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ANNUAL REPORT

of

GARMIN NORDIC SWEDEN AB

Corporate ID no 556698-0354

The Board of Directors and the Managing Director´s annual report for the financial year 2022-01-01 – 2022-12-31

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Undertecknad styrelseledamot i Garmin Nordic Sweden AB intygar härmed, dels att denna kopia av årsredovisningen överensstämmer med orginalet, dels att resultat- och balansräkning fastställts på årsstämma den 2023- 06-21
Stämman beslöt tillika godkänna styrelsens förslag till vinstdisposition.

Göteborg 2023- 06-21

Jan-Åke Arenäs, verkställande direktör

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ÅRSREDOVISNING

för

GARMIN NORDIC SWEDEN AB

Org. Nr 556698-0354

Styrelsen och verkställande direktör får härmed avlämna årsredovisning för räkenskapsåret 2022-01-01 – 2022-12-31

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Garmin Nordic Sweden AB

Org. Nr 556698-0354

FÖRVALTNINGSBERÄTTELSE

Årsredovisningen är upprättad i svenska kronor, SEK.

Verksamheten

Bolaget bedriver handel med import och försäljning av navigationsutrustning inom marin, outdoor, fitness och telekom marknaden. Företagets säte är i Göteborg.

Beloppen i flerårsjämförelse visas i KSEK

Flerårsjämförelse

	2022	2021	2020	2019	2018
Nettoomsättning	594 507	576 311	510 045	449 384	359 234
Res. efter finansiella poster	22 237	21 235	15 161	11 215	9 750
Balansomslutning	237 663	274 942	207 781	217 268	188 625
Soliditet (%)	39,68	34,07	44,22	46,62	49,83
Avkastning på eget kapital (%)	23,58	22,67	15,69	11,48	16,00
Avkastning på totalt kapital (%)	9,36	7,74	7,14	5,53	6,33

* Definitioner av nyckeltal, se noter

Ägarförhållanden

Bolaget ägs av Garmin Nederland BV Org.nr 50832875. Säte i Eemnes, Nederländerna.

Väsentliga händelser under räkenskapsåret

Starten på året var bra då stora och viktiga produktlanseringar skedde under kvartal 1. I övrigt har året präglats av kriget i Ukraina och andra makroekonomiska förhållanden som haft effekter på köpbeteendet hos våra slutkonsumenter.

Automotive segmentet har kommit igen omsättningsmässigt då restriktioner för resande försvann och möjliggjorde utomlandsresor igen. Garmin har inte förlorat några tydliga marknadsandelar under pandemiåren. Segmenten för smartklockor, träningsutrustning och golf och är tillbaka på nivåer likt innan pandemin. Marinsegmentet såg effekterna av makroekonomin senare under året och stannade på liknande omsättning som året innan.

Framtida utveckling

Bolaget kommer under det närmsta året att fortsätta uppbyggnaden av varumärket på den svenska marknaden.

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Förändringar i Eget Kapital	Aktiekap	Övrigt bundet eget kapital	Övrigt fritt eget kapital	Årets resultat	Summa fritt eget kapital
Belopp vid årets ingång	100 000	0	76 784 386	16 775 396	93 559 782
Resultatdisposition enl. beslut av årsstämma			16 775 396	-16 775 396	0
Utdelning till aktieägare			-15 000 000		-15 000 000
Årets vinst				15 643 921	15 643 921
Belopp vid årets utgång	100 000	0	78 559 782	15 643 921	94 203 703

Resultatdisposition

Förslag till disposition av bolagets vinst

Till årsstämmans förfogande står	
balanserad vinst	78 559 782
årets vinst	15 643 921
	94 203 703
Styrelsen föreslår att	
till aktieägarna utdelas	25 000 000
i ny räkning överföres	69 203 703

Förslag till beslut om vinstutdelning

Styrelsen föreslår att utdelning lämnas med 25 000 000 kr vilket motsvarar 25 000 kr per aktie.

Styrelsen föreslår att årsstämman bemyndigar styrelsen att besluta om betalningsdag.

Styrelsen anser att den föreslagna vinstutdelningen är försvarlig med hänsyn till de krav som verksamhetens art, omfattning och risker ställer på storleken av det egna kapitalet samt bolagets konsolideringsbehov, likviditet och ställning i övrigt.

Yttrandet ska ses mot bakgrund av den information som framgår av årsredovisningen. Företagsledningen planerar inga väsentliga förändringar av befintlig verksamhet såsom väsentliga investeringar, försäljningar eller avveckling.

Beträffande bolagets resultat och ställning i övrigt hänvisas till efterföljande resultat- och balansräkningar med tillhörande noter.

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RESULTATRÄKNING

Rörelsens intäkter m.m	Not	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Nettoomsättning	3	594 507 140	576 310 685
Kostnad för sålda varor		-436 952 872	-431 909 210
Bruttoresultat		157 554 267	144 401 475
Rörelsens kostnader			
Försäljningskostnader	6,7	-100 597 271	-96 226 611
Administrationskostnader	4,5	-32 049 441	-32 888 498
		-132 646 712	-129 115 109
Rörelseresultat		24 907 555	15 286 365
Resultat från finansiella poster			
Resultat från andelar i dotterbolag	11, 12	-3 038 863	6 000 000
Ränteintäkter		381 904	1 443
Räntekostnader och liknande resultatposter		-13 562	-52 337
		-2 670 522	5 949 107
Resultat efter finansiella poster		22 237 033	21 235 472
Resultat före skatt		22 237 033	21 235 472
Skatt på årets resultat	8	-6 593 112	-4 460 076
Årets resultat		15 643 921	16 775 396

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BALANSRÄKNING

TILLGÅNGAR	Not	2022-12-31	2021-12-31
Anläggningstillgångar			
Immateriella anläggningstillgångar			
Goodwill	9	0	5 996 939
Summa immateriella anläggningstillgångar		**0**	**5 996 939**
Materiella anläggningstillgångar			
Inventarier, verktyg och installationer	10	1 825 748	2 303 116
Summa materiella anläggningstillgångar		**1 825 748**	**2 303 116**
Finansiella anläggningstillgångar			
Andelar i koncernföretag	11	107 840 029	116 878 892
Summa finansiella anläggningstillgångar		**107 840 029**	**116 878 892**
Summa anläggningstillgångar		**109 665 777**	**125 178 947**
Omsättningstillgångar			
Kortfristiga fordringar			
Kundfordringar		67 061 288	68 579 280
Fordringar hos koncernföretag		13 697 206	7 352 192
Övriga fordringar		164 479	0
Förutbetalda kostnader och upplupna intäkter	13	2 853 749	2 465 807
Summa kortfristiga fordringar		**83 776 723**	**78 397 280**
Kassa och bank			
Kassa och bank	16	44 220 045	71 365 630
Summa kassa och bank		**44 220 045**	**71 365 630**
Summa omsättningstillgångar		**127 996 768**	**149 762 909**
SUMMA TILLGÅNGAR		**237 662 545**	**274 941 857**

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BALANSRÄKNING

EGET KAPITAL OCH SKULDER	Not	2022-12-31	2021-12-31
Eget Kapital			
Bundet eget kapital			
Aktiekapital	14	100 000	100 000
Summa bundet eget kapital		100 000	100 000
Fritt eget kapital			
Balanserat resultat		78 559 782	76 784 386
Årets resultat		15 643 921	16 775 396
Summa fritt eget kapital		94 203 703	93 559 781
Summa eget kapital		94 303 703	93 659 781
Kortfristiga skulder			
Leverantörsskulder		3 442 430	5 958 653
Skulder till koncernföretag		106 566 469	147 097 490
Aktuell skatteskuld		2 012 547	558 905
Övriga skulder		16 139 411	11 789 139
Upplupna kostnader och förutbetalda intäkter	15	15 197 985	15 877 888
Summa kortfristiga skulder		143 358 842	181 282 075
SUMMA EGET KAPITAL OCH SKULDER		237 662 545	274 941 857

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KASSAFLÖDESANALYS

	Not	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Den löpande verksamheten			
Rörelseresultat		24 907 555	15 286 365
Justeringar för poster som inte ingår i kassaflödet	7	6 569 993	6 374 702
Erhållen ränta m.m.		381 904	1 443
Erlagd ränta		-13 562	-52 337
Betald inkomstskatt		-5 139 470	-4 863 741
Kassaflöde från den löpande verksamheten före förändringar av rörelsekapital		**26 706 419**	**16 746 432**
Kassaflöde från förändringar av rörelsekapital			
Minskning(+)/ökning(-) av kundfordringar		-4 827 023	-15 062 726
Minskning(+)/ökning(-) av fordringar		-552 421	943 251
Minskning(-)/ökning(+) av leverantörsskulder		-2 516 223	3 024 910
Minskning(-)/ökning(+) av kortfristiga skulder		-36 860 653	62 764 457
Kassaflöde från den löpande verksamheten		**-18 049 899**	**68 416 324**
Investeringsverksamheten			
Förvärv av inventarier, verktyg och installationer	10	-95 686	-1 518 026
Förvärv av andelar i dotterbolag	11	0	-38 701 892
Återbetalning av lån från utomstående		0	0
Kassaflöde från investeringsverksamheten		**-95 686**	**-40 219 918**
Finansieringsverksamheten			
Utbetald utdelning		-15 000 000	-15 000 000
Erhållen utdelning		6 000 000	6 000 000
Kassaflöde från finansieringsverksamheten		**-9 000 000**	**-9 000 000**
Förändring av likvida medel		-27 145 585	19 196 406
Likvida medel vid årets början		71 365 630	52 169 224
Likvida medel vid årets slut		**44 220 045**	**71 365 630**

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NOTER

Not 1 Redovisnings- och värderingsprinciper

Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning.

Principerna är oförändrade jämfört med föregående år.

Fordringar

Fordringar har upptagits till de belopp varmed de beräknas inflyta.

Övriga tillgångar, avsättningar och skulder

Övriga tillgångar,avsättningar och skulder har värderats till anskaffningsvärden om inget annat anges nedan.

Intäktsredovisning

Inkomsten redovisas till det verkliga värdet av vad som erhållits eller kommer att erhållas. Företaget redovisar därför inkomsten till nominellt värde (fakturabelopp) om ersättningen erhålls i likvida medel direkt vid leverans. Avdrag görs för lämnade rabatter.

Varuförsäljning

Försäljning av varor redovisas när företaget till köparen har överfört de väsentliga risker och förmåner som är förknippade med ägandet, normalt när kunden har varorna i sin besittning.

Materiella anläggningstillgångar

Materiella anläggningstillgångar redovisas till anskaffningsvärde med avdrag för ackumulerade avskrivningar och eventuella nedskrivningar. Tillgångarna skrivs av linjärt över tillgångarnas bedömda nyttjandeperiod. Nyttjandeperioden omprövas per varje balansdag. Pågående projekt skrivs inte av utan nedskrivningsprövas årligen. Följande nyttjandeperioder tilämpas:

	Antal år:
Inventarier, verktyg och installationer	3,5

Immateriella anläggningstillgångar

Immateriella anläggningstillgångar redovisas till anskaffningsvärde med avdrag för ackumulerade avskrivningar och eventuella nedskrivningar. Tillgångarna skrivs av linjärt över tillgångarnas bedömda nyttjandeperiod. Nyttjandeperioden omprövas per varje balansdag. Pågående projekt skrivs inte av utan nedskrivningsprövas årligen. Följande nyttjandeperioder tillämpas:

	Antal år:
Goodwill	5 år

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Finansiella instrument

Finansiella instrument värderas utifrån anskaffningsvärde.

En finansiell tillgång eller finansiell skuld redovisas i balansräkningen enligt instrumentets avtalsenliga villkor. Finansiella tillgångar och finansiella skulder redovisas när företaget blir part i det finansiella instrumentets avtalsmässiga villkor. En finansiell tillgång bokas bort från balansräkningen när den avtalsenliga rätten till kassaflödet från tillgången upphör, regleras eller när koncernen förlorar kontrollen över den. En finansiell skuld, eller del av finansiell skuld, bokas bort från balansräkningen när den avtalade förpliktelsen fullgörs eller på annat sätt upphör.

Vid varje balansdag analyserar koncernen de redovisade värdena för finansiella anläggningstillgångar för att fastställa om det finns indikation på att dessa tillgångar minskat i värde. Exempel på sådana indikationer är finansiella svårigheter hos låntagaren, avtalsbrott eller om det är sannolikt att låntagaren kommer att försättas i konkurs.

Kundfordringar värderas till anskaffningsvärde med avdrag för befarade förluster. Leverantörsskulder och andra icke-räntebärande skulder värderas till nominella belopp.

Leasing

Ett finansiellt leasingavtal är ett leasingavtal enligt vilket de ekonomiska risker och fördelar som är förknippade med att äga en tillgång i allt väsentligt överförs från leasegivaren till leasetagaren. Ett operationellt leasingavtal är ett leasingavtal som inte är ett finansiellt leasingavtal.

Samtliga leasingavtal kostnadsförs linjärt över leasingperioden.

Inkomstskatt

Aktuell skatt är inkomstskatt för innevarande räkenskapsår som avser årets skattepliktiga resultat och den del av tidigare räkenskapsår inkomstskatt som ännu inte har redovisats.

Aktuell skatt värderas till det sannolika beloppet enligt de skattesatser och skatteregler som gäller på balansdagen.

Uppskjuten skatt är inkomstskatt för skattepliktigt resultat avseende framtida räkenskapsår till följd av tidigare transaktioner eller händelser.

Uppskjuten skatt beräknas på temporära skillnader. En temporär skillnad finns när det redovisade värdet på en tillgång eller skuld skiljer sig från det skattemässiga värdet. Temporära skillnader beaktas ej i skillnader hänförliga till investeringar i dotterföretag, filialer, intresseföretag eller joint venture om företaget kan styra tidpunkten för återföring av de temporära skillnaderna och det inte är uppenbart att den temporära skillnaden kommer att återföras inom en överskådlig framtid. Skillnader som härrör från den första redovisningen av goodwill eller vid den första redovisningen av en tillgång eller skuld såvida inte den hänförliga transaktionen är ett rörelseförvärv eller påverkar skatt eller redovisat resultat utgör inte heller temporära skillnader.

Uppskjuten skattefordran avseende underskottsavdrag eller andra framtida skattemässiga avdrag redovisas i den omfattning det är sannolikt att avdragen kan avräknas mot framtida skattemässiga överskott.

Avsättningar

Avsättningar redovisas när det finns en legal eller informell förpliktelse till följd av en händelse, det är sannolikt att ett utflöde av resurser kommer att krävas för att reglera förpliktelsen och

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beloppen kan uppskattas på ett tillförlitligt sätt. Tidpunkten eller beloppet för utflödet kan fortfarande vara osäker.

Ersättningar till anställda

Ersättningar till anställda i form av löner, bonus, betald semester, betald sjukfrånvaro m.m samt pensioner redovisas i takt med intjänandet. Beträffande pensioner och andra ersättningar efter avslutad anställning klassificeras dessa som avgiftsbestämda eller förmånsbestämda pensionsplaner. Bolaget har endast avgiftsbestämda pensionsplaner. Det finns inga övriga långfristiga ersättningar till anställda.

Pensioner

Avgiftsbestämda pensionsplaner

För avgiftsbestämda planer betalar bolaget fastställda avgifter till ett annat företag, normalt ett försäkringsföretag och har ingen förpliktelse att betala ytterligare avgifter. Bolagets resultat belastas för kostnader i takt med att förmånerna intjänas vilket normalt sammanfaller med tidpunkten för när premier erläggs.

Ersättningar vid uppsägning

Ersättningar vid uppsägningar, i den omfattning ersättningen inte ger företaget några framtida ekonomiska fördelar, redovisas som en skuld och en kostnad när företaget har en legal eller informell förpliktelse att lämna ersättningar till anställda som avslutar sin anställning.

Fordringar och skulder i utländsk valuta

Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet mellan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

Kassaflödesanalys

Kassaflödesanalys visar bolagets förändringar av likvida medel under räkenskapsåret. Kassaflödesanalysen har upprättats enligt den indirekta metoden. Det redovisade kassaflödet omfattar endast transaktioner som medfört in- och utbetalningar.

Not 2 Uppskattningar och bedömningar

Uppskattningar och bedömningar har gjorts vid upprättande av de finansiella rapporterna. Uppskattningar om framtiden har baserat sig på historisk erfarenhet och andra faktorer såsom förväntningar beträffande framtida händelser och utfall.

