROW
65%
+9.1%

Americas
35%
-1.8%

Product categories
Share of Outdoor&Bags sales 2015

Sport&Cargo Carriers
66%
+6.7%

Continued focus on driving growth through product innovation and extending the Thule Retail Partner Program.

Other Outdoor&Bags
17%
+20.7%

Continued focus on driving growth by expanding the product offering into new categories.

Bags for Electronic Devices
17%
-11.2%

Focus on more stable, growing categories with less dependence on trends for specific electronic devices.

%% = currency-adjusted sales development (2015 in relation to 2014)

Strong brands for global growth

Strong brands provide a stable platform for profitable growth. *Bring your life* is the brand slogan for Thule, one of the strongest brands in products for an active life. We put a lot of energy into protecting, strengthening and developing our brands to facilitate growth in a global market.

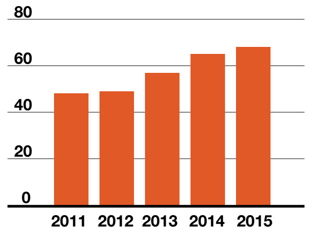
Designers, product developers, buyers and production staff at Thule Group all work together to create products that attract a global customer base. Influences come from around the world and from a variety of outdoor activities. New ideas are hatched in conversation with extreme skiers in Chamonix, jogging parents in Central Park and biking teenagers in Berlin. Trends in fashion, travel and the sports industry also provide inspiration. Understanding these trends and how people want to use our products, creating technically smart solutions, and manufacturing high-quality durable products are the key ingredients in making it easier for people to live an active life thanks to our products. This is the foundation for our branding activities.

Thule is our core brand

Strong brands provide a stable platform for long-term profitable growth, which is why we have been working to strengthen and develop our brands for a long time. Thule, which is our dominant brand, accounted for 68 percent of Group net sales in 2015, compared with 65 percent in 2014. Thule is recognized as a global premium brand, with a very high level of recognition in all 139 markets in which the products are sold. In the Bags for Electronic Devices product category, we also use the well-known Case Logic brand, which accounted for 10 percent of net sales in 2015.

Geographically limited brands or brands limited by product category, such as UWS for our Work Gear category in the US, represented 7 percent of net sales. To a limited extent, we also sell products to other manufacturing companies, which they then market under their own brands. These include roof racks and roof boxes sold to major players in the automotive industry.

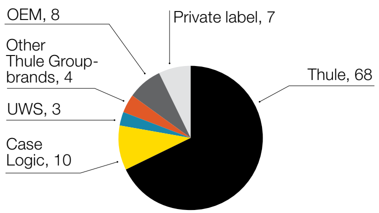
Thule brand's share of total sales, %



The recent years focus on our biggest brand, Thule, has generated rapid growth in this globally strong brand. This change has been driven by launches in new product categories but also by the divestiture of operations linked to smaller brands.

Thule Crew member Mathias Giraud was instrumental in the design and development of Thule Legend GoPro bags.

Sales per brand, %



Thanks to focused efforts and a broad product offering, we are continuing to strengthen the position of our biggest brand, Thule, which now accounts for more than two thirds of all sales.

Case Logic LoDo Satchel

Thule Urban Glide

In some few instances, we also sell products to major retailers who market the products under their own brands, so called private label. In total, private label accounted for 7 percent of net sales in 2015, where the single biggest part was pick-up truck toolboxes in the Specialty segment to the world's biggest do-it-yourself chain, Home Depot in the US.

Bring your life is more than just a slogan for Thule

Thule has always been our biggest brand and has gone from being associated primarily with roof boxes, load carriers and roof racks, to today being a lifestyle brand with products in a number of different categories. Always with strong ties to the brand slogan *Bring your life*.

We have also expanded our close collaboration with the talented athletes who are members of the Thule Crew. During the year, we launched Thule Legend GoPro camera bags, which we developed with skier and base jumper Matthias Giraud. Thule Crew members also participate in brand strengthening events such as trade fairs and major competitions. But we are most proud of our shared commitment to helping children and young people all over the world to enjoy an active life outdoors. Under the umbrella name of Thule Pathos, we conducted a variety of activities during the year which are described in more detail in our Sustainability Report on page 26.

New products revitalize Case Logic

Thule Group's second biggest brand, Case Logic, has a strong market position in the Bags for Electronic Devices product category with a focus on products for an urban lifestyle. As part of the brand's 30th anniversary, a project was launched in 2014 to rejuvenate this well-established brand with the slogan *Life, Simplified*.

This project included a thorough, extensive review of the product portfolio and a broad focus on newly developed products in 2015. This included the launch of Case Logic LoDo, a range of laptop cases and sleeves for trend-conscious students and young businesswomen, which has been very well received by the market.

***Bring your life* is used consistently on Thule's website, at trade fairs and in store environments through the material and training we provide to our retailers in the Thule Retail Partner Program. The website, with more than 19 million unique visitors each year, is available in 81 country versions and 24 language versions.**

We have expanded our focus on social media. We make frequent updates to our Facebook page – which passed 120,000 members during the year – and have run campaigns such as #thulebringyourkids on Instagram, where active parents shared some fantastic photos.

Yet another strong year for Outdoor&Bags

In our biggest business segment, Outdoor&Bags, we offer a product portfolio for sports and outdoor enthusiasts all over the world that is both broad and deep. Our bike carriers, roof racks, roof boxes, winter and water sport carriers lead the market, and in recent years we have expanded our offering into new categories such as strollers and hiking backpacks.

A large number of successful product launches, our strong market position in the premium segment, and close partnerships with our retailers has resulted in sales increasing 5 percent, after currency adjustment, and an increase in underlying EBIT of 15.6 percent. The underlying EBIT margin amounted to 18.4 percent (18.4) in spite of a negative currency effect of 1.2 percent.

In Outdoor&Bags, we have common processes for product development, sourcing, production, logistics and marketing. Sales are managed in two regions, Europe & ROW, which grew 9.1 percent, and Region Americas, which declined 1.8 percent after currency adjustment.

Sales in our biggest product category, Sport&Cargo Carriers, rose 6.7 percent and accounted for 66 percent of the business segment's sales. The newer product groups in Other Outdoor&Bags also exhibited a positive trend, up 20.7 percent, while Bags for Electronic Devices had a tougher year, particularly in the US, with a decline in sales of 11.2 percent.

KEY FIGURES	2015	2014	Change, % Reported	Change, % Adjusted[1]
Net sales, SEKm	4,862	4,205	+15.6	+5.0
– Region Europe & ROW	3,156	2,761	+14.3	+9.1
– Region Americas	1,706	1,443	+18.2	-1.8
Operating income, SEKm	872	734	+18.7	
Underlying EBIT, SEKm	895	774	+15.6	+12.0
Operating margin, %	17.9	17.5		
Underlying EBIT margin, %	18.4	18.4		

1) Adjusted for changes in exchange rates

Healthy sales growth and major supply chain initiatives in Europe

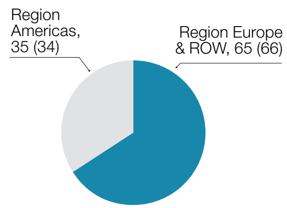
In the Europe & ROW region, we continued to strengthen our retailer partnerships under the Thule Retail Partner Program, while also expanding the program to cover retailers in new categories such as our child-related products.

To be better able to meet our retailers' expectations in respect of high delivery precision and short lead times, we opened our first Eastern European warehouse adjacent to our biggest assembly facility in Huta, Poland. This new distribution center makes it easier for us to provide efficient sales support in emerging markets in Eastern Europe whilst also helping to reduce freight costs and generate environmental gains. During the year, we also gathered all our distribution in Western Europe into one, shared, third-party warehouse in Venlo, the Netherlands. These major projects could be implemented smoothly and we anticipate further efficiency gains in 2016.

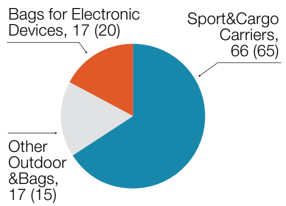
Region Americas was challenged by weaker sales in Bags for Electronic Devices

Sales in Region Americas showed strong growth in the Sport&Cargo Carriers product category, and in the new product groups in Other Outdoor&Bags, despite overall lower growth in the region. However, this was not able to compensate for the negative trend in Bags for Electronic Devices, which was impacted by a sharp drop in camera sales, and a slower uptake of our new Case Logic products in electronics chain stores in the US. In the US, the Case Logic brand has been associated with more traditional design for businessmen and sold through traditional electronics chains and office equipment stores. For this reason, new customers have also been courted during the year in order to broaden the types of stores in which Case Logic products are sold.

Sales by region, %



Sales by product category, %



With the market's best individual fine-tuning options for a perfect fit and smart solutions such as a removable lid that converts into a practical little summit backpack, Thule Guidepost has proved to be very popular.

With a patented towbar coupling and smart solutions for locking bikes in place, Thule VeloCompact rapidly became the market's best-selling towbar mounted bike carrier.

Thule Pack'n Pedal – innovative bike bags for city and long-distance bike rides are shown here on the screen of an iPad protected by a Thule Atmos hardshell case.

With its practical lifting device, the Thule Hullavator Pro makes life easier for kayakers around the world.

With strong brands, a well-functioning distribution system and a continuously expanding network of retailers providing support, we were able to continue to grow and capture market shares in 2015 through successful product launches. Examples of major launches during the year included the tow bar mounted bike carrier Thule VeloCompact, the Thule Glide stroller and our new hiking backpacks Thule Guidepost and Thule Capstone.

Work Gear growing profitably

In September 2015, we divested our Snow Chain operations, in line with our long-term strategic realignment toward sports and outdoor products. A review of our continuing operations in the Specialty segment, our US Work Gear operations, began at the same time.

The Work Gear product category is sold only in the US market. Sales of pick-up truck toolboxes, sold under the UWS brand and under a private label for the Home Depot chain, continued to trend well during the year. Growth is driven by increased sales of pick-up trucks but also by focused efforts to improve our product offering. In 2015, work also continued on improving the manufacturing processes at our factory in Perry, Florida, which resulted in improved margins.

Besides sales of pick-up truck toolboxes and equipment boxes, sales of racks for pick-up trucks also rose. These are used for transporting items such as ladders and building materials for contractors, but also to carry bulkier sports equipment including kayaks and surfboards.

Through targeted efforts to improve the efficiency of our production in the past five years, we have improved our underlying EBIT margin by more than 10 percentage points to 13.1 percent for the segment. We now have a stable business with room for continued improvement.

Snow Chain operations divested

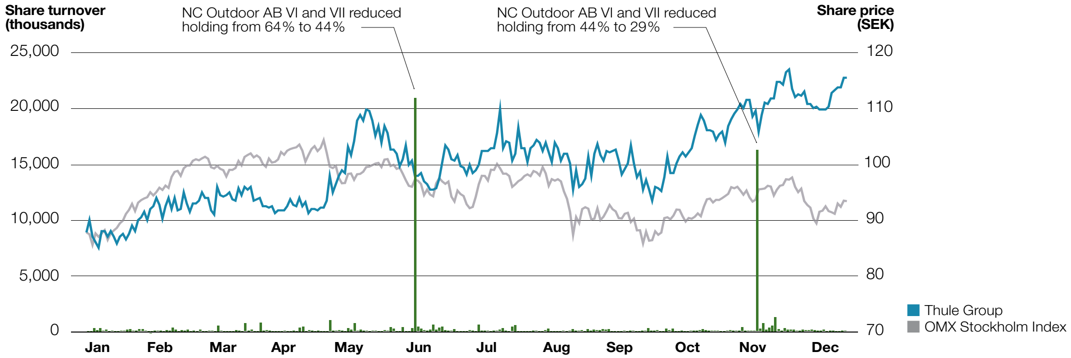
Thule's Snow Chain operations were divested in September 2015 to the Austrian snow chain producer, Pewag. During the winter season of 2016/2017, the Thule brand will be gradually phased out and replaced by the König brand for passengers cars, which is already used for all snow chains for commercial vehicles.

In 2014, Snow Chains accounted for 3 percent of Group sales, and had a negative underlying EBIT of SEK 32m.

KEY FIGURES	2015	2014	Change, % Reported	Change, % Adjusted[1]
Net sales, SEKm	458	351	+30.4	+6.5
Operating income, SEKm	60	38	+57.6	
Underlying EBIT, SEKm	60	38	+57.6	+35.0
Operating margin, %	13.1	10.9		
Underlying EBIT margin, %	13.1	10.9		

1) Adjusted for changes in exchange rates

The share and shareholders



Thule Group's share has been listed on Nasdaq Stockholm since November 26, 2014. At December 31, 2015, Thule Group had 2,556 shareholders, of which 458 (17.6 percent) were financial and institutional investors and 2,097 (80.6 percent) were private individuals. Foreign owners accounted for 31.4 percent of the votes and capital. The ten largest owners represented 65.9 percent of the votes and capital.

The highest price paid during the period between January 1 and December 31, 2015 was SEK 118.50 and the lowest price paid was SEK 85.

During the period January 1 to December 31, 2015, Thule Group's share price rose 29.3 percent.

Share capital and capital structure

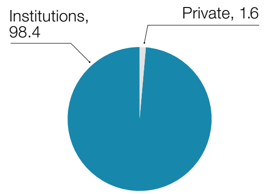
At December 31, 2015, Thule Group's share capital amounted to SEK 1,117,635.12.

The number of common shares was 100,000,000. According to the Articles of Association, share capital may not amount to less than SEK 500,000 or more than SEK 2,000,000, divided between a minimum of 44,737,320 and a maximum of 178,949,280 shares.

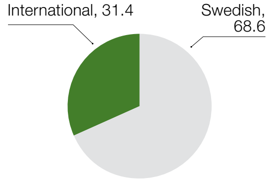
Thule Group's Articles of Association contain a central securities depository clause and the company's shares are registered with Euroclear Sweden AB (the Swedish Central Securities Depository), which means that Euroclear Sweden AB administers the company's share register and registers the shares by person. All shares carry equal rights to the company's profits and shares of surpluses in the event of liquidation.

10 largest owners	No. of shares	%
NC Outdoor VI AB	17,700,000	17.7
NC Outdoor VII AB	11,600,000	11.6
AMF Försäkring & Fonder	7,200,000	7.2
Lannebo Fonder	6,200,000	6.2
Swedbank Robur Fonder	5,700,000	5.7
Nordea Fonder	5,500,000	5.5
Handelsbanken Fonder	3,400,000	3.4
Länsförsäkringar Fonder	2,900,000	2.9
SEB Fonder	2,800,000	2.8
Livförsäkringsbolaget Skandia	1,500,000	1.5

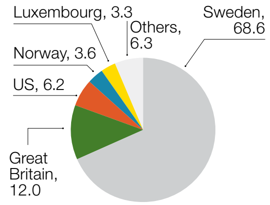
Share of votes and capital, Sweden, %



Share of votes and capital, Swedish and international owners, %



Share of votes and capital, five largest countries, %



Information to shareholders

Annual General Meeting

The Annual General Meeting (AGM) of Thule Group AB (publ) will be held on Tuesday, April 26, 2016 at 11:00 a.m. CET at Quality Hotel View, Hyllie Stationstorg 29, Malmö, Sweden.

Right to attend

Shareholders who wish to attend the AGM must:

• be recorded in the share register kept by Euroclear Sweden AB (the Swedish Central Securities Depository) on Wednesday, April 20, 2016, and

• notify the company of their intention to attend the AGM by Wednesday, April 20, 2016, preferably before 3:00 p.m. CET.

To participate in the AGM, shareholders with nominee-registered shares should request their nominee to have the shares temporarily owner-registered with Euroclear Sweden AB. This registration must be in effect by Wednesday, April 20, 2016. Shareholders are therefore requested to notify their nominees in due time before the said date.

Notice of attendance

Notice of attendance should be provided in writing to Thule Group AB, AGM, Fosievägen 13, SE-214 31 Malmö, Sweden, by telephone to +46 40 635 99, or on the company's website, www.thulegroup.com.

The notice of attendance must state name, personal (or corporate) identity number, shareholding, telephone number and name of any advisor. Shareholders represented by proxy should submit a power of attorney to the company prior to the AGM. A proxy form is available at the company and on the company's website. Representatives of a legal entity should present a copy of the certificate of registration or similar document of authorization.

We are driven by a shared passion

OUR CORE VALUES MEAN THAT IN DAILY OPERATIONS, EMPLOYEES:

- understand consumers' needs
- develop smart products that make it easy for people to live an active life
- continuously challenge development and production processes to deliver innovative products cost-efficiently
- ensure that all products are of the highest quality
- ensure that our products are available in the right channels with the right products delivered at the right time
- think long-term and sustainably in their daily decisions
- ensure that the values and positioning of the company's product brands are observed in all contexts.

We share a passion to develop high-quality, smart and innovative products based on an overall sustainability concept. To achieve this and also develop our employees, we aim to offer a safe and stimulating working environment where we all contribute to identifying smarter ways to work.

Our common value base is crucial for our long-term development, particularly in view of our extensive international activities and our large network of partners. Therefore, we attach great importance to all our employees having an understanding of our shared values and what the company's brands stand for.

For several years, we have worked to ensure that the company's core value "*Shared Passion for Smart Solutions that Enable an Active Life*" impacts everything we do on a daily basis.

Together with the company's Code of Conduct, these core values create a shared foundation for how to behave responsibly toward each other, and in relations with our business environment. The guidelines in our Code of Conduct apply to our entire value chain and are the same all over the world.

Day-to-day issues concerning employees and the working environment are decentralized and each subsidiary is responsible for managing these issues in a manner that is consistent with the Group's guidelines and with their own national legislation and culture.

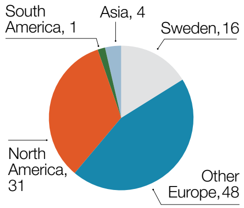
A healthy lifestyle in a company with decision-making paths

Skilled employees who enjoy their work and can develop to their full potential create the preconditions that enable us as a company to retain our strong market position.

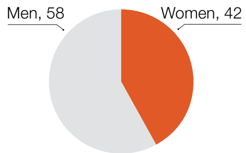
We often work in project form in cross-functional teams with substantial focus on change. So being able to retain and motivate valuable employees is an important focus. We are convinced that by promoting a healthy lifestyle, we can ensure that our employees perform and feel better. Being active is part of the corporate culture, whether it is cycling with children to preschool, kayaking in a nearby lake, going on city breaks with a camera slung over one shoulder, or hiking in the mountains. It is about the social interaction and well-being that come from an active life.

Our employees are offered opportunities to try the company's products in their natural element. Many of our employees are also passionate users of and the most important ambassadors of our products and our values, which are summed up by our brand slogan, *Active Life, Simplified*.

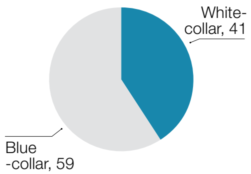
Employees per region %



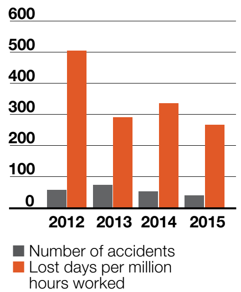
Employees by gender, %



White-collar/ blue-collar employees, %



No. of workplace accidents



Health and safety

Our preventative work with occupational health and safety are targeted and systematic. We identify risks, take appropriate measures and implement technical improvements and training measures. In 2015, 40 (52) workplace accidents occurred, which corresponded to 267 (335) lost days per million hours worked.

Despite improvements in recent years, we are not satisfied with this result. Consequently, in addition to our current systematic efforts, we also started a Safety First initiative at all our production facilities during the year. As part of this initiative, assembly staff are invited to participate in a shared effort to identify risks and find methods and measures to minimize these risks.

Corporate responsibility

Thule Group aims to contribute to a more sustainable world by developing innovative, high-quality products, manufactured responsibly, that inspire an active life outdoors. This is sustainability for us.

Acting ethically and with the environment in mind is integrated into both our long-term strategies and daily operations, and permeates our four focus areas: Products and consumers, Efficient and reliable manufacturing, Responsible sourcing and logistics, and Responsible business practices.

Our sustainability efforts are fundamentally based on clear ethics and an overall environmental mindset that encompass the entire value chain and are described in our Code of Conduct and our policies.

In the autumn 2015, we conducted stakeholder dialogues with external and internal stakeholders with the aim of strengthening and improving our sustainability efforts and reporting. Based on these stakeholder dialogues and our business intelligence, we conducted a materiality analysis in which the most important issues were identified and prioritized by our management and Board of Directors.

Four focus areas

Four focus areas have been defined and goals and activities set for continued efforts:

- **Products and consumers** – We aim to offer products that inspire a healthy and active lifestyle. Products that are safe and easy to use and have minimal environmental impact throughout their life cycles.
- **Efficient and reliable manufacturing** – We aim to ensure climate-smart and efficient manufacturing, in a safe and secure working environment.
- **Responsible sourcing and logistics** – We maintain rigorous ethical standards in our business relationships, have transparent and inclusive workplaces that foster individuals' capabilities, and we engage with our stakeholders and the community around us.
- **Responsible business practices** – We maintain rigorous ethical standards in our business relationships, have transparent and inclusive workplaces that foster individuals' capabilities, and we engage with our stakeholders and the community around us.

Responsibilities and organization

The Board is ultimately responsible for our sustainability efforts, and sets our long-term sustainability goals as part of the Group's strategic goals. This responsibility is then delegated to the CEO, who in turn integrates this responsibility into the commercial managers' tasks, assuring connection with our overall business goals.

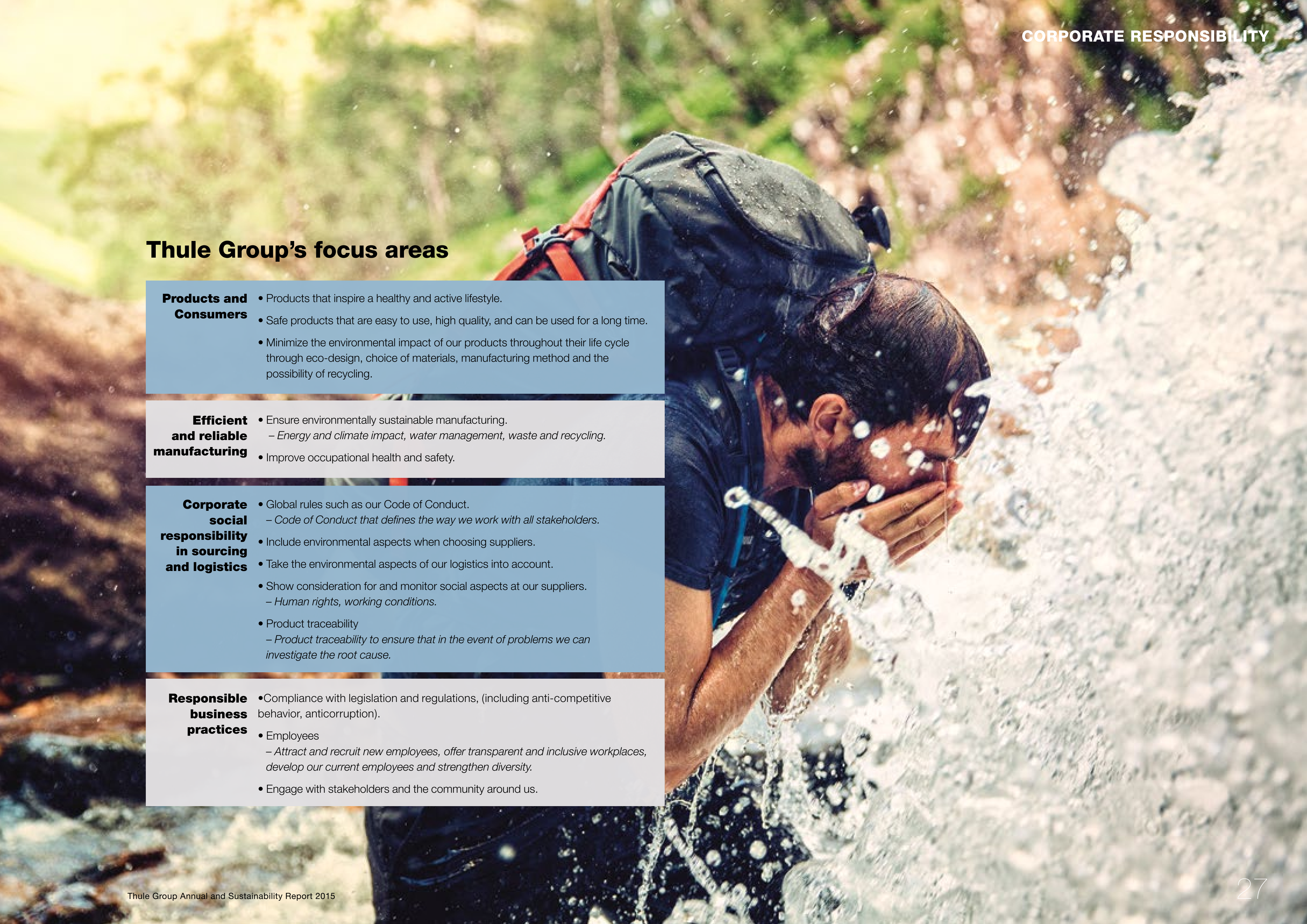
The commercial and functional managers' responsibilities also include activities covered by legislation, rules and regulations in areas such as the working environment, environmental protection, environmental licenses and natural resources, the management of hazardous waste, and emissions to the air and water.

We have decided to certify all our production sites in accordance with ISO 14001. By the end of 2015, six of our nine production sites were certified, and our aim is that all will be certified by the end of 2020.

In conjunction with sales and purchases of buildings, environmental reviews are carried out to identify and manage any soil contamination.

The company's sustainability manager is responsible for coordination and monitoring, and Group Management regularly checks on the progress of sustainability efforts within our business segments and subsidiaries.

These issues are well integrated into our strategic planning. Plans, activities and the achievement of objectives are monitored through dialogues, and internal and external audits. We carry out in-depth analyses of compliance with legislation and regulatory frameworks, the achievement of group goals, and how key figures have trended over the year.



Thule Group's focus areas

Products and Consumers

- Products that inspire a healthy and active lifestyle.
- Safe products that are easy to use, high quality, and can be used for a long time.
- Minimize the environmental impact of our products throughout their life cycle through eco-design, choice of materials, manufacturing method and the possibility of recycling.

Efficient and reliable manufacturing

- Ensure environmentally sustainable manufacturing.
  – *Energy and climate impact, water management, waste and recycling.*
- Improve occupational health and safety.

