2019 2020

Annual and Corporate Responsibility Report
September 1, 2019 – August 31, 2020

Dustin

IT ensures that day-to-day activities run smoothly and it shapes the future. It is not simply a tool but a key part of a company's operations. We help our customers to be at the forefront. Regardless of whether they need to find the right service, product or a combination of the two. We are broadening our offering, developing, striving onwards and adopting a circular approach. This is how we support our customers in their everyday situations and drive the industry forwards.

We keep things moving

Dustin's Annual and Corporate Responsibility Report provides a summary of operations, the financial results and the corporate responsibility work we have undertaken during the 2019/20 financial year. We present financial information and corporate responsibility information in a joint report.

The audited annual accounts, consolidated financial statements and Corporate Responsibility Report of Dustin Group AB can be found on pages 38-63 and 74-103. The Annual and Corporate Responsibility Report is published in Swedish and English. The Swedish publication 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 we are a strategic partner primarily for small and medium-sized businesses, but also for large-sized businesses, the public sector and consumers.

Who we are
We are an IT partner that is constantly evolving and loves and believes in digitalisation and its opportunities. In total, we are more than 1,700 colleagues in the Nordic region and the Netherlands 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 255,000 products and a number of different services from more than 2,800 brands, we are a strategic IT partner for small and medium-sized businesses, but also for large-sized businesses, the public sector and consumers.

What we believe in
We believe in a circular future and want to enable a circular development in the industry. We can influence both upstream and downstream in the value chain by how we choose our offering, responsibly use resources or how we offer guidance towards more sustainable choices.

Our history
We were founded in 1984 and have been online since 1995. Together we have built a strong position, making us the Nordic region's largest e-retailer for the B2B segment.

Our values

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

Our customers

SMB customers:
100,000

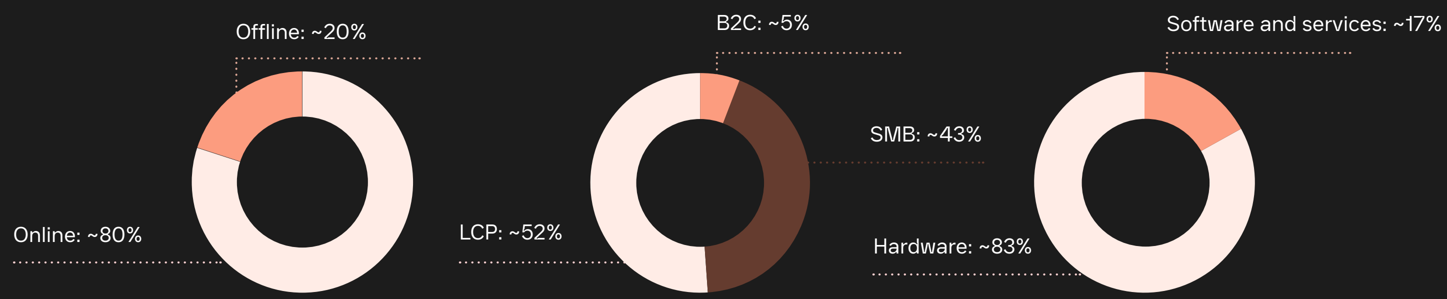
LCP customers:
5,000

B2C customers:
350,000

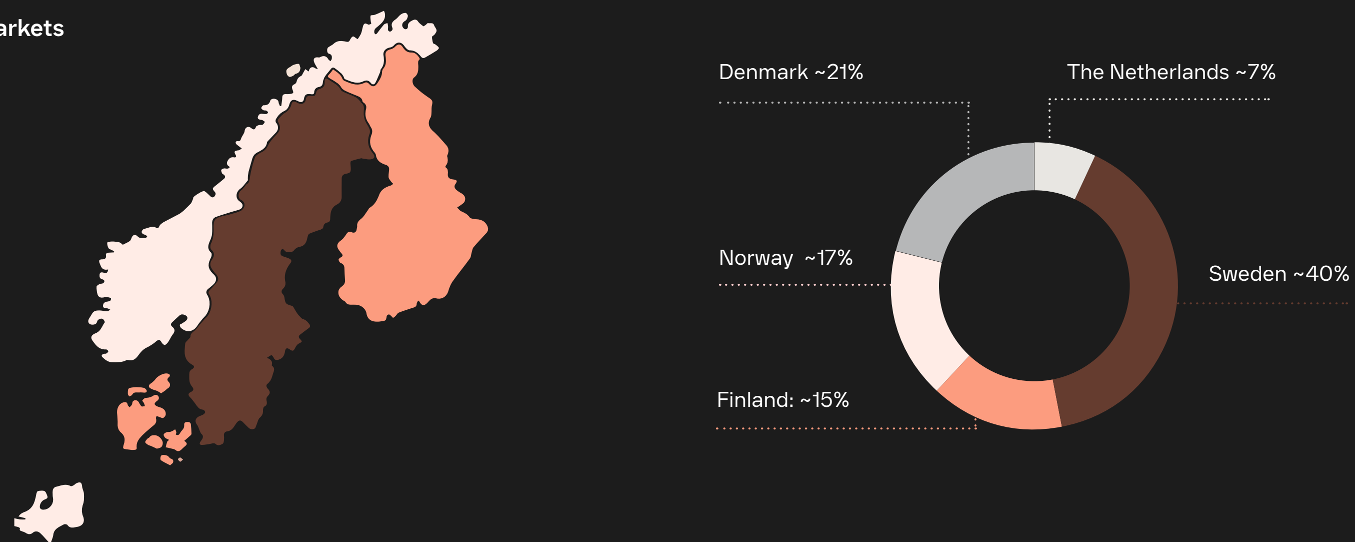
Our promise

We keep things moving

Our business



Our markets



The year in brief

Net sales
SEK 13,195 million

Total growth
5.3%

Gross margin
15.5%

Adjusted EBITA
SEK 517 million

Adjusted EBITA margin
3.9%

EBIT
SEK 387 million

Earnings per share
SEK 3.13

Proposed dividend per share
SEK 2.20

Cash flow from operating activities
SEK 868 million

Number of shareholders
+73%

Online launch in the Netherlands

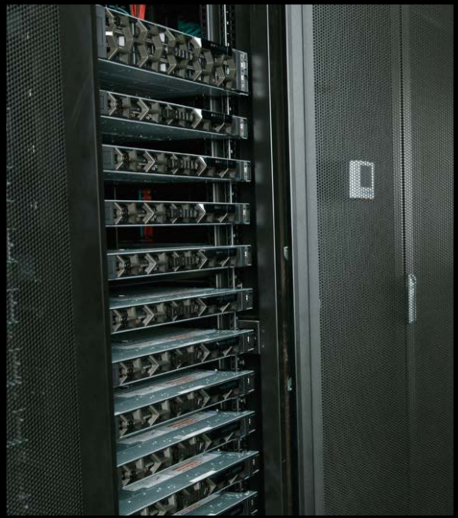
We launched our e-commerce platform in The Netherlands in the first quarter and now offer a wide range of both products and services and solutions. Our e-commerce in the Netherlands, dustin.com, is targeted at both companies and individuals with a main focus on small and medium sized businesses.

With our scalable e-commerce platform in all our markets, we strengthen our long-term attractive position where the accelerated pace of digitalisation is increasing the demand for both sales online and mobility.

Investments in automation

During the fourth quarter, we introduced our robot solution at the central warehouse in Rosersberg. The solution, which include 60 robots, makes it possible to increase the level of service thanks to shorter handling time and thus shorter delivery times for our customers. In addition, space is freed up in the warehouse, which gives us 15 percent higher storage capacity.

The automation is estimated to result in annual cost savings of SEK 10 million from the first quarter of 2020/21.



Accelerated strategy within services and solutions

In connection with the outbreak of the corona pandemic and a higher pace of digitalisation in society, we accelerated our strategy for services and solutions. During the fourth quarter, 14 offices were closed down and the workforce was reduced by about 50 positions. The initiative is estimated to result in an annual cost saving of SEK 40 million, with full effect from the first quarter of 2020/21.

Furthermore, during the year we consolidated our data centers from 14 to 4. Transfer of customers is ongoing and the project is expected to be completed in the autumn of 2020, with an estimated annual cost saving of SEK 10 million from the third quarter of 2020/21.

Updated brand position

To clarify our transformation towards a broader offering, we have launched an updated brand position and visual identity. In connection with this, more and more of our services also receive new packaging.

In this way, we want to make it clear to our customers that we offer complete IT solutions to companies and thereby help them to be at the forefront by our promise “We keep things moving”.

CEO statement

This is the year digitalisation took a large stride forward. It took place under the tragic circumstances of the corona pandemic, which has affected us both individually and as a society. But we have also seen the power of an entire society simultaneously changing to a new approach. For us, this meant we had to quickly fast-forward our strategy to meet our customers' needs for working everywhere and remotely managing their IT environment.

Increased pace of digitalisation

The changes in behaviour, with an even greater focus on sales online and mobility have allowed us to accelerate the pace in implementing our strategy. Our customers want to purchase and manage their services digitally to an even greater extent. During the year, we conducted numerous activities as part of our strategy. We integrated the Swedish company Saldab and the Norwegian companies Core and Purity IT, thereby realising economies of scale. With the launch of dustin.com, our entire offering is now available in the Netherlands. The new robot solution in the central warehouse has been put into operation, increasing our capacity, and we are working on consolidating our data centres to have one technical design.

"The changes in behaviour with an even greater focus on sales online and mobility have allowed us to accelerate the pace in implementing our strategy."

The increased pace of digitalisation that came with the corona pandemic allowed us to accelerate efficiency enhancements to our service organisation. This has allowed us to close smaller local offices and reduce the number of employees. To better clarify what we are today and where we are going, we updated our brand position and identity during the year. IT is central to the functioning of a company, and that is why our vision is to help our customers stay on the leading edge. Our promise to our customers is: "We keep things moving."

Increased ambition for corporate responsibility

Early in the year, the issue of climate change grew to become one of the largest and most urgent issues, permeating the entire social agenda. Increased awareness both imposes new requirements and creates conditions for companies to take robust action in promoting change. When the corona pandemic later struck the world, the map of how we live and work was redrawn. The digitalisation that we and many others expected to take place over the next few years made major strides in only a few weeks. In combination, these two factors provide us with entirely new possibilities for increasing the pace in creating circular, and thus sustainable, business. This year, we are summing up five successful years with our five sustainability focus areas, where we have made great strides in all of them.

We are taking the experience from our efforts over the last few years with us in setting our targets for the next ten years. This experience includes new insights into how we are to achieve change throughout the value chain, where we are pursuing development by building partnerships in our industry. To continue being a leader, we are raising the bar further with three overall targets for 2030. By then, we will have zero climate impact throughout the value chain, have a 100 per cent circular offering, and we will have taken 100 actions for social justice.

"By 2030, we will have zero climate impact throughout the value chain, one hundred percent circular offering and implemented one hundred actions for social justice."

Continued growth in a challenging market
Net sales for the year rose 5.3 per cent to SEK 13.2 million. Organic growth was 2.3 per cent. Our positive growth during the year shows our strength given the conditions, we are proud but not satisfied. The growth was primarily driven by increased volumes in the LCP segment through our framework agreements and lengthy contracts in the public sector. The SMB segment displayed stable performance during the first half of the year. The second half of the year was naturally affected by the corona pandemic in both segment SMB and LCP, where the market among larger companies was hesitant. The pandemic gave us limited accessibility to customers' offices, which affected new sales in the service business.

The gross margin totalled 15.5 per cent compared with 16.7 per cent last year. Adjusted EBITA ended up at SEK 517 million from SEK 560 million in the preceding year. Profitability was primarily impacted by the sales mix, with a higher share of basic hardware at a lower margin.

We have also invested in and enhanced the efficiency of our services and solutions organisation, something that will enable increased profitability going forward. Within LCP, we have seen a continued improvement in the profitability trend as the contracts matured. Profitability in SMB was impacted more by the pandemic but showed clear signs of improvement at the end of the year.

Strong position for continued digitalisation
For some time, we have noted five market trends: increased sales online, growth for mobility and cloud services, demand for predictable IT costs, a focus on security and integrity, and sustainability as a natural part of our customers' investment decisions. The increased pace of digitalisation has reinforced all these trends and it has become even clearer that IT really is at the heart of companies, simply a necessity for the operations to work. With our strategy and the measures we implemented during the year, we have continued to strengthen our position and we are more than ready to continue helping our customers to be in the forefront and thus continue to grow with increased profitability in our markets.

Thomas Ekman
President and CEO

6 reasons to invest in Dustin

1 A leading online position

We are by far the largest online player in our Nordic markets and a qualified challenger in the Netherlands. Regardless of customer needs, we have the right IT solution with the widest assortment in the market.

2 A strategy for profitable growth benefiting from market trends

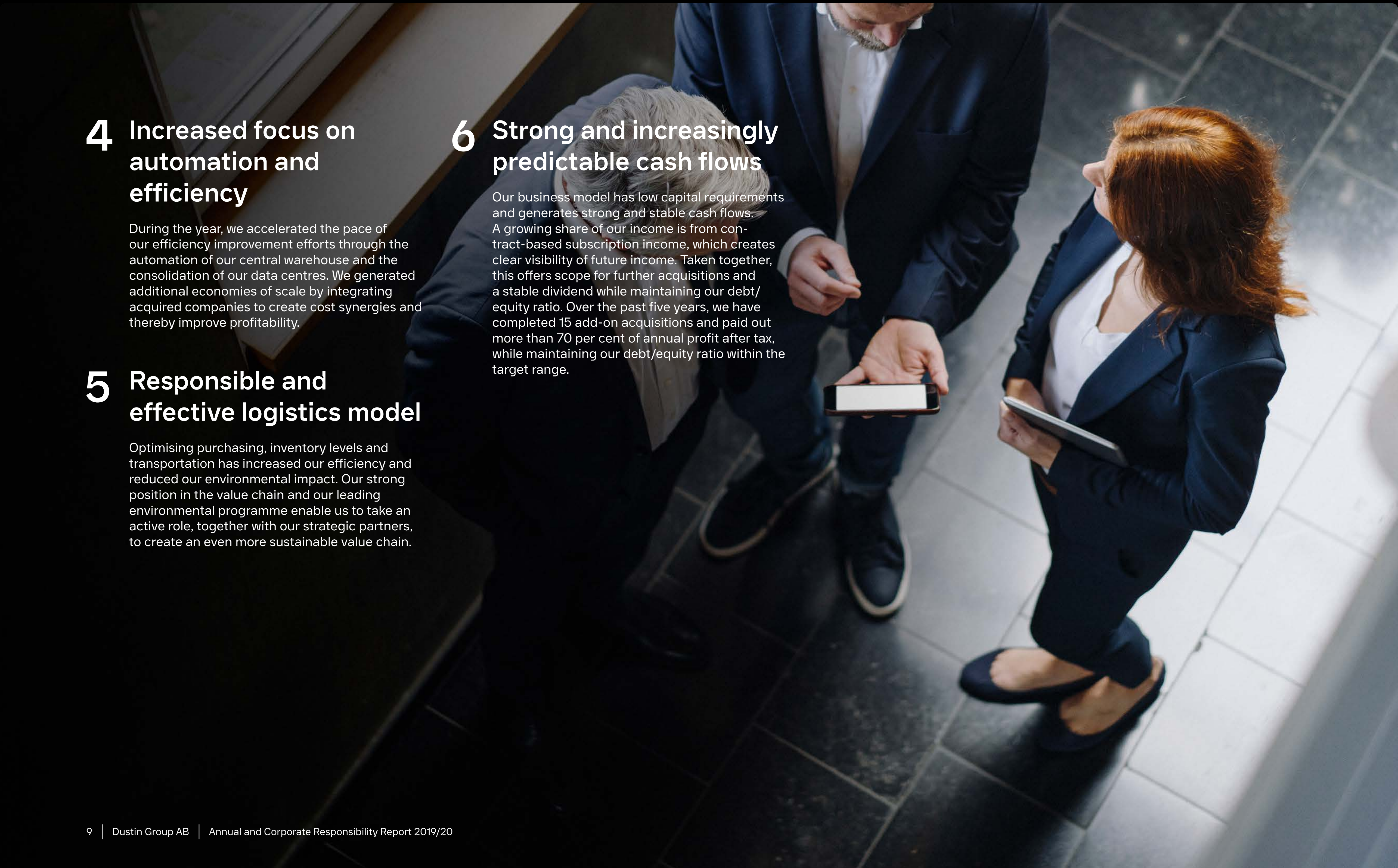
A strategy for profitable growth that benefits from market trends
We have a clear strategy where our priorities address market trends. We are benefiting from underlying trends, such as:

- increased sales online
- increased mobility
- increased focus on security solutions
- increased demand for sustainable, digital and circular solutions

Our aim is to grow organically by 8 per cent over a cycle with a long-term EBITA margin of between 5 and 6 per cent.

3 Rapid digitalisation enabling sale and delivery of online services

Over the past year, we have invested heavily in our sales and delivery organisation in response to changes in customer behaviour and strong trends in our market. We can sell and deliver services online in a cost-effective manner by harmonising and standardising our service offering.



4 Increased focus on automation and efficiency

During the year, we accelerated the pace of our efficiency improvement efforts through the automation of our central warehouse and the consolidation of our data centres. We generated additional economies of scale by integrating acquired companies to create cost synergies and thereby improve profitability.

5 Responsible and effective logistics model

Optimising purchasing, inventory levels and transportation has increased our efficiency and reduced our environmental impact. Our strong position in the value chain and our leading environmental programme enable us to take an active role, together with our strategic partners, to create an even more sustainable value chain.