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Not 3	Inköp och försäljning inom koncernen	2022	2021
	Andel av försäljningen som avser koncernföretag	5%	5%
	Andel av inköpen som avser koncernföretag	90%	92%

Not 4	Leasingavtal - Operationell leasing leasetagare	2022	2021
	Under året har företagets leasingavgifter uppgått till	6 905 652	6 419 203
	Framtida minimileasingsavgifter för icke uppsägningsbara leasingavtal förfaller till betalning enligt följande:		
	Inom 1 år	6 486 604	6 340 482
	Mellan 2 till 5 år	14 590 866	24 145 920
		21 077 470	30 486 402

Not 5	Ersättning till Revisorer	2022	2021
	Ernst & Young AB		
	Revisionsuppdrag	186 000	166 700
	Övriga tjänster	0	0

Med revisionsuppdrag avses revisors arbete för den lagstadgade revisionen och med revisionsverksamhet olika typer av kvalitetssäkringstjänster.
Övriga tjänster är sådant som inte ingår i revisionsuppdrag, revisionsverksamhet eller skatterådgivning

Not 6	Personal	2022	2021
	Medeltalet anställda bygger på av bolaget betalda närvarotimmar relaterade till en normal arbetstid		
	Medeltal anställda har varit	75	71
	varav kvinnor	19	17
	varav män	56	54

Löner, ersättningar m.m

Löner, ersättningar, sociala kostnader och pensionskostnader har utgått med följande belopp:

Styrelsen & VD		
Löner och ersättningar	3 514 022	3 713 854
Pensionskostnader	563 316	563 316
	4 077 338	4 277 170
Övriga anställda		
Löner och ersättningar	52 227 339	49 387 474
Pensionskostnader	6 075 778	5 709 121
	58 303 117	55 096 595
Sociala kostnader	19 343 640	18 685 499
Summa styrelse & Övriga	81 724 095	78 059 263

Könsfördelning i styrelse och företagsledning	2022	2021
Antal styrelseledamöter	3	3
varav kvinnor	0	0
Antal övriga befattningshavare inkl VD	1	1
varav kvinnor	0	0

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Not 7 Avskrivningar m.m. på materiella och immateriella anläggningstillgångar fördelade på funktion

	2022	2021
Försäljningskostnader	439 773	293 307
Administrationskostnader	6 130 220	6 081 395
	6 569 993	6 374 702

Not 8 Skatt på årets resultat

		2022		2021
Aktuell Skatt		-6 593 112		-4 460 076
		-6 593 112		-4 460 076
Avstämning av effektiv skatt				
Resultat före skatt		22 237 033		21 235 472
Skattekostnad 20,6%		-4 580 829		-4 544 391
Skatteeffekt av:				
Ej avdragsgilla kostnader		-3 249 983		-1 321 569
Ej skattepliktiga intäkter		1 237 701		1 236 000
Summa		-6 593 112		-4 629 960
Redovisad effektiv skatt	29,65%	-6 593 112	21,00%	-4 460 076

Not 9 Goodwill

	2022-12-31	2021-12-31
Ingående anskaffningsvärde	59 969 363	59 969 363
Utgående ackumulerade anskaffningsvärde	59 969 363	59 969 363
Ingående avskrivningar	-53 972 424	-47 975 488
Årets avskrivningar	-5 996 939	-5 996 936
Utgående ackumulerade avskrivningar	-59 969 363	-53 972 424
Utgående redovisat värde	0	5 996 939

Not 10 Inventarier, verktyg och installationer

	2022-12-31	2021-12-31
Ingående anskaffningsvärde	4 995 357	3 477 331
Inköp	95 686	1 518 026
Utgående ackumulerade anskaffningsvärden	5 091 043	4 995 357
Ingående avskrivningar	-2 692 241	-2 314 475
Årets avskrivningar	-573 054	-377 766
Utgående ackumulerade avskrivningar	-3 265 295	-2 692 241
Utgående redovisat värde	1 825 748	2 303 116

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Not 11 Andelar i koncernföretag

Företag Organisationsnummer	Säte	Antal/Kapitalandel %	2022-12-31 Redovisat värde	2021-12-31 Redovisat värde
Garmin Sweden Technologies AB 556612-7972	Uddevalla	84 148 / 100%	78 177 000	78 177 000
Easyhunt AB 556745-7063	Bromma	1 047 619 / 100%	29 663 029	38 701 892

Uppgifter om eget kapital och resultat	Eget Kapital	Resultat
Garmin Sweden Technologies AB	30 895 755	9 783 256
Easyhunt AB	29 663 030	25 816 598

Garmin Sweden Technologies AB		
Ingående anskaffningsvärde	78 177 000	78 177 000
Utgående ackumulerade anskaffningsvärden	78 177 000	78 177 000
Utgående redovisat värde	78 177 000	78 177 000
Easyhunt AB		
Ingående anskaffningsvärde	38 701 892	38 701 892
Nedskrivning	-9 038 863	
Utgående ackumulerade anskaffningsvärden	38 701 892	38 701 892
Utgående redovisat värde	29 663 029	38 701 892
Summa	**107 840 029**	**116 878 892**

Not 12 Resultat från andelar i Dotterbolag

	2022-12-31	2021-12-31
Utdelning	*6 000 000*	*6 000 000*
Utgående redovisat värde	6 000 000	6 000 000

Not 13 Förutbetalda kostnader och upplupna intäkter

	2022-12-31	2021-12-31
Marknadskostnader	1 091 141	829 793
Hyra & Leasingkostnader	1 107 636	1 050 018
Pensions & Försäkringskostnader	654 972	585 397
	2 853 749	2 465 207

Not 14 Upplysningar om aktiekapital

	Antal aktier	Kvotvärde per aktie
Antal/värde vid årets ingång	1000	100
Antal/värde vid årets utgång	1000	100

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Not 15	Upplupna kostnader och förutbetalda intäkter	2022-12-31	2021-12-31
	Semesterlöneskuld	7 739 447	7 160 798
	Sociala Avgifter	2 417 659	2 242 179
	Övriga poster	5 040 879	6 474 911
		15 197 985	15 877 888

Not 16	Ställda säkerheter	2022-12-31	2021-12-31
	Spärrade bankmedel avseende köp av Easyhunt AB	2 157 219	4 323 086
		2 157 219	4 323 086

Not 17 Väsentliga händelser efter räkenskapsårets slut

Inga väsentliga händelser har inträffat efter balansdagen.

Not 18 Koncernförhållanden

Bolaget är helägt dotterbolag till Garmin Nederland BV Org.Nr 50832875. Säte Eemnes, Nederländerna.
Med koncernföretag menas i denna årsredovisning företag direkt eller indirekt ägda av Garmin Group.
Bolaget är moderbolag, men med stöd av ÅRL 7 kap 2 § upprättas inte någon koncernredovisning.
Övergripande koncernredovisning upprättas av: Garmin Ltd, org nr 115.417.242, Schaffhausen, Schweiz

Not 19 Definition av nyckeltal

Soliditet
Justerat eget kapital i procent av balansomslutning

Avkastning på eget kapital
Resultat efter finansiella poster i procent av genomsnittligt justerat eget kapital

Avkastning på totalt kapital
Rörelseresultat med tillägg för finansiella intäkter, i procent av genomsnittlig balansomslutning

Garmin Nordic Sweden AB

Org. Nr 556698-0354

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Billdal den 2023- 05 - 31

Andrew Russell Etkind

Sean Biddlecombe

Jan-Åke Arenäs
Verkställdande direktör

Magnus Gahlin

Vår revisionsberättelse har lämnats den

Ernst & Young AB

Inger Sjöberg

Auktoriserad revisor

Garmin Nordic Sweden AB

Org. Nr 556698-0354

20230628223704

Billdal den 2023-05-31

Andrew Russell Etkind

Sean Biddlecombe

Jan-Åke Arenäs
Verkställdande direktör

Magnus Gahlin

Vår revisionsberättelse har lämnats den

Ernst & Young AB

Inger Sjöberg

Auktoriserad revisor

Garmin Nordic Sweden AB

Org. Nr 556698-0354

20230628023705

Billdal den 2023-05-31

Andrew Russell Etkind

Sean Biddlecombe

Jan-Åke Arenäs
Verkställdande direktör

Magnus Gahlin

Vår revisionsberättelse har lämnats den 21/6 2023

Ernst & Young AB

Inger Sjöberg

Auktoriserad revisor

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Building a better working world

Revisionsberättelse

Till bolagsstämman i Garmin Nordic Sweden AB, org.nr 556698-0354

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Garmin Nordic Sweden AB för räkenskapsåret 2022.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Garmin Nordic Sweden ABs finansiella ställning per den 31 december 2022 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Garmin Nordic Sweden AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om att årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Building a better working world

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Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Garmin Nordic Sweden AB för räkenskapsåret 2022 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Garmin Nordic Sweden AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat styrelsens motiverade yttrande samt ett urval av underlagen för detta för att kunna bedöma om förslaget är förenligt med aktiebolagslagen.

Göteborg den 21 juni 2023

Ernst & Young AB

Inger Sjöberg
Auktoriserad revisor

A member firm of Ernst & Young Global Limited

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STATUTORY FINANCIAL STATEMENTS

Garmin Ltd. (Switzerland)
Years Ended December 31, 2022 and December 25, 2021

Garmin Ltd.

Statutory Financial Statements

Years Ended December 31, 2022 and December 25, 2021

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Garmin Ltd.

Balance Sheet

(CHF in thousands)

	December 31, 2022	December 25, 2021
Assets		
- Cash and cash equivalents	1,790	957
- Accounts receivable - affiliates	225	716
- Other receivables - third party	14	25
- Prepaid expenses	1,150	1,083
Total current assets	3,179	2,781
- Loans receivable - affiliates	618,567	427,378
- Investment in affiliated companies	5,166,741	5,166,741
Total non-current assets	5,785,308	5,594,119
Total assets	5,788,487	5,596,900
Liabilities and shareholders' equity		
- Accounts payable	22	547
- Accounts payable - affiliates	37,144	31,383
- Accrued expenses	5,317	433
- Provision for unrealized translation gains	997	12,433
- Dividend payable from capital contribution reserve	128,803	235,889
Total current liabilities	172,283	280,685
Total non-current liabilities	-	-
Total liabilities	172,283	280,685
Share capital	19,808	19,808
Legal capital reserves		
- Reserve from capital contribution	4,278,696	4,800,205
- Reserve for treasury shares from capital contribution	260,229	294,546
- Other capital reserves	68	68
Voluntary retained earnings		
- Dividend reserve from capital contribution	186,638	160,798
- Available earnings		
- Balance brought forward	40,790	53,340
- Net earnings (loss) for the year	1,029,261	(12,550)
Treasury shares	(199,286)	-
Total shareholders' equity	5,616,204	5,316,215
Total liabilities and shareholders' equity	5,788,487	5,596,900

Garmin Ltd.

Statement of Income

(CHF in thousands)

	Fiscal Year Ended December 31, 2022	Fiscal Year Ended December 25, 2021
Dividend income - affiliates	1,037,883	472,837
- General and administrative expenses	(10,153)	(12,867)
- General and administrative expenses - affiliates	(14,097)	(12,138)
Operating expenses	(24,250)	(25,005)
Impairment on investment in affiliated companies	-	(472,000)
Financial result		
- Interest income - affiliates	19,764	10,602
- Interest expense - affiliates	(4,508)	(4,235)
- Foreign currency gains (losses)	372	5,251
Total financial result	15,628	11,618
Net earnings (loss)	1,029,261	(12,550)

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Garmin Ltd.

Notes to Statutory Financial Statements

December 31, 2022 and December 25, 2021

(CHF in thousands, except share and per share information and where otherwise indicated)

1. Summary of significant accounting policies

General aspects

Garmin Ltd. (the "Company") is the parent company of the Garmin Group and has its registered office at Mühlentalstrasse 2, 8200 Schaffhausen, Switzerland. The Company did not have any employees at December 31, 2022 and December 25, 2021.

Basis of presentation

These unconsolidated statutory financial statements of Garmin Ltd. have been prepared in accordance with the general accepted accounting principles as set out in the Swiss Code of Obligations ("SCO") Art. 957 to 963b. Since the company has prepared consolidated financial statements in accordance with U.S. generally accepted accounting standards, a recognized accounting standard, we have, in accordance with the SCO, elected to forego presenting the statement of cash flows, the additional disclosures and the management report otherwise required by the SCO.

The consolidated financial statements of the Garmin Group include 100 percent of the assets, liabilities, revenues, expenses, income and cash flows of Garmin Ltd. and subsidiaries in which the Company has a controlling interest, as if the Company and its subsidiaries were a single company.

The Company has adopted a 52-53 week period ending on the last Saturday of the calendar year. Due to the fact that there are not exactly 52 weeks in a calendar year and there is slightly more than one additional day per year (not including the effects of a leap year) in each calendar year as compared to a 52-week fiscal year, the Company will have a fiscal year comprising 53 weeks in certain fiscal years, as determined by when the last Saturday of the calendar year occurs. The fiscal year ended December 31, 2022 included 53 weeks and December 25, 2021 included 52 weeks.

Affiliates

The term "Affiliates", as referred to in these financial statements, is defined as directly and indirectly held subsidiaries.

Exchange rate differences

The Company keeps its accounting records in U.S. Dollars (USD) and translates them into Swiss Francs (CHF) for statutory reporting purposes. Assets and liabilities denominated in foreign currencies are translated into CHF using the year-end rates of exchange, except investment in affiliated companies and the Company's equity, which are translated at historical rates. Income statement transactions are translated into Swiss francs at the average rate of the year, except for individually significant transactions during the year in which case the applicable daily exchange rate is used. Exchange differences arising from business transactions are recorded in the income statement, except for net unrealized gains, which are deferred and recorded in current liabilities. Unrealized losses arising from the translation of the financial statements in USD to CHF are recorded in the statement of income, and unrealized gains are deferred and recorded in "provision for unrealized translation gains".

Investment in affiliated companies

Investment in affiliated companies are recorded at historical cost less adjustment for impairment of value.

Dividend payable from capital contribution

The dividend payable from capital contribution includes the outstanding quarterly dividend installments, approved by the annual general meeting but not yet paid.

Reserve from capital contribution

The reserve from capital contribution includes the premium from the capital increase in the year 2010, plus

- amounts from share capital reallocated to the reserve from capital contribution following par value reductions and share cancellations,

less

- the dividends from capital contribution distributed to date
- amounts expected to be distributed (dividend payable from capital contribution)
- amounts reallocated to the reserve for treasury shares from capital contribution and
- the dividend reserve from capital contribution.

Dividend reserve from capital contribution

The dividend reserve from capital contribution includes the amount of reserve from capital contribution reallocated to voluntary retained earnings through the last shareholder resolution, including the margin for unfavorable currency fluctuation and new share issuances that may occur between the time that the dividend has been approved by shareholders and when the last installment payment is made, reduced by quarterly dividend installments actually paid and expected quarterly dividend installments included in "dividend payable from capital contribution".

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Treasury shares

Treasury shares are recognized at acquisition cost and deducted from shareholders' equity at the time of acquisition. In case of resale, the gain or loss is recognized through the statement of income as financial income or financial expense. For treasury shares held at Affiliates, the Company builds a treasury shares reserve in equity at the respective acquisition costs.

Personnel expense

Personnel expense for the years ended December 31, 2022 and December 25, 2021 amounted to CHF 1,738 and CHF 3,507, respectively, and is related to personnel expense allocated from the Company's Affiliates, related to the performance of certain general and administrative services including executive administration, procurement and payables, treasury and cash management, payroll, and accounting, as well as the Board of Directors of the Company.

The Company uses treasury shares for share-based payment programs for Board members. Any difference between the acquisition cost and any consideration paid by the Board members at grant date is recognized as personnel expense.

2. Investment in directly and material indirectly held affiliated companies

Company Name	Domicile	Ownership Interest		Voting Interest	
		Direct	Indirect	Direct	Indirect
Garmin Luxembourg Holdings S.à r.l.	Luxembourg	100%		100%	
Garmin Luxembourg S.à r.l.	Luxembourg		100%		100%
Garmin Switzerland GmbH	Switzerland	100%		100%	
Garmin International, Inc.	United States	100%		100%	
Garmin Corporation	Taiwan		100%		100%
Garmin (Europe) Ltd.	United Kingdom		100%		100%
Garmin Australasia Pty. Ltd.	Australia		100%		100%
Garmin Deutschland GmbH	Germany		100%		100%
Garmin Switzerland Distribution GmbH	Switzerland	100%		100%	

The investment in directly and material indirectly held affiliated companies is the same for the years ended December 31, 2022 and December 25, 2021.