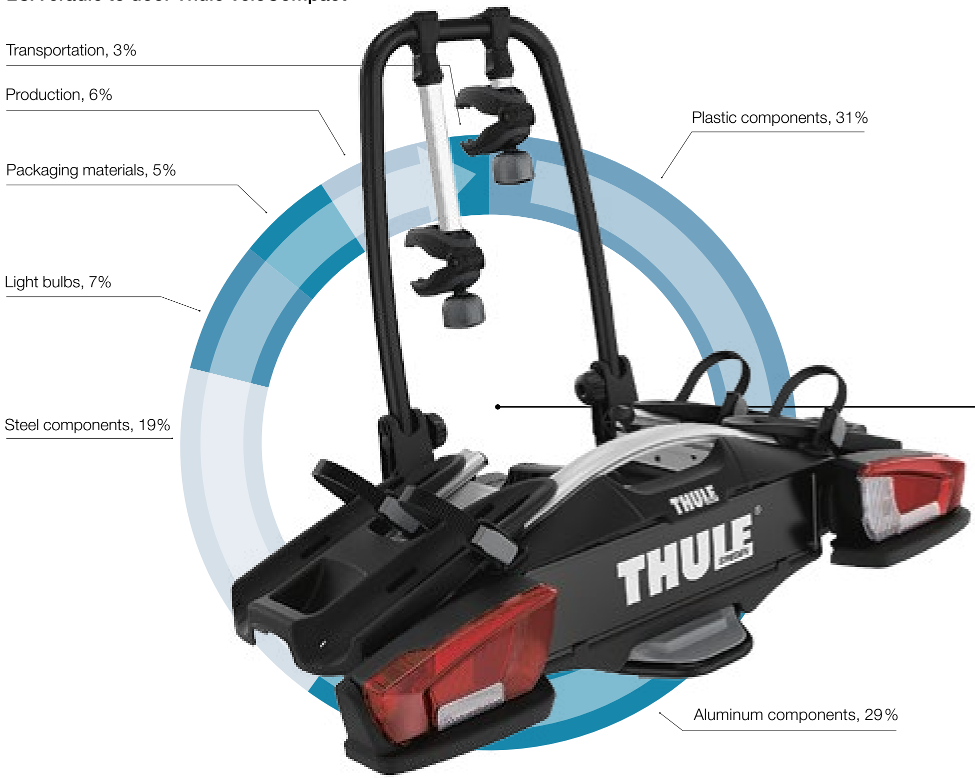
Corporate social responsibility in sourcing and logistics

- Global rules such as our Code of Conduct.
  – *Code of Conduct that defines the way we work with all stakeholders.*
- Include environmental aspects when choosing suppliers.
- Take the environmental aspects of our logistics into account.
- Show consideration for and monitor social aspects at our suppliers.
  – *Human rights, working conditions.*
- Product traceability
  – *Product traceability to ensure that in the event of problems we can investigate the root cause.*

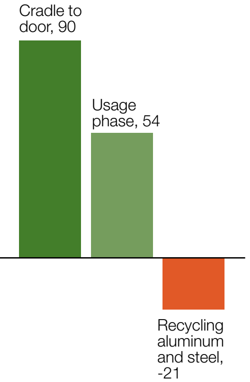
Responsible business practices

- Compliance with legislation and regulations, (including anti-competitive behavior, anticorruption).
- Employees
  – *Attract and recruit new employees, offer transparent and inclusive workplaces, develop our current employees and strengthen diversity.*
- Engage with stakeholders and the community around us.

LCA cradle to door Thule VeloCompact



LCA cradle to grave
Thule VeloCompact, kg CO_2



We regularly conduct life cycle analyses (LCAs) on our products to quantify their climate impact throughout their life cycles. This shows an LCA for a Thule VeloCompact, all the way from the extraction of raw materials through its use (increased weight results in higher fuel consumption) and recycling (recycling of aluminum and steel has a positive impact).

Environment

We conduct our business with the aim of steadily reducing our impact on the environment and the climate, because we know that our entire operations are dependent on our employees, customers and consumers being able to enjoy an active life in appealing and sustainable environments in the great outdoors.

Durable products are better for the environment

We strive to ensure that our products have as little environmental impact as possible, and through life cycle analyses (LCAs) we are increasing our knowledge of the environmental impact of each product's life cycle.

Thanks to our focus on quality and rigorous testing in the design and development phase, we are able to develop and produce products that last a long time. This means a much smaller environmental impact than products that have to be thrown away after just a few seasons.

Environmental impact is defined in the development phase for our products, and environmental training for all our employees working in design and product development has been a key focus area over the last five years. Everything from design and choice of materials to the method of manufacture, use, repair and recycling options are analyzed. In the last two years, more than 75 of our designers and engineers working in product development have participated in advanced workshops on environmental and life cycle analysis. This is how we are increasing awareness and knowledge of what can be done to reduce the environmental impact of our products.

Legislation and regulatory frameworks

As a company, Thule Group is subject to environmental legislation, regulations and provisions, governing areas including the handling of hazardous and prohibited substances in our products. The Thule Group Prohibited & Restricted (P&R) Substances List is updated continuously and contains both legal requirements and Thule Group's own requirements, since we strive to go beyond what the law requires. We communicate P&R requirements to our suppliers and encourage proactive efforts to phase out undesirable substances.

A variety of methods are used to check compliance, depending on the type of product and material. Some examples are materials declarations and materials specifications from suppliers, International Material Data System analyses and third-party chemical analyses.

In 2015, we began a partnership with bluesign technologies, which offers an international standard for the certification of sustainable textile production. The partnership is part of our efforts to meet the high standards we apply for the materials and production of Thule's and Case Logic's bags and cases. The focus on materials and manufacturing processes leads to more responsible use of resources through the elimination of substances that pose a risk to humans and the environment from the outset. The bluesign system is based on five principles: resource productivity, consumer safety, occupational health and safety, water emissions and air emissions.

Climate and Energy

Thule Group's climate impact is divided into three areas (Scopes) in accordance with the guidance provided by the Greenhouse Gas Protocol. This protocol gives a clear picture of which emissions are direct and which are indirect.

Scope 1 represents direct emissions from sources which we ourselves own or control – principally from burning fossil fuels in our factories, refrigerants, and our vehicles' fuel consumption. Scope 2 represents indirect emissions primarily from purchased electricity and energy for heating our premises. We have also chosen to report Scope 3, which covers other indirect emissions from sources that are not controlled by Thule Group, primarily freight, but also business travel.

Emissions, kton CO_2	**2015**	**2014**
Direct emissions (Scope 1)	4,979	4,990
Indirect emissions, premises (Scope 2)	3,018	5,943
Total Scope 1 & 2	**7,997**	**10,933**
Indirect emissions, outsiders (Scope 3)	15,504	19,810
Total	**23,501**	**30,743**

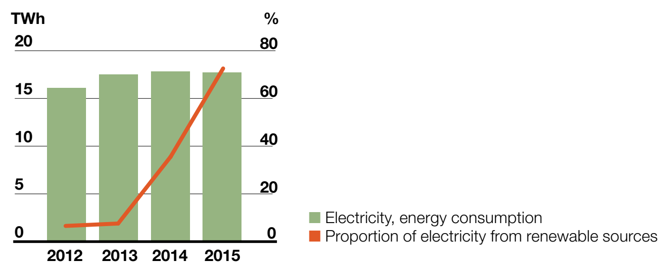
ENVIRONMENTAL THINKING IN PRODUCT DEVELOPMENT

Manufacturing and Logistics – for example phasing out undesirable substances and materials, design that enables energy-efficient manufacturing methods, evaluation of the accessories and extra parts sent with products, balance between products' dimensions, degree of assembly required and carton size in relation to reducing the environmental impact from logistics and the increased use of recycled materials in components.

Product life – for example improved corrosion protection, design that allows for easy replacement or repair of key components and increased use of recycled materials in components.

Product use – for example, lower air drag on vehicle-related products to reduce energy consumption, and easy attachment and removal to avoid products remaining on the vehicle when not in use.

Electricity, total energy consumption (TWh) and proportion from renewable sources, (%)



Production units

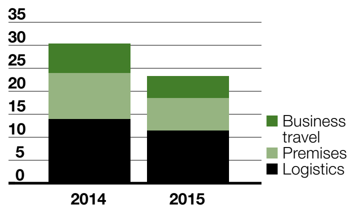
The climate impact from our nine production sites comes primarily from energy for production processes, ventilation, heating and cooling. Our goal is to reduce our energy consumption and to increase the proportion of renewable energy. During the year, we achieved most of the targets we set in 2013 for 2016, and have therefore decided on new long-term targets for 2020:

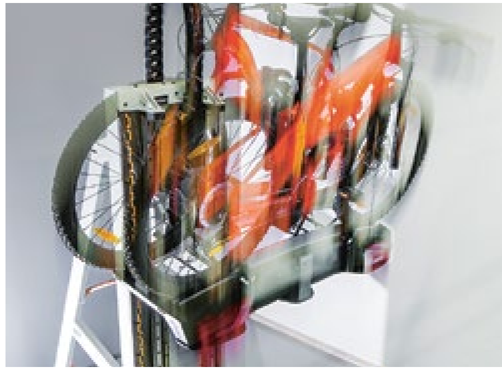
- 100 percent of our electricity is to come from renewable sources.
- CO_2 emissions from our facilities are to decrease by 65 percent (compared with 2014).

For several years, we have been investing in ways to reduce our dependence on fossil fuels. Solar panels on our manufacturing and office buildings in Connecticut, USA, cover around 25 percent of the facility's electricity needs. The majority of our facilities in Europe purchase electricity from renewable sources and, in 2015, two of our sites in the US and one facility in Poland transitioned to 100 percent electricity from renewable sources. In total, 73 percent of our consumption of electricity came from renewable sources in 2015, up more than 65 percent in the last three years.

In 2015, as the first facility in Thule Group, our production and development site in Hillerstorp began to purchase biogas instead of natural gas for its heating. The factory thus uses renewable energy for both its heating and

Climate impact (kton CO_2e)





electricity. The transition to biogas reduces the factory's CO_2 emissions by about 185 tons per year.

Modern, energy-smart technology

We are always striving to utilize modern technology that can reduce our climate impact, for example by investing in machinery driven by electric motors instead of conventional machinery driven by hydraulics and compressed air. One example is in Huta, Poland, where new machinery consumes only 25 percent of the electricity consumed by the old machinery, and also results in less waste in the form of hydraulic fluids. In our new distribution center in Huta, Poland, which was opened during the year, only modern LED lighting is used, with light sensors and motion sensors to ensure that no more energy than necessary is used for lighting.

Besides utilizing new technologies, we are working on a number of ways to reduce our energy use:

- Measurements of energy consumption in energy-intensive machines and processes in order to identify opportunities for further improvements.
- Measurements to identify leaks in compressed air systems.
- Recycling of heat from production processes.
- Reduced temperatures in certain areas or at certain times where heating is not needed.
- Installation of more efficient thermostats for better temperature control and to prevent heat leakage.
- The use of solar water heater.
- Increasing environmental awareness among employees, such as the importance of switching off electrical equipment and machines when not in use.

Logistics

Thule Group sells products in 139 markets so it is obvious that our logistics flows[1] account for a large part of our climate impact. In 2015, logistics accounted for 49 percent of Thule Group's total CO_2 emissions. Approximately 48 percent of those emissions came from road freight. Air freight has a substantial environmental impact compared with other modes of transport and is therefore an important focus area. Our focus has generated results during the year: we were able to reduce our emissions from air freight by 38 percent.

We are working on several parallel initiatives to reduce the climate impact of our shipments. A fundamental step is producing larger and heavier products close to their main markets. For example, roof boxes are produced close to customers in facilities in Europe, and in North and South America. In addition, in 2015 we began final assembly of our roof boxes for the UK market at our production site in the UK. Besides local manufacture, our work to minimize transport distances, optimize packaging and improve its capacity utilization have been of great significance to our environmental impact. Through the changes in our distribution structure in Europe during the year, we have been able to increase the proportion of direct deliveries to major customers in the region, which has reduced our environmental impact from shipments. However, an increased number of smaller deliveries to small stores and a reduction in rail shipments from Sweden has resulted in a negative impact on the environment. All in all, our emissions globally from road transportation fell 12 percent during the year.

The improvements we have made in warehouse optimization and forecasting helped us reduce the share of shipments by air between 2014 and 2015, and are an important part of our overall objective of minimizing air freight. Consequently, air freight accounted for 21 percent of our total emissions from logistics in 2015.

1) Most logistics flows are included but the list does not give a complete overview.

Business travel

Thule Group's global presence with its nine production sites and sales in 139 countries means that business travel accounts for a significant part of our climate impact. Flights account for the majority of our emissions, followed by car travel.

In order to reduce our travel, we have improved and expanded our video conferencing system during 2015, which now include 18 installations.

To reduce CO_2 emissions from car travel, we promote the use of fuel-efficient company cars. You can charge electric and electric hybrid cars at a number of our facilities; something that we will continue to work on.

Water

One of our most important environmental objectives is to reduce water consumption generally and to implement closed systems in our production units. In our production processes, a reduction in water consumption also generally means that smaller quantities of chemicals need to be used.

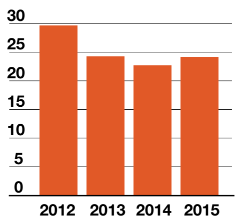
The majority of our production sites are located in areas where there is no shortage of water, but drought in the Itupeva area in Brazil, where we have our South American production facility, resulted in water restrictions in 2015. The facility in Brazil uses a closed system and the water was used for sanitation needs.

In 2015, our water consumption increased by 7 percent compared with 2014 due to increased volumes and a different product mix.

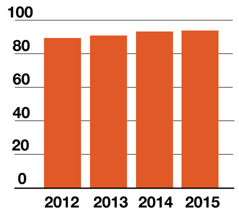
Waste and recycling

We are always striving to reduce our waste and to find efficient, practical solutions for sorting it. Since 2012, we have improved our recycling rate by 4.5 percent. To challenge ourselves to identify further areas for improvement, we

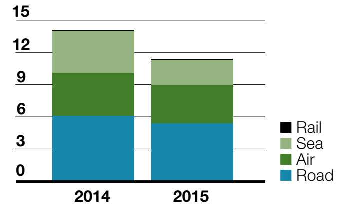
Water consumption, millions of liters



Recycling rate, %



Logistics – emissions of CO_2e



As part of the Thule Pathos initiative, during the year, we carried out a large project in collaboration with the Brazilian whitewater kayak adventurer and Thule Crew member Pedro Oliva and specialists from the National Institute for Space Research (INPE), the National Center for Monitoring and Early Warning of Natural Disasters (CEMADEN) and Itajuba University (UNIFEI) in Brazil.

During his 61 day, 1,136 km long kayaking tour, Pedro Oliva's expedition impacted the community in several different ways: by conducting scientific research (with more than 330,000 measurements), education in environmental awareness, and increasing awareness of the importance of sport for positive development in children. Children participated in their school classes along the river and received education in environmental impact and were able to paddle with a legend in shooting the rapids.

have set a 96 percent recycling target by the end of 2020. In collaboration with our suppliers, we seek and identify more efficient ways of handling waste, an increased proportion of recycled material, and smart ways to reduce the amount of packaging material for input materials/components. Our employees have a high level of awareness, and knowledge is an important factor in correctly managing waste in our production. Over the years, many efficient, innovative recycling initiatives have been shared between our facilities.

The waste plastic from the production of our roof boxes is sent back to the material suppliers to be re-used in their production of new raw materials for our roof boxes. Our recycling rate for 2015 increased to 93.8 percent. However, increased production volumes led to an increase in the total quantity of waste.

Active citizenship

Thule Group's community involvement touches on a number of aspects of our operations, including employee development and active participation in community activities and events. We work in partnership with a number of organizations and with our Thule Crew athletes to make it easier for disadvantaged children and young people to live an active life. This commitment involves all levels in the company. Many initiatives are local, through events and activities at our production facilities and sales offices.

In 2015, we continued our collaboration with the Swedish National Association for Disabled Children and Young People (RBU) which works to create improved conditions for children and young people with disabilities. We also launched Thule Pathos, an initiative involving the Thule Crew athletes to inspire children and young people to experience for themselves and protect valuable natural environments.

Environmental objectives

	Long-term target	Principal activities
Product	• Increase focus on life cycle analyses, which are integrated into the design, product development and choice of materials for our products and undergo independent testing.	• ECO-design training completed for all development departments • Life cycle analyses (LCAs) integrated into all product development projects. • Thule Group System Partner with bluesign technologies.
Energy	Previous targets for 2016: • To reduce electricity consumption by 5 percent (compared with 2012) and increase the proportion of energy from renewable sources to at least 60 percent New objectives for 2020: • To source all electricity from renewable sources. • To reduce CO_2 emissions from Thule Group's facilities by 65 percent by the end of 2020.	• Two production facilities in the US and the facility in Poland have all transitioned to 100 percent electricity from renewable sources which, along with initiatives taken in 2013–2014, meant that 73 percent of electricity came from renewable energy sources in 2015. • The facility in Hillerstorp, Sweden, began to use 100 percent biogas for heating. • New distribution center in Huta, Poland, uses smart LED lighting.
Water	• Reduce total consumption and increase the focus on introducing closed systems.	• Reduce total water consumption by 19 percent compared with 2012.
Recycling	Previous objectives for 2016: • Increase the recycling options at the company's plants and offices, with the aim of achieving a recycling rate of 95 percent by year-end 2016. New objective for 2020: • To achieve 96 percent recycling rate by 2020.	• Recycling rate of 93.8 percent, an improvement of 4.5 percent since 2012.
Sourcing/ logistics	Previous objectives for 2016: • Increase the focus on collaborating with suppliers on joint environmental projects. New objective for 2020: • To improve the efficiency of logistics by reducing transportation distances, optimizing packaging and maximizing capacity utilization. • To reduce the proportion of transportation by air and to strive to replace road freight with rail shipments wherever possible.	• The new structure for the distribution center in Europe means a greater proportion of direct deliveries to major customers in Europe, which has reduced our environmental impact from shipments. • Final assembly of roof boxes for the UK market at the production unit in the UK. Shipping components reduces the environmental impact from transportation. • New distribution structures entail some negative environmental impact due to the reduction in the proportion of rail shipments from Sweden.

Sought-after products are the foundation of our success

We have always focused on good design and smart product development, because we are convinced that this is the key to maintaining a market-leading position in the long term. Our product development builds on four foundations: a good understanding of consumers' product use, advanced skills in technology development and manufacturing, extreme testing and designing with a sustainability mindset.

We use various means to ensure that we are at the center of events, in the everyday use of our products. Many of our employees are often out jogging, cycling, skiing or hiking – alone or with their kids. Our product development teams are visible at major sporting events with many participants such as Sweden's Vasaloppet cross country ski race, where we invite dialogue with consumers and study their use of our products and those of our competitors. We also get immediate and valuable feedback from extreme athletes who use our products in environments and situations that set rigorous requirements on their function and safety. Our collaboration with the members of the Thule Crew provides us with very detailed, insightful feedback that is continuously fed back to the product development teams.

Through close cooperation with other leading manufacturers of sports and outdoor products, we gain early insights into new trends such as fat bikes in cycling, the rapid rise of Stand-Up Paddling (SUP) on US West Coast, and the shape of future car roofs.

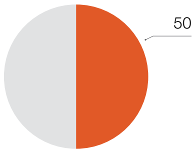
Smart solutions that focus on the user

We offer a broad range of products and combine structured processes with development teams' expertise to ensure that we can effectively translate this knowledge and insight into smart product solutions. Everyone in the company is required to contribute to renewing our product portfolio as part of their

Thule Urban Glide – a design award-winning stroller for active parents.

Thule Test Center

Sales from products launched in the last 3 years, %



THULE CREW – THE ULTIMATE IN USER FEEDBACK

GoPro-sponsored base jumper and extreme skier Matthias Giraud is one of our Thule Crew members. He was frustrated that there weren't any good bags on the market for all his GoPro accessories and thought that we ought to develop one. We took him at his word and involved him in the product development in close collaboration with our design team based in Boulder, Colorado.

The new Thule Legend camera cases make life easier for both extreme athletes and everyday users.

work. We consider ourselves to be highly skilled at identifying technical solutions that really make things easier for users. One example is that you do not need any adapters to handle different axle dimensions on our new roof-mounted bike carrier, Thule ThruRide. Or that the removable lid on the Thule Guidepost hiking backpack easily converts into a practical little summit backpack. Or the smart solutions that mean our new awnings for campervans, Thule QuickFit, can be mounted super-fast.

We test our products extremely rigorously

Our products always undergo a large number of user tests and we never lack volunteers ready to test out our latest jogging stroller or ski carrier. For daily use, it is precisely this type of test that is most important. Obviously, we ensure that our products also meet other types of requirements, such as crash tests under the international City Crash standard. In addition, our products must meet our own stringent requirements under the Thule Test Program, which includes more than 25 Thule Group standards in addition to legal requirements, and which are verified in the Group's internal Thule Test Center. In September 2015, a 600 square meter extension with a host of new testing equipment was opened at our Thule Test Center. Its purpose is to enable even more effective testing of our new product categories.

GOLD AWARD 2015

Award-winning design
With smart solutions and a clear design language, we have over the years won a large number of prestigious awards for design and product development.

Two examples in 2015 were: Thule Urban Glide strollers, which won the iF Product Design Award, and the Thule RideAlong Mini, which won the coveted iF Product Design Award Gold. Both are new products in the rapidly growing product category Active with Kids.

Sustainable product design

Sustainable design and product development are the foundation of our efforts to reduce the environmental and climate impact of our products. In 2015, employees at our development departments have undergone training in eco-design. Life Cycle Analysis is also now an integral part of all our product development projects. Eco-design entails working to reduce the product's total climate impact during its life cycle, including recycling of materials.

During the year, we initiated long-term partnership with bluesign technologies, an organization offering a system and international standard for the certification of sustainable textile production, to ensure that the materials we use in our products meet the highest standards on environmental impact, health and safety.

Efficient processes for sourcing, manufacturing and distribution

At the end of the year, Thule Group had sales to more than 31,000 stores in 139 countries and nine production facilities in Sweden, Poland, Belgium, Germany, the UK, the US and Brazil.

Our sourcing and production processes differ depending on the product category. Over the years, we have also chosen a variety of manufacturing strategies depending on the complexity of the product and its manufacture.

Our own production facilities are primarily final assembly factories, strategically located close to our biggest markets. These facilities have limited capital investment needs, but we also have more traditional manufacturing in a limited number of product categories.

We buy a broad selection of materials and semi-finished products, primarily from suppliers in Europe and the US. Our purchases from suppliers of raw materials – for example, steel components, aluminum, plastic and packaging – are mainly used for manufacturing products in the Sport&Cargo Carriers category. In 2015, we had around 600 suppliers of direct materials.

Our purchases of finished products mainly relate to products for Bags for Electronic Devices, Active with Kids and Sport&Travel Bags, along with some of the smaller products for Sport&Cargo Carriers.

Effective global distribution

To reach consumers in each individual market in the optimal manner, we use different go-to-market models in different countries: own sales force, sales representatives, multiple distributors, or in some cases exclusive importers. But in all of these models, we are always working to find a cost-efficient and sustainable distribution chain.

In 2015, we implemented major changes in our distribution structure to meet retailers' demands for short lead times and the capacity to deliver the right products in the right quantities at precisely the right time, without needing to tie up more capital in inventory.

Our new Eastern European distribution center adjacent to our biggest assembly factory in Huta, Poland, which opened in January 2015, has improved our service to customers in the growing Eastern European markets. During the summer and autumn, our two Western European distribution centers for Sport&Cargo Carriers and Bags for Electronic Devices moved to a new external center in Venlo in the Netherlands. This new distribution structure in Europe allows us to offer shorter lead times and better service more efficiently, while shorter distances for shipments help to lower costs and reduce environmental impact.

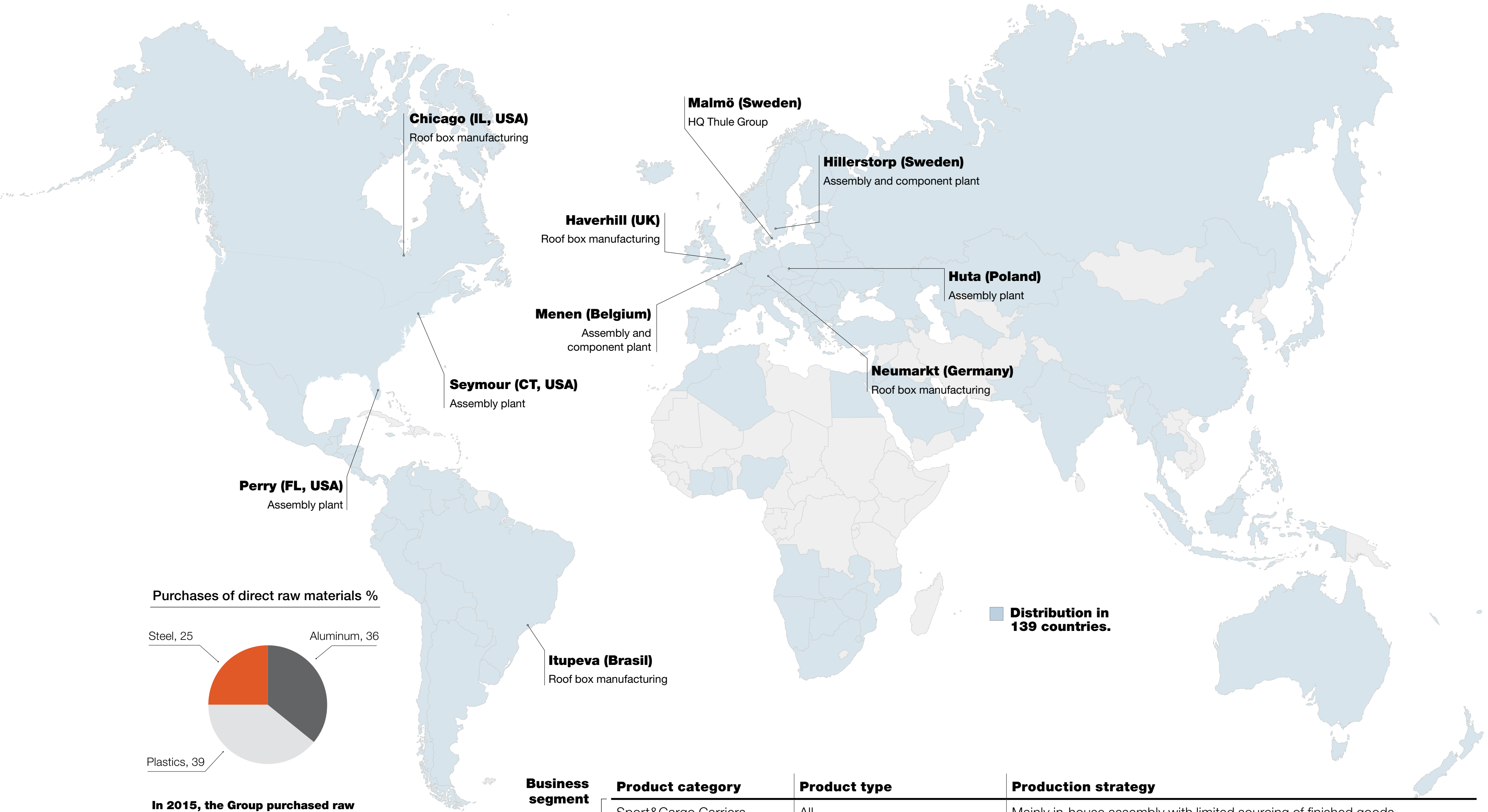
In 2016, we will implement similar changes in our distribution structures in Asia and North America.

Support to our Thule Retail Partners

In the last five years, we focused increasingly on boosting sales through our authorized Thule Retail Partner stores. In 2015, we increased the number of partner stores to more than 2,900 and strengthened our cooperation with them through updated guidelines on how to best display the products in the store and more in-depth product training for the store staff.

We also invest substantial energy into how we can help our consumers online: prior to purchase through more inspiring product information and improved buyer's guides; at the time of purchase through smarter store fittings and better training of store staff; and after purchase through social interaction that allows consumers to share their experiences with us and other consumers.

We use centralized processes for branding activities, sourcing, product planning and distribution, but for sales, responsibility lies at the regional and local levels. An in-depth knowledge of the local market gives our customers the best possible support for successful sales.



In 2015, the Group purchased raw materials and components for SEK 2,373m (2,247). Total purchases of raw materials amounted to SEK 934m (853), of which direct purchases of raw materials amounted to SEK 597m (556). Direct purchases of plastics amounted to SEK 231m (233), direct purchases of aluminum amounted to SEK 213m (187), and direct purchases of steel amounted to SEK 153m (136).

