

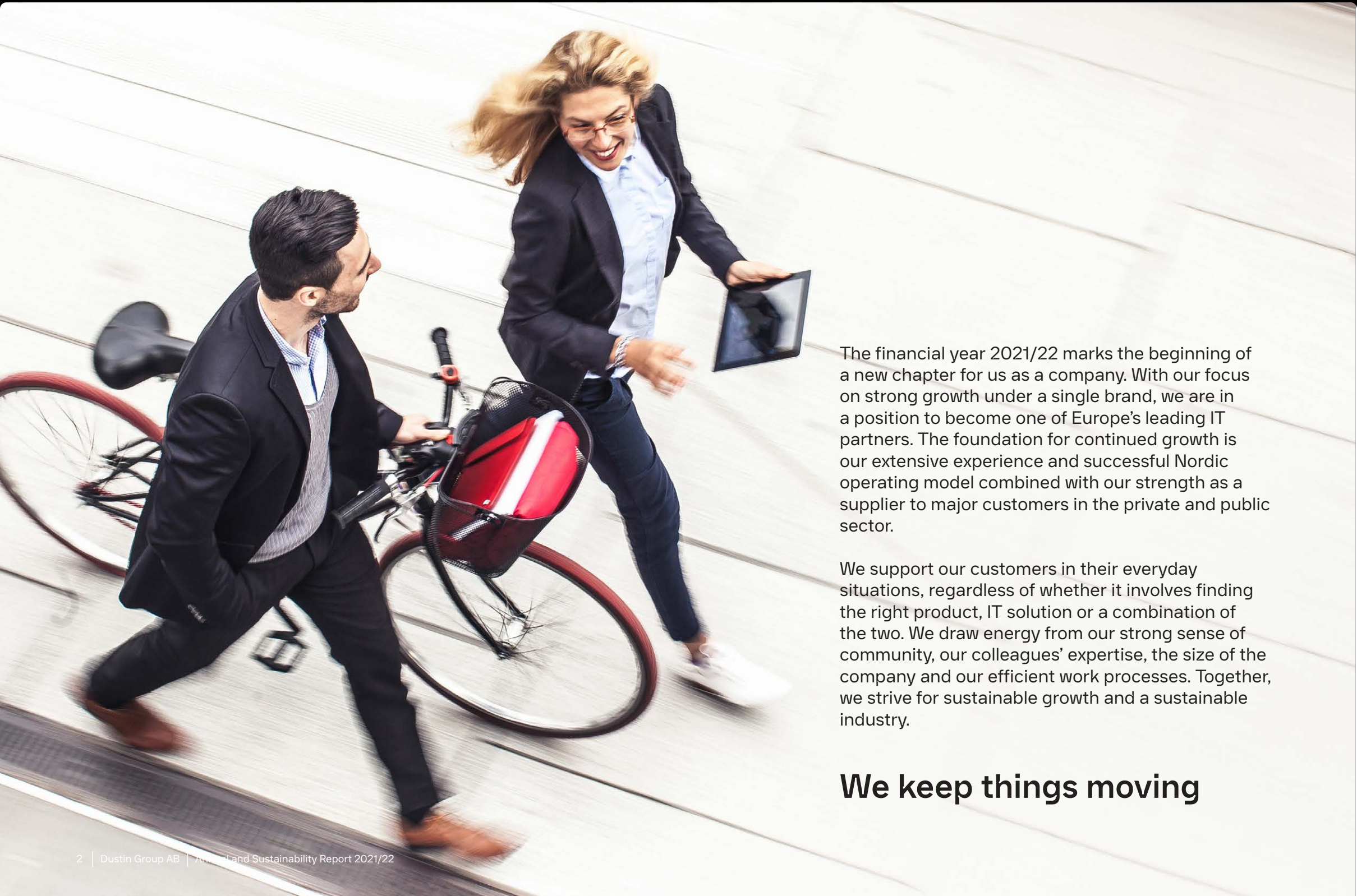
# 2021 2022

Annual and Sustainability Report  
September 1, 2021 – August 31, 2022

 Dustin







The financial year 2021/22 marks the beginning of a new chapter for us as a company. With our focus on strong growth under a single brand, we are in a position to become one of Europe's leading IT partners. The foundation for continued growth is our extensive experience and successful Nordic operating model combined with our strength as a supplier to major customers in the private and public sector.

We support our customers in their everyday situations, regardless of whether it involves finding the right product, IT solution or a combination of the two. We draw energy from our strong sense of community, our colleagues' expertise, the size of the company and our efficient work processes. Together, we strive for sustainable growth and a sustainable industry.

**We keep things moving**

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Dustin's Annual and Sustainability Report provides a summary of operations, the financial results and the sustainability efforts undertaken during the financial year 2021/22. We present financial information and sustainability information in a joint report.

The reviewed annual accounts and consolidated financial statements of Dustin Group AB (publ) covers pages 34-115. The auditors have also reviewed the sustainability report, which can be found on pages 34-57 and 109-115. The Statutory Sustainability Report is defined on page 115. The Annual and Sustainability Report is published in Swedish and English. The Swedish version is the original version.

Dustin Group AB (publ) is a Swedish public limited liability company with its head office in Nacka Strand outside Stockholm, Sweden. The share has been listed on Nasdaq Stockholm's Mid Cap Index since 2015.

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# This is Dustin

## What we do

We help our customers to be at the forefront by providing them with the right IT solution at the right time and at the right price. Through online sales supplemented by relationship selling and a team focused on public procurement, we are an IT partner for small and medium-sized businesses (SMB), large corporate and public sector (LCB), but also consumers (B2C).

## Who we are

We are a leading, online IT partner in the Nordic region and Benelux that is constantly evolving and believes in digitalisation and its opportunities. In total, we are about 2,500 colleagues who combine our extensive experience with curiosity and a pragmatic approach to make everyday situations easier for our customers.

## What we offer

Different circumstances create different customer needs. With about 280,000 products and a number of different services from more than 3,500 brands, we help our customers find the right IT solution for their needs.

## What we believe in

We are building a company that is sustainable for employees, customers, investors and the environment. This permeates everything we do; from our offering, resource use, how we offer guidance towards more sustainable choices and how we work together within Dustin. This is how we will become one of Europe's leading IT partners.

## Our history

We were founded in 1984 and have been online since 1995. Together with our customers and partners, we have built a strong position in the Nordic region and Benelux with the aim of becoming one of Europe's leading IT partners.

## Our values

- Strive to improve
- Keep it simple
- Live up to promises
- Challenge all cost
- Win as a team

## Our customers

SMB customers:

~120,000

LCP customers:

~10,000

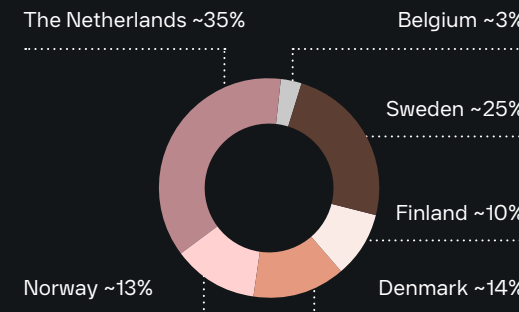
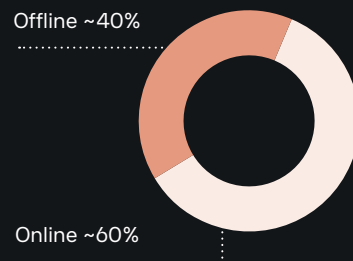
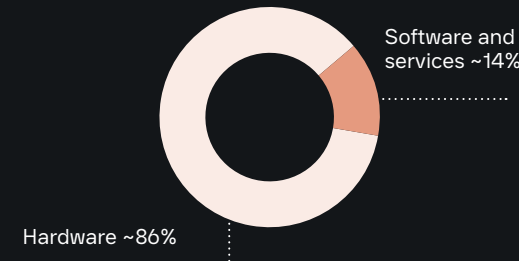
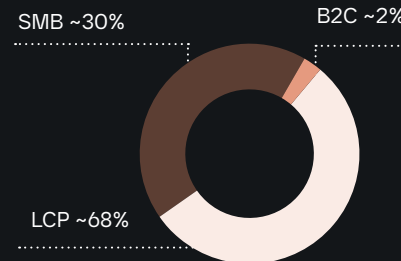
B2C customers:

~350,000

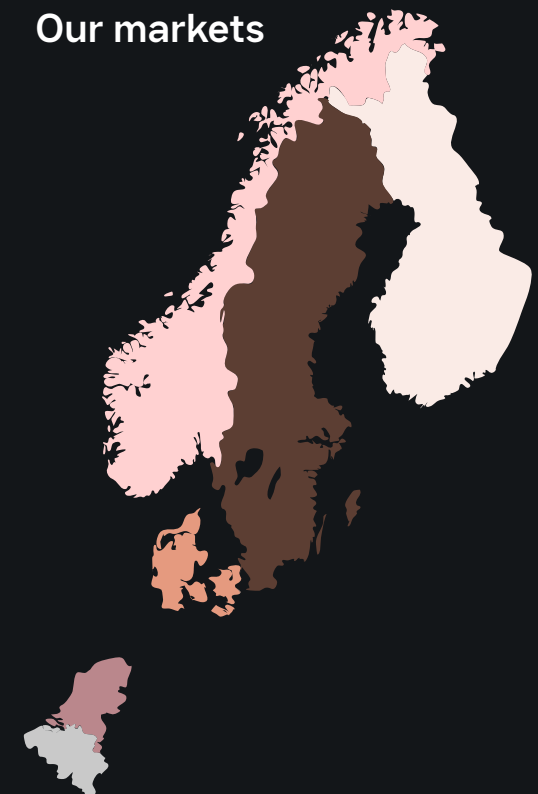
## Our promise

We keep things moving

## Our business



## Our markets





# The year in brief

The financial year 2021/22 was marked to some degree by the continued pandemic and the outbreak of war in Ukraine, which led to a shortage of components, supply disruptions and rising inflation. We demonstrated that our availability and delivery capacity could generate high growth. In parallel, margins were impacted by a changed sales mix with a higher share of sales in LCP and a larger share of standard hardware and software with a low margin. In addition, during the year we began to lay the foundation of the next stage in Dustin's development. Aiming to become one of Europe's leading IT partners, with an integrated offering of products and services gathered under a single brand – Dustin

## Net sales

**SEK 23,601 million**

## EBIT

**SEK 758 million**

## Organic growth

**11.4%**

## Earnings per share

**SEK 4.22**

## Gross margin

**14.7%**

## Cash flow from operating activities

**SEK 584 million**

## Adjusted EBITA

**SEK 979 million**

## Number of shareholders

**14,544**

## Adjusted EBITA-margin

**4.1%**

# CEO comment

We can look back on an intensive and eventful year at Dustin and on a world that has undergone major changes. A year when we, through strong growth and our focus on integrating operations in Benelux into Dustin, laid the foundation to become one of Europe's leading IT partners. In parallel, it was a year still marked by the pandemic, the outbreak of war in Ukraine, geopolitical unrest and an uncertain economic climate. Factors that affect us as a company and as individuals and that also create a high rate of change and willingness to change and thereby new conditions.

## Strong position in a turbulent market

In a market with challenges in the delivery chain and general uncertainty, we have retained our direction and our capacity to deliver what our customers need thanks to the strength of our purchasing and pricing, and our good relationships with our partners. But above all, it is about all our colleagues who utilise their expertise and engagement to constantly be proactive in response to the new conditions and opportunities that arise.

We have also established our platform for small and medium-sized businesses in Benelux, which has prepared us to actively take a leading position in the market and be an attractive IT partner for large corporate and the public sector as well as small and medium-sized businesses. Work to establish a joint IT platform has accelerated – a platform that both strengthens our capacity to deliver here and now and also to continue our expansion in the longer term.

## One Dustin

During the year, we worked to integrate operations in Benelux into Dustin to fully capitalise on our size and shared expertise and to realise synergies. We are aligned with our plan and have identified opportunities for further cost synergies from integration work. The total synergies of approximately SEK 200–220 million are expected to deliver their full effect in the 2023/24 financial year.

We are now acting under a single brand and this creates clarity externally among customers and partners and also internally. During the year we have established a joint organisation, began building a shared culture and created common processes and working methods that make us more efficient.

Our success is driven by all the dedicated and competent employees who go to work every day and put customer needs at the forefront. When we create a strong internal sense of community, we strengthen the conditions to deliver, and also become an attractive employer who can attract the best talent in the market.

## High rate of change fuelling sustainability

In the past year, as a society we have faced a number of challenges here and now, with a pandemic and war in Europe. But we also

**“During the year, we worked to integrate operations in Benelux into Dustin to fully capitalise on our size and shared expertise.”**

faced more long-term issues with global challenges related to climate change and the utilisation of the planet's resources. At the same time, with so many concurrent and major challenges facing us, it becomes easier to understand the opportunities available and also what is needed to achieve change. As our knowledge increases and demands are made for greater transparency, the rate of change and the general willingness to change our behaviour also increase.

Through our sustainability targets and our position in our markets, we can see an opportunity to become an even greater driving force in the change that is needed. This involves taking responsibility throughout the value chain and highlighting opportunities that make it easy for our customers to contribute towards change. One example is our takeback service under own management that we now offer in all of our markets whereby the customers' used IT equipment can either be used again or recycled sustainably to reduce climate impact.

## Strong organic growth but with impact on margin from mix effects

Sales amounted to SEK 23,601 million (15,028), up 57 per cent, of which 11.4 per cent was organic growth. The gross margin was 14.7 per cent (16.5). Growth is being driven primarily by strong demand for standard hardware. The sales mix, with a high share of standard

**“We have demonstrated that we can face the challenges in our external environment and continue to deliver to our customers.”**

hardware with a low margin and an increasing share of sales in LCP, has negatively impacted the margin trend.

During the year, adjusted EBITA rose 29 per cent to SEK 979 million (759). The adjusted EBITA margin declined to 4.1 per cent (5.0). The reduced margin was mainly related to a lower gross margin and to a certain extent rising distribution costs. EBIT amounted to SEK 758 million and net profit for the year was SEK 478 million (357), corresponding to earnings per share of SEK 4.22 (3.82). The Board of Directors proposes to the annual general meeting not to pay dividends for the financial year, based on the general economic situation in combination with our ambition to increase the pace in lowering our debt ratio.



### Stable foundation for continued profitability

The work we carried out during the year has created a stable foundation to continue building Dustin in line with our established strategy. We have demonstrated that we can face the challenges in our external environment and continue to deliver to our customers. In combination with favourable underlying market trends, this has helped us to establish ourselves as one of the ten largest IT-partners in Europe. A position we will continue to develop and strengthen.

After the end of the financial year, I informed the Board that I intend to leave Dustin in 2023 to become CEO of Dustin's largest shareholder, Axel Johnson. I look back with pride on the past year and also all of my time here at Dustin. The combination of committed and knowledgeable colleagues, a long-term sustainable strategy and the capacity to leverage new opportunities as they arise in our changeable world, has brought Dustin to a completely new position in Europe. I look forward to continuing to actively follow the development of a company that is perfectly matched to the times we live in.

Thomas Ekman  
President and CEO



# Nine reasons to invest in Dustin

## Strong market position and favourable trends

### • Unique market position

We are a leading player with a unique market position in SMB and LCP in the Nordic region and LCP in Benelux. We have the potential to become one of Europe's leading IT partners, through continued expansion into new markets, acquisitions and the development of our portfolio.

### • Growth potential

The broadest offering of products, services and solutions in the market, which we complement with a high degree of standardisation to meet customer needs. This offers us great potential to continue our growth, primarily in SMB in Benelux and the rest of the Nordic region and Europe, organically and through acquisitions.

### • Favourable market trends

We are benefiting from a growing underlying market driven by increased e-commerce and digitalisation, as well as accelerating demand for secure, flexible and sustainable IT solutions. This is confirmed by the fact that we have posted annual organic growth of an average 7.6 per cent over the past ten years.

## Industry-leading profitability and increasing cash flow

### • Strong profitability

Our operations are fundamentally efficient and scalable. We have created our industry-leading profitability through our size and unique business model as well as close cooperation with leading distributors.

### • Stronger margins

Our size enables us to create synergies and share valuable competences between our markets in the Nordic region and Benelux. In addition, we can enhance efficiency and further strengthen our margins by growing the share of service sales and private labels and increasing automation and standardisation.

### • Positive cash flow

Our business model has low capital requirements and generates strong and stable cash flows. This creates opportunities for further acquisitions and stable and increasing dividends over time in combination with a lower gearing ratio.

## Major potential in circularity and sustainability

### • In pursuit of a sustainable IT industry

As one of the leading players in the Nordic region and Benelux, Dustin has a great opportunity to influence manufacturers, logistics partners and customers to drive sustainability throughout the value chain, for example, in manufacturing operations and shipping.

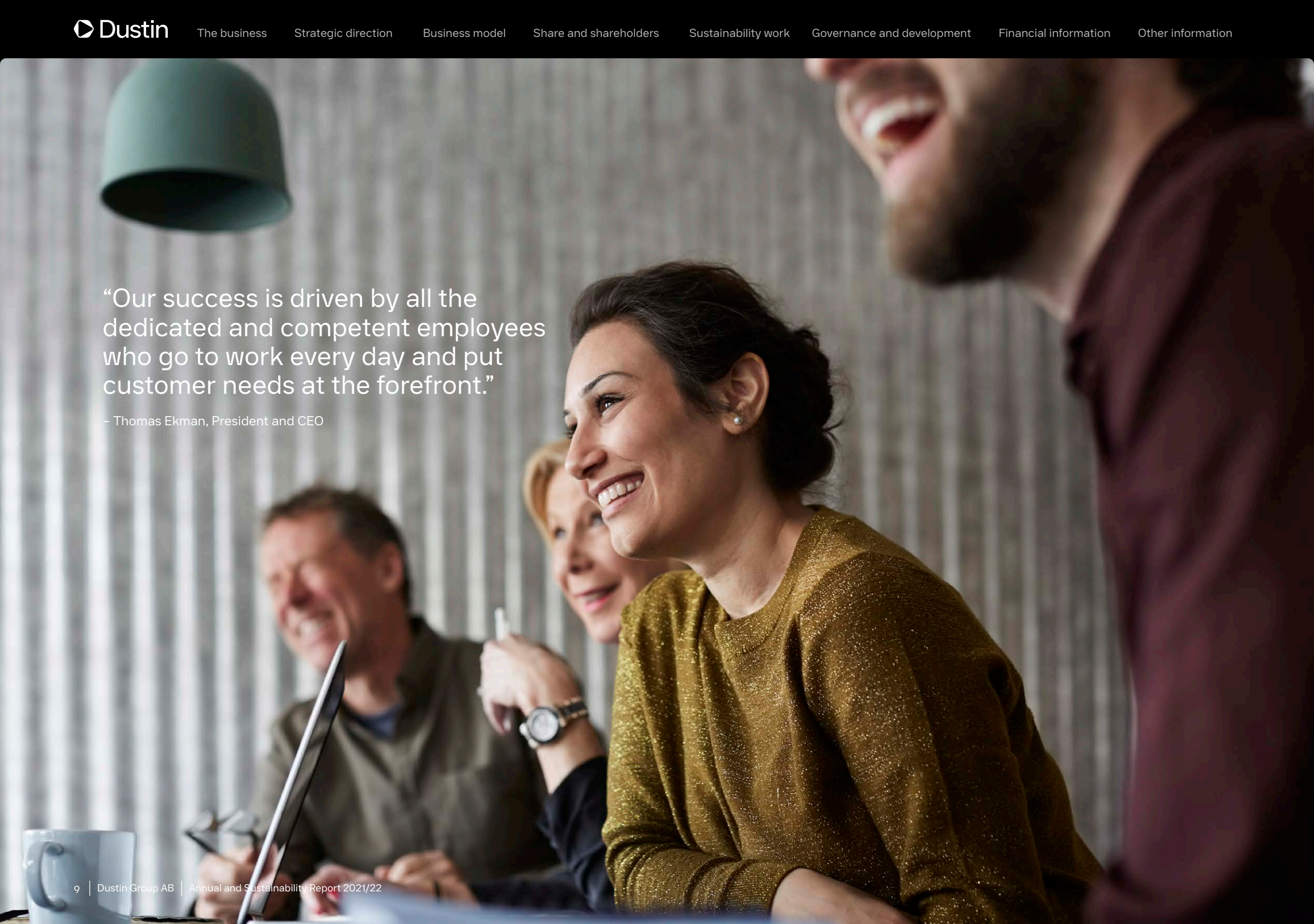
### • Attractive takeback offering

We already have a comprehensive offering for takeback of hardware products. The sharp rise in demand from customers for takeback of used products will create large volumes and a highly attractive business for circular offerings in the years ahead.

### • Diversity attracts cutting-edge expertise

Long-term and targeted work to increase diversity and equality, which has resulted in several awards, in combination with international expansion increases our attractiveness as an employer. This enables us to recruit the cutting-edge expertise required to become one of Europe's leading IT partners.





“Our success is driven by all the dedicated and competent employees who go to work every day and put customer needs at the forefront.”

– Thomas Ekman, President and CEO



# Powerful market trends

Our markets are characterised by the continuing strong digitalisation trend and increased focus on sustainability. Our success is built on a good ability to understand how these trends influence our customers' everyday life and working life and how we can translate this into our daily work.

## Increased focus on security and integrity

The geopolitical situation, together with the continuing trend of distance working, have accelerated the need for greater protection against cyberthreats and unauthorised access from a growing number of companies. In many cases, hackers exploit known vulnerabilities, without users being aware of this. We offer client management and services that include integrated solutions that ensure the company can operate in a safer and more secure IT environment.

- Comprehensive solutions are needed to strengthen protection against unauthorised access and attacks
- Increased mobility, distance working and digitalisation increase the need for modern security solutions
- Continuing growth in the number of personal data breaches and stricter requirements for information security

## How we are responding to this trend

- Greater expertise and a bundled offering of security solutions
- Third-party services for basic protection that secure the IT environment and advanced security solutions for IT infrastructure
- Integrated solutions that address the requirements for information security in accordance with GDPR, etc.
- Strong security offering targeting small and medium-sized businesses (SMB) through partnership with industry-leading specialists, such as Truesec

## Example of this trend

Rise in number of businesses in Europe affected by ransomware in 2021 compared with one year earlier <sup>1</sup>

# 234%

1. Panda Security, Ransomware Statistics, March, 2022



## E-commerce a natural part of a company's everyday business

A large share of retail currently takes place online. During the pandemic, the e-commerce trend accelerated and even if the strong growth slowed slightly in 2022 as society reopened, e-commerce will remain a natural day-to-day choice for our customers.

- Continued strong trend for hardware sales online
- Increased demand for digital advisory services and support online
- Increased demand for standardised IT solutions online

## Example of this trend

The annual rate of growth for e-commerce for B2B in Europe by 2026 is estimated to be <sup>2</sup>

# 11.9%

<sup>2</sup> Europe B2B E-commerce Market 2020-2030 by Business Model, Industry Vertical, Payment Method, Platform Type, Enterprise Size, and Country: Trend Forecast and Growth Opportunity

## How we are responding to this trend

- The integration of new services and offerings under the Dustin brand gives us a position to lead the continued development of e-commerce
- Demand for digital advisory services and support continued to grow during the financial year, albeit at a slightly lower rate than the preceding year
- Of our smaller business customers, almost half prefer to buy computer as a service online



## Continued growth for mobility and cloud services

Digitalisation is continuing to change workplaces and our consumption patterns. Changes in recent years in how we work and move between the home and workplace have accelerated customer needs for integrated IT solutions and cloud services.

- Increased employee mobility is driving demand for cloud services
- Today's IT solutions must take into account the new flexible way of working and the increased importance of the home
- Greater focus on business value and IT solutions that develop the business

## Example of this trend

Share of companies in Europe that use cloud service in 2021 <sup>3</sup>

# 41%

## How we are responding to this trend

- A broader portfolio of standardised solutions for a more flexible workplace, such as Modern Workplace
- We drive development by standardising our service offering to make a growing share of our offering available online
- Broader offering of Software as a Service (SaaS) configurations, where the number of licenses sold increased by 16 per cent in our integrated operations in the Nordic region during the financial year

3. Eurostat, Cloud computing – statistics on the use by enterprises, Dec 2021



## High demand for flexible subscriptions

A convenient way for customers to take control of their IT costs is sharing and leasing digital services. The trend is spreading to a growing number of industries.

Paying a fixed and predictable monthly fee eliminates large investment costs and unexpected expenditures. The subscription model provides greater flexibility, predictability and cost control for customers.

- Increased demand for a fixed monthly cost and subscription services
- Greater need for more predictable IT costs and lower risk of large and unexpected investments
- Desire for easier administration

## Example of this trend

Average growth for customers with subscription services in 2021 (all sectors) <sup>4</sup>

# 31%

4. Recharge, The State of Subscription Commerce, Jan 2022

## How we are responding to this trend

- Bundling a combination of products and services creates new subscription solutions
- A growing range of solutions at a fixed monthly cost, such as Modern Workplace, Takeback as a Service and Managed Print
- By bundling, for example, Take back as a Service in our solutions, we are encouraging a transition to a circular approach





## Sustainability

Companies want to be sustainable and sustainability is increasingly integrated in the business strategy. The trend is being driven by industry initiatives, legislation and, not least, demand from customers. A growing number of customers place stringent demands on the IT companies they use to purchase products and services.

These drivers are changing the requirements customers place on us as a company.

- Increased demand for sustainable and circular IT solutions through re-use and recycling
- Greater expectations on responsibility and transparency with respect to social responsibility, inclusion and risks linked to climate and the environment
- Sustainable public procurements as an instrument to achieve social policy objectives in terms of the entire life cycle

## How we are responding to this trend

- Adopted a long-term commitment to be climate-neutral throughout the value chain and be completely circular by 2030, and to be a transparent and reliable IT partner
- Prepared our reporting in accordance with the TCFD (Task force on Climate-related Financial Disclosures) framework to describe how we work strategically with climate-related financial risks and opportunities and report our climate impact through CDP (former Carbon Disclosure Project)
- Switch to a circular business model and by further developing our offering of responsible and climate-neutral IT solutions for small and medium sized businesses

## Example of this trend

The estimated global refurbished PC market size in 2022 is

SEK **118** billion<sup>5</sup>

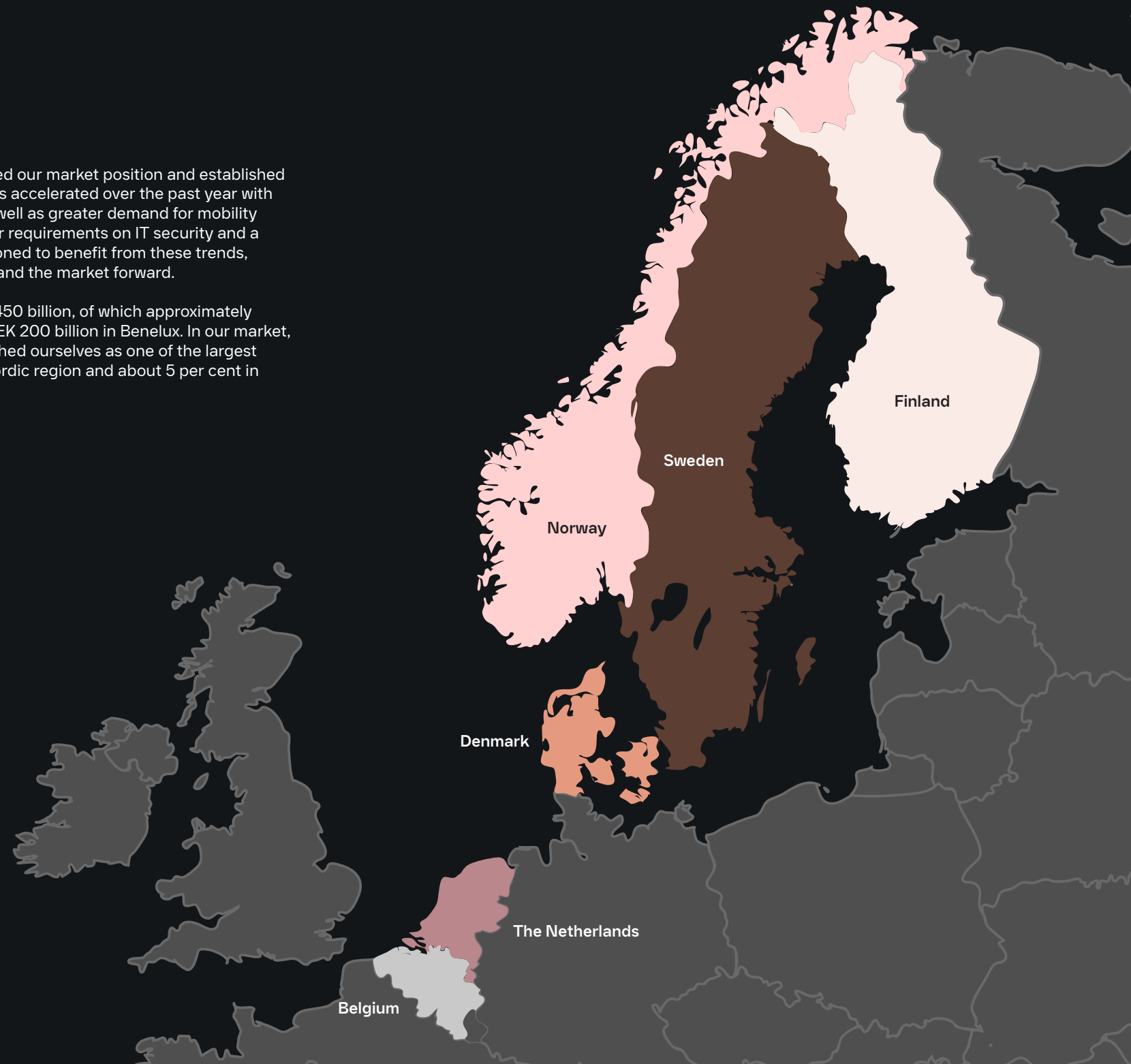
5. Global and United States Refurbished PC market report & forecast 2022-2028, Market Research Guru, May 2022. Calculated on a dollar exchange rate of 11 SEK.



# Good position in our markets

With the acquisition of Centralpoint, we have strengthened our market position and established ourselves as a leading player in Benelux. Digitalisation has accelerated over the past year with an increase in shopping online and digital interaction as well as greater demand for mobility and cloud services, which in turn act as drivers for stricter requirements on IT security and a preference for more predictable costs. We are well positioned to benefit from these trends, where sustainability and circular offerings are driving us and the market forward.

Our addressable market amounts to approximately SEK 450 billion, of which approximately SEK 250 billion in the Nordic region and approximately SEK 200 billion in Benelux. In our market, which consists of many small operators, we have established ourselves as one of the largest players, with a market share of about 6 per cent in the Nordic region and about 5 per cent in Benelux.





## Growing market

The total market in Europe is growing organically by an average of 2–3 per cent each year, and with significantly higher growth for online sales, mobility and cloud services. Over the past year, the market has seen strong demand for hardware, increased digital interaction, security solutions and online sales.

## Positioned for profitable growth

We are market-leader in online sales and work is continuing to create a clearer and more uniform product portfolio, which includes investments in the service segment. In addition, the trend is characterised by rising sales to existing customers.

Our extensive experience in IT and successful Nordic operating model in SMB, in combination with our strength as a supplier to major customers in the private and public sector in Benelux, have laid the foundation for continued profitable growth in existing and new markets.





# Strategy for profitable and sustainable growth

Our strategy is based on creating long-term profitable growth and leading change towards a more sustainable IT industry. During the year, we continued our endeavour to fully integrate sustainability into our business strategy, with the goal to achieve zero climate impact throughout our value chain, become entirely circular and carry out 100 activities to drive social equality by 2030.



# Sustainability

Our sustainability strategy is based on enabling responsible, circular and climate-neutral IT solutions using our strong position in the value chain. We work broadly with sustainability and our responsibility and have identified three areas where we want to push for a greater shift:

## 1 A climate-neutral value chain

Our ambition is to reduce our climate impact to zero throughout the entire value chain by 2030. The calculations take into account our Scope 1, 2 and 3 emissions.

## 2 Entirely circular

Our ambition is to become entirely circular by 2030. We believe in a transition to an increasingly circular business model, where we offer our customers different types of IT solutions. If customers wish to own their hardware, we will guarantee a circular flow through re-use and recycling.

## 3 100 social equality initiatives

We want to carry out 100 activities to drive social equality in our value chain until 2030. There is more to be done to break norms and drive positive development. We therefore work with 100 initiatives for diversity, inclusion and social equality.

## Progress during the year for sustainability

- At the end of the financial year, we were 25.0 per cent (12.4\*), circular, through a sharp increase in the number of takebacks as well as solid growth within services, primarily in Centralpoint
- Added collection and reporting of emissions from Centralpoint and thus reports the climate impact from all units
- In order to be able to report total emissions and at the same time compare emissions with last year's figures, we report total emissions figures as well as comparables (i.e. excluding Centralpoint). In our comparable climate footprint within Scope 1, we have decreased by 14 per cent

and within Scope 2 by 12 per cent. The total comparable emissions within Scope 3 have increased by 1 per cent due to the company's sales growth. At the same time, comparable emission intensity of greenhouse gases, measured as tonnes of CO<sub>2</sub>e per million kroner in net sales, decreases from 72 to 64

- Started our own operations in Växjö for takeback of used IT equipment for the Nordic market
- Installed a solar cell facility covering just over 2,400 square metres at the central warehouse outside Stockholm, which serves the Nordic operations. For more information, see Note 14

- Refinancing of long-term loans from credit institutions, through a credit facility agreement linked to the outcome of our sustainability work. For more information, see page 56 and Note 25
- Renewed our ISO certification for environmental management systems. Prior to certification, our facilities in Denmark, Finland, Norway and Sweden were audited without deviation
- Launch of a carbon calculator that helps companies see the climate footprint of their IT products

\* Changed application of accounting principle. For more information see Note 1.



# Growth

Our growth strategy is built on five pillars based on a strong market position, expansion and a broader customer offering.

## 1 Growth in our core business

Hardware and software are at the core of our business in both the Nordic region and Benelux. We develop our online offering through greater personalisation and more delivery options. In parallel, we develop specialised offerings that address the large corporate and public sector (LCP).

## 2 Strong service offering

We have completed 17 acquisitions since our stock market listing in 2015. Most of these are now integrated into our service platform. This creates a foundation from which we can accelerate sales in the service segment.

## 3 Increased synergies through expansion in Benelux

The acquisition and integration of Centralpoint has enhanced synergies in both directions. Our expertise in online and small and medium-sized businesses (SMB) can be transferred to Benelux, while Benelux's tender platform can be used to achieve success in the Nordic market.

## 4 Value-creating acquisitions

We anticipate that sales generated by several minor acquisitions will represent average annual growth of 2-3 per cent during our long-term planning period.

## 5 Geographical expansion

Expansion into new markets allows us to capitalise on our size and also increases our addressable market.

### Progress during the year for long-term growth

- The integration of Centralpoint and Vincere is progressing as planned
- Platform for roll-out of Nordic SMB model in Benelux
- Knowledge transfer between Benelux and the Nordic region on public procurement
- Strengthened service offering with broader portfolio of standardised services



# Margin expansion

Sustained growth creates conditions to improve profitability. We have identified four areas with the potential to strengthen our profitability over time.

## 1 Efficiency and scalability

Efficiency and scalability form the basis of our operating model. By automating our flows, we can streamline and increase profitability. In addition, our transfer of the IT platform to the cloud will lead to efficiency gains for operations and costs.

## 2 Profitable products and advanced offering to major customers

Continuing strong potential to expand the range and sales of private label in the Nordic market and in Benelux. Advanced offering to major customers increases our opportunities to secure contracts with higher margins.

## 3 Increased demand for our Takeback service

Upscaling and efficiency enhancements to our Takeback service, where returned products are anonymised, recycled and restored in house. Rising demand for reused products generates higher margins in our sales.

## 4 Synergies and knowledge-sharing through expansion in Benelux

A joint organisation means we can realise synergies in areas such as procurements, IT, technical platforms and in small and medium-sized businesses (SMB) online. Launch of private label products in Benelux further increases margins.

## Progress during the year for margin expansion

- The integration of Centralpoint and Vincere is progressing as planned
- Steps taken equivalent to annual synergies of approximately SEK 50 million of our previously identified SEK 150 million
- Identified opportunities for further cost synergies corresponding to SEK 50-70 million per year, resulting in total synergies of approximately SEK 200-220 million
- Launched private label products in the Benelux
- Strengthened service offering with broader portfolio of standardised services



# Our targets

Our targets comprise of both sustainability targets and financial targets. These aim to consolidate and strengthen our leading position, and to create shareholder value over time. Ahead of the financial year 2020/21, we established new industry-leading sustainability targets based on three global challenges that society at large is facing: climate change, unsustainable resource consumption and social inequalities. The targets guide us in our governance of operations and help us to improve our earnings and increase our competitiveness.





# Sustainability targets

## Climate

Starting in 2020/21, to reduce our climate impact to zero emissions in Scope 1, 2 and 3 by 2030.

**Outcome 2021/22:** Our comparable climate footprint in Scope 1 declined by 14 per cent and in Scope 2 by 12 per cent. The total comparable emissions within Scope 3 have increased by 1 per cent. Read more on pages 41-42.

## Circularity

Starting in 2020/21, to strive for 100 per cent circularity by 2030, of which the equivalent of 20 per cent by the end of 2020/21.

**Outcome 2021/22:** During the financial year, the circular share of our net sales amounted to 25.0 per cent (12.4\*), which exceed our interim target of 24 per cent for 2021/22. This is mainly explained by a sharp increase in the number of returns and strong growth for services, primarily for Centralpoint.

## Social equality

Starting in 2020/21, to have conducted 100 initiatives for social equality in our value chain by 2030, of which 10 initiatives in 2020/21.

**Outcome 2021/22:** We conducted a total of 10 activities for social equality during the year, which is in line with the interim target of 10 activities per year until 2030.

\* Changed application of accounting principle. For more information see Note 1.



# Financial targets

## Growth

To achieve average annual organic sales growth of 8 per cent over a business cycle. In addition to this, Dustin intends to expand through acquisitions.

**Target:** 8 per cent over a business cycle

**Outcome 2021/22:** Total growth was 57.0 per cent, of which organic growth of 11.4 per cent (CAGR 5 years 7.0 per cent).

## Margin

To increase the adjusted EBITA margin over time, and to achieve an adjusted EBITA margin of between 5 and 6 per cent in the medium term.

**Target:** 5–6 per cent

**Outcome 2021/22:** 4.1 per cent (5.0).

## Capital structure

The capital structure should enable a high degree of financial flexibility and provide scope for acquisitions. The net debt target is a 2.0–3.0 multiple of adjusted EBITDA for the past 12-month period.

**Target:** 2.0–3.0 multiple

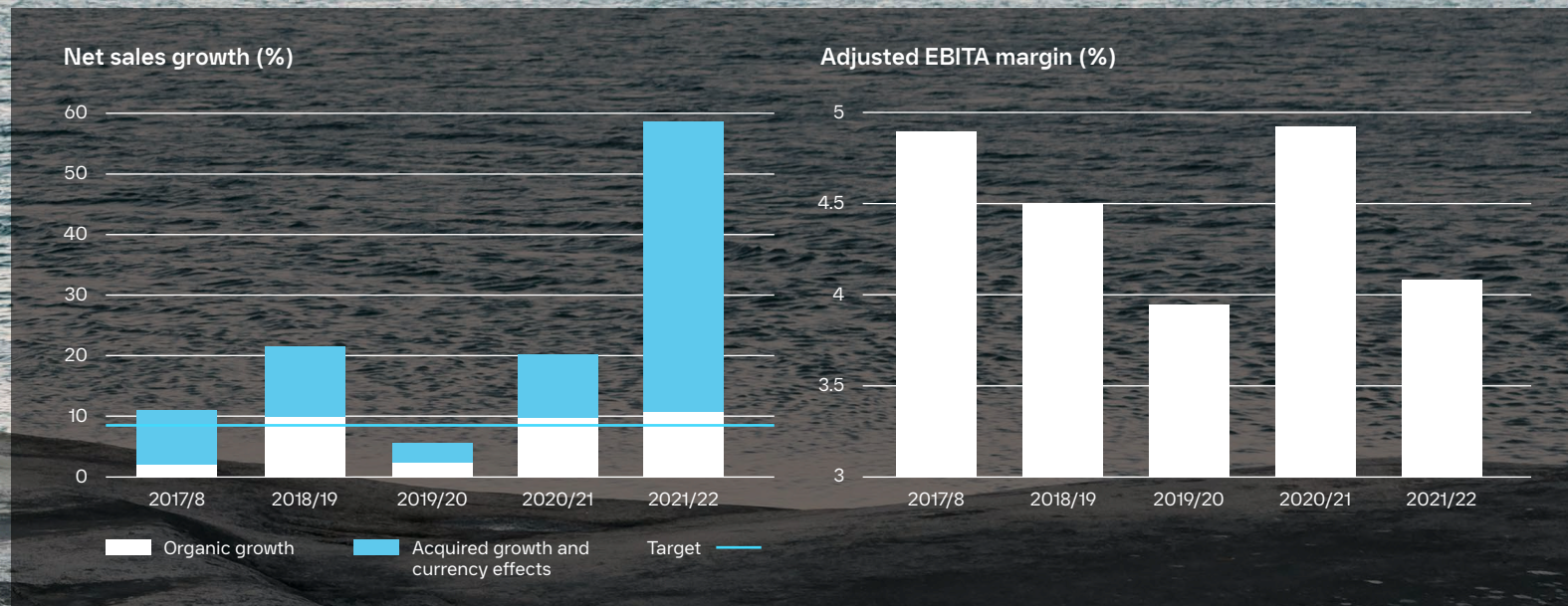
**Outcome 2021/22:** 3.9 multiple (3.4), excluding the effects of IFRS 16 Leases. The comparative figure and outcome include the 12-month earnings effect for Centralpoint.

## Dividend policy

To payout more than 70 per cent of net profit for the year. However, the Company's financial position, cash flow, acquisition opportunities and future prospects will be taken into consideration.

**Target:** 70 per cent of net profit for the year

**Proposal by the Board 2021/22:** The board of Directors proposes to the annual general meeting not to pay dividends to the shareholders for the financial year 2021/22, based on the general economic situation in combination with the company's ambition to increase the pace in lowering the debt ratio.





# One Dustin

During the financial year, we made great advances towards creating one Dustin and laying the foundation to be able to take the next step towards becoming one of Europe's leading IT partners.

## Basis for continued growth

The focus has been on integrating operations in Benelux into the rest of the Group. Today we are a single organisation and one brand. This offers us greater clarity and efficiency both internally and externally and enables us to leverage our size and our joint strengths. We have also created structures and conditions for knowledge transfer and new business opportunities, and commenced work to build a common culture.

We are building a common culture that reflects the desire to work together, develop and deliver and always focus on customer needs. The integration of operations in Benelux has demonstrated our combined strength

and capacity to work in a new organisation. Where we can benefit from our different backgrounds, experiences, previous corporate cultures and desire to meet. We are proud of what we as employees have achieved so far and look forward to continuing work to build Dustin as a united organisation and brand.

Our size and the work carried out during the year also make us more attractive as partner for customers, manufacturers and distributors, but also as an employer now that we have more opportunities to attract cutting-edge expertise. The work initiated during the year is creating the right conditions to continue strengthening our offering and our attractiveness in the market.

## Progress during the year

- One brand
- One organisation and platform for a common culture
- Strengthened service offering
- Launch of private labels in Benelux
- Knowledge transfer on public procurement
- Platform for roll-out of Nordic SMB model in Benelux





# Our business segments

We have divided our operations into three business segments based on customer categories and how we can best serve them, to ensure that we offer the right support to the right customer. In turn, operations are supported by scalable and shared central functions.