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3. Shareholders' equity

		Legal capital reserves			Voluntary retained earnings				
						Available earnings			
CHF in thousands	Share capital	Reserve from capital contribution	Reserve for treasury shares from capital contribution	Other capital reserves	Dividend reserve from capital contribution	Balance brought forward	Net earnings (loss) for the year	Treasury shares	Total
Balance as of December 26, 2020	19,808	5,213,919	312,573	68	210,503	64,601	(11,261)	-	5,810,211
Balance brought forward						(11,261)	11,261		-
Release of amounts to dividend payable from reserve from capital contribution (2019 dividend)		(5,219)							(5,219)
Release of dividend reserve from capital contribution (2020 dividend)		210,503			(210,503)				-
Net movement in reserve for treasury shares from capital contribution		18,027	(18,027)						-
Release to dividend reserve from capital contribution (2020 dividend)		(637,025)			637,025				-
Dividend payments (2020 dividend)					(239,231)				(239,231)
Dividend payable at year-end (2020 dividend)					(236,996)				(236,996)
Net earnings (loss) for the year							(12,550)		(12,550)
Balance as of December 25, 2021	19,808	4,800,205	294,546	68	160,798	53,340	(12,550)	-	5,316,215
Balance brought forward						(12,550)	12,550		-
Release of amounts to dividend payable from reserve from capital contribution (2020 dividend)		(299)							(299)
Release of dividend reserve from capital contribution (2021 dividend)		160,798			(160,798)				-
Net movement in reserve for treasury shares from capital contribution		34,317	(34,317)						-
Release to dividend reserve from capital contribution (2021 dividend)		(716,325)			716,325				-
Shares repurchased for cancellation								(199,286)	(199,286)
Dividend payments (2021 dividend)					(400,748)				(400,748)
Dividend payable at year-end (2021 dividend)					(128,939)				(128,939)
Net earnings (loss) for the year							1,029,261		1,029,261
Balance as of December 31, 2022	19,808	4,278,696	260,229	68	186,638	40,790	1,029,261	(199,286)	5,616,204

The summary of the components of authorized shares at December 31, 2022, December 25, 2021, and December 26, 2020 and changes during those years are as follows:

		Treasury Shares				
	Outstanding Shares	Held by Affiliates	Held by Company	Issued Shares	Shares Authorized but not Issued [3]	Conditional Capital [2]
December 26, 2020	191,571,140	6,506,278	-	198,077,418 [1]	19,807,741	99,038,709
Treasury shares purchased	(239,929)	239,929				
Treasury shares issued for stock based compensation	1,276,307	(1,276,307)				
December 25, 2021	192,607,518	5,469,900	-	198,077,418 [1]	19,807,741	99,038,709
Treasury shares purchased	(2,477,063)	218,073	2,258,990			
Treasury shares issued for stock based compensation	1,492,074	(1,492,074)	-			
December 31, 2022	191,622,529	4,195,899	2,258,990	198,077,418 [1]	19,807,741	99,038,709

[1] Shares at CHF 0.10 par value

[2] Up to 99,038,709 conditional shares may be issued through the exercise of option rights which are granted to Garmin employees and/or members of its Board of Directors.

[3] The Shareholderrs approved at the 2020 Annual Meeting an amendment of the Articles of Association of the Company to authorize the Board of Directors at any time until June 5, 2022 to increase the share capital in an amount not to exceed CHF 1,980,774.10 through the issuance of up to 19,807,741 fully paid-in registered shares with a nominal value of CHF 0.10 each.

4. Treasury Shares

At December 31, 2022, the Company held 2,258,990 treasury shares with an average cost of CHF 88.

At December 31, 2022 and December 25, 2021, the Company's Affiliates held 4,195,899 and 5,469,900 treasury shares, respectively. The average cost of all treasury shares held by Affiliates at December 31, 2022 and December 25, 2021 amounts to CHF 62 and CHF 54, respectively.

	Carrying value (CHF in thousands)	Number of shares held by affiliates	Average cost (CHF)
Balance as of December 26, 2020	312,573	6,506,278	48
Acquired	28,341	239,929	118
Treasury stock used for stock based compensation	(46,367)	(1,276,307)	36
Balance as of December 25, 2021	294,546	5,469,900	54
Acquired	21,085	218,073	97
Treasury stock used for stock based compensation	(55,402)	(1,492,074)	37
Balance as of December 31, 2022	260,229	4,195,899	62

5. Contingent Liabilities

The Company has a tax sharing agreement with its Affiliates for certain tax reserves. In addition, the Company through certain of its Affiliates is involved in various regulatory and legal matters. The Company's Affiliates have made certain related accruals. There could be material adverse outcomes beyond the accrued liabilities. Finally, as part of regular business negotiations, the Company will also occasionally guarantee certain financial obligations of its Affiliates when doing so leads to favorable terms. The total amount of these guarantees at December 31, 2022 and December 25, 2021 were CHF 39,148 and CHF 46,314 respectively.

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6. Significant Shareholders

As of December 31, 2022 and December 25, 2021, the following shareholders held 5 percent or more of Garmin Ltd.'s total issued shares and voting rights:

Shareholder	Percentage at Dec. 31, 2022	Percentage at Dec. 25, 2021
Jonathan Burrell	9.59% [1]	10.35% [1]
Min H. Kao, Ph.D.	9.51% [1]	9.52% [1]
BlackRock, Inc.	7.30% [2]	6.60% [2]
The Vanguard Group	8.98% [2]	8.47% [2]

[1] See footnote 8 (Share Ownership of Garmin Ltd. by Board Members and Members of Executive Management) for details regarding Mr. Burrell's and Dr. Kao's share ownership.

[2] Ownership percentage is calculated using the most current available filings on Form 13F.

To the best of the Company's knowledge, no other shareholder held 5 percent or more of Garmin Ltd.'s total issued shares and voting rights as registered in accordance with Swiss law on December 31, 2022 or December 25, 2021.

7. Shares for members of the Board of Directors

According to the compensation plan, members of the Board of Directors are partially paid in shares. Treasury shares are used for such share allocations. The allocation of shares to the Board of Directors was as follows:

2022		2021	
Quantity	Value in CHF	Quantity	Value in CHF
6,008	556,780	4,180	530,212

8. Share Ownership of Garmin Ltd. by Board Members and Members of Executive Management

As of December 31, 2022 and December 25, 2021, the members of the Board of Directors held the following numbers of shares:

Name and Function	Total number of shares held at Dec. 31, 2022	Total number of shares held at Dec. 25, 2021
Jonathan Burrell, Chair of Nominating and Corporate Governance Committee, Member of Compensation Committee	18,986,433 [2]	20,494,818 [1]
Joseph Hartnett, Chair of Compensation Committee, Member of Audit Committee and Nominating and Corporate Governance Committee	17,456	16,673
Min H. Kao, Ph.D., Executive Chairman	18,847,060 [4]	18,859,060 [3]
Catherine A. Lewis, Member of Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee	3,481	2,698
Charles W. Peffer, Chair of Audit Committee, Member of Compensation Committee and Nominating and Corporate Governance Committee	26,406	25,623
Clifton A. Pemble, President & Chief Executive Officer	-	- [5]
Total	37,880,836	39,398,872

[1] Includes (a) 91,151 shares held by The Judith M. Burrell Revocable Trust, over which shares Jonathan Burrell shares voting and dispositive power with his mother, Judith M. Burrell; (b) 8,948,049 shares held in several Charitable Lead Annuity Trusts, over which shares Jonathan Burrell has the sole voting and dispositive power; (c) 10,611,000 shares held in several Grantor Retained Annuity Trusts established by Judith M. Burrell, over which shares Jonathan Burrell has sole voting and dispositive power; (d) 30,000 shares held in a revocable trust, over which shares Jonathan Burrell has the sole voting and dispositive power; (e) 766,498 shares held in a GRAT remainder trust established for Jonathan Burrell's benefit, over which shares Jonathan Burrell shares voting and dispositive power with a third party co-trustee; and (f) 43,478 shares held in a limited liability company that is wholly-owned by a GRAT remainder trust established for Jonathan Burrell's benefit, over which shares Jonathan Burrell has the sole voting and dispositive power.

[2] Includes (a) 491,747 shares held by The Judith M. Burrell Revocable Trust, over which shares Jonathan Burrell shares voting and dispositive power with his mother, Judith M. Burrell; (b) 9,055,549 shares held in several Charitable Lead Annuity Trusts, over which shares Jonathan Burrell has the sole voting and dispositive power; (c) 7,935,400 shares held in several Grantor Retained Annuity Trusts established by Judith M. Burrell, over which shares Jonathan Burrell has sole voting and dispositive power; (d) 30,000 shares held in a revocable trust, over which shares Jonathan Burrell has the sole voting and dispositive power; (e) 773,834 shares held in a GRAT remainder trust established for Jonathan Burrell's benefit, over which shares Jonathan Burrell shares voting and dispositive power with a third party co-trustee; (f) 394,478 shares held in one or more limited liability companies that are wholly-owned by a GRAT remainder trust established for Jonathan Burrell's benefit, over which shares Jonathan Burrell has the sole voting and dispositive power; and (g) 300,000 shares held in several Grantor Retained Annuity Trusts established by Jonathan Burrell, over which shares Jonathan Burrell has the sole voting and dispositive power.

[3] Includes (a) 6,410,753 shares held by a revocable trust established by Dr. Kao and his wife, over which Dr. Kao has shared voting and dispositive power; (b) 12,227,539 shares held by revocable trusts established by Dr. Kao's children, over which Dr. Kao has shared voting and dispositive power; and (c) 220,768 shares held by the Kao Family Foundation, a charitable foundation over which Dr. Kao and members of his family may be deemed to have voting and dispositive power.

[4] Includes (a) 6,384,753 shares held by a revocable trust established by Dr. Kao and his wife, over which Dr. Kao has shared voting and dispositive power; (b) 12,227,539 shares held by revocable trusts established by Dr. Kao's children, over which Dr. Kao has shared voting and dispositive power; and (c) 234,768 shares held by the Kao Family Foundation, a charitable foundation over which Dr. Kao and members of his family may be deemed to have voting and dispositive power.

[5] Shares held by Mr. Pemble are shown in the Executive Management disclosure below.

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As of December 31, 2022 and December 25, 2021, the members of Executive Management held the following numbers of shares:

Name and Principal Position [1]	Total number of shares held at Dec. 31, 2022	Total number of shares held at Dec. 25, 2021
Douglas G. Boessen, Chief Financial Officer & Treasurer	28,930	23,835
Clifton A. Pemble, President & Chief Executive Officer	82,651	108,742
Total	111,581	132,577

[1] On February 14, 2014, the Company's Board of Directors determined that with effective date of January 1, 2014, the Company's Executive Management consists of its President & Chief Executive Officer and its Chief Financial Officer & Treasurer.

The members of our Board of Directors and Executive Management owned 19.18 and 19.96 percent of the Company's total shares issued as of December 31, 2022 and December 25, 2021, respectively.

The following tables provide information for each non-employee member of the Board of Directors regarding outstanding equity awards held by them as of December 31, 2022 and December 25, 2021, respectively.

Outstanding Equity Awards at December 31, 2022

Name and Function	Stock Awards [1]
Jonathan Burrell Member of the Board and Compensation Committee, Chair of Nominating and Corporate Governance Committee	1,502
Joseph Hartnett Member of the Board, Audit Committee and Nominating and Corporate Governance Committee, Chair of Compensation Committee	1,502
Catherine Lewis Member of the Board, Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee	1,502
Charles Peffer Member of the Board, Compensation Committee and Nominating and Corporate Governance Committee, Chair of Audit Committee	1,502
Total	6,008

[1] Represents restricted stock units.

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Outstanding Equity Awards at December 25, 2021

Name and Function	Stock Awards [1]
Jonathan Burrell Member of the Board and Compensation Committee, Chair of Nominating and Corporate Governance Committee	1,045
Joseph Hartnett Member of the Board, Audit Committee and Nominating and Corporate Governance Committee, Chair of Compensation Committee	1,045
Catherine Lewis Member of the Board, Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee	1,045
Charles Peffer Member of the Board, Compensation Committee and Nominating and Corporate Governance Committee, Chair of Audit Committee	1,045
Total	4,180

[1] Represents restricted stock units.

The following tables provide information for each member of Executive Management regarding outstanding equity awards held by them as of December 31, 2022 and December 25, 2021, respectively. Amounts in these tables are presented in CHF.

Outstanding Equity Awards at December 31, 2022

	Stock Awards		
Name	*Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)*		*Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (CHF)* [3]
Clifton A. Pemble	3,935	(1)	335,307
President & Chief Executive Officer	8,246	(1)	702,653
	20,052	(1)	1,708,658
	7,139	(2)	608,324
	11,662	(2)	993,735
	14,754	(2)	1,257,208
	65,788		
Douglas G. Boessen	875	(1)	74,560
Chief Financial Officer & Treasurer	1,722	(1)	146,734
	4,296	(1)	366,068
	2,142	(2)	182,523
	3,216	(2)	274,040
	4,023	(2)	342,805
	16,274		
Total	82,062		

[1] Represents restricted stock units.

[2] Represents time-based and performance-based vesting restricted stock units.

[3] Determined by multiplying the number of unearned shares by CHF 85.21, which was the closing price of Garmin shares on The New York Stock Exchange on December 30, 2022.

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Outstanding Equity Awards at December 25, 2021

Name	Stock Awards: Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)		Stock Awards: Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (CHF) [3]
Clifton A. Pemble	4,300	(1)	530,499
President & Chief Executive Officer	7,870	(1)	970,937
	12,369	(1)	1,525,988
	4,193	(2)	517,299
	14,278	(2)	1,761,505
	11,661	(2)	1,438,640
	54,671		
Douglas G. Boessen	985	(1)	121,521
Chief Financial Officer & Treasurer	1,750	(1)	215,901
	2,583	(1)	318,670
	1,363	(2)	168,156
	4,284	(2)	528,525
	3,216	(2)	396,764
	14,181		
Total	68,852		

[1] Represents restricted stock units.

[2] Represents time-based and performance-based vesting restricted stock units.

[3] Determined by multiplying the number of unearned shares by CHF 123.37, which was the closing price of Garmin shares on The New York Stock Exchange on December 23, 2021.

Other than as disclosed, no party related to any member of the Board of Directors or Executive Management held any shares of Garmin Ltd. or equity awards in Garmin Ltd. shares as of December 31, 2022 or December 25, 2021.

9. Dividend income and impairment loss on investment in Affiliates

During 2022, Garmin Ltd. received a dividend of CHF 1,037,000 from one of its Affiliates. No impairment loss was recognized related to these dividends. During 2021, Garmin Ltd. received a dividend of CHF 472,000 from its Affiliates resulting in a reduction in the value of the investment in the Affiliates by the same amount. Consequently, the Company recognized an impairment of CHF 472,000 in the value of its investment in affiliated companies.

10. Subsequent events

No significant events occurred subsequent to the balance sheet date but prior to February 22, 2023 that would have a material impact on the financial statements.

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Proposed Appropriation of Available Earnings

CHF in thousands	December 31, 2022
Balance brought forward from previous years	40,790
Net earnings (loss) for the period (on a stand-alone unconsolidated basis)	1,029,261
Total available to the general meeting	1,070,051
Proposal of the Board of Directors for the appropriation of available earnings to the general meeting:	1,070,051
Balance to be carried forward	1,070,051

	Reserve from capital contribution	Reserve for treasury shares from capital contribution [1]	Dividend reserve from capital contribution
Balance as of December 31, 2022	4,278,696	260,229	186,638
Proposed release of reserve from capital contribution to dividend reserve from capital contribution	(720,932)		720,932
Balance to be carried forward	3,557,764	260,229	907,570

[1] The reserve for treasury shares is blocked from distribution.

The Board of Directors proposes to the Annual Meeting that Garmin Ltd. pay a cash dividend in the amount of USD 2.92[1] per outstanding share out of Garmin Ltd.'s reserve from capital contribution payable in four equal installments at the dates determined by the Board of Directors in its discretion, the record date and payment date for each such installment to be announced in a press release[2] at least ten calendar days prior to the record date.

The cash dividend shall be made with respect to the outstanding share capital of Garmin Ltd. on the record date for the applicable installment, which amount will exclude any shares of Garmin Ltd. held by Garmin Ltd. or any of its direct or indirect subsidiaries.

CHF 720,932[3] shall be allocated to dividend reserves from capital contribution (the "Dividend Reserve") from the reserve from capital contribution in order to pay such dividend of USD 2.92 per outstanding share with a nominal value of CHF 0.10 each (assuming a total of 198,077,418 shares[4] eligible to receive the dividend). If the aggregate dividend payment is lower than the Dividend Reserve, the relevant difference will be allocated back to the reserve from capital contribution. To the extent that any installment payment, when converted into Swiss francs, at a USD/CHF exchange rate prevailing at the relevant payment date for the relevant installment payment, would exceed the Dividend Reserve then remaining, the USD per share amount of that installment payment shall be reduced on a pro rata basis, provided, however, that the aggregate amount of that installment payment shall in no event exceed the then remaining Dividend Reserve.