6 Strong and increasingly predictable cash flows

Our business model has low capital requirements and generates strong and stable cash flows. A growing share of our income is from contract-based subscription income, which creates clear visibility of future income. Taken together, this offers scope for further acquisitions and a stable dividend while maintaining our debt/equity ratio. Over the past five years, we have completed 15 add-on acquisitions and paid out more than 70 per cent of annual profit after tax, while maintaining our debt/equity ratio within the target range.

Market trends

Our markets are characterised by trends that include digitalisation and a greater focus on sustainability and security. Our ability to understand how these drivers will impact us and to translate this knowledge into our strategy and our daily business operations is vital to our continued and future success. We have experienced a year of rapid change, when several years' worth of digital transformation took place over a very short period.

Increased sales online

In recent years, customers have increasingly understood the benefits of buying hardware online. This behaviour was accelerated by the pandemic and is also becoming evident in services. A growing number of people want to buy both hardware and standardised services online together with a digital specialist for advisory services and support.

- Sharp increase in hardware sales online
- Increased interest in digital advisory services and support online
- Greater willingness to buy standardised IT services online

Share of hardware sales online in the Nordic IT market [1]

~25%

Share of customers willing to receive advisory services and support online [2]

~70%

Share of customers willing to purchase standardised IT services online [2]

~40%

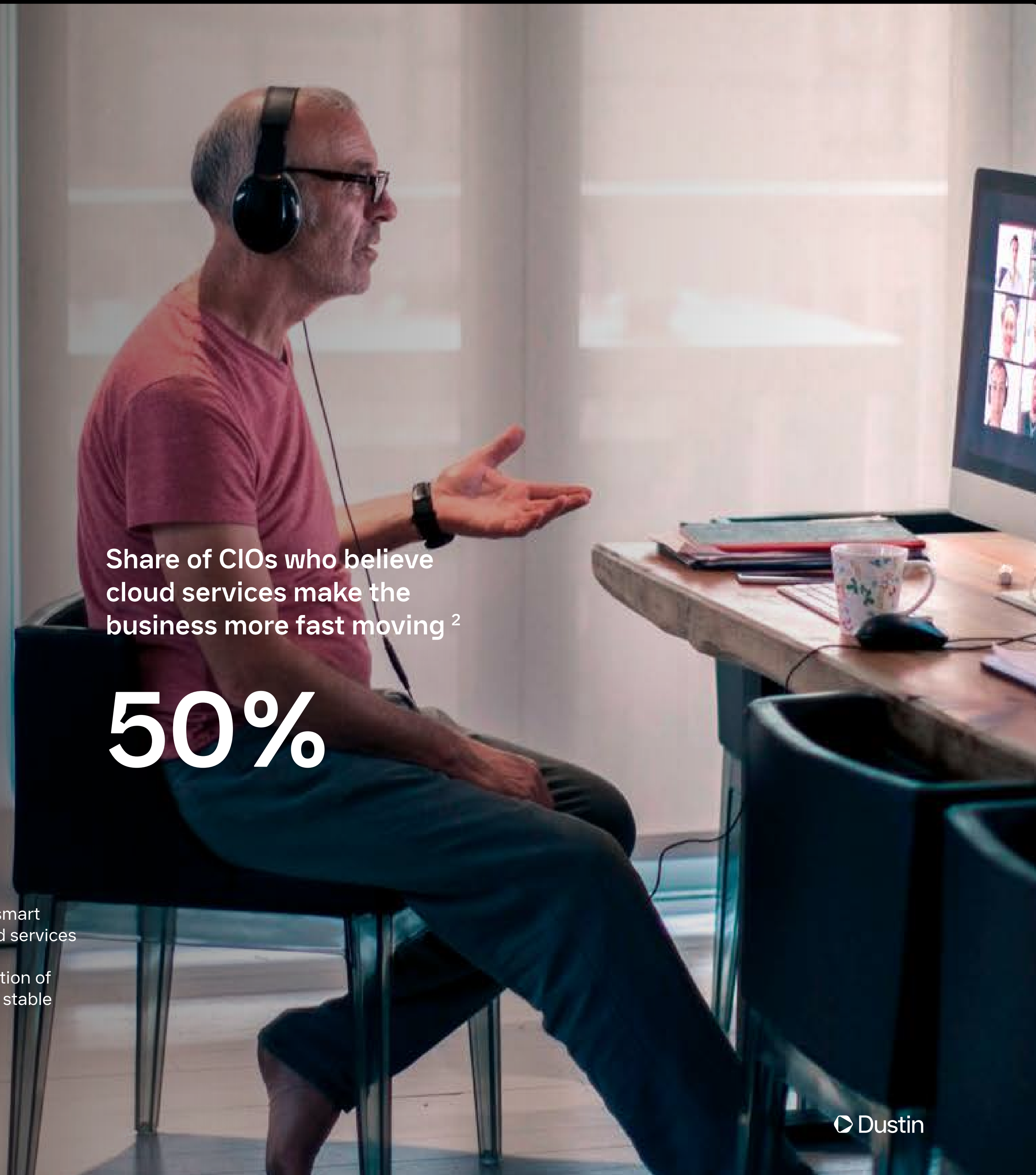
How we are responding to this trend

- Continuous innovation of our online platform to retain a market-leading online experience
- Digitalisation of our channels and flows for sales, delivery and support based on our long online experience
- Standardisation of our service offering and making a growing share of our offering available online

Growth for mobility and cloud services

Customers want IT solutions that work everywhere and that make everyday life and working life easier, wherever they are. Cloud services are currently the fastest growing delivery model for IT services. In parallel, they contribute to greater productivity and cost control and thereby a more sustainable digital environment.

- Greater maturity and increased interest in mobility and cloud services
- Increased interest in and need for flexible workplaces and ways of working
- More focus on business value and IT solutions that develop the business



Share of companies that use cloud services [2]

~40%

Share of employees who believe remote working increases efficiency [3]

91%

Share of CIOs who believe cloud services make the business more fast moving [2]

50%

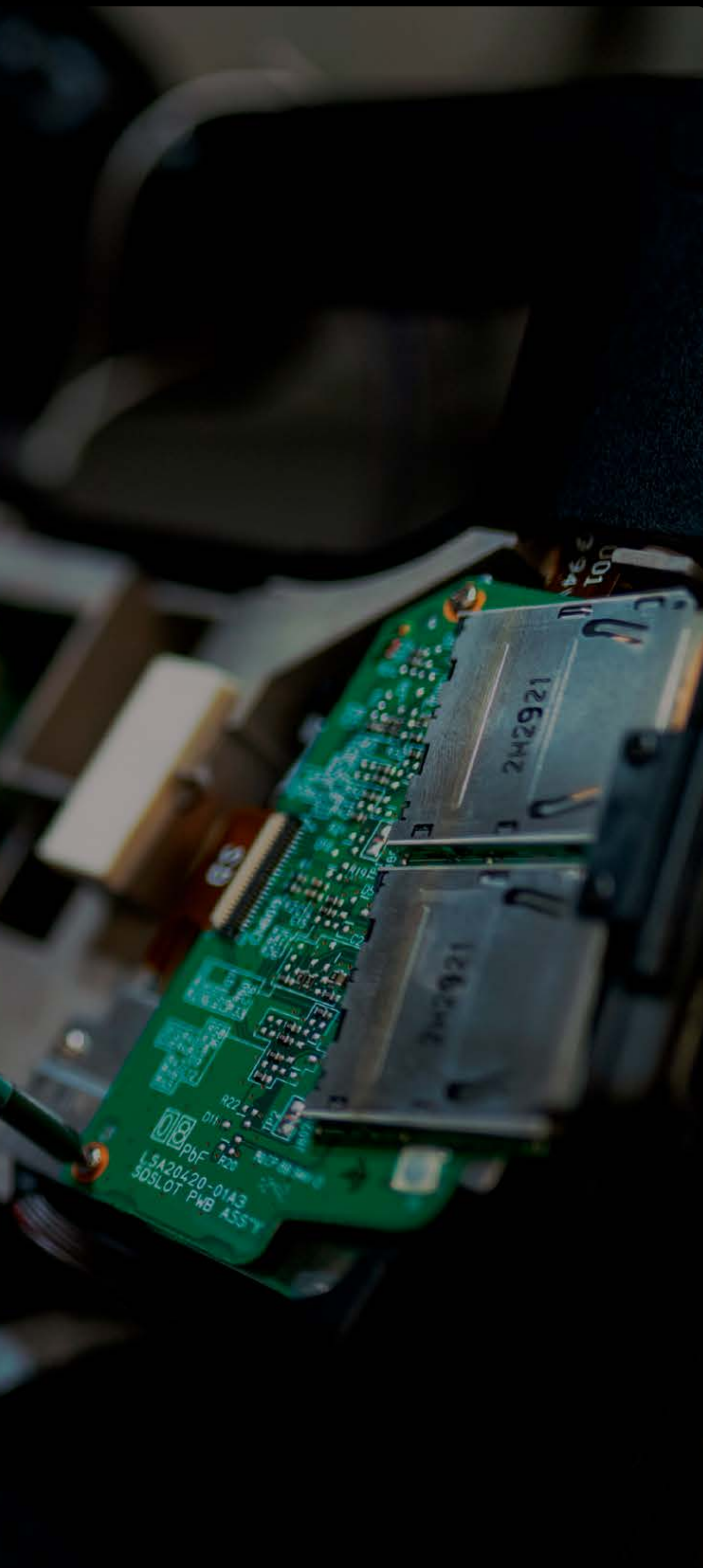
How we are responding to this trend

- A broader portfolio of packaged and standardised services and solutions along with third-party services for a more flexible workplace
- Harmonisation, standardisation and smart packaging of proprietary cloud-based services and solutions to increase mobility
- Continuous innovation and consolidation of the overall service offering to provide stable operation and constant availability

Demand for fixed monthly cost

Sharing and leasing digital services is becoming more common. This not only offers convenience and simplicity. A growing number of customers want more control over their IT costs and prefer instead to pay a fixed and predictable monthly cost. The subscription model provides greater cost control and more flexibility for customers.

- Increased demand for a fixed monthly cost and subscription services
- Greater need for more predictable IT costs
- Desire for easier administration



Share of subscription-related income for Dustin 2019/20[4]

>6%

Annual growth rate in the US market for subscription-based e-commerce over the past five years[5]

>100%

Growth in customer base for SaaS configurations in Dustin's integrated operations in the Nordic region 2019/20[4]

143%

How we are responding to this trend

- A growing range of products, services and solutions as subscriptions
- Packaging a combination of products and services creates new subscription solutions
- We are encouraging a transition to a circular approach by offering end-of-life returns of hardware as a service

Focus on security and integrity

Security challenges have never been greater, cyber threats are increasing and many businesses are the target of unauthorised access and fraud without their knowledge. Client management and services that include integrated security solutions can deal with the new challenges and secure the customer's IT environment and information protection.

- Mobility and cloud solutions increase the need for security
- Rising number of cyber threats and data breaches
- New requirements for information protection

Share of companies in Sweden targeted by cyber attacks in the past year [6]

59%

Share of companies that purchase or are willing to purchase security services as a service for their IT environment [2]

59%

Share of companies that are willing to purchase standardised IT services online [2]

~40%

How we are responding to this trend

- Significant increase in our offering of security solutions
- Services for basic protection that secure the IT environment
- Integrated security solutions that address GDPR

Corporate responsibility

The UN's Sustainable Development Goals and the Paris Agreement have increased awareness of the impact we are having on the climate and the environment. The adoption of a clear position and taking concrete action for a sustainable and circular future are becoming increasingly important from a business and risk perspective for customers. These drivers and trends are clearly changing customer requirements.

- Greater expectations for responsibility and transparency from an IT partner
- Increased demand for circularity, reuse and recycling of IT products
- Increased and more specific requirements on corporate responsibility in public procurements of IT

How we are responding to this trend:

- A long-term commitment that we should be climate-neutral and circular by 2030, and to be a transparent and reliable IT partner
- We are transparent with our earnings and conduct a full audit of all sections of the Annual and Corporate Responsibility Report
- Transitioning to a more circular business model, which includes the development of our products and services to enable end-of-life returns, reuse and recycling
- Taken part in/Secured the first public procurement for the reuse of products

Share of B2B customers who believe it is important that partners strive to provide circular and sustainable IT[7]

68%

Share of B2B customers who believe it is important that IT partners take responsibility and are reliable[7]

68%

Share of public procurements in Sweden that include sustainability requirements[8]

86%

1 Market data McKinsey, October 2018 (commissioned by Dustin)
2 Nordic brand study report, Kantar, August 2019 (commissioned by Dustin)
3 Forbes, www.forbes.com, May 2016
4 Dustin financial data
5 McKinsey, www.mckinsey.com, "Thinking inside the subscription box", February 2018
6 Proofpoint, www.proofpoint.com, People-Centric Cybersecurity: A Study of 150 IT Leaders in Sweden, April 2020
7 Kantar Sifo, 2019
8 Naturvårdsverket, "Miljökrav i myndigheters upphandlingar", 2019

Our market and position

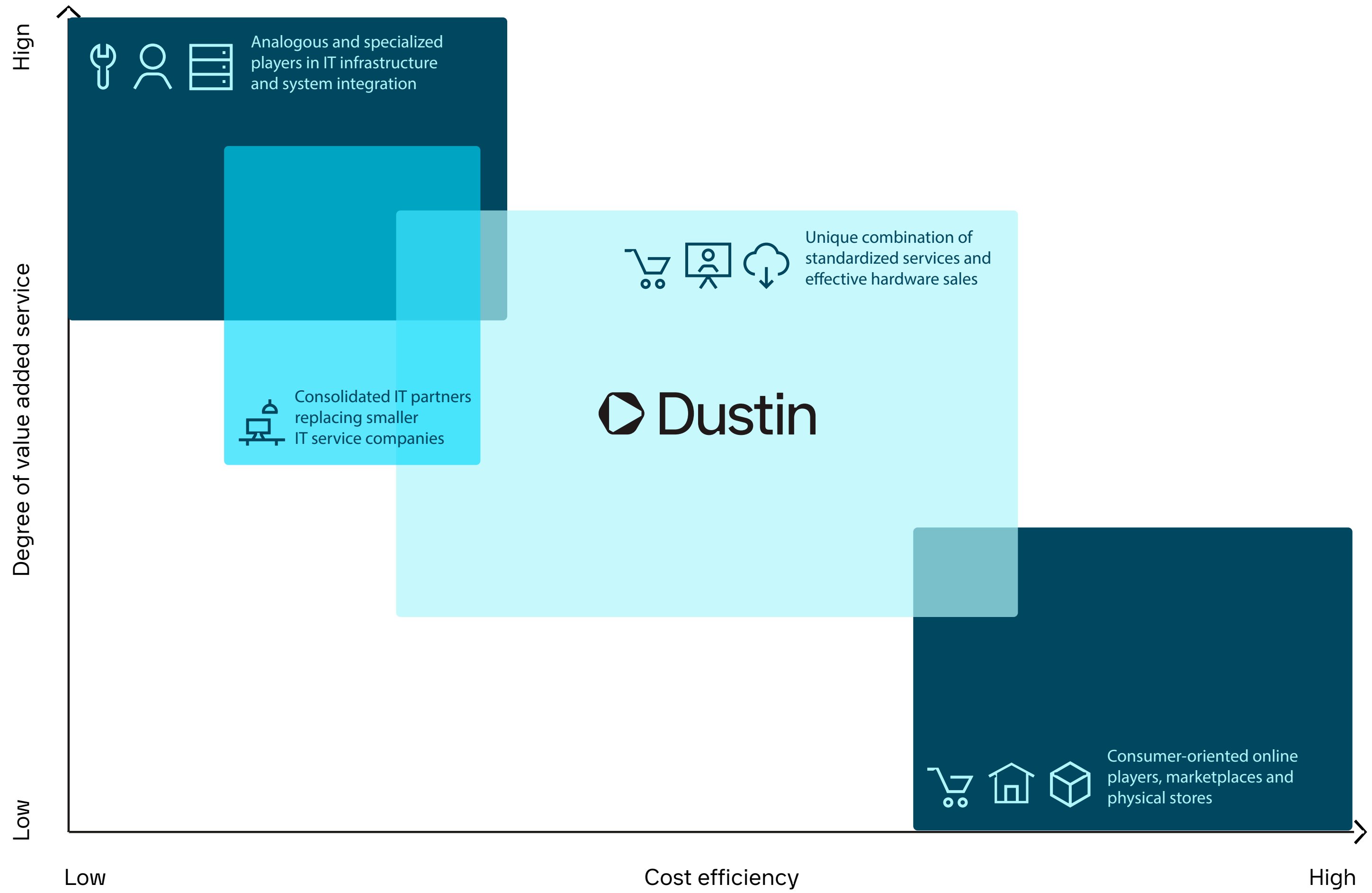
We are witnessing a strong consolidation of the IT market as digitalisation increases. Our acquisition strategy combined with organic growth offer us good opportunities to benefit from these changes and strengthen our position. We are convinced that customers want to and will buy more online. Our ambition is therefore to offer hardware, software and standardised services online and to provide digital support. This will leave us in a good position as the leading IT partner in the future.

Leading IT partner
We are by far the largest online player in our Nordic markets and a qualified challenger in the Netherlands.

Our market is valued at more than SEK 260 billion. This includes hardware and software as well as services and solutions. The total market is growing organically by a few per cent each year, and with significantly higher growth in online sales, mobility and cloud services and in a number of service areas, such as security. About 25 per cent of transactions currently take place online.

SEK 13.2 billion in total sales

Dustin offers a high degree of knowledge and added value through a cost-efficient business model.