## Small and medium-sized businesses (SMB)

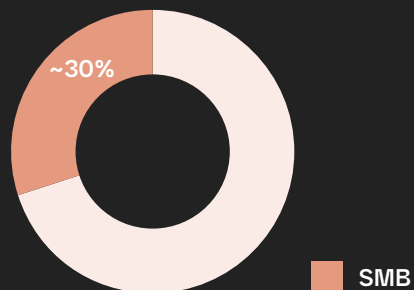
One of our two main target groups is small and medium-sized businesses (SMB) with up to 500 employees. This is where we have our history and the core of the business and we develop our standardised service offering for SMB. Valuable experiences of SMB in the Nordic region are now being transferred to Benelux and are helping to further strengthen our European position in this segment.

The small business customers are looking for a full-service partner who can provide advice and an extensive offering of products, services and solutions. They appreciate a broad selection, personal and flexible purchasing experience and fast and reliable delivery when buying products. In service sales, a personal relationship and an understanding of the needs of the business are crucial criteria.

Customer contacts are mainly conducted online and through relationship and consultative selling.

The hardware market segment is characterised by many small direct purchases as the need arises. SMB customers are generally not tied to specific hardware models and buy whatever is available. When it comes to services and solutions, customers want full-service solutions with one partner.

### Share of total net sales



### 2021/22

- Percentage of total sales: 30 per cent (42)
- Percentage of segment results: 41 per cent (50)
- Sales growth: 13.5 per cent (14.0), of which 9.1 per cent (11.2) organic
- Segment margin: 11.2 per cent (10.6)
- Number of customers: approx. 120,000
- Average order value: approx. SEK 10,000
- Typical customer: 1–100 employees
- Geographical presence: Sweden, Norway, Denmark, Finland, the Netherlands and Belgium

### The year in brief

The sales trend during the financial year was favourable in the segment, with organic growth that exceeded the financial target. The operations were characterised by a strong sales trend for standard hardware, such as computers and mobile phones, primarily to medium-sized and larger companies in the segment.

Margin performance for the segment was positive, despite a higher share of standard hardware with lower margins. Healthy sales trend for private label goods and contracted recurring service income had a positive impact on the segment margin.





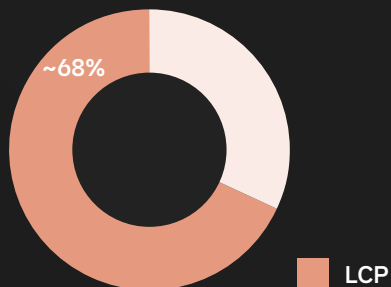
## Large corporate and public sector (LCP)

Larger companies and organisations with more than 500 employees and the public sector make up our second main target group. Larger companies highly value our broad offering and efficient deliveries. For these customers, we primarily offer hardware and software as well as product-related services, such as configuration, customer-specific stockholding and anti-theft marking. Our expansion in Benelux and the integration of Centralpoint has meant our growth has enabled us to develop an even more attractive offering targeting major customers. Of particular value is Benelux's strong expertise in public procurements and tenders.

The larger business customers are mainly attracted by the long-term and personal relationship and a partner who understands their business. Procurements and larger orders are managed by our specialised teams in public procurements or by the sales team, while repetitive and minor orders are handled online.

The hardware market in the segment often concerns larger purchases of computers for all or some employees. The awarded public sector contracts often stipulate specific models or performance. As regards services and solutions, customers often request individual solutions as a complement to the overall IT environment.

Share of total net sales



### 2021/22

- Percentage of total sales: 68 per cent (54)
- Percentage of segment results: 57 per cent (46)
- Sales growth: 96.7 per cent (28.5), of which 15.9 per cent (10.0) organic
- Segment margin: 7.0 per cent (7.4)
- Number of customers: approx. 10,000
- Average order value: approx. SEK 18,000
- Typical customer: the public sector
- Geographical presence: Sweden, Norway, Denmark, Finland, the Netherlands and Belgium

### The year in brief

The sales trend during the financial year was strong in the segment, with organic growth that far exceeded the financial target. Sales to large companies and the public sector were strong and activity increased considerably compared with the preceding year.

The proportion of sales in standard hardware, such as computers and mobile phones, as well as software increased sharply during the year. Together with an altered customer mix in the segment, with a higher share of sales to the public sector, this had an impact on the margin trend during the financial year.





## Business-to-consumer (B2C)

B2C relates to consumers and is our smallest segment. Customers are mainly interested in hardware and software. They appreciate the broad range of IT products, the option to compare products and attractive prices. This is the most price-sensitive of our customer groups.

The B2C market is a secondary but relevant market for us. It is here we can see trend shifts and changes in customer behaviour patterns at an early stage. Customers are only served online.

The B2C market for hardware is often governed by price and availability and customers tend therefore to buy from different suppliers over time.

### 2021/22

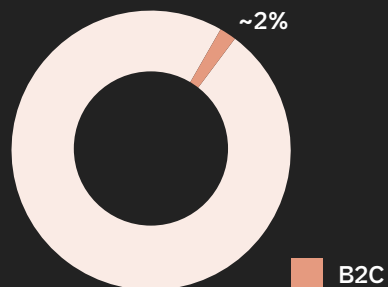
- Percentage of total sales: 2 per cent (4)
- Percentage of segment results: 2 per cent (4)
- Sales growth: negative 22.0 per cent (pos: 7.3), of which negative 23.6 per cent (pos: 8.8) organic
- Segment margin: 9.7 per cent (8.1)
- Number of customers: approx. 350,000
- Average order value: approx. SEK 2,000
- Typical customer: Consumers who are interested in technology
- Geographical presence: Sweden, Norway, Denmark, Finland and the Netherlands

### The year in brief

The sales trend to the consumer segment was weak during the year and clearly affected by fewer price campaigns toward consumers from suppliers. This is a direct result of the shortage of hardware and as suppliers' prioritised major customers.

Fewer campaigns had, in turn, a positive impact on the margin trend, which was favourable during the financial year. This was also aligned with our priority of margins ahead of volume in the segment.

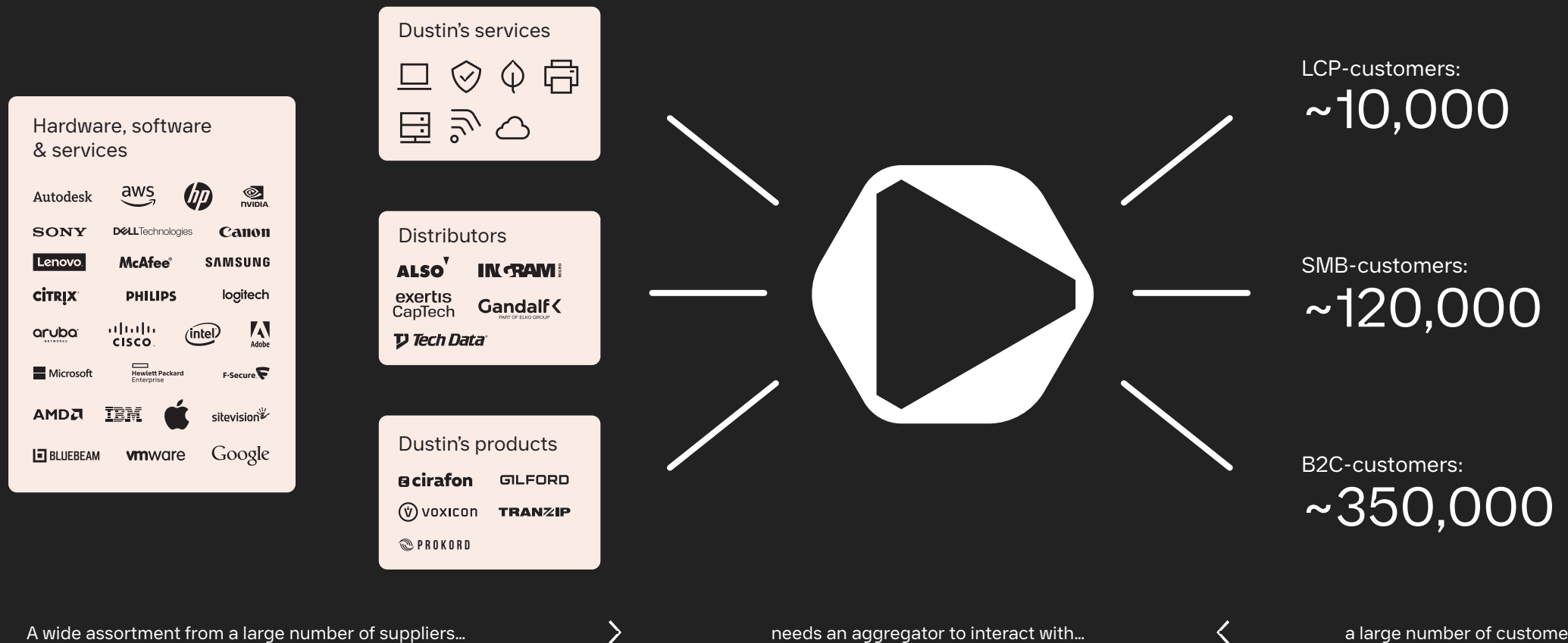
Share of total net sales





# Dustin – the destination

We have complemented the widest assortment of hardware and software in the market with our standardised services and sustainable solutions. Together with our collective competence, we are the destination that can satisfy the entire IT needs of customers. Customers appreciate a partner who understands their business and with whom they can build a long-term and personal relationship. Our pragmatic approach allows us to make the complex simple and create greater value. Regardless of whether it involves complete solutions, hardware, software or services.





# Our customer offering

## A wide product range for the new working life

For the workplace, home office and remote work, we have the market's widest range of hardware, including approximately 280,000 products from more than 3,500 brands. Everything our customers need within IT to embark upon the new working life.

## Sustainability-labeled products and circular solutions for a reduced climate footprint

Customers should be able to easily choose products and solutions that help them reduce their impact on the climate and the environment.

## A predictable IT environment through standardised services

We offer a portfolio of standardised services to enable a simple and functional IT environment with predictable costs for our customers.

## Broad competence and professional support

We help and support our customers so that IT will be an enabler for their business.

## Fast and reliable deliveries

We constantly strive to improve and optimise the entire customer experience, from the first point of contact to delivery.

Our high capacity means about 70 per cent of all orders are shipped from our warehouse on the same day.







# Our share and shareholders

Dustin's shares were listed in the Mid Cap segment on Nasdaq Stockholm on February 13, 2015 at a price of SEK 50.00 per share. At the end of the financial year on August 31, 2022, the price was SEK 61.75, corresponding to a decrease of 37.1 per cent during the year. This compares to the OMX Stockholm Mid Cap PI index, which decreased 25.5 per cent during the same period.

## The share

We have one class of share and each share entitles the holder to one vote and an equal stake in the company's assets and earnings. The total number of shares issued increased by 95,773 during the period and amounted to 113,118,776 at the end of the financial year.

## Market value and share price performance

On August 31, 2022, Dustin's share price was SEK 61.75 per share (98.20). The change represents a decrease of 37.1 per cent compared with the year-earlier date. The market capitalisation amounted to SEK 6,985 million (11,099). The OMX Stockholm Mid Cap PI index decreased 25.5 per cent during the same period.

## Turnover

Total turnover during the financial year was approximately 46.2 million shares (70.6) with a total value of SEK 4.0 billion (5.6). The average daily turnover amounted to about 183,000 shares (280,000), corresponding to a daily value of approximately SEK 15.9 million (22.1).

## Incentive programme

The incentive programme for senior executives introduced at the 2018 Annual General Meeting carries entitlement to subscribe for new shares in the company during the first half of 2022. During the period, no shares were subscribed through the exercise of warrants, as a result of a lower market value than the exercise price of the options.

## Dividends

In accordance with the dividend policy adopted by the Board of Directors, Dustin's target is to pay dividends of more than 70 per cent of net profit for the year. However, the company's financial position, cash flow, acquisition opportunities and future prospects will be taken into consideration. For the 2021/22 financial year, the Board of Directors proposes not to pay dividends to the shareholders. The proposal is based on the general economic situation in combination with the company's ambition to increase the pace in lowering the debt ratio.

## Ownership structure

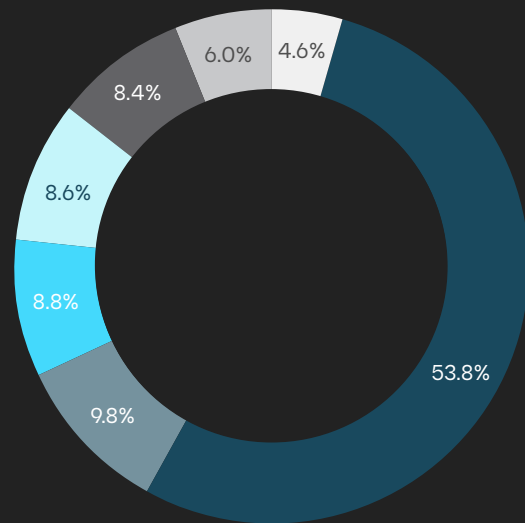
At the end of the period, the company had a total of 14,544 shareholders (14,151), equivalent to an increase of 2.8 per cent. The table below shows the ten largest shareholders and their holdings at August 31, 2022.

Shareholders	Shares	Capital and voting rights
Axel Johnson Gruppen	32,744,788	28.9%
AMF Pension & Funds	15,100,881	13.3%
ODIN Fonder	8,500,000	7.5%
Allianz I.A.R.D. S.A.	6,459,793	5.7%
Kempen Capital Management	5,656,000	5.0%
Fidelity Investments (FMR)	4,633,978	4.1%
Rotla B.V.	4,252,724	3.8%
Highclere International Investors LLP	2,615,557	2.3%
CRUX Asset Management Ltd	2,049,577	1.8%
La Financière de l'Echiquier	1,471,988	1.3%

Source: Modular Finance



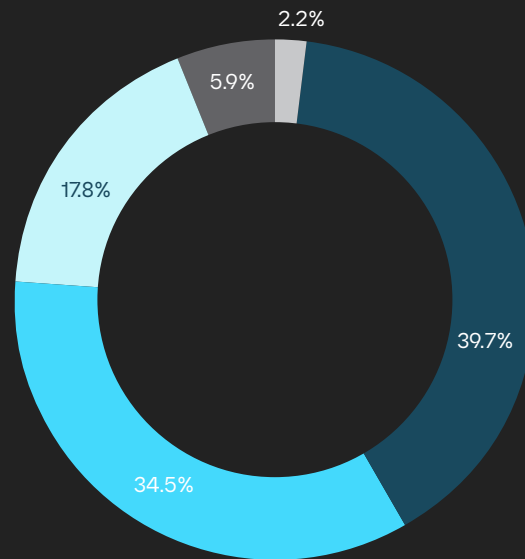
### Ownership by country as of August 31, 2022



- Sweden
- USA
- UK
- France
- Norway
- Other
- The Netherlands

Source: Modular Finance

### Ownership per category as of August 31, 2022



- Foreign institutional owners
- Other
- Swedish institutional owners
- Swedish private individuals
- Other owners

Source: Modular Finance

### Analyst coverage

The following analysts cover Dustin:

ABG Sundal Collier  
 Carnegie Investment Bank AB  
 Handelsbanken Capital Markets  
 Kepler Cheuvreux  
 Nordea Equities

Daniel Thorsson  
 Mikael Laséen  
 Daniel Djurberg/Fredrik Lithell  
 Lars Devold  
 Klas Danielsson



# Director's Report

The Board of Directors and the CEO of Dustin Group AB (publ), Corporate Registration Number 556703-3062, hereby present the Annual and Sustainability Report, and the Consolidated Financial Statements for the financial year from September 1, 2021 to August 31, 2022.

## Sustainability work

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The reviewed annual accounts, consolidated financial statements and sustainability information of Dustin Group AB (publ) can be found on pages 34-113 and 109-115. The Statutory Sustainability Report is defined on page 115.



“Through our sustainability targets and our position in our markets, we can see an opportunity to become an even greater driving force in the change that is needed.”

– Thomas Ekman, President and CEO





# Sustainability

Developments in the world today and the challenges we face, for the environment and mankind, are highlighting the importance of solid sustainability work and the opportunities this offers in a much stronger way than ever before.

For us, our customers, investors and partners, active sustainability work is necessary to drive long-term, successful business and will continue to be so. As a company, we therefore do not have one sustainability strategy but rather a sustainable strategy whereby profitability, sustainability issues and social justice are integrated into our entire business. With our leading position in the Nordic region

and Benelux, we have a responsibility and an opportunity to lead the industry in a positive direction. By constantly challenging ourselves and working with continuous improvements, actively cooperating with others to work together to find new solutions and create change, and by remaining transparent in how we measure and report our results. This is how we make a difference.

Dustin supports international standards for human rights, working conditions, environment and anti-corruption. Conventions and frameworks such as the UN's Universal Declaration of Human Rights (UDHR), Children's Rights and Business Principles, the UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, those prepared by the International Labour Organization (ILO), Fair Labor Association and UN Global Compact and Ethical Trading Initiative (ETI) guide us in our daily work to identify and minimise risks, leverage opportunities and increase our sustainability.





## Greater understanding and transparency drive the pace of change

In recent years, many of the global challenges have grown, both linked to utilisation of the planet's resources and climate change. We can also see geopolitical unrest in our immediate proximity. Opportunities for companies to drive change are increasing as are the drivers for a change in behaviour in society as a whole.

Through our strategy, we want to highlight our ambitions for social and environmental sustainability, as well as our contribution to the UN's Sustainable Development Goals (refer also to page 100). The strategy focuses on three areas: climate, circularity and social equality.

## The goals entail that Dustin 2030 will:

1. Be climate neutral throughout the value chain
2. Be 100 per cent circular
3. Taken 100 actions for social equality

## Progress during the financial year 2021/22

- Previously acquired Centralpoint, that has changed trade name to Dustin, is now fully integrated into sustainability work. Centralpoint is now also integrated into the reporting of climate data and circularity.
- Our comparable climate footprint in Scope 1 declined by 14 per cent and in Scope 2, we reported a decrease of 12 per cent. Sales growth has increased emissions in comparable Scope 3 by 1 per cent, while the comparable emission intensity decreases from 72 to 64 tonnes of CO<sub>2</sub>e per SEK million in net sales. Overall, our combined climate footprint (Scope 1, 2 and 3) amounted to 1,433,679 tonnes of CO<sub>2</sub> equivalents (CO<sub>2</sub>e).
- Our takebacks increased to 423,000 (90,000) while the circular share of our netsales rose to 25.0 per cent (12.4\*). The increase is mainly due to growth in the share of services and a high share of returns for Centralpoint
- We completed the ten activities for social equality in the value chain that we established as interim targets for the financial year.

\* Changed application of accounting principle. For more information see Note 1.





# 1. Climate impact

Our goal is to achieve a fully climate-neutral value chain by 2030. This requires us to work in all parts of our operations and together with our partners to make significant emission reductions. We are continuously improving data collection, increasing transparency and granularity of the reporting, particularly in Scope 3 where we have our main emissions.

Manufacturing and use of the products is estimated to account for 99 per cent of our total emissions. The second largest source is from inbound deliveries to our warehouse. These two categories are therefore key to our transition. During the year, we continued to improve the collection of data for our operations in Benelux, which provided us with a clear picture of potential actions. We also focused on the transition to renewable energy in our premises and data centres during the year, and our vehicle fleet is gradually being replaced with greener alternatives. A more complete compilation of data helps us to understand how we can reduce emissions in our own operations and throughout the value chain.

## Targets for the financial year were:

- At least 32 per cent of our sold products in the Nordic region are to be eco-labeled
- To increase information on environmental aspects for sold products to our customers
- To use 100 per cent renewable electricity in all of our premises, warehouses and data centres in the Nordic region
- To reduce CO<sub>2</sub> emissions per shipment from our central warehouse in the Nordic region to customers by 2 per cent compared with a four-year average

Work in these areas has also been taking place in Benelux but since there is no comparable data, the targets and reports for the year only include the Nordic region.

## Progress during the financial year 2021/22

- Increased the share of sold eco-labeled products in the Nordic region to 33 per cent
- Launched a CO<sub>2</sub> calculator on the website to help customers understand a product's climate footprint
- Continued work to transition to renewable electricity in the Nordic region, which at the end of the financial year accounted for 97 per cent
- Reduced CO<sub>2</sub> emissions per shipment from our central warehouse in the Nordic region to customers by 7 per cent, or 41 per cent when using the an adjusted calculation model\*\*
- Broken down areas of impact for our route towards zero climate impact and calculated the theoretical outcome until 2030

\* Including previously non-integrated companies.

\*\* Read more on pages 56 and 114.





## Our focus to achieve a net zero climate footprint

### Products

Our main climate footprint is from the products we sell. Our estimates indicate that about 79 per cent of total emissions arise during manufacturing operations and approximately 20 per cent in the use phase (Scope 3). We are therefore active in developing our offering to help reduce impact. The change process is taking place through long-term collaboration with our manufacturers and strategic partners. We also work actively with our customers to help them choose energy efficient and more sustainable alternatives.

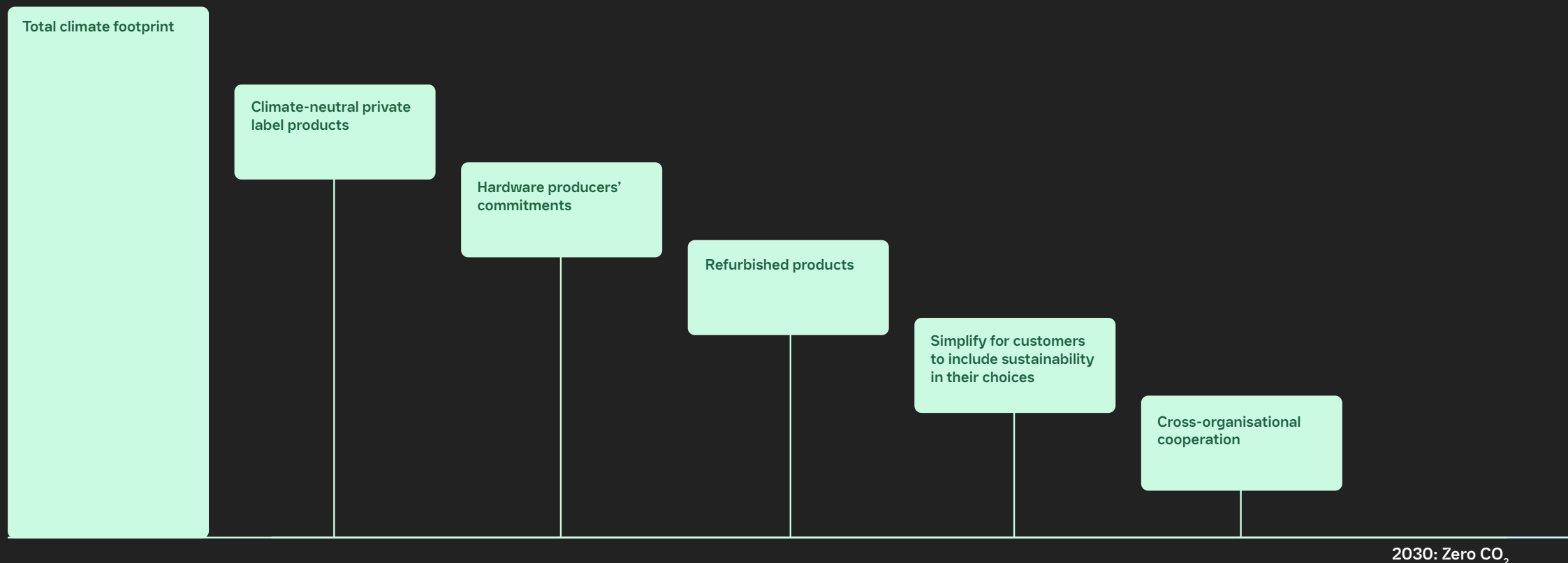
### Transportation

Transportation to and from our warehouses is the second largest source of emissions (Scope 3). In the logistics chain, the largest emissions are generated during the long freight distances from manufacturing operations to the central warehouse, but also in connection with transportation from our warehouses to the end customer. We constantly work to optimise logistics and cooperate with our freight providers to find joint solutions. Upgrades to the vehicle fleet and the transition to renewable fuels are two of the most important areas in reducing emissions.

### Circularity

Work with circularity offers the potential to reduce our climate footprint. For example, by offering services that extend the service life of equipment through takeback, repairs and extended guarantees. We also strive to ensure that as large a share as possible of products is recycled. This also helps to reduce the need for extracting minerals by making use of and reusing existing materials.

### Our sub-areas to achieve climate-neutrality in the value chain





## Our climate impact through the value chain

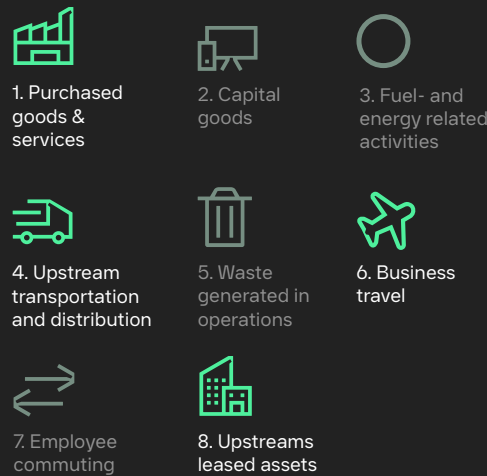
Our calculations and our reporting are conducted as previously in accordance with the Greenhouse Gas (GHG) protocol and the activities are distributed among three areas:

- Scope 1
- Scope 2
- Scope 3

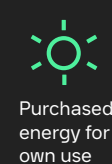
The emissions are reported in carbon equivalents, CO<sub>2</sub>e, which are measurements of GHG emissions. Using the term CO<sub>2</sub>e, we gain a common measurement for all of the various GHG emissions and their climate impact. The emissions' impact is quite simply translated to how much carbon dioxide that would cause the same greenhouse effect. Since the base year of 2020/21, all applicable parts of Scope 3 are included in our reported

figures, which also comprise the indirect emissions that occur upstream in the supply chain and downstream in the user chain (see image). This provides us with a more complete view of the total climate impact generated by the purchasing, production, use and final disposal of our products. During the financial year, we also calculated a more detailed picture of emissions in Centralpoint's operations.

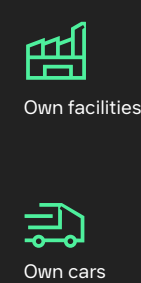
### Scope 3 Indirect



### Scope 2 Indirect



### Scope 1 Direct



### Scope 3 Indirect



Scope 1 comprises the emissions over which we have direct control, Scope 2 comprises indirect emissions related to our purchased energy and Scope 3 comprises all other indirect emissions that arise in conjunction with our operations. Selected GHG categories are shown in the graphics to the left and are significant, with a share of emissions that exceeds 1 per cent of our total carbon footprint.



## Results and development

During the financial year, our total greenhouse gas emissions amounted to 1,433,679 tonnes of CO<sub>2</sub> equivalents (CO<sub>2</sub>e). We are reducing volumes in the categories and units where we have been active in striving to reduce emissions for some time even if the total volume of CO<sub>2</sub>e is rising as we included Centralpoint in all categories this year. We have reported total emissions but choose to exclude Centralpoint in the comparison with the previous financial year to provide a clearer picture of developments. While operations have continued to expand, we have concurrently reduced our comparable emissions in most of the reported categories. GHG emissions intensity, measured as tonnes CO<sub>2</sub>e per SEK 1 million of net sales, amounted to 64 excluding Centralpoint. This compares with the preceding financial year, when the figure was 72\*. See further in accounting principles for sustainability, page 114. The graph below shows the distribution of emissions between various scopes and categories.

**Within Scope 1**, we reduced our direct emissions by 14 per cent through continued work to replace fossil fuel-driven vehicles with electric and hybrid vehicles and as a result of the replacement of a growing share of our own vehicle fleet with leases.

**Within Scope 2**, our comparable indirect emissions were reduced by 12 per cent, mainly through the transition to renewable energy sources in the operation of our warehouses, offices and data centres. During the year, we also continued work to replace with LED lighting and conduct other energy optimisation measures. The solar panels on the warehouse in Rosersberg now generate approximately 30 per cent of its annual electricity consumption.

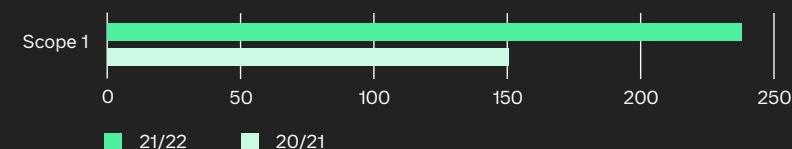
**Within Scope 3**, our comparable other indirect emissions increased by 1 per cent during the financial year. The largest share is from the manufacture of our products, which are estimated to account for 79 per cent of the total impact. Comparable emissions from inbound freight is at roughly the same level as the previous financial year. The comparable outbound shipments fell by 46 per cent and were positively affected by work by our partners in relation to logistics optimisation, upgrades to the transport fleet, the transition to greener fuels and improved calculation methods. Read more under Accounting principles for sustainability on page 114.

During the financial year, we continued work to consolidate our data centres. We have included several of our off-premises data centres from previously acquired companies in the Nordic region and Benelux, which increased the comparable reported emissions by 11 per cent. Most data centres in the Nordic region and a growing number in Benelux operate on energy from renewable sources.

During the financial year, pandemic restrictions were lifted and we have been able to meet face-to-face again. Comparable emissions from business travel therefore rose by 2,768 per cent. Though total emissions are lower than the year prior to the pandemic. Comparable emissions from leased cars rose by 88 per cent compared with the year-earlier period, despite a reduction in the number of cars by more than one tenth and replacing more with electric cars. We now have an established culture with a high degree of acceptance for digital meetings.

\* Changed application of accounting principle. For more information see Note 1.

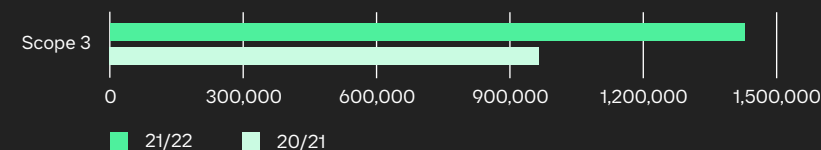
Emissions per Scope 1, tonnes CO<sub>2</sub>e



Emissions per Scope 2, tonnes CO<sub>2</sub>e



Emissions per Scope 3, tonnes CO<sub>2</sub>e





Emissions of CO <sub>2</sub> e (tonnes)	21/22	20/21
<b>GHG Scope 1 – Direct emissions</b>		
Direct emissions from owned vehicles	238 (130)	151
<b>GHG Scope 2 – indirect emissions from purchased electricity, steam, heating and cooling, generated by producer</b>		
Indirect emissions – Market based	486 (116)	132
<b>GHG Scope 3* – Other indirect emissions</b>	<b>1,432,955 (975,899)</b>	<b>969,160</b>
Category 1: Production of purchased goods and services	1,132,000 (771,000)	765,000
Category 4: Upstream transportation and distribution	11,000 (8,000)	8,000
Category 6: Business travel	289 (287)	10
Category 8: Upstream leased assets – off-premises data centres	60 (23)	21
Category 8: Upstream leased assets – leasing vehicles	1,280 (625)	332
Category 9: Downstream transportation and distribution	1,326 (964)	1,797
Category 11: Use of sold products	287,000 (195,000)	194,000
<b>Total</b>	<b>1,433,679 (976,145)</b>	<b>969,443</b>

\* Category 1, 4 and 11 are reported as rough estimates. Calculation factors and assumptions will improve and become more accurate over the next few years. Some correction of the values for 2020/21 has been made, improving comparability. Read more on page 114.

Figures in parentheses refer to comparable emissions, meaning excluding Centralpoint, which was not reported in the preceding financial year.

## Energy

Our total energy use during the financial year, in offices, warehouses and data centres, amounted to 8,846 MWh (7,729). This is a 14 per cent increase as we have now included Centralpoint. The comparable electricity use decreased by 4 per cent due to efficiency enhancements at several of our larger offices and warehouses. In parallel, heating and

cooling has increased as employees returned to work in our premises. We support renewable energy production and have purchased guarantees of origin corresponding to 100 per cent of our electricity consumption in the Nordic region. The target for the next financial year is to use the same approach in Benelux.

Energy consumption (kWh)	21/22	20/21
Electricity use, total (kWh)	6,365,586 (5,463,388)	5,706,636
Heating, total (kWh)	2,089,504 (2,089,504)	1,647,139
Cooling, total (kWh)	390,826 (390,826)	375,405
<b>Total energy (kWh)</b>	<b>8,845,916 (7,943,718)</b>	<b>7,729,180</b>

Figures in parentheses refer to comparable emissions, meaning excluding Centralpoint, which was not reported in the preceding financial year.

## Biodiversity

Biodiversity is about the protection of endangered species. In the risk assessment we conduct in accordance with the TCFD framework and the materiality assessment, both conducted every year, we can see that biodiversity has been growing in importance. Climate and biodiversity are closely linked and both areas require action to repair and mitigate the impact already caused by humans. During the year, work began to identify the areas of the business and in the value chain where we can contribute to promoting biodiversity and/or reducing negative effects.

## 2. Circularity

Our goal is to be 100 per cent circular by 2030. This will entail new business opportunities, at the same time as it will address the sharp increase in resource usage, which historically has been a result of the global economic development. Circularity involves the effective utilisation of resources, prolonging the service life of products and circulating resources back into the cycle to reduce resource waste.

To achieve this goal, we must increase the proportion of circular solutions and re-use products and materials to an ever greater extent. Examples of circular solutions are to lease instead of buying and shifting services to the cloud, thereby enabling us to include returns with re-use in the offering and to secure more energy-efficient products and services. This reduces both the amount of waste and the need for virgin resources. Increased circularity reduces the negative impact of today's economic model, while it reduces costs and creates opportunities for new business.

### Targets for the financial year were:

- To achieve at least 24 per cent circularity in relation to our net sales
- To achieve takebacks of at least 99,000 products in the Nordic region
- To establish takebacks under own management

### Progress during the financial year 2021/22

- a circular share of 25.0 per cent of our net sales (excluding changed application of accounting principle, see Note 1, our circular share would have been 29.2 per cent),
- takebacks of 423,000 products, compared with 90,000 products in the preceding year. The increase is attributable to higher takebacks in the Nordic region (136,000) and that Centralpoint's takebacks are included this year in reporting.
- established takebacks of IT products under own management in all of our markets in the Nordic region as a complement to the existing takebacks activities in Benelux





# Our focus for 100 per cent circularity

To achieve the circularity target, we focus on both products and services. A priority for us is also to sell used products in partnership with manufacturers.

## Takeback 1:1

We are to take back a used product for every product we sell. As part of the work, we have established a dedicated unit that focuses on our offering in the takeback of IT products. By managing the takeback ourselves, we ensure control and responsibility throughout the process. The operations are located in Växjö, Sweden, and in Wijchen, the Netherlands.

Just as we work for the responsible management of manufacturing operations, we are also striving to take greater responsibility for reused products. During the year, we launched new processes in the Nordic region and are aiming to also introduce these in Benelux to ensure that re-use efforts can take place in a safe manner for humans and the environment also downstream.

## Used hardware

Used IT products can often be used for longer, and there is therefore an opportunity to offer used hardware. Reusing IT products extends the life cycle and increases circularity. It is therefore important to offer used products. We are endeavouring to broaden our refurbished products offering through partnerships with manufacturers.

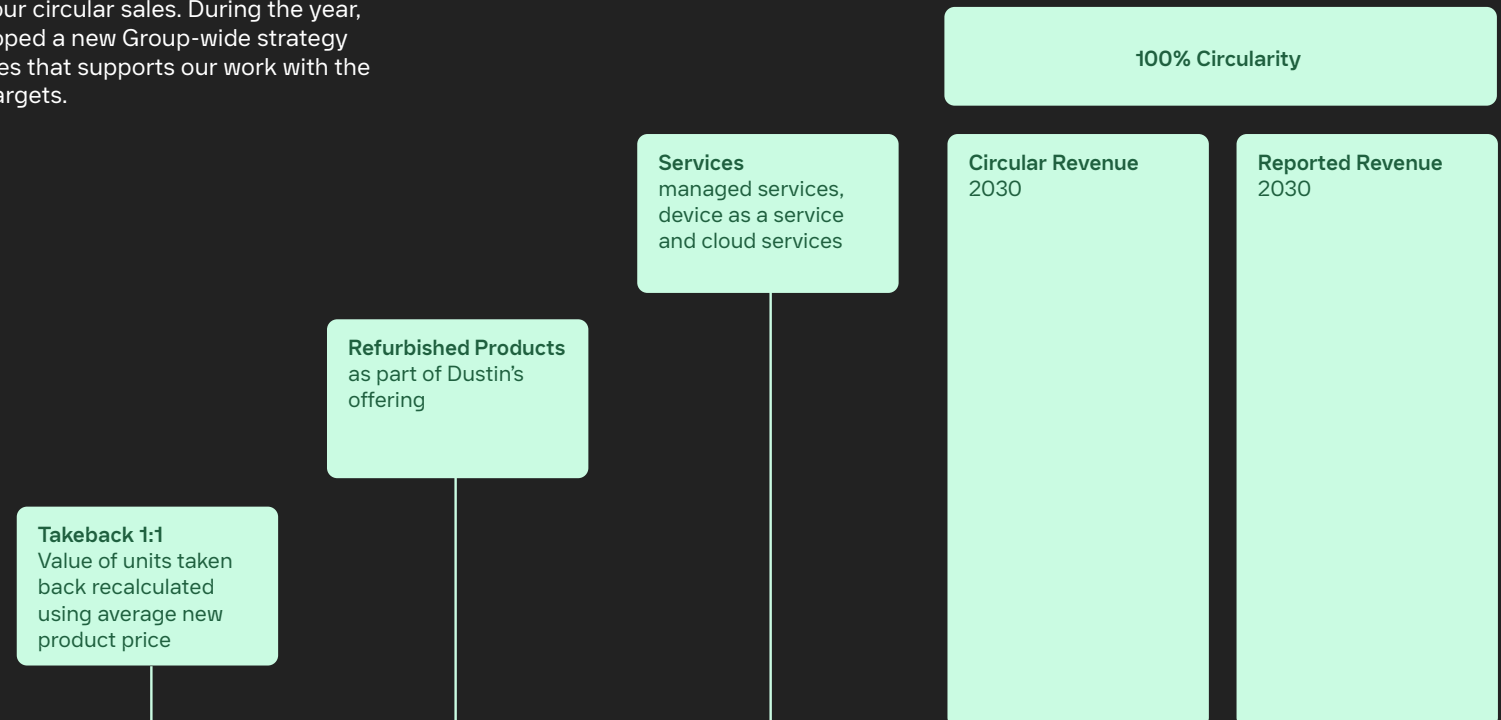
## Services

Services that minimise the need for hardware or include takeback help to increase circularity. Currently, services account for the majority share of our circular sales. During the year, we developed a new Group-wide strategy for services that supports our work with the circular targets.

## Responsible takeback

## Cooperation

Cooperation will be crucial if we are to achieve our circularity target. During the year, we established national and international cooperation focusing on circularity and transparency, including the Circular Electronics Partnership (CEP). This is a collection of the world's largest companies in IT, consulting services, sales and recycling in order to work together to increase circular business. We also joined the Swedish Technical Committee for developing the new ISO standard for the circular economy in order to participate in developing the standard in accordance with ISO. In addition to this, we have continued to work with the KEEP transparency project. This is a research project to help us and the industry to fulfil future requirements for transparency, such as the EU Digital Product Passport.



## Results and development

During the financial year 2021/22, we have increased the circular share of our net sales from 12.4\* per cent to 25.0 per cent. The cause of the increase is primarily strong takeback in Benelux and a high share of services in Centralpoint.

### Takeback 1:1

During the financial year 2021/22, we had takebacks totalling 423,000 products (90,000). The increase is due to higher volumes in the Nordic region, but above all because Centralpoint is now included in the reporting. We launched takeback service under own management in the Nordic region in September 2021 and we are now one of the leading players in our markets.

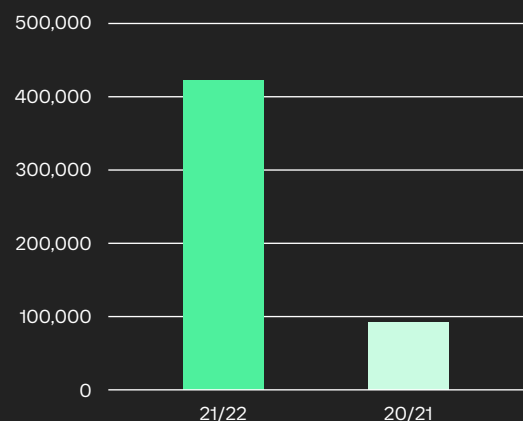
### Used hardware

We can see major potential in expanding our range of used IT products, as part of our standard range of products.

### Services

Sales of software and services amounted to 15.1 per cent of our sales. During the year, we adopted a new Group-wide strategy for services. This will help us to increase the share of takebacks and enable profitable growth for services that contribute to circularity.

Takeback 1:1



\* Changed application of accounting principle. For more information see Note 1.





## Waste from operations

Waste is an important component of the concept of circularity. Waste that can be recycled can be used for new products without requiring us to use virgin materials. This allows us to efficiently utilise resources and can circulate the material. By measuring the waste resulting from our own operations, we can control the type of waste produced and can handle it in accordance with the EU's waste management hierarchy. This means working with minimising, reusing and recycling. We divide our reporting into two types of waste – hazardous waste and non-hazardous waste – in accordance with the Waste Ordinance and the EU's waste directives.

We noted an increase in the total volume of waste, which is only natural since we included more facilities in reporting compared with

previous years. We have also noted a sharp increase in hazardous waste, as mixed electronic waste received is classified as hazardous waste. The increase comes partly from JML-System, which takes back all electronic equipment that is dismantled from customers, but mainly from the operations in Växjö. As this is a newly established facility for takeback from our operations in the Nordics and some is classified as electronic waste for recycling, it is natural for a significant increase overall.

### Non-hazardous waste

We have relatively little non-hazardous waste. The conditions for sorting waste in our properties have been identified with the ambition to start sorting everything at source at all locations

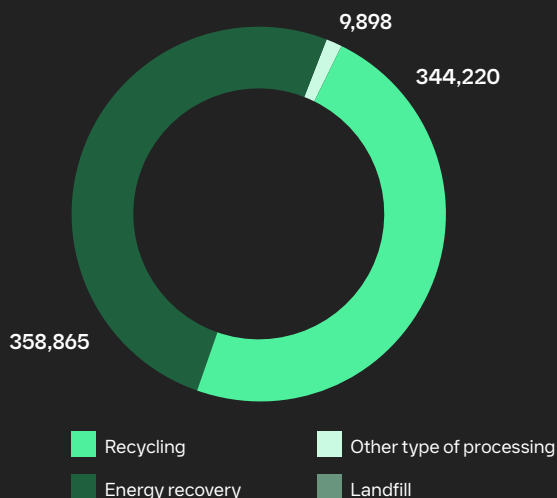
### Hazardous waste

The hazardous waste mainly comprises end-of-life electronic equipment and, to a lesser degree, batteries, fluorescent tubes and aerosols that are flammable or toxic to humans and the environment. With our takeback venture and collaboration with waste contractors, we are challenging the industry to minimise the flow of waste by providing ways to reuse more equipment. We will also increase the recycling rate of equipment that becomes waste together with our waste contractors.