[1] In no event will the dividend payment exceed a total of USD 2.92 per share.

[2] The announcements will not be published in the Swiss Official Gazette of Commerce.

[3] Based on the currency conversion rate of 0.9233 at December 31, 2022, with a total of 198,077,418 shares eligible for payout (based on the number of shares issued as at December 31, 2022), the aggregate Dividend Reserve would be CHF 720,932. The amount of the Dividend Reserve, calculated on the basis of the Company's issued shares as at December 31, 2022, includes a 35% margin to accommodate (i) unfavorable currency fluctuation and (ii) new share issuances (see footnote 4 below) that may occur between the time that the dividend is approved by shareholders and when the last installment payment is made. Unused Dividend Reserves will be returned to the reserve from capital contribution after the last installment payment.

[4] This number is based on the registered share capital at December 31, 2022. The number of shares eligible for dividend payments may change due to the repurchase of shares, the sale of treasury shares or the issuance of new shares, including (without limitation) from the conditional share capital reserved for the employee profit sharing program, and utilization of authorized capital.

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STATUTORY CONSOLIDATED FINANCIAL STATEMENTS

Garmin Ltd. (Switzerland)
Years Ended December 31, 2022 and December 25, 2021

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To the General Meeting of
Garmin Ltd, Schaffhausen

Zurich, February 22, 2023

Report of the statutory auditor

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of Garmin Ltd and its subsidiaries (the Group, Company), which comprise the consolidated balance sheets as of December 31, 2022 and December 25, 2021, and the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2022, and the related notes, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2022 and December 25, 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with U.S. generally accepted accounting principles (US GAAP) and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law, Swiss Standards on Auditing (SA-CH) and the standards of the Public Company Accounting Oversight Board (United States) (PCAOB standards). Our responsibility is to express an opinion on these consolidated financial statements based on our audit and our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are a public accounting firm and are independent of the Group in accordance with the provisions of Swiss law and U.S. federal securities law, together with the requirements of the Swiss audit profession, the U.S. Securities and Exchange Commission and the PCAOB and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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Critical audit matters

The critical audit matters communicated below are the matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the Audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Valuation of Goodwill

Description of the Matter

The Company assigns goodwill acquired in business combinations to its reporting units as of each acquisition date. At December 31, 2022, the Company's goodwill balance related to the consumer auto reporting unit was approximately $77 million. As discussed in Note 1 of the consolidated financial statements, goodwill is tested for impairment at least annually at the reporting unit level. Revenue and profits of the consumer auto reporting unit declined for a number of years through fiscal 2020 as competing technologies emerged and market saturation occurred for certain key products. Revenue and profit of the consumer auto reporting unit has since experienced periods of increases and decreases. Considering uncertainty in qualitative factors, management performed a step one quantitative impairment test of the consumer auto reporting unit in the fourth quarter of 2022.

Auditing management's annual goodwill impairment test for the consumer auto reporting unit was complex and highly judgmental due to the significant estimation required in determining the fair value of the reporting unit. In particular, the fair value estimate was sensitive to significant assumptions such as the discount rate, projected future revenues, projected future operating margins, and terminal growth rates which are affected by expectations about future market or economic conditions.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's consumer auto goodwill impairment review process. For example, we tested controls over management's review of the significant assumptions (e.g., discount rate, projected revenue growth rates, projected operating margins, terminal growth rates) used to develop the prospective financial information (PFI) for the quantitative analysis. We also tested management's controls to validate that the data used in the valuation was complete and accurate.

To test the estimated fair value of the Company's consumer auto reporting unit, we performed audit procedures that included, among others, assessing the methodology and testing the significant assumptions discussed above and the underlying data used by the Company in its analysis. We included valuation specialists on our team to review the Company's model, method, and the more sensitive assumptions such as the discount rate and terminal growth assumptions. We compared the significant assumptions used by management to current industry and economic trends, changes to the Company's business

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model, forecasts used in the Company's annual operating plans and other relevant factors. We assessed the historical accuracy of management's forecast estimates and performed sensitivity analyses of significant assumptions to evaluate the changes in the fair value of the consumer auto reporting unit that would result from changes in the assumptions. We reconciled the fair value of the reporting unit to its carrying value, testing the Company's determination of the assets and liabilities used within the reporting unit that are the basis for the carrying value. In addition, we tested management's reconciliation of the fair value of the reporting units to the market capitalization of the Company.

Measurement of Reserve for Unrecognized Income Tax Benefits

Description of the Matter	The Company accounts for uncertainty in income taxes in accordance with the ASC 740 topic, *Income Taxes*. The Company operates in a multinational tax environment and is subject to tax laws, regulations and guidelines for intercompany transactions that have transfer pricing subjectivity. The Company uses significant judgment to evaluate uncertain tax positions and determine whether the threshold for recognition has been met and to measure the largest amount of benefit that is more likely than not to be realized upon ultimate settlement. As discussed in Note 5 to the consolidated financial statements, the Company's balance of gross unrecognized income tax benefits was $31 million at December 31, 2022, primarily related to transfer pricing positions. Auditing management's assessment and measurement of material tax positions is complex and involved especially subjective and complex judgements. The assessment process involves both significant judgment to evaluate each position against the recognition threshold and estimation because the pricing of the intercompany transactions is based on pricing analyses that may produce a number of different outcomes or ranges of outcomes (e.g., the price that would be charged in an arm's-length transaction). Each transfer pricing tax position carries unique facts and circumstances that must be evaluated, and ultimate resolution will be dependent on uncontrollable factors, such as the interpretation of laws and regulations; new case law; the willingness of the income tax authority to settle the issue, including the timing thereof; and other factors.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design and tested the operating effectiveness of controls that address the risks of material misstatement relating to the identification, assessment, measurement and valuation of uncertain tax positions related to transfer pricing from intercompany transactions. For example, we tested controls over management's review of intercompany transfer pricing positions against the measurement criteria, review of inputs and calculations of these uncertain tax positions, which included management's evaluation of the ranges of outcomes and pricing conclusions reached within the transfer pricing studies. Our audit procedures included, among others, involving our tax professionals to test the Company's assessment and measurement of tax positions related to transfer pricing used in intercompany transactions to assess the appropriateness of the ranges of outcomes utilized and the

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pricing conclusions reached within the transfer pricing studies conducted by the Company. For example, we compared the transfer pricing methodology utilized by management to alternative methodologies and industry benchmarks. We also verified our understanding of the relevant facts by reading the Company's correspondence with the relevant tax authorities and any third-party advice obtained by the Company. In addition, we used our knowledge of international and local income tax laws, as well as historical settlement activity from income tax authorities, to evaluate the appropriateness of the Company's measurement of uncertain tax positions related to transfer pricing used in these intercompany transactions.

Other information
The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Board of Directors' responsibilities for the consolidated financial statements
The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with US GAAP and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, SA-CH and PCAOB standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in

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the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law, SA-CH and PCAOB standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors and the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors and the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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From the matters arising from the audit of the consolidated financial statements that were communicated or required to be communicated to the Board of Directors and the Audit Committee, we determine those matters that related to accounts or disclosures that are material to the consolidated financial statements and involved especially challenging, subjective, or complex auditor judgment in the current period and are therefore critical audit matters.

Report on other legal and regulatory requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

We have served as the Group's auditor since 1990.

Ernst & Young Ltd

/s/ Rico Fehr
Licensed audit expert
(Auditor in charge)

/s/ Michaela Held
Licensed audit expert

Enclosures

Consolidated financial statements (consolidated balance sheets, statements of income, comprehensive income, stockholders' equity, cash flows and notes)

Garmin Ltd. and Subsidiaries
Consolidated Statements of Income
(USD in thousands, except per share information)

	Fiscal Year Ended		
	December 31, 2022	December 25, 2021	December 26, 2020
Net sales	$ 4,860,286	$ 4,982,795	$ 4,186,573
Cost of goods sold	2,053,511	2,092,336	1,705,237
Gross profit	2,806,775	2,890,459	2,481,336
Advertising expense	168,040	171,829	151,166
Selling, general and administrative expenses	775,963	721,260	623,588
Research and development expense	834,927	778,750	652,342
Total operating expense	1,778,930	1,671,839	1,427,096
Operating income	1,027,845	1,218,620	1,054,240
Other income (expense):			
Interest income	40,826	28,573	37,002
Foreign currency (losses) gains	(11,274)	(45,263)	2,825
Other income	7,577	4,866	9,343
Total other income (expense)	37,129	(11,824)	49,170
Income before income taxes	1,064,974	1,206,796	1,103,410
Income tax provision (benefit):			
Current	233,844	130,040	104,471
Deferred	(142,455)	(5,444)	6,615
Total income tax provision	91,389	124,596	111,086
Net income	$ 973,585	$ 1,082,200	$ 992,324
Basic net income per share	$ 5.06	$ 5.63	$ 5.19
Diluted net income per share	$ 5.04	$ 5.61	$ 5.17

See accompanying notes.

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Garmin Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
(USD in thousands)

	Fiscal Year Ended		
	December 31, 2022	December 25, 2021	December 26, 2020
Net income	$ 973,585	$ 1,082,200	$ 992,324
Foreign currency translation adjustment	(149,396)	(39,538)	107,664
Change in fair value of available-for-sale marketable securities, net of deferred taxes	(82,972)	(26,054)	19,889
Comprehensive income	$ 741,217	$ 1,016,608	$ 1,119,877

See accompanying notes.

Garmin Ltd. and Subsidiaries
Consolidated Balance Sheets
(USD in thousands, except per share information)

	December 31, 2022	December 25, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 1,279,194	$ 1,498,058
Marketable securities	173,288	347,980
Accounts receivable, less allowance for doubtful accounts of $5,098 in 2022 and $7,080 in 2021	656,847	843,445
Inventories	1,515,045	1,227,609
Deferred costs	14,862	15,961
Prepaid expenses and other current assets	315,915	328,719
Total current assets	3,955,151	4,261,772
Property and equipment, net	1,147,005	1,067,478
Operating lease right-of-use assets	138,040	89,457
Noncurrent marketable securities	1,208,360	1,268,698
Deferred income tax assets	441,071	260,205
Noncurrent deferred costs	9,831	12,361
Goodwill	567,994	575,080
Other intangible assets, net	178,461	215,993
Other noncurrent assets	85,257	103,383
Total assets	$ 7,731,170	$ 7,854,427
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 212,417	$ 370,048
Salaries and benefits payable	176,114	211,371
Accrued warranty costs	50,952	45,467
Accrued sales program costs	97,772	121,514
Other accrued expenses	197,376	225,988
Deferred revenue	91,092	87,654
Income taxes payable	246,180	128,083
Dividend payable	139,732	258,023
Total current liabilities	1,211,635	1,448,148
Deferred income tax liabilities	129,965	117,595
Noncurrent income taxes payable	34,627	62,539
Noncurrent deferred revenue	35,702	41,618
Noncurrent operating lease liabilities	114,541	70,044
Other noncurrent liabilities	360	324
Stockholders' equity:		
Shares, CHF 0.10 par value, 198,077 shares authorized and issued, 191,623 shares outstanding at December 31, 2022; and 192,608 shares outstanding at December 25, 2021:	17,979	17,979
Additional paid-in capital	2,042,472	1,960,722
Treasury stock (6,454 and 5,469 shares, respectively)	(475,095)	(303,114)
Retained earnings	4,733,517	4,320,737
Accumulated other comprehensive income (loss)	(114,533)	117,835
Total stockholders' equity	6,204,340	6,114,159
Total liabilities and stockholders' equity	$ 7,731,170	$ 7,854,427

See accompanying notes.

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Garmin Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
(USD in thousands)

	Fiscal Year Ended		
	December 31, 2022	December 25, 2021	December 26, 2020
Operating Activities:			
Net income	$ 973,585	$ 1,082,200	$ 992,324
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	118,743	103,498	78,121
Amortization	45,110	51,320	48,594
(Gain) loss on sale of property and equipment	(2,083)	298	(1,799)
Unrealized foreign currency (gains) losses	(5,867)	36,385	(9,873)
Deferred income taxes	(143,286)	(5,368)	6,931
Stock compensation expense	76,801	92,522	80,885
Realized losses (gains) on marketable securities	986	(622)	(1,392)
Changes in operating assets and liabilities, net of acquisitions:			
Accounts receivable, net of allowance for doubtful accounts	167,336	(19,106)	(108,859)
Inventories	(363,327)	(476,454)	28,726
Other current and noncurrent assets	72,185	(38,004)	(33,690)
Accounts payable	(131,268)	108,946	1,447
Other current and noncurrent liabilities	(71,756)	70,007	87,761
Deferred revenue	(2,379)	(7,377)	(25,211)
Deferred costs	3,591	8,288	11,973
Income taxes	49,888	5,894	(20,671)
Net cash provided by operating activities	788,259	1,012,427	1,135,267
Investing activities:			
Purchases of property and equipment	(244,286)	(307,645)	(185,401)
Proceeds from sale of property and equipment	2,402	35	1,977
Purchase of intangible assets	(1,907)	(1,942)	(2,065)
Purchase of marketable securities	(1,051,994)	(1,508,712)	(1,052,640)
Redemption of marketable securities	1,164,116	1,363,070	1,126,253
Acquisitions, net of cash acquired	(13,455)	(20,175)	(148,648)
Net cash used in investing activities	(145,124)	(475,369)	(260,524)
Financing activities:			
Dividends	(679,096)	(491,457)	(450,631)
Proceeds from issuance of treasury stock related to equity awards	62,221	35,733	15,201
Purchase of treasury stock related to equity awards	(22,730)	(30,985)	(26,330)
Purchase of treasury stock under share repurchase plan	(201,012)	—	—
Net cash used in financing activities	(840,617)	(486,709)	(461,760)
Effect of exchange rate changes on cash and cash equivalents	(21,449)	(10,254)	18,127
Net (decrease) increase in cash, cash equivalents, and restricted cash	(218,931)	40,095	431,110
Cash, cash equivalents, and restricted cash at beginning of year	1,498,843	1,458,748	1,027,638
Cash, cash equivalents, and restricted cash at end of year	$ 1,279,912	$ 1,498,843	$ 1,458,748

See accompanying notes.

Garmin Ltd. and Subsidiaries
Consolidated Statements of Cash Flows (continued)
(USD in thousands)

	Fiscal Year Ended		
	December 31, 2022	December 25, 2021	December 26, 2020
Supplemental disclosures of cash flow information			
Cash paid during the year for income taxes	$ 184,809	$ 131,040	$ 133,057
Cash received during the year from income tax refunds	$ 7,786	$ 8,264	$ 4,820
Supplemental disclosure of non-cash investing and financing activities			
(Decrease) increase in accrued capital expenditures related to purchases of property and equipment	$ (4,320)	$ 9,541	$ (4,192)
Change in marketable securities related to unrealized (depreciation) appreciation	$ (107,362)	$ (32,622)	$ 23,045
Fair value of assets acquired	$ 15,340	$ 20,956	$ 165,082
Liabilities assumed	(1,624)	(764)	(14,884)
Less: cash acquired	(261)	(17)	(1,550)
Cash paid for acquisitions, net of cash acquired	$ 13,455	$ 20,175	$ 148,648

See accompanying notes.