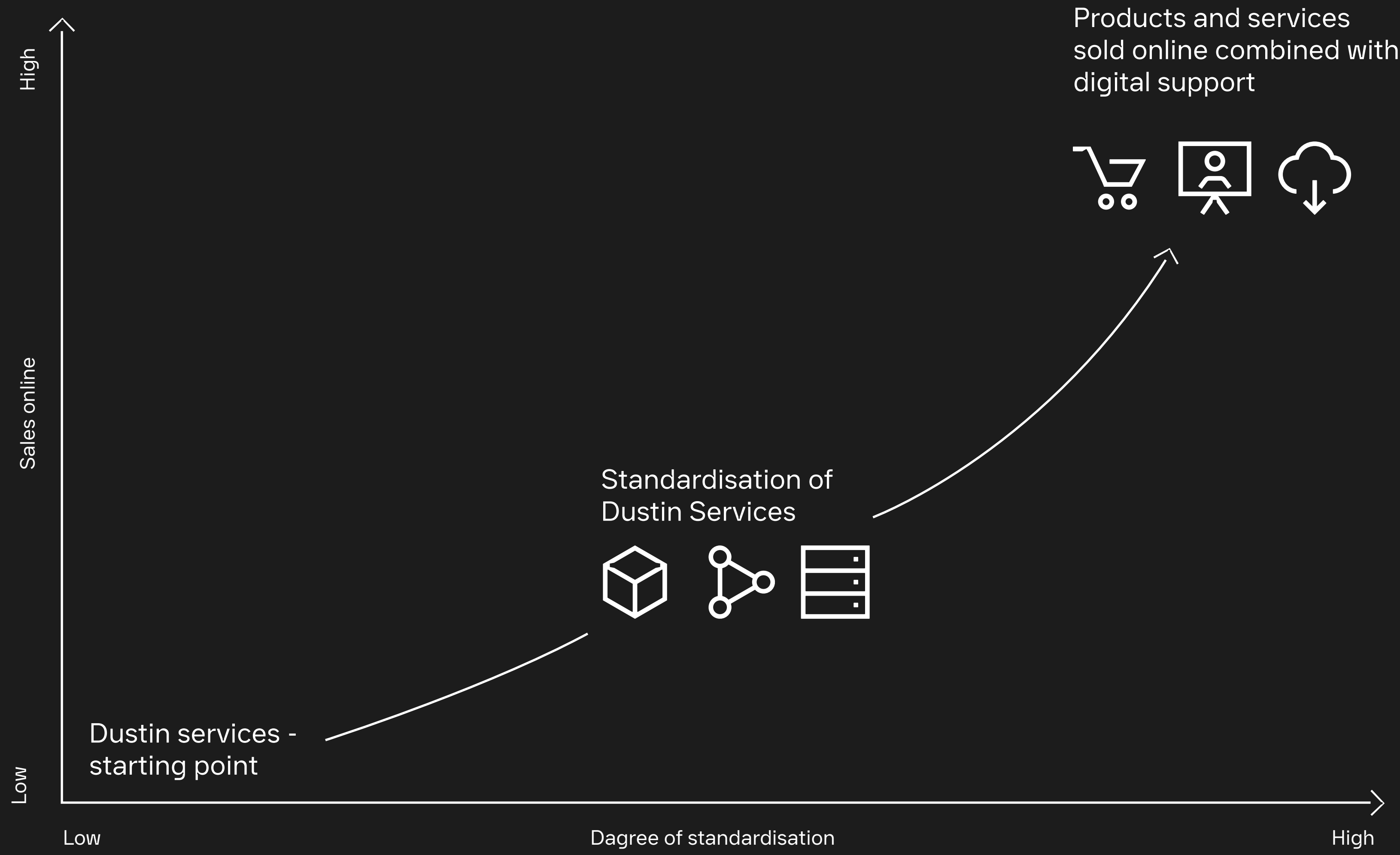


Our way forward

We are strongly convinced that customers want to and will buy more online. Our ambition is to offer customers hardware and software as well as standardised services online in combination with digital support.

We are ready to meet the trends and make it easier for customers to choose the digital solution they need. We can digitalise our flows even more by harmonising and standardising our services and solutions. This will enable us to sell and deliver more online. We want to offer a fully-integrated online experience with a full range of products, services and solutions, complemented by corporate responsibility information and digital advisory services and support. Everything in one place and at a fixed monthly cost. Simple and flexible for the customer. This is the future and our way forward.

Our shift of service sales towards a digital and transaction-based sales model that is similar to the model for product sales.



Our strategy

We are continuing to work in a focused manner in line with the long-term plan for 2021/22, as adopted by the Board in autumn 2017, which means achieving sales of approximately SEK 15 billion and an EBITA margin of 5–6 per cent.

Our strategy is built on three pillars – growth, margin expansion and corporate responsibility.

Growth

- Leading online position
- Broader customer offering
- Increased sales to existing customers
- Introduction of the offering in all markets

Margin expansion

- Customer mix and efficiency
- Private label products
- Value-creating acquisitions
- Managed services

Corporate responsibility

- Responsible manufacturing
- Reduced climate impact
- Responsible use of resources
- Business ethics and anti-corruption
- Diversity and equality

Growth

Based on our leading position, we have identified four areas that provide us with good possibilities to continue to grow faster than the market.

Four areas for growth

Leading online position
Our extensive experience of online sales enables us to benefit from market trends and strengthen our position with customers.

Broader customer offering
We can reach more customers by continuing to develop the market's broadest IT offering, organically and through acquisitions.

Increased sales to existing customers
Consultative and relationship selling increases the share of sales and loyalty among selected parts of our customer base.

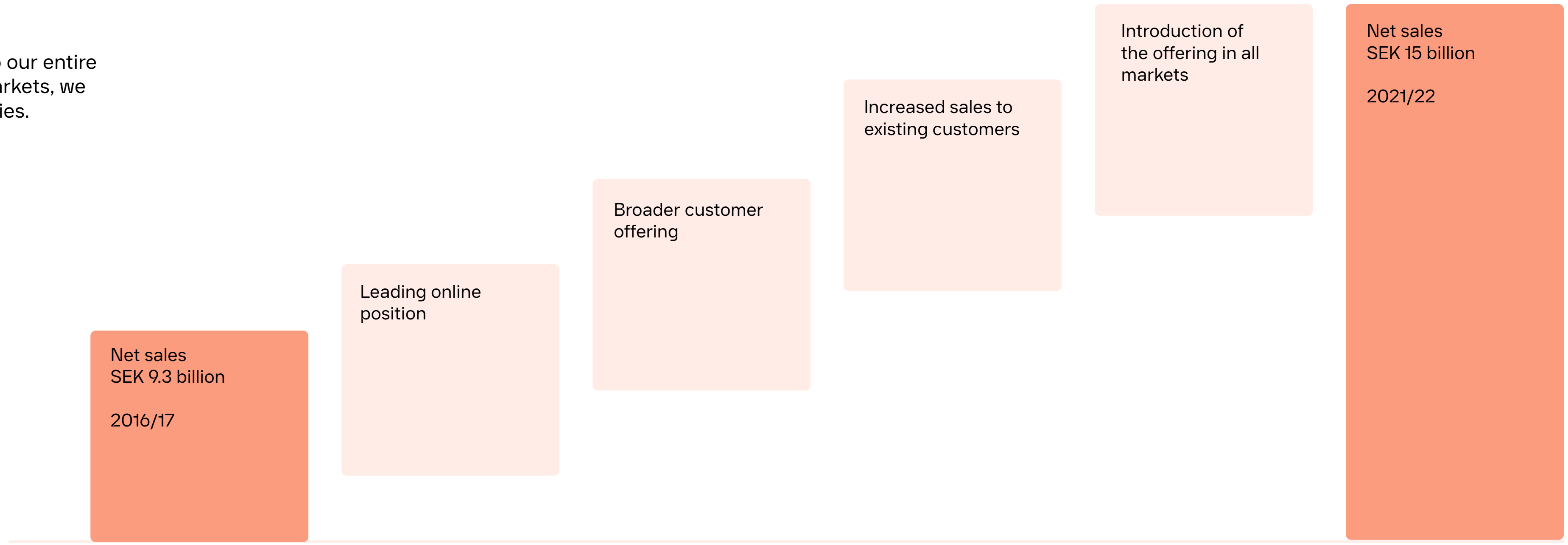
Introduction of the offering in all markets
By providing our customers access to our entire product and service portfolio in all markets, we can increase sales and realise synergies.

Progress during the year for long-term growth

- Adapting and standardising the service offering
- Launch online in the Dutch market
- Updated plan for accelerated integration of acquisitions completed earlier

Short-term challenges

- The corona pandemics impact on the economy
- Difficulties integrating acquired companies as a result of the corona pandemic



Margin expansion

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

Four areas for margin expansion

Customer mix and efficiency
High growth in the SMB segment and mature contracts in the LCP segment combined with continuous efficiency enhancements improve our profitability.

Private label
Products of good quality and at a fair price under private labels can replace products from other suppliers and increase our profitability.

Value-creating acquisitions
We broaden our expertise and our offering through acquisitions and also reach new customers. This enhances our growth and margin expansion. Our expressed target is to acquire 3–5 companies every year.

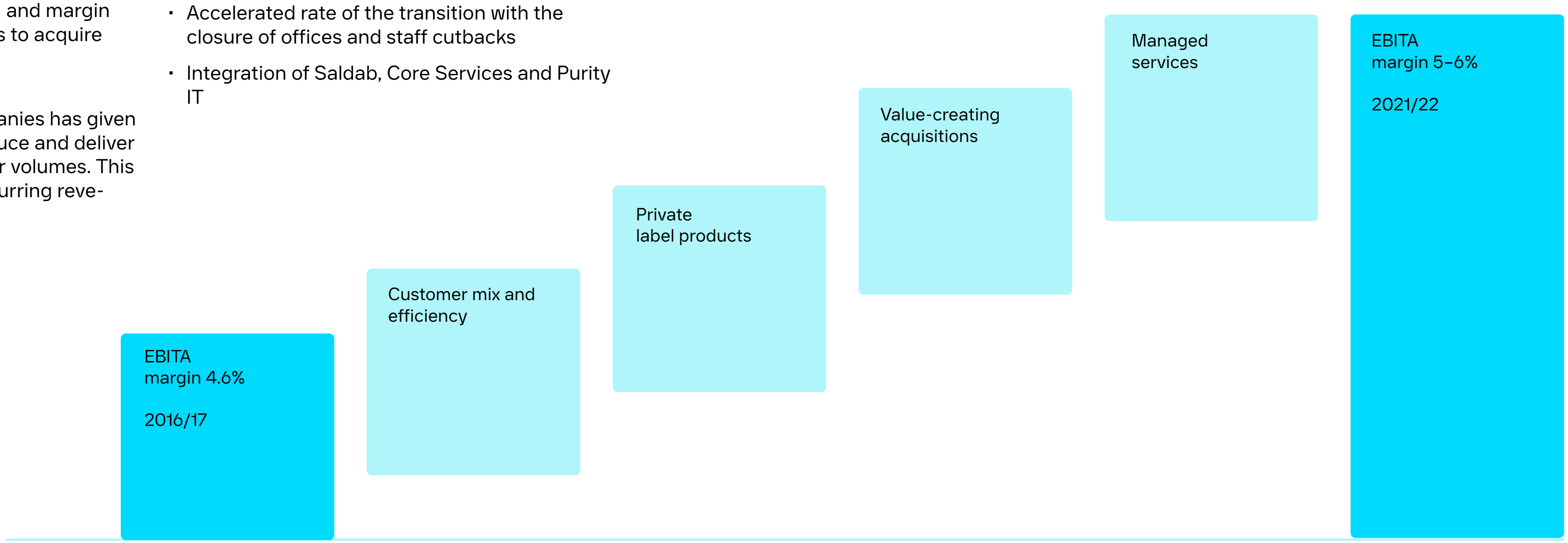
Managed services
The integration of acquired companies has given us the capacity to efficiently produce and deliver services to our customers in larger volumes. This offers economies of scale and recurring revenues.

Progress in expanding margins in 2019/20

- Strong performance in the LCP segment through improved margins for major contracts
- Broader offering and new ambitious targets for private labels
- Established unit for standardisation and packaging of our service offering
- Automation of central warehouse
- Enhanced efficiency by harmonising and consolidating the data centre structure
- Accelerated rate of the transition with the closure of offices and staff cutbacks
- Integration of Saldab, Core Services and Purity IT

Short-term challenges

- Weak new sales of certain services as a consequence of the corona pandemic
- The lock-down made it difficult to gain access to customer premises, which had a slight impact on additional sales and reduced the invoicing rate



Corporate responsibility

Based on our strategy and in close collaboration with our key stakeholders, in 2014/15 we established five focus areas and targets for 2020 as part of our long-term corporate responsibility efforts. We can influence both upstream and downstream in the value chain through how we choose our offering, responsibly use resources, build a culture of ethics and equality, or how we offer guidance towards more sustainable choices.

Progress of corporate responsibility in 2019/20

- Increased number of factory audits
- All properties in our integrated operations are run on renewable energy
- Initiated major project involving the installation of solar panels at our central warehouse
- Participated and proceeded in the first public procurement for reused products
- Achieved equality at the highest levels of the organisation
- Recognised as one of Sweden's most equal listed companies by the AllBright

Short-term challenges

- Difficulties in conducting factory audits due to the restrictions during the corona pandemic

Reduced climate impact

We want to reduce our climate impact, by cutting emissions of greenhouse gases and transitioning to renewable energy sources.

Responsible use of resources

We want to offer energy and resource-efficient services, solutions and products, including take back end-of-life IT products as a service.

Responsible manufacturing

We want to ensure that the products we offer come from manufacturers with a commitment to, expertise in, and ongoing activities for improving working conditions in the value chain.

Diversity and equality

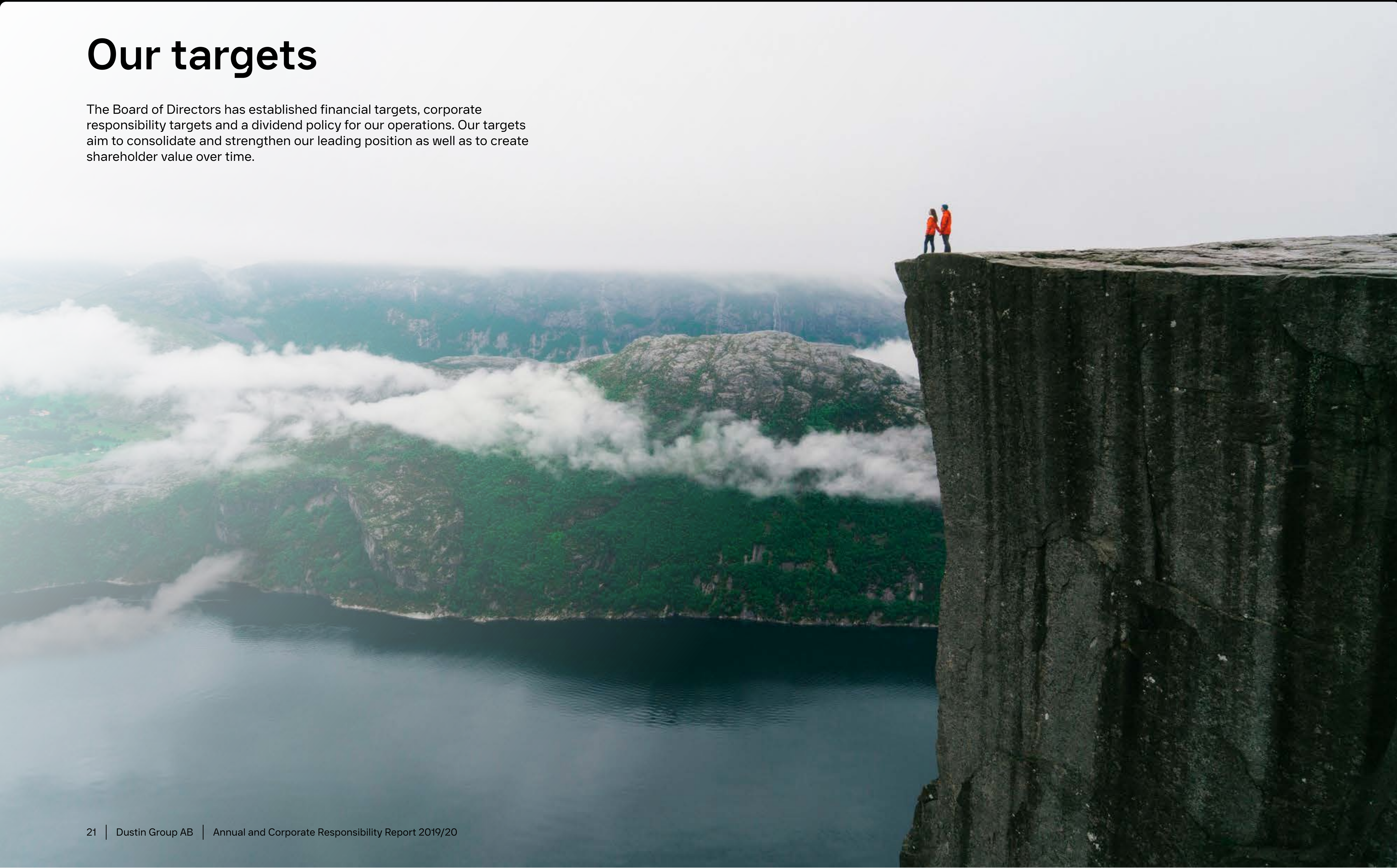
We want to build a respectful and values-based corporate culture, improving equality across all levels of the organisation and promoting innovation through a diversity of perspectives, experience, cultural backgrounds, genders and views.