Business segment	Product category	Product type	Production strategy
Outdoor&Bags	Sport&Cargo Carriers	All	Mainly in-house assembly with limited sourcing of finished goods
	Bags for Electronic Devices	All	Sourcing of finished goods
	Other Outdoor&Bags	RV Products	Mainly in-house assembly with limited sourcing of finished goods
	Other Outdoor&Bags	Active with Kids	Mainly sourcing of finished goods with limited in-house assembly
	Other Outdoor&Bags	Sport&Travel Bags	Mainly sourcing of finished goods with limited in-house assembly
Specialty	Work Gear		In-house assembly

Board of Directors' Report

The Board of Directors and President of Thule Group AB (publ), Corp. Reg. No. 556770-6311, hereby submit the Annual Report and the consolidated financial statements for the 2015 fiscal year.

OPERATIONS AND ORGANIZATION

Thule Group is a world leader in products that make it easy to bring the things you care for, easily, securely and in style so you are free to live your active life. Guided by the motto *Active Life, Simplified*. Thule Group offers products in two segments: Outdoor&Bags (such as equipment for bicycles, water and winter sports, roof boxes, bicycle trailers, strollers, sport strollers, computer and camera bags, backpacks and cases for cellphones and other digital equipment), as well as Specialty (pick-up truck tool boxes).

The products are sold in 139 markets worldwide. Thule Group has more than 2,000 employees at nine production facilities and more than 35 sales offices. Sales in 2015 amounted to SEK 5.3 billion.

Thule Group is a public limited liability company listed on the Nasdaq Stockholm Mid Cap list.

The head office is located in Malmö, Sweden.

The Group's long-term targets

The underlying EBIT margin has improved significantly due to the continued strategic streamlining of the company through the sale of the snow chain operations and the positive trend in the company's profitability since its stock exchange listing. Therefore, the Board of Thule Group AB decided to raise the company's long-term underlying profitability target as of February 12, 2016 – the underlying EBIT margin was raised from 15 to 17 percent. No other targets were adjusted and, accordingly, the four published financial targets are:

- Sales growth ≥ 5 percent
  The long-term target is to achieve annual organic net sales growth of at least 5 percent after currency adjustment. For 2015, the Group achieved organic net sales growth of 5.1 percent after currency adjustment.

- Underlying EBIT margin >17 percent
  The long-term target is to achieve an underlying EBIT margin (adjusted for items affecting comparability) of at least 17 percent. For 2015, the Group achieved an underlying EBIT margin of 16.0 percent.

- Capital structure ratio of about 2.5x
  Thule Group aims to maintain an effective long-term capital structure ratio, defined as the net debt to underlying EBITDA ratio of about 2.5x. At year-end 2015, the Group had achieved a capital structure corresponding to 2.3x.

- Dividend policy ≥ 50 percent
  The Board has adopted a dividend policy, whereby the dividend should amount to at least 50 percent of the net profit measured over time, after taking into account the capital structure target defined as the net debt to underlying EBITDA ratio of about 2.5x. When determining the dividend, the Board is to consider additional factors, such as the company's future outlook, investment needs, liquidity and growth possibilities, as well as general economic and business conditions. For 2016, the Board proposed a dividend of 56 percent of the earnings per share from total operations.

SIGNIFICANT EVENTS DURING THE FISCAL YEAR

Strategically realigned operations focusing on sports and outdoor industry

The Group divested its snow chains operations in September 2015 in line with the strategic direction of focusing Thule Group's operations on sports and outdoor products for active consumers.

The Snow Chain Division that was included in the Specialty operating segment reported sales of SEK 136m in 2014 and an underlying EBIT of negative SEK 32m. The selling price comprised two components, an initial payment of EUR 10m and a maximum additional purchase consideration of a further EUR 10m (based on snow chain sales over the next two winter seasons). Half of the possible additional purchase consideration has been recognized as a receivable and is included in the capital loss, which amount to SEK 128m including transaction costs.

More efficient distribution and administration

In the continuous evaluation of the Group's organization and adaptation to a changeable business environment, Thule Group carried out a large-scale reorganization of its warehouse and distribution structure during the year. Our new Eastern European distribution center went operational in January 2015 and has enabled more efficient distribution to the Eastern European market. The distribution structure in Western Europe was also improved by closing our warehouse for bags in Belgium and relocating operations to a third-party warehouse in the Netherlands instead. Combined with the comprehensive business system project that was completed in 2014, this has created greater efficiency in a number of the support functions, and a reorganization took place with personnel reductions at the company's operations in the US, Belgium and Hong Kong.

Thule Group's new global Thule Test Center™

The Group's new global Thule Test Center in Hillerstorp, Småland, Sweden was inaugurated in September. With doubled space, significant investments in new technology and increased capacity, additional and more advanced testing of Thule's traditional and new product categories can be performed. The Center has become the industry's largest and most advanced testing center. Thule Group has expanded the test center from 600 square meters that was inaugurated in 2008 to 1,200 square meters and has invested an additional SEK 20m in equipment for a range of tests and added further competence by increasing the working force. The investment enables testing of all products in Thule Group's expanding product portfolio.

Child bike seat Thule Ride Along Mini wins "iF Gold Award" international design prize

After winning several international design awards in recent years, Thule Group won a coveted Gold Award in the iF Product Design Awards in March for the first time ever for its front mounted child bike seat Thule Ride Along Mini. The Thule Urban Glide jogging stroller was also awarded an iF Product Design Award at the same ceremony. Both of the awards are clear confirmations of the success of our design and product development.

Thule Group partners with bluesign technologies

Thule Group entered into a partnership with cooperation association bluesign technologies AG at the world's largest winter sports trade fair, ISPO, held in Munich, Germany. The organization helps its partners to ensure that products adhere to the highest standards in chemistry and resource utilization as well as assuring the highest level of consumer safety, minimum impact on people and the environment and a responsible use of our common resources. Partnering with bluesign is another step in our continuous focus to improve as a company when it comes to sustainability

Thule Group named Top Vendor in the Action Sports category by US company REI

In January, Thule Group was named "Vendor of the Year" by the leading US outdoor retailer REI. This prestigious award is based on several key criteria but emphasizes the company's product excellence, exceptional retail support, and active participation in sustainability initiatives. This is the fourth consecutive year that Thule Group was nominated for the award. We were also the proud recipient of the award in both 2011 and 2012.

Thule named Swedish Brand of the Year by the Swedish sports industry

Thule was named "Swedish Brand of the Year" by Sweden's leading industry magazine Sportfack in January. The prize was voted by the Swedish sports and outdoor industry.

The jury's citation was: "It is never easy to think outside the box and it is even more difficult for a brand that has succeeded so well in its niche. Impressively, this year's winner has succeeded in growing in new categories without losing control of its original business concept of transporting tools."

PERFORMANCE OF THE GROUP'S OPERATIONS, EARNINGS AND POSITION

Group

The consolidated income statement and consolidated statement of comprehensive income for the preceding year were revised as if discontinued operations during the current year had been divested at the start of the preceding year. Discontinued operations comprise the Snow Chain Division that was included in the Specialty operating segment, which was divested in September 2015, and the Trailer and Towing divisions, formerly the Towing operating segment, which were divested in 2014.

Net sales

Net sales for the full-year 2015 amounted to SEK 5,320m (4,556) corresponding to an increase of 16.8 percent. Adjusted for exchange rate fluctuations, net sales for the Group rose 5.1 percent, primarily driven by new product launches and increased sales in the Outdoor&Bags segment.

In the Outdoor&Bags segment, net sales totaled SEK 4,862m (4,205), corresponding to an increase of 15.6 percent or 5.0 percent after currency adjustments. In the Europe & ROW region, sales increased 9.1 percent after currency adjustments. The Americas region declined 1.8 percent after currency adjustment. In the Americas region, sales decreased due to a negative trend in the Bags for Electronic Devices product category.

In the Outdoor&Bags segment, the largest product category Sport&Cargo Carriers posted a strong trend with growth of 7 percent after currency adjustment and, accordingly, accounted for 60 percent of the Group's sales in 2015. Given that after currency adjustment, the Other Outdoor&Bags product category posted strong growth of 21 percent and the concurrent 11 percent decline in the Bags for Electronic Devices product category, these categories are now of equal size and accounted for 15.5 and 15.7 percent respectively of the Group's sales in 2015.

Net sales in the Specialty segment, which now exclusively comprises the US Work Gear division, totaled SEK 458m (351), corresponding to an increase of 30.4 percent or 6.5 percent after currency adjustments.

Operating income

Operating income totaled SEK 825m (644). Underlying EBIT amounted to SEK 850m (718), corresponding to a margin of 16.0 percent (15.8). Operating income was positively impacted, primarily by higher net sales, but also by the enhanced product mix and efficiency enhancements in production and logistics.

Changes in exchange rates had an overall positive impact of SEK 30m on underlying EBIT, compared with the full-year 2014. The larger positive currency effect on net sales than on the underlying EBIT during the year negatively affected the underlying EBIT margin. After currency adjustment, we achieved a year-on-year improvement of 1.2 percentage points in the underlying EBIT margin.

Research and development

The main portion of the Group's product development expenses are recognized through profit or loss as an expense as they arise. Expenses mainly comprise development and production of new products. Research and development expenses comprised 3.9 percent (4.3) of net sales in 2015.

Seasonal variations

Thule Group's sales and operating income are partially affected by seasonal variations. During the first quarter, sales are partially affected in the Outdoor&Bags segment (roof boxes, ski-racks, winter sport transport cases, etc.) by winter conditions. In the second and third quarters, primarily Outdoor&Bags is impacted by how early the spring or summer arrives, while sales in individual quarters may be impacted by the quarter in which spring or summer occurs. In the fourth quarter, seasonal variations are primarily attributable to sales of winter-related products (roof boxes, ski-racks, winter sport transport cases, etc.) and sales of products in the Outdoor&Bags segment's bag category prior to major holidays.

Items affecting comparability

Items affecting comparability comprised a total expense of SEK 12m (expense: 61). The expense pertained to the reorganization of the Bags for Electronic Devices product category, which resulted in personnel reductions at the company's operations in the US, Belgium and Hong Kong. Over the past year, a number of structural projects in distribution have also been implemented with the aim of enhancing operational efficiency. Combined with the comprehensive business system project completed in 2014, the Group was able to implement new processes and thus create greater efficiency in a number of the support functions in the Outdoor&Bags segment. These expenses were included under the following items: SEK 3m under cost of goods sold, SEK 7m under selling expenses and SEK 2m under administrative expenses.

Net financial items

For the full-year, net financial items amounted to an expense of SEK 60m (expense: 323), and were negatively impacted by exchange rate differences of SEK 7m (- 132) on loans and cash and cash equivalents. For the full-year, the interest expense for borrowings was SEK 50m (expense: 166). The improvement was due to lower gearing.

Taxes

Tax for the full-year amounted to an expense of SEK 178m (expense: 85), corresponding to a tax rate of 23 percent (26). The tax rate for the full-year 2014 was impacted by the provisions for the ongoing tax dispute in Germany. For more information, refer to Note 16 Taxes.

PERFORMANCE BY BUSINESS SEGMENT

Outdoor&Bags

Net sales for Outdoor&Bags rose to SEK 4,862m (4,205), corresponding to an increase of 15.6 percent (5.0 percent after currency adjustment).

Sales in this business segment rose mainly due to a continued strong trend in the Europe & ROW region, which increased 9.1 percent after currency adjustment, driven by the Sport&Cargo Carriers and Other Outdoor&Bags product categories. These two product categories also trended favorably in the Americas region, but due to a negative trend in the Bags for Electronic Devices category and the category's large share of sales in the region, net sales declined 1.8 percent after currency adjustment.

During the year, we successfully pursued growth in the Group's largest product category Sport&Cargo Carriers, where we are global market leaders. Sport&Cargo Carriers sales grew 6.7 percent, primarily driven by successful product launches for bike carriers and roof racks, and the continued success of the investment in the Thule Retail Partner concept with retailers.

The company's strategic investment in the growth category Other Outdoor&Bags was very successful during the year, with sales growth of 20.7 percent after currency adjustment. The large number of new launches in Sport&Travel Bags, including a family of hiking backpacks, and a broadening of the Active with Kids category, with sport strollers, were two strong contributing factors to growth. In this category, our RV Products category, which is well-established in Europe, also developed favorably in a growing recreational vehicle market.

In Bags for Electronic Devices, the negative trend continued throughout the year, even if the trend was less pronounced toward the end of the year. The dramatic decline in camera sales impacted heavily on the historically important camera bag category and a decline in sales to a number of large retail chains in the US in the low-price segment, also depressed sales.

Underlying EBIT for the Outdoor&Bags segment amounted to SEK 895m (774), corresponding to a margin of 18.4 percent (18.4). After currency adjustment, we achieved a year-on-year improvement of 1.2 percentage points due to a positive product mix and a number of efficiency enhancements in sourcing and logistics.

Specialty

For the full-year, sales totaled SEK 458m (351), up 30.4 percent (6.5 percent after currency adjustment). Sales were driven by increased sales in the main category, pick-up truck tool boxes, but also by successful introductions of a wider range of cargo rack solutions for pick-up trucks, which were reported under Work Gear. Underlying EBIT was SEK 60m (38), corresponding to a margin of 13.1 percent (10.9).

In line with the Group's strategic focus on the Outdoor&Bags segment, the Snow Chain Division was divested in September, at the same time as the Board decided on a strategic review of the American Work Gear operations. This review is ongoing and focus remains on continued increased profitable growth.

FINANCIAL POSITION

At December 31, 2015, the Group's equity amounted to SEK 3,228m (2,966). The equity ratio amounted to 46.8 percent (42.7).

At December 31, 2015, net debt amounted to SEK 2,079m (2,546). Total long-term borrowing amounted to SEK 2,363m (2,376). Total current financial liabilities amounted to SEK 18m (292) and mainly comprised the short-term portion of financial derivatives.

SEKm	Dec 31, 2015	Dec 31, 2014
Long-term loans, gross	2,361	2,390
Financial derivatives, long-term	13	0
Short-term loans, gross	5	254
Financial derivatives, short-term	13	34
Overdraft facilities	0	4
Capitalized financing costs	-11	-14
Accrued interest	0	0
Gross debt	**2,381**	**2,668**
Financial derivative assets	-28	-8
Cash and cash equivalents	-274	-114
Net debt	**2,079**	**2,546**

Goodwill at December 31, 2015, amounted to SEK 4,032m (4,038). The decrease was fully attributable to currency effects.

At December 31, 2015, inventories amounted to SEK 722m. At December 31, 2014, inventories pertaining to continuing operations amounted to SEK 633m. SEK 11m of the increase was attributable to currency effects. The remainder of the increase was planned and is intended for managing the increase in sales and for securing an efficient supply chain ahead of the 2016 season, for example, in conjunction with the transfer of the company's US roof box plant in the first quarter of 2016.

Cash flow

Cash flow from operating activities was SEK 662m (355). Investments in tangible and intangible assets net for the year totaled SEK 99m (173). No investments were made in the Parent Company. Net cash flow was positively impacted by SEK 62m from the divestment of the snow chain operations.

Cash flow was negatively impacted by a tax payment of SEK 42m pertaining to a partial payment of the German Tax Office claim, which has been appealed by the company; for more information see also the section on Taxes.

Premiums paid in on the issue of stock options totaled SEK 0.4m (12); refer to the Employees and remuneration section.

During the year, the company repaid SEK 265m (4,542), of which SEK 250m pertained to revolving credit facilities.

Dividend of SEK 200m (0) were paid during the year.

The Group's cash and cash equivalents at year-end totaled SEK 274m (114). The Group also has unutilized, binding loan commitments of SEK 591m to finance the ongoing operations. For more information regarding the terms of the loans, see Note 24.

PARENT COMPANY

Thule Group AB's (publ) principal activity pertains to head office functions such as Group-wide management and administration. The Parent Company invoices its costs to Group companies.

The Parent Company reported negative net income of SEK 2m (- 368). In 2014, the Parent Company sold its shareholding in Brink Group B.V., which resulted in a capital loss of SEK 368m. Cash and cash equivalents and short-term investments amounted to SEK 0m (0). Long-term liabilities to credit institutions totaled SEK 2,338m (2,363).

At year-end, 25 (25) people were employed at the head office, comprising most of Group management and in Group-wide functions such as business development, marketing, HR, finance, IT, environment, IP and information. Group management is employed in Thule Group AB, while other functions are employed in either Thule AB or Thule Holding AB.

The Parent Company's financial position is dependent on the financial position and development of its subsidiaries. The Parent Company is therefore indirectly impacted by the risks described in the Risks and risk management section.

RISKS AND RISK MANAGEMENT

Like all business operations, Thule Group's operations are associated with risk. Continuously identifying and evaluating risks is a natural and integrated part of the operations. The Group's ability to analyze and prevent risk in turn reduces the risk of unforeseen events from having a negative impact on the operations. Thule Group has categorized identified risks according to industry and market-leading risks, operations-related risks and financial risks.

Industry and market-related risks

Business cycle and demand

Thule Group conducts business activities in a large number of markets in the world and similar to other groups is affected by general economic, financial and political conditions at a global level. Demand for Thule Group's products is dependent on macroeconomic conditions. Changes in such conditions may lead to the retail market weakening and changes in consumers' purchasing power, which may have a negative effect on Thule Group's operations, financial position and results.

Competition

Thule Group conducts business activities on a competitive market characterized by price competition and other forms of competitions, for example, product development, design, quality and service offering. Furthermore, business development by Thule Group's competitors may cause customers to prefer, to a greater degree than previously, products which compete with Thule Group's current and future product offering. Increased competition may also negatively impact Thule Group's current margins.

Demand for Thule Group's products is dependent on consumer demand for underlying products

Thule Group's product offering includes products that are supplementary to other products not offered by Thule Group, which may become obsolete due to technological development or changes in consumer behavior. For example, Thule Group has noted a considerable decrease in demand for its products for point-and-shoot and system cameras since consumers are increasingly using other products to take pictures, such as cellphones. Similar changes in consumer demand for underlying products may thus have a material adverse effect on Thule Group's operations, financial position and results.

Risks regarding competition law

Thule Group is subject to general competition laws in the jurisdictions in which it operates. Contractual conditions and prices in agreements that are used in Thule Group's operations may be subject to restrictions under such competition laws. Competition authorities have the power to initiate ex-post regulation procedures and to require a party to cease applying contractual terms and prices that are found to be anti-competitive. Competition authorities also have the power to impose fines and other sanctions as a result of non-compliance with relevant regulatory requirements. While Thule Group has adopted internal procedures to ensure compliance with competition laws, there can be no assurance that instances of non-compliance have not occurred in the past nor that instances of non-compliance will not occur. To the extent Thule Group is unable to ensure compliance with applicable competition laws, Thule Group may be adversely effected by regulatory sanctions and remedies as well as inability to enforce contractual terms that are found to be anti-competitive. Furthermore, Thule Group's strong position in certain product markets may signify that Thule Group is considered to have significant market power in such markets. Significant market power in one or more markets may result in regulatory restrictions on Thule Group's ability to implement fully its business strategies in these markets and its ability to grow through acquisitions.

Operations-related risks

Dependence on reputation

Thule Group is dependent on its reputation, which, in turn, depends on factors such as product design, the distinct character of the products, the materials used to manufacture the products, the image of Thule Group's stores, communication activities, including advertising, public relations and marketing, and general corporate profile. Problems regarding quality, product liability and safety issues as well as operational or logistical problems may result in Thule Group's reputation being harmed and, as a result, difficulties in retaining existing or attracting new customers. Any harm to Thule Group's reputation may result in Thule Group losing business or growth opportunities, which could adversely affect its operations, financial position and results.

Dependence on suppliers

In order to be able to manufacture, sell and deliver products, Thule Group is dependent on external suppliers. Incorrect or late deliveries, or non-deliveries, from suppliers may, in turn, result in Thule Group's deliveries being delayed or suspended, or becoming deficient or incorrect. Thule Group may also be adversely affected by its suppliers facing financial, legal or operational problems. All of these factors may adversely affect Thule Group's operations, financial position and results.

Inability to retain and recruit qualified personnel and executive management

Being able to attract and retain qualified personnel and its executive management is important to Thule Group's future operations and business plan. Thule Group is particularly dependent on its executive management and on certain employees within the sourcing and sales functions. If Thule Group cannot attract or retain qualified personnel, it could adversely affect Thule Group's operations, financial position and results.

Impact of local business risks, legislation and regulations in countries in which the Thule Group operates

Thule Group operates in a global environment and is consequently exposed to various risks, including decisions by the management of its subsidiaries that may not be aligned with Thule Group's broader strategies or that are not beneficial for all members of Thule Group. Thule Group's business is subject to the local laws and regulations applicable in each jurisdiction in which Thule Group operates, as well as license and reporting obligations in certain jurisdictions and overarching international rules. Laws, policies, measures, controls or other actions implemented by the authorities in the countries where Thule Group operates, or in other countries in which Thule Group may operate in the future, may restrict its operations, delay or prevent planned investments, require additional investments and lead to increased costs and other obligations or otherwise harm Thule Group's financial results. In addition, employees of Thule Group's subsidiaries, and other persons affiliated with Thule Group, may take actions which are unethical or criminal or otherwise contravene the Group's existing or future internal guidelines and policies as well as those that the Group intends to implement in relation to compliance with relevant anti-bribery, sanctions and export control laws in a manner which is consistent with international practice.

Exposure to environmental risks

Thule Group has three main manufacturing sites located in Sweden, Poland and the US. The manufacturing at these sites is subject to environmental regulation and supervision. Non-compliance with environmental regulations could result in fines and other sanctions. Thule Group's liability for currently known and unknown demolition costs and environmental sanctions could have a material adverse effect on Thule Group's operations, financial position and results. Regulatory authorities may also suspend Thule Group's operations, withdraw environmental licenses as well as reject the renewal of environmental licenses that are required for Thule Group's operations.

Exposure to tax-related risks

The business – including intra-Group transactions – is conducted in accordance with Thule Group's understanding or interpretation of applicable tax laws, tax treaties or other regulations in the tax law area, and the requirements imposed by the relevant tax authorities. There can however be no assurance that Thule Group's understanding or interpretation of the aforementioned laws, treaties and other regulations is accurate in all respects. Furthermore, the tax authorities in the relevant countries may make assessments and take decisions which differ from Thule Group's understanding or interpretation of the aforementioned laws, treaties and other regulations. Thule Group's tax situation in respect of previous years and the current year may thus change as a consequence of decisions by relevant tax authorities or due to amended laws, tax treaties and other regulations. Such decisions or amendments, possibly with retroactive effect, may have a significant negative impact on Thule Group's earnings and financial position.

Exposure to risks relating to its agreements with suppliers and customers
In accordance with commercial practices effective in the markets in which Thule Group operates, certain agreements entered into by Thule Group and its customers and suppliers are often informal and generally consist of pricing agreements that are periodically renegotiated between the parties, or of purchase orders. In the case of a disagreement between the parties as to the content of their agreement, this flexibility (which could mean that it is difficult to accurately define the rights and obligations of each party) could lead to challenges, disputes or conflicts that could have a material adverse effect on Thule Group's operations, financial position and results.

Financial risks

The Group's financial operations are centralized to capitalize on economies of scale and synergies and to minimize handling risks. The Group's finance operations are coordinated by the subsidiary Thule Holding AB, which performs all external financial transactions and also acts as an internal bank for the Group's financial transactions in the currency and interest rate markets. The Board of Directors decides on a finance policy for managing these risks annually.

The finance policy comprises a framework for managing both financial risks and financial activities in general. The Board's Audit Committee prepares, on behalf of the Board, the practical application of the policy in consultation with the Group's CFO.

Exchange rate risk – transaction exposure
The Group's total transaction exposure, net, amounts to SEK 1,488m (1,975) annually. The single most important currency relationship is EUR/SEK, in which the Group has a positive net inflow. The central finance department is responsible for all hedging to reduce the effect of exchange rate fluctuations.

Exchange rate risk – translation exposure
Another influence on exchange rate fluctuations arises when the income statements of foreign subsidiaries and assets and liabilities are translated to SEK at year-end. The Group's policy is to hedge net investments with loans but otherwise not to hedge this type of translation exposure.

Interest rate risk
Interest rate risk is the risk that the value of financial instruments fluctuates due to changes in market interest rates and the risk that changes in the interest rate level will impact the Group's borrowing costs. A significant factor that affects the interest rate risk is the fixed-rate period. This interest rate risk is managed by the Group's central finance department. According to the finance policy, the objective of the long-term liability portfolio is for the average fixed-rate period to be between 6 months and 3 years.

Commodity price risk
Commodity price risk refers to continuously fluctuating prices of input goods from our suppliers and its possible impact on earnings. For the Group, it is primarily fluctuations in plastic, aluminum and steel prices that constitute a significant commodity risk. During the year, 38 percent (41) of total direct materials consisted of plastic, aluminum and steel.

Refinancing and liquidity risks
The Group has a rolling 8-week liquidity plan that includes all divisions of the Group. Results are reported regularly on a weekly basis. The plan is updated monthly. The liquidity plan is used to manage liquidity risk and as a tool for following the cash flow from the operational and financial business. The Group policy is to minimize its borrowing need by centralizing surplus liquidity via the Group's cash pools that have been established by the central finance department.

Thule Group's exposure to financial risks and management of financial risks are described in more detail in Note 4.

EMPLOYEES AND REMUNERATION

Number of employees

The average number of employees in continuing operations was 2,003 (2,014).

Guidelines for remuneration of the President and other executive management

The Annual General Meeting held on April 29, 2015, resolved on guidelines for remuneration which are to apply in relation to remuneration of the President and other executive management. The Board's proposals for guidelines that the Annual General Meeting is to resolve on are unchanged.

Remuneration of Group management is to comprise fixed salary, any variable salary, pension and other benefits. The total remuneration package is to be based on market terms, be competitive and reflect the individual's performance and responsibilities as well as, with respect to share-based incentive programs, the value growth of the Thule Group share benefiting the shareholders.

Variable salary can comprise annual variable cash bonuses and long-term variable bonuses in the form of cash, shares and/or share-based instruments in Thule Group AB. Variable cash salary requires that defined and measurable targets have been achieved and may not exceed 75 percent of the fixed annual salary for the President and may not exceed 60 percent for other members of executive management. Terms for variable salary should be designed so that the Board, under exceptional economic conditions, is able to limit or waive the payment of variable salary if such action is deemed reasonable.

Pension benefits must be defined-contribution based.

Severance pay is normally given if employment is terminated by Thule Group. The standard notice period for members of Group management is a maximum of 12 months in combination with severance pay of 6 to 12 months fixed salary. No severance pay accrues if notice is given by the employee.

On an individual basis, if justified for particular reasons, the Board has the right to depart from the guidelines adopted by the Annual General Meeting.

The group of executives covered by the guidelines are the President and other members of Group management.

Incentive programs

A long-term incentive program for management, key personnel and the Chairman of the Board has been introduced. The purpose of the incentive program is to promote and maintain a strong commitment to ensure maximum long-term value for shareholders. Warrants were issued as part of an incentive program for (i) the management and key personnel, and (ii) the Chairman of the Board (the "Participants"). The incentive program currently encompasses eight individuals. The Participants acquired the warrants at market value. The total program encompasses 4,999,998 warrants and warrants not subscribed for by the Participants may be offered in the future to new members of executive management and/or key personnel. On full utilization, the option program corresponds to 5 percent of Thule Group's share capital. The warrants have been issued in three separate series, with the same number of warrants in each series.

For more information about remuneration of employees, refer to Note 10.

ENVIRONMENT

Environmental impact

Thule Group has a long history of environmental focus due to its commitment to develop high-quality products built to last for a long time, encourage employees with deep environmental engagement and manage our own production facilities in Europe and Americas not only to legal requirements, but to the higher Thule Group standards. Thule Group has defined four core focus areas for environmental sustainability.