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Garmin Ltd. and Subsidiaries
Consolidated Statements of Stockholders' Equity
(USD in thousands, except per share information)

	Common Stock	Additional Paid-In Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance at December 28, 2019	$ 17,979	$1,835,622	$(345,040)	$3,229,061	$ 55,874	$4,793,496
Net income	—	—	—	992,324	—	992,324
Translation adjustment	—	—	—	—	107,664	107,664
Adjustment related to unrealized gains (losses) on available-for-sale securities net of income tax effects of $3,157	—	—	—	—	19,889	19,889
Comprehensive income						1,119,877
Dividends	—	—	—	(467,013)	—	(467,013)
Issuance of treasury stock related to equity awards	—	(36,153)	51,354	—	—	15,201
Stock compensation	—	80,885	—	—	—	80,885
Purchase of treasury stock related to equity awards	—	—	(26,330)	—	—	(26,330)
Balance at December 26, 2020	$ 17,979	$1,880,354	$(320,016)	$3,754,372	$ 183,427	$5,516,116
Net income	—	—	—	1,082,200	—	1,082,200
Translation adjustment	—	—	—	—	(39,538)	(39,538)
Adjustment related to unrealized gains (losses) on available-for-sale securities net of income tax effects of $6,568	—	—	—	—	(26,054)	(26,054)
Comprehensive income						1,016,608
Dividends	—	—	—	(515,835)	—	(515,835)
Issuance of treasury stock related to equity awards	—	(12,154)	47,887	—	—	35,733
Stock compensation	—	92,522	—	—	—	92,522
Purchase of treasury stock related to equity awards	—	—	(30,985)	—	—	(30,985)
Balance at December 25, 2021	$ 17,979	$1,960,722	$(303,114)	$4,320,737	$ 117,835	$6,114,159
Net income	—	—	—	973,585	—	973,585
Translation adjustment	—	—	—	—	(149,396)	(149,396)
Adjustment related to unrealized gains (losses) on available-for-sale securities net of income tax effects of $24,390	—	—	—	—	(82,972)	(82,972)
Comprehensive income						741,217
Dividends	—	—	—	(560,805)	—	(560,805)
Issuance of treasury stock related to equity awards	—	4,949	57,272	—	—	62,221
Stock compensation	—	76,801	—	—	—	76,801
Purchase of treasury stock related to equity awards	—	—	(22,730)	—	—	(22,730)
Purchase of treasury stock under share repurchase plan	—	—	(206,523)	—	—	(206,523)
Balance at December 31, 2022	$ 17,979	$2,042,472	$(475,095)	$4,733,517	$ (114,533)	$6,204,340

See accompanying notes.

1. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

Garmin Ltd. and subsidiaries (collectively, the "Company" or "Garmin") design, develop, manufacture, market, and distribute a diverse family of hand-held, wrist-based, portable, and fixed-mount Global Positioning System (GPS)-enabled products and other navigation, communications, information and sensor-based products and services. Garmin Corporation (GC) is primarily responsible for the manufacturing and distribution of the Company's products to the Company's subsidiaries and, to a lesser extent, new product development and sales and marketing of the Company's products in Asia and the Far East. Garmin International, Inc. (GII) is primarily responsible for sales and marketing of the Company's products in the Americas region and for most of the Company's research and new product development. GII also manufactures most of the Company's products in the aviation segment. Garmin (Europe) Ltd. (GEL) is primarily responsible for sales and marketing of the Company's products in Europe, the Middle East and Africa (EMEA). Many of GEL's sales are to other Company-owned distributors in the EMEA region.

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States. The accompanying consolidated financial statements reflect the accounts of Garmin Ltd. and its wholly-owned subsidiaries. Intercompany balances and transactions have been eliminated.

Changes in Classification and Allocation

Certain prior period amounts have been reclassified or presented to conform to current period presentation.

In the first quarter of fiscal 2022, the Company refined the methodology used in classifying certain indirect costs in accordance with the way the Company's management is now using the information in decision making, which management believes provides a more meaningful representation of costs incurred to support research and development activities. As a result, the Company's consolidated statements of income have been recast for the 52-week periods ended December 25, 2021 and December 26, 2020 to reflect a reclassification of $61,274 and $53,343, respectively, from research and development expense to selling, general, and administrative expense.

Additionally, in the first quarter of fiscal 2022, the methodology used to allocate certain selling, general, and administrative expenses to the segments was refined to allocate these expenses in a more direct manner to provide the Company's Chief Operating Decision Maker (CODM) with a more meaningful representation of segment profit or loss. The Company's composition of operating segments and reportable segments did not change at that time. Results for the 52-week periods ended December 25, 2021 and December 26, 2020 have been recast to conform to current period presentation.

These changes in classification and allocation had no effect on the Company's consolidated operating or net income.

Fiscal Year

The Company's fiscal year is based on a 52-53-week period ending on the last Saturday of the calendar year. Due to the fact that there are not exactly 52 weeks in a calendar year, the Company will have a fiscal year comprising 53 weeks in certain fiscal years, as determined by when the last Saturday of the calendar year occurs.

In those resulting fiscal years that have 53 weeks, the Company will record an extra week of sales, costs, and related financial activity. Therefore, the financial results of those 53-week fiscal years, and the associated 14-week fourth quarters, will not be entirely comparable to the prior and subsequent 52-week fiscal years and the associated 13-week quarters. Fiscal year 2022 contains 53 weeks compared to 52 weeks for 2021 and 2020.

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Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Foreign Currency

Many Garmin Ltd. subsidiaries utilize currencies other than the United States Dollar (USD) as their functional currency. As required by Accounting Standards Codification (ASC) Topic 830, *Foreign Currency Matters*, the financial statements of these subsidiaries for all periods presented have been translated into USD, the functional currency of Garmin Ltd., and the reporting currency herein, for purposes of consolidation at rates prevailing during the year for sales, costs, and expenses and at end-of-year rates for all assets and liabilities. The effect of this translation is recorded in a separate component of stockholders' equity. Cumulative currency translation adjustments of $(25,981) and $123,415 as of December 31, 2022 and December 25, 2021, respectively, have been included in accumulated other comprehensive income (loss) in the accompanying consolidated balance sheets.

Transactions in foreign currencies are recorded at the approximate rate of exchange at the transaction date. Assets and liabilities resulting from these transactions are translated at the rate of exchange in effect at the balance sheet date. The majority of the Company's consolidated foreign currency gain or loss is typically driven by the significant cash and marketable securities, receivables, and payables held in a currency other than the functional currency at a given legal entity. Net foreign currency losses recorded in results of operations were $11,274 for the year ended December 31, 2022, net foreign currency losses recorded in results of operations were $45,263 for the year ended December 25, 2021, and net foreign currency gains recorded in results of operations were $2,825 for the year ended December 26, 2020. The loss in fiscal 2022 was primarily due to the U.S. Dollar strengthening against the Australian Dollar, Polish Zloty, Chinese Yuan, Euro, Japanese Yen, and British Pound Sterling, partially offset by the U.S. Dollar strengthening against the Taiwan Dollar. The loss in fiscal 2021 was primarily due to the U.S. Dollar strengthening against the Euro, Polish Zloty, Japanese Yen, Swiss Franc, and Australian Dollar, while the U.S. Dollar weakened against the Taiwan Dollar. The gain in fiscal 2020 was primarily due to the U.S. Dollar weakening against the Euro, Australian Dollar, Chinese Yuan, and British Pound Sterling, partially offset by the U.S. Dollar weakening against the Taiwan Dollar.

Garmin Corporation, one of the Company's principal subsidiaries, is located in Taiwan. The Taiwan Foreign Exchange Control Statute (the "Statute"), and regulations thereunder, provides that all foreign exchange transactions must be executed by banks designated to handle such business by the Ministry of Finance of Taiwan and by the Central Bank of the Republic of China (Taiwan), also referred to as the CBC. Current regulations favor trade-related foreign exchange transactions, so the Statute does not impose any significant restrictions on import or export activities involving foreign currencies in Taiwan. Non-trade related currency exchanges exceeding $50 million, or its equivalent, in a calendar year require approval of the CBC.

Revenue Recognition

The Company recognizes revenue upon the transfer of control of promised products or services to the customer in an amount that depicts the consideration to which the Company expects to be entitled for the related products or services. For the large majority of the Company's sales, transfer of control occurs once product has shipped and title and risk of loss have transferred to the customer. The Company offers certain tangible products with ongoing services promised over a period of time, typically the useful life of the related tangible product. When such services have been identified as both capable of being distinct and separately identifiable from the related tangible product, the associated revenue allocated to such services is recognized over time. The Company generally does not offer specified or unspecified upgrade rights to its customers in connection with software sales.

The Company allocates revenue to all performance obligations associated with tangible products containing separately identifiable ongoing services based on the respective performance obligations' relative standalone selling prices ("SSP"), with the amounts allocated to ongoing services deferred and recognized over a period of time. These ongoing services primarily consist of the Company's contractual promises to provide personal navigation device (PND) users with map updates and server-based traffic services. In addition, the Company provides map update services (map care) over a contractual period in certain hardware and software contracts with automotive original equipment manufacturers (OEMs). The Company has determined that directly observable prices do not exist for certain map updates, map care, or server-based traffic, as stand-alone and unbundled unit sales do not occur on more than a limited basis. Therefore, the Company uses the expected cost plus a margin as the primary indicator to calculate relative SSP of certain map updates, map care, and traffic performance obligations. The revenue and associated costs allocated to map updates, map care, and server-based traffic service are deferred and recognized ratably over the estimated life of the products. In addition to the products listed above, the Company has offered certain other products with ongoing performance obligations including aviation database and other service subscriptions, incremental navigation and communication service subscriptions, mobile applications, and extended warranties that are recognized over the contractual service period (typically 1-3 years).

The Company records revenue net of sales tax or value-added tax and variable consideration such as trade discounts and customer returns. Payment is due typically within 90 days or less of shipment of product, or upon the grant of a given software license (as applicable). The Company records estimated reductions to revenue in the form of variable consideration for customer sales programs, returns, and incentive offerings including rebates, price protection, promotions, and other volume-based incentives. Cooperative advertising incentives payable to dealers and distributors are recorded as reductions of revenue unless the Company obtains proof of a distinct advertising service, in which case the incentive is recorded as advertising expense. The reductions to revenue are based on estimates and judgments using historical experience and expectation of future conditions.

Shipping and Handling Costs

Shipping and handling activities are typically performed before the customer obtains control of the good, and the related costs are expensed at the approximate time of sale. Shipping and handling costs are included in cost of goods sold in the accompanying consolidated statements of income.

Advertising Costs

The Company expenses advertising costs as incurred. Advertising expense amounted to approximately $168,040, $171,829, and $151,166 for the years ended December 31, 2022, December 25, 2021, and December 26, 2020, respectively.

Software Development Costs

ASC Topic 985-20, *Software – Costs of Software to Be Sold, Leased, or Marketed*, requires companies to expense software development costs as they incur them until technological feasibility has been established, at which time those costs are capitalized until the product is available for general release to customers. The Company's capitalized software development costs are not significant, as the time elapsed from working model to release is typically short. As required by ASC Topic 730, *Research and Development*, costs incurred to enhance our existing products or after the general release of the service using the product are expensed in the period they are incurred and included in research and development costs in the accompanying consolidated statements of income.

Accounting for Stock Compensation

The Company currently sponsors three employee stock compensation plans. ASC Topic 718, *Compensation – Stock Compensation*, requires the measurement and recognition of compensation expenses for all share-based payment awards made to employees and directors, including employee stock options and restricted stock, based on estimated fair values.

Accounting guidance requires companies to estimate the fair value of share-based payment awards on the date of grant using an option-pricing model. The value of the portion of the award that is ultimately expected to vest is recognized as stock compensation expense over the requisite service period in the Company's consolidated statements of income.

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As stock compensation expense recognized in the accompanying consolidated statements of income is based on awards ultimately expected to vest, they have been reduced for estimated forfeitures. Accounting guidance requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Forfeitures were estimated based on historical experience and management's estimates.

Excess tax benefits or deficiencies from stock compensation are recognized in the income tax provision and are not estimated in the effective tax rate. Rather, they are recorded as discrete tax items in the period they occur. Excess income tax benefits from stock compensation arrangements are classified as a cash flow from operations.

Stock compensation plans are discussed in more detail in Note 10 of the Notes to Consolidated Financial Statements.

Research and Development

A majority of the Company's research and development is performed in the United States. Research and development costs, which are typically expensed as incurred, amounted to approximately $834,927, $778,750, and $652,342 for the years ended December 31, 2022, December 25, 2021, and December 26, 2020, respectively.

Preproduction Costs Related to Long-Term Supply Arrangements

Preproduction design and development costs related to long-term supply arrangements are expensed as incurred, and classified as research and development, unless the customer has provided a contractual guarantee for reimbursement of such costs. Contractually reimbursable costs are capitalized as incurred in the consolidated balance sheets within prepaid expenses and other current assets if reimbursement is expected to be received within one year, or within other noncurrent assets if expected to be received beyond one year. Such capitalized costs were approximately $23,510 and $67,349 as of December 31, 2022 and December 25, 2021, respectively.

Income Taxes

The Company accounts for income taxes using the liability method in accordance with ASC Topic 740, *Income Taxes*. The liability method provides that deferred tax assets and liabilities are recorded based on the difference between the tax bases of assets and liabilities and their carrying amount for financial reporting purposes as measured based on the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company records a valuation allowance to reduce deferred tax assets to the amount that is believed more likely than not to be realized.

The Company accounts for uncertainty in income taxes in accordance with ASC Topic 740. The Company recognizes liabilities based on our estimate of whether, and the extent to which, additional taxes will be due. If payment of these amounts ultimately proves not to be required, the reversal of the liabilities results in tax benefits being recognized in the period when the Company determines the liabilities are no longer necessary. If the Company's estimate of tax liabilities proves to be less than the ultimate assessment, a further charge to expense would result.

Income taxes are discussed in more detail in Note 5 of the Notes to Consolidated Financial Statements.

Earnings Per Share

Basic earnings per share amounts are computed based on the weighted-average number of common shares outstanding. For purposes of diluted earnings per share, the number of shares that would be issued from the exercise of dilutive share-based compensation awards has been reduced by the number of shares which could have been purchased from the proceeds of the exercise or release at the average market price of the Company's stock during the period the awards were outstanding. See Note 3 of the Notes to Consolidated Financial Statements.

Cash, Cash Equivalents, and Restricted Cash

Cash and cash equivalents include cash on hand, operating accounts, money market funds, deposits readily convertible to known amounts of cash, and securities with maturities of three months or less when purchased. The carrying amount of cash and cash equivalents approximates fair value, given the short maturity of those instruments. Restricted cash is reported within other noncurrent assets on the consolidated balance sheets. See Note 7 of the Notes to Consolidated Financial Statements for additional information on restricted cash.

The total of the cash and cash equivalents balance and the restricted cash reported within other noncurrent assets on the consolidated balance sheets reconciles to the total cash, cash equivalents, and restricted cash shown in the consolidated statements of cash flows.

Marketable Securities

Management determines the appropriate classification of marketable securities at the time of purchase and reevaluates such designation as of each balance sheet date.

All of the Company's marketable securities were considered available-for-sale at December 31, 2022. Available-for-sale securities are stated at fair value, with the unrealized gains and losses, net of tax, reported in accumulated other comprehensive income (loss) on the Company's consolidated balance sheets. At December 31, 2022, and December 25, 2021, cumulative unrealized losses of $88,552 and $5,580, respectively were reported in accumulated other comprehensive income (loss), net of related taxes.

The Company recognizes impairments relating to credit losses of available-for-sale securities through an allowance for credit losses and other income (expense) on the Company's consolidated statements of income. Impairment not relating to credit losses is recorded in accumulated other comprehensive income (loss) on the Company's consolidated balance sheets.

Testing for impairment of investments requires management judgment. The identification of potentially impaired investments, the determination of their fair value, and the assessment of whether any decline in value is relating to credit losses are the judgmental elements. The discovery of new information and the passage of time can change these judgments. Revisions of impairment judgments are made when new information becomes known, and any resulting impairment adjustments are made at that time. The economic environment and volatility of securities markets increase the difficulty of assessing investment impairment.

In making this assessment we evaluate the extent to which the fair value is less than the amortized cost basis, any change in credit rating of the security, adverse conditions specifically related to the security, failure of the issuer to make scheduled payments, and other relevant factors affecting the security. If it is determined that a credit loss exists, the amount of the credit loss is determined by comparing the present value of the expected future cash flows for the security to the amortized cost basis of the security, limited by the amount the fair value is less than the amortized cost basis.

The amortized cost of debt securities classified as available-for-sale is adjusted for amortization of premiums and accretion of discounts to maturity, or in the case of mortgage-backed securities, over the estimated life of the security. Such amortization and realized gains/losses are recorded within interest income and other income (expense), respectively, on the Company's consolidated statements of income. The cost of securities sold is based on the specific identification method.

Marketable securities are discussed in more detail in Note 4 of the Notes to Consolidated Financial Statements.

Fair Value of Financial Instruments

As required by ASC Topic 825, *Financial Instruments*, the following summarizes required information about the fair value of certain financial instruments for which it is currently practicable to estimate such value. None of the financial instruments are held or issued for trading purposes. The carrying amounts and fair values of the Company's financial instruments are as follows:

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	December 31, 2022		December 25, 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash and cash equivalents	$ 1,279,194	$ 1,279,194	$ 1,498,058	$ 1,498,058
Marketable securities	$ 1,381,648	$ 1,381,648	$ 1,616,678	$ 1,616,678

For certain of the Company's financial instruments, including accounts receivable, accounts payable and other accrued liabilities, the carrying amounts approximate fair value due to their short maturities.