Business ethics and anti-corruption

We want to engage in ethical business practices and counteract all forms of corruption by promoting a culture in which employees and business partners can openly discuss the ethical dilemmas they may experience in their day-to-day operations.

Our targets

The Board of Directors has established financial targets, corporate responsibility targets and a dividend policy for our operations. Our targets aim to consolidate and strengthen our leading position as well as to create shareholder value over time.



Financial targets

Growth
Dustin's target is 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.

Outcome 2019/20: Total growth amounted to to 5.3 percent of which organic growth if 2.3 percent (CAGR 5 years 4.9 percent).

Margin
Dustin's target is 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 percent

Outcome 2019/20: 3.9 percent

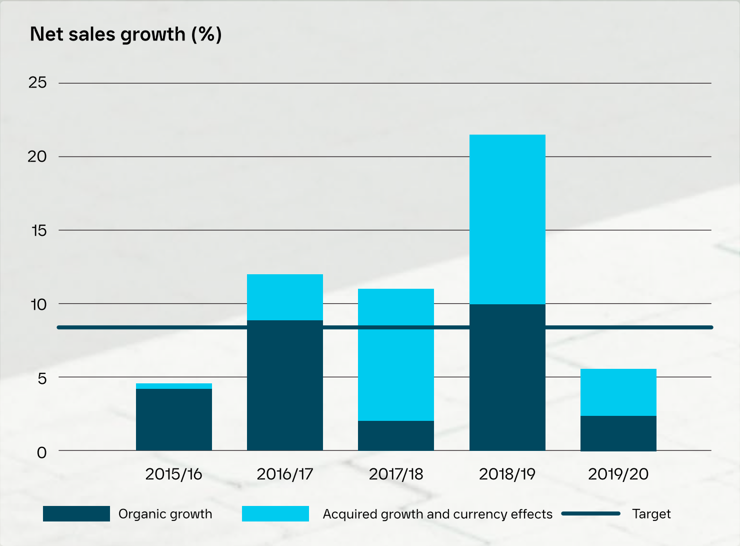
Capital structure
Dustin's capital structure should enable a high degree of financial flexibility and provide scope for acquisitions. The company's net debt target is a 2.0–3.0 multiple of adjusted EBITDA for the past 12-month period.

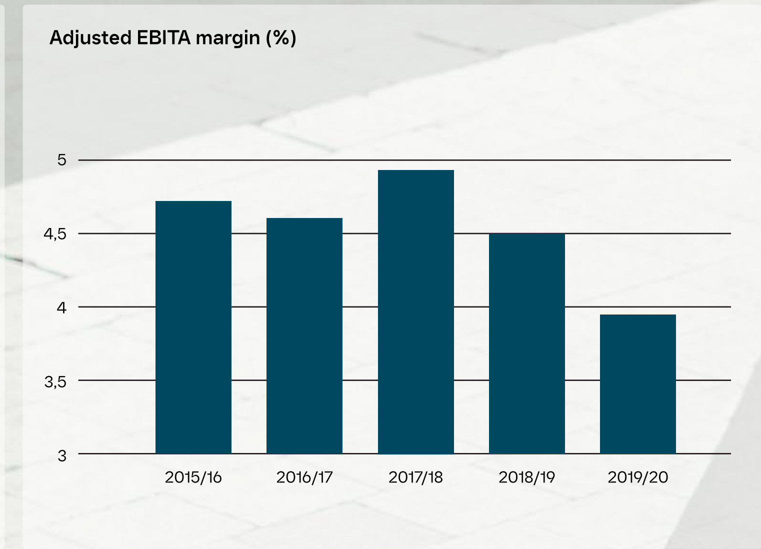
Target: 2.0-3.0 times

Outcome 2019/20: 2.6 times

Dividend policy
Dustin's dividend payout target is 70 per cent of net profit. However, the Company's financial position, cash flow, acquisition opportunities and future prospects will be taken into consideration.

Proposal by the Board 2019/20: 70 per cent of our profit for the year, corresponding to SEK 2.20 per share and totalling SEK 195 million.





Corporate responsibility targets

Reduced climate impact

Reduce our CO_2 emissions with 40 percent by the end of 2020 compared with 2014/15.

Outcome 2019/20: Our total CO_2 emissions for Dustin has increased by 45 percent since 2014/15, as a result of acquisitions. This means negative target fulfillment. If we measure our outcome in relation to sales, emissions have decreased by 13 percent per sales krona during the five-year period.

Responsible manufacturing

Starting in 2015/16, to conduct 80 factory audits by the end of 2020, of which 30 in 2019/20.

Outcome 2019/20: We conducted 31 factory audits during the year and a total of 82 audits since the start of 2015/16. This is despite limited access during the second half of the year, when borders and factories were largely closed. 103 per cent target fulfilment.

Business ethics and anti-corruption

100 per cent of our business areas will undergo a risk assessment concerning business ethics and anti-corruption and 100 per cent of reported incidents will be followed up.

Outcome 2019/20: 100 per cent of our business areas underwent a business ethics and anti-corruption risk assessment. During 2019/20, no incidents were reported through the whistle-blower function. 100 percent target fulfillment.

Responsible use of resources

Starting in 2014/15, to recover 140,000 sold products by the end of 2020, of which a total of 70,000 in 2019/20.

Outcome 2019/20: We have recovered 57,079 products, of which 52,995 could be reused and the remaining 4,085 have been recycled. Since 2014/15, we have recovered a total of 204,907 units. 146 percent target fulfillment.

Diversity and equality

By 2020, each gender is to make up at least 40 per cent of the entire organisation.

Outcome 2019/20: The gender balance (women/men) totalled 30/70 in the organisation, 43/57 in the board and 38/62 at senior level. 75 percent target fulfillment.

Our culture

Our culture is what makes us unique and forms the fundamental basis of our business. It helps us to provide benefits for customers, suppliers, shareholders and other stakeholders. Our strong culture makes us an attractive workplace that offers everyone working at Dustin an opportunity to develop.

Our promise
Dustin's performance and success is built on our collective competence, our motivation and our commitment to our customers and each other. We are united by a pragmatic approach, curiosity and the will to evolve and create the e-commerce of the future and increase digitalisation. Our employee promise is therefore: You keep us moving. We keep you moving.

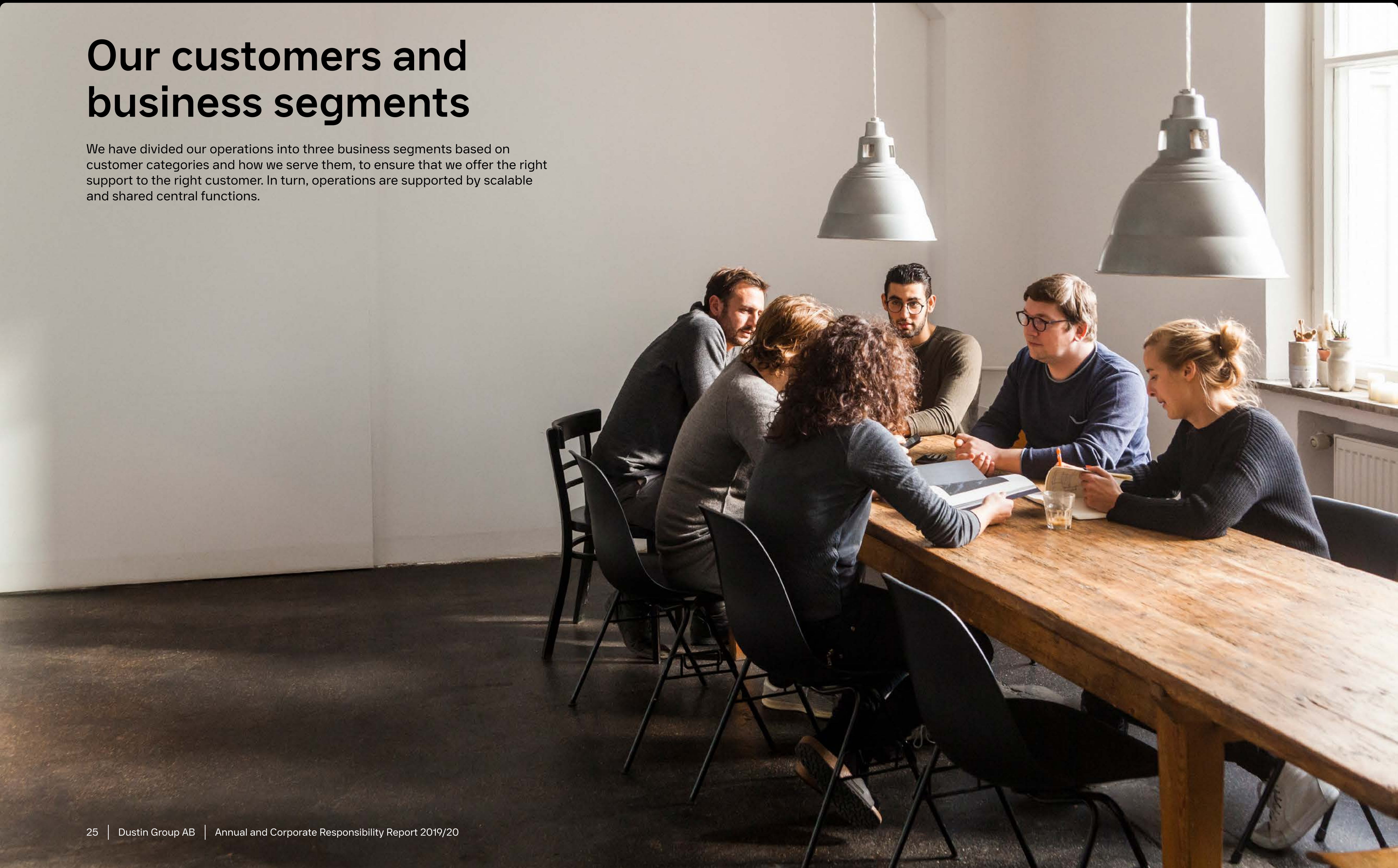
Our values
The fundamental pillars of our culture are our values and a strong focus on diversity and equality. We strive to achieve an inclusive culture built on respect and a diversity of perspectives, experiences, cultural backgrounds and views. We are convinced that a company distinguished by diversity and equality is a more stimulating workplace and a better investment.

Our values

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

Our customers and business segments

We have divided our operations into three business segments based on customer categories and how we 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.



SMB

Our main target group is small and medium-sized businesses with up to 500 employees. They appreciate a full-service partner who can provide advice and an extensive offering. Crucial criteria in product procurement include a broad selection, a positive online experience as well as quick and reliable delivery.

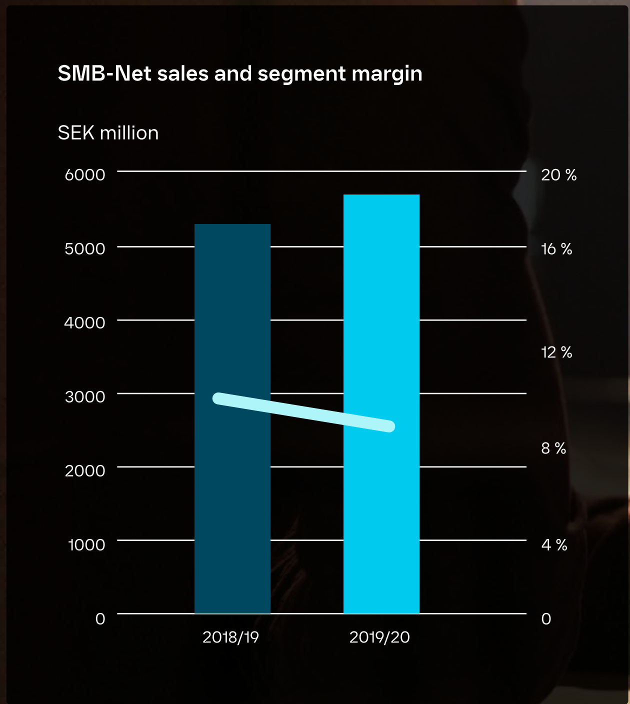
A personal relationship and an understanding of the needs of the business are important for services. Sales are mainly conducted online and through relationship and consultative selling.

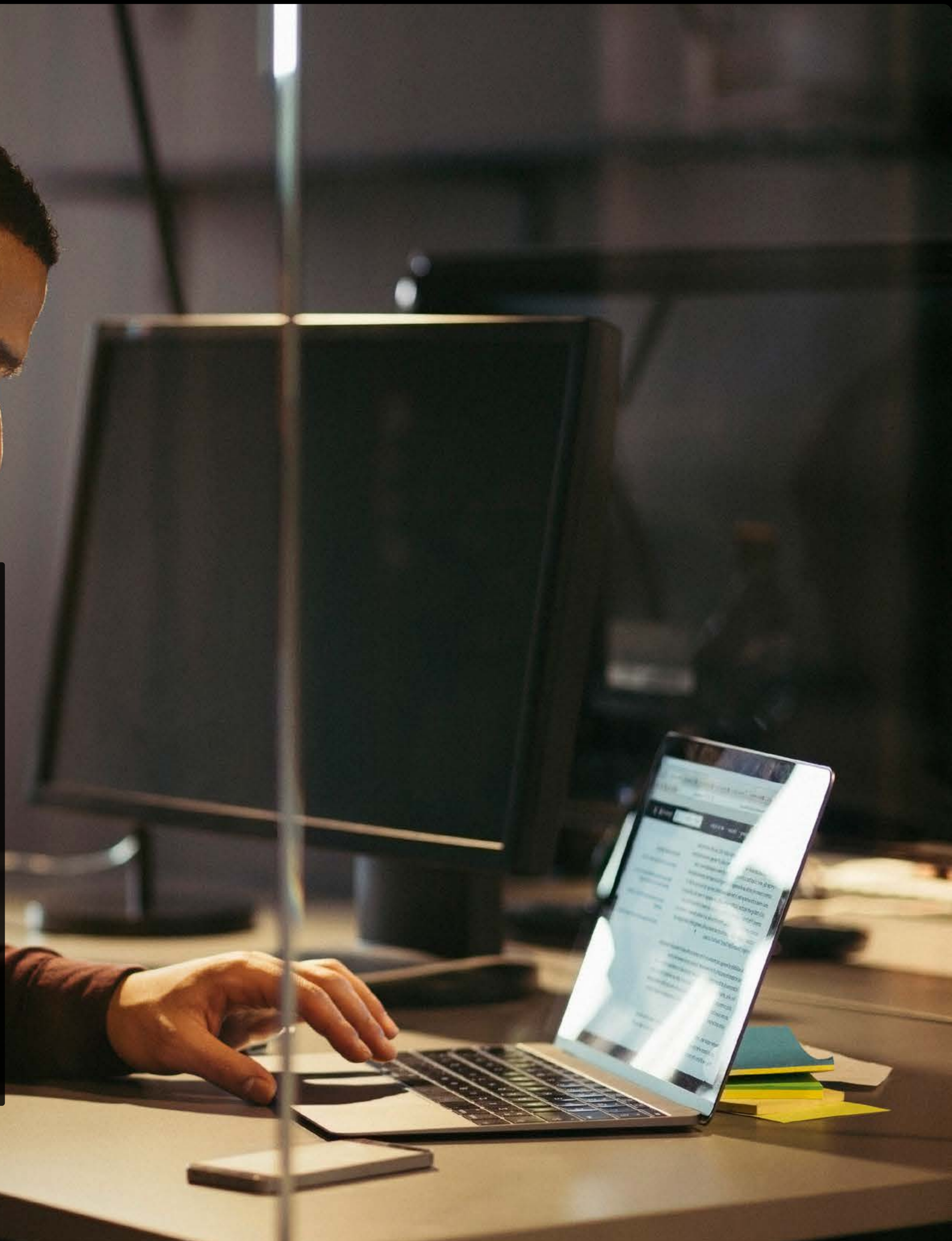
2019/20

- Percentage of total sales: 43 per cent (44)
- Percentage of segment results: 53 per cent (60)
- Sales growth: 3,3 per cent (26.5), of which -1.4 per cent (4.0) organic
- Segment margin: 8,9 per cent (10.6)
- Number of customers: approx. 100,000
- Average order value: approx. SEK 8,000
- Typical customer: 1–49 employees
- Services provided: SaaS, Modern Workplace, Infrastructure and Network
- Geographical presence: Sweden, Norway, Denmark, Finland and the Netherlands

The year in brief

The second half of the financial year was marked by the corona pandemic. We have seen a stable development among the smaller and medium-sized companies in the segment, which were less affected by the market situation. Demand among the larger companies in the segment has been hesitant. We observed greater interest in cloud-based services in the wake of the corona pandemic. At the same time, we have had difficulties to launch certain types of services as accessibility to customers' offices has been limited.





LCP

Larger companies and organisations with more than 500 employees and the public sector make up our second business segment. They are attracted by our broad offering and efficient deliveries. For these customers, we primarily offer hardware and software as well as product-related services, such as configuration.