The volume of waste includes waste from our facilities that can report waste volumes in kilos and information about the proportion of hazardous waste and non-hazardous waste and the processing method for each

waste fraction. Facilities included in the reporting are Växjö, Espoo, JML-System (Vellinge, Örebro, Mölnlycke), Nacka strand, Rosersberg and figures reported by producer responsibility organisations.

Total waste 2021/22



Waste	21/22	20/21	19/20
Recycling (kg)	176,285	187,659	416,720
Energy recovery (kg)	342,154	380,841	417,678
Landfill (kg)	-	483	901
Other (kg)	-	-	-
<b>Total amount of waste (kg)</b>	<b>518,439</b>	<b>568,983</b>	<b>835,299</b>

Hazardous waste	21/22	20/21	19/20
Recycling (kg)	167,935	5,003	109,571
Energy recovery (kg)	16,711	79	11,328
Landfill (kg)	-	-	11
Other treatment method	9,898	7,5	8,688
<b>Total amount of hazardous waste (kg)</b>	<b>194,544</b>	<b>5,090</b>	<b>121,092</b>

## Electronic waste

Electronic waste includes both hazardous and non-hazardous waste. Approximately 50 million tonnes of electronic waste is generated worldwide every year. Only about 17 per cent of this is recycled. We are working together with our recycling partners to ensure that the waste from our operations is recycled as far as possible. Products that cannot be repaired and reused are sent to our partners for recycling. We are also affiliated to local producer responsibility organisations, which means our electronics are taken care of by responsible recyclers.

## 3. Social equality

For us, social equality entails taking responsibility in such areas as labour, occupational health and safety, anti-corruption and human rights. We have an opportunity to work actively with our partners for social equality throughout the value chain. It is a challenge that is present in all areas, including raw materials supply, production, delivery, takeback and recovery. We also want to have an open and inclusive work environment. By 2030, we aim to conduct 100 activities to promote increased social equality in our value chain.

### Our employees

Our employees and our shared values underpin the company. We strive continuously to follow up on the well-being of our employees, engagement and leadership. During the year, we also followed up the quarterly development of the engagement index, leadership index, eNPS (willingness to recommend us as employer), absenteeism and employee turnover. On the basis of these measurements, we can identify our strengths and areas to develop and improve.

Engagement index:	79 (80)
Leadership index:	80 (78)
eNPS:	14 (19)
Absenteeism:	5.1% (1.1%)
Employee turnover:	18.7% (20.5%)

Employee data in parentheses is from 2020/21 and does not include Centralpoint



## Diversity and inclusion

With increased diversity and broad representation of individuals in the company, we will become a better partner to our customers and a more attractive workplace. We know that having variety of perspectives increases our potential to create attractive offerings for our customers.

### Inclusion

In 2022, we conducted our first measurement of inclusion using the battery of questions recommended by Mitt Liv, with generally high scores. As an employer, we know it is important to create an environment characterised by trust and a strong team spirit. However, there are still too few companies that have conducted this measurement, which means no benchmark has been developed.

### Age breakdown

During the financial year, we adapted our employee survey based on recommendations from Mitt Liv. Our goal is to have 10 per cent of our employees in each age range.

Dustin Pulse inclusion KPI: 81 (of 100)

Age	-29	30-39	40-49	50-59	60-
Employees	20%	37%	26%	14%	3%
Managers	3%	32%	41%	21%	3%

### Gender balance

Dustin monitors and analyses salaries and equal pay throughout the year. In addition to regular assessments, the company conducted an annual analysis of salary differences between women and men in countries with a legal requirement to do so. An analysis is conducted in all countries every second year. The analysis aims to study whether Dustin pays equal salaries to men and women for work of equal value, and if there are any objective explanations for possible salary differences. The analysis in 2022 found few deviations. No unjustified differences were

identified. Objective reasons for the salary differences between genders primarily related to experience, deeper knowledge and work complexity. At the end of the financial year, Group Management had a gender distribution of 30/70 (30/70). On the Board of Directors, the balance was 38/62 (38/62) and at senior level 28/72 (40/60). The gender balance in Dustin as a whole was 27/73 (25/75). In the next financial year, we will continue our work to increase equality and reduce salary differences between genders by evaluating our policies, procedures and ways of working, to ensure that they are inclusive in practice.

Gender balance Dustin*	Number			Percentage breakdown	
	Total	Women	Men	Women	Men
Employees					
Total	2,508	670	1,837	27	73
Senior level	297	82	215	28	72
Group Management	10	3	7	30	70
Board of Directors	8	3	5	38	62

\*The table shows employees in Dustin Group integrated into Dustin

## Ten activities conducted for social equality in the value chain

The activities we identified and implemented during the financial year are presented below.

- 1 Training portfolio**  
The training portfolio we offer our high-risk suppliers has been extended to include labour law. The training focuses on local labour law in China, in practice and in contractual relationships.
- 2 KPIs**  
We have added more dimensions to our People KPIs that measure our company's position regarding diversity and inclusion.
- 3 Language training**  
Our local language courses have been made available in all of our markets.
- 4 Inclusion training**  
We have launched a training course focusing on being an inclusive employee and manager.
- 5 Equality and inclusion events**  
We have participated in ten diversity and inclusion events with other companies and organisations, aimed at sharing and learning about successes and experiences.
- 6 Risk assessment**  
We conducted a risk assessment of our value chain, focusing on human rights.
- 7 Developing the culture playbook**  
During the year, we developed Dustin's culture playbook, as part of our ambition to build a joint organisation based on strong values.
- 8 Harmonised Code of Conduct**  
Developed and harmonised our policies and processes in all of our markets, in line with the *Supplier Code of Conduct*.
- 9 Legal compliance among suppliers**  
We have harmonised our processes and work methods throughout the organisation in all of our markets to assess legal compliance by suppliers, known as a *compliance capability assessment*.
- 10 Business ethics and anti-corruption**  
We have developed and harmonised a shared working method to ensure that the entire organisation lives up to the stringent requirements we make regarding business ethics and anti-corruption.



## Risk assessment human rights

Risk assessments are regularly conducted within the framework of our corporate responsibility work to ensure that our entire business and value chains always comply with norms and standards in human rights, business ethics and environmental protection. During the financial year, we also tasked an external operator (Impactt) to conduct a risk assessment of our operations linked to human rights, to identify areas where our efforts can be further improved. The risk assessment confirmed our own conclusions, including the risks present in the value chain involving electronics production. The potential risks specifically identified were child and slave labour, employment conditions, restrictions in the right to organise, discrimination, health and safety.

### New laws and regulations

In coming years, the EU is expected to introduce a further tightening of legislation that aims to guarantee human rights, with special emphasis on value chains. We strive continuously to promote sustainability both within and outside of our operations.

During the financial year, a new transparency law came into force in Norway, Åpenhetsloven, which is an example of how national legislation can be designed to promote human rights. According to the law on corporate transparency and work with fundamental human rights and decent working conditions, all companies are responsible for maintaining human rights through *due diligence*. Companies are obligated to make the information that emerges available and reply to all related inquiries received.

Read more at [www.dustingroup.com/en/sustainability](http://www.dustingroup.com/en/sustainability)

# Responsible purchasing

We believe that to achieve sound working conditions and responsible manufacturing, it is necessary to have collaboration, transparency, presence and continuous work in the area. Since 2018, Dustin has been a member of the Responsible Business Alliance (RBA), which is the world's largest industry coalition dedicated to corporate social responsibility in global supply chains dealing within industry. As one of few partners dealing in IT, we also elect to be on-site in the factories where the manufacturing takes place, conducting audits and conversing with people who work there. During the financial year, 20 factory audits (21) were conducted, which is in line with the target of conducting 20 audits in 2021/22. The year's report of responsible purchasing excludes Centralpoint.

## Model for a responsible value chain

Our ambition is to work and collaborate systematically with our suppliers and our suppliers' suppliers based on our model for a responsible value chain. We offer a range of approximately 280,000 products and services from more than 3,500 brands. In 2021/22, about 94 per cent (83) of purchases were made from distributors and about 6 per cent (17) directly from manufacturers. Through close cooperation with the world's largest hardware manufacturers and global distributors, we believe that we can make a difference together.

### Responsible Business Alliance (RBA)

Together with other members of the RBA, we can promote improved working conditions in the global supply chain and a conflict-free IT industry. Membership also provides us with access to a number of different programmes and tools for training and evaluation that we can use for continuous improvement plans in the supply chain and for manufacturing.

### Work against conflict minerals

Our ambition is that all of our private labels will be free of conflict minerals and to work

together with the RBA for a conflict-mineral-free IT industry. The Supplier Code of Conduct covers requirements concerning conflict minerals. We perform annual risk assessments in the supply chain for our private labels regarding minerals and their origins. This means that we will ensure that the minerals in our products come from certified conflict-free smelters that have passed a review under the Responsible Minerals Initiative (RMI).

## Our delivery model for products

### Our close relationship with our suppliers makes us competitive

The availability of our wide range is based on purchases from a large number of suppliers, both distributors and manufacturers. Through a close relationship, we ensure a stable supply of goods and reduce the risk of disruptions in the supply chain.

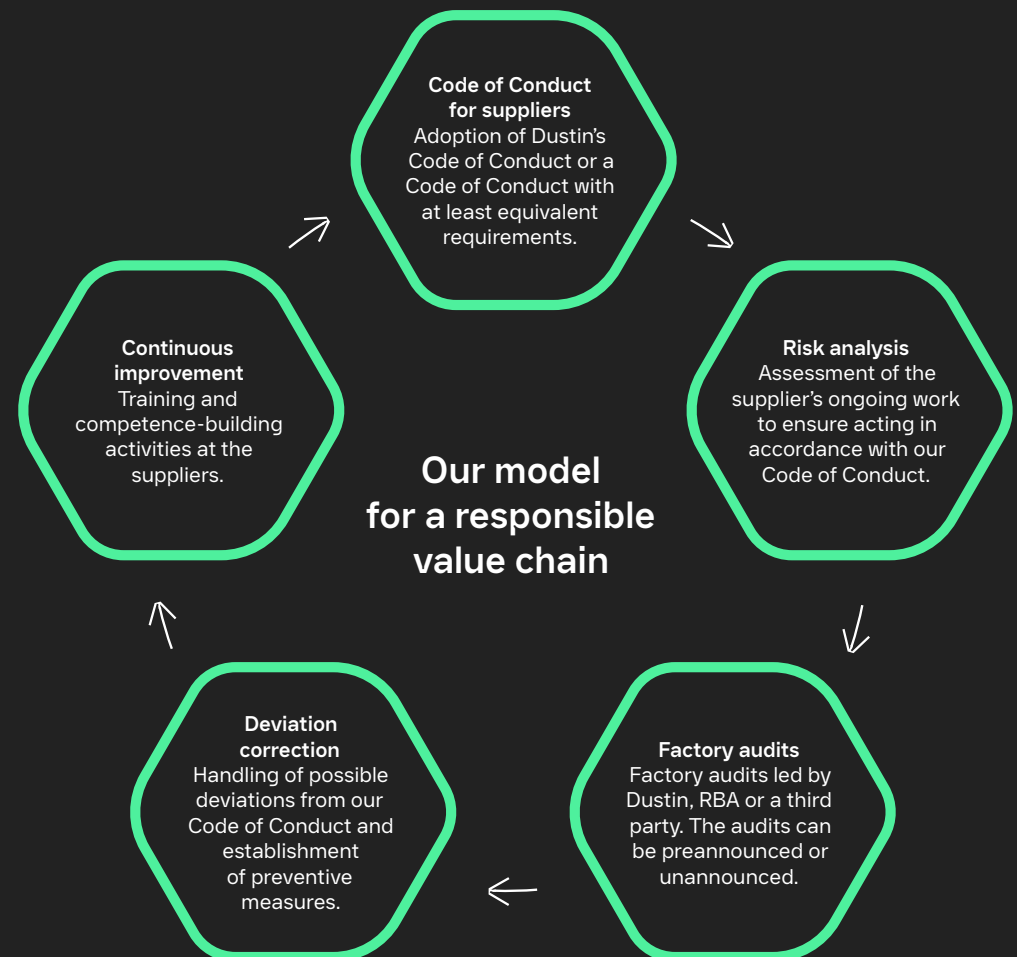
### Fast delivery with optimised logistics model

We combine regional logistics centres and local warehouses to always offer fast deliveries, with the capacity to handle large volumes of configured, customer-specific products with great precision.

## Responsible purchasing with a focus on sustainability an important and integrated element

Our Supplier Code of Conduct is part of the purchase agreement for direct purchases of

products. We conduct regular risk analyses and factory audits to ensure that suppliers and manufacturers in the value chain act in accordance with the commitments in our Code of Conduct.





## Our key ratios for responsible manufacturing at year-end



### Code of Conduct for suppliers

99%

of our hardware suppliers\* for direct purchases have adopted Dustin's Code of Conduct or a Code of Conduct with at least equivalent requirements.

71.6%

of new distributors\* for direct purchases have adopted Dustin's Code of Conduct or a Code of Conduct with at least equivalent requirements. 71.6% corresponds to 4 out of 5 new distributors in purchase volume.

94%

of purchases were made via distributors and 6 per cent directly from manufacturers.



### Risk analysis

98%

of our distributors\* has carried out a risk assessment regarding ongoing work to ensure action in accordance with our Code of Conduct.

26.5%

of our new distributors\* who have completed a risk assessment regarding ongoing work to ensure action in accordance with our Code of Conduct. 26.5% corresponds to 2 out of 5 new distributors during the operating period in purchase volume.

100%

of the products under our own brand are conflict-free. This means that the minerals come from certified conflict-free smelters and have passed a smelter inspection according to the Responsible Minerals Initiative (RMI).



### Factory audits

20

factory audits, none of which were unannounced.



### Registered non-conformance

475

identified non-conformances with our Code of Conduct during this year's audits, none of which were so-called zero tolerance deviations. For non-conformances, see page 113.

73%

of identified deviations are included in a non-conformance plan which is approved and will be monitored by Dustin.

Our work for responsible manufacturing and responsible purchasing is ongoing. Hence, the figures for fulfillment of Dustin's requirements for adoption of the code of conduct and implementation of risk analysis as well as correction of deviations identified during factory inspections will vary over time depending on when the new distributors were adopted or when the deviations were identified.

\* Refers to hardware suppliers with an annual purchase volume of more than SEK 200,000. Excl. former Centralpoint.

# Business ethics and anti-corruption

We always aim to be a safe partner for our customers, partners and other stakeholders. As such, we maintain consistent dialogue regarding business ethics and anti-corruption. We scrutinise the organisation regularly and work in particular with training and discussions concerning the dilemmas so these becomes a natural part of our day-to-day working lives.

Share of business areas that underwent an annual risk assessment	21/22	20/21	19/20	18/19	17/18	16/17	15/16
Dustin Group	100%	100%	100%	100%	100%	100%	100%

Share of employees undergoing online training in our Code of Conduct	21/22	20/21	19/20	18/19	17/18	16/17	15/16
Dustin Group	91.1%	93.6%	96.7%	85.6%	87.7%	94.1%	-

## Guidance and compliance

Our business ethics guidelines contain a clear framework for our employees to comply with. It is required that all employees read and comply with these. They are prepared based on the Code to Prevent Corruption in Business, published by the Swedish Anti-Corruption Institute (IMM). We apply the following principles in order to avoid the risk of bribery:

- Our employees may not offer or accept any types of gifts or benefits, directly or indirectly, to or from a third party if it is not considered to be within the boundaries of generally accepted business practices and applicable laws.
- In case of any doubt, our employees are expected to seek the advice of their immediate manager, Group Management or the company's General Counsel.
- All employees are encouraged and expected to report suspected violations to their immediate manager, Group Management or the company's General Counsel.

We also have a whistle-blower system that allows employees to anonymously report suspected violations. The function is based on a secure web-based reporting system and managed by the Chair of the Audit Committee. No whistle-blower cases were recorded in 2021/22.

Business ethics are fundamental to responsible business for us and for our stakeholders. We never accept bribes or other violations of our principles of business ethics. We make clear that violations of these principles may lead to the end of a partnership, and may also have consequences in labour law and criminal law for the perpetrator. The purpose is to create a responsible corporate culture and awareness of risks, thus strengthening trust on the part of our stakeholders.





# Climate reporting in accordance with TCFD

We are open with both our progress and our challenges. Accordingly, we have continued with our ambition to report our potential physical climate risks and opportunities, as well as transition risks. We have chosen to apply the Task force on Climate-related Financial Disclosures (TCFD) framework and describe below how this work progressed during the year. This pertains to the financial impact on the company of environment and climate, instead of, as previously, the impact the company has on the environment and climate. In this way, we can describe how climate change could impact our operations in the long term. TCFD is a comprehensive framework and we believe our work to fully implement it will take time.

## Material sustainability issues and goals

We have established sustainability targets that surpass the goals of the Paris Agreement and the UN Global Sustainable Development Goals, and established a plan to fully integrate sustainability into our business strategy.

The focus is on areas in which we can make the most difference by either reducing our negative impact or increasing our positive impact. We have therefore used a materiality assessment to identify our economic, social and environmental impacts. This is conducted at least every third year, but may occur more frequently if there are major changes in strategy or operations. The latest materiality assessment was updated in 2021/22, see page 109. The core issues identified form the basis of our strategy and our goals for corporate and social responsibility until 2030, see pages 18, 22, and 36–53.

## Scenario analysis

Using the materiality assessment as a starting point, during the year we reviewed and updated our scenario analysis related to climate change. Particular focus was placed on significant changes in the macro environment and former Centralpoint, which was integrated

into operations during the year. The sustainability team and Group Management discussed risks and opportunities based on two scenarios of “aggressive mitigation”, or so-called RCP 2.6 (UN IPCC climate panel scenario), where the world’s emissions of CO<sub>2</sub>e are completely eliminated in 2050, and “business as usual”, with an anticipated temperature increase of more than 4 degrees by 2050. The scenario analysis comprised climate-related trends within nine areas and stakeholder dialogue and culminated in a list of our risks and opportunities. These were then evaluated according to their potential financial impact and classified.

## Identified risks and opportunities

The transition risks identified as being greatest in the medium term are:

- the risk that we are unable to meet future demand from primarily large customers for sustainable products and services
- the risk of reduced ability to attract investments through a declining sustainability ranking if we do not accelerate the sustainability agenda and measures in line with market expectations

- the risk of being unable to attract employees and future talent if we do not have a clear sustainability agenda

In this year’s evaluation of risks, which included Centralpoint’s activities, further risks were identified linked to the supply chain:

- disruptions in deliveries, increased costs for freight, fuel and energy

The transition risks identified as limited to the medium term are:

- the risk of failed innovation activities and projects that are not in line with new regulations or demand from customers
- the risk of not meeting expectations regarding our products’ climate footprint

## TCFD

The Financial Stability Board (FSB) established an industry-led working group in 2015, the Task force on Climate-related Financial Disclosures (TCFD), aimed at preparing recommendations for a more transparent and informative climate-related financial reporting. The recommendations were approved in 2017 and form the basis of being able to identify companies’ climate-related financial risks and opportunities. This pertains to the financial impact on the company of environment and climate, instead of, as previously, the impact the company has on the environment and climate. The recommendations focus on four areas: governance, strategy, risk management, and metrics and targets.

**The greatest transition opportunities were identified as:**

- competitive advantages if we exceed the stakeholders' demands for sustainability
- lower operating costs through lower costs for transports, packaging and energy consumption

The physical risk identified as significant in the medium-term perspective was:

- the risk that changes in weather patterns and extreme weather events could cause rising prices for purchased goods and supply chain disruptions

From a long-term perspective, all of the aforementioned risks can be regarded as critical, which is why the work on our ambitious 2030 targets has been validated. An updated climate scenario from the UN IPCC climate panel has emphasised the importance of our work.

**Climate reporting in accordance with TCFD**

Our reported is structured in accordance with the four areas for follow-up and reporting included in the TCFD's recommendations: Governance, strategy, risk management, and metrics and targets.

**Governance**

We have established governance systems to effectively manage climate-related risks and opportunities. Together with Group Management, the Board of Directors actively participated in the preparation and approval of the sustainability strategy and our targets. Group Management approves and follows up on the annual goals in relation to our 2030 commitments. During the year, Group Management participated in the work on the scenario analysis and also signed off on the risk management process. The Sustainability Report has been reviewed by Dustin's auditors and the Board's Audit Committee is an integrated part of the process.

**Strategy**

Our sustainability strategy is based on our ambition to become climate neutral throughout the value chain by 2030 and we are expanding our responsibility by including all important aspects within Scope 3 (refer also to pages 38–42). We have identified risks and opportunities through the scenario analysis and the financial impact they could have on our operations over periods of varying length. The strategy aims to minimise these risks, make use of opportunities and continuously reduce our climate footprint throughout the value chain, for example, through changes in our product portfolio, transportation, direct emissions, increased circularity and various initiatives and collaborations (refer also to pages 43-46 and 51–52).

**Risk management**

The identified sustainability risks and sustainability-related financial risks above are integrated with other risks in the risk management process. The Head of Sustainability is responsible for the implementation of the sustainability strategy, where Group Management has an active role in implementation. The Board is involved in the review of the risk process at least once a year. The Board's Audit Committee monitors deviations in the area of sustainability, in the same way as it does in the financial area. In our opinion, the current sustainability strategy addresses the identified sustainability risks (refer also to Risks on pages 54 and 67).

**Metrics and targets**

We have a reporting system that includes a large number of various metrics and targets to assess and manage relevant climate-related risks and opportunities in operations. Dustin reports in accordance with the GRI standards. The following climate-related metrics are reported in the Sustainability Report.

- Energy consumption within the organisation (GRI 302-1), see also page 42
- Direct and indirect CO<sub>2</sub> emissions, including emissions of volatile substances (GRI 305-1, 305-2), see also pages 38–42
- GHG emissions intensity, tonnes CO<sub>2</sub> per SEK 1 million (GRI 305-4), see also page 41
- Reduction of GHG emissions (GRI 305-5), see also pages 38, and 41–42



# Sustainability-linked loans

In the beginning of the financial year, Dustin entered a sustainability-linked loan of approximately SEK 5 billion with a bank consortium comprising Handelsbanken, Nordea and Swedbank. This entails that the facility is directly connected to the outcome of our sustainability efforts.

The sustainability-linked credit facility strengthens our financial flexibility and includes incentives for successful work in the area of sustainability. If we meet our sustainability criteria, we receive a discount in the annual interest-rate and if we fail to meet them the annual interest expense will rise.

We have set clear targets for our sustainability work and this work permeates the entire operation. It is therefore natural to clearly link the outcome of this work to our financing.

The KPIs agreed with the bank consortium and that affect the interest-rate mechanism are:

- Climate impact: Kg CO<sub>2</sub>e / Delivery from Dustin's central warehouse to customer
- Circularity: Number of returned units (computers, tablets and telephones)

The KPIs for the financial year encompass the Nordic operations and central warehouse in Rosersberg. The 2022/23 financial year is also planned to include operations in Benelux. The KPI target figures for subsequent financial years will then be reworked together with the banks.

## Outcome of KPI climate impact

In the financial year 2021/22, climate impact measured in Kg CO<sub>2</sub>e per delivery from our central warehouse in Rosersberg amounted to 0.59. The target for 2021/22 was 0.98 Kg CO<sub>2</sub>e per delivery. PostNord, one of our

largest freight carriers in Nordic operations, now applies the "bottom-up" principle, which is based on the distance each individual package was actually transported, which led to a sharp reduction in reported emissions in contrast to the old calculation model that was based on estimated standardised mileage. If we had used the old calculation model, Kg CO<sub>2</sub>e per delivery would have been 0.93.

The reduction was achieved through investments and activities, such as additional fractions in box sizes, higher utilisation rate for cargo volume per box and vehicle, the development of innovative freight solutions for pallets, support for suppliers in relation to biofuel commitments and broader cooperation with suppliers with lower emission factors (electric fleet).

## Outcome of KPI circularity

Circularity in the financial year 2021/22, measured in number of returned units (computers, tablets and telephones), amounted to 104,742. The target for 2021/22 was 99,000 units. During autumn 2021, we established a completely new unit that strengthens the company offering and scalability in the takeback of IT products. The entity's registered office is situated in Växjö, Sweden. The takeback offering was launched in all Nordic countries during the financial year.





# EU taxonomi

For the financial year 2021/22, the requirements for statutory sustainability reporting have been extended and Dustin is covered by the Swedish Annual Accounts Act's requirements for reporting in accordance with the EU Taxonomy Regulation. This sustainability report is the first we have prepared in accordance with the EU taxonomy for sustainable activities. An analysis of which of our economic activities are covered was carried out by identifying existing classification codes and comparing these with those established by NACE – the European standard classification of productive economic activities. The work was led by our sustainability team and the first analysis was conducted together with our finance department. The second was conducted together with selected employees who work with the economic activities identified.

Following detailed work to identify the taxonomy's objectives and intentions, these two analyses resulted in our first

report. The economic activities identified as applicable are reported as stated in the table below. Capital expenditure and operating expenditure were established in accordance with Dustin's accounting policies and compared with those established in the European Commission Delegated Regulation (EU) 2021/2178 (disclosure obligations). The KPIs in the table below include economic activities in the categories of the production of electricity through solar panels, data centres, hosting and road freight.

Even if this year's report does not include a declaration of compatibility with the taxonomy, our economic activities were assessed against the Do No Significant Harm criteria. During the period, an external risk assessment was conducted linked to human rights (see also page 50). The updated risk assessment has further strengthened our efforts to avoid and prevent risks, which we will continue to work on in coming years.

	Total (SEK million)	Share of taxonomy-eligible activities (%)	Share of non-taxonomy-eligible activities (%)
Turnover	23,600.9	0.84	99.16
Operating expenditure*	9.9	-	100
Capital expenditure	304.1	34.11	65.89

\*As defined in the EU taxonomy

Share (turnover, operating expenditure and capital expenditure) of our operations related to the identified economic activities amounts to a small proportion of Dustin's total business. This can be seen as only natural, as the scope of activities identified is less significant. However, we expect that our operations will be affected to a greater degree by the extended reporting obligations in the next reporting period.

The analysis confirmed that we may potentially impact the climate where we conduct operations. We envisage that our contributions to a circular economy will be included in the circular activities expected to be included in the next report. Given the complexity of our value chains in technology manufacturing, we also openly admit that it will be difficult to achieve 100 per cent compatibility with the taxonomy. This work will also take time, but we continue to strive towards the goal.





# Financial overview

## Operations

Dustin Group AB ("Dustin") is a leading online IT partner in the Nordic region and Benelux. We help our customers to stay at the forefront by providing them with the right IT solution at the right time and at the right price. With our high-level IT expertise, broad offering and pragmatic attitude, we act as a strategic IT partner primarily for small and medium-sized businesses, but also for large-sized businesses, the public sector and consumers. Dustin is a Swedish public limited company with its headquarters in Nacka Strand outside Stockholm. The share was listed in the Mid Cap segment on Nasdaq Stockholm on February 13, 2015.

Dustin employs a multichannel model where the majority of sales take place online, supplemented by relationship-based and consultative selling over the telephone or through customer visits. Dustin conducts operations in Sweden, Denmark, Finland, Norway, the Netherlands and Belgium through the business segments: SMB (Small and Medium-sized Businesses), LCP (Large Corporate and Public sector) and B2C (Business to Consumer). These are supported in turn by a number of scalable and shared central functions, including the online platform, purchasing, warehousing and logistics, pricing, marketing, IT and HR. Sales to the SMB and LCP segments amount to approximately 98 per cent of total sales.

## Significant events during the year

- Q1**
  - During the quarter, Vincere Netherlands Holding B.V. changed name and is now operating under the Dustin brand as Dustin Netherlands.
  - A solar cell facility covering just over 2,400 square metres was installed at the central warehouse outside Stockholm, which serves the entire Nordic market.
  - The refinancing of long-term loans from credit institutions was finalised. A sustainability-linked loan for approximately SEK 5,000 million, of which about SEK 4,500 million was initially utilised, was signed with three Scandinavian banks.

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- Q2**
  - During the quarter, warrants were allotted to management and other key personnel as part of a new long-term incentive programme, LTI 2022.
  - Dolph Westerbos was elected as a new Board member after Mattias Miksche declined re-election.

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- Q3**
  - In May, Dustin's brand was launched in Benelux as part of the strategy to establish a strong IT partner in the region. Under a single brand, Dustin's position will be stronger and enable continued growth.
  - During the quarter, Sandra Klackenborn assumed the position as Head of Sustainability.

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- Q4**
  - No significant events took place during the quarter.

Net sales

SEK **23,601** million

Organic sales growth

**11.4%**

EBIT

SEK **758** million

Gross margin

**14.7%**

Adjusted EBITA margin

**4.1%**

**Net sales and earnings**

**Condensed income statement**

SEK million	21/22	20/21	Change, %
Net sales*	23,600.9	15,028.0	57.0
EBIT	758.0	576.2	31.5
Profit after net financial items	629.5	469.2	34.2
<b>Net profit for the year</b>	<b>477.7</b>	<b>357.0</b>	<b>33.8</b>

\* Changed application of accounting principle. For more information, see Note 1.

Net sales for the year increased 57.0 per cent to SEK 23,601 million (15,028). Comparative figures for the preceding year include net sales for three months from Centralpoint. Organic sales growth was 11.4 per cent (10.3), of which SMB accounted for 9.1 per cent (11.2), LCP for 15.9 per cent (10.0) and B2C for a negative 23.6 per cent (pos: 8.8). Acquired growth was 43.9 percentage points (12.9) and exchange-rate differences had a positive impact of 1.8 percentage points (neg: 2.1).

Net sales are distributed between the segments as follows:

SEK million	21/22	20/21	Change, %
LCP*	16,000.8	8,132.7	96.7
SMB*	7,100.6	6,254.9	13.5
B2C	499.5	640.4	-22.0
<b>Total*</b>	<b>23,600.9</b>	<b>15,028.0</b>	<b>57.0</b>

\* Changed application of accounting principle. For more information, see Note 1.

During the year, gross profit rose SEK 975 million to SEK 3,458 million (2,483), corresponding to 39.3 per cent. The gross margin declined to 14.7 per cent (16.5), primarily due to a changed sales mix with a higher share of revenue within the LCP segment in combination with a rise in the share of standard hardware and software with lower margins.

EBIT totalled SEK 758 million (576). EBIT included items affecting comparability of a negative SEK 50 million (neg: 73).

During the year, adjusted EBITA rose 29.0 per cent to SEK 979 million (759). The adjusted EBITA margin declined to 4.1 per cent (5.0). The margin decline

was primarily attributable to a lower gross margin, high distribution and marketing expenses as well as increased costs related to high absenteeism in conjunction with a significant spread of infection during the first half of the year. Adjusted EBITA excluded items affecting comparability of negative SEK 50 million (neg: 73), primarily related to integration costs. For more information, refer to Note 5. For a comparison of adjusted EBITA and EBIT, see Note 3.

**Financial items**

Financial expenses amounted to SEK 130 million (neg: 108). The increase was attributable to higher interest expenses due to increased non-current indebtedness. External financing expenses for the year amounted to SEK 115 million (neg: 64), of which negative SEK 2 million (-) pertained to the impairment of accumulated borrowing expenses attributable to earlier financing. The preceding financial year was also charged with borrowing expenses of a negative SEK 26 million. The financial expenses were also impacted by interest expenses related to leases in a negative amount of SEK 18 million (neg: 16) and the positive impact of SEK 2 million (neg: 3) from the remeasurement of synthetic options. Financial income amounted to SEK 1 million (1).

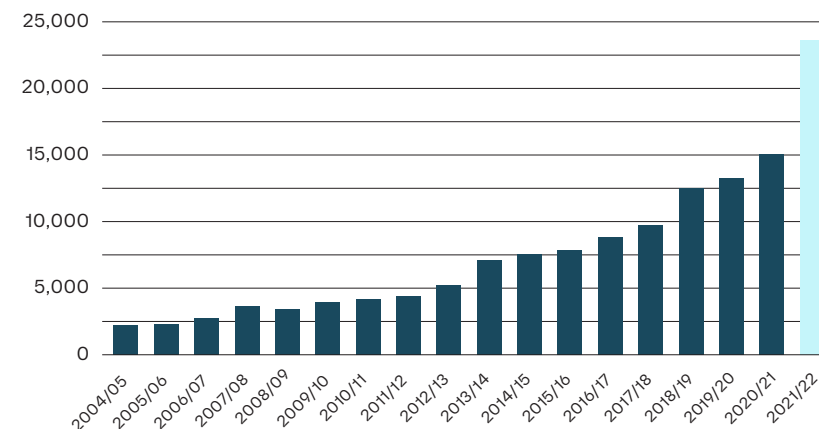
**Tax and net profit for the year**

Tax expense for the year was SEK 152 million (neg: 112), corresponding to an effective tax rate of 24.1 per cent (23.8). The higher effective tax is mainly attributable to the remeasurement of deferred Dutch taxes, due to higher corporate tax.

Net profit for the year amounted to SEK 478 million (357). Earnings per share amounted to SEK 4.22 (3.82) before and after dilution.

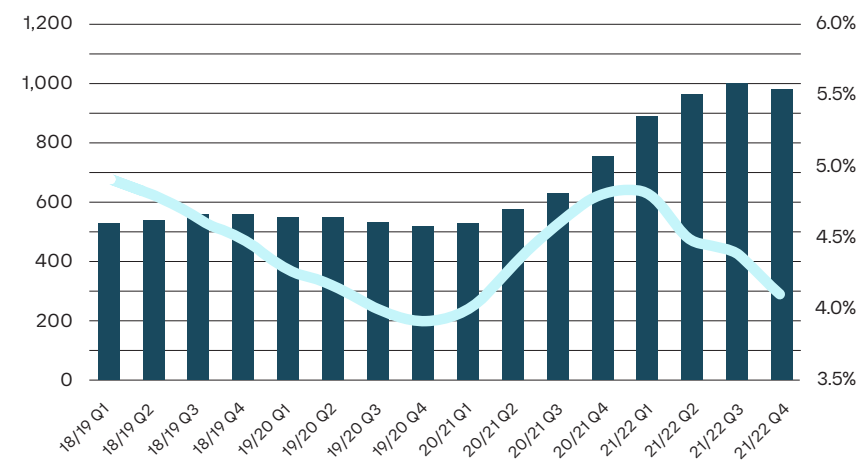
**Net sales**

SEK million



**Adjusted EBITA & margin, rolling 12 months**

SEK million





**Net sales and SMB segment earnings**

SEK million	21/22	20/21	Change, %
Net sales*	7,100.6	6,254.9	13.5
Segment result	795.4	663.2	19.9
Segment margin, %	11.2	10.6	-

\* Changed application of accounting principle. For more information, see Note 1.

**Net sales**

Net sales for the year increased 13.5 per cent (14.0) to SEK 7,101 million (6,255). Acquisition-related growth, including customer transfers between segments, accounted for 3.3 percentage points (4.7) of the growth while exchange-rate differences accounted for 1.2 percentage points (neg: 1.9). Organic growth was 9.1 per cent (11.2) mainly driven by high demand for standard hardware.

The operations were characterised by continued favourable development of hardware sales for all customer groups, whereby the medium-sized and larger companies in the segment displayed the strongest growth. The trend for contractual recurring service sales was solid. The segment's sales of software and services as a share of sales declined to 14.2 per cent (18.1) for the financial year, due to the acquisition of Centralpoint, customer transfers to LCP in conjunction with the integration of Vincere as well as a strong sales trend for hardware.

**Segment results**

Profit for the segment rose 19.9 per cent, corresponding to approximately SEK 132 million, to SEK 795 million (663). The segment margin increased to 11.2 per cent (10.6).

The change was primarily attributable to:

- generally higher volumes
- healthy sales trend in private label goods that generated a positive impact
- healthy sales trend in contracted recurring services
- our dynamic pricing model
- high volumes of standard hardware with a low margin that had a negative impact on the margin

**Net sales and LCP segment earnings**

SEK million	21/22	20/21	Change, %
Net sales*	16,000.8	8,132.7	96.7
Segment result	1,118.5	603.0	85.5
Segment margin, %	7.0	7.4	-

\* Changed application of accounting principle. For more information, see Note 1.

**Net sales**

Net sales for the year increased 96.7 per cent (28.5) to SEK 16,001 million (8,133). Acquisition-related growth, including customer transfers between segments, accounted for 78.5 percentage points (20.8), mainly due to the acquisition of Centralpoint, while exchange-rate differences accounted for 2.3 percentage points (neg: 2.4). Organic growth was 15.9 per cent (10.0) mainly driven by high demand for hardware.

Sales of standard hardware, such as computers and mobile phones as well as software, were strong during the financial year to the public sector and to large corporate. The availability of standard hardware improved during the latter part of the year, which allowed us to increase deliveries of products ordered earlier and thus reduce the backlog of orders and inventory.

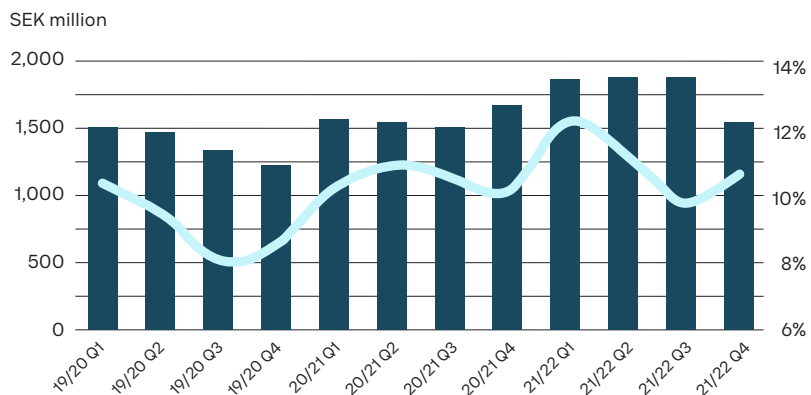
**Segment results**

Profit for the segment rose 85.5 per cent, corresponding to approximately SEK 515 million, to SEK 1,119 million (603). The segment margin declined to 7.0 per cent (7.4).

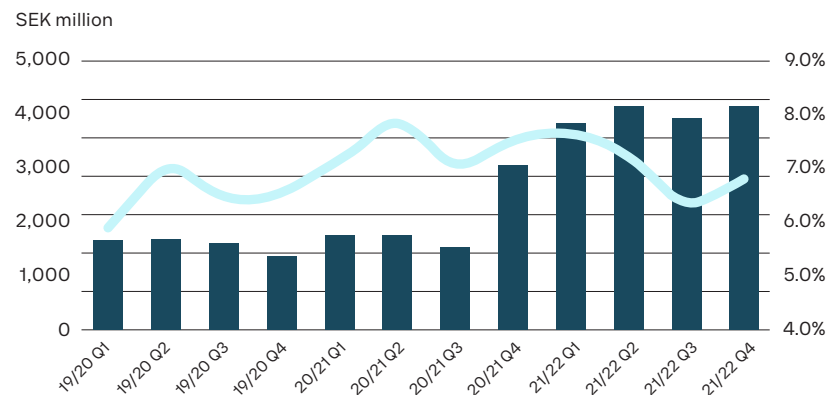
The change was primarily attributable to:

- high volumes of basic hardware with a low margin
- a strong increase in the sales of software, mainly due to new roll-outs, with a low margin
- customer transfers from SMB in conjunction with the integration of Vincere, and reclassification of segment costs to central functions
- positive impact from improved margins in major framework agreements for the public sector as contracts matured

**SMB – Net sales and segment margin**



**LCP – Net sales and segment margin**



**Net sales and B2C segment earnings**

SEK million	21/22	20/21	Change, %
Net sales	499.5	640.4	-22.0
Segment result	48.5	52.0	-6.9
Segment margin, %	9.7	8.1	-

**Net sales**

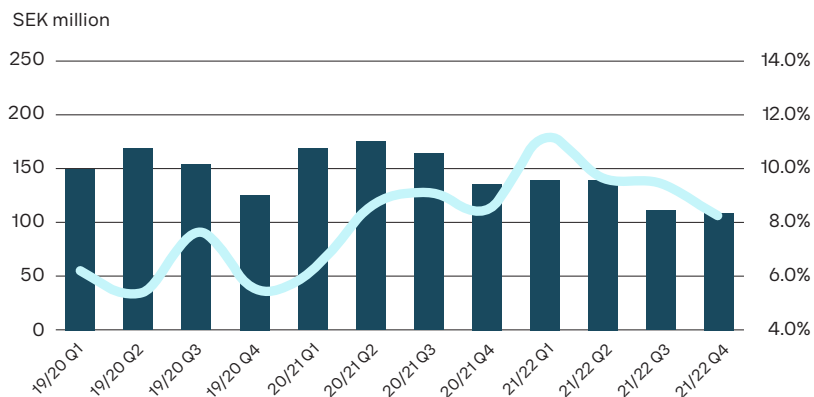
During the year, net sales fell 22.0 per cent (7.3) to SEK 500 million (640). Organic growth was negative 23.6 per cent (pos: 8.8). Exchange-rate differences accounted for 1.6 percentage points (neg: 1.5).

The negative sales trend during the financial year was mainly explained by a decrease in availability for the consumer segment, as suppliers focused on deliveries to major customers.

**Segment results**

The segment result decreased 6.9 per cent to SEK 49 million (52). The segment margin increased to 9.7 per cent (8.1), mainly due to fewer price campaigns from suppliers and continued focus on margin ahead of volume in the consumer business.

**B2C – Net sales and segment margin**



**Central functions**

SEK million	21/22	20/21	Change, %
Cost for central functions	-983.7	-559.7	75.7
Costs in relation to net sales (%)*	-4.2	-3.7	11.9

\* Changed application of accounting principle. For more information, see Note 1.

**Central functions**

Dustin's central functions hold the key to efficient delivery of the Group's offerings in all markets, the generation of economies of scale and the simplification of the integration of acquired operations. Costs in the financial year for central functions amounted to 4.2 per cent (3.7) of sales. Costs for central functions amounted to SEK 984 million (560), with the increase mainly related to the acquisition of Centralpoint, the reclassification of costs in Vincere and increased volumes and investments in the IT platform.

A positive earnings effect from IFRS 16, which arises when operating expenses are replaced by depreciation, of SEK 14 million (11) is included in the costs for central functions for the year. For additional financial data on the segments, refer to Note 3.

**Financial position**

**Condensed consolidated balance sheet**

SEK million	Aug 31, 2022	Aug 31, 2021
Non-current assets	9,885.0	9,416.4
Current assets	5,969.9	4,900.8
<b>Total assets</b>	<b>15,854.9</b>	<b>14,317.2</b>
Equity	5,085.0	4,676.4
Non-current liabilities	5,430.6	5,149.4
Current liabilities	5,339.2	4,491.4
<b>Total equity and liabilities</b>	<b>15,854.9</b>	<b>14,317.2</b>

**Net working capital**

At year end, net working capital amounted to a SEK 80 million (neg: 256). Inventory increased by SEK 325 million from the preceding year, with the higher inventory volume attributable to larger purchases to ensure delivery reliability for future periods, of which a large share pertains to customer-specific inventory. Accounts receivable increased due to growth in business volume and high sales in LCP at the end of the year. The increase in accounts payable is also attributable to growth in business volume and extended credit periods.

SEK million	Aug 31, 2022	Aug 31, 2021
Inventories	1,340.2	1,015.7
Accounts receivable	3,165.7	2,455.8
Tax assets, other current receivables, as well as prepaid expenses and accrued income	691.5	565.2
Accounts payable	-3,790.5	-3,147.4
Tax liabilities, other current liabilities, accrued expenses and deferred income	-1,327.0	-1,145.7
<b>Net working capital</b>	<b>79.9</b>	<b>-256.4</b>

**Net debt and cash and cash equivalents**

At the end of the year, net debt amounted to SEK 4,509 million (4,211). The change was attributable to increased liabilities to credit institutions due to currency effects. At the end of the year, there was an unutilised overdraft facility of SEK 100 million (100).