The Group is subject to a number of European Union, national, regional and local environmental and occupational health and safety laws, rules and regulations relating to the protection of the environment and natural resources including, among other things, the management of hazardous substances and waste, air emissions, the discharge of water, transportation, remediation of contamination and workplace health and safety. Thule Group's operations require the Group to maintain certain environmental licenses for the production of its products including metal-based products with surface treatment and plastics. In addition, Thule Group's production units have generally been certified according to the ISO 9001 quality management standards and the ISO 14001 environmental management standards. The plants outside Sweden adapt their operations, apply for the necessary licenses and report to authorities in accordance with local laws. Thule's Swedish plants and the production facility in Hillerstorp conducts operations that require an environmental license in accordance with Swedish environmental legislation. Thule Sweden AB conducts class C operations under a license for class B operations and is classified as mechanical manufacturing in the form of metal working in a workshop area of less than 18,000 square meters and guarantees that its impact in the form of, for example, noise, dust and emissions to air and water, both in the immediate area and in general, from its manufacturing unit in Hillerstorp is minimal. Systems are in place for classifying and sorting waste at source and for handling industrial waste. The unit also holds ISO 14001:2004 environmental management standards certification.

FUTURE DEVELOPMENT

Future outlook

On the condition that no significant changes take place in the business environment in 2016, demand for the Group's products is expected to remain favorable.

Significant events after the fiscal year

No significant events have taken place after the end of the fiscal year.

Forecast

Thule Group does not present a financial forecast.

THE THULE SHARE, SHAREHOLDERS AND PROPOSED APPROPRIATION OF PROFITS

Number of shares and quotient value

The shares of Thule Group AB are listed on the Nasdaq Stockholm Mid Cap list.

The Group did not buy back or hold any treasury shares during the fiscal year. The number of shares approved, issued and fully paid as per December 31, 2015 was 100,000,000. Thule Group's 2014/16 warrants program ended on January 12, 2016 and this meant that the number of shares increased by 1,036,455. Accordingly, the total number of shares amounts to 101,036,455.

The company has only one class of share. At General Meetings of shareholders, each share carries one vote and each shareholder is entitled to vote the full number of shares such shareholder holds in the company.

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

Largest shareholders

At December 31, 2015, Thule Group AB had 2,556 shareholders. At this date, the largest shareholders were NC Outdoor VI AB (17.7 percent of the votes), NC Outdoor VII AB (11.6 percent of the votes), AMF Försäkring och Fonder (7.2 percent of the votes), Lannebo fonder (6.2 percent of the votes) and Swedbank Robur fonder (5.7 percent of the votes).

Articles of Association

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

Proposed appropriation of profits

Parent Company
Proposed appropriation of the company's earnings
Available for disposal at the Annual General Meeting:

Share premium reserve, SEK	1,469,464,369
Net income, SEK	-2,035,313
	1,467,429,056

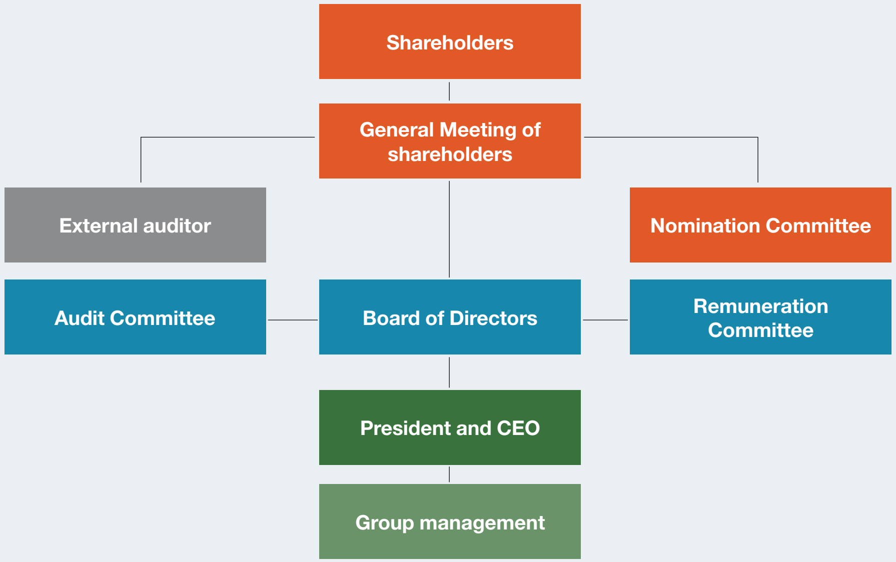
The Board proposes that the profit brought forward be appropriated as follows:

Dividend to shareholders, SEK 2.50 x 101,036,455	252,591,138
To be carried forward, SEK	1,214,837,918
	1,467,429,056

Corporate Governance Report

Thule Group is a Swedish public limited liability company listed on the Nasdaq Stockholm Mid Cap list. Thule Group's corporate governance is mainly regulated by the Swedish Companies Act and other Swedish laws, Nasdaq Stockholm's Rule Book for Issuers and the Swedish Corporate Governance Code "the Code" (available at www.corporategovernanceboard.se). The Code is to be applied to all Swedish companies whose shares are traded on a regulated marketplace in Sweden. Thule Group has applied the Code from November 26, 2014, when Thule Group's share started to be traded on Nasdaq Stockholm. The 2015 Corporate Governance Report describes Thule Group's corporate governance, management and administration and the internal control over the financial reporting.

Thule Group's corporate governance structure



Regulatory compliance

External governance systems

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

Internal governance systems

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

Deviations from the Code

Companies are not obliged to at all times apply every rule in the Code, but are allowed the freedom to choose alternative solutions which they feel are more appropriate to their particular circumstances, provided they report every deviation, describe the alternative solution and explain the reasons for the deviation in the annual corporate governance report (the "comply or explain" principle).

The company deviates from rule 9.7 of the Code with regard to the option in the share-based incentive program of utilizing warrants to acquire shares over a period of less than three years and the Chairman of the Board's participation in the program. The assessment is that the warrants program, including its deviations, are in line with the company's business plan and strategy. In addition, the deviations should be viewed in light of the terms and conditions of the warrants which limit the economic outcome for the holders.

General Meeting of shareholders

Pursuant to the Swedish Companies Act (2005:551), the General Meeting is the company's highest decision-making body and shareholders exercise their voting rights at such Meetings. Shareholders who are recorded in the share register on the record date and have notified the company of their intention to participate in the General Meeting not later than the date and time indicated in the notice are entitled to attend the General Meeting in person or by proxy. Resolutions are made at the General Meeting normally by a simple majority. However, in certain matters, the Swedish Companies Act stipulates that a certain level of attendance is required to form a quorum or a qualified majority of votes. Annual General Meetings must be held within six months from the end of each fiscal year. Thule Group's Annual General Meeting is usually held in April. The Annual General Meeting resolves on such issues as the Articles of Association and is tasked with appointing Board members and the Chairman of the Board, electing auditors and resolving to adopt the income statement and balance sheet, the appropriation of the company's profits, and the discharge from liability of the Board and the President vis-à-vis the company. In addition, where necessary, the Annual General Meeting also resolves to adopt principles for the appointment and work of the Nomination Committee, and resolves on principles for the terms of remuneration and employment for the President and other executive management. An Extraordinary General Meeting can be held if specifically required. At the Annual General Meeting, shareholders have the opportunity to ask questions about the company and its results for the year just ended.

In addition to Annual General Meetings, Extraordinary General Meetings can be called. The company's Annual General Meetings are held each calendar year in Malmö, Sweden, before the end of June. In accordance with the Articles of Association, notice of a General Meeting is published in Post- och Inrikes Tidningar and on the company's website. In conjunction with notice being given, an announcement is made of the notification in Dagens Industri.

The Articles of Association contain no separate provisions pertaining to the appointment and dismissal of Board members, nor to amendment of the Articles of Association. For the complete Articles of Association, refer to the website www.thulegroup.com.

Shareholders

Thule Group's share has been listed on Nasdaq Stockholm Mid Cap list since November 26, 2014. At year-end, share capital amounted to SEK 1,117,635.12, divided between 100,000,000 shares. All of the shares are of the same class and all of the shares in the company carry equal rights in all respects. The number of shareholders at year-end was 2,556. The largest shareholders at December 31 were: NC Outdoor VI AB (17.7 percent of the share capital), NC Outdoor VII AB (11.6 percent of the share capital), AMF Försäkring och Fonder (7.2 percent of the share capital), Lannebo Fonder (6.2 percent of the share capital) and Swedbank Robur (5.7 percent of the share capital).

Further information about the share and shareholders is available on the company's website.

Annual general meetings

Resolutions at the 2015 Annual General Meeting

The 2015 Annual General Meeting was held on April 29. The complete minutes for and information about the 2015 Annual General Meeting are available at www.thulegroup.com. The Annual General Meeting esolved to adopt the submitted income statement and balance sheet and the consolidated income statement and consolidated balance sheet. In accordance with the Board's and the President's proposal, the Annual General Meeting resolved to pay a dividend of SEK 2.00 per share for 2014. The dividend will be paid in two installments for a better adaptation to the Group's cash flow profile. It was also resolved that the company's profit brought forward, together with earnings for 2014, were to be carried forward.

The Meeting discharged the Board members and the President from liability and resolved on fees to Board members.

The Meeting approved the Board's proposal regarding the remuneration of executive management.

2016 Annual General Meeting

The 2016 Annual General Meeting will be held on Tuesday, April 26, 2016 at 11:00 a.m. in Malmö. For more information, refer to Thule Group's website at (www.thulegroup.com).

Nomination Committee

The Nomination Committee is to be composed of five members comprising representatives from each of the four largest shareholders in terms of the number of votes at September 30 every year, and the Chairman of the Board.

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

Nomination Committee Name	Appointed by	Percentage of votes, Sep 30, 2015
Fredrik Näslund	NC Outdoor VI AB and NC Outdoor VII AB	44.3
Anders Oscarsson	AMF Försäkring och Fonder	9.0
Bo Lundgren	Swedbank Robur	5.7
Charlotta Faxén	Lannebo Fonder	5.1
Stefan Jacobsson	Chairman of Thule Group	

Changes in the composition of the Nomination Committee must be announced immediately.

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

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

Nomination Committee prior to 2016 Annual General Meeting

The composition of the Nomination Committee was published in a press release and on Thule Group's website www.thulegroup.com on October 9, 2015.

The Nomination Committee prior to the 2016 Annual General Meeting comprises Fredrik Näslund (NC Outdoor VI AB and NC Outdoor VII AB), Anders Oscarsson (AMF Försäkring och Fonder), Bo Lundgren (Swedbank Robur), Charlotta Faxén (Lannebo Fonder) and the Chairman is Stefan Jacobsson (Chairman of the Board of Thule Group).

After the 2015 Annual General Meeting and until the date on which this Annual Report was presented, the Nomination Committee has held two meetings. As a basis for its proposals to the 2016 Annual General Meeting, the Nomination Committee assessed whether the current Board was appropriately composed and meets the requirements imposed on the Board considering the company's operations, financial position and other circumstances. The Nomination Committee interviewed the company's Board members and discussed the main requirements that should be imposed on Board members, including the independence of members given the number of Board assignments that they have in other companies.

Board of Directors

Composition in 2015

The Board's duty is to manage the company's affairs on behalf of the shareholders. Under the Articles of Association, the Board of Thule Group is to comprise no fewer than three and not more than ten members appointed by the Annual General Meeting for a term until the end of the next Annual General Meeting. Seven Board members were reelected at the Annual General Meeting on April 29, 2015: Stefan Jacobsson, Bengt Baron, Hans Eckerström, Lilian Fossum Biner, Åke Skeppner, David Samuelson and Liv Forhaug. No member of Group management is a Board member. However, both the President and the CFO of Thule Group participate at Board meetings and lawyer Peter Linderoth serves as Secretary to the Board. Other officers of the company participate at Board meetings when presenting separate issues.

Independence of the Board

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

The Board's assessment of the members' independence in relation to the company, its management and major shareholders are presented in the Facts about the Board and Group management section. All of the members of the Board are independent in relation to the company and its management. Five of the members are also independent in relation to the company's major shareholders. Accordingly, the company fulfills the Code's independence requirement.

Responsibilities of the Chairman

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

Board responsibilities and work

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

The Board is tasked with establishing strategies, business plans and budgets as well as submitting interim financial statements, annual accounts, and adopting policies and guidelines. The Board is also charged with following the financial developments, ensuring the quality of financial reporting and control functions, and evaluating the company's operations based on the established goals and guidelines adopted by the Board. Finally, the Board also takes decisions regarding major investments, and organizational and operational changes in the company. Working closely with the President, the Chairman of the Board is tasked with monitoring the company's performance and acting as Chairman at Board meetings. The Chairman is also responsible for the Board's annual evaluation of its work and for the Board receiving adequate information enabling it to perform its work in an efficient manner.

The current rules of procedure state that the Board is to meet at least six times a year in addition to the statutory meeting following election. The Board held nine meetings during the year, of which one was held per capsulam. All Board meetings following a predetermined agenda. Attendance at Board meetings is presented in the table on the composition of the Board below.

In 2015, the Board mainly addressed matters regarding the operations, divestments, financing investments and other ongoing accounting and company law issues.

Board composition

Name	Year elected	Total fee, SEK	Independent	Attendance: Board meetings	Audit Committee	Remuneration Committee
Chairman						
Stefan Jacobsson	2011	800,000	Yes	9/9		3/3
Board members						
Bengt Baron	2011	300,000	Yes	9/9		
Hans Eckerström	2009	300,000	No*	9/9		3/3
Liv Forhaug	2014	300,000	Yes	8/9		
Lilian Fossum Biner	2011	400,000	Yes	9/9	4/4	
David Samuelson	2012	300,000	No*	9/9	4/4	
Åke Skeppner	2009	300,000	Yes	8/9	4/4	

* Not independent in relation to the principal owner.

Board committees

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

Remuneration Committee

The Remuneration Committee is tasked with preparing issues regarding remuneration and other terms of employment for the President and the company's executive management. The work involves the preparation of proposals for guidelines for items, such as: the allocation between fixed and variable remuneration, the relationship between performance and compensation, the main terms of bonus and incentive programs, conditions for other benefits, pensions, termination and severance pay, and the preparation of proposals for individual remuneration packages for the President and executive management. Furthermore, the Remuneration Committee also monitors and evaluates the outcome of variable remuneration, and how the company complies with the remuneration guidelines adopted by the General Meeting of shareholders.

The Remuneration Committee comprises two members: Hans Eckerström (Chairman) and Stefan Jacobsson. The Remuneration Committee held three meetings in 2015.

Audit Committee

The main task of the Audit Committee is to ensure that the Board meets the supervision requirements relating to internal control, auditing, internal audit, risk management, accounting and financial reporting, and prepares accounting and auditing matters. The Audit Committee is also charged with reviewing processes and procedures for accounting and financial control and preparing the Board's report on internal control. In addition, the Audit Committee monitors the impartiality and independence of the auditor, evaluates the audit work and discusses coordination between the external audit and the internal work on internal control issues with the auditor. The Audit Committee also assists the company's Nomination Committee when preparing proposals for auditors and recommendations for auditor's fees.

The Audit Committee of Thule Group has three members: Lilian Fossum Biner (Chairman), David Samuelson and Åke Skeppner.

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

The Audit Committee held four meetings in 2015. The members' attendance at these meetings is presented in the table on the previous page.

Evaluation of the work of the Board in 2015

The Chairman of the Board is responsible for evaluating the work of the Board. A confidential questionnaire was completed and private interviews were held with all Board members in 2015. The results of the evaluation were presented and discussed by the Board and the Nomination Committee. The evaluation focused on the Board's work in general and the work of the members, Chairman and President.

Auditor

The auditor is elected at the Annual General Meeting every year. The auditor reviews the company's and subsidiaries' financial reports and accounts as well as the administration of the Board and the President.

The auditor participates at the Board meeting that addresses the Annual Report and consolidated financial statements. At this meeting, the auditor presents the financial information and discuss the audit with the Board members without the President and executive management attending.

The auditor maintains continuous contact with the Chairman of the Board, Audit Committee and Group management. Thule Group's auditor is to review the Annual Report and consolidated financial statements for Thule Group AB and the administration of the Board and the President. The auditor follows an audit plan that is discussed with the Audit Committee. Reports were presented to the Audit Committee during the course of the audit and finally to the Board as a whole when the year-end report was adopted. The auditor is also to attend the Annual General Meeting and describe their audit activities and observations made in an audit report. During the year, the auditor performed certain audit-related consulting assignments in addition to the audit, mainly pertaining to tax consultancy and consulting in accounting issues. KPMG is responsible for auditing all of the important subsidiaries in the Group.

KPMG AB has been the company's auditor since 2010. Helene Willberg is the Auditor in Charge.

Audit fees 2015, SEKm

KPMG	
Audit assignment	4
Audit in addition to audit assignment	–
Tax consultancy	2
Other services	1

President and other executive management

The President is subordinate to the Board of Directors and is responsible for the day-to-day management and operations of the company. The division of work between the Board of Directors and the President is set out in the rules of procedure for the Board of Directors and instructions for the President. The President is also responsible for the preparation of reports and compiling information from management for Board meetings and for presenting such material at Board meetings. According to the instructions for financial reporting, the President is responsible for the financial reporting in Thule Group and consequently must ensure that the Board receives adequate information for the Board to be able to evaluate the company's and the Group's financial position.

The President keeps the Board continuously informed of developments in Thule Group's operations, the development of sales, Thule Group's results and financial position, liquidity and credit status, important business events and all other events, circumstances or conditions that can be assumed to be of significance to the company's shareholders.

Information about remuneration, share-based incentive programs and terms of employment for the President and other executive management is available on the company's website.

Internal control

The Board's responsibility for internal control is governed by the Swedish Companies Act, the Swedish Annual Accounts Act (1995:1554), and the Code. Information regarding the most important aspects of the company's system for internal control and risk management in connection with financial reporting must each year be included in the Company's Corporate Governance Report.

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

Control environment

The Board has adopted instructions and governance documents aimed at regulating the roles and allocation of responsibility between the President and the Board. The way in which the Board monitors and ensures quality in the internal control is documented in the Board's rules of procedure and Thule Group's finance policy. The control environment also includes the Board evaluating the performance and results of the operations through monthly and quarterly report packages that contain outcomes, budget comparisons, forecasts, operational targets, strategic plans, assessment and evaluation of financial risks, and analysis of important financial and operational key figures. The responsibility for the presentation of the report package to the Board and the responsibility for maintaining an effective control environment, and the day-to-day risk assessment and internal control over the financial reporting are delegated to the President. However, the Board is ultimately responsible. Managers at various levels in Thule Group's business areas are, in turn, responsible for ensuring compliance with established guidelines within their business area.

Risk assessment and control activities

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

Information and communication

The company's governance documents for financial reporting primarily comprise guidelines, policies and manuals that are continuously updated and communicated to the appropriate employees via relevant information channels.

A communication policy is in place for external information that provides guidelines on how such information is to be provided. The aim of the policy is to ensure that the company complies with the requirements for disseminating correct and complete information to the market.

Monitoring, assessment and reporting

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

Each year, the company carries out a self-assessment of the risk management and internal control work. This process includes a review of the manner in which established routines and guidelines are applied. The Board receives information regarding important conclusions drawn from this annual assessment process, and regarding any measures relating to the company's internal control environment.

Internal audit

Under the Code, the need for a separate audit function, which is to ensure that financial reports are produced in accordance with legislation, applicable accounting standards and other applicable requirements for listed companies, is to be evaluated annually. Considering the internal control activities that have been performed, the Board does not deem there to be any need to establish a separate internal audit function.

The matter of an internal audit function will be addressed again in 2016.

FACTS ABOUT THE BOARD AND GROUP MANAGEMENT

Board of Directors	Stefan Jacobsson	Bengt Baron	Hans Eckerström	Liv Forhaug	Lilian Fossum Biner	David Samuelson	Åke Skeppner
Assignment and year of election	Chairman since 2011.	Board member since 2011.	Board member since 2009. (Board member of a former Parent Company of Thule Group 2007–2009).	Board member since 2014.	Board member since 2011.	Board member since 2012.	Board member since 2009. (Board member of a former Parent Company of Thule Group 2002–2009).
Born	1952	1962	1972	1970	1962	1982	1951
Education and professional experience	Former CEO of PUMA AG Rudolf Dassler Sport, Tretorn AB, Abu Garcia AB and Nybron Flooring International Corporation.	BSc in Business Administration, University of California at Berkeley. MBA, University of California at Berkeley.	MSc in Mechanical Engineering, Chalmers University of Technology. MSc in Business and Economics, Gothenburg School of Business, Economics and Law at University of Gothenburg. Management consultant at Arthur D. Little. Partner, NC Advisory AB, advisor to the Nordic Capital Funds.	MSc in Economics and Business Administration, Stockholm. School of Economics. CSO (Chief Strategy Officer) at ICA Gruppen AB. Former consultant and partner at McKinsey & Company.	MSc in Economics and Business Administration, Stockholm. School of Economics. Former CFO and Executive Vice President of Axel Johnson AB. Senior Vice President Human Resources at Aktiebolaget Electrolux.	MSc in Economics and Business Administration, Stockholm. School of Economics. ESADE in Barcelona, Spain. Management consultant at McKinsey & Company. Director, NC Advisory AB, advisor to the Nordic Capital Funds.	LL.M., Lund University. President of Thule USA 1981–1990, President of Thule AB 1990–1992, President of Eldon AB 1992–1999 and President of Thule Group 1999–2002.
Other current appointments	Chairman of Woody Bygghandel AB, HAFA AB. Board member of Etac AB, Nobia AB and Stefan Jacobsson Consulting AB,	Chairman of MIPS AB Board member of 5653 Sweden AB.	–	Board member of Hemtex AB and Skutvik Invest AB.	Board member of L E Lundbergföretagen Aktiebolag (publ), Nobia AB, Oriflame Cosmetics S.A., Givaudan S.A., a-connect AG.	Board member of BGT Holding AB, Ellos Group Holding AB, NC Outdoor VI AB, NC Outdoor VII AB. Resurs Holding AB and Brink International AB.	Board member of Idre Himmelfjäll AB and Idre Utveckling AB.
Previous appointments	Chairman of the Board of Nybron Flooring International Corpo-ration. Chairman of Bauwerk AG, Teak Luxembourg S.A., Cherry Luxembourg S.A., Intersport AB.	President of Cloetta AB, Leaf International B.V. Board member of EQ Oy, Nordnet AB and Sweden-America Foundation.	Chairman of Aditro Holding AB, Brink International AB and, until 2016-02-15, of NC Outdoor VI AB and NC Outdoor VII AB. Board member of Cloetta AB, Nefab Packaging AB and Ellos Holding AB.	Partner and Head of Scandinavian Consumer Practice at McKinsey & Company.	Board member of RNB Retail and Brands AB (publ), Holmen Aktiebolag, Cloetta AB and Melon Fashion Group OJSC.	Board member of Munters Topholding AB and Nordic Fashion Group AB.	Board member of Spirits of Gold AB (publ).
Holding at February 1, 2016	143,989 shares and 364,582 warrants	42,297 shares.	–	1,100 shares.	39,997 shares.	–	152,075 shares.

Group management	Magnus Welander	Fred Clark	Fredrik Erlandsson	Kajsa von Geijer	Lennart Mauritzson
Assignment	CEO and President since 2010.	President Outdoor&Bags Region Americas since 2003.	Senior Vice President Communications and IR since 2010.	Senior Vice President Human Resources since 2005.	CFO since 2011.
Born	1966	1959	1970	1964	1967
Education and professional experience	MSc in Industrial Engineering and Management, Institute of Technology at Linköping University. Former BA President Outdoor&Bags Europe & ROW at Thule Group, President of Envirotainer, various senior positions at Tetra Pak in Italy and Australia.	BSBA Quantitative Methods, Western New England University, MBA Management Science, University of New Haven. Previously Operations Manager and Vice President Operations of Thule Group and Vice President Manufacturing at C. Cowles & Co.	Four years university studies in political science and economics, Lund University and Copenhagen University. Former Corporate Relations Director at Diageo, GM and procuration holder at Ehrenberg Marketing & Kommunikation, and chief of staff for one of the national delegations in the European Parliament.	BSc in Human Resource Development and Labour Relations, Lund University. Previously HR Director Europe at FMC Food Tech AB, self-employed HR-consultant at Elfte Huset AB, HR Director Norden at Levi Strauss Nordic, Training & Development Manager at Nestlé Sweden AB, HR Manger Trellex AB/Svedala Svenska AB and HR Officer på Trelleborg AB.	BSc in Finance and Business Administration, Halmstad University. Law studies, Lund University. Former Vice President Finance at Thule Group, CFO Beijer Electronics Aktiebolag and Vice President Finance of Cardo AB.
Other current appointments	–	Board member of Outdoor Industry Association and Westover School.	–	Chairman of Lunicore Studentkonsult AB. Board member and President of Elfte Huset Aktiebolag.	Board member of Rögle Marknads AB.
Previous appointments	Board member of Brink International AB and Britax Group.	Chairman of Outdoor Foundation.	–	Board member of Lundsbergs School Foundation.	–
Holding at February 1, 2016	636,990 shares (through Elenima Limited) and 729,166 warrants.	365,665 shares and 416,666 warrants.	108,138 shares and 208,332 warrants.	89,508 shares and 208,332 warrants.	124,471 shares and 416,666 warrants.

Consolidated income statement

January 1 – December 31, SEKm	Note	2015	2014
Continuing operations			
Net sales	5,6	5,320	4,556
Cost of goods sold		-3,269	-2,741
Gross income		**2,051**	**1,816**
Other operating revenue	7	1	5
Selling expenses		-927	-860
Administrative expenses		-299	-274
Other operating expenses	8	-2	-42
Operating income	9, 10, 11, 12, 13, 14	825	644
Financial revenue	15	5	21
Financial expenses	15	-64	-344
Income before taxes		**765**	**321**
Taxes	16	-178	-85
Net income from continuing operations		**587**	**236**
Discontinued operations			
Net income from discontinued operations	2	-143	-376
Consolidated net income		**444**	**-140**
Consolidated net income pertaining to:			
Shareholders of Parent Company		444	-140
of which, pertaining to continuing operations		587	236
of which, pertaining to discontinued operations		-143	-376
Non-controlling interest (pertaining to discontinued operations)		0	0
Consolidated net income		**444**	**-140**
Earnings per share, SEK	17		
before dilution		4.44	-1.63
after dilution		4.42	-1.63
Earnings per share from continuing operations, SEK			
before dilution		5.87	2.75
after dilution		5.84	2.75

Consolidated statement of comprehensive income

January 1 – December 31, SEKm	Note	2015	2014
Consolidated net income		**444**	**-140**
Other comprehensive income			
Items that have been or can be carried over to consolidated net income			
Foreign currency translation		9	241
Cash flow hedges		34	-26
Net investment hedge		21	82
Translation differences from divestment of subsidiaries recognized in consolidated net income		-26	23
Tax on components in other comprehensive income	16	-20	-13
Tax on components in other comprehensive income recognized in consolidated net income	16	-6	17
Items that cannot be carried over to consolidated net income			
Revaluation of defined-benefit pension plans		4	-24
Tax pertaining to items that cannot be carried over to consolidated net income	16	-1	6
Other comprehensive income		**17**	**304**
Total comprehensive income		**461**	**164**
Total comprehensive income pertaining to:			
Shareholders of Parent Company		461	164
Non-controlling interest (pertaining to discontinued operations)		–	–
Total comprehensive income		**461**	**164**

Consolidated balance sheet

Per December 31, SEKm	Note	2015	2014
Assets			
Intangible assets	18	4,061	4,082
Tangible assets	19	485	559
Long-term receivables		51	6
Deferred tax receivables	16	508	520
Total fixed assets		**5,106**	**5,167**
Inventories	20	722	795
Tax receivables		12	11
Accounts receivable	21	610	754
Prepaid expenses and accrued income		54	51
Other receivables		121	60
Cash and cash equivalents	22	274	114
Total current assets		**1,794**	**1,785**
Total assets		**6,899**	**6,952**
Equity and liabilities			
Equity	23		
Share capital		1	1
Other capital contributed		2,038	2,038
Reserves		-286	-300
Profit brought forward including net income		1,475	1,227
Equity attributable to Parent Company shareholders		**3,228**	**2,966**
Non-controlling interests		–	–
Total equity		**3,228**	**2,966**

Per December 31, SEKm	Note	2015	2014
Liabilities			
Long-term interest-bearing liabilities	24	2,363	2,376
Provisions for pensions	13	120	135
Deferred tax liabilities	16	184	154
Total long-term liabilities		**2,666**	**2,665**
Short-term interest-bearing liabilities	24	18	292
Accounts payable		449	497
Tax liabilities		129	69
Other liabilities		28	28
Accrued expenses and deferred income	25	341	327
Provisions	26	40	107
Total short-term liabilities		**1,005**	**1,321**
Total liabilities		**3,671**	**3,986**
Total equity and liabilities		**6,899**	**6,952**

Information about the Group's pledged assets and contingent liabilities is provided in notes 30 and 31.