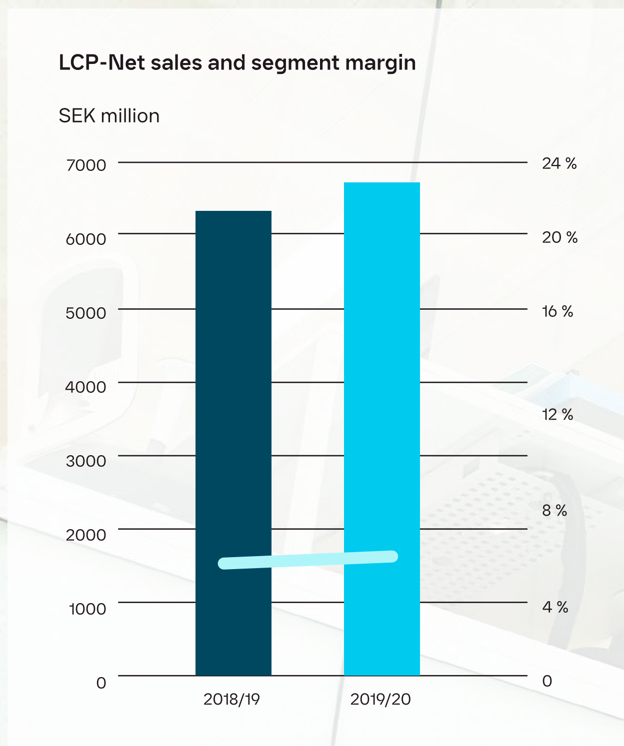
Customers appreciate the long-term and personal relationship and a partner who understands their business. Procurements and larger orders are mainly managed by the sales team, while repetitive and minor orders are handled online.

2019/20

- Percentage of total sales: 52 per cent (51)
- Percentage of segment results: 43 per cent (37)
- Sales growth: 7.9 per cent (20.7), of which 6.1 per cent (16.5) organic
- Segment margin: X.X per cent (5.6)
- Number of customers: approx. 5,000
- Average order value: approx. SEK 13,000
- Typical customer: 500–1,000 employees
- Services provided: Infrastructure, SaaS and product-related services
- Geographical presence: Sweden, Norway, Denmark, Finland and the Netherlands

The year in brief

Our framework agreements and long-term contracts to the public sector, which often extend for several years, have contributed to stable income. The year has shown positive growth in sales to the public sector, while development to larger companies has been negatively affected by the corona pandemic. The margin development has been positive during the year, as contracts from previous years have matured and the product mix has changed.



B2C

The B2C segment consists of the B2C market and is served online only. Customers are mainly interested in hardware and software. They appreciate the broad range of IT products, the option to compare products and attractive prices.

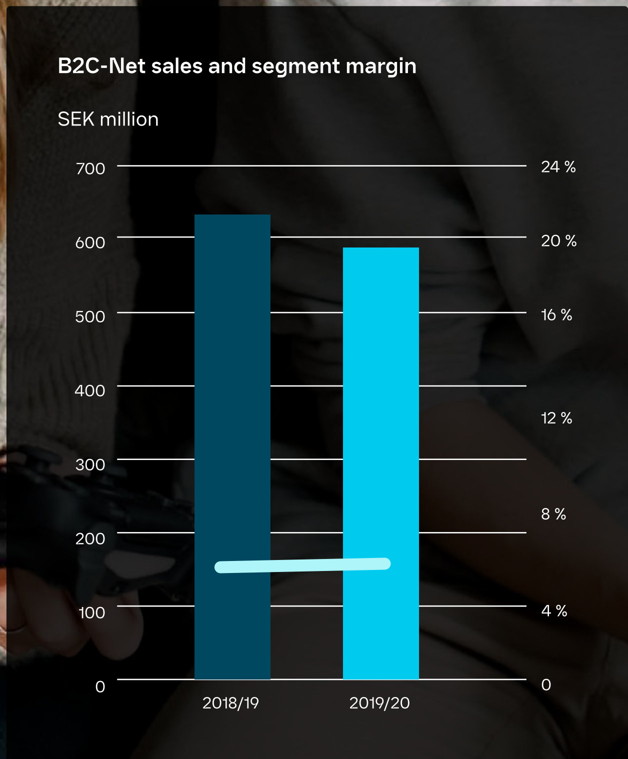
Consumers are the most price-sensitive customer group. This is a secondary but important market for us, as the segment offers us an early indication of changes in trends and customer behaviour that often transfer to companies over time.

2019/20

- Percentage of total sales: 5 per cent (5)
- Percentage of segment results: 4 per cent (4)
- Sales growth: -4.6 per cent (-2.4), of which -3.9 per cent (-3.9) organic
- Segment margin: 6.2 per cent (5.9)
- Number of customers: approx. 350,000
- Average order value: approx. SEK 2,000
- Typical customer: Consumers
- Geographical presence: Sweden, Norway, Denmark, Finland and the Netherlands

The year in brief

The segment has had somewhat negative growth during the financial year. The end was weak after a peak in demand in connection with the outbreak of the corona pandemic. The development has been positively affected by increased demand for products for home offices. The segment margin has improved in line with our focus on profitability before growth.



Our customer offering

For some time, we have provided the widest product assortment in the market. Now that we also offer services, we can fulfil all customer needs and have become a complete IT partner. Customers want 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 for our customers. Regardless of whether it involves complete solutions, hardware, software or services.

Assortment (products and services):
255 000

Brands:
2 800

LCP customers:
5 000

SMB customers:
100 000

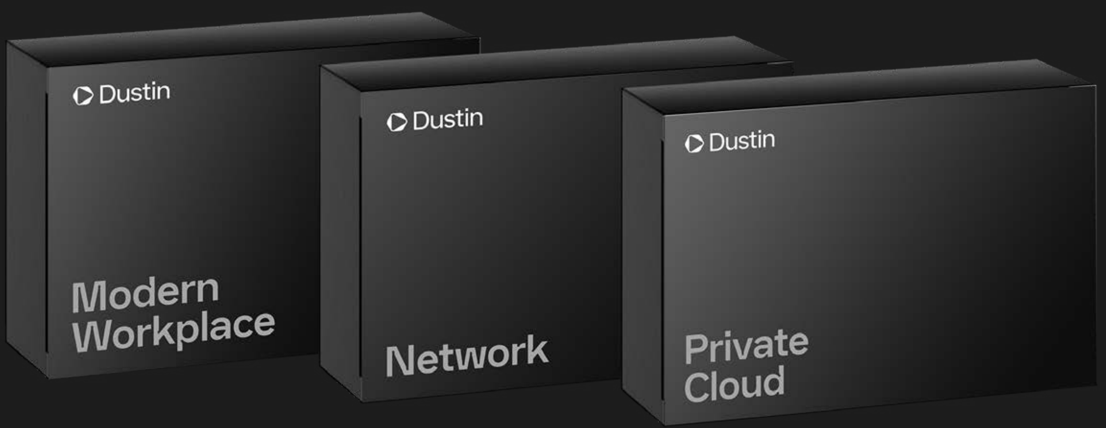
B2C customers:
350 000

Standardised services and solutions

Our current portfolio comprises a relevant range of our own standardised services and solutions as well as services from third parties to meet the various customer needs. The offering consists of everything from client management and mobility for increased flexibility to operational solutions to create cost-efficient, functional and flexible IT environments. Harmonising and standardising our service offering has reduced complexity and enables online sales, to help customers take the next step in their digitalisation process.

Our standardised services and solutions are divided into five categories based on customer needs:

- Security – Security to create a secure IT environment
- Modern Workplace – A flexible workplace
- Support – Professional advisory services on IT solutions
- Infrastructure/Network – Reliable and efficient IT infrastructure
- Cloud – Scalable and versatile solutions customised to the needs of the business



A broad range of hardware

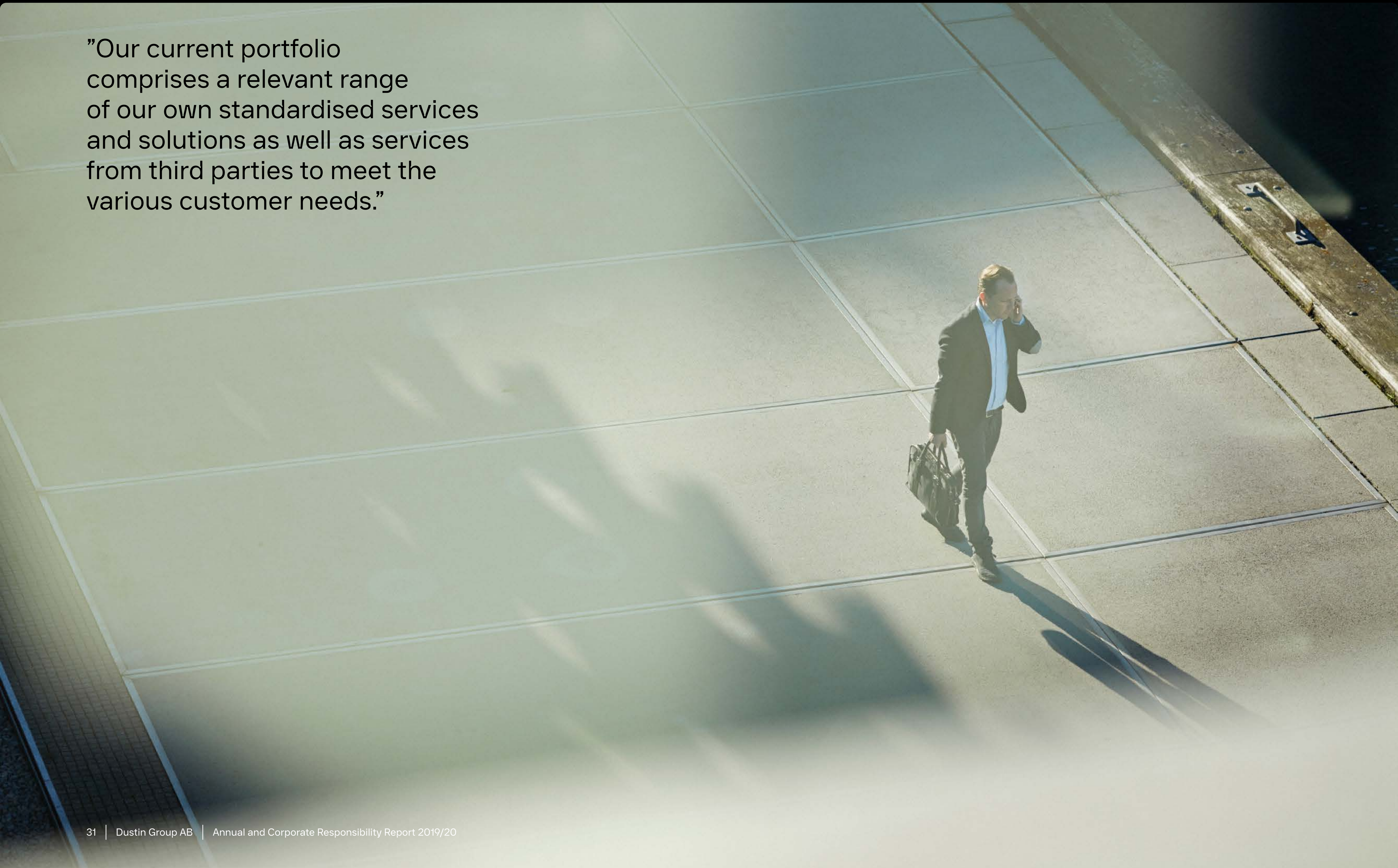
Our range of hardware includes more than 250,000 products from more than 2,800 brands. This makes us the supplier with the broadest range by far and allows us to act as an independent partner for our customers in relation to the manufacturers. We can meet all of the customers' IT needs.

We offer our customers a wide range of eco-labelled IT products. Our range of private label products offers the customer an opportunity to buy quality-assured products at attractive prices. This also offers us greater control throughout the value chain.

It is important for us to combine a high level of IT expertise with the industry's best support

We have extensive experience of IT. This has been improved further through several acquisitions within specific niche areas, which has provided us with new specialist knowledge. This allows us to offer customers broad and outstanding IT expertise.

Our professional support before purchasing, in connection with purchasing and after purchasing helps customers choose the right solutions. Whether for simple products and services or in more strategic choices. Our pragmatic approach makes it easy to understand complexity. We always want to provide an excellent and positive customer experience and offer support in local languages.



”Our current portfolio comprises a relevant range of our own standardised services and solutions as well as services from third parties to meet the various customer needs.”

Our delivery model

We believe in a digital future. Through standardisation, we can create simple and reliable services and solutions that are available online. The model is based on our efficient and scalable hardware operations, where most of our sales have been online for many years. This enables us to ensure cost-efficient production, delivery and operation.

Our delivery model for cost-effective production, delivery and operation

Central service production

Standardised services

Harmonised processes

Uniform data centre structure

Central logistics centre

Close collaboration with distributors

Wide offering

Automated warehouse robot solution

Digital presence

Digital delivery

Physical delivery

Our service platform

Our service platform forms the foundation of our Nordic service offering. It enables the standardisation of our offering through a harmonised structure, to achieve scalable and efficient central production, delivery, operation and support for our offering.

Standardisation enables economies of scale

The standardisation of our service offering creates an opportunity for economies of scale through central and efficient production, distribution, operation and monitoring and support as volumes increase. It is also easier for the customer to choose. The customer selects one or more solutions that are distributed, installed and monitored online.

Investments in enhanced efficiency

During the year, we harmonised the technology and consolidated our smaller Nordic data centres from 14 to 4. This allows us to standardise and harmonise our service offering. In parallel, we coordinated and consolidated our Nordic support centres, which simplifies support to our customers and provides a better customer experience.

- Standardized service offering
- Consolidated data centers
- Coordinated support centers

Efficient delivery of hardware

We can automate our processes with purchasing and order handling structured as digital flows through our online platform. This enables us to efficiently monitor inventory status and customer satisfaction.

Close collaboration with distributors

We conduct purchasing from a large number of distributors and manufacturers. This allows us to offer a broad selection at competitive prices. It also means we can keep limited inventory, about 10 per cent of the offering, which results in low tied-up working capital and strong cash flow. In 2019/20, about 76 per cent (77) of hardware and software products were purchased from distributors. The largest distributor represented 19 per cent (22) of our purchases and together the three largest accounted for 47 per cent (49).

Sustainable and efficient purchasing and manufacturing

Our ambition is to work systematically based on the entire life cycle and to integrate corporate responsibility aspects at each stage. This encompasses everything from how they are manufactured, the choice of products we purchase and the suppliers we choose to work with to how we work with existing suppliers and how we conclude business relations as well as how we recycle or reuse products through end-of-life returns.

Dustin's Supplier Code of Conduct is built on internationally recognised conventions on human rights, labour, environment and anti-corruption, and is a part of the purchase agreement for direct sourcing.

We carry out 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. By being physically in place and leading factory audits, we can link the result to our purchasing operations and work in an integrated manner with corrective actions.

76%

of our purchases were made from distributors

99.8%*

of our suppliers have adopted our code of conduct

* Share of our hardware suppliers, from whom our direct annual purchasing volume exceeds SEK 200,000 or equivalent, who had either adopted our Code of Conduct or had their own code of conduct that corresponds to our requirements at the end 2019/20 financial year.

Optimized logistics model

Our logistics work is about continuously optimizing both stock levels and delivery times as well as transports, to improve efficiency and reduce our environmental impact. At present, customer deliveries make up the majority of our climate impact. It is thus important for us to stock the right products in the right quantities and to choose the right mode of transport, reduce the transport distances and maximize the degree of filling through co-packaging.

Our logistics model is based on a central warehouse in Rosersberg, together with smaller consolidation warehouses in Denmark, Finland and Norway, as well as a regional warehouse in the Netherlands. These are supplemented with direct deliveries from suppliers to the end customer, which enables both fast and reliable deliveries for our customers.

Automated central warehouse

At the start of the 2019/20 financial year, we began an automation project at the central warehouse in Rosersberg. By robotising large parts of goods handling we can streamline our logistics processes. We free up warehouse space, decrease staffing needs and reduce the time from placing an order to delivery. The project was completed smoothly, the robot solution began operating during the summer of 2020 and is expected to have a payback period of 5–6 years.

1.3 million orders were sent from the central warehouse.

During the 2019/20 financial year, 1.3 million orders were sent from the central warehouse. About 93 per cent of all orders available for direct delivery were picked, packaged and delivered on the same day the order was placed. We achieved a stock turnover ratio of about 24 (24) during 2019/20 financial year. A high inventory turnover rate combined with price protection and the right of return with several of our suppliers gives both low capital tied up and a very low level of obsolescence.

Our share and shareholders

Listing and the share
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. We have only one type 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 was unchanged during the period and amounted to 88,647,339 at the end of the financial year.

Market value and share price performance
As of August 31, 2020, Dustin's share price was SEK 56.40 (80.90) per share. The change represents a decrease of 30.3 per cent compared with the year-earlier date. The company's market capitalisation amounted to SEK 5,000 million (7,172). The OMX Sweden Mid Cap PI index increased 30.6 per cent during the same period.

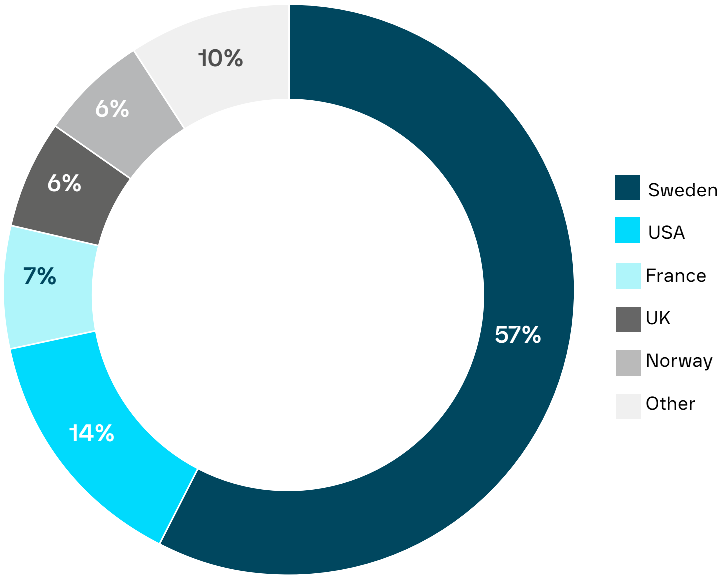
Turnover
Total turnover during the financial year was approximately 64.4 million shares (44.2) with a total value of just over SEK 3.9 billion (3.6). The average daily turnover amounted to about 259,000 shares (177,000), corresponding to a daily value of approximately SEK 15.9 million (14.4).