At the end of the year, net debt in relation to adjusted EBITDA in the past 12-month period, excluding the effects of IFRS 16 Leases, was 3.9 (3.4). Key ratios for the preceding year include the 12-month earnings effect for Centralpoint and the increase is primarily attributable to higher liabilities to credit institutions attributable to currency.

SEK million	Aug 31, 2022	Aug 31, 2021
Liabilities to credit institutions	4,741.8	4,481.4
Lease liabilities and other financial liabilities	533.6	577.0
Cash and cash equivalents	-766.8	-847.4
<b>Net debt</b>	<b>4,508.6</b>	<b>4,211.1</b>

**Investments**

Investments made during the year mainly refer to the IT platform and investments in the facility for takeback in Växjö and IT equipment for internal use totalling SEK 304 million (205), of which SEK 191 million (85) affected cash flow. Of the year's total investments, project-related investments amounted to negative SEK 79 million (neg: 9).

SEK million	21/22	20/21
Capitalised expenditure for IT development (integrated IT platform and other long-term strategic IT systems)	134.8	42.9
of which, affecting cash flow	134.8	42.9
of which, project-related investments	55.5	7.2
Investments in tangible and intangible assets	115.6	99.6
of which, affecting cash flow	30.5	18.5
of which, project-related investments	23.6	2.0
Investments in assets related to service provision	53.8	62.3
of which, affecting cash flow	25.6	23.6
<b>Total</b>	<b>304.1</b>	<b>204.8</b>
of which, affecting cash flow	190.9	85.0
of which, project-related investments	79.1	9.2



Cash flow

Cash flow, condensed

SEK million	Aug 31, 2022	Aug 31, 2021
Cash flow from operating activities	584.3	168.6
Cash flow from investing activities	-211.6	-3,165.5
Cash flow from financing activities	-434.6	3,105.0
<b>Cash flow for the year</b>	<b>-61.9</b>	<b>108.1</b>

Cash flow for the year was a negative SEK 62 million (pos: 108).

Cash flow from operating activities amounted to SEK 584 million (169). Cash flow before changes in working capital was SEK 956 million (714) and changes in working capital amounted to negative SEK 372 million (neg: 545). An increase in inventory in combination with an increase in accounts receivable had a negative impact on cash flow. The increase in inventory is due to hedging of future deliveries, and accounts receivable have risen primarily as a result of increased business volumes. The impact was offset by a higher level of accounts payable. For further information regarding working capital, refer to the Net working capital section.

Cash flow from investing activities amounted to a negative SEK 212 million (neg: 3,166) and relates primarily to investments in tangible and intangible assets. Investments in the IT platform amounted to a negative SEK 135 million (neg: 43) and a negative SEK 56 million (neg: 42) was mainly related to investments in the facility for takeback in Växjö and IT equipment for internal use. Of the year's total investments, project-related investments amounted to negative SEK 79 million (neg: 9). During the year, earn-outs of negative SEK 21 million (-) were paid that were attributable to acquisitions completed earlier. The year-on-year change was primarily attributable to the acquisition of operations.

Cash flow from financing activities amounted to a negative SEK 435 million (pos: 3,105). The year was impacted by a dividend to shareholders of negative SEK 250 million (neg: 195) and the repayment of lease liabilities of negative SEK 190 million (neg: 162). The year-on-year change was mainly attributable to new loans raised.

Key ratios

Dustin applies financial measures that are not defined under IFRS. Dustin believes that these financial measures provide the reader of the financial statements with valuable information, and constitute a complement when assessing Dustin's performance. The performance measures that Dustin has chosen to present are relevant in relation to its operations and the company's financial targets for growth, margins and capital structure and in terms of Dustin's dividend policy. The alternative performance measures are not always comparable with those applied by other companies since these companies may have used different calculation methods. Definitions on page 125 present how Dustin defines its performance measures and the purpose of each performance measure. The data presented on page 124 is supplementary information from which all performance measures can be derived.

Market overview and outlook

In the financial year 2021/22, Dustin reported organic growth of 11.4 per cent (10.3), of which SMB accounted for 9.1 per cent (11.2), LCP for 15.9 per cent (10.0) and B2C for a negative 23.6 per cent (pos: 8.8). Organic growth was above our financial targets for both SMB and LCP. The development was mainly the result of high demand for hardware and that the company has mostly been able to meet this demand. The market situation with a shortage of components and disruptions in the supply chain and the resulting longer delivery times impacted developments. The performance of the company's online core business was favourable during the financial year. Limited access to customers' offices at the start of the year had a negative impact on the business, while a positive sales trend was reported in contracted recurring services in the services and solutions business.

Increased uncertainty about the global economy due to Russia's invasion of Ukraine and the coronavirus pandemic has resulted in disruptions to supply and logistics chains and increased volatility in the energy market, together with a higher inflation rate. As a consequence of this, there is a risk of an economic downturn and increased distribution costs and further disruptions to the supply chain. Dustin is however well positioned with a unique digital relationship to hundreds of thousands of customers, an optimised e-commerce platform as well as the ongoing build-

up of an offering of standardised services to further increase relevance and benefits for customers. Ultimately, this offers the company continued opportunities to further strengthen its position in existing markets and it is well-equipped to face the opportunities and challenges presented by the business climate and its customers.

The share

The Parent Company's share has been listed on Nasdaq Stockholm since February 13, 2015, and is included in the Mid Cap index. At August 31, 2022, the share price was SEK 61.75 per share (98.20), representing a total market capitalisation of SEK 6,985 million (11,099). At August 31, 2022 the company had a total of 14,544 shareholders (14,151). The company's three largest shareholders were AxMedia AB (Axel Johnson Gruppen) with 28.9 per cent, AMF Pension & Funds with 13.3 per cent and ODIN Fonder with 7.5 per cent.

Employees

The average number of full-time employees was 2,424 (1,858).

Guidelines for remuneration of senior executives

The most recently resolved guidelines for remuneration of senior executives are described in Note 7.

The Annual General Meeting 2019/20 approved the guidelines for remuneration which are applicable for the Annual General Meeting 2023/24 under the assumptions that no changes will be made during the Annual General Meeting. For more information regarding the guidelines for remuneration, refer to page 78 of the Corporate Governance Report and Note 7. The complete terms of the agreed guidelines is available at [www.dustingroup.com](http://www.dustingroup.com).

Multi-year overview

All amounts in SEK million, unless otherwise indicated	21/22	20/21	19/20	18/19	17/18
Net sales*	23,600.9	15,028.0	12,415.8	11,874.7	9,712.4
Organic sales growth (%)*	11.4	10.3	1.7	10.5	2.6
Gross margin (%)*	14.7	16.5	16.5	17.6	16.9
Adjusted EBITA	978.7	758.6	517.3	559.7	500.6
Adjusted EBITA margin (%)*	4.1	5.0	4.2	4.7	5.2
EBIT	758.0	576.2	387.2	489.1	443.8
Net profit for the year	477.7	357.0	277.3	356.2	305.1
Earnings per share before dilution (SEK)	4.22	3.82	3.04	4.00	3.79
Cash flow from operating activities	584.3	168.6	867.7	264.0	747.9
Net debt/adjusted EBITDA (multiple) (excl. IFRS 16)	3.9	4.6	2.6	2.9	3.3
Net debt/adjusted EBITDA (multiple) (incl. IFRS 16)	3.7	4.3	2.7	-	-
Return on equity (%)	9.4	7.6	11.3	14.5	18.5

\* Changed application of accounting principle. For more information, see Note 1.

### Significant events after the balance-sheet date

#### Dustin's CEO Thomas Ekman announces his resignation

In October, Dustin's President and CEO, Thomas Ekman, announced his intention to leave his position during 2023 to take on the position as CEO for Axel Johnson in September 2023. The process to recruit his successor will be initiated immediately. Thomas Ekman will remain as CEO during his notice period.

#### Changes to Dustin's Group Management

A Group-wide organisation was created for Operations and for SMB to facilitate further synergies. This means Alexandra Fürst, former COO Nordic, has assumed responsibility for Operations in all of Dustin and Rebecca Tallmark, former EVP SMB Nordic, is responsible for SMB in all of Dustin. Morten Jakobi, EVP SMB Benelux, and Gijbert Geerders, COO Benelux, have stepped down from Group Management but will continue in other roles at the company. The changes to Group Management came into effect on October 1, 2022.

#### Parent Company

Dustin Group AB (Corp. Reg. No. 556703-3062), which is domiciled in Nacka, Sweden, only conducts holding operations. Furthermore, external financing is gathered in the Parent Company.

During the year, gross profit increased to SEK 4 million (0.4), with the increase related to the adjustment of management fees. Net profit for the year was SEK 61 million (335). The change was attributable to a net currency position amounting to negative SEK 209 million (neg: 7), primarily attributable to external financing and increased expenses due to external financing of a negative SEK 110 million (neg: 90). Intra-Group interest income increased to SEK 163 million (54) and dividends from Group companies amounted to SEK 100 million (260).

### Annual General Meeting

Information about this year's Annual General Meeting can be found on page 121.

### Dividends

Dustin's target is to distribute not less than 70 per cent of the profit for the year. However, the Company's financial position, cash flow, acquisition opportunities and future prospects will be taken into consideration. The Board of Directors proposes a dividend of SEK 0.00 (2.21) per share, totalling SEK 0 million (250). The proposal is based on the general economic situation in combination with the company's ambition to increase the pace in lowering the debt ratio.

### Proposed appropriation of earnings

The Board of Directors proposes not to pay dividends for 2021/22 and available earnings totalling SEK 2,935,954,836 will be balanced on a new account.

### Appropriation of earnings

SEK	
Dividends	-
To be carried forward	2,935,954,836
<b>Total</b>	<b>2,935,954,836</b>

In its proposed appropriation of earnings, the Group has taken into consideration the company's operations, need for consolidation, liquidity and financial position in general.



# Risks and risk management

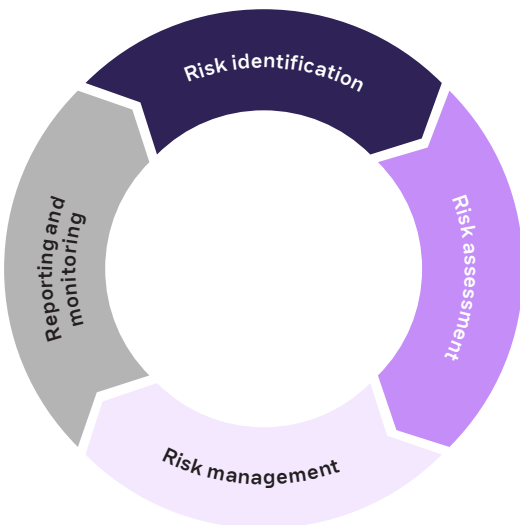
Risks are, like for any company, a natural part of our business operations and a certain amount of risk-taking is a prerequisite for our Group's financial growth. Appropriate risk management is therefore fundamental in order to operate and develop a sustainable and profitable business. Our risk management function aims to ensure proper control of our Group's collective risk exposure and assures cost-efficient, systematic and value-creating management of risks and opportunities in our operations. This way, we improve our decision-making processes and increase our opportunities to achieve our strategic, financial and operational targets while complying with laws and regulations.

## Risk management process

Our Group-wide risk management process is a natural and important part of governing operations. We define risk as a future uncertain event that could have an adverse impact on our ability to achieve our strategic, financial and operational targets, and comply with laws and regulations.

Our risk management process consists of four primary activities:

- (i) risk identification,
- (ii) risk assessment,
- (iii) risk management, and
- (iv) reporting and monitoring.



## Risk identification

Our risk identification is carried out by the Group's executive management teams. Each team identifies the most important risks for their area of responsibility and appoints a risk owner for each risk (normally a member of the team or individual directly reporting to the team). During the third quarter, the Group's framework for risk management was implemented for the entire organisation, including Centralpoint, which was acquired at the end of the previous financial year.

We classify all risks in one of the following three categories:

- strategic risks,
- operational risks, or
- external risks.

This allocation provides support when we choose suitable methods to identify current, new and emerging risks, the link between them and how to manage them.

- Strategic risks are associated with the development of our operations, and are often identified during discussions about our strategic plans or strategic initiatives. These risks are usually managed by measures restricting both the impact and the probability of the risk occurring.
- Operational risks are associated with our operational activities, and identified primarily in procedural and business reviews. Our management of operational risks focuses primarily on limiting the probability of the risk

occurring, for example, through internal controls as well as guidelines and instructions for internal procedures.

- External risks are associated with uncertainties outside our direct control, for example, changes in regulations or altered market conditions. We manage external risks through measures such as routine monitoring of changes in regulations and trends in the market.

## Risk assessment

When we have identified the risks, we evaluate them based on each risk's potential effects and the likelihood that it will happen during a defined period of time. Assessment of the total risk exposure is our foundation for deciding on risk management measures.

Our executive management teams report the most important risks to our Risk Committee. The Committee assesses the risks and decides which ones will be followed up on at Group level.

## Risk management

Our risk owners are responsible for identifying applicable risk management measures based on the risk assessment. Decisions about risk management measures are made based on the risk assessment and may include:

- (i) avoidance, which means the risk is avoided entirely,
- (ii) reduction, which means that we take measures to reduce the risk exposure,
- (iii) monitoring, which means that the risk exposure is accepted but that the risk development is monitored, or
- (iv) increasing risk, which means that we take measures to increase the risk exposure.

## Reporting and monitoring

Our risk owners monitor and report risk development to the Risk Committee. The Risk Committee compiles, coordinates and develops our risk management, and thereafter reports to our Group Management and the Board of Directors. Our largest risks and their development are reported at least twice per year to the Audit Committee and/or the entire Board.

Our largest risk areas and the measures taken to manage the risks are presented in the following section.

## Risk areas



# Strategic risks

## Risks related to acquisitions and integration

**Description** An important part of our strategy is to support growth and margin trends through value-adding acquisitions. Acquisitions, for example, to expand the customer base or customer offering or to expand to new regions will remain part of the strategy moving forward. There is a risk that we may not find suitable acquisition targets.

In addition, we expect that the efficient integration of acquisitions (including synergy effects on costs and revenue) and a positive performance in the units acquired will improve our short and long-term results, but there is a risk that this will not happen.

**Mitigation** We continuously assess a number of companies to identify operations that could strengthen our offering and contribute to the positive development of the Group. Prior to a potential acquisition, the target company and its operations are evaluated to identify and assess possibilities and risks in the investment.

A structured integration and transformation programme tailored to the acquired company is implemented in order to expand the possibilities into a positive earnings effect. During the financial year 2020/21, we created a transformation body tasked with working with the integration of Centralpoint.

## Reputational risk

**Description** A good reputation is of great significance to our prosperity, since one of our success factors is a strong brand. It is important that we continue to act in accordance with our values and business principles, which are characterised by a responsible entrepreneurial attitude and value creation for the customer.

If any of our suppliers, distributors, other partners or employees do not comply with our strong values, business principles, policies and guidelines, there is a risk that our reputation and brand is damaged.

**Mitigation** We work in a focused manner to ensure that we are a responsible and sustainable company, which also includes providing continuous information and training in our values and business principles. Read more about our values, our corporate responsibility and our sustainability targets for 2030 on page 4 and page 22, and pages 36–57.

Moreover, we believe that correct, transparent and reliable communication can prevent the emergence of reputational risk and alleviate the consequences of any incidents.

## Risks related to the customer offering

**Description** We operate in a dynamic market, and this could have an impact on our role in the market and the value chain.

Changes include new market strategies from manufacturers (for example, manufacturers' acquisitions of companies that supply advanced products and services), new customer behaviour patterns (for example, heightened demand for packaged services, or greater focus on new sustainable offerings) and the development of new technology (including new storage technology where hardware-based storage systems move to cloud-based storage services).

If we are unable to create attractive and profitable customer offerings, this could have an adverse impact on our earnings and market position.

**Mitigation** To adapt our strategy to this changeable market, our Group Management closely monitors any changes in the market, our customers' expectations and technological developments.

We work continuously to develop new and attractive offerings for our customers. With the acquisition of Centralpoint during the previous financial year, we assumed a leading position in the Benelux region, similar to that in the Nordic region, with an equally strong offering to the SMB and LCP segments. We continue to build on our strategy of combining hardware and software sales with an attractive service offering and IT solutions. In addition, during the year, we created a uniform organisation in the Nordic region and Benelux, with a focus on scaling up the operations, improving the customer experience and building strong business segments.

In recent years, we have developed and strengthened the service offering in the Nordic region and during the year, service development and sales were transferred to the SMB and LCP segments, giving us enhanced possibilities to customise the offering for each segment and to better meet customer needs where we see that this creates value.



# Operational risks

## IT-related risks

**Description** Our operations are highly dependent on an efficient IT platform. Increasing digitalisation has raised the threat from cyber attacks, which pose a constant and increasing risk for us. Inadequate protection and incident management could lead to considerable disruptions to our IT platform and extensive damage in the event of the loss of valuable information.

If we are unable to ensure a modern, secure and operationally adapted IT infrastructure and IT platform, this could have a considerable adverse effect on our operations and our earnings.

**Mitigation** We work continuously to restrict the number of disruptions in our systems and their consequences, as well as increasing security for both our customers and ourselves. Furthermore, we regularly follow up on our customers' views of the accessibility and response of the IT platform to ensure a high level of customer satisfaction. We also carry out regular assessments to identify improvement measures and the source of potential errors.

To protect ourselves from cyber attacks, our security system and software are updated continuously. We conduct regular penetration tests and ensure strong incident and escalation procedures. Security has become a natural part of business and to further integrate security, we strengthened our organisation with three CISOs during the year: a Group CISO with overall Group responsibility and two regional CISOs with responsibility for the Nordic region and Benelux, respectively.

## Risks related to attracting, engaging and developing employees

**Description** We have enjoyed strong growth over the past few years, which in turn places great demands on our employees and executives.

Our ability to attract, recruit, engage and develop the right employees is crucial to achieve the targets we have set and to drive our development in accordance with our strategic plan. If we do not have access to the right skills at the right time, our operations and earnings could be negatively impacted.

**Mitigation** We work continuously on skill development with the aim to develop operations and achieve set targets. We have a well-defined talent development process that aims to identify our employees' performance and potential, help our managers focus on the future development of their staff and enable our managers to obtain qualitative input from their staff. We have also created a uniform working method to increase clarity for our managers as well as for our other employees.

To identify areas of focus that are expected to increase our employee satisfaction, we regularly carry out employee surveys that are followed up on in each team. During the financial year 2021/22, this process was further developed to enable more frequent follow-ups of employee feedback and thus strengthen our continuous improvement work for our employees.

## Risks related to customer satisfaction

**Description** Our ability to retain customers could decline if we cannot provide a satisfactory experience in various parts of the customer journey, in contacts with customer service or matching competitors' offerings in the market.

If we are unable to retain and attract new customers, this could have a significantly adverse impact on our operations and our earnings.

**Mitigation** We continuously work to follow up and improve our customers' experience by using the Net Promoter Score (NPS), which is used to measure customer satisfaction and customer loyalty. These factors are evaluated and updated continuously in order to pinpoint new factors that have an impact on the overall experience. If the results of the surveys fail to achieve the expected level, we take measures to increase customer satisfaction and customer loyalty.

### The risk of improper benefits in connection with

**Description** One of the largest business ethics risks for us is in the purchasing process and is related to the risk that our employees receive improper benefits in connection with purchases.

**Mitigation** We continuously work to reduce the risk of bribes and other improper benefits by increasing awareness internally about how responsible collaboration with suppliers, customers and other partners should be conducted. In addition to awareness on a general level for all employees, key individuals are trained more thoroughly in, for example, sales, to reduce the risk of improper benefits.

We were in continual dialogue with strategically important suppliers during the year regarding our requirements and expectations for ethically correct behaviour.

During the year, all employees received training in our Code of Conduct, and separate sessions on business ethics were held with the teams and the units in which risks had been identified. All new employees received introduction training in our Code of Conduct and dilemma discussions were conducted in newly acquired companies.

### Risks related to information security and customer privacy

**Description** We process large amounts of data, and strive to ensure privacy and data security as well as to protect our customers' personal data. As a result of increased digitalisation, cloud-based services, data transfer across borders, heightened expectations and tightened legislation, the mitigation of risks associated with customer privacy has become increasingly important. In addition, there are stringent requirements for security and privacy in the IT products and services we sell. If we are unable to comply with legal requirements and our customers' requirements for security, this could result in a high level of financial penalties, loss of consumer confidence in us and a significant negative impact on our brand.

**Mitigation** We have a security programme to develop and monitor the work to secure our data and that of our customers. Our work is governed by established guidelines for handling of personal data, which specify principles for collecting, processing and storing personal data as well as security and our customers' rights.

Dustin's data protection programme is managed by an inter-function steering group that is responsible for safeguarding risk management, making strategic decisions and ensuring that our actions comply with laws and internal requirements. The administrative organisation works actively to improve systems and procedures, update security and ensure thorough incident management in order to guarantee that our customers' personal data is processed and protected responsibly.

We have also designated an external data protection officer whose duties include monitoring our compliance with GDPR. Using such documents as the framework for internal controls in data protection efforts, our data protection officer regularly submits reports to the steering group and the Board of Directors.

### Risks related to our climate impact

**Description** Climate change today has a major impact on how we live our lives today and our ability to do so in the future. Dustin includes risk analysis of risks and opportunities in relation to climate change in our risk management process to be able to integrate into the business in the same way as other financial risks. Risks related to climate change can be, for example, delivery problems or a lack of raw materials.

**Mitigation** During the year, and based on the materiality analysis, we have reviewed and updated our scenario analysis linked to climate change. We have placed special focus on significant changes in the environment and on Centralpoint, which was integrated into the business during the year.

To strengthen our knowledge of, increase our resistance against and become more transparent towards the market regarding long-term climate-related risks, we have reviewed and updated our scenario analysis during the year and reported opportunities and risks related to the climate in accordance with the Task force on Climate-related Financial Disclosures (TCFD). Read more on pages 54-55.



## External risks

### Market risks

**Description** Our operations are impacted by the general economic climate, structural changes, as well as procurement and distribution costs, primarily in the Nordic region and the Netherlands. The market has experienced continual growth over the last few years, but there is a risk that the market will not continue to grow, which will lead to reduced demand for our products and services.

The coronavirus pandemic has had major consequences for the global market and action to prevent the spread of infection has entailed changes for individuals and companies worldwide, not least in product supplies and global distribution networks. Market recovery and changed customer behaviour may also be a risk, unless we adapt our offering to match what customers are demanding.

A significant economic downturn or shortage of products, raw materials or components could have a negative impact on sales of our products and services. Lower sales can, to a certain extent, be offset by lower costs, but there would likely be an adverse impact on our earnings.

**Mitigation** We continuously monitor market development and continue to work to strengthen our digital platform, and to adapt our product range and service offering to ensure a relevant, competitive and sustainable customer offering that helps our customers to stay at the forefront. We are working with a dynamic model, aimed at securing products so that we can deliver in accordance with our customer commitment.

Through our partners in China, we have been following the pandemic and its consequences carefully since its early stages. Where local restrictions require it, alternative work places have been used for our employees. Our procurement and sales organisations have regular and transparent dialogues with our customers and suppliers to manage any logistics or transportation challenges. We have updated our contingency plans so that we can better manage challenging circumstances.

### Risks related to regulations

**Description** Our possibilities for efficiently adapting operations to new or amended laws, regulations or decisions by public authorities (e.g. GDPR) could have a significant impact on our operations and competitive situation in the market.

**Mitigation** We continually monitor trends regarding regulations in the markets where we conduct operations in order to proactively manage changes.

### Financial risks

**Description** Financial uncertainty and major changes in exchange rates and interest rates can have negative effects. Our ability to secure financing and ensure that the financial exposure is in line with policies and guidelines is essential to fulfilling our financial targets.

**Mitigation** Financial risks, such as foreign exchange risk, credit and counterparty risk, liquidity risk and interest rate risk, are managed in accordance with our financial management policy that regulates the distribution of responsibility between the Board of Directors, the CFO and the Head of Financial Reporting and Internal Control. You can read more below for a more detailed description of financial risks and its management.

### Foreign exchange risk

**Description** Our risks connected to foreign exchange risk are divided into transactional exposure and translation exposure. Transactional exposure refers to risks associated with purchases and sales in foreign currencies. Translation exposure refers to the exposure of the net assets of our foreign subsidiaries in Belgium, Denmark, Finland, the Netherlands and Norway.

**Mitigation** In accordance with our financial policy, transactions with a net exposure exceeding SEK 50 million in each currency must be hedged. Our CFO has the right to hedge transactions with suppliers based on assessed risk. However, transaction exposure is limited since we primarily operate in the Nordic market and the Benelux region, where purchases and sales are chiefly conducted in the local currencies. Our outstanding currency hedging on the balance-sheet date is presented in Note 18.

Our financial policy states that currency hedging must be conducted in foreign subsidiaries. This is mainly by raising external bank loans corresponding to the currency and supplemented by currency futures when appropriate primarily at the same level as the net investment. Our CFO has the right to deviate from this hedge level for up to SEK 100 million in net exposure per currency. Our loans raised in the respective currency (DDK, NOK and EUR) are specified in Note 25.

### Credit and counterparty risk

**Description** Our credit and counterparty risk refers to the risk that the counterparty may fail to meet its obligations in a transaction, thereby resulting in a loss for us.

**Mitigation** We have established procedures to ensure that sales are only made to customers with a good payment history. Our credit instruction includes credit limits, depending on the size and risk category of the company. The creditworthiness of our corporate customers is verified before any supply of goods takes place. When private customers utilise credit, an external party acts as a guarantor for the entire credit risk. The maximum credit risk exposure is the carrying amount recognised in the balance sheet for each financial asset.

Our counterparty risk is specified in our financial policy and manages risk levels for the counterparty, maturities and amounts. Our counterparties mainly comprise Nordic and Dutch banks. Our counterparty risk was limited during the financial year and we adhered to our financial policy.

### Liquidity risk

**Description** Our liquidity risk pertains to the risk of not being able to reach agreements on external credit facilities and external bank loans. This also includes our ability to finance short-term payment obligations.

**Mitigation** The financial management policy includes short and long-term cash flow planning. Our current financing is based on external bank loans, which are subject to covenants and the covenants were fulfilled throughout the financial year. Our short and long-term borrowing is specified in Note 25.

### Interest rate risk

**Description** Our interest rate risk pertains to the risk that material changes in market interest rates will affect the variable interest rate of our external bank loans.

**Mitigation** The Company has signed interest rate hedging agreements with banks to reduce the share of variable interest in the debt portfolio. The hedge agreements have different maturities to reduce the risk of simultaneous new subscriptions.

We apply hedge accounting, which is described in our accounting policies. Our external loans in each currency are specified in the additional information. If market interest rates increase one percentage point, profit before tax would be reduced by about SEK 9.2 million based on the balance-sheet date's loan structure, fixed-income futures and the distribution of currencies.



# Corporate Governance Report

## Our Corporate Governance

Good corporate governance is about ensuring that we conduct Dustin's<sup>1</sup> operations in a sustainable, responsible and efficient manner. Governance comprises an important basis for achieving our long-term strategic goals and maintaining confidence among shareholders and other stakeholders.

We value good corporate governance and regard governance as a prerequisite for being able to conduct our operations with profitable and sustainable growth. Governance lends us stability and enables us to more easily convert, adapt to and capitalise on changed conditions. Corporate governance provides the basis for a clear division of responsibility and decision-making structure, which contributes to the right decisions being made in the right place in our organisation. When decisions are made in the right place within the organisation, it also means that the correct decision data is available. Well-informed decisions are fundamental to a responsible entrepreneurial approach.


### Our model for Corporate Governance

Our corporate governance is based on legislation, self-regulation in the stock market and established practice. The most central regulations are the Swedish Companies Act, the Swedish Annual Accounts Act, the Global Reporting Initiatives (GRI), the International Financial Reporting Standards (IFRS), Nasdaq Stockholm's Rule Book for Issuers, the Swedish Corporate Governance Code (the "Code"), the Articles of Association, the rules of procedure for the Board of Directors and Board committees, instructions to the CEO, instruction for financial reporting and the Group-wide policies adopted by the Board of Directors each year.

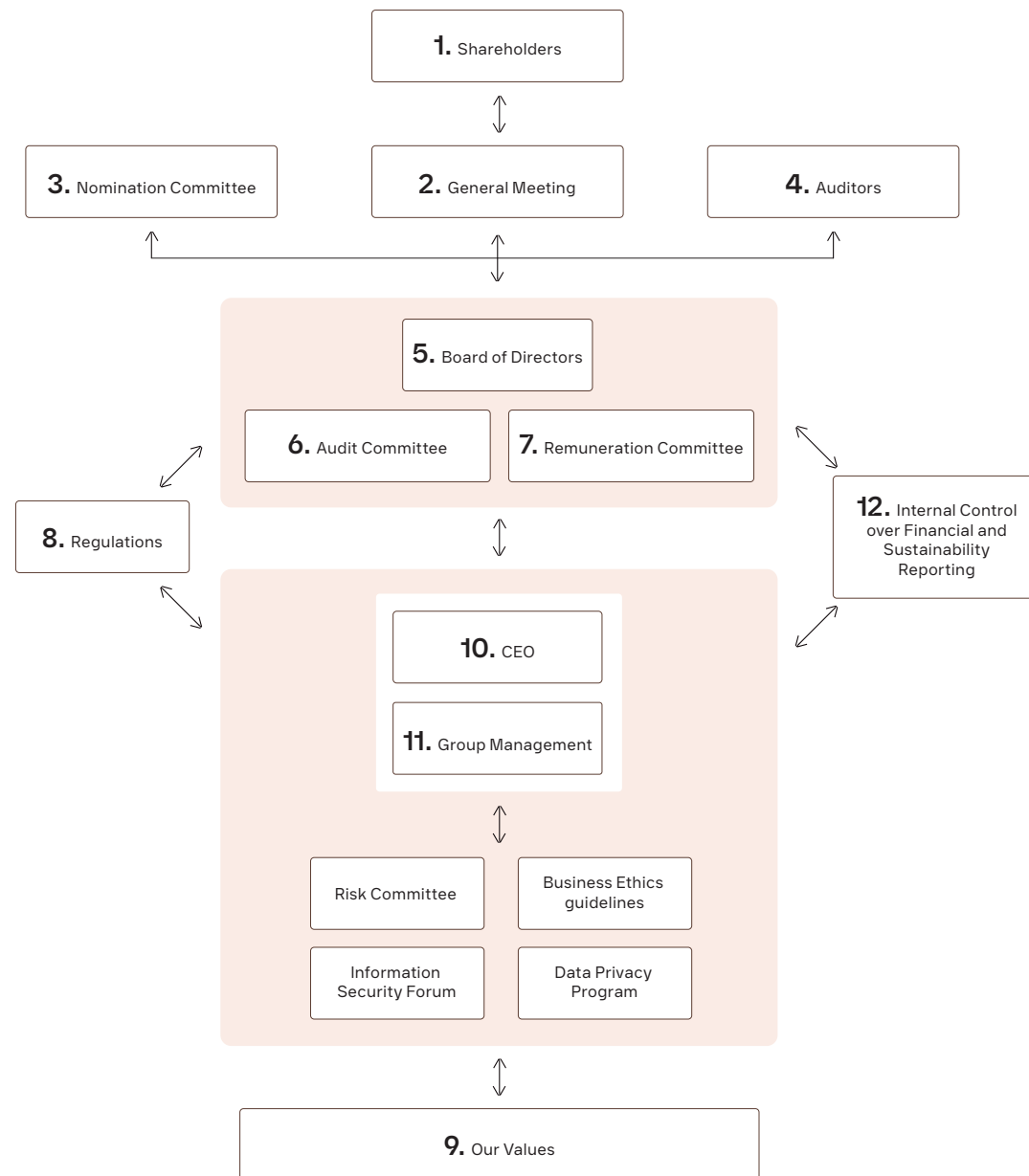
The shareholders exercise their influence by voting at the general meetings of Dustin Group AB, which is the parent company of the Group, and resolve in this way on the composition of the Board of Directors and the election of auditors. Election of the Board of Directors and auditor is prepared by our Nomination Committee. Our Board

of Directors is responsible for our organisation and the administration of the company's affairs. Our CEO is responsible for ensuring that the ongoing administration is conducted in accordance with the Board's guidelines and instructions. Our CEO, in dialogue with our Chair of the Board, compiles the agenda for Board meetings and is otherwise responsible for preparing information and decision data for the Board of Directors. In this way, we create sustainable, responsible and efficient governance.

Our organisation and our governance principles are described in more detail below.



**Swedish Corporate Governance Code**  
The Corporate Governance Report is prepared in accordance with the Swedish Corporate Governance Code and the Swedish Annual Accounts Act. The Corporate Governance Report forms part of the Directors' Report and has been reviewed by the company's auditor, Ernst & Young AB, whose statement is available as part of the Auditor's Report.

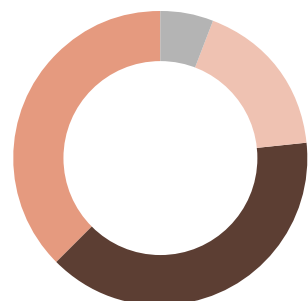


<sup>1</sup> The name Dustin or "we" refer to Dustin Group AB or the Group for which Dustin Group AB is the parent company, depending on the context.

## 1. The Share and Shareholders

Our share has been listed on Nasdaq Stockholm since 2015. All of our shares carry equal voting rights and equal entitlement to our profits and our equity. At the end of the financial year, we had 14,544 shareholders. As of August 31, 2022, our largest shareholders were Axel Johnson AB with 28.9 per cent of the shares and voting rights and AMF Pension & Fonder with 13.3 per cent of the shares and voting rights. At the same date, we had no other shareholders representing a minimum of 10 per cent of the share capital.

Ownership in percentage terms (voting rights and capital)



- Swedish private individuals: 5.9%
- Swedish institutional owners: 17.8%
- Foreign institutional owners: 39.7%
- Other: 36.6%

Source: Modular Finance

## 2. General Meeting

Our highest decision-making body is the general meeting of shareholders. At our general meetings, all shareholders are entitled to attend, raise issues for discussion and exercise voting rights for all of their shares. In addition to the statutory rights for our shareholders to participate at the meeting, our Articles of Association set out a requirement for notification to attend within the time period stated in the notice.

### Annual General Meeting 2020/21

Our most recent Annual General Meeting was held in Stockholm on December 15, 2021 and pertained to the financial year 2020/21. The Annual General Meeting was held with an opportunity for shareholders to physically take part in the meeting, or via proxy, or by exercising their right to vote through a postal voting procedure. A total of 72,252,954 shares and voting rights were

represented at the Annual General Meeting, corresponding to 63.87 per cent of the total number of votes in Dustin.

The minutes of the Annual General Meeting and other relevant documents are available on our website, [www.dustingroup.com](http://www.dustingroup.com).

### Annual General Meeting 2021/22

Our next Annual General Meeting will be held on December 15, 2022 and relates to the financial year 2021/22. For further information about the next Annual General Meeting, see page 118 and our website, [www.dustingroup.com](http://www.dustingroup.com).

## 3. Nomination Committee

The Nomination Committee prior to our Annual General Meeting comprises representatives of our largest shareholders who choose to appoint a representative. The Nomination Committee is appointed in accordance with an instruction for the Nomination Committee resolved by the Annual General Meeting. The principal task of the Nomination Committee is to prepare and present nominations for Board members and the Chair, remuneration for Board and committee work, and the remuneration of the auditor. In addition, the Nomination Committee presents proposals for the composition of the Nomination Committee until the next Annual General Meeting, and if there is reason to change the instruction that applies until further notice.

In its preparations, the Nomination Committee evaluates the Board's work and assesses the Board's collective competence, breadth and experience.

On May 30, 2022, we presented our Nomination Committee ahead of the Annual General Meeting 2021/22. According to the instruction for the Nomination Committee, it is to be appointed based on the ownership structure on the final trading day in March.

Ahead of the Annual General Meeting 2021/22, the Nomination Committee comprises the following members:

- Marie Ehrling, Axel Johnson AB, Chairman of the Nomination Committee;
- Tomas Risbecker, AMF Pension & Funds;
- Hans Christian Bratterud, ODIN Fonder; and
- Mia Brunell Livfors, Chair of the Board of Directors (co-opted to the Nomination Committee).

The composition of the Nomination Committee fulfils the requirements of the Code. The Committee's mandate period extends until such time as a new Nomination Committee has been appointed.

The Nomination Committee has held three meetings to date. In addition to meetings, the members of the Nomination Committee had talks and conducted individual interviews with the Board members and CEO. The Chair of the Board has informed the Nomination Committee of the work of the Board and its committees and presented the Board's evaluation of its work. Together with our company-specific requirements, this evaluation has formed the basis of the Nomination Committee's work.

No special remuneration was paid to the members of the Nomination Committee, but the Nomination Committee is entitled to remuneration for certain expenses.

The Nomination Committee's proposal and motivation for the proposal to the Board of Directors can be found on our website, [www.dustingroup.com](http://www.dustingroup.com).

## 4. Auditors

Our auditor reviews the Annual and Sustainability Report for Dustin and the Group, and conducts a review of the quarterly report for the third quarter.

The auditor reports the result of the audit of the Annual and Sustainability Report and the review of the Sustainability Report and presents her conclusions ahead of the Annual General Meeting.

At the Annual General Meeting 2020/21, Ernst & Young AB was re-elected as the audit firm, with Åsa Lundvall as the auditor-in-charge for the period up to the end of the Annual General Meeting 2021/22. In addition to her assignment with us, Åsa Lundvall is also the auditor-in-charge for companies including Svenska Handelsbanken AB, Rejlers AB and Storskogen Group AB (publ).

If Ernst & Young AB is engaged to provide services other than the ordinary audit, decisions pertaining to the nature, scope and fees of this work are made by the Audit Committee. Information about fees paid to the auditors for the financial year 2021/22 can be found in Note 6.



## 5. Board of Directors

Our Board of Directors has overall responsibility for our organisation and the administration of the operations. The Board of Directors establishes our strategies and goals, and makes decisions concerning major investments and operational changes. The Chair of the Board has a leading role and is responsible for ensuring that the Board's work is well organised and performed efficiently.

Pursuant to the Articles of Association, our Board of Directors is to comprise a minimum of three and a maximum of ten members with no deputy members. The Board of Directors currently comprises eight members:

- Mia Brunell Livfors (chair);
- Stina Andersson;
- Gregor Bieler;
- Gunnel Duveblad,
- Johan Fant,
- Tomas Franzén,
- Morten Strand, and
- Dolph Westerbos.

Our Board of Directors met the independence requirement of the Code during the financial year 2021/22. The requirement entails that the majority of the members elected at the Annual General Meeting must be independent in relation to the company and company management. In addition, at least two of the members must be independent in relation to the company's major shareholders. Our Board members' level of dependence is presented in the Board presentation on page 73.

The Board of Directors has adopted rules of procedure that regulate the Board's work methods and assignments, as well as instructions to the CEO, including instructions for financial reporting. The Board has also adopted policies for important parts of the operations, for example, communication and a Code of Conduct. All policies are evaluated when necessary and at least once per year.

The Board does not have any specific internal distribution of work except for certain issues being prepared by committees. We have established an Audit Committee and a Remuneration Committee. The members of the committees are elected annually and the duties are regulated in the instructions established for each committee

annually. The committees have a preparatory and administrative role. The issues considered at committee meetings are recorded in minutes and reported at the next Board meeting.

### Evaluation of the Board's work

The work of the Board of Directors and CEO is evaluated annually. This is achieved through a systematic and structured process. The aim is to prepare a good basis for the Board's own development with respect to work methods and efficiency, as well as provide the Nomination Committee with a basis for the nomination work. The Chair of the Board is responsible for the evaluation.

The annual evaluation for the financial year 2021/22 was conducted using an evaluation tool that was produced by an external party. When the results were ready, they were reported and discussed in the Board of Directors. The survey focused on how the Board's work is progressing, as well as the Board's commitment and competence. The results of the evaluation were also presented to the Nomination Committee.

As in previous years, the Board work was deemed to function very well. The members are considered to be making a constructive contribution to both the strategic discussion and the governance of the company. The discussions are seen as open and the dialogue between the Board and management is perceived to be positive.

The Board of Directors is also evaluated by the Nomination Committee. The Nomination Committee held meetings with all members of the Board and the CEO in order to put questions to individual members as to how the Board's work is progressing.

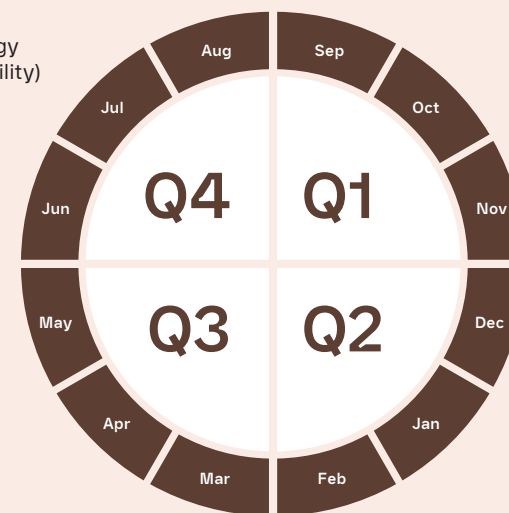
### Board remuneration

Remuneration and fees that were approved by the Annual General Meeting 2020/21 and the attendance of Board members at meetings during the financial year 2021/22 are described in the presentation of the Board of Directors on page 73 and in Note 7. Board members are not entitled to any benefits after their assignments as Board members have come to an end.

## The Board's Annual Calendar

### Fourth quarter

- Monitoring of strategy (including sustainability) and risks
- Q3 Interim Report\*
- Budget and financial outlook
- Evaluation of the Board's work



### Third quarter

- Q2 Interim Report\*
- Strategy Day

### First quarter

- Year-end report
- Annual and Sustainability Report

### Second quarter

- Inaugural Board meeting
- Q1 Interim Report\*
- Significant instructions and policies

\*The interim reports also include sustainability information.

## Board committees

### 6. Audit Committee

The main task of the Audit Committee is to ensure the quality of the financial and sustainability reporting, risk management and efficiency in the company's internal control and regulatory compliance.

The Committee currently comprises three members: Johan Fant (Chair), Gunnel Duveblad and Morten Strand. During the financial year 2021/22,

the Committee held six meetings, which were recorded in minutes. The company's CEO, CFO, external auditors and representatives from specific functions of the organisation present reports at the committee meetings.

The work of the Audit Committee focused mainly on monitoring improvements pertaining to financial reporting and financial processes, with a special

focus on identifying risks and evaluating the internal control environment, as well as following up the results of the review by external auditors.

The review of the company's financial statements, examination of the material risks in the operations, examination and updating of internal control and the follow-up of reported whistle-blowing cases were standing items on the agenda. During the

financial year, the Audit Committee also reviewed the annual impairment test of goodwill, evaluated the Group's dividend policy, discussed new financing, the audit plans of the external auditors and evaluated the independence of the auditors.

### 7. Remuneration Committee

The main task of the Remuneration Committee is to review and provide recommendations to the Board of Directors pertaining to principles for remuneration of senior executives and long-term incentive programmes.

The Committee currently comprises three members: Mia Brunell Livfors (Chair), Gregor Bieler and Tomas Franzén. During the financial year 2021/22, the Committee held five meetings and work pertained primarily to remuneration of the CEO and senior executives (including the long-term incentive programme), the structure for target

formulation, financial targets and the performance management model.