Consolidated statement of changes in equity

SEKm	Share capital	Other capital contributed	Translation reserve	Hedge reserve	Profit brought forward including net income	Total	Non-controlling interests	Total equity
	Equity attributable to shareholders of Parent Company							
Opening balance, January 1, 2014	**0**	**1,034**	**-583**	**0**	**1,346**	**1,797**	**5**	**1,802**
Total comprehensive income								
Consolidated net income	–	–	–	–	-140	-140		-140
Other comprehensive income	–	–	304	-21	21	304		304
Total comprehensive income	**0**	**0**	**304**	**-21**	**-119**	**164**		**164**
Transactions with the Group's owners								
Divestment of part-owned subsidiary, minority interests cease	–	–	–	–	–	0	-5	-5
New issue of shares	1	992	–	–	–	993		993
Premiums paid the issue of stock options	–	12	–	–	–	12		12
Total contribution from owners	**1**	**1,004**	**0**	**0**	**0**	**1,005**	**-5**	**1,000**
Closing balance, December 31, 2014	**1**	**2,038**	**-279**	**-21**	**1,227**	**2,966**	**0**	**2,966**
Opening balance, January 1, 2015	**1**	**2,038**	**-279**	**-21**	**1,227**	**2,966**		**2,966**
Total comprehensive income								
Consolidated net income	–	–	–	–	444	444		444
Other comprehensive income	–	–	-15	28	3	17		17
Total comprehensive income	**0**	**0**	**-15**	**28**	**448**	**461**		**461**
Transactions with the Group's owners								
Dividend	–	–	–	–	-200	-200		-200
Premiums paid on the issue of stock options	–	0	–	–	–	0		0
Total contribution from owners	**0**	**0**	**0**	**0**	**-200**	**-200**		**-200**
Closing balance, December 31, 2015	**1**	**2,038**	**-294**	**7**	**1,475**	**3,228**		**3,228**

Consolidated statement of cash flow

January 1 – December 31, SEKm	Note	2015	2014
Operating activities	27		
Income before taxes		765	321
Income from discontinued operations before taxes		-146	-373
Adjustments for items not included in cash flow		216	500
Paid income taxes		-137	-55
Cash flow from operating activities prior to changes in working capital		**697**	**394**
Cash flow from changes in working capital			
Increase(-)/Decrease (+) in inventories		-81	-66
Increase(-)/Decrease (+) in receivables		81	-156
Increase(+)/Decrease (-) in liabilities		-36	183
Cash flow from operating activities		**662**	**355**
Investing activities			
Sale of subsidiaries		62	527
Acquisition of intangible assets		0	-15
Acquisition of tangible assets		-101	-158
Divestment of tangible assets		2	0
Cash flow from investing activities		**-37**	**354**
Financing activities			
Dividend		-200	0
New issue of shares		0	1,005
Borrowings		0	2,550
Debt repaid		-265	-4,542
Cash flow from financing activities		**-465**	**-987**
Net cash flow		160	-278
Cash and cash equivalents at beginning of year		114	385
Effect of exchange rates on cash and cash equivalents		0	7
Cash and cash equivalents at end of year		**274**	**114**

Cash flow pertains to total operations, meaning both continuing and discontinued operations.

Parent Company income statement

January 1 – December 31, SEKm	Note	2015	2014
Other operating revenue	7	24	9
Other operating expenses	8	0	-400
Administrative expenses		-32	-9
Operating income	9, 10, 13	**-9**	**-400**
Profit from financial items:	15		
Other interest income and similar profit/loss items		57	1
Interest expense and similar profit/loss items		-53	0
Loss after financial items		-4	-399
Appropriations	28	2	31
Income before taxes		**-3**	**-368**
Taxes	16	1	0
Net income		**-2**	**-368**

Parent Company statement of comprehensive income

January 1 – December 31, SEKm	Note	2015	2014
Net income		-2	-368
Other comprehensive income			
Other comprehensive income		–	–
Total comprehensive income		**-2**	**-368**

Parent Company balance sheet

Per December 31, SEKm	Note	2015	2014
Assets			
Fixed assets			
Financial fixed assets			
Participations in subsidiaries	29	1,000	1,000
Receivables from Group companies	33	3,943	3,971
Deferred tax receivables		1	0
Other long-term receivables		2	0
Total financial fixed assets		**4,946**	**4,971**
Total fixed assets		**4,946**	**4,971**
Current assets			
Receivables from Group companies	33	3	43
Other current receivables		1	7
Cash and cash equivalents	22	0	0
Total current assets		**4**	**50**
Total assets		**4,950**	**5,021**
Equity and liabilities			
Equity	23		
Restricted equity			
Share capital		1	1
Non-restricted equity			
Share premium reserve		1,469	2,038
Profit brought forward		–	–
Net income		-2	-368
Total equity		**1,469**	**1,670**
Long-term liabilities			
Provisions for other pensions		2	0
Liabilities to credit institutions	24	2,338	2,363
Liabilities to Group companies	33	368	368
Total long-term liabilities		**2,708**	**2,731**

Per December 31, SEKm	Note	2015	2014
Short-term liabilities			
Liabilities to credit institutions	24	0	250
Liabilities to Group companies	33	757	354
Other short-term liabilities		1	2
Accrued expenses and deferred income	25	14	7
Provisions	26	0	6
Total short-term liabilities		**773**	**620**
Total equity and liabilities		**4,950**	**5,021**
Pledged assets	30	None	None
Contingent liabilities	31	None	None

Parent Company statement of changes in equity

SEKm	Share capital	Share premium reserve	Profit brought forward	Net income	Total equity
Opening balance, January 1, 2014	**0**	**1,034**	**0**		**1,034**
Comprehensive income					
Net income	–	–	–	-368	-368
Total comprehensive income	**–**	**–**	**–**	**-368**	**-368**
New issue of shares	1	992	–		993
Premiums paid on the issue of stock options		12	–		12
Closing balance, December 31, 2014	**1**	**2,038**	**0**	**-368**	**1,670**
Opening balance, January 1, 2015	**1**	**2,038**	**0**	**-368**	**1,670**
Comprehensive income					
Net income	–	–	–	-2	-2
Total comprehensive income	**0**	**0**	**0**	**-2**	**-2**
Appropriation of profits	–	-368	–	368	0
Dividend	–	-200	–		-200
Premiums paid on the issue of stock options	–	0	–		0
Closing balance, December 31, 2015	**1**	**1,469**	**0**	**-2**	**1,469**

Parent Company cash flow statement

January 1 – December 31, SEKm	Note	2015	2014
Operating activities	27		
Income before taxes		-3	-368
Adjustments for items not included in cash flow		0	368
Paid income taxes		0	0
Cash flow from operating activities prior to changes in working capital		**-3**	**0**
Cash flow from changes in working capital			
Increase/decrease in receivables		46	-50
Increase/decrease in liabilities		-15	30
Cash flow from operating activities		**31**	**-20**
Investing activities		**–**	**–**
Financing activities			
Dividend		-200	0
New issue of shares		0	1,005
Debt repaid/borrowings		-250	2,613
Debt repaid/borrowings to subsidiaries		422	-3,632
Cash flow from financing activities		**-28**	**-14**
Net cash flow		0	-34
Cash and cash equivalents at beginning of year		0	34
Cash and cash equivalents at end of year		**0**	**0**

Notes

for the Parent Company and Group

All amounts are in SEKm unless otherwise stated.

NOTE 1 Significant accounting policies

General information

Thule Group AB (publ), Corp. Reg. No. 556770-6311, is a Swedish registered, limited liability company with its registered office in Malmö, Sweden. The Thule share is listed on Nasdaq Stockholm, Mid Cap list. The consolidated financial statements for the fiscal year January 1 to December 31, 2015 comprise Thule Group AB (Parent Company) and its subsidiaries.

The consolidated financial statements were approved for publication by the Board of Directors and President on March 29, 2016. The consolidated income statement, statement of comprehensive income, and the consolidated balance sheet, and the Parent Company income statement and balance sheet are subject to approval by the Annual General Meeting on April 26, 2016.

The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) as adopted by the EU. In addition, the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups was applied.

The consolidated income statement and consolidated statement of comprehensive income for the preceding year were revised as if discontinued operations during the current year had been divested at the start of the preceding year. Discontinued operations comprise the Snow Chain Division, which was divested in September 2015, and the Trailer and Towing divisions, formerly the Towing operating segment, which were divested in 2014. Continuing operations comprise the Outdoor&Bags and Specialty operating segments. Total operations refers to the discontinued and the continuing operations.

The Parent Company applies the same accounting policies as the Group except in cases listed below in the section "Parent Company accounting policies."

Basis of preparation of the consolidated financial statements

The Parent Company's functional currency is SEK, which is also the presentation currency for the Parent Company and the Group. This means that the financial statements are presented in SEK. All amounts, unless otherwise stated, are rounded to the nearest million. Assets and liabilities are recognized at historical cost, except for certain financial assets and liabilities that are measured at fair value. Financial assets and liabilities measured at fair value consist of derivatives. A defined-benefit pension liability/asset is measured at the net of fair value on plan assets and the present value of the defined-benefit liability, adjusted for any asset limitations.

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

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

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

Assessments made by management when applying IFRS that have a significant effect on the financial statements and estimates made that may involve material adjustments in the following year's financial statements are described in detail in Note 34.

The accounting policies presented below have been consistently applied to all periods presented in the consolidated financial statements, unless otherwise stated below.

Amended accounting policies resulting from amended IFRS

New and amended accounting policies and improvements that came into effect in 2015 did not entail any material impact on the consolidated financial statements for the fiscal year. A number of new interpretations and amendments were also issued by the IFRS Interpretations Committee. These amendments and interpretations did not have any material impact on the consolidated financial statements for 2015. Regarding IFRIC 21 Levies, the interpretation addresses how various levies (although not fines or income tax) imposed by a government are to be recognized. IFRIC 21 applies to levies falling under the framework of IAS 37 and those where the timing and amount of the levy is certain. The interpretation resulted in liabilities for property tax recognized as per January 1 when the obligation to pay the tax arises and when a prepaid expense attributable to property tax is recognized.

Standards, amendments and interpretations not yet applied

The International Accounting Standards Board (IASB) issued a number of new and amended standards that have not yet come into effect. None of these were or are planned to be applied in advance. Company management believes that new and amended standards and interpretations will not have any material impact on the consolidated financial statements in the period in which they are first applied, except for the following.

IFRS 9, which will replace IAS 39, may impact the Group's reporting of financial instruments. The Group has not yet analyzed the effects of IFRS 9 on the financial statements.

IFRS 15 is the new standard for revenue recognition that will replace the current standards on revenue recognition, probably from 2018, when applied according to the EU. The Group has not yet analyzed the effects of IFRS 15 on the financial statements.

Classification etc.

Fixed assets and long-term liabilities essentially comprise amounts that are expected to be recovered or paid more than twelve months after the balance-sheet date. Current assets and short-term liabilities essentially comprise amounts expected to be recovered or paid within twelve months from the balance-sheet date.

Operating segment reporting

An operating segment is part of the Group that conducts business operations from which it generates revenue and incurs expenses and for which independent financial information is available. Furthermore, the earnings of an operating segment are followed up by the chief operating decision-maker for evaluating performance and for allocating resources to the operating segment. Refer to Note 5 for additional information about classification and presentation of operating segments.

Consolidated financial statements

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

Subsidiaries are recognized in accordance with the purchase method. This method entails that the acquisition of a subsidiary is considered to be a transaction whereby the Group indirectly acquires the subsidiary's assets and assumes its liabilities. The acquisition analysis determines the fair value of the acquired identifiable assets and assumed liabilities, as well as any non-controlling interests, on the acquisition date. Transaction charges that arise, with the exception of transaction charges attributable to equity instruments on issue or debt instruments, are recognized directly through profit or loss.

In the event of a business combination in which consideration transferred, any non-controlling interests and the fair value of previously owned interests (in connection with step acquisitions) exceed the fair value of the acquired assets and assumed liabilities that are recognized separately, the difference is recognized as goodwill.

If the difference is negative, known as a bargain purchase, it is recognized directly through profit or loss. Consideration transferred in conjunction with the acquisition does not include payments pertaining to settlement of previous business relationships. This type of settlement is recognized through profit or loss.

Contingent consideration is measured at fair value at the acquisition date. If the contingent consideration is classified as an equity instrument, no remeasurement takes place and settlement takes place in equity. All other contingent consideration is remeasured at each reporting date and the difference is recognized through profit or loss.

Non-controlling interests arise if the business combination does not comprise a 100 percent acquisition of the subsidiary. There are two alternative methods for recognizing non-controlling interests. These are: recognizing the non-controlling interest's proportionate share of net assets, or measuring the non-controlling interest at fair value, meaning that the non-controlling interest has a share of goodwill. The choice between these two different options for recognizing non-controlling interests can be made on an acquisition-by-acquisition basis.

In step acquisitions, goodwill is determined on the date on which the controlling influence arises. Previous holdings are measured at fair value and the change in value recognized through profit or loss. Holdings remaining following a divestment leading to the loss of a controlling influence are measured at fair value and the change in value is recognized through profit or loss.

Acquisitions prior to January 1, 2009 (transition date to IFRS): For acquisitions that took place prior to January 1, 2009, goodwill, after impairment testing, was recognized at a cost corresponding to the carrying amount in accordance with previously applied accounting policies. The classification and accounting treatment of business combinations occurring prior to January 1, 2009 were not restated in accordance with IFRS 3 when the Group's opening IFRS balance sheet was prepared at January 1, 2009.

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

Acquisitions from non-controlling interests are recognized as a transaction in equity, meaning a transaction between the shareholders of Parent Company (in profit brought forward) and the non-controlling interest. This is the reason why goodwill does not arise from these transactions. Changes in non-controlling interests are based on their proportionate share of net assets. Sales to non-controlling interests in which the controlling influence remains unchanged are recognized as a transaction in equity, meaning a transaction between the shareholders of Parent Company and the non-controlling interest. The difference between the payment received and the non-controlling interest's proportionate share of acquired net assets is recognized as profit brought forward.

Elimination of intra-Group transactions

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

Transactions in foreign currency

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

Translation of foreign subsidiaries

Assets and liabilities in foreign operations, including goodwill and other consolidated surplus and deficit values, are translated from the foreign operation's functional currency to the Group's presentation currency, SEK, at the existing exchange rate on the balance-sheet date. Revenue and expenses in foreign operations are translated to SEK using an average exchange rate that is an approximation of the exchange rates prevailing on each individual transaction date. Translation differences that arise in currency translations of foreign operations are recognized in other comprehensive income and accrued in a separate component in equity, called the translation reserve. When foreign operations are divested, accumulated translation differences attributable to the business are realized, at which time they are reclassified from the translation reserve in equity to net income.

Net investment in foreign operations

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

Revenue

Revenue for sales of goods is recognized through profit or loss when the significant risks and benefits associated with the ownership of the goods have been transferred to the buyer. Revenue is not recognized if it is unlikely there will be financial benefits for the Group. If there is clear uncertainty regarding payment, associated costs or risk for returns and if the seller continues to be involved in operating activities that are usually associated with the ownership, no revenue is recognized. Revenue is measured at the fair value of the amount that is received or is expected to be received, less discounts granted.

Government grants

Government grants are recognized in the balance sheet as deferred income when there is reasonable certainty that the grant will be received and that the Group will meet the conditions associated with it. Government grants are deferred and recognized through profit or loss in the same way and over the same period as the expenses that they are intended to compensate. Government grants that are related to assets are recognized in the balance sheet as deferred income and are allocated as other operating revenue over the useful life of the asset.

Leasing

Lease agreements are classified as either finance or operating leases. Finance leases exist when the financial risks and benefits associated with ownership are essentially transferred to the lessee. If this is not the case, then this is a matter of an operating lease.

Operating leases

Costs under operating lease agreements are recognized through

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profit or loss on a straight-line basis over the term of the lease. Discounts received when a lease is signed are recognized through profit or loss as a decrease in leasing fees linearly over the term of the lease. Variable fees are expensed in the period in which they were incurred. Assets leased under operating leases are not recognized as an asset in the balance sheet. Operating lease agreements do not give rise to a liability.

Finance leases

The minimal lease fees are allocated between interest expense and amortization of the outstanding debt. Interest expense is distributed over the term of the lease so that each accounting period is charged with an amount corresponding to a fixed interest rate for that respective period of reported liability. Variable fees are expensed in the period in which they were incurred. Assets that are leased under finance lease agreements are recognized as fixed assets in the balance sheet and are initially measured at an amount equal to the lower of the leasing object's fair value and the present value of the minimum lease payments at the start of the agreement. The obligation to pay future leasing fees is recognized as either long-term or short-term liabilities. The leased assets are depreciated over the respective asset's useful life while the lease payments are recognized as interest and amortization of debt.

Financial revenue and expenses

Financial revenue and expenses comprise interest income on bank deposits and receivables and interest-bearing securities, interest expense on loans, exchange rate differences and derivatives used in the financial operations. Interest income on receivables and interest expense on liabilities are calculated using the effective interest rate method. The effective interest is the interest rate that makes the present value of all estimated future receipts and disbursements during the expected fixed-rate period equal to the carrying amount of the receivables or liabilities. Interest income and interest expense include allocated transaction costs and any discounts, premiums and other differences between the original carrying amount of the receivables and liabilities and the amount that is settled on maturity and the estimated future receipts and disbursements during the contract period.

Taxes

Income tax include both current tax and deferred tax. Income tax is recognized through profit or loss, except when the underlying transaction is recognized in other comprehensive income or in equity, whereby the associated tax effects are recognized directly in other comprehensive income or equity.

Current tax is tax that is to be paid or received in the current year, using tax rates that are decided or decided in practice on the balance-sheet date. Current tax also comprises current tax adjustments for prior periods.

Deferred tax is calculated using the balance-sheet method, based on temporary differences between carrying amounts and tax bases of assets and liabilities. Temporary differences are not recognized in consolidated goodwill, nor are differences attributable to participations in subsidiaries that are not expected to be reversed in the foreseeable future. The measurement of deferred tax is based on how underlying assets and liabilities are expected to be recovered or settled. Deferred tax is calculated using the tax rates and tax rules established or decided in practice on the balance-sheet date.

Deferred tax receivables relating to deductible temporary differences and loss carryforwards are recognized only to the extent that it is probable that they will be utilized. The value of the deferred tax receivables is reduced when it is no longer considered likely that they can be utilized.

Any additional income tax relating to the dividend is recognized at the same date as the dividend is recognized as a liability.

Financial instruments

Financial instruments recognized in the balance sheet include assets such as cash and cash equivalents, loans and accounts receivable and derivatives. The liability side includes accounts payable, loans and derivatives.

A financial asset or financial liability is recognized in the balance sheet when the Group becomes a contracting party in accordance with the instrument's contractual conditions. A receivable is recognized when the Group has performed and a contractual obligation exists for the counterparty to pay, even if an invoice has not yet been sent. Accounts receivable are recognized in the balance sheet when an invoice has been sent. A liability is recognized when the counterparty has performed and a contractual obligation exists for the company to pay, even if an invoice has not yet been received. Accounts payable are recognized when an invoice has been received.

A financial asset is derecognized from the balance sheet when the contractual rights are realized, expire or the Group loses control of them. The same applies to a portion of a financial asset. A financial liability is derecognized from the balance sheet when the contractual obligation is met or extinguished in another manner. The same applies to portions of a financial liability.

A financial asset and a financial liability are offset and recognized at a net amount in the balance sheet only when a legal right exists to offset the amounts and the intention is present to settle the items in a net amount or simultaneously realize the asset and settle the liability. The acquisition or disposal of financial assets is recognized when the transaction is completed (cash settlement approach), while derivatives are recognized when an agreement has been entered into (trade date accounting).

Classification and measurement

Financial instruments, except for derivatives, are initially recognized at cost corresponding to the instrument's fair value plus transaction costs for all financial instruments except those that belong in the financial asset category, which are measured at fair value through profit and loss, which, in turn, are measured at fair value excluding transaction costs. A financial instrument is classified on initial recognition based on the purpose of the acquisition of the instrument. The classification determines how the financial instrument is measured after initial recognition as described below.

Derivatives are initially measured at fair value, meaning that transaction costs are charged to net income for the period. After the initial recognition, derivatives are recognized as described below. If the derivative is used for hedge accounting and this is effective, then changes in the value of the derivative are recognized on the same line in the consolidated net income as the hedged item. Even if hedge accounting is not applied, appreciation and depreciation of derivatives is recognized as revenue or expense in operating income or in net financial items based on the purpose of the derivative and how its use is related to an operating or a financial item. For hedge accounting, the ineffective portion is recognized the same manner as changes in the value of the derivative that is not used for hedge accounting. If hedge accounting is not applied when using interest rate swaps, then the interest coupon is recognized as interest and other changes in the value of the interest rate swap are recognized as other financial revenue or other financial expense.

Cash and cash equivalents comprise cash and immediately available funds at banks and similar institutions, and short-term liquid investments that have a term of less than three months from the date of acquisition and have limited risk for value fluctuations.

Financial assets at fair value through profit or loss

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

Loans and receivables

Loans and receivables are non-derivative financial assets with

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fixed or determinable payments that are not quoted in an active market. Assets in this category are measured at amortized cost. Accounts receivable are reported at the estimated amount to be paid, i.e., after deductions for doubtful receivables. Discounting is not applied because of the short term, which is why the amortized cost corresponds to the nominal amount.

Available-for-sale financial assets
The category of available-for-sale financial assets is included in financial assets that are not classified in another category or financial assets that have been initially classified in this category. Assets in this category are continuously measured at fair value with the changes in value for the period recognized in other comprehensive income and the accumulated changes in value in a separate component of equity, although not such changes in value that are due to impairment, interest on financial instrument receivables and dividend income or exchange rate differences on monetary items recognized through profit or loss. When the asset is divested, the accumulated gain/loss was previously recognized in other comprehensive income and is now recognized through profit or loss.

Financial liabilities at fair value through profit or loss
This category comprise two sub-groups: financial liabilities held for trading and other financial liabilities that the Group has decided to place in this category. The first category includes the Group's derivatives with negative fair value except for derivatives that are an identified and effective hedging instrument. Changes in fair value are recognized through profit or loss. The Group only uses the category for derivatives.

Other financial liabilities
Loans and other financial liabilities, for example, accounts payable, are included in this category. Liabilities are measured at amortized cost.

Derivatives and hedge accounting
The Group's derivatives have been acquired to financially secure risks for interest rate, raw material and exchange rate exposures that the Group is exposed to. Derivatives are measured in the balance sheet at fair value, meaning that transaction costs and changes in value are charged to net income for the period. Following initial recognition, the derivative is measured at fair value and the changes in value are recognized as described below.

In order to meet the IAS 39 requirements for hedge accounting, an unequivocal connection to the hedged item must exist. In addition, it is required that hedging effectively protects the hedged item, that hedging documentation has been prepared and that the effectiveness can be measured. Gains and losses for hedging are recognized through profit or loss at the same time period that gains and losses are recognized for the hedged entries.

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

Hedging of forecast sale/purchases in foreign currency
Currency forward contracts used for hedging a highly probable forecast sale/purchase in foreign currency are measured at fair value in the balance sheet. Changes in value for the period are recognized in other comprehensive income and the accumulated changes in value in a specific component of equity (hedge reserve) until the hedged flow affects net income, at which point the hedging instrument's accumulated change in value is reclassified to net income when the hedged item impacts net income.

Cash flow hedging against interest rate risk
Interest rate swaps are used for hedging against uncertainty in highly probable forecast interest rate flows for borrowing at variable interest rates, where the Group receives a variable interest rate and pays a fixed interest rate. Interest rate swaps are measured at fair value in the balance sheet. Interest coupons are continuously recognized through profit or loss as part of interest expenses. The Group applies hedge accounting. Unrealised changes in fair value of interest rate swaps are recognized in other comprehensive income and included as part of hedge accounting until the hedged item affects net income and as long as the criteria for hedge accounting and effectiveness are met.

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

Tangible assets
Tangible assets in the Group are recognized at cost less accumulated depreciation and any impairment losses. The cost includes the purchase price and expenses directly attributable to the asset in order to make it operational and ready for use as intended with the acquisition. Borrowing costs that are directly attributable to the purchase, construction or production of assets that take considerable time to complete for intended use or sale are included in the cost.

Tangible assets that consist of components with various useful lives are treated as separate components of tangible assets. The carrying amount of tangible assets is removed from the balance sheet when it is scrapped or divested or when there are no future financial benefits expected from the use or scrapping/divestment of the asset. Gains or losses arising on the divestment or scrapping of an asset comprise the difference between the sales price and the carrying amount of the asset, less direct selling expenses. Gains and losses are recognized as other operating revenue/expenses.

Additional expenses are added to the cost only if it is likely that future financial benefits associated with the asset will accrue the Group and the cost can be calculated in a reliable manner. All other additional expenses are recognized as cost in the period in which they arise. An additional expense is added to the cost if the expense is for replacement of identifiable components or related parts. Even in situations where a new component is created, the expense is added to the cost. Any carrying amounts of replaced components, or parts of components, that have not been depreciated are scrapped and expensed in conjunction with the replacement. Repairs are regularly expensed.

Intangible assets
Goodwill
Goodwill is measured at cost less any accumulated impairment losses. Goodwill is distributed to cash-generating units and is tested for impairment annually.

Other intangible assets
Other intangible assets acquired by the Group are recognized at cost less accumulated amortization and any impairment losses. Expenses for internally generated goodwill and brands are recognized through profit or loss as a cost when incurred. Borrowing costs that are directly attributable to the purchase, construction or production of assets that take considerable time to complete for intended use or sale are included in the cost.

Cost of system development and research and development are only recognized as an asset in the balance sheet if the product or process is technically and commercially usable and the company has sufficient resources to complete development and

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then use or sell the intangible asset. Other product development expenses are recognized through profit or loss as costs when incurred. The majority of the Group's development expenses are attributable to the maintenance and development of existing products and are recognized through profit or loss when incurred.