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. For the 2019/20 financial year, the Board of Directors proposes a dividend of SEK 2.20 (3.00) per share, corresponding to SEK 195 million (266) or 70 per cent (75) of net profit for the period.

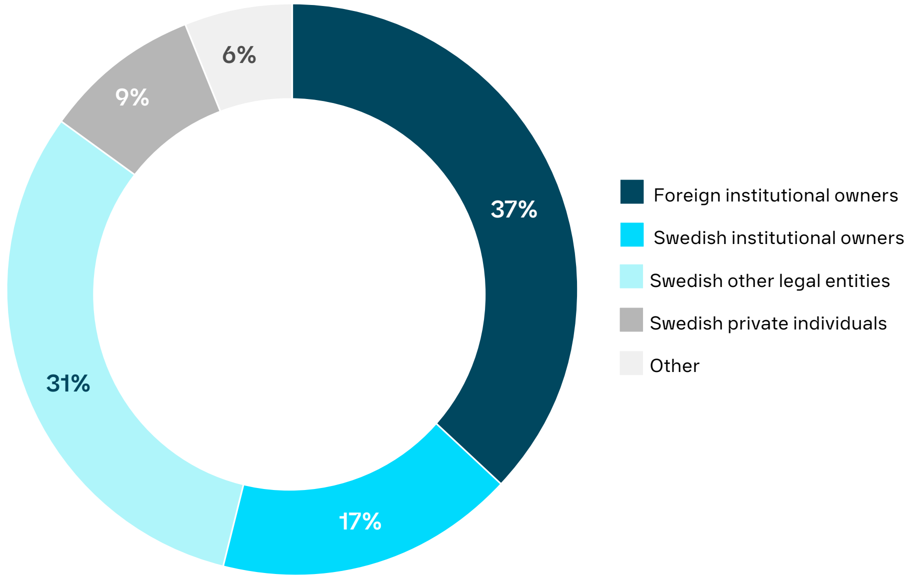
Ownership structure
At the end of the period, the company had a total of 12,428 (7,191) shareholders, equivalent to an increase of 5,237. The table below shows the ten largest shareholders and their holdings at August 31, 2020.

Shareholders	Shares	Capital and voting rights
Axmedia AB (Axel Johnson AB)	26,440,136	29.8%
AMF Försäkring & Fonder	8,743,500	9.9%
Fidelity Investments (FMR)	5,392,821	6.1%
Allianz I.A.R.D. S.A.	4,711,728	5.3%
ODIN Fonder	4,374,486	4.9%
Highclere International Investors	2,738,568	3.1%
Franklin Templeton	2,479,986	2.8%
Crux Asset Management	2,339,467	2.6%
Columbia Threadneedle	1,732,573	2.0%
Avanza Pension	1,661,070	1.9%
Total ten largest owners	**60,614,335**	**68.4%**
Other	28,033,004	31.6%
Total	**88,647,339**	**100.0%**

Ownership by country as of August 31, 2020



Ownership by category as of August 31, 2020



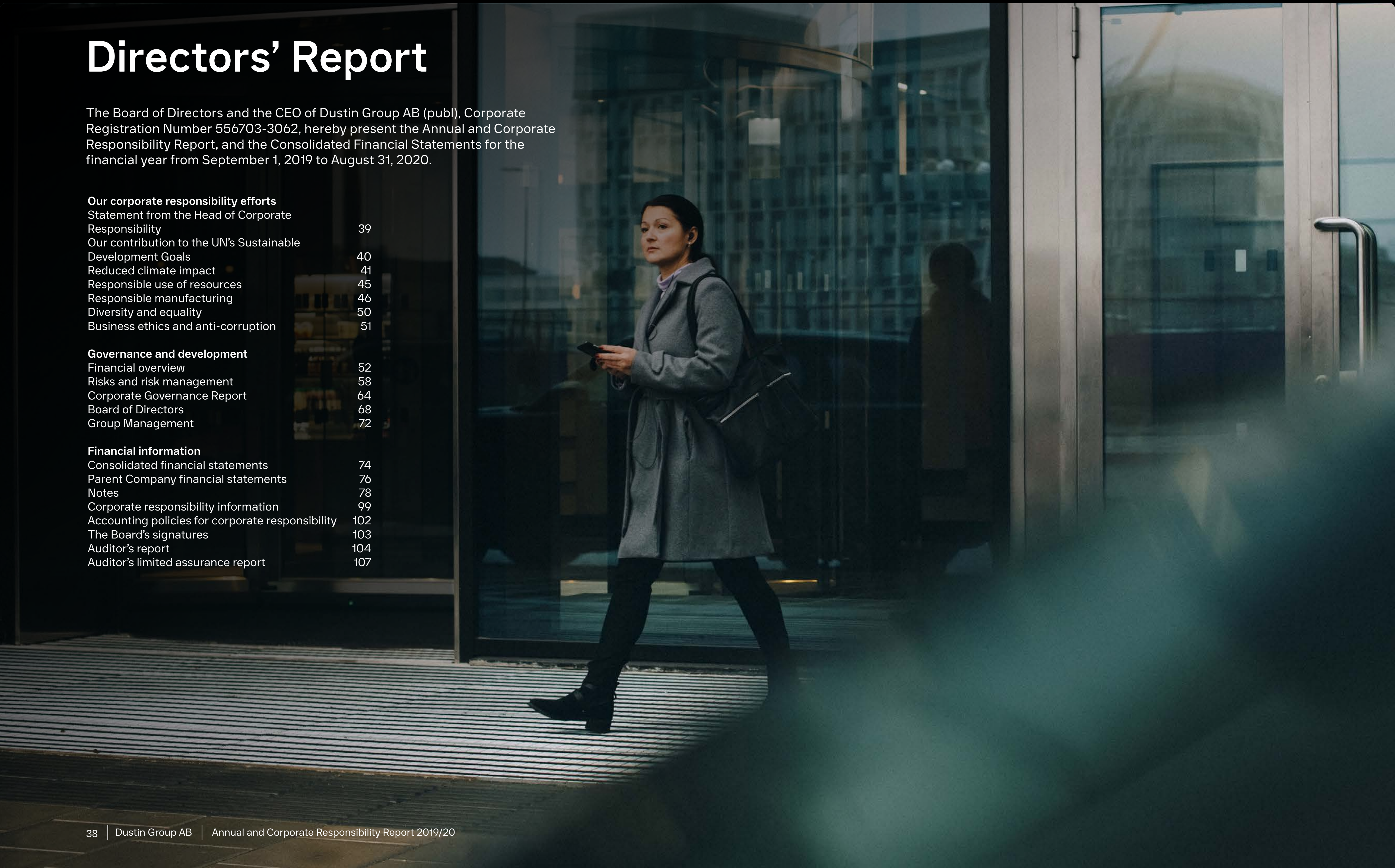
Analyst coverage

The following analysts cover Dustin:

ABG Sundal Collier	Daniel Thorsson
Carnegie Investment Bank AB	Mikael Laséen
Handelsbanken Capital Markets	Erik Elander
Kepler Cheuvreux	Emil Johannessen
Nordea Equities	Fredrik Stenkil
SEB	Ramil Koria

Directors' Report

The Board of Directors and the CEO of Dustin Group AB (publ), Corporate Registration Number 556703-3062, hereby present the Annual and Corporate Responsibility Report, and the Consolidated Financial Statements for the financial year from September 1, 2019 to August 31, 2020.



Statement from the Head of Corporate Responsibility

As I reflect on the past five years, I feel incredibly proud of the courage we have had to set high corporate responsibility targets while meeting them in a pragmatic manner under constantly changing conditions. This will benefit us given our current reality and as we work towards the new targets for the next ten years.

Five successful years
For the past five years, we have had five focus areas for our corporate responsibility efforts; responsible manufacturing, reduced climate impact, responsible use of resources, business ethics and anti-corruption as well as diversity and equality. We set challenging targets. In some cases, we have met or exceeded them and in other cases, we were slightly overambitious. Nevertheless, we have learned lessons for our future corporate responsibility efforts for how we set our targets and how we approach them.

In 2014, when we set our target to reduce our climate impact by 40 per cent in absolute terms by 2020, it was one of the most ambitious climate targets in our industry. We have worked to achieve this target with tangible measures concerning, for example, renewable energy and electric hybrid vehicles while experiencing growth of 66 per cent as a company and expanding our operations in terms of volume and geographically. At the same time, development in areas such as transportation generally, has not progressed with sufficient speed. This has affected the outcomes where we did not reach our set targets. As we are now establishing plans for the next ten years, we will be working significantly differently to be able to take an even greater stance. To succeed in reducing climate impact beyond our direct operations, more collaboration is required both in and outside of our industry where we jointly can find solutions and paths forward.

Circular business driving change
Another of our targets has been to take back 140,000 end-of-life products so that they can be reused, and when this is not possible, to recycle them. The project started slowly and the target seemed difficult to achieve. But when we made this a clear part of our offering, we noted a very quick increase, and the project became a huge success. We reached our target of 140,000 end-of-life returns (products accepted back for recycling and reuse) in 2018/19 and we have now taken back a total of 204,907 products, of which more than 90 per cent can be reused. We have learnt that in order for business to be circular, it must be clearly connected to our offering and operations, and we believe that circular operations will be a prerequisite for competitiveness moving forward.

In the area of responsible manufacturing, we have continuously raised our ambitions over the years and increased the scope of our work so that it now covers all hardware suppliers who have an annual purchasing volume of over SEK 200,000. From these, 99.8 per cent have either adopted our Code of Conduct or possess their own equivalent. In addition, we have added on-site factory audits which we conduct in person, mainly at factories producing Dustin's proprietary brands. We are also working alongside the factories to implement any improvement measures. In total, we exceeded our target and carried out 82 factory audits.

We work continuously with business ethics and anti-corruption and, in this regard, accept nothing less than 100 per cent target fulfilment. Each year, we carry out risk assessments across our whole organisation. We also hold continuous training and interactive discussions concerning dilemmas of a business ethics nature, which maintains focus on these issues throughout the organisation.

Our target has been to achieve a gender distribution in 2020 where no gender is represented to less than 40 and more than 60 percent. At Board and Group Management level, where gender distribution was close to 10/90 when we started, we have achieved an entirely equal balance. At the senior level, we are close to our target but have a small way to go in terms of the entire company, which is partly due to our rate of expansion. We have made great strides and will continue to work actively to achieve greater diversity and equality throughout the organisation.

Powerful targets for 2030
Based on the results we have achieved and the lessons that we have learned, we are now setting targets for the next ten years.

By 2030, we will:
- be climate neutral throughout the value chain
- have a 100 per cent circular offering
- taken 100 actions in total to further improve our efforts to promote social equality throughout the entire value chain

This means we will change up a couple of gears and, to achieve these targets, we will make some material changes to how we have been working to date. It feels inspirational and exciting to have such high ambitions for the next ten years! To continue to be successful, we need to take greater responsibility, maintain a holistic approach and collaborate more often. We are expanding on our three targets to include the entire value chain. Moving forward, we want to collaborate more with partners and competitors to find solutions for reduced climate impact, increased circularity and social equality. We will continue to be transparent and openly report the results of our work.

It is now time to work toward our targets for 2030.

Henrik Lampa
Head of Corporate Responsibility

Our contribution to the UN's Sustainable Development Goals

In 2015, the UN member countries agreed on the 2030 Agenda for Sustainable Development containing 17 Sustainable Development Goals (SDGs). The main purpose of these is to protect our planet and natural resources, to work to achieve equality and an inclusive society and to ensure that human rights are respected and adhered to in practice. Dustin supports the 2030 Agenda SDGs and strives to realise them by working with our focus areas in which we can contribute and influence the most.

We have five focus areas within the framework of our corporate responsibility efforts that we have afforded extra priority in the past five years. Our focus areas are: Reduced climate impact, Responsible use of resources, Responsible manufacturing, Diversity and equality as well as Business ethics and anti-corruption. These areas are directly related to our core business and, as such, where we have the greatest opportunity to influence and contribute to sustainable development in line with the 2030 Agenda. Our corporate responsibility targets mainly promote the goals for climate action, responsible consumption and production, decent work and economic growth, gender equality, as well as peace, justice and strong institutions.

Reduced climate impact

Minimising the use of resources (energy and materials) in the operations in order to continuously reduce our impact on the environment and our carbon emissions.

13 CLIMATE ACTION

SDG 13: Take urgent action to combat climate change and its impacts

Targets for reduced climate impact:
To reduce our climate impact, in the form of CO_2 emissions, by 40 per cent by the end of 2020, compared with 2014/15.

Targets that we indirectly contribute to:

7, 15, 14, 17

Responsible use of resources

We want to offer energy and resource-efficient services, solutions and products, including taking back end-of-life electronic products as a service.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

SDG 12: Ensure sustainable consumption and production patterns

Targets for responsible use of resources:
Starting in 2014/15, to take back 140,000 sold products by the end of 2020.

Targets that we indirectly contribute to:

11, 13, 9, 17

Responsible manufacturing

We want to ensure that the products we offer come from manufacturers with a commitment to, expertise in, and ongoing activities for improving work conditions in the value chain.

8 DECENT WORK AND ECONOMIC GROWTH

SDG 8: Promote inclusive and sustainable economic growth, employment and decent work for all

Targets for responsible manufacturing:
Starting in 2015/16, to conduct 80 factory audits by the end of 2020.

Targets that we indirectly contribute to:

1, 2, 3, 4, 6, 5, 16

Diversity and equality

We want to build a respectful and values-based corporate culture, improving equality across all levels of the organisation and promoting innovation through a diversity of perspectives, experience, cultural backgrounds, genders and views.

5 GENDER EQUALITY

SDG 5: Achieve gender equality and empower all women and girls

Targets for diversity and equality:
By 2020, each gender is to make up at least 40 per cent of the entire organisation.

Targets that we indirectly contribute to:

8, 10, 16, 17

Business ethics and anti-corruption

We engage in ethical business practices and counteract all forms of corruption by promoting a culture in which employees and business partners can openly discuss the ethical dilemmas they may experience in their day-to-day operations.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

SDG 16: Promote just, peaceful and inclusive societies

Targets for business ethics and anti-corruption:
100 per cent of our business areas will undergo a risk assessment concerning business ethics and anti-corruption and 100 per cent of reported incidents will be followed up.

Targets that we indirectly contribute to:

17

Reduced climate impact

In 2014/15, we set one of our industry's toughest targets – to reduce our emissions by 40 per cent by 2020. Since then, we have actively worked with the transition to renewable energy at our premises and data centers as well as to electric hybrid company cars. At the same time, our growth, where we have grown both in terms of volume and geographically, has reduced the visible effects of the measures that we have carried out. Our emissions have therefore increased by almost 45 percent, while we had sales growth of just over 66 percent. If we measure our performance in relation to net sales, emissions have decreased by 13 percent. This is a performance that we can feel relatively pleased with.

Results and development at Dustin
Today, large parts of our business are run with green electricity, we have implemented a new company car policy for conversion to electric hybrid cars and started a project with solar panels at our central warehouse. During the financial year, our total emissions amounted to 3,833 tonnes (2,897) of CO_2 equivalents (CO_2e). This corresponds to an increase of almost 45 percent since the 2014/15 financial year. The increase in our emissions is a consequence of our operations growing both organically and through acquisitions. The effects have been particularly visible in 2018/19 due to the fact that Vincere, which was acquired in 2017, has been included in our environmental reporting for the first time. This has affected the number of employees, data centers and company cars in our operations. Previous acquisitions have been smaller and the effects of our measures to reduce emissions have contributed to a gradual decline of 25 percent until 2017/18. If we measure our performance in relation to net sales, emissions have decreased by 13 percent per sales krona over the five-year period.

Emissions of CO_2 for all of Dustin	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
GHG Scope 1 direct emissions from company-owned vehicles (kg CO_2e)	220,722	139,030	19,889	10,709	18,805	14,216
GHG Scope 2 indirect emissions from purchased electricity, heating & cooling (kg CO_2e)						
GHG Scope 2 – 'market-based'	341,759	193,875	41,913	304,698	470,897	511,711
GHG Scope 3 (other indirect emissions)	3,270,755	2,564,038	1,929,439	1,988,515	2,117,794	2,126,226
Total (Scope 1, Scope 2 and Scope 3)	**3,833,236**	**2,896,943**	**1,991,241**	**2,303,922**	**2,607,496**	**2,652,153**
Total (Scope 1, Scope 2 and Scope 3) CO_2 in tonnes/sales in SEK billion.	290	231	193	248	314	334

Emissions for Dustin excluding not integrated companies
Our emissions linked to electricity, heating and cooling (Scope 2 - market based) have decreased by about 95 percent during the period since 2014/15 and amounted to barely 25 tonnes in 2019/20. The main explanation for the sharp decline is that almost all offices, warehouses and data centers are now powered by green electricity. We are also seeing effects from the introduction of our new company car policy, with conversion to electric hybrid cars, which has started to give visible results during the year and will continue to do so in the coming year (Scope 3 - emissions from lease vehicles).

The transportation of our products to customers results in the largest amount of emissions, accounting for 71 percent (69). Through close dialogue with our freight carriers and the beginning of a transition to fossil-free fuels for their vehicle fleets, we can confirm that the amount of emissions from transportation has remained at the same level as in 2014/15, despite our strong growth in volumes that entails an increased amount of transportation. To further reduce emissions, we see a a need for the transportation industry to work together at a faster pace to convert the vehicle fleet to fossil-free fuels.