Our CEO and CFO are present at the Committee meetings. However, they do not participate in the items on the agenda that relate to remuneration of the CEO or the CFO.

### Composition of the Board and attendance in 2021/22

Board member	Position			Attendance					
	Board of Directors	Audit Committee	Remuneration Committee	Board meetings	Audit Committee meetings	Remuneration Committee meetings	Total fee, SEK*	Independent in relation to the Company	Independent in relation to the Company's principal owners
Mia Brunell Livfors	Chair	-	Chair	13/13	-	5/5	755,000	Yes	No
Stina Andersson	Member	-	-	13/13	-	-	400,000	Yes	Yes
Gregor Bieler	Member	-	Member	11/13	-	3/5	440,000	Yes	Yes
Gunnel Duveblad	Member	Member	-	13/13	6/6	-	475,000	Yes	Yes
Johan Fant	Member	Chair	-	13/13	6/6	-	535,000	Yes	No
Tomas Franzén	Member	-	Member	13/13	-	5/5	440,000	Yes	No
Mattias Miksche**	Member	-	-	4/13	-	-	-	Yes	Yes
Morten Strand	Member	Member	-	13/13	6/6	-	475,000	Yes	Yes
Dolph Westerbos***	Member	-	-	8/13	-	-	400,000	Yes	Yes

\* Total fee includes fee for committee work, which was adopted by the AGM in December 2021. In addition to the fees specified above, SEK 20,000 was paid for every physical Board meeting held in Sweden to each member resident in Europe but outside of the Nordic region.

\*\* Mattias Miksche declined re-election and resigned from the Board after the AGM in December 2021.

\*\*\* Dolph Westerbos was elected to the Board at the AGM in December 2021.



## Our Board of Directors



**Mia Brunell Livfors**  
Chair of the Board



**Stina Andersson**  
Board member



**Gregor Bieler**  
Board member



**Gunnel Duveblad**  
Board member



**Johan Fant**  
Board member



**Tomas Franzén**  
Board member



**Morten Strand**  
Board member



**Dolph Westerbos**  
Board member

	Mia Brunell Livfors	Stina Andersson	Gregor Bieler	Gunnel Duveblad	Johan Fant	Tomas Franzén	Morten Strand	Dolph Westerbos
<b>Born</b>	1965	1983	1970	1955	1959	1962	1965	1964
<b>Elected</b>	2016 Chair of the Board since 2017	2020	2020	2016	2016	2013	2017	2021
<b>Education</b>	Business studies at Stockholm University.	MSc in Finance from the Stockholm School of Economics, CEMS Master in International Management from SSE and HEC Paris.	Master's Degree, Law from University of Munich, Degree in Business Administration from University of Applied Science Munich, and EMBA from International Institute for Management Development (IMD).	Systems Scientist, Umeå University.	MSc in Business and Economics from the Stockholm School of Economics.	Studies in Engineering, Industrial Economy at Linköping University.	BA in Business and Information Management, University of San Francisco, USA.	MSc in Management from Stanford Graduate School of Business, USA, and BA in Business Administration from the Hotel Management School Maastricht, the Netherlands.
<b>Other current assignments</b>	CEO of Axel Johnson. Chair of the board of, i.a., Axel Johnson International and Axfood. Board member of Martin & Servera, Kicks, AxSol and Efva Attling Stockholm.	Board member of Bonnier Fastigheter, Röko and Clinic Friends.	Chair of the board of Allterco Jsc. Chair of the board of Advisory Board for Digitall GmbH. Board member of ATOSS Software AG and ROBUR Industry Service Group GmbH.	Chair of the board of, i.a., Team Olivia and Ruter Dam Foundation. Board member of, i.a., Kindred Group plc.	CEO of AltoCumulus. Chair of the board of Perlavita and Frantzén Productions. Board member of, i.a., AltoCumulus Asset Management, AltoCumulus Investment, Perituskliniken and Axfast.	Chair of the board of, i.a., Bonnier News Group, Elajo Invest, TietoEVERY Corporation and Sappa Holding. Board member of, i.a., Axel Johnson, Martin & Servera and Thunderful Group.	CEO and board member of ABAX Group. Chair of the board of EMHA Holding AS. Board member of ABAX AS. Senior industry advisor at Nordic Capital.	CEO of Staple Solutions B.V.
<b>Previous assignments</b>	CEO of Kinnevik (2006–2014). Chair of the board of Novax. Board member of, i.a., Stena, Svensk Handel and Mekonomen.	CEO of Bonnier Group. Board member of Åhléns and Axsol. Board member of, i.a., Kicks Kosmetikkedjan, Axel Johnson International and Novax. COO of Axel Johnson. Head of Strategy and Business Development at Tele2. Investment Director and Head of Strategy at Kinnevik. Management consultant at McKinsey.	General Manager at Microsoft Germany. CEO of Unwire Aps. VP and Managing Director of PayPal.	Chair of the board of Global Scanning A/S and HiQ International. Board member of, i.a., PostNord and Sweco.	Board member of Novax. CFO Axel Johnson, Assa Abloy and Boliden. Group Treasurer Electrolux. Group Controller Ericsson.	CEO of Bonnier and Com Hem.	Board member and CEO of Cint. Board member of Teamleader B.V. and CXM B.V. COO of Visma Software International AS.	CEO of Westcon Group. Chair of the board of Teleplan International N.V. Board member of Ammeraal Beltech Holding B.V. and the Global Technology Distribution Council.
<b>Shareholding at August 31, 2022</b>	-	-	-	2,666	-	67,300	-	1,434
<b>Independence</b>	Independent in relation to the company, company management, but not in relation to the company's principal owners.	Independent in relation to the company, company management and the company's principal owners.	Independent in relation to the company, company management and the company's principal owners.	Independent in relation to the company, company management and the company's principal owners.	Independent in relation to the company, company management, but not in relation to the company's principal owners.	Independent in relation to the company, company management, but not in relation to the company's principal owners.	Independent in relation to the company, company management and the company's principal owners.	Independent in relation to the company, company management and the company's principal owners.

## 8. Regulations and governing documents

The regulations and governing documents that comprise the framework for the way in which we conduct our operations are both external and internal.

### External rules

Since we are a Swedish public limited company listed on Nasdaq Stockholm, we are obliged to comply with a number of laws and EU regulations such as the Swedish Companies Act, and a number of self-regulations such as the Nasdaq Stockholm's Rule Book for Issuers and the Code.

### Internal rules

We have a number of internal governance documents that supplement the external regulations and in combination, comprise the frameworks for our operations. The internal governance documents are divided into separate levels depending on where decisions are made and the governance document at which they are aimed.



- **The Articles of Association** are adopted by our shareholders at the Annual General Meeting and the content is largely defined by the Swedish Companies Act. The purpose is to enable external stakeholders to easily access, and compare, information regarding the number of shares, the limits of our share capital and other basic information.

### Deviations from the Code, Nasdaq Stockholm's Rule Book for Issuers or good stock market practice

In the financial year 2021/22, we did not contravene or deviate from Nasdaq Stockholm's Rule Book for Issuers, the Code or good stock market practice.

We had no violation of Nasdaq Stockholm's Rule Book for Issuers or of good stock market practice.

- **The rules of procedure for the Board of Directors and the Board committees**, instructions for the CEO and instructions for financial reporting are adopted by the Board of Directors at its statutory meeting following the Annual General Meeting. The purpose of these steering documents is to distribute responsibility between the Board, the Board committees, the CEO and to a certain extent, Group Management.

- Other very important components for our internal control are our **vision, strategy and business plan**. We have a structured strategy and business planning process, in which objectives and resource allocation are established for the Group and each business area and Group function. To ensure that the entire operation makes the right priorities to achieve the established goals and continues to work in accordance with our strategy, we conduct regular business follow-ups with reporting of developments and KPIs. Reporting of sustainability data is integrated with financial reporting. See pages 8 and 17–23 for further information about our mission, vision and promise, as well as strategy and goals.

- Another key aspect of our governance are **policies and instructions**, such as the Code of Conduct and responsibility and authorisation structures that contain Group-wide rules for the operations.

### Our Policies

We have adopted seven policies, which all have different focus areas.

- **Code of Conduct**

Our Code of Conduct includes our values and business principles, and describes our commitment to conduct business in a responsible, efficient and transparent manner. The policy is intended to provide guidance in our everyday work and is integrated in processes, methods, decisions and activities. The policy contains guidance in the areas of responsible business operations, the environment, social equality, human rights and anti-corruption.

- **Supplier Code of Conduct**

Just as we make demands on our employees in our Code of Conduct, we expect that our suppliers, including subcontractors, manufacturers and other business partners who are part of our products, services and solutions, to adapt their operations according to the principles in our Code of Conduct and Supplier Code of Conduct. This is a criterion for us, as we build and maintain new and existing business relations.

- **Communication Policy**

Well-functioning communication is essential for us, and to ensure that we can provide correct, relevant, clear, fact-based, transparent and reliable communication for external stakeholders and employees, we have adopted a communication policy that describes the principles for communication between our employees and between us and our external stakeholders. The Communication Policy is also supported by a number of underlying instructions.

- **Insider Policy**

To ensure the continued confidence of the public and the stock market, we have adopted an insider policy that describes the principles for trading in our share and how we are to manage inside information.

- **Information Security Policy**

The purpose of our information security policy is to protect our information and the flow of information from coming into the wrong hands, being altered or destroyed in a prohibited

manner. The aim is to protect the privacy of our employees and customers and this is described in more detail in our Data Privacy work on page 80.

- **Risk Management Policy**

Risk-taking is a natural part of all business operations and is required for financial growth. To be able to control our collective risk-taking and manage risks effectively, we have adopted a risk management policy that describes the principles for our work on risks and risk management.

- **Policy for Financial Control**

To achieve transparent, cohesive and correct financial reporting, proactive risk management and constant improvement of our financial processes, we have adopted a Financial Management Policy that provides us with a framework for deploying appropriate measures in respect to our financial situation and business strategy.

### Compliance

All employees are personally responsible for following our external and internal regulations, which also includes acting in compliance with our values, policies and instructions.

Our employees must complete online training every other year. Online training is targeted at all employees, and in conjunction with the course, employees confirm that they undertake to follow the Code of Conduct. During the financial year, we also implemented a follow-up for employees who did not complete the online training course last year. At the end of the financial year, 91.6 per cent of our active employees had completed the training.

Our employees are encouraged to report suspected violations to their immediate supervisor, safety representative, Group Management or our General Counsel. There is also a whistle-blower system that provides our employees with anonymous access to the Chair of the Audit Committee. It is a secure web-based reporting system. The function is managed by the Chair of the Audit Committee. The whistle-blower service contains clear procedures and processes for the way in which reported cases are to be managed. No whistle-blower cases were recorded in 2021/22.



## 9. Our values

Our values are the heart of our culture and identity. Together with our business principles, they guide us in our daily work. Our values are *keep it simple, strive to improve, challenge all costs, live up to promises and win as a team*. These values create positive conditions for our employees to remain engaged. Engaged employees ensure, in turn, that we have well-functioning corporate governance and risk management.

### Our Business Ethics Work

Our active work on business ethics is something we regard as central to creating a high level of trust among our stakeholders. To determine what is most relevant for us, we conduct annual risk assessments in all of our business areas and Group functions. We also hold separate risk discussions as necessary with selected employees in particularly exposed areas of the organisation.

We have adopted business ethics guidelines that apply for all employees. Our focus areas are highlighted in our Code of Conduct and are part of the mandatory online training for all employees. The number of employees who have completed the online training is followed up and reported externally. As a complement to the online training, classroom teaching is also held for the employee groups most exposed to the business ethics dilemma. Working groups or individual employees can also learn more about the business ethics dilemma through a digital platform we call "Dilemma Games". Dilemma Games consists of a set of dilemmas based on risk situations that the user is being trained to manage.

To ensure that all employees have good awareness of our business ethics guidelines and how we assess issues, all new employees are introduced to our Business Ethics work in conjunction with their induction days. We

also conduct training in conjunction with the acquisition of companies and discuss these issues with our strategic partners.

#### **We take a zero-tolerance approach to all forms of bribes**

We do not offer, give, ask for, accept or receive any form of bribe or inappropriate benefits, either directly or through middlemen.

#### **We are cautious when offering and accepting gifts and hospitality**

We make sure that gifts, rewards and other benefits in business always support a clear business purpose, are openly disclosed, are of reasonable value and appropriate in relation to the nature of the business relationship.

We do not give or accept gifts or other remuneration if its purpose can be perceived as improperly influencing a business decision. Also, we do not offer or accept any cash or cash equivalents as gifts.

#### **We act in the best interests of Dustin**

We always act in the best interest of the Dustin Group. Any activities that might lead to or suggest a conflict between the personal interest of an employee and the business of Dustin Group or any activities where the employee's ability to perform job tasks objectively is questionable shall be avoided.

#### **We compete in a fair manner**

We compete in a fair and honest manner. We shall not exchange information or enter into agreements or understandings with competitors, customers or suppliers in a way that improperly influences the market or the outcome of a bidding process in breach of competition laws.

#### **Our focus areas**

We have identified a number of focus areas, in which we are often faced with business ethics dilemmas. Our focus areas are:

- Sales competitions and other incentives for sales representatives;
- Sponsored events, both events we organise ourselves and events to which we are invited;
- Gifts, particularly from our manufacturers and distributors, but also from other partners; and
- Conflicts of interest, both in employment and when retaining consultants and service providers.

To provide support for employees within our focus areas, there are specially trained employees who review invitations and arrangements and they can serve as a sounding board.

## 10. CEO

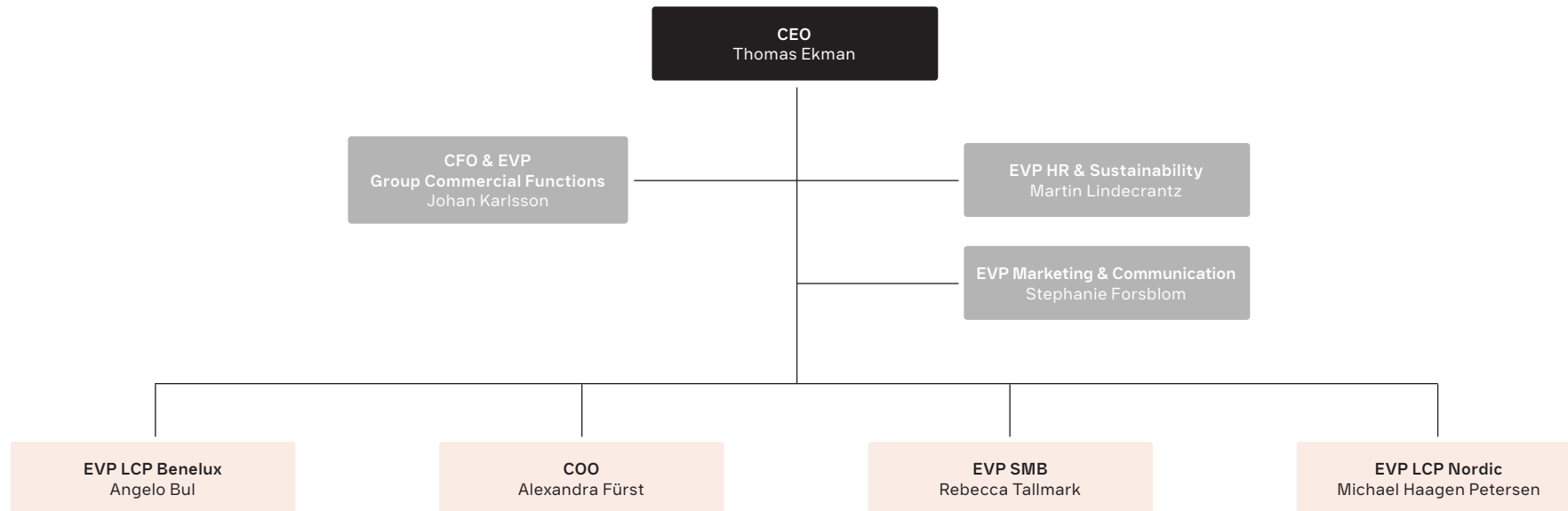
The CEO is responsible for the day-to-day management and daily operations. Distribution of work between the Board and CEO is set out in the rules of procedure for the Board and instructions to the CEO.

Our CEO reports to the Board of Directors and ensures that the Board receives the information required to be able to make well-founded decisions. The CEO must keep the Board continuously informed about the development of our operations, the sales trend, our earnings and financial position, liquidity projections, important business events, as well as all other events, circumstances or conditions that may be considered material to the operations.

## 11. Group Management

Our CEO leads Group Management's work and makes decisions pertaining to the operations in consultation with other senior executives in the Group. At the end of the financial year 2021/22, Group Management comprised ten individuals with each member (except our CEO) holding responsibility for one of our business areas or Group functions.<sup>1</sup>

Group Management meetings are held every other week and otherwise as necessary. The meetings focus primarily on strategic and operative monitoring and development, as well as performance follow-up. In addition to these meetings, there is close daily collaboration within management. Presentation of the members of group management can be found on page 79.



<sup>1</sup>To enable further synergies, a group-wide organization for Operations and SMB, respectively, has been created. This means that Alexandra Fürst, former COO Nordic, will be responsible for Operations within Dustin and Rebecca Tallmark, former EVP SMB Nordic, will be responsible for SMB within Dustin. Morten Jakobi, EVP SMB Benelux, and Gijsbert Geerders, COO Benelux, are leaving Group Management but will remain in the company in other roles. The change in the Group Management came into effect from 1 October 2022. Group Management now consists of eight people.



**Remuneration of senior executives**

The successful implementation of our business strategy and promotion of our long-term interests, including sustainability, requires that we recruit and retain qualified employees with the appropriate competence. Doing this requires being able to offer competitive remuneration. The remuneration guidelines make it possible for senior executives to be offered competitive total remuneration that is within the framework of that resolved on by the Annual General Meeting.

The shareholders resolve on guidelines for remuneration of the CEO and other senior executives at the Annual General Meeting. Remuneration of the CEO and other members of Group Management is thereafter decided by the Board, based on recommendations from the Remuneration Committee.

**Remuneration 2021/22***Guidelines for remuneration 2021/22*

The 2019/20 Annual General Meeting resolved to adopt guidelines for remuneration of senior executives, consisting of a fixed salary, short-term variable remuneration incentive (STI), which is linked to the achievement of the company's financial targets and individual performance targets, and a long-term share-based or share-related incentive programme (LTI), in addition to pension and other benefits.

In exceptional circumstances, the Board of Directors may deviate from the guidelines. In the event of this, the Board must report the reason for the deviation at the next Annual General Meeting. The guidelines can be found on [www.dustingroup.com/en/remuneration](http://www.dustingroup.com/en/remuneration).

*Outcome 2021/22*

During the financial year 2021/22, the remuneration of Group Management consisted of a fixed salary, short-term variable remuneration of between 30 and 60 per cent of fixed salary, long-term incentive programmes, pension and other customary benefits. The variable salary is linked to the company's financial targets and individual performance targets.

During the financial year 2021/22, the total remuneration of Group Management amounted to SEK 53 million and is reported in more detail in Note 7.

The current guidelines, as approved by the Annual General Meeting on December 14, 2020, have been followed and all approved remuneration was within the stipulated guidelines. For further information, refer to Dustin's 2021/22 remuneration report, which is available on Dustin's website, [www.dustingroup.com](http://www.dustingroup.com).

**Long-term incentive programme**

On an annual basis, the Board evaluates whether or not a long-term incentive programme is to be proposed to the Annual General Meeting. Dustin has three outstanding incentive programmes: LTI 2020, LTI 2021 and LTI 2022. None of these programmes include the Board.

The Annual General Meeting on December 15, 2021 resolved to introduce a new incentive programme for senior executives (LTI 2022). The programme encompassed a total of not more than 1,329,710 warrants, of which 721,105 were acquired. The acquisitions were made at a market value totalling approximately SEK 4.5 million. We have reserved the right to repurchase warrants if the participant's employment or assignment at the company comes to an end or the participant wishes to transfer the warrants.

For further information, see Note 7.

**Further information**

Further information on fixed and variable remuneration can be found on our website, the remuneration report, the notification of the Annual General Meeting and in Note 7.



## Our Group Management<sup>1</sup>



	<b>Thomas Ekman</b>	<b>Johan Karlsson</b>	<b>Stephanie Forsblom</b>	<b>Alexandra Fürst</b>	<b>Martin Lindecratz</b>	<b>Michael Haagen Petersen</b>	<b>Angelo Bul</b>	<b>Rebecca Tallmark</b>
<b>Title</b>	President and CEO	CFO & EVP Group Commercial Functions	EVP Marketing & Communication	EVP COO Nordic	EVP HR & Sustainability	EVP Large Corporate & Public Nordic	EVP LCP Benelux	EVP SMB Nordic
<b>Born</b>	1969	1965	1983	1973	1980	1971	1971	1976
<b>Employed at Dustin since</b>	2018	2009	2016	2019	2020	2008	2021	2017
<b>Education</b>	MSc in Business Administration and Economics from Stockholm University.	MSc in Business and Economics from the Gothenburg School of Economics.	M.Sc (Tech.) from Helsinki University of Technology and M.Sc (Econ.) from Hanken School of Economics and Business Administration in Helsinki.	MSc in Industrial Engineering and Management, Faculty of Science and Engineering at Linköping University	Master's in Business Administration, Uppsala University.	BSc in Economics from Aarhus University School of Business and Social Science.	Maritime Academy Rotterdam.	MSc in Business and Economics from the Stockholm School of Economics.
<b>Other assignments</b>	Chair of the Board of AxSol AB and Board member of Pierce Group AB.	Board member of Adlibris, Kontext Agency of Scandinavia and Permascand Top Holding.	Board member of Super Voucher AB.	Board member of Polarcap Consulting and Ngenic.	-	-	-	-
<b>Previous assignments</b>	CEO Cabonline Group, CEO of Tele2 Sweden and board member of Com Hem and Sportamore.	Regional Finance Director at Tech Data AB as well as CFO at ACO Hud Nordic.	VP Sustainability, Communication & Brand at Dustin Group, Head of Sustainability at Dustin Group and Supply Chain Sustainability Manager at Microsoft Corporation.	EVP Business Development & IT at Wasa Kredit, VP Financial Services Sweden at Tieto.	Acting EVP and Head of HR at AFRY, Director Talent and Rewards at AFRY, Nordic HR lead at Accenture Strategy. Management Consultant at Accenture.	Sales Manager at thy:data A/S. Market Manager at Logica A/S.	General Manager at PrioCom, Country manager at ZTE, Senior VP Sales and Marketing at KPN, Country manager at ZTE, Senior VP Sales and Marketing at KPN.	Head of Strategy and Business Development at Systembolaget, Business Area Manager Finance and M&A at Axel Johnson International and consultant at McKinsey.
<b>Shareholding on August 31, 2022</b>	74,083	379,052	-	2,333	-	75,000	15,000	48,044
<b>Warrants</b>	322,809	274,867	77,660	117,113	64,242	137,433	-	129,123

<sup>1</sup> During the financial year, Morten Jakobi (EVP SMB Benelux) and Gijsbert Geerdens (EVP COO Benelux) were also included. During October 2022, Thomas Ekman announced that he intends to leave his role as CEO in 2023. See page 63 for more information on significant events after the end of the balance sheet date.



## Our Data Privacy Program

We are committed to processing personal data in a responsible manner and in accordance with privacy law and stakeholder expectations. We want to help our customers to stay at the forefront and succeed in their businesses. To achieve this, we must ensure that our customers trust us with their personal data in order for us to provide relevant offerings. Another part is to help our customers become trusted controllers of their customers' data.

Since August 2018, we have a structured Data Privacy Program headed by our General Counsel. Our General Counsel is also Chair of the Data Privacy Program Steering Group, which convenes on a quarterly basis. We have also, on a voluntary basis, appointed a Data Protection Officer, Caroline Olstedt Carlström, partner at Cirio Advokatbyrå. Each quarter, our Data Protection Officer submits a report that is presented to the Steering Group and she also reports annually to the Board of Directors.

To ensure that all employees have basic knowledge of data protection, we have a web-based training course that is held once a year. We also have a network of ambassadors, comprising employees from our various markets, who represent all business areas and Group functions. Through our network of ambassadors, we can effectively target relevant information and training adapted to the recipients.

Although the responsibility for data protection is part of each employee's assignment, we have appointed an administrative organisation, our Data Privacy Team. The team's responsibilities include:

- supporting the operations in data privacy matters;
- ensuring that we observe the rights of the individual;
- ensuring that we maintain a correct personal data processing record, including documentation of legal basis;
- ensuring that we conduct risk and consequence analyses as required; and
- ensuring that training courses are prepared and conducted.

In addition to our dedicated Data Privacy Team, there are a number of different functions that are key components in our Data Privacy work, including Information Security, Procurement, and Service Product Management. Risk management is also a natural part of our Data Privacy work and in this respect, we follow our general risk management policy. To ensure that we follow and constantly improve our processes and procedures in relation to our largest risks, we have implemented Data Privacy Controls that are conducted in accordance with a framework established by the Steering Group.

## 12. Internal Control over Financial and Sustainability Reporting

Internal control of the financial and sustainability reporting is a central component in Dustin's corporate governance. Our internal control process is based on the framework for internal control published by COSO, and has been adapted for our operations. The framework consists of the following five components:

- control environment;
- risk assessment;
- control activities;
- information and communication; and
- monitoring activities.

Our Board of Directors has overall responsibility for financial and sustainability reporting. Monitoring the efficiency of our internal control and risk management is primarily managed by the Audit Committee.

We have an internal control function aimed at supporting the Audit Committee and management in providing a strong internal control environment. This function reports to the Audit Committee.

### Control environment

The control environment forms the basis of the internal control. One important part is that decision-making paths, authorisations and responsibilities are clearly defined and communicated within our Group. The Board of Directors has adopted fundamental internal policy documents such as rules of procedure for the Board and committees as well as instructions to the CEO. In addition, there is a Group-wide delegation order that sets out the responsibilities and authorities for different levels and functions within the Group.

Another important part is maintaining a high ethical standard through establishing values and governing documents in the form of policies, instructions and procedures.

Our internal control function works on developing, improving and safeguarding the Group's framework for the internal control environment. The intent is to maintain a framework that is appropriate

and effective, and to enable reliable financial statements and sustainability reports.

### Risk assessment

In risk assessment, we identify and evaluate the most substantial risks that impact internal control in the Group. The assessment forms the basis for how risks are to be managed through various controls. The risk assessment is updated regularly, and the results are reported to the Audit Committee.

### Control activities

The control activities are defined in a Group-wide framework for internal control, divided into the Group's most important processes related to financial and sustainability reporting. The most substantial risks from the risk assessment are managed through the control activities. The controls are to ensure both effectiveness in the Group's procedures and proper internal control.

Every control has an assigned control owner who routinely evaluates whether the control covers the risk identified, as well as the performance of the control.

Examples of control activities are authorised approval of business transactions, accounts reconciliation, analysis of income statement items and control of the allocation of responsibility in decision-making procedures.

### Information and communication

The internal control documents are available on our intranet. We also ensure that control documents relevant to accounting and financial reporting are available to the employees concerned in newly acquired companies in an electronic handbook. We review the control documents at least once annually.

Our internal control function reports on the results of its work on internal control during Audit Committee meetings. In turn, the Audit Committee reports continuously to the Board of Directors, mainly regarding observations, recommendations and measures.

The Board is provided with the minutes from the Audit Committee and the Chair of the Audit Committee reports on its work at the following Board meeting.

External financial and sustainability reporting takes place in accordance with the relevant external and internal control instruments, such as the Group's communication policy.

#### Monitoring activities

We continuously monitor the effectiveness of the internal control environment through self-evaluations. Any deviations are reported to the control owner responsible for correcting the shortcomings noted.

Internal control developments are reported on a continuous basis to the Audit Committee. Our auditor also reports her assessment of the internal control environment to the Audit Committee.

#### Focus areas during the year

During the financial year, we implemented changes to processes and produced new features in the service offering. As a consequence, we have developed and focused on the internal control environment in the service offering.

During the financial year, Dustin established new objectives in sustainability, which has resulted in new processes and reporting flows. Moreover, we have further developed the internal control environment in the area of sustainability, with a focus on reporting flows.

#### Centralpoint's internal control environment

During the financial year, there was a great deal of focus on integrating the internal control environments of Centralpoint into Dustin's framework. Centralpoint is currently investing in a new business system, whereby Dustin's framework and integrated control environment can be applied and the control environment streamlined.

As a result of Dustin's reorganisation and integration work during the year, the Group-wide delegation order has been continuously updated and communicated.

One area that is prioritised and where reporting has become more complex is the Sustainability Report. An expanded control environment is therefore necessary in sustainability reporting and its underlying processes.

#### Evaluation of a specific review function

There is currently no specific review function at Dustin (internal audit). The Board has examined the issue and determined that the current monitoring structure and activities conducted within the risk management and internal control frameworks provide a satisfactory basis.

The Board evaluates the need for a specific review function annually.



## Consolidated income statement

SEK million	Note	21/22	20/21
Net sales*	3	23,600.9	15,028.0
Cost of goods and services sold*	4	-20,143.3	-12,545.1
<b>Gross profit</b>		<b>3,457.6</b>	<b>2,482.9</b>
Selling and administrative expenses	4, 6, 7	-2,628.3	-1,825.2
Items affecting comparability	5	-50.1	-73.4
Other operating income		20.5	14.1
Other operating expenses		-41.7	-22.2
<b>EBIT</b>		<b>758.0</b>	<b>576.2</b>
Financial income and other similar income-statement items	8	1.2	1.2
Financial expenses and other similar income-statement items	8	-129.8	-108.3
<b>Profit after financial items</b>		<b>629.5</b>	<b>469.2</b>
Tax	9	-151.8	-112.2
<b>Net profit for the year attributable in its entirety to Parent Company shareholders</b>		<b>477.7</b>	<b>357.0</b>
Earnings per share before dilution (SEK)	10	4.22	3.82
Earnings per share after dilution (SEK)	10	4.22	3.82

\* Changed application of accounting principle. For more information, see Note 1.

## Consolidated statement of comprehensive income

SEK million	21/22	20/21
<b>Net profit for the year</b>	<b>477.7</b>	<b>357.0</b>
<b>Other comprehensive income:</b>		
<b>Items that may be transferred to the income statement</b>		
The result of the remeasurement of derivatives is recognised in equity	27.0	23.3
Result from hedge of net investments in foreign operations	-225.6	-9.9
Translation reserve	330.4	4.2
Tax attributable to components in other comprehensive income	40.9	-2.9
<b>Other comprehensive income after tax</b>	<b>172.7</b>	<b>14.8</b>
<b>Comprehensive income for the year attributable in its entirety to Parent Company shareholders</b>	<b>650.4</b>	<b>371.8</b>

## Consolidated balance sheet

SEK million	Note	Aug 31, 2022	Aug 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	11	8,097.0	7,752.7
Intangible assets attributable to acquisitions	12	674.9	752.8
Other intangible assets	12	290.7	172.3
Tangible assets	13	130.0	172.9
Right-of-use assets	14	512.5	552.8
Deferred tax assets	16	14.5	4.6
Derivative instruments	18, 22	156.0	1.0
Other non-current assets		9.5	7.3
<b>Total non-current assets</b>		<b>9,885.0</b>	<b>9,416.4</b>
<b>Current assets</b>			
Inventories	19	1,340.2	1,015.7
Accounts receivable	20, 22	3,165.7	2,455.8
Derivative instruments	18, 22	5.7	16.8
Tax assets	9	15.7	7.8
Other receivables	22	77.9	56.0
Prepaid expenses and accrued income	21	597.9	501.4
Cash and cash equivalents	23	766.8	847.4
<b>Total current assets</b>		<b>5,969.9</b>	<b>4,900.8</b>
<b>TOTAL ASSETS</b>		<b>15,854.9</b>	<b>14,317.2</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	24		
Share capital		565.6	565.1
Other contributed capital		3,029.5	3,021.7
Reserves		175.7	3.0
Retained earnings incl. net profit for the year		1,314.3	1,086.6
<b>Total equity attributable to Parent Company shareholders in its entirety</b>		<b>5,085.0</b>	<b>4,676.4</b>
<b>Non-current liabilities</b>			
Other provisions	17	3.9	2.3
Deferred tax liabilities	16	238.1	246.3
Liabilities to credit institutions	22, 25	4,734.4	4,481.4
Non-current lease liabilities	14	361.7	404.9
Derivative instruments	18, 22	92.6	14.6
<b>Total non-current liabilities</b>		<b>5,430.6</b>	<b>5,149.4</b>
<b>Current liabilities</b>			
Other provisions	17	0.8	3.4
Liabilities to credit institutions	22, 25	7.4	-
Current lease liabilities	14	171.9	172.1
Accounts payable	22, 25	3,790.5	3,147.4
Tax liabilities	9	120.0	73.3
Derivative instruments	18, 22	46.1	7.2
Other current liabilities	22, 25	493.0	380.6
Acquisition-related liabilities	15, 22, 26	-	20.5
Accrued expenses and deferred income	27	709.4	687.0
<b>Total current liabilities</b>		<b>5,339.2</b>	<b>4,491.4</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>15,854.9</b>	<b>14,317.2</b>

# Consolidated statement of changes in equity

SEK million	Equity attributable to Parent Company shareholders					
	Share capital	Other contributed capital	Translation reserve	Hedge reserve	Retained earnings	Total equity
Opening balance, Sep 1, 2021	565.1	3,021.7	-7.4	10.4	1,086.6	4,676.4
Net profit for the year	-	-	-	-	477.7	477.7
<b>Other comprehensive income</b>						
Translation differences	-	-	330.4	-	-	330.4
Cash-flow hedging, changes in fair value	-	-	-	-198.6	-	-198.6
Tax attributable to cash-flow hedges	-	-	-	40.9	-	40.9
<b>Total other comprehensive income</b>	-	-	330.4	-157.7	-	172.7
<b>Total comprehensive income</b>	-	-	330.4	-157.7	477.7	650.4
Dividends to shareholders	-	-	-	-	-250.0	-250.0
Holdings of own warrants	-	-1.9	-	-	-	-1.9
New share issue	0.5	6.7	-	-	-	7.2
Issue costs	-	-1.4	-	-	-	-1.4
Repurchase and subscription with the support of warrants	-	4.3	-	-	-	4.3
<b>Total transactions with shareholders</b>	0.5	7.7	-	-	-250.0	-241.8
<b>Closing balance, Aug 31, 2022</b>	565.6	3,029.5	322.9	-147.3	1,314.3	5,085.0

SEK million	Equity attributable to Parent Company shareholders					
	Share capital	Other contributed capital	Translation reserve	Hedge reserve	Retained earnings	Total equity
Opening balance, Sep 1, 2020	443.2	1,099.5	-11.7	-0.1	924.6	2,455.6
Net profit for the year	-	-	-	-	357.0	357.0
<b>Other comprehensive income</b>						
Translation differences	-	-	4.2	-	-	4.2
Cash-flow hedging, changes in fair value	-	-	-	13.4	-	13.4
Tax attributable to cash-flow hedges	-	-	-	-2.9	-	-2.9
<b>Total other comprehensive income</b>	-	-	4.2	10.5	-	14.8
<b>Total comprehensive income</b>	-	-	4.2	10.5	357.0	371.8
Dividends to shareholders	-	-	-	-	-195.0	-195.0
Holdings of own warrants	-	-0.5	-	-	-	-0.5
New share issue	121.9	1,947.5	-	-	-	2,069.3
Issue costs	-	-18.0	-	-	-	-18.0
Repurchase and subscription with the support of warrants	-	-6.8	-	-	-	-6.8
<b>Total transactions with shareholders</b>	121.9	1,922.2	-	-	-195.0	1,849.0
<b>Closing balance, Aug 31, 2021</b>	565.1	3,021.7	-7.4	10.4	1,086.6	4,676.4

# Consolidated statement of cash flow

SEK million	Note	21/22	20/21
<b>Operating activities</b>			
EBIT		758.0	576.2
Adjustment for non-cash items	28	419.5	314.4
Interest received		1.2	1.2
Interest paid		-126.4	-77.3
Income tax paid		-96.1	-101.0
<b>Cash flow from operating activities before changes in working capital</b>		<b>956.2</b>	<b>713.6</b>
Decrease (+)/increase (-) in inventories		-289.2	-270.3
Decrease (+)/increase (-) in receivables		-686.1	-640.9
Decrease (-)/increase (+) in current liabilities		603.4	366.1
<b>Cash flow from changes in working capital</b>		<b>-371.9</b>	<b>-545.0</b>
<b>Cash flow from operating activities</b>		<b>584.3</b>	<b>168.6</b>
<b>Investing activities</b>			
Acquisition of intangible assets		-152.4	-49.8
Acquisition of tangible assets		-38.5	-35.2
Acquisition of operations	26	-	-3,080.5
Contingent earn-out paid	15, 26	-20.7	-
<b>Cash flow from investing activities</b>		<b>-211.6</b>	<b>-3,165.5</b>
<b>Financing activities</b>			
New share issue	24	5.8	1,187.1
Cash flow from LTI programme		2.4	-7.3
New loans raised	25	4,466.4	3,629.9
Repayment of loans	25	-4,452.4	-1,321.8
Paid borrowing expenses	25	-16.8	-25.5
Dividends		-250.0	-195.0
Repayment of lease liabilities	17, 25	-190.0	-162.3
<b>Cash flow from financing activities</b>		<b>-434.6</b>	<b>3,105.0</b>
<b>Cash flow for the year</b>		<b>-61.9</b>	<b>108.1</b>
<b>Cash and cash equivalents at the start of the year</b>		<b>847.4</b>	<b>730.1</b>
Cash flow for the year		-61.9	108.1
Exchange-rate differences in cash and cash equivalents		-18.6	9.1
<b>Cash and cash equivalents at the end of the year</b>		<b>766.8</b>	<b>847.4</b>



## Consolidated notes

### Note 1 Overall accounting policies

#### Preparation of consolidated financial statements

The consolidated financial statements for Dustin have been prepared in accordance with the Swedish Annual Accounts Act and International Financial Reporting Standards (IFRS) as adopted by the EU. In addition, the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups is applied in respect of Swedish conditions. The Board and the CEO approved this Annual Report and the consolidated financial statements for publication on November 17, 2022. The consolidated and Parent Company income statements and balance sheets will be adopted by the Annual General Meeting on December 15, 2022.

#### Valuation basis in the preparation of the financial statements

Assets and liabilities are recognised at historical cost, except for certain financial assets and liabilities that are measured at fair value. Financial assets and liabilities measured at fair value consist of synthetic options, derivative instruments and acquisition-related earn-outs.

#### Functional currency and presentation currency

The consolidated financial statements are presented in Swedish krona (SEK), which is the Parent Company's functional currency.

Functional currency is the currency of the primary economic environment in which the entity operates, meaning that the local currency corresponds to the functional currency for the companies. Upon consolidation, this means that all assets and liabilities included in the foreign subsidiaries' balance sheets are translated at the closing day rate and all profit or loss items are translated at the average exchange rate. Any translation differences are recognised in other comprehensive income and accumulated in the translation reserve in equity.

#### Classification of current and non-current items

Assets and liabilities are allocated as non-current or current. Non-current assets and liabilities consist primarily of assets and liabilities that are expected

to fall due for payment more than 12 months after the balance-sheet date. Current receivables and liabilities consist primarily of assets and liabilities that are expected to fall due for payment within 12 months of the balance-sheet date.

#### Estimates and assessments in the financial statements

Preparing the financial statements in accordance with IFRS requires management to make estimates and assumptions that impact the application of the accounting policies and the carrying amounts for assets, liabilities, income and expenses. These estimates and assumptions are based on historical experience and various other factors that under current circumstances seem reasonable and are regularly reviewed. The actual outcome may differ from these estimates and assumptions, but not significantly. A change in estimates is recognised in the period in which the change occurred. The areas that involve a high degree of assessment and that are of material importance to the Group are described in Note 2.

#### Consolidation policies

The financial statements of subsidiaries are consolidated in the consolidated financial statements as of the date on which the controlling influence is attained and until the date on which controlling influence no longer exists. Intra-Group receivables and payables, income and expenses arising from intra-Group transactions are eliminated when the consolidated financial statements are prepared. An overview of all consolidated companies in the Group can be found in Note P8.

#### Translation of foreign currency

Foreign currency transactions are translated to the functional currency using the exchange rates prevailing on the transaction date. Exchange-rate differences arising in connection with the settlement of such transactions, or when translating exchange rates for monetary assets and liabilities in foreign currencies on the balance-sheet date, are recognised in profit or loss.

Exchange-rate differences attributable to operating assets and liabilities are recognised in profit or loss under Other operating income or Other operating expenses.

#### New and changed accounting policies for the financial year

In May 2022, the IFRS Interpretations Committee (IFRS IC) published the agenda decision that clarified the recognition of income on some resale of software licenses for standardised software as an agent or as a principal in accordance with IFRS 15.

In light of the above, Dustin has during the financial year changed its application of accounting policies for recognising income from resale of some software licences. This entails that sales from software licences are recognised net instead of gross. Figures for the current year and comparative figures have been adjusted in accordance with the application. The change had the following effects:

- Net sales and costs of good sold declined by SEK 1,578 million (neg: 850).
- The gross margin increased to 14.7 (16.5) and adjusted EBITA margin increased to 4.1 (5.0).
- Gross profit, EBIT and earnings before/after tax remained unchanged.

#### New and changed accounting policies that enter force after the end of the financial year

New published changes and interpretations of existing reporting standards not yet applied have not been applied in advance and are not expected to have any significant effect on the company's financial statements.

All amounts, unless otherwise stated, are rounded to the nearest million SEK.

### Note 2 Important estimates and assessments

The preparation of these financial statements involves management making estimates and assessments. These assumptions and estimates are based on historical experience and other factors considered for these important areas, and the estimates and assessments are evaluated continuously. The conclusions drawn serve as the basis for the carrying amounts of assets and liabilities, in cases when these cannot be obtained

through information from other sources. The actual outcome may differ from these estimates and assessments.

The identified key estimates and assessments are:

#### Impairment of assets

Goodwill is considered to be the most important asset for which impairment testing is deemed to be critical. The need for impairment is tested based on management's best assessment of the recoverable amount. The calculated recoverable amount of identified cash-generating units is built on future cash flows based on internal business plans and forecasts. Changes to these could have a material effect on the recoverable amount. The most significant assumptions are outlined in Note 11 and Note 26. The sensitivity analysis shows that reasonable changes in assumptions made would not result in a lower recoverable amount than the carrying amount of goodwill. The impairment tests for the current financial year did not indicate any need of impairment.

#### Business combinations

Dustin acquires operations on a regular basis. In conjunction with the acquisition, a purchase price allocation is prepared that measures assets and liabilities at fair value. This valuation is in part based on senior executives' assessment of the future earnings capacity of the acquired company. The acquisition may include earn-outs based on the outcome of the acquired company's future earnings for a pre-determined period. The fair value of earn-outs that include the senior executives' assessment of future earnings capacity for the acquisition are regularly evaluated. This means that an inaccurate assessment may lead to acquired assets and liabilities for earn-outs being overvalued.

**Note 3** Net sales and segment reporting**Accounting policies****Net sales**

Net sales include income measured at the transaction price that has been or is expected to be received for sold goods and services, excluding VAT after eliminating intra-Group sales and after taking into account variable remuneration such as the expected value of volume discounts. The expected values of volume discounts is based on historical data and is presented as an accrued expense and as a reduction in revenue.

Dustin believes the use of returns has had an immaterial impact on revenue and accordingly no loss allowance for the impact of returns has been made and separate information relating to returns is deemed immaterial. Dustin performs quarterly checks to ensure that the level remains immaterial.