Trade Accounts Receivable

The Company sells its products to retailers, wholesalers, and other customers and grants credit to certain customers based on its evaluation of the customers' financial condition. Generally, the Company does not require security when trade credit is granted to customers. The Company's trade accounts receivable are carried at net realizable value, typically are collected within 90 days, and do not bear interest. Certain customers are allowed extended terms consistent with normal industry practice. Most of these extended terms can be classified as either relating to seasonal sales variations or to the timing of new product releases by the Company. Credit losses are provided for in the Company's consolidated financial statements and typically have been within management's expectations. Past due receivable balances are typically written off when internal collection efforts have been unsuccessful in collecting the amount due. The Company maintains trade credit insurance to provide some security against certain losses within policy limits.

Concentration of Credit Risk

The Company's top ten customers have contributed between 20% and 23% of net sales annually since 2020. None of the Company's customers accounted for 10% or more of consolidated net sales in the years ended December 31, 2022, and December 26, 2020. Amazon.com, Inc. and its affiliates (Amazon), a customer of the fitness, outdoor, marine, and consumer auto segments, was our largest customer and accounted for approximately 10% of our consolidated net sales in the fiscal year ended December 25, 2021. No other customer accounted for 10% or more of Garmin's consolidated net sales in fiscal 2021.

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost includes materials, labor, and manufacturing overhead associated with purchases and production and is determined on a first-in, first-out (FIFO) basis. The Company writes down its inventory for estimated obsolescence or unmarketable inventory equal to the difference between the cost of inventory and the estimated net realizable value based upon assumptions about future demand and market conditions. If actual market conditions are less favorable than those projected by management, additional inventory write-downs may be required. Inventories consisted of the following:

	December 31, 2022	December 25, 2021
Raw materials	$ 600,858	$ 509,435
Work-in-process	180,873	213,801
Finished goods	733,314	504,373
Inventories	$ 1,515,045	$ 1,227,609

Deferred Revenues and Costs

At December 31, 2022 and December 25, 2021, the Company had deferred revenues totaling $126,794 and $129,272, respectively, and related deferred costs totaling $24,693 and $28,322, respectively.

Deferred revenue consists primarily of the transaction price allocated to performance obligations that are recognized over a period of time basis as discussed in the *Revenue Recognition* portion of this footnote. Billings associated with such items are typically completed upon the transfer of control of promised products or services to the customer and recorded to accounts receivable until payment is received. Deferred costs primarily refer to the license fees incurred by the Company associated with the aforementioned unsatisfied performance obligations, which are amortized over the same period as the revenue is recognized. The Company typically pays the associated license fees either monthly or quarterly in arrears, on a per item shipped or installed basis.

The Company applies a practical expedient, as permitted within ASC Topic 340, *Other Assets and Deferred Costs*, to expense as incurred the incremental costs to obtain a contract when the amortization period of the asset that would have otherwise been recognized is one year or less.

Property and Equipment

Property and equipment is recorded at cost and typically depreciated using the straight-line method. The components of property and equipment were as follows and are generally depreciated over the following estimated useful lives:

	Estimated Useful Life	December 31, 2022	December 25, 2021
Land		$ 193,861	$ 206,895
Building and improvements	15 to 50 years	856,722	763,654
Machinery, equipment and software	3 to 10 years	1,001,344	917,557
Total, at cost		2,051,927	1,888,106
Accumulated depreciation		(904,922)	(820,628)
Property and equipment, net		$ 1,147,005	$ 1,067,478

As required by ASC Topic 360, *Property, Plant and Equipment*, the Company reviews long-lived assets, including property and equipment, for impairment whenever events or changes in circumstances indicate the carrying amount of an asset or asset group may not be fully recoverable. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. That assessment is based on the carrying amount of the asset at the date it is tested for recoverability. An impairment loss is measured as the amount by which the carrying amount of a long-lived asset exceeds its fair value. The Company did not recognize any material long-lived asset impairment charges in the fiscal years of 2022, 2021, or 2020.

Intangible Assets

At December 31, 2022, and December 25, 2021, the Company had intellectual property, customer related intangibles, and other identifiable finite-lived intangible assets recorded at a cost of $511,716 and $524,566, respectively. Identifiable, finite-lived intangible assets are amortized over their estimated useful lives on a straight-line basis typically over three to ten years. Accumulated amortization was $333,256 and $308,572 at December 31, 2022 and December 25, 2021, respectively. Amortization expense on these intangible assets was $30,561, $35,540, and $34,797 for the years ended December 31, 2022, December 25, 2021, and December 26, 2020, respectively. In the next five years, the amortization expense is estimated to be $29,786, $26,644, $23,682, $20,552, and $16,527, respectively. The Company also reviews finite-lived intangible assets for impairment in accordance with ASC Topic 360, as described above, whenever events or changes in circumstances indicate the carrying amount of an asset or asset group may not be fully recoverable.

The Company's excess purchase cost over fair value of net assets acquired (goodwill) was $567,994 at December 31, 2022, and $575,080 at December 25, 2021. Changes in the carrying amount of goodwill for the years ended December 31, 2022 and December 25, 2021 are as follows:

	Fitness	Outdoor	Aviation	Marine	Auto	Total
Goodwill balance as of December 26, 2020	$272,449	$ 88,658	$ 60,347	$ 82,602	$ 80,154	$584,210
Acquisitions	—	14,152	—	—	—	14,152
Foreign currency translation and other adjustments	(16,577)	(2,416)	—	(2,696)	(1,593)	(23,282)
Goodwill balance as of December 25, 2021	$255,872	$100,394	$ 60,347	$ 79,906	$ 78,561	$575,080
Acquisitions	—	2,518	—	7,340	—	9,858
Foreign currency translation and other adjustments	(11,570)	(2,019)	—	(2,245)	(1,110)	(16,944)
Goodwill balance as of December 31, 2022	$244,302	$100,893	$ 60,347	$ 85,001	$ 77,451	$567,994

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ASC Topic 350, *Intangibles – Goodwill and Other*, requires that goodwill and intangible assets with indefinite useful lives should not be amortized but rather be assessed for impairment at least annually or sooner whenever events or changes in circumstances indicate that they may be impaired. The Company performs its annual impairment assessments of goodwill and indefinite-lived intangible assets, if any, in the fourth quarter of each year, as of the Company's fiscal year end date.

ASC Topic 350 allows management to first perform a qualitative goodwill assessment by assessing the qualitative factors of relevant events and circumstances at the reporting unit level to determine if it is necessary to perform the quantitative goodwill impairment test. If factors indicate that it is more likely than not that the fair value of the reporting unit is less than the carrying amount, then the quantitative test will be performed. If the fair value of the reporting unit is less than the carrying amount, then a goodwill impairment charge will be recognized in the amount by which carrying amount exceeds fair value, limited to the total amount of goodwill allocated to that reporting unit. Each of the Company's operating segments (fitness, outdoor, aviation, marine, consumer auto, and auto OEM) represents a distinct reporting unit, and goodwill impairment assessments are therefore performed at that level.

Revenue and profits of the consumer auto reporting unit declined for a number of years through fiscal 2020, as competing technologies emerged and market saturation occurred for certain key products. Revenue and profit of the consumer auto reporting unit has since experienced periods of increases and decreases and, considering uncertainty in qualitative factors, management performed a quantitative impairment test of the consumer auto reporting unit in the fourth quarter of 2022. Consistent with the results of the quantitative assessment performed in 2021, the quantitative assessment indicated again in 2022 that the fair value of the reporting unit was substantially in excess of its carrying amount.

Management also concluded that no goodwill associated with other reporting units is currently at risk of impairment based on qualitative assessments performed in 2022. The Company did not recognize any material goodwill or intangible asset impairment charges in fiscal years 2022, 2021, or 2020.

Leases

The Company leases certain real estate properties, vehicles, and equipment in various countries around the world. Leased properties are typically used for office space, distribution, and retail. The Company's leases are classified as operating leases with remaining terms of 1 to 31 years, some of which include an option to extend or renew. If the exercise of an option to extend or renew is determined to be reasonably certain, the associated right-of-use asset and lease liability reflects the extended period and payments. For newly signed leases, the right-of-use asset and lease liability is recognized on lease commencement date. Variable lease costs, such as adjustments to payments based on consumer price indices, are excluded in the recognition of right-of-use assets and lease liabilities. For all real estate leases, any non-lease components, including common area maintenance, have been separated from lease components and excluded from the associated right-of-use asset and lease liability calculations. For all equipment and vehicle leases, an accounting policy election has been made to not separate lease and non-lease components.

Leases with an initial term of 12 months or less ("short-term leases") are not recognized on the Company's consolidated balance sheets as a right-of-use asset or lease liability.

Product Warranty

The Company accrues for estimated future warranty costs at the time products are sold. The Company's standard warranty obligation to retail partners generally provides for a right of return of any product for a full refund in the event that such product is not merchantable, is damaged, or is defective. The Company's historical experience is that these types of warranty obligations are generally fulfilled within 5 months from time of sale. The Company's standard warranty obligation to its end-users provides for a period of one to two years from date of shipment while certain aviation, marine, and auto OEM products have a warranty period of two years or more from the date of installation. The Company's estimates of costs to service its warranty obligations are based on historical experience and management's expectations and judgments of future conditions. To the extent the Company experiences increased warranty claim activity or increased costs associated with servicing those claims, its warranty accrual will increase, which may result in decreased gross profit. The following reconciliation presents details of the changes in the Company's accrued warranty costs:

	Fiscal Year Ended		
	December 31, 2022	December 25, 2021	December 26, 2020
Balance - beginning of period	$ 45,467	$ 42,643	$ 39,758
Accrual for products sold [1]	72,821	69,810	67,028
Expenditures	(67,336)	(66,986)	(64,143)
Balance - end of period	$ 50,952	$ 45,467	$ 42,643

[1] Changes in cost estimates related to pre-existing warranties were not material and aggregated with accruals for new warranty contracts in the 'accrual for products sold' line.

Contingencies

In the normal course of business, the Company and its subsidiaries are parties to various legal claims, investigations and complaints, including matters alleging patent infringement and other intellectual property claims. The Company evaluates, on a quarterly and annual basis, developments in legal proceedings, investigations, claims, and other loss contingencies that could affect any required accrual or disclosure or estimate of reasonably possible loss or range of loss. An estimated loss from a loss contingency is accrued by a charge to income if it is probable that an asset has been impaired or a liability has been incurred and the amount of the loss can be reasonably estimated. If a range of loss is estimated, and some amount within that range appears to be a better estimate than any other amount within that range, then that amount is accrued. If no amount within the range can be identified as a better estimate than any other amount, the Company accrues the minimum amount in the range.

If an outcome unfavorable to the Company is determined to be probable, but the amount of loss cannot be reasonably estimated or is determined to be reasonably possible, but not probable, we disclose the nature of the contingency and an estimate of the possible loss or range of loss or a statement that such an estimate cannot be made. The Company's aggregate range of reasonably possible losses includes (1) matters where a liability has been accrued and there is a reasonably possible loss in excess of the amount accrued for that liability, and (2) matters where a loss is believed to be reasonably possible, but not probable, and a liability therefore has not been accrued. This aggregate range only represents the Company's estimate of reasonably possible losses and does not represent the Company's maximum loss exposure. The assessment regarding whether a loss is probable or reasonably possible, and whether the loss or a range of loss is estimable, often involves a series of complex judgments about future events. In assessing the probability of an outcome in a lawsuit, claim or assessment that could be unfavorable to the Company, we consider the following factors, among others: a) the nature of the litigation, claim, or assessment; b) the progress of the case; c) the opinions or views of legal counsel and other advisers; d) our experience in similar cases; e) the experience of other entities in similar cases; and f) how we intend to respond to the lawsuit, claim, or assessment. Costs incurred in defending lawsuits, claims or assessments are expensed as incurred.

See Note 7 of the Notes to Consolidated Financial Statements for additional information on contingencies.

Recently Adopted Accounting Standards

Financial Instruments – Credit Losses

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13"). ASU 2016-13 changed how entities assess and measure credit losses of certain financial instruments, including available-for-sale securities and accounts receivable. The Company adopted the new standard as of the beginning of the 2020 fiscal year. The adoption of the standard did not have a material impact on the Company's consolidated financial statements.

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Receivables – Nonrefundable Fees and Other Costs

In March 2017, the FASB issued Accounting Standards Update No. 2017-08, Receivables – Nonrefundable Fees and Other Costs (Topic 310-20): Premium Amortization on Purchased Callable Debt Securities ("ASU 2017-08"), which shortened the amortization period for certain callable debt securities held at a premium, requiring the premium to be amortized to the earliest call date. The Company adopted the new standard as of the beginning of the 2020 fiscal year. The adoption of the standard did not have a material impact on the Company's consolidated financial statements.

Recently Issued Accounting Pronouncements Not Yet Adopted

We do not expect any recently issued accounting pronouncements not yet adopted to have a material impact on the Company's consolidated financial statements, accounting policies, processes, or systems upon adoption.

2. Revenue

In order to further depict how the nature, amount, timing and uncertainty of our revenue and cash flows are affected by economic factors, we disaggregate revenue (or "net sales") by geographic region, major product category, and pattern of recognition.

Disaggregated revenue by geographic region (Americas, APAC, and EMEA) is presented in Note 11 – Segment Information and Geographic Data. Note 11 also contains disaggregated revenue information of the six major product categories identified by the Company – fitness, outdoor, aviation, marine, consumer auto, and auto OEM.

A large majority of the Company's sales are recognized on a point in time basis, usually once the product is shipped and title and risk of loss have transferred to the customer. Sales recognized over a period of time are primarily within the outdoor, aviation, and auto segments and relate to performance obligations that are satisfied over the estimated life of the product or contractual service period. Revenue disaggregated by the timing of transfer of the goods or services is presented in the table below:

	Fiscal Year Ended		
	December 31, 2022	December 25, 2021	December 26, 2020
Point in time	$ 4,602,636	$ 4,762,260	$ 3,998,251
Over time	257,650	220,535	188,322
Net sales	$ 4,860,286	$ 4,982,795	$ 4,186,573

Transaction price and costs associated with the Company's unsatisfied performance obligations are reflected as deferred revenue and deferred costs, respectively, on the Company's consolidated balance sheets. Such amounts are recognized ratably over the applicable service period or estimated useful life. Changes in deferred revenue and costs during the 53-week period ending December 31, 2022 and 52-week period ending December 25, 2021, are presented below:

	Fiscal Year Ended			
	December 31, 2022		December 25, 2021	
	Deferred Revenue [1]	Deferred Costs [2]	Deferred Revenue [1]	Deferred Costs [2]
Balance, beginning of period	$ 129,272	$ 28,322	$ 136,799	$ 36,655
Deferrals in period	255,172	17,169	213,008	16,345
Recognition of deferrals in period	(257,650)	(20,798)	(220,535)	(24,678)
Balance, end of period	$ 126,794	$ 24,693	$ 129,272	$ 28,322

[1] Deferred revenue is comprised of both deferred revenue and noncurrent deferred revenue per the consolidated balance sheets

[2] Deferred costs are comprised of both deferred costs and noncurrent deferred costs per the consolidated balance sheets

Of the $257,650 of deferred revenue recognized in the 53-weeks ended December 31, 2022, $84,227 was deferred as of the beginning of the period. Of the $220,535 of deferred revenue recognized in the 52-weeks ended December 25, 2021, $80,786 was deferred as of the beginning of the period.

Of the $126,794 of deferred revenue as of December 31, 2022, the Company expects to recognize approximately seventy-five percent ratably over a total period of three years or less.

3. Earnings Per Share

The following table sets forth the computation of basic and diluted net income per share. Stock options, stock appreciation rights, and restricted stock units are collectively referred to as "equity awards".

	Fiscal Year Ended		
	December 31, 2022	December 25, 2021	December 26, 2020
Numerator:			
Numerator for basic and diluted net income per share - net income	$ 973,585	$ 1,082,200	$ 992,324
Denominator (in thousands):			
Denominator for basic net income per share – weighted-average common shares	192,544	192,180	191,085
Effect of dilutive equity awards	498	863	810
Denominator for diluted net income per share – adjusted weighted-average common shares	193,042	193,043	191,895
Basic net income per share	$ 5.06	$ 5.63	$ 5.19
Diluted net income per share	$ 5.04	$ 5.61	$ 5.17
Shares excluded from diluted net income per share calculation:			
Anti-dilutive equity awards (in thousands)	625	235	308

4. Marketable Securities

ASC Topic 820, *Fair Value Measurements and Disclosures*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The accounting guidance classifies the inputs used to measure fair value into the following hierarchy:

Level 1	Unadjusted quoted prices in active markets for the identical asset or liability
Level 2	Observable inputs for the asset or liability, either directly or indirectly, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability
Level 3	Unobservable inputs for the asset or liability

The Company endeavors to utilize the best available information in measuring fair value. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Valuation is based on prices obtained from an independent pricing vendor using both market and income approaches. The primary inputs to the valuation include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, contractual cash flows, benchmark yields, and credit spreads.