Depreciation/amortization

Principles of depreciation for tangible assets

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

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

Principles of amortization for intangible assets

Goodwill and other intangible assets with an indeterminate useful life or that are still not ready to be used, are tested for impairment annually or as soon as indications appear indicating that the asset in question has decreased in value. Intangible assets with definite useful lives are amortized from when they are available for use. Amortization is recognized through profit or loss linearly over the estimated useful lives of the assets. The residual value and useful life of an asset is determined annually.

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

Inventories

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

Impairment

Each balance-sheet date, the carrying amount of the Group's assets is tested to determine whether there is an indication for a need for impairment. If evidence exists, the asset's recoverable amount is calculated. The recoverable amount of goodwill and other intangible assets with indeterminate useful lives is calculated annually. IAS 36 is used for impairment losses of assets other than financial assets, which are recognized according to IAS 39, assets held for sale and disposal groups, which are recognized according to IFRS 5, inventories and deferred tax receivables. The carrying amount of the excluded assets listed above is calculated according to the respective standard.

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

All financial assets, except those in the financial asset category that are measured at fair value through profit or loss, are tested for impairment. Each report period, the Group determines whether there is objective evidence indicating that a financial asset or group of assets requires impairment. Objective evidence consists of observable circumstances that have occurred and which have a negative impact on the recovery of the cost.

Impairment of assets included in the IAS 36 application sphere is reversed if there is an indication that the need for impairment no longer exists and there has been a change in the assumptions that were the basis of the recoverable amount calculation. Impairment of goodwill is not reversed. A reversal is only performed to the extent that the asset's carrying amount after reversal does not exceed the carrying amount that would have been recognized, less depreciation when applicable, if no impairment had been applied. Impairment losses on loans and accounts receivable that are recognized at amortized cost are reversed if the previous reasons for impairment no longer exist and full payment from the customer is expected.

Earnings per share

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

Remuneration of employees

Pensions

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

Some of the Group's subsidiaries in Sweden have defined-benefit pension plans that are unfunded. These defined-benefit pension plans include a commitment regarding future pension benefits, of which the amount is determined by such factors as final salary and service period. The employer bears all material risks for meeting this commitment.

The Group's net obligation for defined-benefit plans is calculated separately for each plan by estimating the future remuneration that the employees have earned through their employment in both present and earlier periods; this remuneration is discounted to present value.

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

The calculation is performed by a qualified actuary using the Projected Unit Credit Method. The special employer's contribution is part of actuarial assumptions and is therefore recognized as a portion of net obligations. The portion of special employer's contribution that is calculated on the basis of the Pension Obligation Vesting Act for legal entities is recognized, for reasons of simplification, as an accrued expense instead of as a part of net obligations. Actuarial gains and losses may arise when determining the present value of the obligation. These will arise when the actual result differs from the previously made assumption or when assumptions are changed. Revaluation effects are recognized in other comprehensive income.

Other retirement pensions according to ITP/ITPK in Sweden are guaranteed for the Group through premium payments to Alecta. According to a statement from the Swedish Financial Reporting Board, UFR10, this must be reported as a multi-employer defined-benefit plan. For the 2015 fiscal year, the Group did not have access to information from Alecta that made it possible to recognize this plan as a defined-benefit plan. Accordingly, the plan has been recognized as a defined-contribution plan.

Bonuses

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

Provisions

A provision differs from other liabilities in that there is uncertainty about the time of payment and the amount of settlement. A provision is recognized in the statement of financial position when there is an existing legal or informal obligation resulting from a past event and when it is probable that an outflow of financial resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are made based on the best estimate of what will be required to settle the existing obligation on the balance-sheet date. When it is important to know when the payment will occur, provisions are calculated by discounting the expected future cash flow using a pretax interest rate that reflects current market assessments of the time value of money and, if suitable, the risks associated with the liability.

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

Assets held for sale and discontinued operations

The significance of an asset (or a disposal group) being classified as held for sale is that its carrying amount will be recovered primarily through the sale and not through use.

Immediately before being classified as held for sale, the carrying amount of the assets (and all assets and liabilities in a disposal group) is determined in accordance with applicable standards. When first classified as held for sale, the assets and disposal groups are recognized at the lower of the carrying amount and fair value less selling expenses.

The following assets, individually or as part of a disposal group, are exempted from the above described valuation rules:

- Deferred tax receivables
- Assets attributable to employee benefits
- Financial assets subject to IAS 39 Financial Instruments: Recognition and measurement

A gain is recognized for each increase in the fair value less selling expenses. This gain is limited to an amount corresponding to all previous impairments. Losses resulting from a decline in value when first classified as held for sale are recognized through profit or loss. Even subsequent changes in value, both gains and losses, are recognized through profit or loss.

Discontinued operations are part of a company's operations that represent an independent business segment or a significant operation in a geographic area or is a subsidiary that has been acquired with the sole purpose of being sold. Classification as a discontinued operation takes place on divestment or at an earlier point in time when the operation meets the criteria for being classified as held for sale. Net income from discontinued operations is recognized separately in the income statement. When an operation is classified as discontinued, the format of the comparative year's income statement is changed so that it is presented as if the discontinued operations had been discontinued at the start of the comparative year. The format of the balance sheet for current and previous years is not changed in a similar way.

Contingent liabilities

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

Parent Company accounting policies

The Parent Company prepares its Annual Report in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. RFR 2 stipulates that the Parent Company, in the annual accounts for the legal entity, is to apply all IFRS and statements adopted by the EU to the extent that this is possible within the framework of the Annual Accounts Act and the Pension Obligations Vesting Act and taking into consideration the connection between accounting and taxation. The recommendation stipulates the permissible exceptions from and additions to IFRS. Based on RFR 2, the Parent Company has decided not to apply IAS 39 to the legal entity.

Amended accounting policies

Unless otherwise stated below, the Parent Company's accounting policies for 2015 changed in accordance with the amendments described above for the Group.

Differences between the Group's and the Parent Company's accounting policies

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

Classification and presentation format

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

Subsidiaries

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

Taxes

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

Group contributions

Group contributions are recognized as appropriations.

NOTE 2 Discontinued operations

Discontinued operations

The company's strategic focus on brand-driven consumer products resulted in the decision to divest the Snow Chain Division in 2015 and the Trailer Division and Towing Division in 2014.

Discontinued operations comprise the Snow Chain Division, which was previously included in the Specialty operating segment. The Snow Chain Division was divested and deconsolidated in September 2015. The selling price comprised two components, an initial payment of EUR 10m and a maximum additional purchase consideration of a further EUR 10m (based on snow chain sales over the next two winter seasons). Half of the possible additional purchase consideration has been recognized as a receivable and is included in the capital loss, which amounts to SEK 128m including transaction costs. For additional information, see Note 3 Measurement of financial assets and liabilities at fair value.

Comparative figures in discontinued operations comprise the Trailer Division and Towing Division, which previously comprised the Towing operating segment, and the net income from the Snow Chain Division. For reclassifications to discontinued operations, comparative figures are also to be reclassified for the income statement and other comprehensive income to show the discontinued operations as separated from the continuing operations.

Group, SEKm	2015	2014
Revenue	84	1,049
Expenses	-102	-1,073
Goodwill impairment	0	-350
Income before taxes	**-19**	**-373**
Taxes	3	-4
Net income from discontinued operations	**-15**	**-377**
Capital gain/loss from divestment of discontinued operations	-128	1
Net income from discontinued operations	**-143**	**-376**
Earnings per share, discontinued operations (SEK)	-1.43	-4.38
Cash flow from discontinued operations		
Cash flow from operating activities	71	20
Cash flow from investing activities	-3	-50
Net cash flow from discontinued operations before financing activities	**68**	**-30**

Group, SEKm	2015	2014
Effect of divestment on assets and liabilities		
Fixed assets	96	1,078
Current assets	206	915
Long-term liabilities	26	1,306
Short-term liabilities	75	606
Divested assets and liabilities, net	**201**	**81**
Purchase consideration received	73	82

NOTE 3 Measurement of financial assets and liabilities at fair value

Fair value and carrying amount in the balance sheet

Group 2015, SEKm	Financial assets at fair value through profit or loss	Available-for-sale financial assets	Derivatives used in hedge accounting	Loans and accounts receivable	Financial liabilities at fair value through profit or loss	Derivatives used in hedge accounting	Other liabilities	Total carrying amount	Fair value
	Held for trading				Held for trading				
Accounts receivable	–	–	–	610	–	–	–	610	610
Long-term receivables	–	46	–	0	–	–	–	46	46
Financial derivatives	8	–	20	–	–	–	–	28	28
Cash and cash equivalents	–	–	–	274	–	–	–	274	274
Total	**8**	**46**	**20**	**885**	**–**	**–**	**–**	**958**	**958**

Financial derivatives are included in other receivables in the balance sheet.

Long-term interest-bearing liabilities	–	–	–	–	–	–	2,350	2,350	2,350
Short-term interest-bearing liabilities	–	–	–	–	–	–	5	5	5
Accounts payable	–	–	–	–	–	–	449	449	449
Accrued expenses	–	–	–	–	–	–	0	0	0
Financial derivatives	–	–	–	–	11	15	–	27	27
Total	**–**	**–**	**–**	**–**	**11**	**15**	**2,804**	**2,830**	**2,830**

Short-term financial derivatives, SEK 13m, are included in short-term interest-bearing liabilities in the balance sheet.
Long-term financial derivatives, SEK 13m, are included in long-term interest-bearing liabilities in the balance sheet.

Group 2014, SEKm									
Accounts receivable	–	–	–	754	–	–	–	754	754
Financial derivatives	8	–	0	–	–	–	–	8	8
Cash and cash equivalents	–	–	–	114	–	–	–	114	114
Total	**8**	**–**	**0**	**868**	**–**	**–**	**–**	**877**	**877**

Financial derivatives are included in other receivables in the balance sheet.

Long-term interest-bearing liabilities	–	–	–	–	–	–	2,376	2,376	2,376
Short-term interest-bearing liabilities	–	–	–	–	–	–	258	258	258
Accounts payable	–	–	–	–	–	–	497	497	497
Accrued expenses	–	–	–	–	–	–	0	0	0
Financial derivatives	–	–	–	–	11	23	–	34	34
Total	**–**	**–**	**–**	**–**	**11**	**23**	**3,131**	**3,165**	**3,165**

Short-term financial derivatives, SEK 34m, are included in short-term interest-bearing liabilities in the balance sheet.

NOTE 3 cont.

The tables below provide information about how fair value is determined for financial instruments that are measured at fair value on the balance sheet (see above). The following three-level hierarchy is used to determine fair value:
Level 1: according to prices quoted in an active market for the identical instrument.
Level 2: from either direct or indirect observable market information not included in Level 1.
Level 3: from inputs unobservable in the market.

Group 2015, SEKm	Level 1	Level 2	Level 3	Total
Long-term receivables regarding additional purchase consideration	–	–	46	46
Derivative asset	–	28	–	28
Derivative liability	–	-27	–	-27

Group 2014, SEKm	Level 1	Level 2	Level 3	Total
Derivative asset	–	8	–	8
Derivative liability	–	-34	–	-34

The table below presents a reconciliation between the opening and closing balances for the holdings included in Level 3.

Opening balance	**0**
Long-term receivables regarding additional purchase consideration	46
Recognized in other comprehensive income	0
Closing balance	**46**

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

Long-term receivables regarding additional purchase consideration
The additional purchase consideration is divided into two parts and is based on sales in the periods from May 1, 2015 to April 30, 2016 and from May 1, 2016 to April 30 2017. Sales are ultimately dependent on the weather and a snow-free winter leads to low sales. The preceding year's season was such a period of little snow and the target for the first period, regardless of the weather this year, is not expected to be met and is thus valued at zero. Company management have made the assessment that the target can be expected to be met in the second period and has been valued at nominal amount. The valuation of the additional purchase consideration is particularly dependent on the weather and if there were to be little snow in the period from May 1, 2016 to April 30, 2017 it is highly likely to lead to this second period having a low value or being valued at zero.

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

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

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

Leasing
The fair value of financial lease liabilities is based on the present value of future cash flows discounted at the market interest rate for identical lease agreements.

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

NOTE 4 Financial risk management

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

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

Market risk
Market risk is the risk that the fair value of, or future cash flows from, a financial instrument could fluctuate due to changes in market prices. IFRS has divided market risks into three types: exchange rate risk, interest rate risk and other price risks. Market risks that primarily impact the

NOTE 4 cont.

Group consist of interest rate risk, exchange rate risk and commodity price risk. The Group's objective is to manage and control the market risks within established parameters while optimizing earnings through risk-taking within stated limits. The parameters are established with the purpose that the market risks in the short term (up to 12 months) only impact the Group's earning and position marginally. In the long term, however, lasting changes in exchange rates, interest rates and raw material prices have an impact on consolidated earnings.

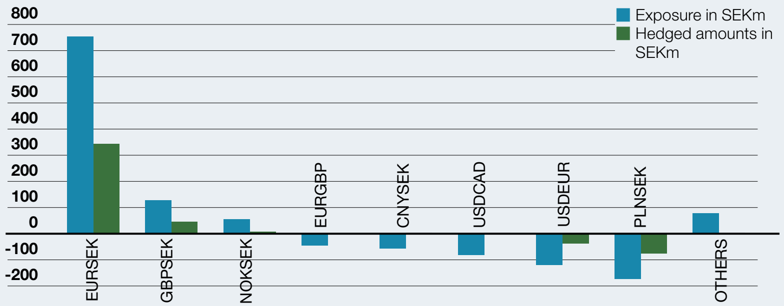
Exchange rate risk
The risk that fair values and cash flows can fluctuate when the value of currencies changes is called exchange rate risk. The Group is exposed to different types of exchange rate risks.

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

The Group's total transaction exposure, net, amounts to SEK 1,488m (1,975) annually. The single most important currency relationship is EUR/SEK, in which the Group has a positive net inflow. The central finance department is responsible for all hedging to reduce the effect of exchange rate fluctuations.

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

Transaction exposure and hedged amounts for 2016, SEKm



Derivatives used are currency forward contracts and options. Currency options are financial contracts that can be used to manage exchange rate risk. The advantage with currency options is that they give the right but not the obligation to carry out an exchange transaction that has been specified in advance. A premium is paid for the right. A combination of several currency options creates currency-hedging strategies where the option right is limited while the premium expense decreases. One common option strategy has a synthetic currency forward contract and a right that is contingent on a currency barrier – flexible forward. The Group uses flexible forwards to optimize its exchange rate risk management.

The fair value of the Group's outstanding currency derivatives (currency forward contracts and currency options) was a SEK 10.0m (neg: 26.0) as per December 31, 2015. Of this SEK 10.0m, SEK 3.4m was charged to net income (cost of goods sold). Hedge accounting was used for currency forward contracts.

Translation exposure
There are also exchange rate risks in the conversion of assets and liabilities of foreign subsidiary companies to the Parent Company's functional currency, called translation exposure.

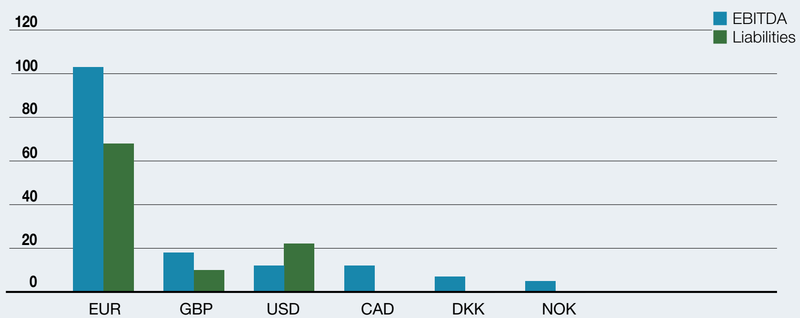
The Group's policy is to hedge net investments with loans but otherwise not to hedge translation exposure. The total translation exposure was SEK 3,810m (3,690). The largest translation exposures were in EUR and USD. The translation exposure in USD was SEK 2,355m (2,182) and in EUR, SEK 1,159m (1,177).

The translation impact of the conversion of the liabilities and assets of foreign subsidiaries in 2015 was a SEK 15m (304).

Financial exposure
The Group is also exposed to exchange rate risks with regard to payment flows for loans in foreign currency, called financial exposure.

The Group's liabilities have been divided by currency for those currencies where there is an underlying positive cash flow. The carrying amount of the loans is matched against positive cash flows from the operations. When the SEK strengthens, the Group's EBITDA expressed in SEK declines, as the value of the external loans, expressed in SEK, declines. The beta value between EBITDA and external loans is approximately 1.32 – a strengthening of SEK of 10 percent compared with other currencies (not taking into consideration any correlation between currency pairs) means an impact on external loans of 10 percent, while EBITDA is affected by approximately 13 percent.

Positive EBITDA and long-term senior liability per currency for 2015, %



A five-year syndicated financing agreement was signed with Danske Bank A/S, DNB Bank ASA and Nordea Bank AB (publ) in connection with the stock exchange listing of Thule Group in November 2014. The senior liability raised is distributed by currency as follows to achieve a favorable match between positive EBITDA and senior liability: 68 percent in EUR, 22 percent in USD and 10 percent in GBP. The table above shows the distribution between positive EBITDA, stated as a percentage of total EBITDA, specified by currency, and long-term senior liability. The currency effects that the loans give rise to are recognized as a financial currency effect in the income statement. The currency effect in 2015 was SEK 28m (neg: 198). However, the Group applies hedge accounting and SEK 21m of the total SEK 28m was transferred to the translation reserve (net investment hedging).

Sensitivity analysis – exchange rate risk
A 10 percent strengthening of the SEK against other currencies, compared with the average exchange rates in 2015 (not taking into consideration any correlation between currencies), would mean a change in EBITDA of negative SEK 110.6m (neg: 101.8) (transaction and translation effects).

Interest rate risk
Interest rate risk is the risk that the value of financial instruments fluctuates due to changes in market interest rates and the risk that changes in the interest rate level will impact the Group's borrowing costs. Interest rate risk can lead to a change in fair values and changes in cash flows. A significant factor that affects the interest rate risk is the fixed-rate period. This interest rate risk is managed by the Group's central finance department. According to the finance policy, the objective of the long-term liability portfolio is for the average fixed-rate period to be, on average, between 6 months and 3 years. The average fixed-rate period was 2 years (3 months) as per December 31, 2015. ISDA agreements were signed with all lenders.

The Group separates the financing of working capital from long-term financing. Overdraft facilities are available for financing working capital.

Term structure of financial liabilities – undiscounted cash flows

2015, SEKm	Total	<1 month	1–3 months	3 months–1 year	2–5 years	>5 years
Long-term liabilities to credit institutions including interest payments	2,473	–	–	–	2,473	–
Derivatives	27	6	2	9	10	–
Short-term liabilities to credit institutions including interest payments	34	–	8	26	–	–
Overdraft facilities	0	–	–	–	–	–
Accounts payable	449	–	449	–	–	–
Finance lease liabilities	16	0	1	3	12	–

2014, SEKm	Total	<1 month	1-3 months	3 months-1 year	2-5 years	>5 years
Long-term liabilities to credit institutions including interest payments	2,576	–	–	1	2,576	–
Derivatives	34	3	5	26	–	–
Short-term liabilities to credit institutions including interest payments	290	–	10	280	–	–
Overdraft facilities	4	–	–	4	–	–
Accounts payable	497	–	497	–	–	–
Finance lease liabilities	16	–	0	4	12	–

Sensitivity analysis – interest rate risk
The impact on the Group's interest expense during the coming 12-month period in the event of an interest rate upturn/downturn of 1 percentage point on the balance-sheet date is SEK -15.8/+2.8m (-24.5/+6.0) – given the interest-bearing liabilities that exist on the balance-sheet date.

An interest rate change of +/–1 percentage point on the balance-sheet date would result in a change in the market value of interest rate derivatives of SEK +34.3m (0) / SEK -16.7m (0).

Refinancing and liquidity risks
Refinancing and liquidity risks are risks that payment commitment cannot be met due to insufficient liquidity or difficulties in obtaining credit from outside sources. The Group has a rolling 8-week liquidity plan that includes all divisions of the Group. Results are reported regularly on a weekly basis. The plan is updated monthly. The liquidity plan is used to manage liquidity risk and as a tool for following the cash flow from the operational and financial business. In-depth analyses are made against previous years in order to measure trends and noticeable deviations. The objective is for the Group to be able to manage its financial obligations in upturns and downturns without significant unforeseeable expenses and without risking the Group's reputation.

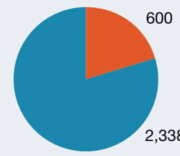
The Group policy is to minimize its borrowing need by centralizing surplus liquidity via the Group's cash pools that have been established by the central finance department. Liquidity risks are centrally managed for the entire Group by the central finance department.

The Group has a central vision for managing the Group's financing, whereby the fundamental rule is that the internal bank is responsible for all external financing. A syndicate with three Scandinavian banks finances the Group. This financing package is contingent on financial and commercial obligations, which are tested regularly. The covenants tested quarterly are the debt/equity ratio and interest coverage ratio.

The Group's fixed-term credit commitments were SEK 2,938m (2,963), which includes long-term loans with payable interest corresponding to SEK 2,338m and overdraft facilities of SEK 600m.

The Group's long-term liabilities with payable interest and the overdraft facilities do not have an amortization schedule but rather the entire amounts are due in November 2019.

The Group's fixed-term credit commitments on December 31, 2015, SEKm



Commodity price risk
Commodity price risk refers to continuously fluctuating prices of input goods from our suppliers and its possible impact on earnings. For the Group, it is primarily fluctuations in aluminum, plastic and steel prices that constitute a significant commodity risk. In 2015, 38 percent (41) of total direct materials consisted of plastic, aluminum and steel. They consist of a number of different subcategories with various degrees of processing that often cannot be tied to a direct market price. Of the three exposures, only aluminum, in principle, is directly associated with a traded market index.

In 2015, the Group purchased raw materials and components for SEK 2,373m (2,247). Total purchases of raw materials amounted to SEK 934m (853). Direct purchases of raw materials amounted to SEK 597m (556) and indirect purchases of raw materials (share of value added of the total value of raw materials) amounted to SEK 337m (298). Direct purchases of aluminum amounted to SEK 213m (187) and indirect purchases of aluminum amounted to SEK 171m (131). Direct purchases of plastic amounted to SEK 231m (233) and indirect purchases of plastic amounted to SEK 135m (140). Direct purchases of steel amounted to SEK 153m (136) and indirect purchases of steel amounted to SEK 31m (27).

However, a significant portion of the supplier contracts for these categories are indexed, which means that if the market price for a raw material changes, then the Group's purchase

NOTE 4 cont.

prices will increase or decrease. Direct materials amounted to 76 percent (76) of the Group's cost of goods sold.

Credit risk in financial operations

The Group's financial operation creates exposure to credit risks. Primarily counterparty risks in connection with receivables from banks arise when purchasing derivatives and deposits to these banks.

The exposure can be attributable to surplus values in derivatives. In order to reduce credit risk, the derivatives are spread between different counterparties. The ISDA agreements permit the offset of derivative assets and derivative liabilities per counterparty, which reduces credit risk. ISDA agreements were signed with all counterparties for settlement of mutual obligations to deliver and pay, and thereby reduce credit risk.

Group 2015, SEKm	Financial assets	Financial liabilities
Amount recognized in balance sheet	27.5	26.6
Nordea	-7.3	-7.3
Danske Bank	-13.7	-13.7
DNB	-3.3	-3.3
Amount after netting	**3.2**	**2.3**

Group 2014, SEKm	Financial assets	Financial liabilities
Amount recognized in balance sheet	8.3	33.9
Nordea	–	–
Danske Bank	–	–
DNB	–	–
Amount after netting	**8.3**	**33.9**

The credit risk in derivatives on the balance-sheet date was SEK 27.5m (8.3) and corresponds to the total positive market value of the derivatives. The credit risk in cash and bank balances was SEK 274.3m and corresponds to the Group's cash and cash equivalents.

Credit risk on accounts receivable

Refer to Note 21 Accounts receivable.

Net debt

At December 31, 2015, net debt amounted to SEK 2,079m (2,546). Net debt consists of the Group's interest-bearing liabilities, including accrued interest and financial derivative liabilities less cash and cash equivalents, interest-bearing short-term receivables and financial derivative assets.

Cash management

Cash management in subsidiaries focuses on minimizing operational working capital. The internal bank manages Group-wide netting to minimize the number of payment transactions and thereby related expenses. In countries with several operational companies, the surpluses and deficits are matched at the country level using cash pools.

There were cash pools during the year in Sweden, UK, Denmark, Norway, Poland and the US. A Group-wide EUR cash pool exists in Belgium, the Netherlands, France and Germany where all liquidity is pooled in Germany. The internal bank manages liquidity in, as well as between, these cash pools.

NOTE 5 Segment accounting

The Group's operations are divided into operating segments based on the parts of the operations that are followed up by the company's chief operating decision-maker. Management has determined the operating segments used for making strategic decisions. Each operating segment has a President who is responsible for the day-to-day operations and who regularly reports on the operating segment's results to Group management. It was based on this internal reporting structure that the Group's segments were identified.

The Outdoor&Bags operating segment mainly includes the product groups bike carriers, water sport and ski-rack, roof boxes, multi-functional child carriers, computer and camera bags and backpacks. In 2015, the Snow Chain Division was divested which was included in the Specialty segment, and this operating segment now encompasses the operations in toolboxes for pick-up trucks (Work Gear) product group in the US. Group-wide refers to Group-wide functions such as business development, marketing, HR, finance, IP, environment, IT and information.

The Snow Chain Division that was previously included in the Specialty operating segment is reported as a discontinued operation. Refer to Note 2 Discontinued operations. Comparative figures for the preceding year have been excluded retroactively.

Group 2015, SEKm	Outdoor &Bags	Specialty	Group-common	Eliminations	Discontinued operations	Total
Revenue and operating income						
Sales to customers	4,862	458	1			5,320
Intercompany sales	7	0	0	-7		0
Underlying EBITDA	**948**	**65**	**-102**			**912**
Operating depreciation/ amortization	-53	-5	-3			-61
Underlying EBIT	**895**	**60**	**-105**			**850**
Other depreciation/ amortization	-12	0	-2			-14
Items affecting comparability	-12	0	0			-12
Operating income	**872**	**60**	**-107**			**825**

NOTE 5 cont.

Group 2015, SEKm	Outdoor &Bags	Specialty	Group-common	Eliminations	Discontinued operations	Total
Financial revenue	–	–	5			5
Financial expenses	–	–	-64			-64
Income before taxes and discontinued operations	**872**	**60**	**-167**			**765**
Other information						
Assets	5,831	149	74	-26	–	6,029
Undistributed assets	–	–	–	–	–	871
Total assets						**6,899**
Liabilities	751	47	201	-26	–	973
Undistributed liabilities	–	–	–	–	–	2,699
Total liabilities						**3,671**
Investments	97	1	0		3	101
Depreciation/amortization	65	5	5		–	75

Sales between segments are carried out on market terms. The segments' income, assets and liabilities (including provisions) include directly attributable items. Items affecting comparability are divided between the operating segments in the internal reporting. These items affecting comparability pertained to expenses for the reorganization of the Bags for Electronic Devices product category and resulted in personnel reductions at the company's operations in the US, Belgium and Hong Kong.

Tax receivables and income tax liabilities (both deferred and current) and interest-bearing assets and liabilities are not included in the segments' assets and liabilities. The segments' investments in tangible and intangible assets include all investments apart from investments in expendable equipment and equipment of a minor value.