Dustin's sales include the sale of IT products and advanced products and services to businesses (B2B) in the SMB (Small and Medium-sized Businesses) segment, and LCP (Large Corporate and Public Sector) as well as B2C (consumers).

Revenue is recognised at the point in time when Dustin has fulfilled its performance obligation by transferring control of a good or service to a customer. Invoicing takes place in conjunction with the delivery and the normal payment period is 10–30 days.

Guarantees offered as optional extras for a product where Dustin is the reseller means that the performance obligation is to mediate guarantee commitments from another party. When Dustin fulfils the performance obligation as an agent this is recognised as revenue.

Dustin primarily recognises revenue from the following revenue streams:

**Sales of hardware**

Hardware accounts for the largest share of the Group's sales. Revenue is recognised at the point

in time that control of the hardware is passed to the customer. This occurs when the hardware is delivered to the carrier if the customer is a company (B2B) and when the product is delivered by the carrier if the customer is a consumer (B2C).

**Sales of licenses**

Dustin is the reseller of licenses and does not sell its own licenses to customers. Depending on the type of software license sold, Dustin has identified certain customer contracts in which Dustin is the principal in some licensing agreements but acts as agent in others.

When Dustin is the principal, the performance obligation is considered to be fulfilled at the point in time that control of the license is passed to the customer, which is typically upon delivery.

When Dustin acts as agent, the performance obligation consists of mediating the sale between the supplier and the customer. The income is recognised when the obligation to mediate the sale has been met, which is typically when the license has been delivered to the customer. Dustin's income consists of the margin and is recognised net.

**Consulting services**

Dustin has consultants who perform services on cost-plus contracts or at fixed prices.

For consulting services on cost-plus contracts, the performance obligation can be considered fulfilled as the customer receives and uses the benefits provided. This takes place when Dustin fulfils the obligations specified in the contract, which is normally when the consulting hours have been delivered.

For fixed-price services, income is typically recognised when the assignment stipulated in the contract is completed.

**Revenue from bundled services**

To recognise revenue for various bundled services, an assessment is made of whether a service and hardware is to be deemed a performance obligation or if the service and hardware are to be recognised separately. The assessment is based on whether the customer can benefit from the hardware separately from the service and if it is possible to separate the service from the hardware in the contract with the customer.

The main part of bundled services comprises separate performance obligations where the service and hardware are recognised separately. Revenue from the hardware is recognised when control is passed to the customer, meaning upon delivery of the hardware to the carrier, and the service is recognised over time. The transaction price is allocated to each performance obligation based on the independent selling price.

Dustin also has certain contracts with customers where the service and hardware are to be considered a performance obligation and are recognised on a continuous basis over the contract period pertaining to the performance obligation. The progress of a completely fulfilled performance obligation is measured on the basis of the work Dustin has performed in relation to the total work expected.

**Segment reporting**

In Dustin, segment reporting is based on the Group's end-customers and corresponds to the internal reporting structure used by management, the Board of Directors and the chief operating decision maker (the CEO). Dustin's operations are divided into three business segments: SMB, LCP and B2C. The segments are followed up using the key performance indicators of net sales and segment earnings. A central function also exists, to which all non-allocated costs are recognised.



**Note 3** Net sales and segment reporting – cont'd.

Net sales	21/22	20/21
<b>LCP*</b>	<b>16,000.8</b>	<b>8,132.7</b>
of which, hardware	13,596.0	7,468.8
of which, software and services*	2,404.8	663.8
<b>SMB*</b>	<b>7,100.6</b>	<b>6,254.9</b>
of which, hardware	6,092.5	5,119.7
of which, software and services*	1,008.1	1,135.2
<b>B2C</b>	<b>499.5</b>	<b>640.4</b>
of which, hardware	498.2	637.5
of which, software and services	1.3	2.9
<b>Total*</b>	<b>23,600.9</b>	<b>15,028.0</b>
of which, hardware	20,186.8	13,226.1
of which, software and services*	3,414.1	1,801.9
<b>Segment results</b>		
LCP	1,118.5	603.0
SMB	795.4	663.2
B2C	48.5	52.0
<b>Total</b>	<b>1,962.3</b>	<b>1,318.3</b>
Central functions	-983.7	-559.7
of which, effects related to IFRS 16	13.5	10.7
<b>Adjusted EBITA</b>	<b>978.7</b>	<b>758.6</b>
<b>Segment margin</b>		
LCP, segment margin (%)*	7.0	7.4
SMB, segment margin (%)*	11.2	10.6
B2C, segment margin (%)	9.7	8.1
<b>Segment margin (%)*</b>	<b>8.3</b>	<b>8.8</b>
Costs for central functions, excl. items affecting comparability in relation to net sales (%)*	-4.2	-3.7
<b>Reconciliation with EBIT</b>		
Items affecting comparability	-50.1	-73.4
Amortisation and impairment of intangible assets	-170.5	-108.9
<b>EBIT, Group</b>	<b>758.0</b>	<b>576.2</b>
Financial income and other similar income-statement items	1.2	1.2
Financial expenses and other similar income-statement items	-129.8	-108.3
<b>Profit after financial items, Group</b>	<b>629.5</b>	<b>469.2</b>

\* Changed application of accounting principle. For more information, see Note 1.

By geographic area	Net sales		Assets**	
	21/22	20/21	Aug 31, 2022	Aug 31, 2021
Sweden*	5,812.7	5,168.7	2,124.8	2,127.9
Finland*	2,296.8	2,111.4	694.2	665.4
Denmark*	3,448.2	2,845.5	942.8	913.0
The Netherlands*	8,236.6	2,346.9	5,427.2	5,210.6
Norway*	2,985.4	2,402.1	512.3	481.2
Belgium	821.3	153.5	3.9	5.4
<b>Total*</b>	<b>23,600.9</b>	<b>15,028.0</b>	<b>9,705.1</b>	<b>9,403.5</b>

\* Changed application of accounting principle. For more information, see Note 1.

\*\* Assets excluding divestment-related receivables, deferred tax assets, derivative instruments and other assets.

**Business segments**

Within the LCP and the SMB segments, customers are served through both the online platform and relationship selling. Dustin's sales model has been adapted to meet customer needs as efficiently as possible. In addition to the core LCP and SMB segments, Dustin also serves private customers in the B2C business segment. In the B2C segment, customers are only served through the online platform. Through this customer segment, Dustin gains insight into trends and pricing as well as increased sales with limited additional costs.

These three business segments are supported by a number of Group-wide functions including product procurement, pricing, online, finance, marketing, business support and people development. Dustin's central functions hold the key to delivery of the Group's offerings in all markets, the generation of economies of scale and the simplification of the integration of acquired operations.

**Note 4 Expenses by type of cost**

**Accounting policies**

**Cost of goods and services sold**

The cost of goods and services sold from suppliers refers to direct costs for purchases of goods and direct costs related to the delivery of services. This includes, for example, the purchase price, customs, inbound delivery costs, expenses for consultants and other directly attributable costs. Discounts from suppliers, cash discounts, vendor bonuses and similar items reduce the cost of goods and services sold. Personnel costs and amortisation according to plan on assets included in cost of goods and services sold refers to costs that are directly attributable to the provision of a service.

Dustin has utilised the practical solution available in IFRS 15 that allows a company to recognise subsequent expenditure to obtain a contract as an expense when this arises if the period of amortisation for the asset that Dustin would otherwise have recognised is not more than one year.

**Personnel costs**

Personnel costs that are not directly related to the provision of a service are included in the item Selling and administrative expenses and refer to payroll expenses including social security expenses.

**Selling and administrative expenses**

Selling expenses includes costs directly attributable to sales of goods and services. This item includes the cost of freight to customers, marketing, remuneration of sellers, debt collection, credit information, etc. Administrative expenses include costs not attributable to the cost of goods and services sold or selling expenses. Administrative expenses include costs for the finance department, HR department, IT department, depreciation and other expenses. Amortisation according to plan on assets is included in the Selling and administrative expenses item insofar as the amortisation pertains to assets used in sales or administration.

	21/22	20/21
Cost of goods and services sold from suppliers*	19,797.0	12,180.0
Personnel costs	291.6	312.2
Depreciation/amortisation	54.6	52.9
<b>Cost of goods and services sold</b>	<b>20,143.3</b>	<b>12,545.1</b>
Personnel costs	1,556.4	1,164.3
Depreciation/amortisation	352.6	268.2
Other selling and administrative expenses incl. items affecting comparability	769.4	466.1
<b>Selling and administrative expenses incl. items affecting comparability</b>	<b>2,678.4</b>	<b>1,898.6</b>
<b>Total</b>	<b>22,821.7</b>	<b>14,443.7</b>

\* Changed application of accounting principle. For more information, see Note 1.

Depreciation/amortisation encompasses intangible and tangible assets and right-of-use assets and is included on the lines cost of goods and services and selling and administrative expenses in the income statement. Other selling and administrative

expenses incl. items affecting comparability refer to costs for temporary employees, marketing, IT and other personnel costs not related to salaries or social security contributions, in addition to the Items affecting comparability specified in Note 5.

**Note 5 Items affecting comparability**

**Accounting policies**

Items affecting comparability relate to income and expense items that, due to their size or as a consequence of the significance of their nature, are recognised separately in order to facilitate understanding of the Group's

financial performance. These items are primarily attributable to restructuring costs, costs related to acquisitions and disposals, and other significant items of a non-recurring nature.

	21/22	20/21
Acquisition and divestment-related expenses	-	-25.7
Integration costs	-36.4	-32.1
Restructuring reserve	-	-12.7
Lease termination costs	-	-2.9
Settlement of dispute	-12.8	-
Recruitment costs of senior executives	-0.9	-
<b>Total</b>	<b>-50.1</b>	<b>-73.4</b>

Items affecting comparability for the year amounted to a negative SEK 50 million (neg: 73), which primarily related to integration costs in the Netherlands and Finland of negative SEK 36 million (neg: 32), of which negative SEK 11 million (-) is attributable to the brand launch in Benelux. During

the year, an agreement was reached with a former employee that amounted to an expense of SEK 4 million (-), and an agreement was reached with a supplier resulting in an expense of SEK 9 million (-). The recruitment of senior executives amounted to a negative SEK 1 million (-).



**Note 6 Auditor's remuneration and expenses**

	21/22	20/21
Audit assignment	5.4	4.4
Audit activities other than audit assignment	1.1	0.6
Tax consultations	0.2	-
Other services	0.2	0.3
<b>Total</b>	<b>6.9</b>	<b>5.3</b>

Audit assignments are defined as the examination of the Annual Report and accounting records and of the Board of Directors' and CEO's administration of the Company, other tasks incumbent on the auditor, as well as advice and other services occasioned by observations made in the course of such examinations or the performance of such other tasks.

Audit activities other than audit assignment primarily relate to the auditor's review of interim reports and review of the company's Sustainability Report. For the 2021/22 and 2020/21 financial years, Ernst & Young AB was appointed the auditor of the Group.

**Note 7 Number of employees, employee benefits expense and remuneration of senior executives****Accounting policies****Current remuneration**

Current remuneration of employees is determined without discounting and recognised as a cost in pace with earnings. Liabilities for the expected cost of variable cash salary and profit sharing programme to employees are recognised when there is an existing legal or informal obligation that can be calculated in a reliable manner.

**Pension plans**

The Group only has defined-contribution pension plans, meaning the company's obligations are limited to the payment of fixed contributions. Dustin has no legal or informal obligations to pay further contributions should the fund not have sufficient assets to pay all employee benefits relating to employee service in current and prior periods. For defined-contribution plans, Dustin pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The contributions are recognised as expenses for employee benefits when the amounts become due for payment. Prepaid

contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments accrues to Dustin.

**Share-based remuneration**

A number of senior executives and other key individuals at Dustin have been allotted warrants under the framework of the Group's share-based remuneration plan. All warrants were issued on market-based terms on the subscription date. Warrants increase equity by a corresponding liquidity effect. Furthermore, the programme also includes a limited number of options that are settled in cash, known as synthetic options. Synthetic options are continuously measured at fair value through profit or loss with a corresponding change in liabilities until the liability to the holder is settled.

Dustin issues new shares when the warrants are utilised. Payments received, less any transaction costs, increase the share capital and other contributed capital to the extent exceeding the quotient value.

Average number of employees	21/22			20/21		
	Women	Men	Total	Women	Men	Total
<b>Subsidiaries</b>						
Sweden	275	528	803	243	519	761
Norway	45	123	168	38	125	163
Finland	59	179	238	55	170	224
Denmark	42	177	218	40	174	214
The Netherlands	162	774	936	54	389	443
Belgium	22	39	61	20	32	52
<b>Total</b>	<b>604</b>	<b>1,820</b>	<b>2,424</b>	<b>449</b>	<b>1,408</b>	<b>1,858</b>

Distribution of Board members and senior executives at the balance-sheet date	21/22			20/21		
	Women	Men	Total	Women	Men	Total
Board members	3	5	8	3	5	8
Group Management, incl. CEO	3	7	10	3	7	10
<b>Total</b>	<b>6</b>	<b>12</b>	<b>18</b>	<b>6</b>	<b>12</b>	<b>18</b>

Salaries and other remuneration of the CEO, Group Management and other employees	21/22			
	CEO and Group Management	of which, CEO Thomas Ekman	Other employees	Total
Salaries and other remuneration	38.0	8.7	1,402.5	1,440.5
of which, variable remuneration	7.6	1.9	72.3	79.9
Social security expenses	15.3	4.6	392.2	407.5
of which, pension costs	6.8	1.9	127.8	134.6
<b>Total</b>	<b>53.3</b>	<b>13.3</b>	<b>1,794.7</b>	<b>1,848.0</b>

Salaries and other remuneration of the CEO, Group Management and other employees	20/21			
	CEO and Group Management	of which, CEO Thomas Ekman	Other employees	Total
Salaries and other remuneration	37.4	9.3	1,108.5	1,145.9
of which, variable remuneration	10.3	3.2	73.3	83.6
Social security expenses	16.0	4.7	314.6	330.7
of which, pension costs	6.6	1.8	102.8	109.5
<b>Total</b>	<b>53.4</b>	<b>14.0</b>	<b>1,423.1</b>	<b>1,476.5</b>

**Note 7**

**Number of employees, employee benefits expense and remuneration of senior executives, cont'd.**

**Remuneration of senior executives**

**Guidelines for remuneration of senior executives**

Guidelines for the remuneration of senior executives are resolved by the shareholders at the Annual General Meeting. The Annual General Meeting 2019/20 approved the guidelines for remuneration which are applicable for the Annual General Meeting 2023/24 under the assumptions that no changes will be made during the Annual General Meeting. The complete terms of the agreed guidelines is available at [www.dustingroup.com](http://www.dustingroup.com).

**Board members**

Remuneration and fees that were approved for 2021/22 are described on pages 72–73. During the financial year 2021/22, separate remuneration was paid for committee work, as resolved by the Annual General Meeting on December 15, 2021.

**CEO and other Group Management**

Remuneration of the CEO Thomas Ekman comprises fixed salary, pension and other standard benefits, as well as variable remuneration. The CEO is entitled to a fixed annual salary of SEK 7 million (6) and annual variable remuneration of a maximum of 60 per cent of the fixed salary. The retirement age for the CEO is 65. Until the agreed retirement age, the company is to contribute a monthly amount corresponding to 30 per cent of the fixed salary in a pension. The CEO has 12 months' notice of termination from the company and six months' notice on his/her own initiative.

Remuneration of other Group Management comprises fixed salary, pension and other standard benefits, as well as variable remuneration of a maximum of 60 per cent of the fixed salary. Pension for other Group Management is paid as a percentage of the fixed salary or premium-based pension scheme. In the event of termination of other Group Management by the company, the notice of termination is a maximum of 12 months. In the event of termination of other senior executives on their own initiative, the notice of termination is six months.

**Long-term incentive programme**

At the Annual General Meeting on December 15, 2021, the shareholders resolved to adopt a long-term incentive programme (LTI 2022) for senior executives and other identified key individuals. The programme has the same structure as the previous year's incentive programme, and consists of warrants and synthetic options. Each warrant carries the entitlement to subscribe for one new share in the company. The programme encompasses a total of 721,105 options, the duration period for the warrants is 3.5 years. There are also two long-term incentive programmes from prior years (LTI 2021 and LTI 2020) that encompass a total of 793,153 and 939,752 warrants, respectively, with a duration period of 3.5 years. Full exercise of the warrants would result in a dilution of approximately 2.0 per cent. The aim of the options programmes is to increase the proportion of ownership among senior executives and other identified key individuals, and to motivate them to remain at the company. In addition, the ownership is expected to increase long-term commitment to Dustin and its earnings performance.

The long-term incentive programme LTI 2019 expired during the financial year. No warrants were exercised as a consequence of the market price being lower than the exercise price, thereby having no effect on equity.

Programme	Period of utilisation	Outstanding warrants*	Exercise price, SEK**	Dilution on full exercise
LTI 2022	Jan 30, 2025–Jun 30, 2025	700,649	112.0	0.6%
LTI 2021	Jan 30, 2024–Jun 30, 2024	734,833	86.0	0.7%
LTI 2020	Jan 30, 2023–Jun 30, 2023	775,621	90.9	0.7%
<b>Total</b>		<b>2,211,103</b>		<b>2.0%</b>

\* The number of shares that each warrant entitles to subscribe for has been adjusted by a factor of 1.03 for LTI 2020 and LTI 2021 after the rights issue completed in 2021.

\*\* The exercise price for LTI 2020 and LTI 2021 has been adjusted for the rights issue completed in 2021.

Participants	Number of warrants to exercise per programme		
	LTI 2022	LTI 2021	LTI 2020
CEO Thomas Ekman	102,285	116,641	103,883
Other Group Management	235,255	303,264	261,919
Other participants	383,565	314,928	459,681
of which synthetic options	20,456	–	49,862
Repurchase of own warrants through Dustin Aktiebolag	–	58,320	114,269
<b>Total</b>	<b>721,105</b>	<b>793,153</b>	<b>939,752</b>



## Note 7

## Number of employees, employee benefits expense and remuneration of senior executives, cont'd.

Board remuneration (annual fees in SEK)	21/22			
	Board fee	Audit Committee	Remuneration Committee	Total
Stina Andersson	400,000	-	-	400,000
Gregor Bieler	400,000	-	40,000	440,000
Mia Brunell Livfors	680,000	-	75,000	755,000
Gunnel Duveblad	400,000	75,000	-	475,000
Johan Fant	400,000	135,000	-	535,000
Tomas Franzén	400,000	-	40,000	440,000
Mattias Miksche	100,000	-	-	100,000
Morten Strand	400,000	75,000	-	475,000
Dolph Westerbos	300,000	-	-	300,000
<b>Total</b>	<b>3,480,000</b>	<b>285,000</b>	<b>155,000</b>	<b>3,920,000</b>

Board remuneration (annual fees in SEK)	20/21			
	Board fee	Audit Committee	Remuneration Committee	Total
Stina Andersson	236,250	-	-	236,250
Caroline Berg	78,750	-	-	78,750
Gregor Bieler	236,250	-	22,500	258,750
Mia Brunell Livfors	620,000	-	60,000	680,000
Gunnel Duveblad	315,000	60,000	-	375,000
Johan Fant	315,000	110,000	-	425,000
Tomas Franzén	315,000	-	30,000	345,000
Mattias Miksche	315,000	-	-	315,000
Morten Strand	315,000	60,000	-	375,000
<b>Total</b>	<b>2,746,250</b>	<b>230,000</b>	<b>112,500</b>	<b>3,088,750</b>

**Board members**

Remuneration and fees that were approved for 2021/22 at the Annual General Meeting are presented on [www.dustingroup.com](http://www.dustingroup.com). The above tables show remuneration received for the financial years. Dustin Group's Board has received remuneration during the period which was settled through Dustin Group AB (publ). No Board fees were paid to subsidiaries during the period. Mia Brunell Livfors was Chairman in 2021/22.

**Audit Committee**

The task of the Audit Committee is to monitor financial reporting, risk management and

efficiency in the company's internal control and regulatory compliance. Board member Johan Fant was Chairman in 2021/22.

**Remuneration Committee**

The main task of the Remuneration Committee is to review and provide recommendations to the Board of Directors pertaining to principles for remuneration of senior executives and long-term incentive programmes. Board member Mia Brunell Livfors was Chairman in 2021/22. For 2022/23 financial year, the Committee will submit a proposal for remuneration of the CEO for the Board's approval.

## Note 8

## Financial items

Interest income and similar income-statement items	21/22	20/21
Interest income	1.2	1.2
<b>Total</b>	<b>1.2</b>	<b>1.2</b>
Interest expenses and similar income-statement items	21/22	20/21
Interest expenses for external financing	115.4	90.3
Interest expenses for leases	17.6	16.1
Other financial expenses	-3.2	1.9
<b>Total</b>	<b>129.8</b>	<b>108.3</b>

Financial income and expenses consist of interest income from bank deposits and receivables, and interest expenses from external financing.

Interest expenses for external financing increased year-on-year due to higher loans. The decrease in other financial expenses is primarily attributable to the revaluation of synthetic options, which resulted in a positive effect of SEK 2 million (neg: 3).

**Note 9** Tax**Accounting policies**

The Group's tax expense consists of current and deferred tax.

The Group's current tax and deferred tax is calculated using the tax rates that have been decided or decided in practice on the balance-sheet date. Current tax is calculated on the taxable earnings for the period based on the tax rules that apply in the countries where Group companies operate. Current tax also includes adjustments of current tax attributable to prior periods.

Deferred tax is recognised on all temporary differences, which arise between the taxable and reportable value of assets and liabilities in the consolidated financial statements. For deferred tax, see Note 16.

Tax is recognised in profit or loss. For items recognised in other comprehensive income or directly in equity, the related tax effect is recognised in other comprehensive income or directly in equity.

**Recognised effective tax**

Tax expense	21/22	20/21
<b>The following components are included in the tax expense in the income statement:</b>		
Current tax	-183.9	-126.0
Deferred tax	37.3	14.9
Adjustments of current tax attributable to prior periods	-5.2	-1.1
<b>Recognised effective tax</b>	<b>-151.8</b>	<b>-112.2</b>
Recognised effective tax rate	24.1%	23.9%
Recognised profit before tax	629.5	469.2
<b>Reconciliation of effective tax rate</b>		
Tax according to current tax rate for the Parent Company	-129.7	-100.4
Tax effect of:		
Non-deductible expenses	-64.4	-36.9
Non-taxable income	65.1	15.4
Standardised income attributable to tax allocation reserve	-0.3	-0.3
Adjustment of tax for previous years and others	-5.2	10.0
Difference in tax rate between Parent Company and subsidiaries	-11.2	0.1
Changed tax rate	-6.2	-
<b>Recognised effective tax</b>	<b>-151.8</b>	<b>-112.2</b>
<b>Current tax in the balance sheet</b>	<b>21/22</b>	<b>20/21</b>
Current tax liabilities	-120.0	-73.3
Current tax assets	15.7	7.8
<b>Total</b>	<b>-104.2</b>	<b>-65.5</b>

**Note 10** Earnings per share**Accounting policies****Earnings per share before dilution**

The calculation of earnings per share before dilution has been based on net profit for the year in relation to the weighted average number of shares outstanding.

**Earnings per share after dilution**

When calculating earnings per share after dilution, the weighted average number of shares outstanding according to the above is adjusted for a potential dilution effect of the warrants

<b>Earnings per share before dilution</b>	21/22	20/21
Net profit for the year, SEK million	477.7	357.0
Weighted number of shares outstanding	113,118,776	93,455,077
Number of shares when calculating earnings per share	113,118,776	93,455,077
<b>Earnings per share before dilution (SEK)</b>	<b>4.22</b>	<b>3.82</b>
<b>Earnings per share after dilution</b>	21/22	20/21
Net profit for the year, SEK million	477.7	357.0
Weighted number of shares outstanding	113,118,776	93,455,077
Adjustment for adopted dilution through incentive programme*	-	-
Number of shares when calculating earnings per share	113,118,776	93,455,077
<b>Earnings per share after dilution (SEK)</b>	<b>4.22</b>	<b>3.82</b>

\* For more information about the incentive programme, refer to Note 7.



**Note 11** Goodwill

**Accounting policies**

Goodwill arises when operations are acquired where the cost exceeds the fair value of the acquired operations' identifiable net assets. Goodwill is recognised at cost less any impairment. Impairment is tested annually or whenever indications emerge showing that there has been a decline in value.

The carrying amount of goodwill is compared with the recoverable amount, which is the highest of the value in use and the fair value less selling expenses. If the estimated recoverable amount falls below the carrying amount, the asset is impaired. Any

impairment is recognised as an expense and is never reversed.

The valuation is based on Dustin's business plan and a discounted cash flow analysis, as the main approach in estimating the recoverable amount. A sensitivity analysis of the discount rate, growth assumptions and margins is made after each impairment test in order to determine whether the remaining value (the difference between the recoverable amount and the carrying amount) is sufficient.

Change in goodwill for the year	Aug 31, 2022	Aug 31, 2021
Opening cost	7,752.7	3,706.5
Acquisition of operations	-	4,045.8
Reallocation of surplus values from preliminary purchase price allocations	0.9	-
Exchange-rate differences	343.4	0.5
<b>Closing residual value according to plan</b>	<b>8,097.0</b>	<b>7,752.7</b>

Goodwill is attributable to surplus values upon acquisitions of new entities. In conjunction with each acquisition, an analysis is carried out to allocate the surplus value arising in connection

with the acquisition to intangible assets. Identified goodwill is primarily related to know-how and organisational structures.

Goodwill per segment	Aug 31, 2022	Aug 31, 2021
B2C	7.4	7.4
LCP	5,086.2	4,351.6
SMB	3,003.4	3,393.7
<b>Total</b>	<b>8,097.0</b>	<b>7,752.7</b>

**Impairment testing**

Impairment testing is conducted based on the cash-generating units' value in use and these units are on an equal footing with the Group's reporting segments. The calculation of the value of Dustin's cash-generating units is based on management's cash flow forecasts for a period of five years. Cash flow for the ensuing years has been extrapolated by applying a growth assumption of 2.5 per cent (2.5)

for LCP and SMB as well as 1.0 per cent (1.0) for B2C. The main assumptions used by management in the calculation of forecasts of future cash flows are market growth, the cash-generating units' expected market shares, the trend in product margins and personnel costs. The estimated market was based on external industry estimates. The market share trend, product margin and personnel costs were determined based on previous experience.

When calculating the value in use of the three cash-generating units, a discount rate of 8.5 per cent (8.5) before tax was used. The main assumptions used pertain primarily to a stock market premium of 6.5 per cent (6.3), share beta of 0.9 per cent (1.08), an expected credit margin of 1.85 per cent (0.85) and a risk-free interest rate of 0.8 per cent (1.1), which is based on a multi-year average of Swedish government bonds.

In impairment tests for the past two years, the estimated value exceeded the carrying amount for all units and no impairment was required.

A sensitivity analysis with respect to growth assumptions, the discount rate and reduced segment margin has been carried out. The analysis shows that if the discount rate decreased 0.5 percentage points, the recoverable amount decreased 6.5 per cent (6.3). If the discount rate increased 0.5 percentage points, the recoverable amount decreased 8.0 per cent (7.7). If the segment margin decreased 20 percentage points, the recoverable amount decreased 32 percentage points (-). An analysis also included a calculation involving a 5-percentage point (5) increase in the discount rate without any indication of an impairment requirement. The sensitivity analyses revealed the risk of impairment is low.

**Note 12** Intangible assets

**Accounting policies**

**Intangible assets attributable to acquisitions**

Intangible assets attributable to acquisitions are assets obtained as part of a business combination and comprise acquired customer relationships, technology and brands. Intangible assets are recognised in the balance sheet if they meet the criteria for intangible assets according to IAS 38 Intangible Assets.

The brand is recognised as an intangible asset with an indefinite useful life since the Group is actively continuing to support the brand via continuous further development and strengthening. The brand is not amortised but is tested for impairment every year in conjunction with the impairment test of goodwill or whenever there is an indication of a decline in value.

**Intangible assets**

Intangible assets consist mainly of capitalised IT expenditure for the integrated IT platform and pricing platform.

Capitalisation of IT expenditure for the integrated IT platform (refer to definitions) is only applied to systems that are considered strategic long-term systems. Expenditure for other systems is expensed immediately. Capitalised IT expenditure consists of:

- System development and upgrades that improve system functionality. These activities include functional and technical design, upgrades, development/configuration, deployment, migration and project management of said activities within the framework of the architecture principles.
- Costs to develop the use of the IT platforms in new parts of the organisation.

Depreciation is applied on a straight-line basis over the estimated useful life and recognised in cost of goods sold and selling and administrative expenses in profit or loss. Intangible assets with a finite useful life are amortised as from the date the asset is available for use.

The expected useful lives for intangible assets are as follows:

**Estimated useful lives:**

*Attributable to acquisitions:*

Customer relationships	3-10 years
Technology	3-5 years

*IT platform:*

ERP platform	3-15 years
Web platform	3-6 years
Other technology	2-5 years

*Other:*

Data platform	5 years
Licenses	3 years
Pricing platform	3 years

**Note 12** Intangible assets, cont'd.

**Intangible assets attributable to acquisitions**

	Customer relationships and technology		Brands		Total	
	Aug 31, 2022	Aug 31, 2021	Aug 31, 2022	Aug 31, 2021	Aug 31, 2022	Aug 31, 2021
<b>Opening cost</b>	<b>809.6</b>	<b>579.7</b>	<b>312.0</b>	<b>312.0</b>	<b>1,121.6</b>	<b>891.7</b>
Purchases	-	-	-	-	-	-
Acquisition of operations	-	234.7	-	-	-	234.7
Exchange-rate differences	41.9	-4.8	-	-	41.9	-4.8
<b>Closing cost</b>	<b>851.5</b>	<b>809.6</b>	<b>312.0</b>	<b>312.0</b>	<b>1,163.5</b>	<b>1,121.6</b>
<b>Opening amortisation</b>	<b>-368.9</b>	<b>-312.2</b>	<b>-</b>	<b>-</b>	<b>-368.8</b>	<b>-312.2</b>
Amortisation for the year according to plan	-97.5	-55.9	-	-	-97.5	-55.9
Exchange-rate differences	-22.2	-0.8	-	-	-22.2	-0.8
<b>Closing amortisation according to plan</b>	<b>-488.6</b>	<b>-368.9</b>	<b>-</b>	<b>-</b>	<b>-488.6</b>	<b>-368.8</b>
<b>Closing residual value according to plan</b>	<b>362.9</b>	<b>440.7</b>	<b>312.0</b>	<b>312.0</b>	<b>674.9</b>	<b>752.8</b>

**Dustin's brand**

Brands refer to Dustin's brand valued at SEK 312 million. The Dustin brand was acquired in 2006 and has been assigned an indefinite life given that the Dustin brand is well established and it is difficult to estimate when it will cease generating revenues.

The annual impairment test did not indicate any need of impairment. For further information, see Note 11.

**Intangible assets**

	IT platform		Other		Total	
	Aug 31, 2022	Aug 31, 2021	Aug 31, 2022	Aug 31, 2021	Aug 31, 2022	Aug 31, 2021
<b>Opening cost</b>	<b>296.0</b>	<b>253.1</b>	<b>143.9</b>	<b>79.2</b>	<b>439.9</b>	<b>332.2</b>
Purchases	134.8	42.9	17.7	6.8	152.4	49.8
Acquisition of operations	-	-	-	73.5	-	73.5
Reclassification	32.9	-	-	-5.7	32,944	-5.7
Divestments and disposals	-	-	-	-12.2	-	-12.2
Exchange-rate differences	4.0	-	6.2	2.3	10.1	2.3
<b>Closing cost</b>	<b>467.7</b>	<b>296.0</b>	<b>167.8</b>	<b>143.9</b>	<b>635.4</b>	<b>439.9</b>
<b>Opening amortisation</b>	<b>-166.3</b>	<b>-123.5</b>	<b>-77.7</b>	<b>-40.8</b>	<b>-244.0</b>	<b>-164.3</b>
Acquisition of operations	-	-	-	-31.2	-	-31.2
Amortisation for the year according to plan	-48.2	-42.8	-24.8	-10.3	-73.0	-53.0
Divestments and disposals	-	-	-	4.8	-	4.8
Exchange-rate differences	-	-	-4.2	-0.3	-4.2	-0.3
<b>Closing amortisation according to plan</b>	<b>-214.5</b>	<b>-166.3</b>	<b>-106.7</b>	<b>-77.7</b>	<b>-321.1</b>	<b>-244.0</b>
<b>Opening impairment</b>	<b>-23.6</b>	<b>-23.6</b>	<b>-</b>	<b>-</b>	<b>-23.6</b>	<b>-23.6</b>
Impairment for the year	-	-	-	-	-	-
<b>Closing impairment</b>	<b>-23.6</b>	<b>-23.6</b>	<b>-</b>	<b>-</b>	<b>-23.6</b>	<b>-23.6</b>
<b>Closing residual value according to plan</b>	<b>229.6</b>	<b>106.1</b>	<b>61.1</b>	<b>66.2</b>	<b>290.7</b>	<b>172.3</b>



**Not 13** Tangible assets**Accounting policies**

Tangible assets are recognised as assets in the balance sheet when it is probable that the future financial benefits associated with the assets will accrue to the company and the cost of the asset can be measured reliably. Tangible assets are recognised at cost less accumulated depreciation and impairment losses. Cost includes the purchase price and costs directly attributable to the asset for delivering it to its intended place and in a condition that matches the intended purpose.

The carrying amount of tangible assets is derecognised from the balance sheet when the item is disposed of or sold or when no future financial benefits are expected to accrue from the asset. Gains or losses on the sale or disposal of an asset are calculated as the difference between the selling price (less direct selling expenses) and the

carrying amount of the asset. Gains or losses are recognised as other operating income/expenses in profit or loss when control has been transferred to the purchaser.

Depreciation is applied on a straight-line basis over the estimated useful life and recognised in selling and administrative expenses in profit or loss. Useful lives are continuously assessed. The expected useful lives for tangible assets are as follows:

**Estimated useful lives:**

Mobile phones	2 years
Computers and accessories	3 years
Equipment, tools, fixtures and fittings	5 years
Cost of improvements on external properties	5-10 years

	Cost of improvements on external properties		Equipment		Total	
	Aug 31, 2022	Aug 31, 2021	Aug 31, 2022	Aug 31, 2021	Aug 31, 2022	Aug 31, 2021
<b>Opening cost</b>	<b>59.0</b>	<b>31.4</b>	<b>358.4</b>	<b>264.6</b>	<b>417.4</b>	<b>296.0</b>
Purchases	3.4	3.4	36.6	37.7	40.0	41.1
Acquisition of operations	-	24.3	-	79.9	-	104.2
Reclassification	-	-	-32.9	5.7	-32.9	5.7
Divestments and disposals	-0.6	-	-13.4	-28.3	-14.0	-28.3
Exchange-rate differences	1.8	-0.1	12.9	-1.3	14.7	-1.4
<b>Closing cost</b>	<b>63.6</b>	<b>59.0</b>	<b>361.6</b>	<b>358.4</b>	<b>425.2</b>	<b>417.4</b>
<b>Opening amortisation</b>	<b>-25.2</b>	<b>-19.6</b>	<b>-219.3</b>	<b>-177.2</b>	<b>-244.5</b>	<b>-196.7</b>
Acquisition of operations	-	-2.1	-	-23.1	-	-25.3
Amortisation for the year according to plan	-6.1	-3.5	-45.7	-44.8	-51.7	-48.3
Divestments and disposals	0.6	-	10.5	24.8	11.1	24.8
Exchange-rate differences	-0.6	0.1	-9.5	0.9	-10.1	1.0
<b>Closing amortisation according to plan</b>	<b>-31.2</b>	<b>-25.2</b>	<b>-264.0</b>	<b>-219.3</b>	<b>-295.2</b>	<b>-244.5</b>
<b>Closing residual value according to plan</b>	<b>32.5</b>	<b>33.8</b>	<b>97.6</b>	<b>139.1</b>	<b>130.0</b>	<b>172.9</b>

**Note 14** Leases**Accounting policies****Dustin as a lessee**

As a lessee, Dustin recognises a right-of-use asset that represents the right to use the asset and a lease liability that comprises the obligation to render lease payments during the lease period. The Group has chosen to apply the exemptions under IFRS 16 for right-of-use agreements of low value and for those with a lease term of less than 12 months. These leases are not recognised in the balance sheet; the cost is allocated on a straight-line basis over the lease period in the income statement.

When a contract is signed, Dustin assesses whether the contract is or contains a lease. Contracts can contain both lease and non-lease components (e.g. service components) and other variable components that are not depend on an index or price. If the components can be distinguished in the contracts pertaining to the leased asset, the non-lease components are recognised as a cost.

**Right-of-use assets**

Right-of-use assets are initially measured at cost, which consists of the initial amount of the lease liability adjusted for any lease payments that were paid on or before the start date and any initial direct expenditures. The asset is depreciated

straight-line from the start date through the end of the lease period. Depreciation is primarily recognised in profit or loss under selling and administrative expenses. The depreciation of assets used in the provision of goods and services is recognised in Cost of goods and services sold. The residual value and useful life of the asset is reviewed and adjusted as needed on the balance-sheet date of every quarter.

**Lease liabilities**

Lease liabilities are separated into non-current and current, which are initially measured at the present value of the remaining lease payments for the lease period. Lease payments are discounted at the incremental borrowing rate. The incremental borrowing rate is divided into different maturities depending on the duration of the leases. Lease liabilities are increased by interest expenses and decreased by lease payments.

Lease liabilities are revalued when it is reasonably certain that there will be a change in future lease payments in the form of changes to estimated future payments. This could be the result of changes to the index or price during the guaranteed remaining term of the lease, or in conjunction with changes to assessments in the event of a purchase, or extension or termination of the contract.

**Note 14** Leases, cont'd.

Dustin as a lessee

Right-of-use assets	Buildings	Vehicles	IT equipment for internal use	IT equipment related to service provision	Other	Total
Opening balance, Sep 1, 2021	279.8	93.4	86.0	92.8	0.7	552.8
New right-of-use assets	22.0	38.8	24.4	28.2	0.8	114.2
Revalued contracts	15.2	-3.3	-0.1	4.1	0.3	16.2
Exchange-rate differences	15.2	5.8	-25.1	19.2	-0.9	14.3
Depreciation/amortisation	-75.1	-43.3	-23.9	-42.6	-0.1	-185.0
Closing balance, Aug 31, 2022	257.3	91.5	61.3	101.6	0.8	512.5

Right-of-use assets	Buildings	Vehicles	IT equipment for internal use	IT equipment related to service provision	Other	Total
Opening balance, Sep 1, 2020	270.8	58.3	103.9	68.4	0.8	502.2
New right-of-use assets	77.1	66.0	9.5	60.7	1.2	214.4
Depreciation/amortisation	-68.1	-30.9	-27.3	-36.2	-1.3	-163.8
Closing balance, Aug 31, 2021	279.8	93.4	86.0	92.8	0.7	552.8

**Leases**

The leases that have been recognised in Dustin's balance sheet are categorised as buildings (i.e. offices, warehouses), vehicles, IT equipment for internal use (e.g. robots, servers, computers), IT equipment linked to service provision (i.e. network solutions) and other equipment.

Many leases contain options for extension or premature termination. These options will be reflected in the valuation of the lease liability to the extent that Dustin is reasonably certain that the option to either extend or terminate the contract prematurely will be exercised.

Amounts recognised in profit or loss:	21/22	20/21
Depreciation of right-of-use assets	185.0	163.8
Interest on lease liabilities	17.5	15.9
Cost of short-term leases	1.8	1.4
Cost of low-value leases	0.9	0.7
<b>Total</b>	<b>205.2</b>	<b>181.9</b>

**Cash flow from leases**

The lease liability consists of future lease payments and impact of leases on cash flow for the year

was SEK 190 million (162). Annual payment commitments for leases fall due for payment as shown in the table below:

Future annual payment commitments	21/22	20/21
Within 1 year	178.8	179.4
1-5 years	333.7	365.8
More than 5 years	50.5	66.4
<b>Total</b>	<b>563.0</b>	<b>611.6</b>

**Note 15** Acquisition and divestment-related assets and liabilities

**Accounting policies**

Acquisition-related liabilities pertain to contingent earn-outs. Measurement is carried out on a continuous basis at fair value and changes in value are recognised in profit or loss under items affecting comparability. If a change in value occurs before the purchase price allocation has been finalised, and the change is of such a nature that the event arose from the acquisition date, measurement is carried out via the balance sheet. Liabilities for contingent earn-outs are discounted and the effect of the discounting is expensed under financial expenses.

The fair value is calculated as defined for Level 3 in IFRS 13, meaning according to inputs that are not based on observable market data. For further information regarding purchase price allocation, see Note 26. The calculation of the contingent earn-out liability is based on the parameters of each acquisition agreement. These parameters are usually linked to the outcome of performance measures taken for up to three years from the date of acquisition.

Change in acquisition-related liabilities measured at fair value based on inputs that are not based on observable market data (Level 3)	21/22	20/21
Opening balance	20.5	-
<b>Remeasurements recognised under other comprehensive income:</b>		
Unrealised exchange-rate differences recognised under translation differences	0.2	-0.5
<b>Changes recognised via the balance sheet:</b>		
Payments attributable to previous acquisitions	-20.7	-
Acquisitions	-	21.0
<b>Closing balance</b>	<b>-</b>	<b>20.5</b>

**Earn-out liability**

For the financial year 2021/22, no new earn-out liabilities were recognised. The earn-out liability of SEK 21 million recognised in the preceding year relating to the acquisition of Exato was settled during the year.



**Note 16** Deferred tax**Accounting policies**

Deferred tax is recognised on all temporary differences, which arise between the taxable and reportable value of assets and liabilities in the consolidated financial statements. Deferred tax assets are recognised only to the extent that it is probable that future taxable surplus will be

available for offsetting the temporary differences within the foreseeable future. Deferred tax assets and tax liabilities are offset when attributable to income tax charged by the same authority and when the Group intends to settle the tax with a net amount.

	Non-current assets	Appropriations	Financial instruments	Other	Total deferred tax liabilities	Non-current assets	Other	Total deferred tax assets
<b>Opening balance, Sep 1, 2021</b>	189.8	57.5	-1.3	0.2	246.3	2.4	2.2	4.6
Recognised in net profit for the year	-14.9	-12.8	-	-	-27.7	-0.1	9.7	9.6
Recognised in statement of financial position	10.9	-	-	-	10.9	-	-	-
Recognised in other comprehensive income	5.7	-	2.9	-	8.6	0.2	-	0.2
<b>Closing balance, Aug 31, 2022</b>	<b>191.5</b>	<b>44.8</b>	<b>1.7</b>	<b>0.2</b>	<b>238.1</b>	<b>2.6</b>	<b>11.9</b>	<b>14.5</b>
	Non-current assets	Appropriations	Financial instruments	Other	Total deferred tax liabilities	Non-current assets	Other	Total deferred tax assets
<b>Opening balance, Sep 1, 2020</b>	134.2	76.3	-5.7	0.2	205.0	4.8	4.9	9.7
Recognised in net profit for the year	-1.3	-18.8	-	-	-20.1	-2.4	-2.7	-5.1
Recognised in statement of financial position	58.2	-	-	-	58.2	-	-	-
Recognised in other comprehensive income	-1.4	-	4.5	-	3.0	0.0	-	0.0
<b>Closing balance, Aug 31, 2021</b>	<b>189.8</b>	<b>57.5</b>	<b>-1.3</b>	<b>0.2</b>	<b>246.3</b>	<b>2.4</b>	<b>2.2</b>	<b>4.6</b>

There are no unrecognised deferred tax assets or tax liabilities in the Group at the end of accounting period or in the corresponding period of the previous year.