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The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Marketable securities classified as available-for-sale securities are summarized below:

		Available-For-Sale Securities as of December 31, 2022			
	Fair Value Level	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Agency securities	Level 2	$ 7,000	$ —	$ (786)	$ 6,214
Mortgage-backed securities	Level 2	45,373	—	(4,525)	40,848
Corporate debt securities	Level 2	1,106,688	188	(77,802)	1,029,074
Municipal securities	Level 2	326,058	3	(28,861)	297,200
Other	Level 2	10,466	—	(2,154)	8,312
Total		**$1,495,585**	**$ 191**	**$ (114,128)**	**$1,381,648**

		Available-For-Sale Securities as of December 25, 2021			
	Fair Value Level	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Agency securities	Level 2	$ 7,000	$ —	$ (110)	$ 6,890
Mortgage-backed securities	Level 2	149,692	257	(880)	149,069
Corporate debt securities	Level 2	1,079,390	9,830	(11,827)	1,077,393
Municipal securities	Level 2	356,037	1,870	(4,864)	353,043
Other	Level 2	31,134	22	(873)	30,283
Total		**$1,623,253**	**$ 11,979**	**$ (18,554)**	**$1,616,678**

The primary objectives of the Company's investment policy are to preserve capital, maintain an acceptable degree of liquidity, and maximize yield within the constraint of low credit risk. The fair value of securities varies from period to period due to changes in interest rates, the performance of the underlying collateral, and the credit performance of the underlying issuer, among other factors.

Accrued interest receivable, which totaled $11,086 as of December 31, 2022, is excluded from both the fair value and amortized cost basis of available-for-sale securities and is included within prepaid expenses and other current assets on the Company's consolidated balance sheets. The Company writes off impaired accrued interest on a timely basis, generally within 30 days of the due date, by reversing interest income. No accrued interest was written off during the 53-week period ended December 31, 2022.

The Company recognizes impairments relating to credit losses of available-for-sale securities through an allowance for credit losses and other income (expense) on the Company's consolidated statements of income. Impairment not relating to credit losses is recorded in accumulated other comprehensive income (loss) on the Company's consolidated balance sheets. The cost of securities sold is based on the specific identification method. Approximately 98% of securities in our portfolio were at an unrealized loss position at December 31, 2022.

The following tables display additional information regarding gross unrealized losses and fair value by major security type for available-for-sale securities in an unrealized loss position as of December 31, 2022 and December 25, 2021.

	As of December 31, 2022					
	Less than 12 Consecutive Months		12 Consecutive Months or Longer		Total	
	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value
Agency securities	$ —	$ —	$ (786)	$ 6,214	$ (786)	$ 6,214
Mortgage-backed securities	(1,900)	23,229	(2,625)	17,619	(4,525)	40,848
Corporate debt securities	(26,680)	508,956	(51,122)	498,834	(77,802)	1,007,790
Municipal securities	(2,136)	69,017	(26,725)	225,679	(28,861)	294,696
Other	—	—	(2,154)	8,067	(2,154)	8,067
Total	**$ (30,716)**	**$ 601,202**	**$ (83,412)**	**$ 756,413**	**$ (114,128)**	**$ 1,357,615**

	As of December 25, 2021					
	Less than 12 Consecutive Months		12 Consecutive Months or Longer		Total	
	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value
Agency securities	$ (110)	$ 6,890	$ —	$ —	$ (110)	$ 6,890
Mortgage-backed securities	(148)	18,909	(732)	7,598	(880)	26,507
Corporate debt securities	(9,466)	499,084	(2,361)	85,033	(11,827)	584,117
Municipal securities	(4,247)	226,009	(617)	29,405	(4,864)	255,414
Other	(467)	17,845	(406)	7,205	(873)	25,050
Total	**$ (14,438)**	**$ 768,737**	**$ (4,116)**	**$ 129,241**	**$ (18,554)**	**$ 897,978**

As of December 31, 2022 and December 25, 2021, the Company had not recognized an allowance for credit losses on any securities in an unrealized loss position.

The Company has not recorded an allowance for credit losses and charge to other income for the unrealized losses on agency, mortgage-backed, corporate debt, municipal, and other securities presented above because we do not consider the declines in fair value to have resulted from credit losses. We have not observed a significant deterioration in credit quality of these securities, which are highly rated with moderate to low credit risk. Declines in value are largely attributable to current global economic conditions. The securities continue to make timely principal and interest payments, and the fair values are expected to recover as they approach maturity. The Company does not intend to sell the securities, and it is not more likely than not that the Company will be required to sell the securities, before the respective recoveries of their amortized cost bases, which may be maturity.

The amortized cost and fair value of marketable securities at December 31, 2022, by maturity, are shown below.

	Amortized Cost	Fair Value
Due in one year or less	$ 175,644	$ 173,288
Due after one year through five years	1,303,653	1,194,280
Due after five years through ten years	14,041	12,382
Due after ten years	2,247	1,698
Total	**$ 1,495,585**	**$ 1,381,648**

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5. Income Taxes

The Company's income tax provision (benefit) consists of the following:

	Fiscal Year Ended		
	December 31, 2022	December 25, 2021	December 26, 2020
U.S. federal:			
Current	$ 45,639	$ (13,096)	$ (25,220)
Deferred	(149,734)	(42,625)	(7,115)
	$ (104,095)	$ (55,721)	$ (32,335)
U.S. state:			
Current	$ 12,870	$ (5,876)	$ (3,931)
Deferred	(29,160)	(8,132)	2,715
	$ (16,290)	$ (14,008)	$ (1,216)
Foreign:			
Current	$ 175,335	$ 149,012	$ 133,622
Deferred	36,439	45,313	11,015
	$ 211,774	$ 194,325	$ 144,637
Total	$ 91,389	$ 124,596	$ 111,086

The income tax provision differs from the amount computed by applying the U.S. statutory federal income tax rate to income before taxes. The sources and tax effects of the differences, including the impact of establishing tax contingency accruals, are as follows:

	Fiscal Year Ended		
	December 31, 2022	December 25, 2021	December 26, 2020
Federal income tax expense at U.S. statutory rate	$ 223,658	$ 253,429	$ 231,718
State income tax (benefit) expense, net of federal tax effect	(21,064)	(12,198)	(3,404)
Foreign-derived intangible income (FDII) deduction	(12,343)	—	—
Foreign tax rate differential	(114,599)	(117,586)	(98,130)
Other foreign taxes less incentives and credits	24,273	29,240	3,446
Withholding tax	27,041	22,992	17,026
Net change in uncertain tax positions	(14,381)	(17,087)	(21,391)
U.S. federal research and development credit	(29,384)	(22,764)	(21,342)
Share-based compensation	30	(6,362)	(6,114)
Switzerland tax reform - tax assets	7,168	(177)	11,016
Other, net	990	(4,891)	(1,739)
Income tax expense	$ 91,389	$ 124,596	$ 111,086

The Company recorded income tax expense of $91,389 in the year ended December 31, 2022, which included income tax expense of $7,168 recognized by the Company in the fourth quarter of 2022 related to the revaluation of certain Switzerland tax assets related to the Switzerland tax reform transitional measures. The Company recorded income tax expense of $124,596 in the year ended December 25, 2021. The Company recorded income tax expense of $111,086 in the year ended December 26, 2020, which included a $14,308 income tax benefit recognized by the Company in the second quarter of 2020 due to the release of uncertain tax position reserves associated with a 2014 intercompany restructuring and was partially offset by income tax expense of $11,016 recognized by the Company in the fourth quarter of 2020 related to the revaluation of certain Switzerland tax assets related to the Switzerland tax reform transitional measures.

The Company's statutory federal and cantonal income tax rate in Switzerland, the Company's place of incorporation, was approximately 14% in fiscal years 2022, 2021, and 2020. If the Company reconciled taxes at the Swiss holding company federal statutory tax rate to the reported income tax expense for 2022 as presented above, the amounts related to tax at the statutory rate would be approximately $77,000 lower, or $147,000, and the foreign tax rate differential would be adjusted by a similar amount to approximately $33,000. For 2021, the amounts related to tax at the statutory rate would be approximately $84,000 lower, or $169,000, and the foreign tax rate differential would be adjusted by a similar amount to approximately $28,000. For 2020, the amounts related to tax at the statutory rate would be approximately $77,000 lower, or $155,000, and the foreign tax rate differential would be adjusted by a similar amount to approximately $20,000. All other amounts would remain substantially unchanged.

The Company's income before income taxes attributable to non-U.S. operations was $1,287,794, $1,227,666, and $1,059,074, for the years ended December 31, 2022, December 25, 2021, and December 26, 2020, respectively.

Income taxes of $45,459, $50,127, and $47,236 at December 31, 2022, December 25, 2021, and December 26, 2020, respectively, have not been accrued by the Company for the unremitted earnings of several of its foreign subsidiaries because such earnings are intended to be reinvested in the subsidiaries indefinitely.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities are as follows:

	December 31, 2022	December 25, 2021
Deferred tax assets:		
Product warranty accruals	$ 12,111	$ 10,578
Accrued vacation	14,986	14,073
Share-based compensation	8,667	12,000
Tax credit carryforwards	19,950	24,508
Intangible assets	156,702	173,468
Capitalized research & development expenses	231,429	53,827
Net operating losses	4,955	9,069
Operating leases	30,310	13,685
Deferred revenue	18,327	20,970
Tax basis in excess of book basis for investments	27,227	4,321
Other	18,259	20,220
Valuation allowance related to loss carryforward and tax credits	(17,077)	(19,709)
	$ 525,846	$ 337,010
Deferred tax liabilities:		
Fixed assets	40,526	27,970
Operating leases	29,756	13,322
Prepaid and perpetual license assets	11,798	17,350
Book basis in excess of tax basis for acquired entities	21,970	32,907
Withholding tax	108,692	89,285
Other	1,998	13,566
	$ 214,740	$ 194,400
Net deferred tax assets	$ 311,106	$ 142,610

Deferred tax assets related to capitalized research and development expenses increased as of December 31, 2022 as compared to December 25, 2021 by $177,602, primarily related to the 2017 United States Tax Cuts and Jobs Act, which included provisions that became effective during 2022 tax year that require us to capitalize certain research and development costs and amortize those capitalized costs on our U.S. tax returns over a period of five or fifteen years, depending on where the associated costs were incurred.

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At December 31, 2022, the Company had $19,950 of tax credit carryover compared to $24,508 at December 25, 2021. At December 31, 2022, the Company had a deferred tax asset of $4,955 related to the future tax benefit of net operating loss (NOL) carryforwards of $16,296. Included in the NOL carryforwards is $10,530 that relates to Luxembourg and expires beginning in 2037, $707 that relates to Finland and expires in varying amounts between 2025 and 2029, $575 that relates to the Netherlands and expires in 2026, $39 that relates to Thailand and expires in 2025, and $4,445 that relates to various other jurisdictions and has no expiration date. The Company has recorded a valuation allowance for a portion of its deferred tax asset relating to various tax attributes that it does not believe are more likely than not to be realized. In the future, if the Company determines, based on existence of sufficient evidence, that it should realize more or less of its deferred tax assets, an adjustment to the valuation allowance will be made in the period such a determination is made.

The total amount of gross unrecognized tax benefits, as of December 31, 2022 was $30,795. A reconciliation of the beginning and ending amount of gross unrecognized tax benefits for years ended December 31, 2022, December 25, 2021, and December 26, 2020 is as follows:

	December 31, 2022	December 25, 2021	December 26, 2020
Balance beginning of year	$ 65,216	$ 84,985	$ 101,251
Additions based on tax positions related to prior years	—	—	10,480
Reductions based on tax positions related to prior years	(6,363)	(4,727)	(4,169)
Additions based on tax positions related to current period	2,368	4,272	16,859
Reductions related to settlements with tax authorities	(15,476)	—	(935)
Expiration of statute of limitations	(14,950)	(19,314)	(38,501)
Balance at end of year	$ 30,795	$ 65,216	$ 84,985

Accounting guidance requires unrecognized tax benefits to be classified as noncurrent liabilities, except for the portion that is expected to be paid within one year of the balance sheet date. The balance of net unrecognized benefits of $29,159, $54,443, and $81,938 are required to be classified as noncurrent at December 31, 2022, December 25, 2021, and December 26, 2020, respectively. The net unrecognized tax benefits, if recognized, would reduce the effective tax rate. None of the unrecognized tax benefits are due to uncertainty in the timing of deductibility.

Interest and penalties, if any, accrued on the unrecognized tax benefits are reflected in income tax expense. At December 31, 2022, December 25, 2021, and December 26, 2020, the Company had accrued approximately $2,751, $4,225, and $5,666, respectively, for interest. The interest component of the reserve decreased income tax expense for the years ending December 31, 2022, December 25, 2021, and December 26, 2020 by $1,474, and $1,441, and $1,970, respectively. The Company did not have significant amounts accrued for penalties for the years ending December 31, 2022, December 25, 2021, and December 26, 2020.

The Company files income tax returns in Switzerland, Taiwan, United Kingdom, U.S. federal jurisdiction, as well as various states, local, and foreign jurisdictions. In its major tax jurisdictions, Switzerland, Taiwan, United Kingdom, and U.S. federal and various states, the Company is no longer subject to income tax examinations by tax authorities, with few exceptions, for years prior to 2018, 2017, 2020, and 2019, respectively.

The Company recognized a reduction of income tax expense, inclusive of interest and net of deferrals, of $12,749, $22,221, and $42,185 in fiscal years ended December 31, 2022, December 25, 2021, and December 26, 2020, respectively, to reflect the expiration of statutes of limitations and releases due to audit settlement in various jurisdictions.

The Company believes that it is reasonably possible that approximately $5,000 to $15,000 of its reserves for certain unrecognized tax benefits will decrease within the next 12 months as the result of the expiration of statutes of limitations. This potential decrease in unrecognized tax benefits would impact the Company's effective tax rate within the next 12 months.

6. Leases

The following table represents lease costs recognized in the Company's consolidated statements of income for the 53-weeks ended December 31, 2022. Lease costs are included in selling, general and administrative expense and research and development expense on the Company's consolidated statements of income.

	Fiscal Year Ended	
	December 31, 2022	December 25, 2021
Operating lease cost [1]	$ 40,679	$ 35,114

[1] Operating lease cost includes short-term lease costs and variable lease costs, which were not material in the period presented.

The following table represents the components of leases that are recognized on the Company's consolidated balance sheets as of December 31, 2022 and December 25, 2021.

	December 31, 2022	December 25, 2021
Operating lease right-of-use assets	$ 138,040	$ 89,457
Other accrued expenses	$ 25,149	$ 20,503
Noncurrent operating lease liabilities	114,541	70,044
Total lease liabilities	$ 139,690	$ 90,547
Weighted average remaining lease term	7.3 years	5.6 years
Weighted average discount rate	3.3%	3.3%

The following table represents the maturity of lease liabilities.

Year	Amount
2023	$ 30,713
2024	27,618
2025	22,094
2026	14,962
2027	13,216
Thereafter	52,737
Total	**161,340**
Less: imputed interest	(21,650)
Present value of lease liabilities	**139,690**

The following table presents supplemental cash flow and noncash information related to leases.

	Fiscal Year Ended	
	December 31, 2022	December 25, 2021
Cash paid for amounts included in the measurement of operating lease liabilities [2]	$ 28,714	$ 24,930
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 68,188	$ 16,229

[2] Included in net cash provided by operating activities on the Company's Statements of Cash Flows

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7. Commitments and Contingencies

Commitments

The Company is party to certain commitments that require the future purchase of goods or services ("unconditional purchase obligations"). The Company's unconditional purchase obligations primarily consist of payments for inventory, capital expenditures, and other indirect purchases in connection with conducting the business. The aggregate amount of purchase orders and other commitments open as of December 31, 2022 that may represent noncancellable unconditional purchase obligations having a remaining term in excess of one year was approximately $383,000.

Certain cash balances are held as collateral in relation to bank guarantees. The total amount of restricted cash was $718 and $785 on December 31, 2022 and December 25, 2021, respectively.