Group 2014, SEKm	Outdoor &Bags	Specialty	Group-common	Eliminations	Discontinued operations	Total
Revenue and operating income						
Sales to customers	4,205	351	1			4,556
Intercompany sales	16	0	0	-16		0
Underlying EBITDA	**819**	**43**	**-91**			**771**
Operating depreciation/amortization	-45	-5	-3			-52
Underlying EBIT	**774**	**38**	**-94**			**718**
Other depreciation/amortization	-11	0	-2			-13
Items affecting comparability	-29	0	-32			-61
Operating income	**734**	**38**	**-128**			**644**
Financial revenue	–	–	21			21
Financial expenses	–	–	-344			-344
Income before taxes and discontinued operations	**734**	**38**	**-452**			**321**
Other information						
Assets	5,719	131	98	-5	350	6,293
Undistributed assets	–	–	–	–	–	659
Total assets						**6,952**
Liabilities	706	31	257	-5	64	1,053
Undistributed liabilities	–	–	–	–	–	2,933
Total liabilities						**3,986**
Investments	121	3	–		50	173
Depreciation/amortization	56	5	5		13	79
Impairment	–	–	–		350	350

NOTE 5 cont.

Geographic markets – Group, SEKm	2015	2014
Sales to customers		
Sweden	193	164
Other Nordic countries	172	159
Europe, excluding Nordic countries	2,514	2,182
North America	2,032	1,689
Central/South America	106	107
Asia/Pacific	242	199
Remaining countries	60	57
Total	**5,320**	**4,556**
Fixed assets, SEKm		
Sweden	119	106
Other Nordic countries	–	–
Europe, excluding Nordic countries	226	318
North America	136	132
Central/South America	1	2
Asia	3	1
Total	**485**	**559**

Fixed assets for 2014 include assets pertaining to discontinued operations of SEK 82m.

The information presented for the segments' revenue pertains to the geographic areas based on location of customers. No single customer exceeds 10 percent of external revenue. Information regarding the assets of the segments and investments in tangible and intangible assets for the period is based on the geographic areas based on the location of the assets.

NOTE 6 Distribution of revenue

Group, SEKm	2015	2014
Net sales		
Sales of goods	5,320	4,556
Total	**5,320**	**4,556**

NOTE 7 Other operating revenue

	Group		Parent Company	
SEKm	2015	2014	2015	2014
Re-invoicing of expenses	–	–	24	9
Compensation for patent infringement	–	4	–	–
Other operating income	1	1	–	–
Total	**1**	**5**	**24**	**9**

NOTE 8 Other operating expenses

	Group		Parent Company	
SEKm	2015	2014	2015	2014
Capital loss, equities	–	–	–	-368
Listing costs	–	-32	–	-32
Environmental measures	–	-4	–	–
Other operating expenses	-2	-6	–	–
Total	**-2**	**-42**	**–**	**-400**

NOTE 9 Audit fees

	Group		Parent Company	
SEKm	2015	2014	2015	2014
Audit KPMG AB	-4	-4	-1	–
Audit in addition to audit assignment KPMG AB	–	-2	–	–
Tax consultancy KPMG AB	-2	-1	–	–
Other services KPMG AB	-1	-1	–	–
Total	**-7**	**-8**	**-1**	**–**

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

NOTE 10 Remuneration of employees

SEKm	Group 2015	Group 2014	Parent Company 2015	Parent Company 2014
Salaries and other remuneration	716	678	22	10
Social security	181	121	8	4
Pension expenses – defined-contribution plans	19	17	3	1
Pension expenses – defined-benefit plans	7	9	0	0
Total	**923**	**825**	**34**	**15**

Remuneration for the President and Swedish executive management has been paid by the Parent Company since August 2014.

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

Remuneration and benefits 2015, SEKt	Basic salary incl. change in vacation pay liability, fees	Variable remuneration	Pension expenses	Other remuneration	Total
Chairman of the Board					
Stefan Jacobsson	800	–	–	–	800
Board members					
Bengt Baron	300	–	–	–	300
Hans Eckerström	250	–	–	–	250
Liv Forhaug	300	–	–	–	300
Lilian Fossum Biner	400	–	–	–	400
David Samuelson	250	–	–	–	250
Åke Skeppner	300	–	–	–	300
President					
Magnus Welander	5,778	3,686	1,785	1,615	12,864
Other executive management (4 individuals)	8,820	2,744	1,795	1,926	15,285
Total	**17,197**	**6,430**	**3,580**	**3,541**	**30,749**

Lilian Fossum Biner has, as Chairman of the Audit Committee, received remuneration of SEK 100t (100).

Pension obligations for the President amounted to SEK 7,520t (5,622). Pension obligations for other executive management amounted to SEK 1,402t (985).

Remuneration and benefits 2014, SEKt	Basic salary incl. change in vacation pay liability, fees	Variable remuneration	Pension expenses	Other remuneration	Total
Chairman of the Board					
Stefan Jacobsson	800	–	–	–	800
Board members					
Bengt Baron	300	–	–	–	300
Hans Eckerström	100	–	–	–	100
Liv Forhaug	300	–	–	–	300
Lilian Fossum Biner	400	–	–	–	400
David Samuelson	100	–	–	–	100
Åke Skeppner	300	–	–	–	300
Lottie Svedenstedt	75	–	–	–	75
President					
Magnus Welander	5,886	4,200	1,622	805	12,513
Other executive management (5 individuals)	10,438	2,713	2,001	4,684	19,836
Total	**18,699**	**6,913**	**3,623**	**5,489**	**34,724**

Lilian Fossum Biner has, as Chairman of the Audit Committee, received remuneration of SEK 100t (100). Of the SEK 4,684t attributable to other remuneration for other executive management, SEK 2,381t pertains to an additional bonus to the CFO in connection with the listing on the stock exchange. Lottie Svedenstedt declined reelection at the 2014 Annual General Meeting.

Remuneration of the Board

According to a resolution of the General Meeting, fees to the members of the Board, excluding Committee work, are to be paid as follows: SEK 800,000 to the Chairman of the Board and SEK 300,000 to each of the Board members elected by the General Meeting. The Chairman of the Audit Committee is to receive remuneration of SEK 100,000 for Committee work. No additional remuneration is paid for Committee work other than the standard directors' fees. Expensed remuneration is presented in the table above.

Guidelines for remuneration of the President and other executive management

The Annual General Meeting held on April 29, 2015, resolved on guidelines for remuneration which are to apply in relation to remuneration of the President and other executive management.

Remuneration of Group management is to comprise fixed salary, any variable salary, pension and other benefits. The total remuneration package is to be based on market terms, be competitive and reflect the individual's performance and responsibilities as well as, with respect to share based incentive programs, the value growth of Thule Group share benefiting the shareholders.

Variable salary can comprise annual variable cash bonuses and long-term variable bonuses in the form of cash, shares and/or share-based instruments in Thule Group AB. Variable cash salary requires that defined and measurable targets have been achieved and may not exceed 75 percent of the fixed annual salary for the President and may not exceed 60 percent for other members of executive management. Terms for variable salary should be designed so that the

NOTE 10 cont.

Board, under exceptional economic conditions, is able to limit or waive the payment of variable salary if such action is deemed reasonable.

Pension benefits must be defined-contribution based.

Severance pay is normally given if employment is terminated by Thule Group. The standard notice period for members of Group management is a maximum of 12 months in combination with severance pay of 6 to 12 months fixed salary. No severance pay accrues if notice is given by the employee.

On an individual basis, if justified for particular reasons, the Board has the right to depart from the guidelines adopted by the Annual General Meeting.

The group of executives covered by the guidelines are the President and other members of Group management.

Remuneration of the President

Remuneration is paid to the President in the form of basic salary, variable remuneration, pension and other benefits.

Basic salary amounts to SEK 5,740,000 per year. Variable remuneration can amount to a maximum of 75 percent of basic salary. Any bonus payments and the amount of bonus are related to the degree of fulfillment of annual, predefined financial targets. These targets are linked to sales, EBITDA and cash flow.

A mutual period of notice of six months applies to the President. Full salary and other employment benefits are paid during the period of notice, regardless of whether or not the President has an obligation to work. Severance pay corresponding to 12 monthly salaries is also paid if employment is terminated by the company.

Pension benefits are paid at 30 percent of basic salary. To the extent that premiums are not fully tax deductible for the company, excess premiums are to be agreed as direct pension, insured through endowment insurance pledged to the President.

Other executive management

Remuneration is paid in the form of basic salary, variable remuneration, pension and other benefits.

For other executive management, variable remuneration may amount to between 40 and 60 percent of basic salary. Any bonus payments and the amount of bonus are determined based on the degree of fulfillment of annual, predefined financial targets and individual targets. These financial targets are linked to sales, EBITDA and cash flow, while the individual targets are based on personal performance.

Other executive management has a mutual period of notice of six months. Full salary and other employment benefits are paid during the period of notice. Severance pay corresponding to between 6 and 12 monthly salaries is also paid if employment is terminated by the company.

Pension benefits at 27-30 percent of basic salary are paid for executive management employed in Sweden. To the extent that premiums are not fully tax deductible for the company, excess premiums are to be agreed as direct pension, insured through endowment insurance pledged to the senior executive. Pension benefits at 12-15 percent of basic salary are paid for executive management employed in the US.

Remuneration Committee

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

Incentive programs

In 2014, the Board decided to introduce a long-term incentive program for management, key personnel and the Chairman of the Board. The purpose of the incentive program is to promote and maintain a strong commitment to ensure maximum long-term value for shareholders. At the Extraordinary General Meeting of Thule Group on November 12, 2014, a resolution was passed to issue warrants as part of an incentive program for (i) the management and key personnel, and (ii) the Chairman of the Board (the “Participants”). In total, the incentive programs currently comprise eight individuals. Warrants have been issued to and subscribed for by Thule Group’s subsidiary Thule AB, and the participants acquired warrants from this subsidiary at market value. The total program encompasses 4,999,998 warrants and warrants not subscribed for by the Participants may be offered in the future to new members of executive management and/or key personnel. On full utilization, the option program corresponds to 5 percent of Thule Group’s share capital. The warrants have been issued in three separate series, with the same number of warrants in each series.

- Series 2014/2016 comprises 1,666,666 warrants, of which the participants have acquired 1,244,788 warrants. Series 2014/2016 concluded on January 12, 2016, at which point the number of shares had increased by 1,036,455. The subscription price of the shares was SEK 84.90. The conditions for determining the exercise price of the warrants meant that the ceiling for the highest sales value was achieved with a share price of SEK 100.10.

- Series 2014/2017 comprises 1,666,666 warrants, of which the participants have acquired 1,257,728 warrants that can be exercised between January 1 and December 31, 2017. The exercise price for Series 2014/2017 corresponds to SEK 83.10. Furthermore, if on subscribing for the share, the last price paid for the company's share when the stock exchange closes on the last trading day preceding the subscription date exceeds 145 percent of the set exercise price, the exercise price will be increased by an amount equal to the amount the latest price paid for the share exceeds 145 percent of the exercise price.

- Series 2014/2018 comprises 1,666,666 warrants, of which the participants have acquired 1,257,728 warrants that can be exercised between January 1 and December 31, 2018. The exercise price for Series 2014/2018 corresponds to SEK 88.00. Furthermore, if on subscribing for the share, the last price paid for the company's share when the stock exchange closes on the last trading day preceding the subscription date exceeds 164 percent of the set exercise price, the exercise price will be increased by an amount equal to the amount the latest price paid for the share exceeds 164 percent of the exercise price.

NOTE 10 cont.

Board members' and executive management's holdings of warrants in Thule Group AB are presented in the table below.

Warrants 2015	Number
Chairman of the Board	
Stefan Jacobsson	546,873
Group management	
President	
Magnus Welander	1,093,749
Other executive management	
Fred Clark	624,999
Fredrik Erlandsson	312,498
Lennart Mauritzson	624 999
Kajsa von Geijer	312 498
Total	**3,515,616**

The market value of the warrants on the subscription date was calculated by using an established valuation model (Black-Scholes).

Market value per Series:	
2014/2016	SEK 3.10
2014/2017	SEK 3.30
2014/2018	SEK 3.20

Conditions of valuation:	
Share price	SEK 70 (IPO price)
Volatility	23 percent (based on statistical data for comparable, listed companies)
Risk-free interest	0.02 percent, 0.08 percent and 0.2 percent, respectively (based on an interpolation of outstanding government bonds 1050, 1051 and 1052).

Assumed dividend:	
2015	SEK 2.71
2016	SEK 3.07
2017	SEK 3.29

NOTE 11 Lease agreements

Operating leases

Lease expenses

Future payment commitments in the Group on December 31, 2015 for non-terminable operating leases are specified as follows:

	Group		Parent Company	
Fees fall due, SEKm	2015	2014	2015	2014
Within 1 year	37	47	–	–
Between 2–5 years	50	58	–	–
More than five years	5	6	–	–
Total	**92**	**111**	**0**	**0**

Expensed leasing fees for the year amounted to SEK 32m (32).

Finance leases

Lease expenses

Future payment commitments in the Group on December 31, 2015 for non-terminable finance lease agreements are specified as follows:

	Group		Parent Company	
Fees fall due, SEKm	2015	2014	2015	2014
Nominal values				
Within 1 year	5	4	1	–
Between 2–5 years	12	12	1	–
More than five years	–	–	–	–
Total	**16**	**16**	**1**	**0**
Present values				
Within 1 year	4	4	1	–
Between 2–5 years	9	10	1	–
More than five years	–	–	–	–
Total	**13**	**14**	**1**	**0**

Future payment commitments include finance lease agreements for real estate in Belgium as well as finance lease agreements for company cars in Sweden. The lease agreement in Belgium has a term of 15 years and expires on December 19, 2019. The contract may not be canceled but it is possible to purchase the real estate at the end of the contract period. The lease agreement in Sweden for company cars is for three years per vehicle.

NOTE 12 Average number of employees and gender distribution in executive management

Number of employees
Average number of employees calculated based on the total number of hours worked divided by 1,750 hours.

Parent Company	2015	Of whom, men	2014	Of whom, men
Sweden	4	3	2	1

Subsidiaries	2015	Of whom, men	2014	Of whom, men
Sweden	310	199	292	188
Europe	963	456	899	414
North America	626	438	709	513
South America	28	23	28	23
Asia	72	40	84	41
Total subsidiaries	**1,999**	**1,156**	**2,012**	**1,179**
Total	**2,003**	**1,159**	**2,014**	**1,180**

	Group		Parent Company	
Gender distribution in Board members and other executive management, %	2015	2014	2015	2014
Board members				
Women	15	15	29	29
Men	85	85	71	71
President and other executive management, %				
Women	20	17	25	25
Men	80	83	75	75

NOTE 13 Provisions for pensions

Group
Post-employment remuneration, such as pensions and other remunerations, is usually paid through regular payments to independent authorities or agencies that thus take over the obligations to the employees, meaning through defined-contribution plans. Other pension plans in the Group comprise defined-benefit plans where the obligation remains with the Group. Defined-benefit plans primarily exist in Thule Group in Sweden through the ITP plan in accordance with the PRI System (retirement pension).

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

The defined-benefit ITP plan (ITP2) primarily comprises a retirement pension for life. It is based on final salary on retirement. The benefit amounts to 10 percent of final salary on incomes of up to 7.5 income base amounts, 65 percent of final salary on incomes of between 7.5 and 20 income base amounts and 32.5 percent of final salary on incomes of between 20 and 30 income base amounts. No retirement pension benefit is paid on incomes over 30 income base amounts. Companies in the Group have decided to insure the ITP2 retirement pension by making provisions to an account for pensions in the balance sheet, alongside credit insurance with PRI Pensionsgaranti. In addition to the ITP2 retirement pension, the plan also includes a family pension, disability pension, complementary retirement pension (ITPK) and group life insurance benefits (TGL) for which companies in the Group continuously pay premiums to Alecta/Collectum. According to a statement from the Swedish Financial Reporting Board (UFR 10), the defined-benefit ITP in Alecta is defined as a multiemployer defined-benefit plan. For the 2015 fiscal year, the Group did not have access to information from Alecta that made it possible to recognize these pension benefits as a defined-benefit plan. Accordingly, these benefits are recognized as defined-contribution pension plans.

A surplus or a deficit with Alecta may entail a refund to the Group or lower or higher future contributions. At the end of the year, Alecta's surplus in the form of the collective consolidation level was 153 percent (143). The collective consolidation level comprises the market value of the trustee's assets as a percentage of the insurance commitments calculated according to the trustee's actuarial calculation assumptions.

For the portion of the ITP plan in Sweden that the Group recognizes as a liability via credit insurance with PRI, the Group is exposed to interest rate risk and long lifetime risk.
For defined-benefit plans, the Group's expenses and present value of outstanding obligations are calculated on the balance-sheet date using actuarial calculations. The table below provides information about the most significant actuarial assumptions, recognized expenses during the fiscal year and the value of obligations at the end of the period. The TRF plan (Trattamento de Fine Rapporto) in Italy that existed at the start of the year is included in discontinued operations.

	Sweden		Italy	
Assumptions in actuarial calculations, %	2015	2014	2015	2014
Discount rate	3.10	2.45	–	1.70
Expected rate of salary increase, above inflation	1.25	1.25	–	–
Rate of inflation	1.45	1.15	–	2.00

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

For Sweden, the updated mortality assumption, DUS 14, is used, which is a more recently updated investigation compared with the assumption in the Swedish Financial Supervisory Authority's safeguarding bases. The average remaining life expectancy for an individual that retires at age 65 is 20 for men and 23 for women.

In addition to the impact from amended actuarial assumptions such as a change in the discount rate, etc., actuarial gains and losses arose due to an adjustment of experience-based effects. Experience-based effects refer to actual salary increases compared with assumed

NOTE 13 cont.

increases, actual personnel turnover rate compared with the assumed personnel turnover rate, etc. The distribution between actuarial gains and losses that are dependent on changes in assumptions and experience-based gains and losses are shown below.

	Sweden		Italy		Total	
Changes in assumptions, SEKm	2015	2014	2015	2014	2015	2014
Gains (–) and losses (+) due to changes in assumptions	-7	18	–	2	-7	20
Experienced-based gains (–) and losses (+)	4	4	–	–	4	4
Amounts to recognize in other comprehensive income	**-4**	**22**	**–**	**2**	**-4**	**24**

	Sweden		Italy		Total	
Carrying amount of defined-benefit pension plans, SEKm	2015	2014	2015	2014	2015	2014
Present value of unfunded obligations	120	122	–	13	120	135
Provisions for pensions	**120**	**122**	**–**	**13**	**120**	**135**

	Sweden		Italy		Total	
Changes in present value of obligation for defined-benefit plans, SEKm	2015	2014	2015	2014	2015	2014
Obligation per January 1	122	120	13	15	135	135
Discontinued operations	–	-23	-13	–	-13	-23
Expenses for service during current period	4	5	–	–	4	5
Interest expense	3	4	–	–	3	4
Pension payments	-6	-6	–	-4	-6	-10
Actuarial gains (–) and losses (+)	-4	22	–	2	-4	24
Exchange rate differences	–	–	–	–	–	–
Obligation per December 31	**120**	**122**	**–**	**13**	**120**	**135**

In 2016, pension payments are expected to amount to SEK 5m in Sweden. At the end of 2015, the average duration of the Swedish pension obligation was approximately 22 years.

The present value of the Group's pension obligations is sensitive to changes in the discount rate (interest rate risk). A decline in the discount rate will lead to the present value of the obligations increasing and an increase in the discount rate will lead to the present value of the obligation declining. The table below presents the impact on the present value of the obligations in the event of a 0.5-percentage-point increase and decrease in the discount rate.

SEKm	Sweden
0.5-percent increase in discount rate	-10
0.5-percent decrease in discount rate	13

	Sweden		Italy		Total	
Expenses for defined-benefit plans, SEKm	2015	2014	2015	2014	2015	2014
Expenses for service during current period	4	5	–	–	4	5
Interest expense	3	4	–	–	3	4
Total expense recognized in income statement	**7**	**9**	**–**	**–**	**7**	**9**

	Group	
Pension expense recognized in the following lines in income statement, SEKm	2015	2014
Selling expenses	4	2
Administrative expenses	–	3
Financial expenses	3	4
Total	**7**	**9**

Defined-contribution pension plans

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

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

	Group		Parent Company	
SEKm	2015	2014	2015	2014
Expenses for defined-contribution pension plans	19	17	3	1
Total	**19**	**17**	**3**	**1**

NOTE 14 Expenses divided by type of cost

	Group	
SEKm	2015	2014
Changes in inventory of finished products and work in progress	-187	-414
Raw materials and manufacturing supplies	-2,128	-1,669
Expenses for remuneration of employees	-947	-901
Depreciation/amortization	-75	-66
Other expenses	-1,158	-824
Total expenses for goods sold, sales and administration	**-4,495**	**-3,875**

NOTE 15 Net financial items

SEKm	Group 2015	Group 2014	Parent Company 2015	Parent Company 2014
Interest income	5	21	57	1
Financial revenue	**5**	**21**	**57**	**1**
Interest expense	-52	-223	-50	–
Other financial expenses	-3	-27	-3	–
Interest expense on defined-benefit pension obligations	-3	-4	–	–
Net exchange rate fluctuations	-7	-134	–	–
Less: Discontinued operations	1	44	–	–
Financial expenses	**-64**	**-344**	**-53**	**0**
Net financial items	**-60**	**-323**	**4**	**1**

Of interest expenses SEK 39m (144) pertained to the category of financial liabilities recognized at amortized cost and SEK 3m (49) pertained to the category of financial liabilities measured at fair value. Interest coupons for financial derivatives are netted, meaning that both receipts and payments are recognized as interest expense.

NOTE 16 Taxes

Recognized in income statement, SEKm	Group 2015	Group 2014	Parent Company 2015	Parent Company 2014
Current tax expense (-)/tax revenue +)				
Tax expense for the year	-149	-80	0	0
Deferred tax expense (-)/tax revenue (+)				
Deferred tax pertaining to temporary differences	-25	-9	1	0
Total recognized tax expense (-)/ tax revenue (+)	**-174**	**-89**	**1**	**0**

SEK 3m (neg: 4) of the recognized tax expense above is attributable to discontinued operations.

Group Effective tax rate reconciliation, SEKm	2015 (%)	2015	2014 (%)	2014
Income before taxes from continuing operations		765		321
Income before taxes from discontinued operations		-146		-373
Tax according to current tax rates for Parent Company	22.0	136	-22.0	-11
Impact of other tax rates on foreign subsidiaries	1.4	8	-4.5	-2
Non-deductible expenses	6.7	42	172.3	89
Non-taxable income	-1.7	-11	-31.7	-16
Increase in loss carryforwards without corresponding capitalization of deferred tax	1.0	6	9.1	5
Utilization of previously non-capitalized loss carryforwards	-0.3	-2	-2.0	-1
Tax attributable to previous years	-1.0	-6	36.1	19
Other	0.2	1	14.1	7
Recognized effective tax	**28.3**	**174**	**171.5**	**89**

Effective tax pertaining to the continuing operations amounted to 23.3 percent (26.4). The tax rates for the 2014 were impacted by the provisions made for the ongoing tax dispute in Germany, see below.

Parent Company Effective tax rate reconciliation, SEKm	2015 (%)	2015	2014 (%)	2014
Income before taxes		-3		-368
Tax according to current tax rates for Parent Company	-22.0	-1	-22.0	-81
Non-deductible expenses	0.0	0	22.0	81
Recognized effective tax	**-22.0**	**-1**	**0.0**	**0**

NOTE 16 cont.

Tax at the current tax rate is calculated from a weighted average of local tax rates for each country.

The company is involved in an ongoing tax dispute in Germany. Regarding the tax audits for the years 2005–2008, the tax agency in Germany has made a decision that corresponds with its earlier view of this issue. As the company announced earlier, the German tax agency has issued a judgment on an increase in the tax base, which adds another approximately EUR 17.6m in further taxes and accrued interest for the company. The company has appealed the decision of the German tax agency regarding Thule Deutschland Holding GmbH. The company has not made any further provisions this year with regard to the ongoing tax dispute. In total, the Group has made a provision of SEK 46m for tax/interest rates attributable to the above dispute. A tax payment of SEK 42m pertaining to a partial payment of the German tax agency claim was made during the year. In addition, a tax audit is ongoing in Germany for the 2009–2012 period. The German tax agency has yet to take a decision regarding these years.

Recognized in statement of comprehensive income

		2015			2014	
Group, SEKm	Before tax	Taxes	After tax	Before tax	Taxes	After tax
Foreign currency translation	9	–	9	241	–	241
Hedge reserve	34	-6	28	-26	5	-21
Net investment hedge	21	-14	7	81	-18	64
Translation differences recognized in net income for the period	-26	-6	-32	23	17	39
Actuarial gains and losses	4	-1	3	-24	6	-19
Other comprehensive income	**43**	**-26**	**17**	**295**	**9**	**304**

Recognized in the balance sheet

Deferred tax receivables and liabilities pertain to the following:

	Deferred tax receivables		Deferred tax liabilities		Net	
Group, SEKm	2015	2014	2015	2014	2015	2014
Tangible assets	18	17	-31	-36	-13	-19
Intangible assets	11	32	-81	-76	-71	-44
Inventories	31	33	0	-5	31	28
Receivables	1	2	-1	0	-1	2
Liabilities	53	46	0	-2	53	43
Other	1	8	0	0	1	8
Loss carryforwards	394	382			394	382
Tax allocation reserves			-70	-34	-70	-34
Tax receivables/liabilities	**508**	**520**	**-184**	**-154**	**325**	**366**

Non-recognized deferred tax receivables

Deductible temporary differences and loss carryforwards for which no deferred tax receivables have been recognized in the balance sheet:

Group, SEKm	2015	2014
Tax deficit	372	376
	372	**376**

SEK 0m of the loss carryforwards is due in 2016. The remainder of the loss carryforwards is due at a later date, or is unlimited in time.

Deferred tax receivables have not been recognized for these items since it is unlikely the Group will utilize them for deductions against future taxable gains.

Changes in deferred tax receivables were recognized as follows, SEKm	2015	2014
Tax receivables on January 1	366	293
Recognized through profit or loss		
Temporary differences	-27	-50
Loss carryforwards	2	41
Recognized in statement of comprehensive income	-26	9
Divested tax receivables/liabilities	-9	18
Currency effect	20	55
On December 31	325	366

NOTE 17 Earnings per share

2015	Continuing operations	Discontinued operations	Total
Earnings per share before dilution			
Net income attributable to Parent Company shareholders, SEKm	587	-143	444
Weighted average number of outstanding shares, thousands	100,000	100,000	100,000
Earnings per share before dilution, SEK	**5.87**	**-1.43**	**4.44**
Earnings per share after dilution			
Net income attributable to Parent Company shareholders, SEKm	587	-143	444
Average number of shares outstanding, thousands	100,634	100,634	100,634
Earnings per share after dilution, SEK	**5.84**	**-1.42**	**4.42**

NOTE 17 cont.

2014	Continuing operations	Discontinued operations	Total
Earnings per share before dilution			
Net income attributable to Parent Company shareholders, SEKm	236	-376	-140
Weighted average number of outstanding shares, thousands	85,894	85,894	85,894
Earnings per share before dilution,SEK	**2.75**	**-4.38**	**-1.63**
Earnings per share after dilution			
Net income attributable to Parent Company shareholders, SEKm	236	-376	-140
Average number of shares outstanding, thousands	85,904	85,904	85,904
Earnings per share after dilution, SEK	**2.75**	**-4.38**	**-1.63**

Earnings per share before dilution
The calculation for earnings per share is based on net income attributable to the Parent Company shareholders and on a weighted average number of shares outstanding.

In thousands of shares	2015	2014
Total number of shares issued on January 1	100,000	84,483
Impact of issues	0	1,411
	100,000	**85,894**

Earnings per share after dilution
The calculation for earnings per share after dilution is based on net income attributable to the Parent Company shareholders and on a weighted average number of shares outstanding.