Emissions from business travel has increased during the five-year period and is mainly due to the number of employees increasing in line with new acquisitions. A contributing factor to the increase in 2019/20 is the change in reporting methods that the business travel agency is using to measure business trips. We can note that our ongoing change in behaviour with digital working methods and digital meetings developed positively in the second half of the year. We believe in a permanently changing approach and behavior around travel, largely as a consequence of the corona pandemic and the rapid digitalisation.

Emissions of CO_2 for Dustin excluding not integrated companies	**2019/20**	**2018/19**	**2017/18**	**2016/17**	**2015/16**	**2014/15**
GHG Scope 1 direct emissions from company-owned vehicles (kg CO_2e)	17,478	23,390	19,889	10,709	18,805	14,216
GHG Scope 2 indirect emissions from purchased electricity, heating & cooling (kg CO_2e)						
GHG Scope 2 – 'market-based'	24,688	40,452	41,913	304,698	470,897	511,711
GHG Scope 2 – 'location-based'	*1,153,070*	*1,208,403*	*1,610,894*	*1,401,262*	*1,253,799*	*1,236,881*
GHG Scope 3 (other indirect emissions)						
Emissions from outbound transport activities (kg CO_2e)	1,653,558	1,574,236	1,443,196	1,434,518	1,632,937	1,790,398
Emissions from business travel (kg CO_2e)	423,972	352,252	265,887	276,558	211,074	123,410
Emissions from off-premises data centres (kg CO_2e)	17,368	27,811	1,142	–	–	–
Emissions from lease vehicles (kg CO_2e)	195,347	275,194	219,214	277,439	273,783	212,418
Total (Scope 1, Scope 2 and Scope 3)	**2,332,412**	**2,293,335**	**1,991,241**	**2,303,922**	**2,607,496**	**2,652,153**

Emissions for acquired but not integrated companies
The operations that we acquire are more focused on the provision of services, and where data centres, followed by service vehicles and local offices have the greatest climate impact. Acquired operations must start reporting CO_2 emissions and shift to renewable energy within 12 months from the date of acquisition. At the same time, we work actively to consolidate the offices and data centers in our acquired operations. Vincere is our largest acquisition to date in relation to sales, employees, data centers and offices and accounts therefore for the majority of emissions created by our acquired but not integrated companies. During the fourth quarter of the financial year, Vincere tranferred to renewable electricity. A transition that will yield positive results from 2020/21 but that has a limited effect on the year's results.

Emissions of CO_2 for acquired but not integrated companies	**2019/20**	**2018/19**
GHG Scope 1 direct emissions from company-owned vehicles (kg CO_2e)	203,244	115,640
GHG Scope 2 indirect emissions from purchased electricity, heating & cooling (kg CO_2e)		
GHG Scope 2 – 'market-based'	317,071	154,423
GHG Scope 3 other indirect emissions such as data centres and service vehicles (kg CO_2e)	980,509	334,545
Total (Scope 1, Scope 2 and Scope 3)	**1,500,824**	**603,608**

Emissions prevented in the value chain
If we include the effects of climate compensation, reuse and recycling, emissions corresponding to 1,649 tonnes of CO_2 equivalents were prevented during the year. Seen over the five-year period, the accumulated prevented emissions from climate compensation, reuse and recycling correspond to 37 percent of Dustin's accumulated emissions during the same five-year period. The number of end-of-life returns for 2019/20 has decreased compared with 2018/19, primarily as a result of the corona pandemic.

Emissions prevented in the value chain	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
GHG Scope 3 (other indirect emissions)						
Climate compensation of emissions from transportation (kg CO_2e)	-69,769	-47,823	-51,416	-32,734	-43,620	-40,996
Emissions prevented through reuse of old devices (kg CO_2e)	-1,345,846	-2,038,516	-894,125	-368,815	-217,025	-112,899
Emissions prevented through recycling of waste (kg CO_2e)	-233,533	-216,466	-201,221	-96,181	-42,260	-36,660
Total emissions prevented (kg CO_2e)	**-1,649,148**	**-2,302,805**	**-1,146,762**	**-497,730**	**-302,905**	**-190,555**

Renewable energy sources
We work in a dedicated manner to reduce emissions for the areas we can directly impact, such as the transition to renewable energy sources. Our target is that our premises will be powered by renewable energy. At the end of the financial year, all of the premises of our integrated companies were powered by renewable energy. At the end of the financial year, Vincere also transferred to green electricity. In the fourth quarter of 2019/20, a decision was made to accelerate the strategy in services and solutions, in part involving the closures of a number of smaller offices. This will lead to further reductions of our emissions beginning at the start of the 2020/21 financial year.

Energy
Our total energy use during the 2019/20 financial year amounted to 7,862 MWh (6,790), in which the inclusion of Vincere's environmental reporting accounted for the entire rise. Energy use for our integrated operations declined to 4,590 MWh (4,819) for the 2019/20 financial year. The central warehouse accounts for the single greatest usage. At the end of the financial year, a project was initiated to install solar panels on the roof of the central warehouse, which is expected to reduce purchased energy supplies considerably. The initiative to optimise our data centre structure, and accelerate our services and solutions strategy will contribute positively to reducing our energy use moving forward with fewer and more energy-efficient data centres and less offices in the Nordic region. Energy use in our integrated operations has been relatively stable for the past few years.

Energy use within all of Dustin	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
Electricity use, total (kWh)	5,838,378	4,955,895	3,462,896	2,710,809	2,513,687	2,431,460
Heating, total (kWh)	1,672,528	1,586,387	1,335,080	1,481,056	1,212,204	1,234,280
Cooling, total (kWh)	350,746	247,716	95,532	64,831	82,850	91,608
Total energy (kWh)	**7,861,653**	**6,789,998**	**4,893,507**	**4,256,696**	**3,808,741**	**3,757,348**

Energy use for Dustin excluding not integrated companies	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
Electricity use, total (kWh)	3,242,258	3,143,340	3,462,896	2,710,809	2,513,687	2,431,460
Heating, total (kWh)	1,216,251	1,511,781	1,335,080	1,481,056	1,212,204	1,234,280
Cooling, total (kWh)	131,328	164,115	95,532	64,831	82,850	91,608
Total energy (kWh)	**4,589,837**	**4,819,236**	**4,893,507**	**4,256,696**	**3,808,741**	**3,757,348**

Energy use for acquired but not integrated companies	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
Electricity use, total (kWh)	2,586,120	1,812,555	–	–	–	–
Heating, total (kWh)	456,277	74,606	–	–	–	–
Cooling, total (kWh)	219,418	83,603	–	–	–	–
Total energy (kWh)	**3,271,815**	**1,970,764**	**–**	**–**	**–**	**–**

Waste

Our operations create waste of various types, primarily connected to the sale of hardware. We sort the waste into different categories in order to maximise opportunities for recycling. This includes wood, cardboard, waste paper, plastic, combustible household waste, coloured and non-coloured glass, metal and aluminium cans. Operations at our central warehouse and head office generated 835 tonnes (589) of waste during the 2019/20 financial year. The amount increased compared with the preceding financial year, primarily as a result of higher business volumes of hardware sales and the installation of the robot solution when many picking places was physically removed. We take back waste consisting of electrical and electronic products as part of our producer responsibility, but this is not included in the reported figures.

Waste for Dustin excluding not integrated companies	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
Recycling (kg)	416,720	167,471	145,884	108,129	104,163	121,344
Energy recovery (kg)	417,678	421,911	434,383	400,936	359,980	373,650
Landfill (kg)	901	–	–	70	–	1,000
Total amount of waste (kg)	**835,299**	**589,382**	**580,267**	**509,129**	**464,143**	**495,994**

Hazardous waste

For the 2019/20 financial year, the amount of hazardous waste generated at our central warehouse and head office declined to 121 tonnes (185). Hazardous waste comprises such things as fluorescent tubes, batteries and end-of-life electronics equipment that could be flammable or toxic to humans and the environment. Hazardous waste is sorted in accordance with local legislation. 11 kg of this was sent to landfill, while most of it was reused, recycled, diverted towards energy recovery or handled in some other form to reduce climate impact. The “Other treatment method” in the table below refers to the final disposal of hazardous waste in accordance with applicable laws and regulations, which differ depending on the type of waste.

Hazardous waste for Dustin excluding not integrated companies	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
Recycling (kg)	109,571	159,312	10,801	204,893	273,893	79,283
Energy recovery (kg)	11,328	16,712	105	31,966	65,617	17,054
Landfill (kg)	11	–	–	–	–	–
Other treatment method	8,688	9,374	75	6,784	5,924	2,146
Total amount of hazardous waste (kg)	**121,092**	**185,398**	**10,981**	**243,643**	**345,434**	**98,483**

Responsible use of resources

As a first step in the transition to a circular IT industry, we set a target in 2014/15 to handle 140,000 end-of-life returns. A target that felt out of reach. Five years later, we can note that we have exceeded our own expectations and handled 204,907 end-of-life returns, of which 90 per cent have been able to be reused, thereby sparing emissions equivalent to 4,977 tonnes of CO_2.

Results and development
In the 2019/20 financial year, we handled end-of-life returns for a total of 57,079 sold products (83,540) – 18 per cent under our interim target for the year of 70,000 products. Of these products, 52,995 could be re-used (79,084) and the remainder – 4,085 products – were recycled (4,456). We have handled a total of 204,907 products as end-of-life returns since 2014/15, which means we have comfortably passed our target of a total of 140,000 returned products for 2020 by far. The corona pandemic and its effects such as fewer open workplaces have, together with the correction of previously reported end-of-life returns, negatively impacted the number of returns during the latter part of the year.

In a circular economy, nothing goes to waste, products, components and raw materials can continually be taken care of, reused and continue to be of value. To lease and take back to reuse products means that we can use our resources in a more efficient way while reducing our CO_2 emissions. During the year, through our end-of-life returns, we have offered larger customers previously used products.

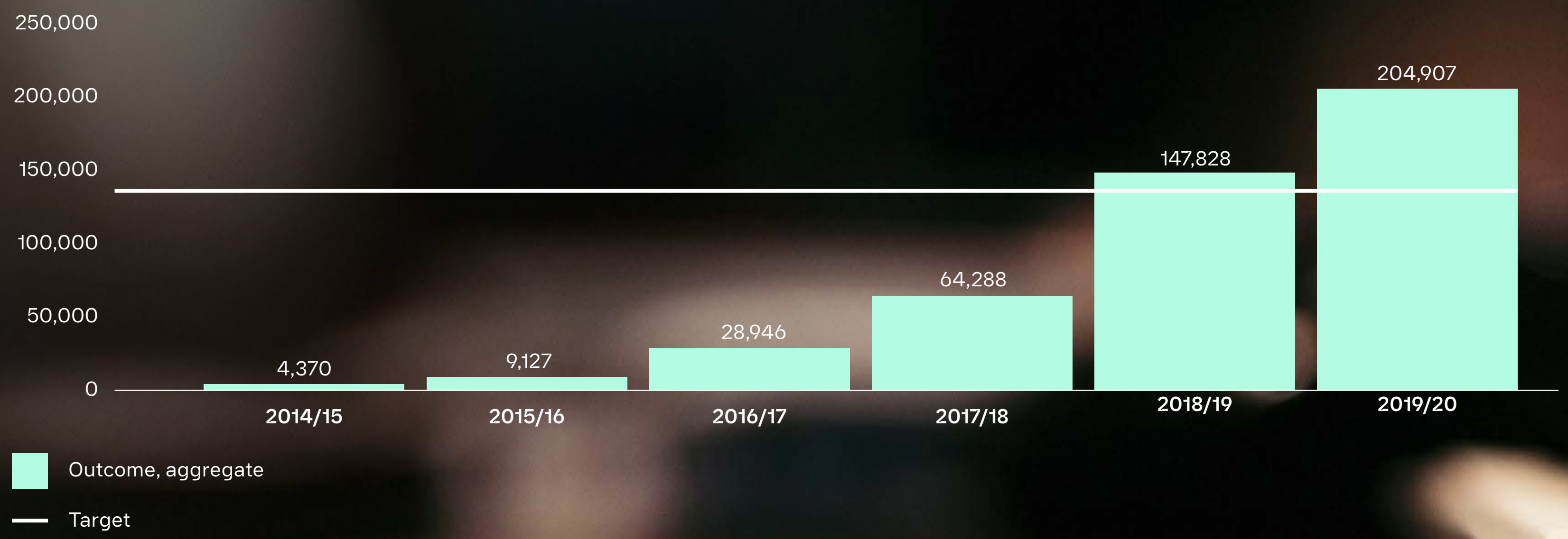
Our end-of-life returns service is a significant factor behind our success, and it was launched as a part of our endeavour to achieve a more circular offering. We have become better at explaining the advantages to our customers and our sales personnel have incentive programmes linked to end-of-life returns. Customer awareness and demand has also increased. Competitive prices linked to end-of-life returns and our ability to ensure compliance with rules and regulations for information security and waste management have bolstered our development. An increase in demand and clear environmental gains are encouraging us to further increase the share of end-of-life returns and to promote an entirely circular customer offering.

The products that have been returned primarily include the categories desktop computers, laptops, tablets, mobile phones, monitors, servers, networking equipment and printers.

204,907

products have been returned over a five-year period

Our total number of end-of-life returns, accumulated*



* Applies to reported end-of-life returns from external partners

Responsible manufacturing

We believe that healthy working conditions and responsible manufacturing require transparency, presence, collaboration and understanding. 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 with 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. We have maintained the same target set in 2015/16 of conducting 80 factory audits, a target that we have exceeded.

Results and development
For us, it is a matter of being transparent in relation to our customers and working together with our suppliers for positive work conditions in the manufacturing of the products we sell. Our Supplier Code of Conduct and continuous factory audits provide a basis for ensuring this.

Out of our hardware suppliers* for direct purchases, 99.8 per cent (99.6) of distributors and manufacturers have adopted Dustin's Code of Conduct or have an alternate Code of Conduct with at least one equivalent requirement. When it comes to new hardware suppliers*, the number who have adopted our Code of Conduct has risen significantly to 94.3 per cent (72.8).

For the next stage in the supply chain, 90.4 per cent (88.8) of hardware manufacturers whose annual purchase volume exceeds SEK 2 million have adopted the Code.

Through the combination of our membership in the Responsible Business Alliance and our factory audits, we can reach more stages in the value chain and get an early insight into ongoing activities, commitment and expertise. This means that we can ensure better work conditions together with our suppliers at factories and warehouses. We also receive an early indication of which suppliers we need to work more actively with in order to reduce the risk of shortcomings.

Responsible Business Alliance
Dustin has been a member of the Responsible Business Alliance (RBA) since 2018, which is the world's largest industry coalition dedicated to corporate social responsibility in global supply chains dealing with industry.

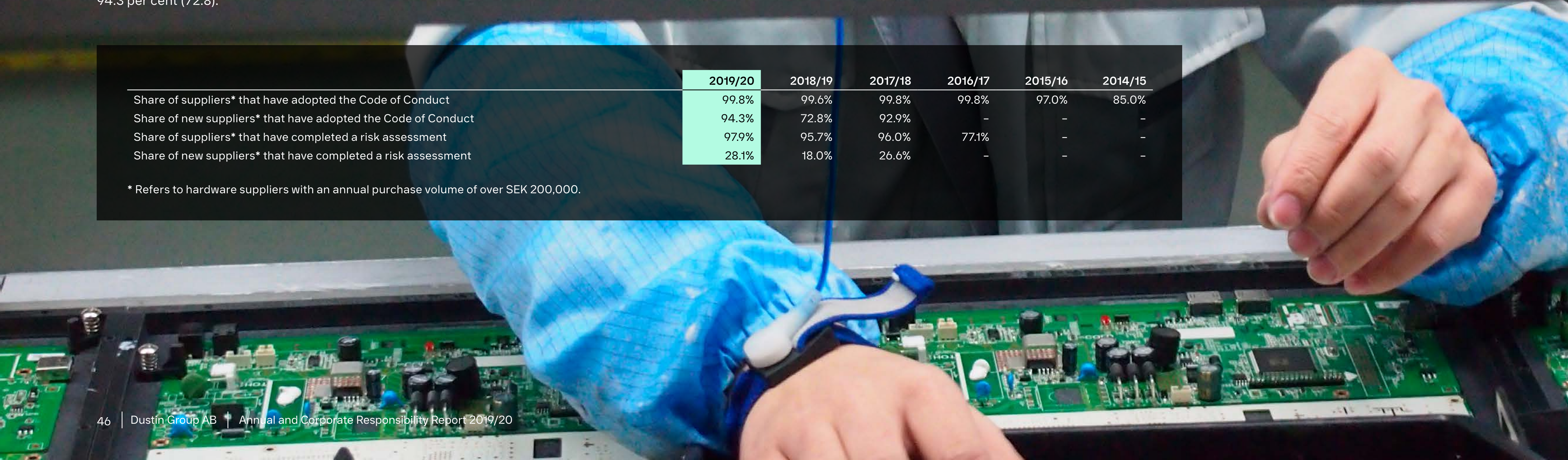
Together with other members of the RBA, we can work for improved working conditions in the global supply chain and a conflict-free IT industry. Membership also provides us with access to a number of different programmes and tools for training and evaluation that we can use for continuous improvement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

99.8%

of our hardware suppliers* have adopted our Code of Conduct or equivalent requirements

	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
Share of suppliers* that have adopted the Code of Conduct	99.8%	99.6%	99.8%	99.8%	97.0%	85.0%
Share of new suppliers* that have adopted the Code of Conduct	94.3%	72.8%	92.9%	–	–	–
Share of suppliers* that have completed a risk assessment	97.9%	95.7%	96.0%	77.1%	–	–
Share of new suppliers* that have completed a risk assessment	28.1%	18.0%	26.6%	–	–	–

* Refers to hardware suppliers with an annual purchase volume of over SEK 200,000.