Contingencies

Management of the Company currently does not believe it is reasonably possible that the Company may have incurred a material loss, or a material loss in excess of recorded accruals, with respect to loss contingencies in the aggregate, for the fiscal year ended December 31, 2022. The results of legal proceedings, investigations and claims, however, cannot be predicted with certainty. An adverse resolution of one or more of such matters in excess of management's expectations could have a material adverse effect in the particular quarter or fiscal year in which a loss is recorded, but based on information currently known, the Company does not believe it is likely that losses from such matters would have a material adverse effect on the Company's business or its consolidated financial position, results of operations or cash flows.

The Company settled or resolved certain legal matters during the fiscal years ended December 31, 2022, December 25, 2021, and December 26, 2020 that did not individually or in the aggregate have a material impact on the Company's business or its consolidated financial position, results of operations or cash flows.

8. Stockholders' Equity

Dividends

Under Swiss corporate law, dividends must be approved by shareholders at the annual general meeting of the Company's shareholders. Approved dividends are subject to possible adjustment based on the total amount of the dividend in Swiss Francs as approved at the annual meeting, and are payable in four equal installments on dates determined by the Board of Directors. A reduction of retained earnings and a corresponding liability are recorded at the time of shareholders' approval and are periodically adjusted based on the number of applicable shares outstanding.

Our shareholders approved the following dividends:

Declaration Date	Dividend Date	Record Date	Dividend Per Share	Payment Amount
Fiscal 2022				
June 10, 2022	June 30, 2022	June 20, 2022	$ 0.73	$ 140,825
June 10, 2022	September 30, 2022	September 15, 2022	$ 0.73	$ 140,413
June 10, 2022	December 30, 2022	December 15, 2022	$ 0.73	$ 139,610
June 10, 2022	March 31, 2023	March 15, 2023	$ 0.73	$ 139,732
Total			**$ 2.92**	**$ 560,579**
Fiscal 2021				
June 4, 2021	June 30, 2021	June 15, 2021	$ 0.67	$ 128,741
June 4, 2021	September 30, 2021	September 15, 2021	$ 0.67	$ 128,856
June 4, 2021	December 31, 2021	December 15, 2021	$ 0.67	$ 128,856
June 4, 2021	March 31, 2022	March 15, 2022	$ 0.67	$ 129,394
Total			**$ 2.68**	**$ 515,846**
Fiscal 2020				
June 5, 2020	June 30, 2020	June 15, 2020	$ 0.61	$ 116,526
June 5, 2020	September 30, 2020	September 15, 2020	$ 0.61	$ 116,655
June 5, 2020	December 31, 2020	December 15, 2020	$ 0.61	$ 116,655
June 5, 2020	March 31, 2021	March 15, 2021	$ 0.61	$ 117,205
Total			**$ 2.44**	**$ 467,040**

The estimated payment amount for the dividend scheduled to be paid on March 31, 2023 was included in dividend payable on the Company's consolidated balance sheets as of December 31, 2022. Approximately $61,129 of retained earnings was indefinitely restricted from distribution to shareholders pursuant to the laws of Taiwan as of December 31, 2022 and December 25, 2021.

Share Repurchase Program

On April 22, 2022, the Board of Directors approved a share repurchase program (the "Program") authorizing the Company to repurchase up to $300,000 of the common shares of Garmin Ltd. The timing and volume of share repurchases are subject to market conditions, business conditions and applicable laws, and are at management's discretion. Share repurchases may be made from time to time in the open market or in privately negotiated transactions, including under plans complying with the provisions of Rule 10b5-1 and Rule 10b-18 of the Securities Exchange Act of 1934, as amended. The Program does not require the purchase of any minimum number of shares and may be suspended or discontinued at any time. The share repurchase authorization expires on December 29, 2023.

As of December 31, 2022, the Company had repurchased 2,258,990 shares for $206,523, leaving approximately $93,477 available to repurchase additional shares under the Program. Cash paid for purchases of the Company's shares during fiscal 2022 was $201,012, while $5,511 was included in other accrued expenses on the Company's consolidated balance sheets as of December 31, 2022.

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9. Accumulated Other Comprehensive Income (Loss)

The following provides required disclosure of changes in accumulated other comprehensive income (loss) balances by component for the year ended December 31, 2022:

	Foreign currency translation adjustment	Net gains (losses) on available-for-sale securities	Total
Balance - beginning of period	$ 123,415	$ (5,580)	$ 117,835
Other comprehensive income (loss) before reclassification, net of income tax benefit of $24,658	(149,396)	(83,690)	(233,086)
Amounts reclassified from accumulated other comprehensive income (loss) to other income (expense), net of income tax benefit of $268 included in income tax provision	—	718	718
Net current-period other comprehensive income (loss)	(149,396)	(82,972)	(232,368)
Balance - end of period	$ (25,981)	$ (88,552)	$ (114,533)

10. Employee Stock Compensation and Savings Plans

Stock Compensation

The various Company stock compensation plans are summarized below. For all stock compensation plans, the company's policy is to issue treasury shares for option/stock appreciation right (SAR) exercises, restricted stock unit (RSU) releases, and employee stock purchase plan (ESPP) purchases.

2011 Non-employee Directors' Equity Incentive Plan

In June 2011, the shareholders adopted an equity incentive plan for non-employee directors (the "2011 Directors Plan") providing for grants of stock options, SARs, RSUs and/or performance shares, pursuant to which up to 122,592 shares were made available for issuance. The term of each award cannot exceed ten years. Awards are subject to a minimum one-year vesting period. In 2022, 2021, and 2020, there were 6,008, 4,180, and 6,376 RSUs granted under this plan, respectively.

2005 Equity Incentive Plan

In June 2005, the shareholders adopted an equity incentive plan (the "2005 Plan") providing for grants of incentive and nonqualified stock options, SARs, RSUs and/or performance shares to employees of the Company and its subsidiaries, pursuant to which up to 10,000,000 common shares were made available for issuance. In 2013, the shareholders approved an additional 3,000,000 shares to the plan, making the total shares authorized under the plan 13,000,000. Option and SAR grants vest evenly over a period of five years or as otherwise determined by the Board of Directors or the Compensation Committee and generally expire ten years from the date of grant, if not exercised. RSUs vest evenly over a period of three years. In addition to time-based vesting requirements, the vesting of certain RSU grants is also contingent upon the Company's achievement of certain financial performance goals. During 2022, 2021, and 2020, there were 1,185,707, 866,614, and 753,976 RSUs granted under the 2005 Plan, respectively. No stock options or SARs were granted under the 2005 Plan in 2022, 2021, or 2020.

2000 Equity Incentive Plan

In October 2000, the shareholders adopted an equity incentive plan (the "2000 Plan") providing for grants of incentive and nonqualified stock options, SARs, restricted shares and/or performance shares to employees of the Company and its subsidiaries, pursuant to which up to 7,000,000 common shares were made available for issuance. The stock options and SARs vest evenly over a period of five years or as otherwise determined by the Board of Directors or the Compensation Committee and generally expire ten years from the date of grant, if not exercised. The Company did not grant any stock awards from the 2000 Plan in 2022, 2021, or 2020. In February 2023, the Board of Directors approved the termination of the 2000 Plan, which was effective immediately.

Stock Compensation Activity

A summary of the Company's stock compensation activity and related information under the 2011 Directors Plan, the 2005 Plan, and the 2000 Plan for the years ended December 31, 2022, December 25, 2021, and December 26, 2020 is provided below:

	Stock Options and SARs	
	Weighted-Average Exercise Price	Number of Shares *(In Thousands)*
Outstanding at December 28, 2019	$ 51.46	66
Granted		—
Exercised	$ 51.23	(53)
Forfeited/Expired		—
Outstanding at December 26, 2020	$ 52.44	13
Granted		—
Exercised	$ 52.44	(13)
Forfeited/Expired		—
Outstanding at December 25, 2021		—
Granted		—
Exercised		—
Forfeited/Expired		—
Outstanding at December 31, 2022		—
Exercisable at December 31, 2022		—
Expected to vest after December 31, 2022		—

	Restricted Stock Units	
	Weighted-Average Grant Date Fair Value	Number of Shares *(In Thousands)*
Outstanding at December 28, 2019	$ 69.47	1,779
Granted	$ 99.57	760
Released/Vested	$ 64.07	(915)
Cancelled	$ 72.10	(42)
Outstanding at December 26, 2020	$ 86.98	1,582
Granted	$ 116.40	871
Released/Vested	$ 80.12	(884)
Cancelled	$ 95.79	(56)
Outstanding at December 25, 2021	$ 107.60	1,513
Granted	$ 98.39	1,192
Released/Vested	$ 102.80	(805)
Cancelled	$ 111.12	(63)
Outstanding at December 31, 2022	$ 103.61	1,837

The weighted-average remaining contract life of restricted stock units at December 31, 2022 was 1.26 years.

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The total fair value of awards vested during 2022, 2021, and 2020, was $82,734, $70,796, and $58,602, respectively. The aggregate intrinsic values of options and SARs exercised during 2022, 2021, and 2020 were $0, $1,040, and $3,701, respectively. The aggregate intrinsic value of RSUs outstanding at December 31, 2022 was $169,498. The aggregate intrinsic values of RSUs released during 2022, 2021, and 2020 were $74,278, $118,825, and $109,952, respectively. Aggregate intrinsic value of options and SARs represents the applicable number of awards multiplied by the positive difference between the exercise price and the Company's closing stock price on the last trading day of the relevant fiscal period. Aggregate intrinsic value of RSUs represents the applicable number of awards multiplied by the Company's closing stock price on the last trading day of the relevant fiscal period. The Company's closing stock price was $92.29 on December 31, 2022 (based on the closing stock price on December 30, 2022). As of December 31, 2022, there was $95,019 of total unrecognized compensation cost related to unvested share-based compensation awards granted to employees under the stock compensation plans. That cost is expected to be recognized over the remaining vesting period.

Employee Stock Purchase Plan

The shareholders have adopted an ESPP. Up to 8,000,000 shares of common stock have been reserved for the ESPP. Shares are offered to employees at a price equal to the lesser of 85% of the fair market value of the Company's stock on the date of purchase or 85% of the fair market value on the first day of the ESPP period. The ESPP is intended to qualify as an "employee stock purchase plan" under Section 423 of the Internal Revenue Code. During 2022, 2021, and 2020, there were 687,370, 385,211, and 195,540 shares purchased under the plan for a total purchase price of $62,154, $34,936, and $15,955, respectively. During 2022, 2021, and 2020, the purchases were issued from treasury shares. At December 31, 2022, approximately 787,534 shares were available for future issuance.

Savings Plans

Certain subsidiaries of the Company sponsor various defined contribution employee retirement plans. GII and the Company's other U.S.-based subsidiaries sponsor a plan under which their employees may contribute up to 50% of their annual compensation subject to Internal Revenue Code maximum limitations and to which the subsidiaries contribute a specified percentage of each participant's annual compensation up to certain limits as defined in the retirement plan. During the years ended December 31, 2022, December 25, 2021, and December 26, 2020, expense related to this and other defined contribution plans of $80,435, $71,262, and $63,908, respectively, was recorded within the Company's consolidated statements of income.

Certain of the Company's non-U.S. subsidiaries sponsor or participate in local defined benefit pension plans. The obligations, contributions, and associated expense of such plans for the years ended December 31, 2022, December 25, 2021, and December 26, 2020 were not material.

11. Segment Information and Geographic Data

During 2022, 2021, and 2020, Garmin was organized in the six operating segments of fitness, outdoor, aviation, marine, consumer auto, and auto OEM. Each operating segment is individually reviewed and evaluated by the CODM, who allocates resources and assesses performance of each segment individually. The fitness, outdoor, aviation, and marine operating segments represented reportable segments during 2022, 2021, and 2020. The consumer auto and auto OEM operating segments, which serve the auto market, did not meet the quantitative thresholds to separately qualify as reportable segments, and they are therefore reported together in an "all other" category captioned as auto. Fitness, outdoor, aviation, marine, and auto are collectively referred to as our reported segments.

The Company's Chief Executive Officer, who has been identified as the CODM, uses operating income as the measure of profit or loss, combined with other measures, to assess segment performance and allocate resources. Operating income represents net sales less costs of goods sold and operating expenses. Net sales are directly attributed to each segment. Most costs of goods sold and the majority of operating expenses are also directly attributed to each segment, while certain other costs of goods sold and operating expenses are allocated to the segments in a reasonable manner considering the specific facts and circumstances of the expenses being allocated. The accounting policies of the segments are the same as those described in the summary of significant accounting policies. There are no inter-segment sales or transfers.

The Company's segments share many common resources, infrastructures and assets in the normal course of business. Thus, the Company does not report accounts receivable, inventories, property and equipment, intangible assets, or capital expenditures by segment to the CODM.

As indicated in Note 1 to the consolidated financial statements, in the first quarter of fiscal 2022 the methodology used to allocate certain selling, general, and administrative expenses to the segments was refined to allocate these expenses in a more direct manner to provide the Company's CODM with a more meaningful representation of segment profit or loss. The Company's composition of operating segments and reportable segments did not change at that time. Results for the 52-week periods ended December 25, 2021 and December 26, 2020 have been recast below to conform with the current period presentation.

Net sales ("revenue"), gross profit, and operating income for each of the Company's five reported segments are presented below, along with supplemental financial information for the consumer auto and auto OEM operating segments that management believes is useful.

					Auto			
	Fitness	Outdoor	Aviation	Marine	Total Auto	Consumer Auto	Auto OEM	Total
53-Weeks Ended December 31, 2022								
Net sales	$1,109,419	$1,495,167	$792,799	$903,983	$558,918	$ 275,108	$ 283,810	$4,860,286
Gross profit	552,417	969,810	573,063	491,457	220,028	129,598	90,430	2,806,775
Operating income (loss)	104,738	556,448	213,186	215,304	(61,831)	16,833	(78,664)	1,027,845
52-Weeks Ended December 25, 2021								
Net sales	$1,533,788	$1,281,933	$712,468	$875,151	$579,455	$ 324,731	$ 254,724	$4,982,795
Gross profit	813,325	834,837	519,821	495,310	227,166	153,825	73,341	2,890,459
Operating income (loss)	359,201	476,122	193,188	249,781	(59,672)	48,347	(108,019)	1,218,620
52-Weeks Ended December 26, 2020								
Net sales	$1,317,498	$1,128,081	$622,820	$657,848	$460,326	$ 275,493	$ 184,833	$4,186,573
Gross profit	697,539	739,777	453,008	384,450	206,562	139,864	66,698	2,481,336
Operating income (loss)	305,283	438,197	146,608	177,184	(13,032)	45,033	(58,065)	1,054,240

Net sales, property and equipment, and net assets by geographic area are as shown below for the fiscal years ended December 31, 2022, December 25, 2021, and December 26, 2020. Note that APAC includes Asia Pacific and Australian Continent, and EMEA includes Europe, the Middle East and Africa.

	Americas	EMEA	APAC	Total
December 31, 2022				
Net sales to external customers [1]	$ 2,429,029	$ 1,633,640	$ 797,617	$ 4,860,286
Property and equipment, net	676,855	121,920	348,230	1,147,005
Net assets [2]	3,717,198	1,210,461	1,276,681	6,204,340
December 25, 2021				
Net sales to external customers [1]	$ 2,349,514	$ 1,858,908	$ 774,373	$ 4,982,795
Property and equipment, net	576,481	120,004	370,993	1,067,478
Net assets [2]	3,745,120	1,227,928	1,141,111	6,114,159
December 26, 2020				
Net sales to external customers [1]	$ 1,968,080	$ 1,579,749	$ 638,744	$ 4,186,573
Property and equipment, net	467,269	114,313	273,957	855,539
Net assets [2]	3,327,748	1,163,127	1,025,241	5,516,116

[1] The United States is the only country which constitutes greater than 10% of net sales to external customers.
[2] Americas and APAC net assets are primarily held in the United States and Taiwan, respectively.

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12. Subsequent Events

In January 2023, the Company announced an organization realignment, which combines the consumer auto operating segment with the outdoor operating segment. As a result, beginning with reports filed in the first quarter of fiscal 2023, the Company's operating segments will be fitness, outdoor, aviation, marine, and auto OEM. Prior periods will be recast to conform to the revised composition.

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Building a better working world

To the General Meeting of
Garmin Ltd., Schaffhausen

Zurich, February 22, 2023

Report of the statutory auditor

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Garmin Ltd. (the Company), which comprise the balance sheet as at December 31, 2022, the statement of income for the period from December 26, 2021 to December 31, 2022, and notes to the financial statements.

In our opinion, the accompanying financial statements comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the compensation report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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Building a better working world

Board of Directors' responsibilities for the financial statements
The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

/s/ Rico Fehr	/s/ Michaela Held
Licensed audit expert (Auditor in charge)	Licensed audit expert

Enclosures

- Financial statements (balance sheet, statement of income, and notes)
- Proposed appropriation of available earnings