In thousands of shares	2015	2014
Weighted average number of shares	100,000	85,894
Impact of warrants	634	10
	100,634	**85,904**

NOTE 18 Intangible assets

Group, SEKm	Goodwill	Intangible assets	Advance	Total
Accumulated cost				
Opening balance, January 1, 2014	4,554	308	8	4,870
Other investments	–	15	–	15
Discontinued operations	-911	-107	-8	-1,026
Exchange rate differences for the year	396	12	–	408
Closing balance, December 31, 2014	**4,038**	**228**	**0**	**4,266**
Opening balance, January 1, 2015	4,038	228	0	4,266
Discontinued operations	–	-15	–	-15
Other changes/reclassifications	–	14	–	14
Exchange rate differences for the year	-5	-5	–	-11
Closing balance, December 31, 2015	**4,032**	**222**	**0**	**4,254**
Accumulated amortization and impairment				
Opening balance, January 1, 2014	-250	-179	–	-429
Discontinued operations	600	21	–	621
Amortization for the year	–	-18	–	-18
Impairment for the year	-350	–	–	-350
Exchange rate differences for the year	–	-8	–	-8
Closing balance, December 31, 2014	**0**	**-184**	**0**	**-184**
Opening balance, January 1, 2015	0	-184	0	-184
Discontinued operations	–	12	–	12
Amortization for the year	–	-17	–	-17
Other changes/reclassifications	–	-8	–	-8
Exchange rate differences for the year	–	4	–	4
Closing balance, December 31, 2015	**0**	**-192**	**0**	**-192**
Carrying amounts				
At January 1, 2014	4,303	130	8	4,441
At December 31, 2014	**4,038**	**44**	**0**	**4,082**
At January 1, 2015	4,038	44	0	4,082
At December 31, 2015	**4,032**	**29**	**0**	**4,061**

NOTE 18 cont.

Amortization and impairment are included in the following rows of the income statement for 2015, SEKm	
Cost of goods sold	1
Selling expenses	13
Administrative expenses	2
Total continuing operations	**17**

Amortization and impairment are included in the following rows of the income statement for 2014, SEKm	
Cost of goods sold	1
Selling expenses	15
Administrative expenses	0
Total continuing operations	**16**
Amortization recognized under discontinued operations in income statement	2
Impairment recognized under discontinued operations in income statement	350

The Group does not have any internally generated intangible assets. The total research and development expenses for the year amounted to SEK 208m (201).

Impairment testing of goodwill

An annual test is performed to see if there is any need for impairment by calculating the recoverable amount of the cash-generating units (CGU) to which goodwill has been allocated.
A summary of the distribution of goodwill at operating segment level is provided below.

SEKm	2015	2014
Outdoor&Bags	4,017	4,023
Specialty	16	15
	4,032	**4,038**

Impairment testing 2014

The Towing operating segment, comprising the Trailer and Towbars CGUs, was divested in 2014. A SEK 350m impairment of goodwill was made in relation to the Towing Division's estimated net realizable value in 2014.

Impairment testing 2015

The recoverable amount of the cash-generating units' estimated value-in-use is included in the impairment test. The current weighted average cost of capital (WACC), estimated at 7.5 percent (8.3) after tax and 7.5 percent (8.4) before tax, is used in the present value calculation of values-in-use. The requirement for return on equity is determined according to the Capital Asset Pricing Model and interest for debt/equity ratio reflects a market-based borrowing cost. Optimal debt/equity ratio has been set at 20.2 percent.

The estimates that form the basis of the value-in-use calculations for each segment were based on budgets determined by the company management for the coming year and on strategic plans established by the Board for the next three years.

The cash flow for the following years has been extrapolated, assuming an annual growth rate for the Outdoor&Bags segment of 3 percent (3) and for the Specialty segment, 2 percent (2).

Important variables in forecasting cash flows

Growth rate

Thule's growth rate is based on sales volume growth. These assumptions are based on planned launches of new products, planned price increases and marketing investments for each unit and historical experience.

The market growth used is expected to follow the general growth rate of each market. The following exchange rate assumptions were used when preparing the strategic plans: EUR/SEK 9.27 USD/SEK 8.58 PLN/SEK 2.24 GBP/SEK 13.29.

Level of performance

Raw material costs for the larger categories were reviewed. More efficient sourcing, achieved by planned and implemented structural changes, was taken into consideration.

Forecasted payroll expenses are based on expected inflation, a degree of real income growth, planned efficiency enhancements in the Group's production and impacts of planned recruiting.

The forecast is also based on the effective handling of the Group's working capital and necessary replacement investments. Company management believes that no reasonable changes in the important assumptions will lead to the estimated total recoverable amount of the units being lower than their total carrying amounts.

NOTE 19 cont.

NOTE 19 Tangible assets

Group, SEKm	Buildings and land improve-ments	Plant and machinery	Equipment, tools, fixtures and fittings	Construction in progress	Total
Accumulated cost					
Opening balance, January 1, 2014	**821**	**921**	**625**	**40**	**2,407**
Discontinued operations	-383	-290	-352	-18	-1,043
Other investments	3	15	16	88	122
Divestments and scrapping	-2	-9	-19	–	-30
From in progress	48	14	1	-63	–
Other changes/reclassifications	5	13	10	-28	–
Exchange rate differences for the year	53	54	29	1	136
Closing balance, December 31, 2014	**545**	**717**	**309**	**21**	**1,592**
Opening balance, January 1, 2015	**545**	**717**	**309**	**21**	**1,592**
Discontinued operations	-135	-221	-68	-2	-426
Other investments	11	19	17	31	78
Divestments and scrapping	0	-30	-18	–	-49
From in progress	2	14	4	-20	0
Other changes/reclassifications	15	10	-54	–	-29
Exchange rate differences for the year	7	1	3	0	11
Closing balance, December 31, 2015	**445**	**509**	**193**	**31**	**1,178**
Accumulated depreciation and impairment					
Opening balance, January 1, 2014	**-354**	**-719**	**-443**	**–**	**-1,516**
Discontinued operations	148	228	221	–	598
Divestments and scrapping	2	7	15	–	24
Other changes/reclassifications	–	–	–	–	–
Depreciation for the year	-14	-27	-20	–	-61
Exchange rate differences for the year	-17	-37	-22	–	-76
Closing balance, December 31, 2014	**-234**	**-549**	**-250**	**–**	**-1,033**

Group, SEKm	Buildings and land improve-ments	Plant and machinery	Equipment, tools, fixtures and fittings	Construction in progress	Total
Accumulated depreciation and impairment					
Opening balance, January 1, 2015	**-234**	**-549**	**-250**	**–**	**-1,033**
Discontinued operations	69	200	65	–	333
Divestments and scrapping	0	26	15	–	41
Other changes/reclassifications	-13	-11	47	–	23
Depreciation for the year	-13	-27	-19	–	-59
Exchange rate differences for the year	2	1	-2	–	1
Closing balance, December 31, 2015	**-188**	**-360**	**-145**	**0**	**-693**
Carrying amounts					
At January 1, 2014	467	200	183	41	891
At December 31, 2014	**310**	**169**	**59**	**21**	**559**
At January 1, 2015	310	169	59	21	559
At December 31, 2015	**257**	**149**	**48**	**31**	**485**

Of the carrying amount on the balance-sheet date, SEK 10m (11) pertains to finance lease agreements for buildings and SEK 10m (9) for finance lease agreements for company cars.

NOTE 20 Inventories

Group, SEKm	Dec 31, 2015	Dec 31, 2014
Raw materials and consumables	215	172
Products in progress	67	93
Finished goods and goods for resale	440	530
Total	**722**	**795**

Change in recognized inventory obsolescence	2015	2014
At January 1	106	118
Provision for obsolescence	49	27
Impairment of inventories	-30	-11
Reversal of previous years' reserves	-14	-18
Currency effect	6	12
Less: Discontinued operations	-10	-22
At December 31	**107**	**106**

NOTE 21 Accounts receivable

Group, SEKm	Dec 31, 2015	Dec 31, 2014
Accounts receivable, gross	624	777
Less: Reserve for doubtful receivables	-13	-23
Accounts receivable, net	**610**	**754**

There was no significant concentration of credit exposure on the balance-sheet date. The majority of the Group's customers primarily comprise medium-sized customers.

Age analysis of accounts receivable, no provisions	Dec 31, 2015	Dec 31, 2014
Not due	532	664
Due between 1–30 days	49	76
Due between 31–60 days	12	13
Due more than 60 days	30	24
Less: Reserve for doubtful receivables	-13	-23
Total	**610**	**754**

Fair value of accounts receivable agrees with the carrying amount. The credit quality of receivables with no provision is considered to be high.

Changes in the provisions for doubtful receivables is as follows:	2015	2014
At January 1	-23	-17
Provision for doubtful receivables	-4	-7
Receivables written off during the year as uncollectible	2	1
Reversal of previous years' reserves	0	1
Currency effect	0	-1
Less: Discontinued operations	12	–
At December 31	**-13**	**-23**

NOTE 22 Cash and cash equivalents

	Group		Parent Company	
SEKm	Dec 31, 2015	Dec 31, 2014	Dec 31, 2015	Dec 31, 2014
Cash and bank balances	274	113	–	–
Short-term investments with a term of less than three months from acquisition date	–	1	–	–
Cash and cash equivalents	**274**	**114**	**–**	**–**

NOTE 23 Specific disclosures regarding equity

	Common shares		Preference shares	
In thousands	2015	2014	2015	2014
Issued January 1	100,000	282,353	0	164,979
New issue of shares	–	15,508	–	41
Merger	–	-254,118	–	-148,518
Conversion	–	16,502	–	-16,502
Bonus issue	–	39,755		
Issued December 31 – paid	100,000	100,000	0	0

The shares of Thule Group AB are listed on the Nasdaq Stockholm Mid Cap list.

The Group did not buy back or hold any treasury shares during the fiscal year. The number of shares approved, issued and fully paid as per December 31, 2015 was 100,000,000. The company has only one class of share. In connection with listing of Thule Group AB's shares on

NOTE 23 cont.

Nasdaq Stockholm in November 2014, all preference shares were converted into common shares.

At General Meetings of shareholders, each share carries one vote and each shareholder is entitled to vote the full number of shares such shareholder holds in the company.

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

Dividend

The Board proposes a dividend of SEK 2.50 per share, totaling SEK 253m, divided between two installment dates, SEK 1.25 in May 2016 and SEK 1.25 in October 2016. The dividend will be adopted at the Annual General Meeting held on April 26.

Capital management

Under the Board's policy, the Group's financial target is to maintain a financial position that is conducive to maintaining investor, creditor and market confidence and that sustains future development of the business.

The Board seeks to maintain a balance between the higher returns, that may be possible with higher levels of borrowings, and the advantages and security offered by a sound capital structure. The key figure that the company's management and external stakeholders mainly assess with respect to capital structure is the net debt to EBITDA ratio. Thule Group aims to maintain an effective long-term capital structure, defined as the net debt to EBITDA ratio (adjusted for items affecting comparability), of about 2.5x. This key figure is monitored on a regular basis via the internal reporting to management and the Board. Capital is defined as equity.

Group

Translation reserve

The translation reserve includes all exchange rate differences arising on the translation of the financial statements from foreign operations that have prepared their financial statements in a different currency to the currency in which the consolidated financial statements are presented. The Parent Company and Group present their financial statements in Swedish kronor (SEK). Furthermore, the translation reserve comprises exchange rate differences that arise from the revaluation of liabilities that were recognized as hedging instruments of a net investment in a foreign business.

Hedge reserve

The hedge reserve includes the effective portion of the accumulated net change in fair value of a cash flow hedging instrument attributable to hedge transactions that have not yet occurred.

Parent Company

Restricted reserves

Restricted reserves may not be reduced through dividend. The Parent Company has no restricted reserves.

Non-restricted equity

The following reserves, together with net income, comprise non-restricted equity – the amount that is available for shareholder dividend.

Share premium reserve

When shares are issued at a premium, meaning that a higher amount than the quotient value is paid for the share, an amount corresponding to the surplus of the quotient value of the share is recognized in the share premium reserve.

Profit brought forward

Profit brought forward comprises profit brought forward from the preceding year after deductions for any dividend paid during the year. During the year, SEK 200m was paid in dividend.

NOTE 24 Liabilities to credit institutions

	Group		Parent Company	
Long-term interest-bearing liabilities, SEKm	Dec 31, 2015	Dec 31, 2014	Dec 31, 2015	Dec 31, 2014
Long-term liabilities to credit institutions	2,338	2,363	2,338	2,363
Leasing	12	13	–	–
Derivative liabilities – long-term	13	–	–	–
Total	**2,363**	**2,376**	**2,338**	**2,363**

Short-term interest-bearing liabilities, SEKm				
Short-term liabilities to credit institutions	–	250	–	250
Overdraft facilities	–	4	–	–
Leasing	5	4	–	–
Derivative liabilities – short-term	13	34	–	–
Total	**18**	**292**	**0**	**250**

Term structure of liabilities to credit institutions, SEKm				
Overdraft facilities	–	4	–	–
1 year	18	288	–	250
2–3 years	25	1	–	–
4–5 years	2,338	2,374	2,338	2,363
More than five years	–	–	–	–
Total	**2,381**	**2,668**	**2,338**	**2,613**

NOTE 25 Accrued expenses and deferred income

SEKm	Group Dec 31, 2015	Group Dec 31, 2014	Parent Company Dec 31, 2015	Parent Company Dec 31, 2014
Employee-related expenses	148	142	13	7
Bonuses to customers	136	118	–	–
Prepaid rental income	2	–	–	–
Other items	55	67	1	–
Total	**341**	**327**	**14**	**7**

NOTE 26 Provisions

SEKm	Group Dec 31, 2015	Group Dec 31, 2014	Parent Company Dec 31, 2015	Parent Company Dec 31, 2014
Restructuring expenses	8	29	–	–
Guarantee commitments	15	15	–	–
Ongoing tax audit, Germany	5	46	–	–
Other provisions	12	17	–	6
Total	**40**	**107**	**–**	**6**

	Restructuring expenses	Other provisions
Carrying amount at beginning of year	29	17
New provisions	12	8
Amounts utilized during the period	-26	-11
Reversed provisions	–	–
Less: Discontinued operations	-7	-2
Currency effect	–	–
Carrying amount at end of period	**8**	**12**

The provisions for restructuring pertained to the reorganization of the Bags for Electronic Devices product category and resulted in personnel reductions at the Group's operations in the US, Belgium and Hong Kong.

NOTE 27 Cash flow statement

SEKm	Group 2015	Group 2014	Parent Company 2015	Parent Company 2014
Interest paid	-53	-336	6	-2
Adjustments for items not included in cash flow				
Depreciation/amortization and impairment of assets	93	434	–	–
Provisions	7	42	–	–
Capital gain/loss from divestment of operations/shares	128	0	–	368
Unrealized financial items	-12	24	–	–
Total	**216**	**500**	**–**	**368**

Cash and cash equivalents	Group 2015	Group 2014	Parent Company 2015	Parent Company 2014
The following sub-components are included in cash and cash equivalents:				
Cash and bank balances	274	113	–	–
Short-term investments, equal to cash and cash equivalents	0	1	–	–
Total according to balance sheet	**274**	**114**	**–**	**–**

NOTE 28 Appropriations

Parent Company, SEKm	2015	2014
Group contribution received	2	31
Total	**2**	**31**

NOTE 29 Participations in subsidiaries

Parent Company, SEKm	Dec 31, 2015	Dec 31, 2014
Opening cost	1,000	1,000
Closing accrued cost	1,000	1,000
Closing carrying amount of direct holdings of participations in subsidiaries	**1,000**	**1,000**

NOTE 29 cont.

Name	Corp. Reg. No.	Registered office	Share of equity, %
Thule AB	556770-6329	Malmö	100
Thule Holding AB	556662-7138	Malmö	100
Thule Towing Systems AB	556259-0298	Malmö	100
Thule NV		Menen	100
Thule Organization Solutions Asia Pacific Ltd.		Hong Kong	100
Thule Organization Solutions Shenzhen Co Ltd		Shenzhen	100
Thule Organization Solutions Holding BV		Utrecht	100
Thule Organization Solutions S.A.		Gembloux	100
Thule Organization Solutions SL		Madrid	100
Thule Organization Solutions S.A.R.L		Rosny Sous Bois	100
Thule Organization Solutions BV		Utrecht	100
Thule Finans AB	556043-6858	Malmö	100
Thule Sp.zo.o.		Huta	100
Thule Japan KK		Tokyo	100
Thule S.r.o		Prague	100
Thule Sweden AB	556076-3970	Gnosjö	100
Thule Brasil Comércia de Acessórios		Sao Paulo	100
Thule Shanghai Co Ltd		Shanghai	100
Thule IP AB	556578-1282	Malmö	100
Thule Merchandizing AB	556849-4016	Malmö	100
Thule Brasil Distribuidora Ltda		Sao Paulo	100
Thule Sport Rack Beheer B.V.		Staphorst	100
Thule Canada Holding LLC		Wilmington, Delaware	100
Thule Canada Inc		Granby	100
Thule Holding ApS		Copenhagen	100
Brink Nordisk Holdings ApS		Copenhagen	100
Thule Holding Inc		Seymour	100
Thule Inc.		Seymour	100
Thule Towing Systems LLC		Detroit	100
Thule Organization Solutions Holding Inc.		Wilmington, Delaware	100
Thule Organization Solutions Inc.		Longmont, Colorado	100
Thule Organization Solutions Canada Inc.		Toronto	100
Thule Holding Ltd		Rotherham	100
Thule Outdoor Ltd		Rotherham	100
Thule Deutschland Holding AB	556662-7419	Malmö	100
Thule Deutschland Holding GmbH		Neumarkt	100
Thule GmbH		Neumarkt	100

NOTE 30 Pledged assets

Group, SEKm	Dec 31, 2015	Dec 31, 2014
Other assets	20	28
Total pledged assets	**20**	**28**

NOTE 31 Contingent liabilities

Group, SEKm	Dec 31, 2015	Dec 31, 2014
Bank guarantees	2	1
Pension liability, PRI	2	2
Other contingent liabilities	11	10
Total contingent liabilities	**15**	**13**

Other contingent liabilities in 2015 primarily refer to guarantees in the form of documentary credit for local occupational injury insurance in the US.

NOTE 32 Events after the balance-sheet date

No significant events that could impact the operations occurred after the end of the reporting period.

NOTE 33 Related-party transactions

All of the Group companies presented in Note 29 are considered to be related parties.

Transactions take place between Thule Group companies concerning deliveries of goods and services, and the provision of financial and intangible services. Market terms and pricing are applied to all transactions. All intra-Group transactions are eliminated. The Parent Company's transactions with subsidiaries comprise the transactions presented below.

Parent Company Receivables from and liabilities to subsidiaries, SEKm	Dec 31, 2015	Dec 31, 2014
Interest-bearing long-term receivables	3,943	3,971
Interest-bearing short-term receivables	3	43
Interest-bearing long-term liabilities	-368	-368
Interest-bearing short-term liabilities	-757	-354
Total	**2,821**	**3,292**

At Thule Group AB issued warrants as part of an incentive program for the management and the Chairman of the Board. Warrants have been issued to and subscribed for by Thule Group AB's subsidiary Thule AB.

For information regarding remuneration and benefits paid to executive management and the Board, refer to Notes 10 and 13.

NOTE 34 Assessments and assumptions

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

Goodwill
Goodwill is a significant part of the balance sheet. An assessment is made every year as to whether goodwill requires impairment. For groups of cash-generating units, the value-in-use is calculated to determine the recoverable amount of each unit. Assumptions about future cash flows and estimates of parameters are made as a basis for the calculation. These are explained in Note 18.

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

The Group has been subject to a tax audit in Germany concerning such matters as internal pricing. The audit covers the period 2005–2008 and concerns the following companies: Thule GmbH, Thule Deutschland Holding GmbH and Thule Schneeketten GmbH. The tax authority's decision in the matter has been appealed by the company. Reserves have been made on the basis of differences in tax rates in the countries concerned since a tax treaty is in place between these two countries. In addition, a tax audit is ongoing in Germany for the 2009 – 2012 period. For more information, refer to Note 16 Taxes.

Assurance

The income statements and balance sheets will be presented to the Annual General Meeting on April 26, 2016 for adoption.

The Board of Directors and President affirm that this Annual Report was prepared in accordance with generally accepted accounting policies in Sweden and that the consolidated financial statements were prepared in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and the Council issued on July 19, 2002 on the application of international accounting standards. The Annual Report and consolidated financial statements provide a true and fair view of the Parent Company's and the Group's financial position and earnings. The Board of Directors' Report provides a true and fair overview of the Parent Company's and the Group's operations, financial position and earnings, and describes the significant risks and uncertainties to which the Parent Company and the companies included in the Group are exposed.

Malmö, March 29, 2016

Stefan Jacobsson
Chairman of the Board

Bengt Baron
Board member

Hans Eckerström
Board member

Liv Forhaug
Board member

Lilian Fossum Biner
Board member

David Samuelson
Board member

Åke Skeppner
Board member

Magnus Welander
President and CEO

Our audit report was submitted on March 30, 2016.
KPMG AB

Helene Willberg
Authorized Public Accountant

Audit report

To the Annual General Meeting of Thule Group AB (publ), Corp. Reg. No.: 556770-6311

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

We have audited the annual accounts and consolidated accounts of Thule Group AB (publ) for the year 2015, except for the corporate governance report on pages 44–49. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 38–86.

Responsibilities of the Board of Directors and the President for the annual accounts and consolidated accounts

The Board of Directors and the President are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the President 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the President, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

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

Opinions

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, 2015 and of their financial performance and its cash flows 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, 2015 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and in accordance with the Annual Accounts Act. Our opinions do not cover the corporate governance report on pages 44–49. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the Parent Company and the Group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the President of Thule Group AB (publ) for the year 2015. We have also conducted a statutory examination of the corporate governance report.

Responsibilities of the Board of Directors and the President

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the President are responsible for administration under the Companies Act, and that the corporate governance report on pages 44-49 has been prepared in accordance with the Annual Accounts Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

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.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the President is liable to the company. We also examined whether any member of the Board of Directors or the President has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

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

Furthermore, we have read the corporate governance report and based on that reading and our knowledge of the company and the Group, we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the corporate governance report 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.

Opinions

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

A corporate governance report has been prepared, and its statutory content is consistent with the other parts of the annual accounts and consolidated accounts.

Malmö, March 30, 2016

KPMG AB

Helene Willberg
Authorized Public Accountant

Board of Directors

Stefan Jacobsson
Chairman of the Board
Born 1952.
Chairman since 2011.

Selected current Board assignments: Chairman of Woody Bygghandel AB, HAFA AB. Boardmember of Etac AB and Nobia AB.

Selected previous appointments: Chairman and President of Puma AG. President of Tretorn AB/Etonic Inc, President of ABU/Garcia AB and Chairman of Nybron Flooring Int. Corp.

Bengt Baron
Board member
Born 1962.
Board member since 2011.

Education: BSc in Business Administration, University of California at Berkeley. MBA, University of California at Berkeley.

Selected previous appointments: President of Cloetta, President of V&S AB and consultant at McKinsey & Co.

Liv Forhaug
Board member
Born 1970.
Board member since 2014.

CSO (Chief Strategy Officer) at ICA Gruppen.

Education: MSc in Economics and Business Administration, Stockholm School of Economics.

Selected current Board assignment: Hemtex AB,

Selected previous appointments: Partner and Head of Scandinavian Consumer Practice at McKinsey & Company.

Åke Skeppner
Board member
Born 1951.
Board member since 2002.

Former President of Thule Group (1990-2002).

Education: LL.M., Lund University.

Lilian Fossum Biner
Board member
Born 1962.
Board member since 2011.

Education: MSc in Economics and Business Administration, Stockholm School of Economics.

Selected current Board assignments: Board member of Nobia AB, Lundbergföretagen, Oriflame Cosmetics S.A., Givaudan, etc.

Selected previous appointments: Board member of RNB Retail and Brands, Holmen AB and Cloetta AB.

David Samuelson
Board member
Born 1982.
Board member since 2012.

Director, NC Advisory AB, advisor to the Nordic Capital Funds.

Education: MSc in Economics and Business Administration, Stockholm School of Economics and ESADE in Barcelona, Spain.

Selected current Board assignments: Board member of Ellos Group and Resurs Holding AB.

Selected previous appointments: Board member of Munters Topholding AB and Nordic Fashion Group AB.

Hans Eckerström
Board member
Born 1972.
Board member since 2007.

Education: MSc in Mechanical Engineering, Chalmers University of Technology and MSc in Business and Economics, Gothenburg School of Business, Economics and Law at University of Gothenburg.

Selected previous appointments: Chairman of Brink International AB and Britax Childcare Limited and Board member of Nefab AB, Cloetta AB and Aditro AB.

Executive management

Magnus Welander
CEO and President
Born 1966

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

Employed at Thule Group since 2006.

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

Lennart Mauritzson
CFO
Born 1967.

Education: BSc in Finance and Business Administration, Halmstad University. Law studies, Lund University.

Employed at Thule Group since 2011.

Previous positions: CFO Beijer Electronics, Vice President Finance of Cardo AB, and senior positions in finance at Acadia Pharmaceuticals and Pharmacia Pfizer.

Kajsa von Geijer
Senior Vice President, Human Resources
Born 1964.

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

Employed at the Thule Group since 2005.

Previous positions: HR Director Europe at FMC Food Tech, HR Director Nordic at Levi Strauss and various HR positions at Nestlé and Trelleborg AB.

Fred Clark
President
Outdoor&Bags,
Region Americas
Born 1959.

Education: BSBA Quantitative Methods, Western New England University and MBA Management Science.

Employed at Thule Group since 1993.

Previous positions: Various senior positions at Thule Group and various senior positions at C. Cowles & Co.

Fredrik Erlandsson
Senior Vice President Communications and IR
Born 1970.

Education: University studies, Lund University and Copenhagen University.

Employed at Thule Group since 2010.

Previous positions: Corporate Relations Director Nordics and Eastern Europe at Diageo, GM Ehrenberg Kommunikation Scandinavia, and chief of staff for national delegation in the European Parliament.

Definitions

Continuing operations
Comprises the Outdoor&Bags and Specialty operating segments.

Debt/equity ratio
Net debt divided by the underlying rolling 12-month EBITDA.

Discontinued operations
Comprises the Snow Chain Division former Towing operating segment, comprising trailer and towing operations.

Earnings per share
Net income for the period divided by the average number of shares during the period.

EBIT
(Earnings Before Interest and Taxes) Income before net financial items and taxes.

EBIT margin
EBIT as a percentage of net sales.

EBITDA
(Earnings before interest, taxes, depreciation and amortization) Income before net financial items, taxes and depreciation/amortization and impairment of tangible and intangible assets.

EBITDA margin
EBITDA as a percentage of net sales.

Equity per share
Equity divided by the number of shares at the end of the period.

Equity ratio
Equity as a percentage of total assets.

Gross debt
Total long- and short-term borrowing including overdraft facilities, financial derivatives, capitalized financing costs and accrued interest.

Gross income
Net sales less cost of goods sold.

Gross margin
Gross income as a percentage of net sales.

LTM
Last 12-month.

Net debt
Gross debt less cash and cash equivalents.

Net investments
Investments in tangible and intangible assets adjusted for disposals.

Underlying EBIT
EBIT excluding items affecting comparability and depreciation/amortization of consolidated excess values.

Underlying EBITDA
EBITDA excluding items affecting comparability.

Working capital
Comprises inventories, tax receivables, accounts receivable, prepaid expenses and accrued income, other receivables, cash and cash equivalents less accounts payable, income tax liabilities, other liabilities, accrued expenses and deferred income and provisions.


THULE

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