**Note 17** Provisions**Accounting policies**

A provision is recognised in the balance sheet when Dustin has an existing legal or informal obligation as a result of a past event, and it is probable that an outflow of financial benefits will be required to settle the obligation and when a reliable estimate of the amount can be made.

A provision for restructuring is recognised when the Group has established a detailed restructuring

plan, and implementation has either begun or been publicly announced. The cost estimate is based on detailed action plans that are expected to improve the Group's cost structure and productivity. If the effect of the date of payment is material, provisions are calculated by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

**Changes in provisions**

	Restructuring		Other		Total	
	Aug 31, 2022	Aug 31, 2021	Aug 31, 2022	Aug 31, 2021	Aug 31, 2022	Aug 31, 2021
<b>Opening balance</b>	2.2	19.1	3.5	17.4	5.7	36.4
Provisions during the period	-	12.7	8.7	-	8.7	12.7
Increase through acquisition of operations	-	-	0.7	2.9	0.7	2.9
Utilised during the period	-2.2	-29.5	-7.8	-16.3	-10.0	-45.9
Reversed during the period	-	-	-	-0.3	-	-0.3
Reclassification	-	-	-	-0.4	-	-0.4
Exchange-rate differences	-	-	-0.3	0.2	-0.3	0.2
<b>Closing balance</b>	<b>-</b>	<b>2.2</b>	<b>4.7</b>	<b>3.5</b>	<b>4.7</b>	<b>5.7</b>
of which current	-	2.2	0.8	1.2	0.8	3.4
of which non-current	-	-	3.9	2.3	3.9	2.3

**Restructuring**

Changes in provisions in the current financial year are mainly attributable to the closure of the Dustin Business Center in Stockholm.

**Other provisions**

Other provisions consist primarily of provisions for multi-year contracted staff compensation.

**Note 18** Derivative instruments and hedge accounting**Accounting policies**

Derivative instruments are recognised on the contract date and are measured at fair value in accordance with Level 2 in IFRS 13, both initially and in subsequent revaluations via other comprehensive income, in the hedge reserve in shareholders' equity, on condition that the hedge is effective. When the hedge is realised, the realised portion is reversed to profit or loss for interest-rate derivatives and to the carrying amount of the purchased balance-sheet item for hedged purchases of foreign currency.

If the hedge accounting ceases, the cumulative gain or loss on the hedging instrument remains until such time as the forecast transaction occurs. If the forecast transaction is no longer expected to occur, the cumulative gain or loss on the hedging instrument is immediately recognised in net financial items in profit or loss. If the derivative is discontinued prematurely and replaced with a new, similar derivative, the derivative's cost is

recognised on an accruals basis in profit or loss over the original remaining term.

Under IFRS 9, hedge accounting is applied to net investments in foreign subsidiaries. This means that exchange-rate differences on external loans are recognised in other comprehensive income. Efficacy analyses are carried out every quarter and in accordance with Dustin's Financial Policy. Any gains or losses from hedging instruments attributable to the effective portion of the hedge are recognised in other comprehensive income. Gains or losses attributable to the ineffective portion are recognised in profit or loss under net financial items and other similar income-statement items. Accumulated gains and losses in other comprehensive income are recognised in profit or loss when the foreign operations are fully or partly offset. The Group meets the requirements for applying hedging of net investments.

	Aug 31, 2022	Aug 31, 2021
<b>Current assets</b>		
Interest-rate swaps	-	-
Currency futures	5.7	16.8
<b>Total</b>	<b>5.7</b>	<b>16.8</b>
<b>Non-current assets</b>		
Interest-rate swaps	156.0	1.0
Currency futures	-	-
<b>Total</b>	<b>156.0</b>	<b>1.0</b>
<b>Current liabilities</b>		
Interest-rate swaps	-	0.2
Currency futures	46.1	7.0
<b>Total</b>	<b>46.1</b>	<b>7.2</b>
<b>Non-current liabilities</b>		
Interest-rate swaps	-	14.6
Currency futures	92.6	-
<b>Total</b>	<b>92.6</b>	<b>14.6</b>

**Measurement**

Derivative instruments measured at fair value consist of interest-rate derivatives and currency futures. Interest-rate derivatives are intended as hedges for variable interest on external bank loans. Currency futures pertain partly to hedging

of foreign investments in EUR, and partly for USD purchases from China. No profit or loss was recorded in the income statement due to inefficient hedging during the financial year and all hedged items as of August 31, 2022 qualify for continued hedge accounting.

**Note 19** Inventories**Accounting policies**

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the operating activities, less the estimated costs for accomplishing a sale. Goods are considered to be included in Dustin's inventory from the date on which the goods are owned by Dustin according to civil law. The cost of inventories is measured according to a moving

average method. This averaging approach is considered to yield a safe and conservative approach to recognising financial results. Calculation of the moving average cost is made by dividing the total cost of the items purchased by the number of items in inventories. The average cost includes all inventory items in stock and is re-calculated after every inventory purchase.

	Aug 31, 2022	Aug 31, 2021
Goods for resale	1,340.2	1,015.7
<b>Total</b>	<b>1,340.2</b>	<b>1,015.7</b>
Cost of goods and services sold from suppliers*	-19,797.0	-12,180.0

\* Changed application of accounting principle. For more information, see Note 1.

The higher inventory volume was attributable to larger purchases to ensure delivery reliability for future periods, of which a large share pertains to customer-specific inventory that amounts to about 47 per cent.

The cost of inventory impairment totalled negative SEK 10 million (neg: 3) for the period.



**Note 20** Kundfordringar**Accounting policies**

A receivable is recognised in the balance sheet once Dustin has performed and the counterparty has a contractual obligation to pay, even if the invoice has not been sent. Since the expected maturity of an account receivable is short, the value is recognised without discounting.

Accounts receivable are recognised at the transaction price on initial recognition, and accounts receivable are subsequently recognised

at amortised cost less any impairment. Impairment losses are based on expected credit losses and recognised in profit or loss under administrative expenses. For accounts receivable, Dustin applies the simplified approach under IFRS 9 that entails the measurement of the loss allowance to an amount corresponding to the expected credit losses for the remaining time to maturity regardless of whether or not the credit is credit-impaired.

Aug 31, 2022	Less than 30 days past due	Between 31-90 days past due	More than 90 days past due	Total
Expected loss rate in %	0.0%	0.7%	32.8%	1.1%
Accounts receivable, gross	2,978.0	124.0	97.5	3,199.5
Provision for doubtful accounts receivable	-1.0	-0.9	-32.0	-33.9
<b>Total</b>	<b>2,977.0</b>	<b>123.1</b>	<b>65.5</b>	<b>3,165.7</b>

Aug 31, 2021	Less than 30 days past due	Between 31-90 days past due	More than 90 days past due	Total
Expected loss rate in %	0.0%	0.4%	15.2%	0.9%
Accounts receivable, gross	2,216.0	120.1	142.6	2,478.7
Provision for doubtful accounts receivable	-0.7	-0.5	-21.7	-22.9
<b>Total</b>	<b>2,215.3</b>	<b>119.6</b>	<b>120.9</b>	<b>2,455.8</b>

Changes in the provision for doubtful accounts receivable	Aug 31, 2022	Aug 31, 2021
Opening balance	22.9	4.5
Acquisition of operations	-	17.9
Provision for doubtful accounts receivable	11.2	3.1
Confirmed credit losses	-1.3	-2.2
Reversed credit losses	0.0	-0.4
Exchange-rate differences	1.1	-0.1
<b>Closing balance</b>	<b>33.9</b>	<b>22.9</b>

Dustin has historically had low credit losses and continuously obtains credit information for all corporate customers and does not offer any credit itself to private customers. Due to the short-term nature of accounts receivable, the effect of discounting is not deemed to be material and the carrying amount is considered to be consistent with the fair value. This is thus the maximum exposure. For the exposure of accounts receivable pertaining to certain LCP customers in the Netherlands, Centralpoint B.V. uses a credit insurance. The Group's risk exposure in foreign currencies is deemed to be low.

**Note 21** Prepaid expenses and accrued income

	Aug 31, 2022	Aug 31, 2021
Prepaid expenses to suppliers	60.2	51.1
Accrued marketing subsidies	33.6	34.4
Accrued discounts from suppliers	185.3	147.6
Accrued income attributable to delivered but not invoiced	81.5	72.2
Other prepaid expenses and accrued income	237.2	196.0
<b>Total</b>	<b>597.9</b>	<b>501.4</b>

Accrued marketing subsidies relate to payments that Dustin is waiting to receive from suppliers on the basis that Dustin has fulfilled an obligation to carry out marketing activities on behalf of a

supplier. Accrued discounts from suppliers relate to payments from suppliers for which there is no obligation to the supplier.

**Note 22** Financial assets and liabilities**Accounting policies**

Financial instruments recognised in the balance sheet include on the asset side derivatives, accounts receivable and other receivables as well as cash and cash equivalents. The liabilities side includes liabilities to credit institutions, derivatives, accounts payable, issued debt and equity instruments, contingent earn-outs as well as other current liabilities. A financial asset or financial liability is recognised in the balance sheet when the company becomes party to this in accordance with the instrument's contractual conditions. A financial asset is derecognised from the balance sheet when the contractual rights are realised, expire or the company loses control over these. The same applies to a portion of a financial asset. A financial liability is derecognised from the balance sheet when the contractual obligation is met or otherwise

extinguished. The same applies to a portion of a financial liability. Acquisition and divestment of financial assets are recognised on the transaction date, which constitutes the date the company commits to acquire or divest the asset.

Financial instruments that are not derivatives are initially measured at cost corresponding to the instrument's fair value. Derivative instruments used for hedging of future cash flows are recognised in the balance sheet at fair value. The changes in value are recognised in other comprehensive income. Assets and liabilities that are continuously measured at fair value with changes in the period recognised in net profit for the year, pertain to earn-outs and synthetic options.

**Note 22** Financial assets and liabilities – cont'd.

	Items measured at fair value through profit or loss	Financial assets and liabilities at amortised cost	Derivatives used in hedge accounting	Total carrying amount	Fair value
<b>Aug 31, 2022</b>					
<b>Assets</b>					
Derivative instruments (Level 2)	-	-	161.7	161.7	161.7
Accounts receivable	-	3,165.7	-	3,165.7	3,165.7
Other receivables	-	77.9	-	77.9	77.9
Accrued income	-	300.4	-	300.4	300.4
Cash and cash equivalents	-	766.8	-	766.8	766.8
<b>Total</b>	-	<b>4,310.7</b>	<b>161.7</b>	<b>4,472.5</b>	<b>4,472.5</b>
<b>Liabilities</b>					
Liabilities to credit institutions	-	4,734.4	-	4,734.4	4,734.4
Derivative instruments (Level 2)	-	-	138.6	138.6	138.6
Accounts payable	-	3,790.5	-	3,790.5	3,790.5
Other current liabilities	0.4	492.7	-	493.0	493.0
Accrued expenses	-	699.6	-	699.6	699.6
<b>Total</b>	<b>0.4</b>	<b>9,717.2</b>	<b>138.6</b>	<b>9,856.2</b>	<b>9,856.2</b>

	Items measured at fair value through profit or loss	Financial assets and liabilities at amortised cost	Derivatives used in hedge accounting	Total carrying amount	Fair value
<b>Aug 31, 2021</b>					
<b>Assets</b>					
Derivative instruments (Level 2)	-	-	17.8	17.8	17.8
Accounts receivable	-	2,455.8	-	2,455.8	2,455.8
Other receivables	-	56.0	-	56.0	56.0
Accrued income	-	254.3	-	254.3	254.3
Cash and cash equivalents	-	847.4	-	847.4	847.4
<b>Total</b>	-	<b>3,613.4</b>	<b>17.8</b>	<b>3,631.2</b>	<b>3,631.2</b>
<b>Liabilities</b>					
Liabilities to credit institutions	-	4,481.4	-	4,481.4	4,481.4
Derivative instruments (Level 2)	-	-	21.7	21.7	21.7
Accounts payable	-	3,147.4	-	3,147.4	3,147.4
Acquisition-related liabilities (Level 3)	20.5	-	-	20.5	20.5
Other current liabilities	2.5	378.1	-	380.6	380.6
Accrued expenses	-	675.7	-	675.7	675.7
<b>Total</b>	<b>23.0</b>	<b>8,682.6</b>	<b>21.7</b>	<b>8,727.3</b>	<b>8,727.3</b>

**Note 23** Cash and cash equivalents

**Accounting policies**

Cash and cash equivalents include cash and bank balances that are readily available. Cash and cash equivalents are measured at amortised cost. Utilised bank overdrafts are recognised under short-term loans.

	Aug 31, 2022	Aug 31, 2021
Cash and cash equivalents	766.8	847.4
<b>Closing balance</b>	<b>766.8</b>	<b>847.4</b>

The unutilised overdraft facility amounted to SEK 100 million (100) at the end of the financial year. Dustin has a global cash pool with Nordea. The Parent Company is the main account holder for the Group account, which enables subsidiaries to utilise cash and cash equivalents with the bank in one or more currencies. The purpose of this is to enhance the efficiency of liquidity management with daily payments in different currencies and countries in operating activities. The Group account enables these transactions without needing the necessary funds to be allocated in each currency, on condition that equivalent funds are available in the Group account.

**Note 24** Equity

**Accounting policies**

Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of new shares or warrants are recognised (net of tax) in equity as a deduction from the issue proceeds.

**Share capital**

There is only one class of share in the Dustin Group and, accordingly, all shares carry the same number of votes per share. As of August 31, 2022,

the number of shares amounted to 113,118,776 (113,023,003). Operating profit at the balance-sheet date amounted to SEK 566 million (565).

**Other contributed capital**

This item pertains to equity that has been contributed by the owners. Other contributed capital on the balance-sheet date amounted to SEK 3,030 million (3,022). Repurchase and subscription with the support of warrants represents an increase of SEK 4 million (neg: 7).

**Translation reserve**

The translation reserve pertains to exchange-rate differences arising on the translation of foreign operations that have prepared their financial statements in a currency other than SEK as well as the translation of the Group's net assets.

**Hedge reserve**

The hedge reserve includes the effective portion of the fair value measurement of derivatives that were entered into to hedge the variable interest rate on external bank loans.

**Retained earnings**

Retained earnings include net profit for the year and profit earned in the preceding year in the Parent Company and the Group's subsidiaries.

**Capital management**

Dustin's financial strategy is based on a capital structure with a high degree of financial flexibility and provides scope for, among other factors, acquisitions. The company's net debt target is a 2.0–3.0 multiple of adjusted EBITDA for the past 12-month period.



**Note 25** Borrowing

**Accounting policies**

External loans and drawdowns are initially measured at the fair value of the amount received, net after transaction costs. Transaction costs include costs that arise in connection with raising loans or loan commitments if it is deemed probable that loan or credits will be utilised. The cost is recognised as prepaid expenses until the credits or loan is utilised. Borrowing is thereafter recognised at amortised cost and any difference between the

amount received (net after transaction costs) and the repayment amount is recognised in profit or loss distributed over the borrowing period, applying the effective interest method.

Loans are classified as current liabilities unless Dustin has an unconditional right to defer payment of the liability for at least 12 months after the balance-sheet date.

Aug 31, 2022	Total borrowing	Maturity within 1 year	Maturity longer than 1 year but within 2 years	Maturity longer than 2 years but within 5 years	Maturity longer than 5 years
Liabilities to credit institutions incl. future interest payments	5,044.6	103.9	96.5	4,844.3	-
Accounts payable	3,790.5	3,790.5	-	-	-
Tax liabilities	120.0	120.0	-	-	-
Derivative instruments	138.6	46.1	-	92.6	-
Other current liabilities	493.0	493.0	-	-	-
Accrued expenses	699.6	699.6	-	-	-
<b>Total</b>	<b>10,286.4</b>	<b>5,253.1</b>	<b>96.5</b>	<b>4,936.9</b>	<b>-</b>

Aug 31, 2021	Total borrowing	Maturity within 1 year	Maturity longer than 1 year but within 2 years	Maturity longer than 2 years but within 5 years	Maturity longer than 5 years
Liabilities to credit institutions incl. future interest payments	4,671.2	83.8	2,420.6	2,166.7	-
Accounts payable	3,147.4	3,147.4	-	-	-
Tax liabilities	73.3	73.3	-	-	-
Derivative instruments	21.7	7.2	-	14.6	-
Other current liabilities	380.6	380.6	-	-	-
Acquisition-related liabilities	20.5	20.5	-	-	-
Accrued expenses	687.0	687.0	-	-	-
<b>Total</b>	<b>9,001.6</b>	<b>4,399.7</b>	<b>2,420.6</b>	<b>2,181.3</b>	<b>-</b>

**Maturity structure of borrowing**

The tables above show the maturity structure for Dustin's contractual financial liabilities. The figures

are for non-discounted future cash flow and thus may differ from reported figures.

**Summary of cash flow from financing activities**

Change in liabilities to credit institutions for the year	21/22	20/21
Opening balance	5,058.4	2,670.5
<b>Change in financial cash flow</b>		
New loans raised	4,466.4	3,629.9
Paid borrowing expenses	-16.8	-25.5
Repayment of debt	-4,452.4	-1,321.8
Repayment of lease liabilities	-190.0	-162.3
<b>Total</b>	<b>-192.9</b>	<b>2,120.2</b>
<b>Other changes</b>		
Reclassification from other current liabilities	8.3	-
Borrowing expenses expensed in financial expenses	-	25.5
Amortisation/impairment capitalised borrowing expenses	5.6	2.3
New and revalued right-of-use assets/lease liabilities	130.4	224.2
Exchange-rate differences, NOK, DKK and EUR	258.1	15.6
<b>Total</b>	<b>402.4</b>	<b>267.7</b>
<b>Closing balance</b>	<b>5,268.0</b>	<b>5,058.4</b>

**Loans**

During the financial year, Dustin entered into a new sustainability-linked bank agreement with three Scandinavian banks and the new credit volume amounts to approximately SEK 5,000 million, of which approximately SEK 4,500 million has been utilised. All former external loan agreements were repaid in their entirety whereupon the borrowing expenses relating to the former financing agreements were written down in full amounted to SEK 2 million (-).

The interest terms for utilised bank loans are described in the table below. In addition, the sustainability-linked loan includes a interest-rate mechanism based on two KPIs. The outcome of the

KPIs will have an effect during the next financial year. The bank agreement extends for three years with the option of an extension of up to two years. The loan is free from amortisation during the term of the loan. Repayment of lease liabilities amounted to SEK 190 million (162). For further information, see Note 14.

**Fair value of external loans**

The fair value of external loans is deemed to correspond to the carrying amount. The interest rate on the bank loans is variable, and is hedged in part using derivative instruments. Finance and liquidity risks are not considered to have changed since entering into the loans.

Group and Parent Company, Aug 31, 2022	Liabilities to credit institutions	Interest terms	Interest period
Bank loan in DKK	510.0	Cibor + interest margin 1.20-2.20%	3 + 1 + 1 years
Bank loan in EUR	330.0	Euribor + interest margin 1.20-2.20%	3 + 1 + 1 years
Bank loan in NOK	450.0	Nibor + interest margin 1.20-2.20%	3 + 1 + 1 years

**Covenants**

The current financing for the Group is based on external bank loans, which are subject to a covenant that is reported to the banks each quarter. If the covenant is not fulfilled, it is renegotiated and borrowing costs could increase.

Lenders also have the right to terminate the loan agreement and would then require repayment of the loan within four banking days. Historically, Dustin has never breached any covenant and all conditions were fulfilled throughout the financial year.

**Note 26** Acquisition of businesses

**Accounting policies**

Acquisitions of businesses are recognised in accordance with the purchase method. Using this method, the acquisition of a subsidiary is regarded as a transaction whereby Dustin indirectly acquires the subsidiary's assets and assumes its liabilities and contingent liabilities.

In the event of an acquisition, the purchase price allocation is prepared to determine the cost of the shares or the business and the fair value at the acquisition date of identifiable assets, liabilities and contingent liabilities. The difference between the purchase consideration and the fair value of identified assets and liabilities assumed is allocated to goodwill. If the purchase consideration is lower

than the fair value of the acquired company's net assets, the difference is recognised as revenue in the income statement. Transaction costs directly attributable to the acquisition are expensed continuously under items affecting comparability. Any contingent earn-out to be paid after the acquisition date is recognised as a liability at fair value. Measurement is subsequently carried out on a continuous basis at fair value and changes in value are recognised in profit or loss under items affecting comparability. If a change in value occurs before the purchase price allocation has been finalised, and the change is of such a nature that the event arose from the acquisition date, measurement is carried out via the balance sheet.

**Acquisitions**

No acquisitions took place in 2021/22, but Dustin conducted two acquisitions in the preceding financial year. The total purchase consideration including estimated contingent earn-out amounted

to SEK 4,009 million, of which the total net cash outflow was SEK 3,081 million. In 2021/22, the final purchase price allocations were confirmed as specified below:

**Final purchase price allocations**

Fair value of acquired assets and liabilities	Exato A/S	Centralpoint B.V.	Total
Intangible assets (excl. goodwill)	7.2	267.7	275.0
Tangible assets	0.5	71.8	72.3
Inventories	0.2	262.1	262.3
Other current assets	6.3	868.9	875.2
Cash and cash equivalents	4.4	39.0	43.4
Other current liabilities	9.5	1,550.0	1,559.5
<b>Total identified assets and liabilities</b>	<b>9.1</b>	<b>-40.4</b>	<b>-31.2</b>
Consolidated goodwill	55.0	3,985.4	4,040.4
<b>Purchase consideration incl. estimated contingent earn-out</b>	<b>64.2</b>	<b>3,945.0</b>	<b>4,009.2</b>

**Note 27** Accrued expenses and deferred income

	Aug 31, 2022	Aug 31, 2021
Accrued personnel costs	316.7	327.7
Accrued expenses from suppliers	302.1	307.2
Accrued discounts to customers	6.0	4.0
Deferred marketing subsidies	4.6	8.4
Advance invoicing	5.2	2.9
Other accrued expenses and deferred income	74.7	36.8
<b>Total</b>	<b>709.4</b>	<b>687.0</b>

**Note 28** Cash-flow statement

Adjustment for non-cash items	Aug 31, 2022	Aug 31, 2021
Depreciation of tangible assets	236.8	212.2
Amortisation of intangible assets	170.5	108.9
Changes in provisions	0.3	-1.6
Capital gain/loss	3.9	0.5
Exchange-rate differences	0.1	-1.0
Other items	8.0	-4.5
<b>Total</b>	<b>419.5</b>	<b>314.4</b>

**Note 29** Pledged assets and contingent liabilities

**Accounting policies**

**Contingent liabilities**

Disclosures about a contingent liability are provided when there is a possible obligation depending on whether some uncertain future

event occurs or when there is an existing obligation for which payment is not probable or the amount cannot be measured reliably.

For loans and bank overdrafts	Aug 31, 2022	Aug 31, 2021
Floating mortgages	-	90.8
<b>Total</b>	<b>-</b>	<b>90.8</b>

Dustin has not pledged any assets for its obligations under the current loan agreement.

**Parent Company guarantee**

In accordance with Article 403, Book 2 of the Civil Code of the Netherlands, Dustin has guaranteed the liabilities of some of the wholly-owned Dutch subsidiaries. Separate financial statements from this subsidiary are therefore not filed at the Trade

Register of the Chamber of Commerce in the Netherlands. At August 31, 2022, a 403-statement has been issued for the following companies: Centralpoint Holding B.V., Centralpoint B.V., Compromise Domino B.V., Dustin Netherlands B.V., Dustin Supply Chain Netherlands B.V., Issys ICT B.V., NORISK IT Groep B.V., Switch IT Solutions B.V. and Xcellent Automatisering B.V.

**Note 30** Related-party transactions

**Transactions with related suppliers and customers**

Dustin has transactions with suppliers and customers that have been defined as related parties. These transactions are normal business transactions and the amounts have not been

deemed to be material to the Group. All Group companies referred to in Note P8 are considered related. Transactions between Group companies are eliminated on consolidation. With respect to salaries and remuneration of Board members and senior executives, refer to Note 7.

**Note 31** Significant events after the balance-sheet date

**Dustin's CEO Thomas Ekman announces his resignation**

In October, Dustin's President and CEO, Thomas Ekman, announced his intention to leave his position during 2023 to take on the position as CEO for Axel Johnson in September 2023. The process to recruit his successor will be initiated immediately. Thomas Ekman will remain as CEO during his notice period of six months or until a new CEO has been appointed.

**Changes to Dustin's Group Management**

A Group-wide organisation was created for Operations and for SMB to facilitate further synergies. This means Alexandra Fürst, former COO Nordic, has assumed responsibility for Operations in all of Dustin and Rebecca Tallmark, former EVP SMB Nordic, is responsible for SMB in all of Dustin. Morten Jakobi, EVP SMB Benelux, and Gijsbert Geerders, COO Benelux, have stepped down from Group Management but will continue in other roles at the company. The changes to Group Management came into effect on October 1, 2022.

**Note 32** Proposed appropriation of the company's profit

The Board of Directors proposes not to pay dividends for 2021/22 and available earnings totalling SEK 2,935,954,836 will be balanced on a new account.

In its proposed appropriation of earnings, the Group has taken into consideration the company's operations, need for consolidation, liquidity and financial position in general.

The proposal states that this amount be appropriated as follows:

**Appropriation of earnings**

SEK	
Dividends	-
To be carried forward	2,935,954,836
<b>Total</b>	<b>2,935,954,836</b>



## Parent Company income statement

SEK million	Note	21/22	20/21
Net sales		13.5	0.4
Cost of goods and services sold		-9.3	0.0
<b>Gross profit</b>	P2, P15	<b>4.2</b>	<b>0.4</b>
Selling and administrative expenses	P3, P4	-17.1	-10.2
Other operating expenses		0.0	-0.1
<b>EBIT</b>		<b>-12.9</b>	<b>-9.9</b>
Financial income and other similar income-statement items	P5	263.2	313.6
Financial expenses and other similar income-statement items	P5	-319.0	-97.1
<b>Profit/loss after financial items</b>		<b>-68.7</b>	<b>206.7</b>
Appropriations	P6	120.6	141.4
Tax	P7	9.0	-13.4
<b>Net profit for the year</b>		<b>60.8</b>	<b>334.7</b>

## Parent Company statement of comprehensive income

SEK million	21/22	20/21
Net profit for the year	60.8	334.7
Other comprehensive income	-	-
<b>Comprehensive income for the year</b>	<b>60.8</b>	<b>334.7</b>

## Parent Company balance sheet

SEK million	Note	Aug 31, 2022	Aug 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Participations in Group companies	P8	1,211.6	1,211.6
<b>Total non-current assets</b>		<b>1,211.6</b>	<b>1,211.6</b>
<b>Current assets</b>			
Receivables from Group companies	P16	6,975.4	6,799.9
Tax assets	P7	46.8	14.2
Prepaid expenses and accrued income	P9	7.1	6.5
Other receivables		-	11.4
Cash and bank balances	P10	207.7	372.3
<b>Total current assets</b>		<b>7,236.9</b>	<b>7,204.2</b>
<b>TOTAL ASSETS</b>		<b>8,448.5</b>	<b>8,415.8</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Restricted equity</b>			
Share capital	P11	565.6	565.1
<b>Total restricted equity</b>		<b>565.6</b>	<b>565.1</b>
<b>Non-restricted equity</b>			
Share premium reserve	P11	3,023.6	3,014.0
Retained earnings		-148.5	-233.2
Net profit for the year		60.8	334.7
<b>Total non-restricted equity</b>		<b>2,936.0</b>	<b>3,115.5</b>
<b>Total equity</b>		<b>3,501.5</b>	<b>3,680.6</b>
Untaxed reserves	P12	192.9	243.5
<b>Non-current liabilities</b>			
Liabilities to credit institutions	P13	4,733.5	4,481.4
Other non-current liabilities		0.1	0.6
<b>Total non-current liabilities</b>		<b>4,733.6</b>	<b>4,482.0</b>
<b>Current liabilities</b>			
Accounts payable	P13	0.0	0.7
Other current liabilities	P13	1.6	2.2
Accrued expenses and deferred income	P14	18.9	6.8
<b>Total current liabilities</b>		<b>20.5</b>	<b>9.7</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,448.5</b>	<b>8,415.8</b>

## Parent Company statement of changes in equity

SEK million	Equity attributable to Parent Company shareholders			
	Share capital	Share premium reserve	Retained earnings	Total equity
Opening balance, Sep 1, 2021	565.1	3,014.0	101.5	3,680.6
Net profit for the year	-	-	60.8	60.8
<b>Total comprehensive income</b>	-	-	60.8	60.8
Dividends	-	-	-250.0	-250.0
New share issue	0.5	6.7	-	7.2
Issue costs	-	-1.4	-	-1.4
Repurchase and subscription with the support of warrants	-	4.3	-	4.3
<b>Total transactions with shareholders</b>	0.5	9.6	-189.2	-179.0
Closing balance, Aug 31, 2022	565.6	3,023.6	-87.6	3,501.5

SEK million	Equity attributable to Parent Company shareholders			
	Share capital	Share premium reserve	Retained earnings	Total equity
Opening balance, Sep 1, 2020	443.2	1,091.3	-38.1	1,496.4
Net profit for the year	-	-	334.7	334.7
<b>Total comprehensive income</b>	-	-	334.7	334.7
Dividends	-	-	-195.0	-195.0
New share issue	121.9	1,947.5	-	2,069.3
Issue costs	-	-18.0	-	-18.0
Repurchase and subscription with the support of warrants	-	-6.8	-	-6.8
<b>Total transactions with shareholders</b>	121.9	1,922.7	139.7	2,184.2
Closing balance, Aug 31, 2021	565.1	3,014.0	101.5	3,680.6

## Parent Company statement of cash flow

SEK million	Note	21/22	20/21
<b>Operating activities</b>			
EBIT		-12.9	-9.9
Interest received		163.2	53.6
Interest paid		-70.9	-56.8
Income tax paid		-41.3	-47.1
<b>Cash flow from operating activities before changes in working capital</b>		<b>38.2</b>	<b>-60.1</b>
Decrease (+)/increase (-) in receivables		22.4	-4,580.4
Decrease (-)/increase (+) in current liabilities		10.3	4.5
<b>Cash flow from changes in working capital</b>		<b>32.7</b>	<b>-4,575.9</b>
<b>Cash flow from operating activities</b>		<b>70.8</b>	<b>-4,636.0</b>
<b>Investing activities</b>			
Acquisition of operations		-	-3,080.7
Divestment of operations		-	3,945.0
<b>Cash flow from investing activities</b>		<b>-</b>	<b>864.3</b>
<b>Financing activities</b>			
New share issue	P11	5.8	1,187.1
Cash flow from LTI programme		4.3	-6.8
New loans raised	P13	4,466.4	3,629.9
Repayment of loans	P13	-4,445.1	-1,321.8
Paid borrowing expenses	P13	-16.8	-25.5
Dividends received		-	260.0
Dividends		-250.0	-195.0
<b>Cash flow from financing activities</b>		<b>-235.5</b>	<b>3,527.9</b>
<b>Cash flow for the year</b>		<b>-164.6</b>	<b>-243.9</b>
<b>Cash and cash equivalents at the start of the year</b>		<b>372.3</b>	<b>616.2</b>
Cash flow for the year		-164.6	-243.9
<b>Cash and cash equivalents at the end of the year</b>		<b>207.7</b>	<b>372.3</b>

## Parent Company notes

### Note P1 Parent Company's accounting policies

#### Accounting policies

##### General

The Parent Company Dustin Group AB's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and the standard RFR 2 Accounting for Legal Entities. RFR 2 requires that, to the extent possible, financial statements for the Parent Company should comply with all IFRS standards and interpretations approved by the EU. Furthermore, the recommendation specifies permissible exceptions from IFRS, as well as additions to IFRS that are required in order for the Parent Company to be compliant with Swedish legislation. The Parent Company applies the same accounting policies as the Group except for the cases described below.

##### Financial instruments

The Parent Company does not apply IFRS 9 Financial Instruments. Financial instruments are recognised at cost in accordance with the Annual Accounts Act. Unlike the Group, the Parent Company does not apply hedge accounting to net investments in foreign subsidiaries. This means the Parent Company's income statement

recognises the exchange-rate effect of loans in foreign currency. In accordance with Dustin's Financial Policy, derivatives are to be used for hedging of variable interest rates on external loans. To minimise the risk of fluctuations in interest expenses for the Group, the derivatives must be structured so that maturities are spread over several periods.

During the current and preceding financial years, derivatives were prematurely discontinued and replaced with new derivatives with wider maturity spreads. The effect of the derivatives being prematurely discontinued is that the early payment is recognised as an asset (prepaid expense) in the balance sheet and the cost is recognised on an accruals basis in net financial items over the original remaining duration.

##### Leases

IFRS 16 Leases is not applied by the Parent Company; the exemption in RFR 2 is applied instead. This means that the Parent Company recognises existing leases in profit or loss.

### Note P2 Information on income and expenses within the Group

	21/22	20/21
Income	100%	100%
Expenses	35%	0%

### Note P3 Number of employees, employee benefits expense and remuneration of senior executives

Number of FTEs and gender distribution Distribution of Board members and senior executives at the balance-sheet date	21/22			20/21		
	Women	Men	Total	Women	Men	Total
Board members	3	5	8	3	5	8
<b>Total</b>	<b>3</b>	<b>5</b>	<b>8</b>	<b>3</b>	<b>5</b>	<b>8</b>

The Parent Company has no employees. Information about the remuneration of the company's Board of Directors is outlined in Note 7 for the Group.

### Note P4 Auditor's remuneration

Costs for the Parent Company audit are paid by the subsidiary Dustin Aktiebolag. For further information, see Note 6 for the Group.

### Note P5 Financial items

Interest income and similar income-statement items	21/22	20/21
Interest income	163.2	53.6
Dividends	100.0	260.0
<b>Total</b>	<b>263.2</b>	<b>313.6</b>

The increase in interest income is attributable to intra-Group invoicing.

Interest expenses and similar income-statement items	21/22	20/21
Interest expenses on external financing	110.0	89.9
Exchange-rate differences on liabilities to credit institutions	209.1	7.0
Other financial expenses	0.0	0.2
<b>Total</b>	<b>319.0</b>	<b>97.1</b>



**Note P6** Appropriations**Accounting policies****Group contributions**

Dustin applies alternative regulations pursuant to RFR 2, which means that Group contributions are recognised as appropriations.

	21/22	20/21
Group contributions received	70.0	140.0
Change in tax allocation reserve	-	1.4
Reversal of tax allocation reserve	50.6	-
<b>Total</b>	<b>120.6</b>	<b>141.4</b>

**Note P7** Tax**Recognised effective tax**

Tax expense	21/22	20/21
<b>The following components are included in the tax expense in the income statement:</b>		
Current tax	9.3	-15.0
Adjustments of current tax attributable to prior periods	-0.3	1.6
<b>Recognised effective tax</b>	<b>9.0</b>	<b>-13.4</b>
Recognised effective tax rate	-17.3%	3.8%
Recognised profit before tax	51.8	348.1
<b>Reconciliation of effective tax rate</b>		
Tax according to current tax rate	-10.7	-74.5
Tax effect of:		
Non-deductible expenses	-0.7	0.0
Non-taxable income	20.9	59.8
Adjustment of tax for previous years and others	-0.5	1.4
<b>Recognised effective tax</b>	<b>9.0</b>	<b>-13.4</b>
<b>Current tax</b>	<b>21/22</b>	<b>20/21</b>
Current tax assets	46.8	14.2
<b>Total</b>	<b>46.8</b>	<b>14.2</b>

The Parent Company has no recognised or unrecognised deferred tax assets or liabilities.

**Note P8** Participations in Group companies**Accounting policies**

Shares in subsidiaries are recognised in the Parent Company according to the cost method. Any dividend from subsidiaries is recognised in profit or loss for the Parent Company as financial income. If there is an indication that the value of the shares in the subsidiaries has decreased, an impairment test is conducted. Anticipated dividends from

subsidiaries are to be recognised in cases where the Parent Company has exclusive rights to decide about the size of the dividend, and whether the Parent Company made a decision about the size of the dividend before the Parent Company published its financial statements.

**Parent Company's holdings in Group companies**

Company name	Corp. Reg. No.	Domicile	Number of shares	Participation	Equity	Net profit for the year	Carrying amount	
							Aug 31, 2021	Aug 31, 2020
Dustin AB	556237-8785	Stockholm	25,000,000	100%	411.6	128.6	1,211.6	1,211.6
<b>Total</b>							<b>1,211.6</b>	<b>1,211.6</b>

**Note P8**
**Participations in Group companies – cont'd.**

The following companies are included in the Group in addition to the Parent Company's direct holdings:

Company name	Corp. Reg. No.	Aug 31, 2022 Participating interest	Aug 31, 2021 Participating interest
Centralpoint België N.V.	0841648610	100%	100%
Centralpoint B.V.	09078252	100%	100%
Centralpoint Holding B.V.	28035220	100%	100%
ComPromise Domino B.V.	04062532	100%	100%
Chilitaito Oy*	2201996-8	100%	100%
Chilit Group Oy**	2768847-4	-	100%
Chilit Oy***	2768846-6	-	100%
Dustin A/S	26092183	100%	100%
Dustin Finland Oy	0935141-3	100%	100%
Dustin Netherlands B.V.	06088974	100%	100%
Dustin Netherlands Holding B.V.	71903968	100%	100%
Dustin Norway AS	939483969	100%	100%
Dustin Supply Chain Netherlands B.V.	73864994	100%	100%
Dustin Sverige AB	556666-1012	100%	100%
Exato A/S****	30505980	-	100%
Issys ICT B.V.	37104253	100%	100%
Inventio IT A/S	26112001	100%	100%
JML- System AB	556643-2802	100%	100%
NORISK Beheer B.V.	04039918	100%	100%
NORISK IT Groep B.V.	04073648	100%	100%
NORISK Facilitair B.V.	56499248	100%	100%
NORISK Visionair B.B	58806687	40%	40%
Sincerus B.V.	51450976	100%	100%
Sincerus Consultancy B.V.	08142104	100%	100%
Switch IT Solutions B.V.	06070240	100%	100%
TopCrowd B.V.	08142105	100%	100%
Unilogic B.V.	14053559	100%	100%
Unilogic Networks 2 B.V.	68329210	100%	100%
Vincere Group B.V.	06070239	100%	100%
Xcellent Automatisering B.V.	32119865	100%	100%

\* Previously ITaito Oy.

\*\* During the financial year, Chilit Group Oy merged with Chilitaito Oy.

\*\*\* During the financial year, Chilit Oy merged with Chilit Group Oy.

\*\*\*\* During the financial year, Exato A/S merged with Dustin A/S.

**Note P9**
**Prepaid expenses and accrued income**

	Aug 31, 2022	Aug 31, 2021
Pre-paid interest-rate swaps	1.6	2.1
Other prepaid expenses and accrued income	5.5	4.4
<b>Total</b>	<b>7.1</b>	<b>6.5</b>

**Note P10**
**Cash and bank balances**

	Aug 31, 2022	Aug 31, 2021
Cash and cash equivalents	207.7	372.3
<b>Closing balance</b>	<b>207.7</b>	<b>372.3</b>

The Parent Company is the main account holder for the Group account with Nordea (publ). For more information about the cash pool and overdraft facility, see Note 23 for the Group.

**Note P11**
**Equity**
**Accounting policies**
**Shareholders' contributions**

Shareholders' contributions are capitalised in shares and participations. Any impairment requirements are taken into account.

**Share capital**

For information about the Parent Company's share capital see Note 24 for the Group.

**Retained earnings**

Retained earnings include net profit for the year and profit earned in the preceding year.

**Dividends**

During the financial year, a total dividend of SEK 250 million was distributed in line with the resolution by the Annual General Meeting on December 15, 2021. For the current financial year the Board of Directors proposes not to pay dividends. For more information see Note 32 for the Group.

**Share premium reserve**

During the year, other contributed capital increased SEK 10 million (1,923), of which SEK 7 million (1,948) on account of the new share issue and SEK -1 million was attributable to issue costs (-18). Repurchase and subscription with the support of warrants represents an increase of SEK 4 million (neg: 7).

**Note P12** Untaxed reserves

	Aug 31, 2022	Aug 31, 2021
Tax allocation reserve	192.9	243.5
<b>Total</b>	<b>192.9</b>	<b>243.5</b>

**Note P13** Borrowing

Aug 31, 2022	Total borrowing	Maturity within 1 year	Maturity longer than 1 year but within 2 years	Maturity longer than 2 years but within 5 years	Maturity longer than 5 years
Liabilities to credit institutions incl. future interest payments	5,044.6	103.9	96.5	4,844.3	-
Other non-current liabilities	0.1	-	-	0.1	-
Accounts payable	0.0	0.0	-	-	-
Other current liabilities	1.6	1.6	-	-	-
Accrued expenses	18.9	18.9	-	-	-
<b>Total</b>	<b>5,065.2</b>	<b>124.4</b>	<b>96.5</b>	<b>4,844.4</b>	<b>-</b>

Aug 31, 2021	Total borrowing	Maturity within 1 year	Maturity longer than 1 year but within 2 years	Maturity longer than 2 years but within 5 years	Maturity longer than 5 years
Liabilities to credit institutions incl. future interest payments	4,671.2	83.8	2,420.6	2,166.7	-
Accounts payable	0.6	-	0.6	-	-
Tax liabilities	0.7	0.7	-	-	-
Other current liabilities	2.2	2.2	-	-	-
Accrued expenses	6.8	6.8	-	-	-
<b>Total</b>	<b>4,681.5</b>	<b>93.5</b>	<b>2,421.2</b>	<b>2,166.7</b>	<b>-</b>

The Group's external financing is with the Parent Company. Total external loans amount to SEK 4,734 million (4,481). For more information about loans, refer to Note 25 for the Group.

**Maturity structure of borrowing**

The table above shows the maturity structure for the Parent Company's contractual financial liabilities. The figures are for non-discounted future cash flow and thus may differ from reported figures.

**Note P14** Accrued expenses and deferred income

	Aug 31, 2022	Aug 31, 2021
Accrued financial expenses	18.5	4.5
Other accrued expenses	0.4	2.3
<b>Total</b>	<b>18.9</b>	<b>6.8</b>

The increase in accrued financial expenses is attributable to higher external financing expenses.

**Note P15** Related-party transactions

	21/22	20/21
<b>Transactions with subsidiaries</b>		
Purchases	-	-
Sales	13.5	0.4
Receivables as of August 31	6,975.4	6,799.9
Liabilities as of August 31	-	-

The increase in sales during the year pertains to an adjustment of management fees. For information about direct and indirect shareholdings in subsidiaries, refer to Note P8 for the Parent Company.



# Corporate Sustainability

## About this report

Dustin's Annual and Sustainability Report provides a summary of the financial results and the sustainability efforts we have carried out during the financial year 2021/22. This is the fifth time we are presenting financial information and sustainability information in a joint report. Dustin has used the Global Reporting Initiative's (GRI) guidelines in its reporting since 2014/15. For 2021/22, Dustin is following the GRI standards and reporting at "Core" level. This means Dustin has identified the aspects that are material for the company and has reported at least one indicator per topic.

This report encompasses the Group's sustainability efforts during the financial year from September 1, 2021 to August 31, 2022. Dustin presents sustainability data every year, and the report for the preceding year was published on November 17, 2021. This year's Annual and Sustainability Report also represents Dustin's Communication on Progress (COP).

## Materiality assessment

We conduct a materiality assessment at least once every three years. In the event of significant changes to the company's strategy or operational

activities, such as geographic expansion or the launch of new product categories, more frequent materiality assessments may be required. Our materiality assessment was updated in 2021/22.

Our stakeholders comprise customers, employees, owners, manufacturers, distributors and non-state organisations. The aim of stakeholder dialogue is to continually gather our stakeholders' views on the sustainability topics that they consider material.

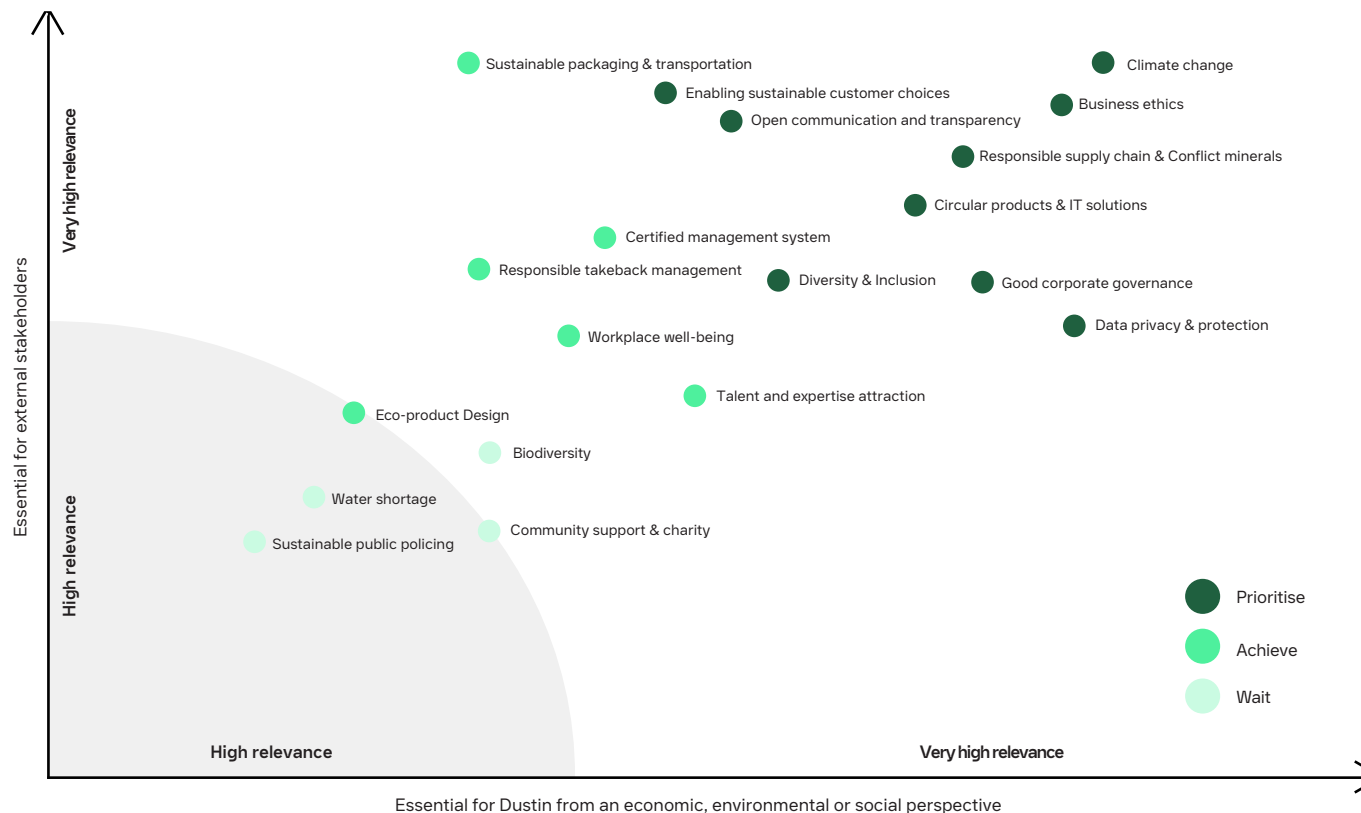
The areas of sustainability are considered material for the entire organisation, as well as our external stakeholder groups.

Over the year, based on the results of the materiality assessment, we have continued worked on a long-term sustainability strategy with commitments until 2030 that were decided on by the Board.

Figures in the sustainability section for Dustin Group are reported including companies that were previously not integrated in the Nordic region and Centralpoint in the areas where data quality has been assured.. Waste figures include units that could report weights and processing methods for this year and separate hazardous waste from ordinary commercial waste.

By 2030, Dustin will be completely climate neutral throughout the entire value chain, we will be 100 per cent circular and we will have taken 100 actions in total to further improve our work with social equality throughout the entire value chain.

## Materiality assessment



# Dustin's contribution to the UN's Sustainable Development Goals

## Net zero climate footprint

Dustin is to be climate neutral throughout the value chain by 2030. This entails that we will exceed the Paris Agreement and take greater responsibility and increase transparency by including all relevant parts of Scope 3.



**SDG 13:**  
Climate action

Targets that we indirectly contribute to:



## Circularity

Dustin's goal is to be 100 per cent circular by 2030. This entails both new business opportunities and opportunities to reduce the sharp rise in resource usage in society.



**SDG 12:**  
Responsible consumption and production

Targets that we indirectly contribute to:



## Social equality

Dustin has a possibility, together with our partners, to contribute to reducing the social inequalities throughout our value chain, with 100 activities for social equality by 2030.



**SDG 8:**  
Decent work and economic growth

Targets that we indirectly contribute to:



## Diversity and inclusion

With increased diversity and broad representation of individuals in the company, we will become a better partner to our customers.



**SDG 5:**  
Gender equality

Targets that we indirectly contribute to:



## Business ethics and anti-corruption

Dustin must be a safe partner for customers, partners and other stakeholders. The dialogue regarding business ethics and anti-corruption must remain relevant through regular training and discussions concerning dilemmas.



**SDG 16:**  
Peace, justice and strong institutions

Targets that we indirectly contribute to:



# Stakeholder overview

Dialogue with our stakeholders is conducted on an ongoing basis. Below is a presentation of the stakeholders we have identified as most significant for our sustainability efforts, the dialogue channels and important issues during the year.

Stakeholders	Dialogue channels	Key issues during the year
<b>Customer</b>	<ul style="list-style-type: none"> <li>• Customer contact and customer meetings</li> <li>• Customer magazine and IT trade fair (Dustin Expo)</li> <li>• Information on website, customer service and social media</li> <li>• Customer surveys and brand tracker</li> </ul>	<ul style="list-style-type: none"> <li>• Responsible use of resources, circularity</li> <li>• Climate</li> <li>• Responsible purchasing, Dustin Supplier Code of Conduct</li> <li>• Conflict minerals</li> <li>• Systematic work</li> <li>• Business ethics and anti-corruption</li> <li>• Ecolabelling</li> <li>• Transparency</li> </ul>
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>• Individual investor meetings</li> <li>• Webcasts/telephone conferences for interim reports</li> <li>• Presentations for investor lunches, seminars and other meetings</li> <li>• Board of Directors and General Meeting</li> </ul>	<ul style="list-style-type: none"> <li>• Climate</li> <li>• Responsible use of resources, circularity</li> <li>• Social equality, diversity</li> <li>• Long-term sustainability targets</li> <li>• Business ethics and anti-corruption</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Daily meetings and interaction</li> <li>• All-staff meetings (All Dustin)</li> <li>• Training, classroom and e-learning courses</li> <li>• Monthly employee surveys</li> <li>• Annual appraisals</li> </ul>	<ul style="list-style-type: none"> <li>• Long-term sustainability efforts</li> <li>• Climate</li> <li>• Dustin's Code of Conduct</li> <li>• Social issues</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Separate meetings in purchasing process</li> <li>• Supplier assessments under framework of Dustin's Code of Conduct</li> <li>• Seminars and panel discussions</li> <li>• Factory audits</li> </ul>	<ul style="list-style-type: none"> <li>• Climate</li> <li>• Responsible use of resources</li> <li>• Responsible purchasing</li> </ul>
<b>Voluntary organisations and partners</b>	<ul style="list-style-type: none"> <li>• Individual meetings</li> <li>• Conferences, training courses and panel discussions</li> </ul>	<ul style="list-style-type: none"> <li>• Climate</li> <li>• Responsible use of resources</li> <li>• Transparency</li> <li>• Sustainability targets</li> </ul>



## Employees

A more detailed presentation is given below of age distribution among new employees and employees leaving the company as well as the distribution between countries, in addition to the employee data reported on page 48. Dustin has few part-time employees and the age distribution at Dustin is comparable with the age distribution at medium-sized companies in the IT industry.

The collective bargaining agreement for employees in Finland is generally binding. Since the spring of 2017, the majority of employees in Sweden are also covered by collective bargaining agreements. No employees in Denmark and Norway are covered by collective bargaining agreements.

Age distribution employees	Aged <29	Aged 30–49	Aged >50
New employees (number)	234 (217)	337 (274)	61 (44)
New employees (%)	37 (41)	53 (51)	10 (8)
Employees leaving (number)	103 (126)	285 (305)	68 (83)
Employees leaving (%)	23 (25)	63 (59)	15 (16)

Employment GRI 401-1	Total	Sweden	Norway	Denmark	Finland	Benelux
Employee turnover (%)	18 (21)	20 (12)	18 (18)	19 (25)	17 (14)	17 (-)
New employees (number)	637 (535)	208 (178)	26 (33)	67 (56)	57 (48)	279 (220)
New employees (%)		33 (33)	4 (6)	11 (11)	9 (9)	44 (41)
Employees leaving (number)	456 (514)	171 (147)	29 (38)	31 (69)	41 (36)	183 (224)
Employees leaving (%)		38 (29)	6 (7)	7 (13)	9 (7)	40 (44)

Age distribution executive management teams and Board of Directors	Aged <29	Aged 30–49	Aged >50
Executive management teams (%)	- (-)	50 (67)	50 (33)
Board of Directors (%)	- (-)	12 (12)	88 (88)
Total (%)	- (-)	33 (44)	67 (56)

Employees	Total	Women	Men
Total	2,508 (2,426)	670 (609)	1,837 (1,817)
New employees	637 (535)	179 (167)	457 (368)
Employees leaving	456 (514)	98 (121)	358 (393)
Managers	297 (287)	82 (78)	215 (209)
Executive management teams	10 (10)	3 (3)	7 (7)
Board of Directors	8 (8)	3 (3)	5 (5)

Full-time and part-time employees	Total	Women	Men	
Dustin's workforce	2,510 (2,356)	671 (571)	1,838 (1,785)	Long-term sick leave (more than three months) not included
Full-time employees	2,226 (2,142)	535 (486)	1,691 (1,656)	Long-term sick leave (more than three months) not included
Part-time employees	226 (214)	105 (85)	121 (129)	

### Registered non-conformance cases during the financial year's factory audits

Area	Requirement	Number of non-conformances	Examples of non-conformance
<b>Human rights and labour</b>	Freely Chosen Employment	8	Lack of employment contract
	Juvenile and Student Worker Protection	6	Young employees used for hazardous tasks or night shift
	Decent Working Hours	50	Overly long working days and poor control of ensuring at least one day of rest per week
	Fair Compensation	38	Lack of social insurance or correct remuneration for overtime work
	Inhumane Treatment	4	Shortcomings in training around humiliation
	Non-discrimination	6	Discovery of discrimination regarding age and gender
	Right to Freedom of Association and Collective Bargaining	5	Shortcomings in dialogue with factory management and employees
<b>Health and safety</b>	Health and Safety Management System	104	Lack of training or follow-up of health and safety shortcomings during hazardous work
	Emergency Preparedness	46	Lack of emergency preparedness plan
	Injury and Incident Management	13	Deficient documentation and follow-up of work-related injuries and accidents
	Health And Safety Permits	16	Lack of occupational health and safety permits
	Physically Demanding Work	4	Insufficient lifting equipment
	Machine Safety	42	Insufficient safety devices
	Worker Dormitories	46	Shortcomings in hygiene related to food handling
<b>Environmental protection</b>	Environmental Permits and Reporting	7	Lack of environmental permits
	Pollution	3	Insufficient measures to reduce pollution
	Hazardous waste	33	Insufficient measures in managing and efforts to reduce hazardous waste
	Waste	1	Insufficient waste management measures
	Air Emissions	11	Deficiencies in keeping air emissions under control
	Materials Restrictions	9	Discovery of prohibited process chemicals
	Storm Water Management	2	Deficiencies in preventing hindrances to proper storm water drainage
Energy consumption and GHG emissions	3	Lack of targets to reduce GHG emissions	
<b>Legal compliance and ethical business principles</b>	Management's distribution of responsibility	1	Lack of overview by management of the effectiveness of the management system
	Anti-corruption	5	Lack of training for employees exposed to risks related to corruption and bribes
	Information Protection	1	Shortcomings in the handling of sensitive information
	Conflict minerals	1	Lack of policy concerning use of conflict minerals
	Risk management	1	Lack of risk analysis and management of identified risks
	Objectives and monitoring	2	Lack of environmental targets
	Audit preparedness	3	Lack of audit preparedness at customer on-site audits
	Supply chain	4	Dustin Supplier Code of Conduct is not communicated internally or to subcontractors
<b>Total</b>		<b>475</b>	

# Accounting policies for sustainability

## Data collection and measurement

Environmental data, energy and emissions are collected through the Group's environmental reporting process. The consolidation principles used for environmental data include all companies within the Group. Acquired operations report environmental data 12 months after the date of acquisition. All data have been collected in accordance with Dustin's financial year. The collection of data related to emissions and energy uses the reporting period August 1 to July 31, to ensure the quality of that reported. To provide a clearer comparison with the preceding financial year for energy and GHG emissions, data are also reported excluding Centralpoint.

## Greenhouse gas emissions

The total amount of greenhouse gas emissions is reported in tonnes CO<sub>2</sub> equivalents (CO<sub>2</sub>e), and primarily includes CO<sub>2</sub>. Biogenic emissions are insignificant and have not been reported. The reporting is performed in accordance with the Greenhouse Gas (GHG) Protocol, and includes Scope 1, Scope 2 and Scope 3 emissions. Account should be taken of the uncertainty surrounding the data collected, scientific measurement methods and application. The approach chosen for consolidating greenhouse gas emissions extends from "operational control" to encompass all categories of the GHG Protocol that exceed 1 per cent and are therefore considered significant. On this basis, the following emission sources are used:

### Scope 1

- Direct emissions from vehicles owned by Dustin. Some data were reported for two quarters after which the remainder has been calculated as an average.

### Scope 2

- Electricity use, heating and cooling of Dustin's offices with more than 15 employees and Dustin's central warehouse in Sweden and the Netherlands, as well as warehouses in Finland and Norway.

### Scope 3

- Category 1: Sold products in the Nordic region and Benelux divided into categories with associated emission factors from a report

by the IVL Swedish Environmental Research Institute: Product databases: the environmental benefits of reuse, 2020. The share of categorized products is responsible for approximately 76 per cent of emissions and the remainder is assumed to have a same average carbon footprint

- Category 4: Upstream shipments calculated using actual sales and adopted standard values for shipments used in the above report. Checked against emissions data collected from distributors
- Category 6: Business travel by air
- Category 8: Dustin's off-premises data centres in the Nordic region and partly in Benelux as well as leasing vehicles for staff. Some data for leasing vehicles were reported for two quarters after which the remainder has been calculated as an average
- Category 9: Downstream shipments from warehouses to customers. Sources include Dustin's central warehouses in Sweden and the Netherlands, other warehouses in Finland, Norway, Denmark and the Netherlands, as well as direct deliveries from distributors or manufacturers to customers (known as "drop shipments"). The latter was calculated using the reported number of "drop shipments" and the average climate-change emissions per shipment in each country PostNord, one of our major carriers in the Nordic operations, now applies the "bottom-up" principle and is based on the actual transport of each individual parcel, which has greatly reduced the reported emissions in contrast to the old calculation model which is based on an estimated standardized mileage.
- Category 11: use of sold products based on an assumption that 20 per cent of energy is required in the use phase
- The calculations found that other categories were non-existent or significantly below 1 per cent and were therefore not included.

Specific emission factors have been used to calculate all Scope 1, Scope 2 and Scope 3 emissions. Purchased energy is reported in accordance with the "market-based" method

## Energy

The total quantity of energy used is reported in kilowatt hours and includes electricity use, heating and cooling. The boundary is in accordance with the calculations of Scope 2 emissions. The calculations of kilowatt-hours also encompass electricity use and cooling of data centres. Office properties are used only partly by Dustin, and their heat consumption is allocated based on space. The same applies to the warehouse in Norway.

## Circularity

Our calculation of takebacks is based on revenues classified as circular compared with total sales.

**Takeback** aims to take back as many products as those sold in 2030. The number of returned products is then multiplied by the average price for relevant categories to achieve a value of new sales corresponding to the returns. During the year, this was largely under own management via our takebacks in the Netherlands and Växjö. A minor share of the takebacks is still performed by our external partners. Figures for takeback are reported by two of our external partners through our PowerBI platform. Other partners report and summarise takebacks manually.

**Software and consulting activities** were phased out during the year. With the adjustment of the accounting policy (see Note 1), the largest share of these sales is eliminated and we also resolved to discontinue our traditional consulting services.

**Refurbished products** Revenues from sales of reused products.

**Services** that include managed services, cloud and device as a service are considered circular as the hardware in the products can be reused or recycled.

## Waste and hazardous waste

The total reported quantity of waste encompasses Dustin's waste from its head office, warehouses, takeback centres and from producer responsibility organisations in the markets where we are represented. Our facilities have different situations for reporting waste volumes. In order for the waste

volume to be included in the report, the waste contractor must report the amounts in kg, the proportion of hazardous and non-hazardous waste, and processing methods for the different waste fractions.

## Employee data

Employee data is collected in a separate HR system. The consolidation principles for employee data include all majority-owned companies within the Group.

Individuals on parental leave or on long-term sick leave are not included. Consultants are not included in the employee data figures. Certain GRI indicators concerning our employees have not been broken out by age group and country, when the difference between the ages was not considered important. The figures refer to the number of employees at the end of the financial year. Manager means person with personnel responsibility.

## Responsible purchasing

Until the end of the year, Centralpoint was not included in responsible purchasing processes, and accordingly this section is reported excluding Centralpoint.

## Changed information compared with preceding sustainability reports

Adjustments to the correct sales figures for acquired companies in the Nordic region in 2020/21 impact GHG emissions in categories 1, 4 and 11, which enhances comparability. Results from Centralpoint during the three final months of 2020/21 were excluded retroactively, which provides a more accurate calculation of emissions intensity.



**Significant changes concerning scope and boundaries**

Historical integration of acquired companies:

- 2016/17 IKT Group integrated
- 2017/18 Commsec integrated
- 2018/19 Idenet and Norriq integrated
- 2019/20 Saldab, Purity and Core Services integrated
- 2020/21 No integration took place during the year
- 2021/22 Centralpoint integrated

**Acquired growth:**

The scope of the sustainability section is the same as other parts of the Annual and Sustainability Report, meaning the entire business. This means all previously acquired operations, including Centralpoint, which was approved at the beginning of the final quarter of 2020/21, are included in the scope.

**Precautionary principle**

The precautionary principle is one of the fundamental principles for sound accounting standards applied by Dustin. The precautionary principle is currently being applied to sustainability as needed, for issues such as estimated emissions from leasing vehicles. The principle is defined in the company's Code of Conduct.

**Statutory Sustainability Report**

Dustin is subject to the requirements for statutory sustainability reporting in accordance with the Annual Accounts Act.

The Act encompasses reporting requirements including the environment, social responsibility,

personnel, human rights and anti-corruption.

The statutory Sustainability Report is available in the Annual and Sustainability Report under the following headings:

- Business model and value creation, on pages 15–20
- Targets and key performance indicators, on pages 20–23 and 37
- Privacy and risk management, on pages 64–69
- Internal governance, on pages 70–81
- Materiality assessment and stakeholders, on pages 109 and 111
- Responsible purchasing, on pages 29 and 51–52
- Human rights, on pages 50–53
- Environment, on pages 37–46 and 51–52
- Employees, on pages 24, 47–49 and 88
- EU Taxonomy reporting, on page 57

**External verification**

The sustainability information in the Annual and Sustainability Report for 2021/22 has been reviewed by Dustin's auditors, EY. In addition, it has been approved by Dustin's board.

The consolidated income statement and balance sheet will be put before the Annual General Meeting on December 15, 2022 for adoption. The Annual Report and the consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and present a true and fair view of the Group's financial position and earnings. The Annual Report was prepared in accordance with generally accepted accounting principles and presents a true and fair view of the Parent Company's financial position and earnings. The Directors' Report for the Group and the Parent Company presents a fair review of the Group's and the Parent Company's operations, financial position and earnings and describes the material risks and uncertainties facing the Parent Company and the companies included in the Group. The statutory Sustainability Report for Dustin Group AB (publ), the content of which is presented in the Directors' Report, was approved for publication by the Board of Directors.

Mia Brunell Livfors  
Chairman of the Board

Stina Andersson

Gregor Bieler

Gunnel Duveblad

Johan Fant

Tomas Franzén

Morten Strand

Dolph Westerbos

Thomas Ekman  
CEO

Stockholm, November 17, 2022

Our Auditor's Report was submitted on November 17, 2022  
Ernst & Young AB

Åsa Lundvall  
Authorised Public Accountant

# Auditor's report

To the general meeting of the shareholders of Dustin Group AB, corporate identity number 556703-3062.

## Report on the annual accounts and consolidated accounts

### Opinions

We have audited the annual accounts and consolidated accounts of Dustin Group AB (publ) except for the corporate governance statement and the sustainability report on pages 34-57, 70-81 and 109-115 for the year 2021-09-01 – 2022-08-31. The annual accounts and consolidated accounts of the company are included on pages 34-115 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 August 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 August 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement and the statutory sustainability report on pages 34-57, 70-81 and 109-115. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and

balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

### Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit

of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of

material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

### Valuation of goodwill and other intangible assets with indefinite useful life

Description	How our audit addressed this key audit matter
<p>Goodwill and other intangible assets with an indefinite life represents a significant portion of Dustin Group AB's total assets, totaling SEK 8,409 million as of August 31, 2022 That equals 53% of the group's total assets and 165% of the group's Equity. Goodwill and intangible assets with indefinite life are recorded at historical acquisition value and are annually tested for impairment in addition to when there are indications of impairment. An impairment is recorded if the recoverable value of an asset is lower than its carrying value.</p> <p>The recoverable value of the assets is based on the Company's value in use from future potential and ability to generate cash flows. The Company's assessment of the recoverable value is based on the Company's forecast of future cash flows. The assessment also considers the discount rate to be used and the annual growth rate after the initial five-year period.</p> <p>As the value of goodwill and other intangible assets with indefinite life in proportion to the total assets are substantial this is a focus area for our audit. This, in combination with the uncertainty normally present with estimating recoverable values, we have assessed valuation of goodwill and other intangible assets with indefinite life as a key audit matter.</p>	<p>Our audit procedures included assessing the Company's process for preparing the impairment test. We evaluated the forecast of future cash flow which the Company base their impairment test on. The forecast was evaluated by comparing to our knowledge of the Company's business, historical information as well as the Company's past accuracy in developing forecasts. We have in our audit included our internal valuation specialists to help evaluate the interest rate used and whether the valuation model used is in line with conventional methods. The reasonability of the used rates and long term growth for the individual cash generating units was compared to similar companies. We have evaluated the company's identification of cash generating units and the allocation of Goodwill that has been allocated to these units during the year.</p> <p>Refer to note 1 for accounting principles related to valuation of goodwill and intangible assets with an indefinite life and to note 2, 11 and 12 for the company's description of assumptions used for preparing the impairment test. Finally, we have assessed if the disclosed information related to the Key audit matter are appropriate.</p>

### Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-33 och 121-126. The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

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

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

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue

as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

### Auditor's responsibility

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

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

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated

accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

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

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

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.



## Report on other legal and regulatory requirements

### Report on the audit of the administration and the proposed appropriations of the company's profit or loss

#### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Dustin Group AB (publ) for the period 2021-09-01 – 2022-08-31 and the proposed appropriations of the company's profit or loss.

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

#### Basis for opinions

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

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

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

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

The Board of Directors is responsible for the company's organization and the administration of

the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

#### Auditor's responsibility

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

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

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based

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

#### The auditor's examination of the ESEF report

##### Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Dustin Group AB (publ) for the financial year 2021-09-01 – 2022-08-31.

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

In our opinion, the ESEF report #[a215d302eff92acd23005eca2564f75f9a6134b03c4f76cac028022681f9000a] has been prepared in a format that, in all material respects, enables uniform electronic reporting.

##### Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 *Examination of the ESEF report*. Our responsibility under this recommendation is described in more detail in the *Auditors' responsibility* section. We are independent of Dustin Group AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

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

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

#### Auditor's responsibility

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

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

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

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

The examination involves obtaining evidence, through various procedures, that the Esef report

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

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

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

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

The Board of Directors is responsible for that the corporate governance statement on pages 70-81 has been prepared in accordance with the Annual Accounts Act.

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

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

#### **The auditor's opinion regarding the statutory sustainability report**

The Board of Directors is responsible for the statutory sustainability report that has been defined on page 115, and that it is prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 *The auditor's opinion regarding the statutory sustainability report*. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

Ernst & Young AB, Box 7850, 103 99 Stockholm with Åsa Lundvall as auditor-in-charge, was appointed auditor of Dustin Group AB by the general meeting of the shareholders on December 15, 2021 and has been the company's auditor since December 15, 2021 (Ernst & Young AB has been appointed auditors since October 2, 2006). Dustin Group AB (publ) has been a company of public interest since February 13, 2015.

Stockholm 17 November, 2022  
Ernst & Young AB

Åsa Lundvall  
Authorized Public Accountant

# Auditor's Limited Assurance Report on Dustin Group AB's Sustainability Report

To Dustin Group AB (publ), Corp. id. 5567033062

## Introduction

We have been engaged by the Board of Directors of Dustin Group AB to undertake a limited assurance engagement of Dustin Group AB's Sustainability Report for the year 1 September 2021 – 31 August 2022. The company has defined the scope of the Sustainability Report to the areas referred to in the GRI Index on page 122.

## Responsibilities of the Board of Directors and the Executive Management for the Sustainability Report

The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Report in accordance with the applicable criteria, as explained on the page 114, and are the parts of the Sustainability Reporting Guidelines published by GRI (Global Reporting Initiative) that are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

## Responsibilities of the Auditor

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed. Our review is limited to the information in this document and to the historical information and does therefore not include future oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 Assurance engagements other than audits or reviews of historical financial information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. The procedures performed in a limited assurance engagement vary in nature from, and are less in scope than for, a reasonable assurance engagement conducted in accordance with IAASB's Standards on Auditing and other generally accepted auditing standards.

The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of Dustin Group AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The procedures performed, consequently, do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance conclusion.

Our procedures are based on the criteria defined by the Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

## Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Executive Management.

Stockholm, November 17 2022  
Ernst & Young AB

Åsa Lundvall  
Authorized Public Accountant



# Annual General Meeting 2021/22

Our Annual General Meeting 2021/22 will be held on Thursday, 15 December 2022 at 15:00 (CET) at IVA Konferenscenter, Grev Turegatan 16 in Stockholm, Sweden. Registration for the Annual General Meeting will commence at 14:00 (CET).

## Registration and notification

Shareholders who wish to participate in the Annual General Meeting shall:

- be recorded as a shareholder in the presentation of the share register prepared by Euroclear Sweden concerning the circumstances on Wednesday, 7 December 2022; and
- notify the Company of their intention to participate in the Annual General Meeting no later than on Friday, 9 December 2022.

Notification may be given in any of the following manners:

- on Euroclear Sweden's website, <https://anmalan.vpc.se/euroclearproxy>;
- by telephone, +46 (0)8 402 91 33;
- by mail to Dustin Group AB, "AGM", c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden; or
- by casting a postal vote in accordance with the instructions under "Postal voting" below.

Name, personal identity number/corporate registration number, address and telephone number, and number of assistants, if any (not more than two), should be stated when notification is given.

To be entitled to participate in the Annual General Meeting, shareholders whose shares are registered in the names of nominees must, in addition to

giving notice to participate, re-register such shares in their own name so that the shareholder is recorded in the presentation of the share register as of Wednesday, 7 December 2022. Such re-registration may be temporary ("voting rights registration") and can be requested from the nominee in accordance with the nominee's procedures in such time in advance as the nominee determines. Voting rights registrations effected by the nominee no later than on Friday, 9 December 2022 will be considered in the presentation of the share register.

Shareholders represented by a proxyholder must issue a power of attorney to the proxyholder. Anyone representing a legal entity must present a copy of the registration certificate, not older than one year, or equivalent authorization documents, listing the authorized signatories. Powers of attorney in original, registration certificates and other authorization documents should be sent to Dustin at the above-mentioned postal address, well in advance of the meeting. A template proxy form is available on Dustin's website, [www.dustingroup.com/en/general-meetings](http://www.dustingroup.com/en/general-meetings).

## Postal voting

Shareholders who wish to participate in the Annual General Meeting by postal voting in advance must give notice to participate no later than Friday, 9 December 2022 by casting their postal vote so that the postal vote is received by Euroclear Sweden (administering the forms on behalf of Dustin) no later than that day. A special

form shall be used for postal voting. The form is available on Dustin's website, [www.dustingroup.com/en/general-meetings](http://www.dustingroup.com/en/general-meetings), and on Euroclear Sweden's website, <https://anmalan.vpc.se/euroclearproxy>. The completed and signed postal voting form can be submitted either by email to [GeneralMeetingService@euroclear.com](mailto:GeneralMeetingService@euroclear.com), or by mail to Dustin Group AB, "AGM", c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden. Shareholders may also cast their postal votes digitally through verification with BankID on Euroclear Sweden's website, <https://anmalan.vpc.se/euroclearproxy>. Further instructions and conditions are included in the postal voting form.

## Dividends

The Board of Directors proposes not to pay dividends for 2021/22 and that full amount of earnings to be balanced on a new account. The proposal is based on the general economic situation in combination with the company's ambition to increase the pace in lowering the debt ratio.

# GRI-index

GRI Standard	Description/disclosures	Page	Outstanding information
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<b>Strategy</b>			
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<b>Ethics and integrity</b>			
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102-45	Entities included in the consolidated financial statements	107	
102-46	Defining report content and topic Boundaries	109	
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102-48	Restatements of information	No significant change from previous years	
102-49	Changes in reporting	114	
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GRI Standard	Description/disclosures	Page	Outstanding information
<b>Cont'd. Reporting practice</b>			
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103-1/2/3	Management Approach 205	53	
205-1	Operations assessed for risks related to corruption	53	
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<b>GRI: 301: Materials</b>			
103-1/2/3	Management Approach 301	43-44	
301-3	Reclaimed products and their packaging materials	43	Focus on the number as it is key for Dustin's 2030 target
Own target	Number of returned units (computers, tablets and telephones)	56	Contribution towards Dustin's target to become circular by 2030
<b>GRI 302: Energy</b>			
103-1/2/3	Management Approach 302	42	
302-1	Energy consumption within the organisation	42	
<b>GRI 305: Emissions</b>			
103-1/2/3	Management Approach 305	38-42	
305-1	Direct (Scope 1) GHG emissions	38-42	
305-2	Energy indirect (Scope 2) GHG emissions	38-42	
305-3	Other indirect (Scope 3) GHG emissions	38-42	
305-4	GHG emissions intensity	41	
305-5	Reduction of GHG emissions	38-42	
Own target	Kg CO <sub>2</sub> e / Delivery from Dustin's central warehouse to customer	56	Contribution towards Dustin's target to achieve a completely climate-neutral value chain by 2030
<b>GRI 308: Supplier environmental assessment</b>			
103-1/2/3	Management Approach 308	51-52	
308-1	New suppliers that were screened using environmental criteria	51-52	
<b>GRI 401: Employment</b>			
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414-1	New suppliers that were screened using social criteria	52	

# Multi-year overview

All amounts in SEK million, unless otherwise indicated

	21/22	20/21	19/20	18/19	17/18
<b>Income statement</b>					
Organic sales growth (%)*	11.4	10.3	1.7	10.5	2.6
Gross margin (%)*	14.7	16.5	16.5	17.6	16.9
EBIT	758.0	576.2	387.2	489.1	443.8
Adjusted EBITDA (excl. IFRS 16)	1,016.9	795.7	554.2	601.1	521.2
Adjusted EBITDA (incl. IFRS 16)	1,215.4	970.8	715.0	-	-
Adjusted EBITA	978.7	758.6	517.3	559.7	500.6
Adjusted EBITA margin (%)*	4.1	5.0	4.2	4.7	5.2
Return on equity (%)	9.4	7.6	11.3	14.5	18.5
<b>Balance sheet</b>					
Net working capital	79.9	-256.4	-421.8	-67.6	-192.0
Capital employed	1,193.0	654.5	338.0	196.6	48.5
Net debt	4,508.6	4,211.1	1,940.4	1,736.4	1,730.6
Net debt/adjusted EBITDA (excl. IFRS 16)	3.9	4.6	2.6	2.9	3.3
Net debt/adjusted EBITDA (incl. IFRS 16)	3.7	4.3	2.7	-	-
Maintenance investments	-190.9	-85.0	-111.3	-79.5	-52.1
Equity/assets ratio (%)	32.1	32.7	31.6	33.8	26.7
<b>Cash flow</b>					
Operating cash flow	652.6	340.7	904.1	395.5	854.8
Cash flow from operating activities	584.3	168.6	867.7	264.0	747.9
<b>Data per share</b>					
Earnings per share, incl. discontinued operations before dilution (SEK)	4.22	3.82	3.04	4.00	3.79
Earnings per share, incl. discontinued operations after dilution (SEK)	4.22	3.82	3.04	3.99	3.78
Equity per share before dilution (SEK)	44.95	41.38	27.70	27.75	21.32
Cash flow from operating activities per share before dilution (SEK)	5.17	1.80	9.50	2.96	9.30
Cash flow from operating activities per share after dilution (SEK)	5.17	1.80	9.50	2.95	9.26
Average number of shares	113,118,776	90,742,103	88,647,339	86,766,793	78,449,771
Average number of shares after dilution	113,118,776	93,455,077	91,306,759	89,360,972	80,792,141
Number of shares issued at end of period	113,118,776	113,023,003	88,647,339	88,647,339	77,226,502
Dividend per share	-	2.21	2.20	3.00	2.71

\* Changed application of accounting principle. For more information, see Note 1



# Source of alternative performance measures

All amounts in SEK million, unless otherwise indicated	21/22	20/21	19/20	18/19	17/18
<b>Organic growth</b>					
Sales growth (%)*	57.0	21.0	4.6	22.3	11.3
Acquired growth (%)	-43.9	-12.9	-3.4	-9.9	-7.3
Currency effects in sales growth (%)	-1.8	2.1	0.5	-1.9	-1.4
<b>Organic sales growth (%)*</b>	<b>11.4</b>	<b>10.3</b>	<b>1.7</b>	<b>10.5</b>	<b>2.6</b>
* Changed application of accounting principle. For more information, see Note 1.					
<b>Earnings before financial items incl. EBIT from discontinued operations</b>					
EBIT from continuing operations	758.0	576.2	387.2	489.1	443.8
EBIT from discontinued operations	-	-	-	-	-
<b>Total</b>	<b>758.0</b>	<b>576.2</b>	<b>387.2</b>	<b>489.1</b>	<b>443.8</b>
<b>Adjusted EBITA</b>	<b>21/22</b>	<b>20/21</b>	<b>19/20</b>	<b>18/19</b>	<b>17/18</b>
EBIT	758.0	576.2	387.2	489.1	443.8
Amortisation and impairment of intangible assets	170.5	108.9	99.1	74.1	57.8
Items affecting comparability	50.1	73.4	31.0	-3.5	-1.0
<b>Adjusted EBITA</b>	<b>978.7</b>	<b>758.6</b>	<b>517.3</b>	<b>559.7</b>	<b>500.6</b>
<b>Adjusted EBITDA (excl. IFRS 16)</b>	<b>21/22</b>	<b>20/21</b>	<b>19/20</b>	<b>18/19</b>	<b>17/18</b>
EBIT (excl. IFRS 16)	744.6	565.5	381.0	489.1	443.8
Depreciation and impairment of tangible assets (excl. IFRS 16)	51.7	47.8	43.1	41.5	20.5
Amortisation and impairment of intangible assets	170.5	108.9	99.1	74.1	57.8
Items affecting comparability	50.1	73.4	31.0	-3.5	-1.0
<b>Adjusted EBITDA (excl. IFRS 16)</b>	<b>1,016.9</b>	<b>795.7</b>	<b>554.2</b>	<b>601.1</b>	<b>521.2</b>
<b>Adjusted EBITDA (incl. IFRS 16)</b>	<b>21/22</b>	<b>20/21</b>	<b>19/20</b>	<b>18/19</b>	<b>17/18</b>
EBIT including discontinued operations	758.0	576.2	387.2	489.1	443.8
Depreciation and impairment of tangible assets	236.8	212.2	197.7	41.5	20.5
Amortisation and impairment of intangible assets	170.5	108.9	99.1	74.1	57.8
Items affecting comparability	50.1	73.4	31.0	-3.5	-1.0
<b>Adjusted EBITDA (incl. IFRS 16)</b>	<b>1,215.4</b>	<b>970.8</b>	<b>715.0</b>	<b>601.1</b>	<b>521.2</b>

# Definitions

IFRS measures:	Definition/Calculation	
Earnings per share	Net profit/loss in SEK in relation to average number of shares, according to IAS 33.	
Net debt/net receivable, excl. IFRS 16	Interest-bearing non-current and current receivables and liabilities, excluding lease liabilities, including cash and cash equivalents and the interest-bearing portion of financial assets.	

Alternative performance measures:	Definition/Calculation	Purpose
Return on equity	Net profit for the year in relation to equity at the end of the period.	Dustin believes that this performance measure shows how profitable the Company is for its shareholders.
Gross margin	Gross profit in relation to net sales.	Used to measure product and service profitability.
Circularity	Circular share of net sales, where a sales equivalent for returned hardware, together with software and services, are set in relation to net sales for the period.	Shows Dustin's circularity in relation to net sales.
Equity per share	Equity at the end of the period in relation to the number of shares at the end of the period.	Shows Dustin's equity per share.
Acquired growth	Net sales for the relevant period attributable to acquired and divested companies as well as internal customer transfers in conjunction with integration, in relation to net sales for the comparative period.	Acquired growth is eliminated in the calculation of organic growth in order to facilitate a comparison of net sales over time.
Adjusted EBITA	EBIT according to the income statement before items affecting comparability and amortisation and impairment of intangible assets.	Dustin believes that this performance measure shows the underlying earnings capacity and facilitates comparisons between quarters.
Adjusted EBITDA	EBIT according to the income statement before items affecting comparability and amortisation/depreciation and impairment of intangible and tangible assets.	Dustin believes that this performance measure shows the underlying earnings capacity and facilitates comparisons between quarters.
Adjusted EBITDA (excl. IFRS 16)	EBIT according to the income statement before items affecting comparability and amortisation/depreciation and impairment of intangible and tangible assets, and excluding the effects of recognition of IFRS 16.	Dustin believes that this performance measure shows the underlying earnings capacity and facilitates comparisons between periods.
Adjusted EBITA margin	Adjusted EBITA in relation to net sales.	This performance measure is used to measure the profitability level of the operations.
Items affecting comparability	Items affecting comparability relate to material income and expense items recognised separately due to the significance of their nature and amounts.	Dustin believes that separate recognition of items affecting comparability increases comparability of EBIT over time.
Cash flow from operating activities	Cash flow from operating activities, after changes in working capital.	Used to show the amount of cash flow generated from operating activities.

Cash flow from operating activities per share	Cash flow from operating activities as a percentage of the average number of shares outstanding.	Used to show the amount of cash flow generated from operating activities per share.
Net working capital	Total current assets less cash and cash equivalents, current financial lease assets and current non-interest-bearing liabilities, at the end of the period.	This performance measure shows Dustin's efficiency and capital tied up.
Net debt	Non-current and current interest-bearing liabilities, excluding acquisition-related liabilities, less cash and cash equivalents at the end of the period.	This performance measure shows Dustin's total liabilities adjusted for cash and cash equivalents.
Net debt/EBITDA (net debt ratio)	Net debt in relation to adjusted EBITDA.	This performance measure shows the Company's ability to pay its debt.
Net debt (excl. IFRS 16)	Non-current and current interest-bearing liabilities, excluding acquisition-related liabilities and lease liabilities, less cash and cash equivalents at the end of the period.	This performance measure shows Dustin's total interest-bearing liabilities excluding lease liabilities, less cash and cash equivalents.
Organic growth	Growth in net sales for the relevant period adjusted for acquired and divested growth, customer transfers between segments, and currency effects.	Provides a measure of the growth achieved by Dustin in its own right.
Sales growth	Net sales for the relevant period in relation to net sales for the comparative period.	Used to show the development of net sales.
Operating cash flow	Adjusted EBITDA less maintenance investments plus cash flow from changes in working capital.	Used to show the amount of cash flow generated from operating activities and available for payments in connection with dividends, interest and tax.
Project-related investments	Investments in cloud-based business development systems, establishment of operations for takeback and major changes to lease commitments.	To facilitate comparisons and the development of investments.
EBIT	EBIT is a measurement of the company's earnings before income tax and financial items.	This measure shows Dustin's profitability from operations.
Equity/assets ratio	Equity at the end of the period in relation to total assets at the end of the period.	Dustin believes that this measure provides an accurate view of the Company's long-term solvency.
Segment results	The segment's operating profit excluding amortisation/depreciation and items affecting comparability.	Dustin believes that this performance measure shows the earnings capacity of the segment.
Capital employed	Working capital plus total assets, excluding goodwill and other intangible assets attributable to acquisitions, and interest-bearing receivables pertaining to financial leases, at the end of the period.	Capital employed measures utilisation of capital and efficiency.
Maintenance investments	Investments required to maintain current operations excluding financial leases.	Used to calculate operating cash flow.
Currency effects	The difference between net sales in SEK for the comparative period and net sales in local currencies for the comparative period converted to SEK using the average exchange rate for the relevant period.	Currency effects are eliminated in the calculation of organic growth.

# Glossary

Word/Term	Definition/Calculation
B2B	Pertains to sales to companies and organisations, divided into LCP and SMB according to the definition below.
B2C	Pertains to all sales to consumers.
Central functions	Cost for central functions comprise all non-allocated central expenses, including amortisation and depreciation, and excluding items affecting comparability.
COO	Chief operating officer
EVP	Executive vice president
Integration costs	Integration costs comprise costs for integrating acquired companies into the Dustin platform. The Dustin platform is defined as Dustin's IT platform for e-commerce and its organisation.
Clients	Umbrella term for the product categories computers, mobile phones and tablets.
KPI	Key Performance Indicator
Contractual recurring revenues	Recurring revenues, such as subscriptions, that are likely to have a duration of several years.
LCP	Pertains to all sales to large corporate and public sector. As a general rule, this segment is defined as companies and organisations with more than 500 employees or public sector operations.
LTI	Long-term incentive programme that encompasses Group Management and other key individuals at Dustin.
SaaS	Software as a service (SaaS) is a type of cloud service that provides software over the Internet.
SMB	Pertains to all sales to small and medium-sized businesses.

# Financial calendar

**December 15, 2022**  
Annual General Meeting 2021/22

**January 11, 2023**  
Interim report for the first quarter,  
September 1, 2022–November 30, 2022

**March 29, 2023**  
Interim report for the second quarter,  
December 1, 2022–February 28, 2023

**June 27, 2023**  
Interim report for the third quarter,  
March 1, 2023–May 31, 2023

**October 11, 2023**  
Year-end report,  
September 1, 2022–August 31, 2023

**November 17, 2023**  
2022/23 Annual Report

**December 12, 2023**  
2022/23 Annual General Meeting

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