Results from this year's factory audits
As part of our work with responsible manufacturing, we conduct continuous factory audits to ensure that those manufacturers that are not members of RBA also meet our requirements and that we together can improve work conditions in the factories. Our audits are primarily carried out at the manufacturers that we purchase directly from, but also at manufacturing plants for which we have a distributor as a middleman. It is important for us to ensure the implementation of the necessary measures to correct potential shortcomings together with the manufacturers. There is a notable correlation between the number of deviations and the time that we have worked with the manufacturers, for which follow-up visits have revealed fewer deviations compared to new visits. This confirms the value of our work and motivates us to increase our commitment moving forward.

During the 2019/20 financial year, we performed a total of 31 factory audits (20), zero of which were unannounced (0). This means that by the end of the financial year, we had conducted a total of 81 factory audits since 2015/16, and therefore met our target of a total of 80 factory audits to be conducted by 2020.

The corona pandemic has impacted global supply chains to various degrees. A significant portion of our goods are manufactured in China, a country which it has been difficult to access from the end of January until the beginning of May due to the extensive closures of borders and factories. This has affected our factory audit schedule, reporting and implementing subsequent measures. Audits conducted during the latter part of the financial year were carried out virtually due to our inability to be present physically as a result of the prevailing travel restrictions. These audits were conducted with the help of a third party who is familiar with our Code of Conduct and who could be present physically.

82 factory audits conducted since 2015/16

During the financial year, the audits identified a total of 658 (708) cases of non-conformance. The number of cases was lower than the previous year, which was primarily attributable to the increase in follow-up visits. This demonstrates that the work we are doing with the manufacturers is yielding results. Most cases of non-conformance were minor, but serious and critical cases of non-conformance were observed at several factories. One (0) "zero-tolerance" non-conformance, concerning child labour, came to our attention (see more in the fact box below). Around 92 per cent of the non-conformance cases related to shortcomings in human rights and occupational health and safety, such as social insurance, working hours, chemicals handling and the lack of a well-functioning management system for the work environment. This year's factory audits resulted in the discontinuation of collaboration with one of the factories.

We see a high level of involvement at the manufacturers in pursuing improvements together with us. Around 83 per cent of the cases of non-conformance identified in the first half of the year have been corrected, while correction of the cases discovered in the second half of the year is still ongoing. The reason that rectifying non-conformance has taken a long time is largely due to restrictions as a result of the corona pandemic as well as external factors, such as a lack of permits or certificates.

Implementation process
The audits were led by representatives for Dustin's sustainability team both physically and virtually on those occasions that we were unable to be on-site. Local experts who have been trained in our Supplier Code of Conduct have been on-site in all cases. Some 180 sub-demands from our Supplier Code of Conduct are reviewed during the audits, including age, working hours, wages, freedom of speech, discrimination, machinery safety, chemicals management, living conditions and waste management. Talks are also held with employees, both in groups and individually. The inspection group also visits employee housing and eats in the staff cafeteria. The factory audits are conducted quarterly and corrective measures are carried out continuously thereafter. We have seen clear indications that the number of non-conformance cases decline upon follow-up visits of previously inspected factories.

During the financial year, a zero-tolerance non-conformance was identified under the child labour category. During a factory audit at one of our new suppliers, it was discovered that one of the employees was under the age of 16. To protect the person in question and ensure their safety and rights, we have followed the processes that we have established in case such a situation should arise. In addition, we have worked together with the supplier to identify the root cause, and put together a preventive action plan. Dustin has tried to find a way forward to continue collaboration with the factory but this was not possible and we have therefore decided to terminate our partnership.

Conflict minerals requirements
Our Supplier Code of Conduct also covers requirements concerning conflict minerals in order to stop the financing of armed groups via the extraction and trade of such minerals. In 2019/20, we performed risk assessments in the supply chain for our private label regarding minerals and their origins. At the end of the financial year, 99 per cent of our own-brand products (99) were free of conflict minerals. This means that the minerals come from certified conflict-free smelters that have passed a review under the Responsible Minerals Initiative (RMI). A total of 214 smelters were reviewed (102), corresponding to 99 per cent (99) of our suppliers; as for the remaining 1 per cent, we are awaiting certificates or are working on replacing the smelter. The ambition is for all of our private labels to be free from conflict materials. Our end-of-life returns service is an example of an initiative that also reduces the extraction of minerals by taking care of and reusing the minerals.

Registered non-conformance cases during the financial year's factory audits

Area	Requirement	Number of non-conformances	Examples of non-conformances
Human rights and labour	Right to Freedom of Association and Collective Bargaining	11	Shortcomings in dialogue with factory management and employees
	Non-discrimination	8	Discovery of discrimination regarding age and gender
	Grievance Systems	2	Lack of complaint mechanism
	Fair Compensation	46	Lack of social insurance or correct remuneration for overtime work
	Decent Working Hours	47	Overly long working days and poor control of ensuring at least one day of rest per week
	Child Labour Avoidance	7	Lack of action plan if a child is discovered at the workplace
	Juvenile and Student Worker Protection	20	Poor control in preventing overtime for young employees
	Freely Chosen Employment	8	Lack of employment contract
	Inhumane Treatment	9	Shortcomings in training around humiliation
Health and safety	Health and Safety Management System	41	Shortcomings in management system for occupational health and safety
	Health And Safety Permits	7	Lack of occupational health and safety permits
	Emergency Preparedness	4	Lack of emergency preparedness plan
	Injury and Incident Management	17	Deficient documentation and follow-up of work-related injuries and accidents
	Physically Demanding Work	2	Moving very heavy packages without technical tools
	Machine Safety	36	Insufficient safety devices
	Chemical Safety	93	Deficiencies in knowledge and handling of chemicals
	Personal Protective Equipment (PPE)	34	Lack of, or incorrect, protective equipment in use
	Fire Protection	54	The workplace has not ensured that all employees have taken part in fire drills
	First Aid	26	Deficient knowledge of first aid
Housing conditions	Food and Water	26	Shortcomings in hygiene related to food handling
	Worker Dormitories	18	Shortcomings in fire safety for employee housing
Environmental protection	Resource Reduction and Continuous Improvement	15	Lack of improvement targets
	Environmental Management System	37	Shortcomings in environmental management system
	Environmental Permits and Reporting	4	Lack of environmental permits
	Storm Water Management	0	Deficiencies in preventing hindrances to proper storm water drainage
	Hazardous and Non-hazardous Waste Management	17	Deficiencies in control over amount of waste and hazardous waste generated
	Air Emissions	11	Deficiencies in keeping air emissions under control
	Storm Water Management	5	Deficiencies in collecting storm water from a licensed handler
	Materials Restrictions	4	Discovery of prohibited process chemicals
Legal compliance and ethical business principles	Legal and Regulatory Compliance	35	Shortcomings in monitoring routines regarding legal requirements
	Anti-corruption	0	Lack of training for employees exposed to risks related to corruption and bribes
	Conflict minerals	6	Lack of policy concerning risk assessment and use of conflict minerals
	Whistleblower Protection and Anonymous Complaints	7	Lack of opportunities for managing anonymous complaints
	Information Protection	1	Shortcomings in the handling of sensitive information
	Total	**658**	

Diversity and equality

As an IT company, we are convinced that a diverse and broad representation of individuals in the company will allow us to be a better partner to our customers. This is particularly true in an industry that is typically male-dominated. Five years after setting out first target, we have achieved a gender balance on the Board of Directors and Group Management, 38 per cent of all managers are women and we have employees of over 20 nationalities. We are very satisfied with this and it is something we can build on further.

Results and development
It is gratifying to exhibit progress in Group Management, having at the end of the financial year achieved a gender balance of 50/50 (44/56), while the gender balance in the Board of Directors remained unchanged at 43/57 (43/57). At the end of the financial year, our gender balance (women/men) at the senior level was unchanged at 38/62 (38/62). The gender balance in Dustin as a whole has worsened somewhat to 30/70 (31/69), excluding not integrated companies.

During the financial year, we have increased our focus on diversity and equality in operations. We have invited all employees to training courses in order to understand diversity and make its importance clear. Our recruiting managers have received further training on how to recruit in an inclusive manner.

Progress is most clear on a Group Management level, where during the course of five years we have gone from a gender distribution of 9/91 to 50/50. Progress is almost as significant on a senior level. We see this as an important signal for the organisation as a whole in our efforts to reach a more equal gender distribution across the company. Our efforts have been made evident by the Allbright Foundation having rated Dustin as one of Sweden's most equal listed companies, placing us on their green list.

Taken together, we are satisfied with our work with equality during the five-year period, despite not quite reaching the set targets. We have made considerable progress in a male-dominated industry and, in total, the proportion of women has increased from 22 per cent five years ago to 30 per cent today, despite marked growth in the organisation. Our acquired companies have been clearly male-dominated and have in general been behind when it comes to gender distribution, which has curbed our progress. From a longer perspective, we see our efforts as being able to contribute and inspire positively for our industry to promote greater gender equality.

Gender distribution, Dustin excluding not integrated companies	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
Total target	40/60	37/63	33/67	29/71	26/74	22/78
Total outcome	30/70	31/69	30/70	29/71	27/73	22/78
Senior level target	40/60	36/64	32/68	28/72	24/76	20/80
Senior level outcome	38/62	38/62	36/64	31/69	31/69	20/80
Group Management target	40/60	36/64	28/72	21/79	15/85	9/91
Group Management outcome	50/50	44/56	40/60	30/70	11/89	9/91
Board of Directors target	40/60	36/64	31/69	26/74	22/78	17/83
Board of Directors outcome	43/57	43/57	43/57	50/50	29/71	17/83

Employees, Dustin excluding not integrated companies	Total	Women	Men	Other*
Total	1,171 (1,079)	349 (330)	822 (747)	–(2)
New employment	142 (306)	47 (105)	95 (200)	–(1)
Employment terminated	212 (193)	56 (55)	156 (138)	–(–)

Workforce distribution, for all of Dustin	Total	Women	Men	Other*
Workforce, incl. acquisitions	1,743 (1,765)	415 (409)	1,328 (1,356)	–(2)
Full-time employees, incl. acquisitions	1,695 (1,727)	391 (389)	1,304 (1,336)	–(2)
Part-time employees, incl. acquisitions	48 (38)	24 (20)	24 (18)	–(–)

* Refers to employees who consider themselves as non-binary – either between or beyond genders.

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 dilemmas so that we connect this as a natural part of our day-to-day working lives.

Results and development
Continuous training, interactive discussions and risk assessments help us increase awareness and act responsibly in issues concerning business ethics and anti-corruption. Just over one year ago, we launched a new web-based training course concerning our Code of Conduct. The course is available in all the languages of the Nordic region, as well as Dutch and English. Online training is targeted at all employees; 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, 96.7 per cent (85.6) had completed the course.

We work continuously on recurrent training of our employees in business ethics dilemmas, which makes it easier to act correctly in difficult situations. For our acquired companies, we carry out continuous training for our corporate culture as well as how to handle anti-corruption, representation, gifts and conflicts of interest.

Using open dialogue and training for our suppliers concerning our business ethics requirements, we intend to build good and responsible business relationships and work together to prevent risks. During the year, we have held ongoing dialogues with our largest suppliers in the Nordic region concerning business ethics. The suppliers have confirmed their commitment to follow our business ethics requirements through our Supplier Code of Conduct or by possessing their own Code of Conduct which we assess to be compatible with our undertakings.

During 2019/20, all of our business areas have assessed risks concerning business ethics and anti-corruption. No whistle-blower cases were recorded in 2019/20.

	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
Share of business areas that underwent an annual risk assessment	100%	100%	100%	100%	100%	100%

	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
Share of employees undergoing online training in our Code of Conduct	96.7%	85.6%	87.7%	94.1%	–	–

100%

of our business areas underwent an annual risk assessment

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 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.

Business ethics are an important aspect of responsible business for both us and 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.

Financial overview

Operations
Dustin Group AB ("Dustin") is a leading online IT partner serving the Nordic region and the Netherlands. The company offers IT products with related services and solutions to companies, the public sector and private individuals, with a primary focus on small and medium-sized businesses. 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.

We employ 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. We conduct operations in Sweden, Denmark, Finland, Norway and the Netherlands 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, finance, marketing, IT and HR. Sales to the SMB and LCP segments amount to approximately 95 per cent of total sales.

Net sales
SEK **13,195** million

Proposed dividend per share
SEK **2.20**

Gross margin
15.5 %

EBIT
SEK **387** million

Organic sales growth
2.3 %

Adjusted EBITA margin
3.9 %

Significant events during the year

Q1

- During the first quarter, we launched e-commerce in the Netherlands and now offer products, services and solutions over the internet. Our e-commerce in the Netherlands, dustin.com, is targeted at companies and private individuals, with a focus on small and medium-sized businesses.

Q2

- During the second quarter, the Norwegian subsidiaries Core Services AS and Purity IT AS were merged with Dustin Norway AS. The merger was a step in further integration of the businesses into the shared IT platform.
- We renewed the lease for the logistics facility in Rosersberg for ten years.
- The Board of Directors resolved to issue an offer to shareholders for the repurchase of all warrants outstanding of the 2017/2020 series at market price.
- Dustin allocated warrants to management and other key personnel as part of a new long-term incentive programme, LTI 2020.

Q3

- In connection with the outbreak of the corona pandemic and a higher rate of digitalisation in society, we decided to increase the pace of the planned development in services and solutions. We did this by consolidating 14 offices and reducing our workforce within the scope of the existing strategy.
- We continued our transformation with the launch of our updated brand and more clearly showcasing that we can offer complete IT solutions such as Network and Modern Workplace to businesses.
- We automated our central warehouse using a robot solution that enables an enhanced level of service through shorter processing times and increased space efficiency in the warehouse.
- As part of our consolidation of data centres from 14 to four, two were completed and put into operation. The migration of customers is ongoing and the project is expected to be completed and put into operation in the autumn of 2020.

Q4

- Stephanie Forsblom became new EVP Marketing & Communication. Martin Lindecrantz was appointed new EVP HR and replaced Morten Jakobi, who is now EVP Netherlands. All of the above have begun in their new positions during the fourth quarter and are members of our Group Management.

Net sales and earnings

Condensed income statement

SEK million	19/20	18/19	Change, %
Net sales	13,195.4	12,535.7	5.3
EBIT	387.2	489.1	-20.8
Profit after net financial items	335.2	444.9	-24.7
Net profit for the year	**277.3**	**356.2**	**-22.2**

Net sales for the year increased 5.3 per cent to SEK 13,195 million (12,536). Organic growth was 2.3 per cent (9.9), of which SMB accounted for a negative 1.4 per cent (pos: 4.0), LCP for a positive 6.1 per cent (pos: 16.5) and B2C for a negative 3.9 per cent (neg: 3.9). Acquired growth was 3.4 percentage points (9.9) and exchange-rate differences had a negative impact of 0.5 percentage points (pos: 1.9).

Net sales are distributed between the segments as follows:

SEK million	19/20	18/19	Change, %
SMB	5,717.4	5,532.9	3.3
LCP	6,880.9	6,376.8	7.9
B2C	597.0	625.9	-4.6
Total	**13,195.4**	**12,535.7**	**5.3**

Gross profit for the year fell SEK 46 million, corresponding to 2.2 per cent, to SEK 2,043 million (2,089) in relation to the preceding year. The gross margin declined to 15.5 per cent (16.7), primarily due to a changed sales mix, with a higher share of sales in public contracts and a higher share of computer hardware at a lower margin. Furthermore, a strong decline in project-related income with higher margins had a negative impact on the gross margin.

EBIT amounted to SEK 387 million (489). EBIT includes items affecting comparability of negative SEK 31 million (pos: 4), which during the year mainly comprised restructuring costs of SEK 27 million (–), a positive effect of SEK 20 million (48) from a change in acquisition-related liabilities and integration costs of SEK 16 million (–). SEK 8 million (18) pertained to costs for the development of the IT platform for online sales in the Netherlands, which was launched at the end of October 2019. For more information, refer to Note 5 Items affecting comparability.

During the year, adjusted EBITA fell 7.6 per cent to SEK 517 million (560). The adjusted EBITA margin declined to 3.9 per cent (4.5). A lower gross margin is the explanation for the decline, which was partly offset by cost savings. Adjusted EBITA excluded items affecting comparability of negative SEK 31 million (pos: 4), which are specified in Note 5 Items affecting comparability.

Financial items

Financial expenses for the year amounted to SEK 53 million (45), and mainly pertained to borrowing costs of SEK 40 million (38) for external financing. The financial expenses were also impacted by interest expenses related to leases in an amount of SEK 14 million in accordance with the IFRS 16 accounting standard. Financial income amounted to SEK 1 million (1).

Tax and net profit for the year

The tax expense for the year was SEK 58 million (89), corresponding to an effective tax rate of 17.3 per cent (19.9). The low effective tax rate for the year was mainly attributable to the remeasurement of Dutch deferred taxes due to reduced corporate income tax. The effective tax for the year was also impacted by non-taxable income from the remeasurement of acquisition-related liabilities.

Net profit for the year totalled SEK 277 million (356). Earnings per share amounted to SEK 3.13 (4.12) before dilution and SEK 3.13 (4.11) after dilution.

Net sales and SMB segment earnings

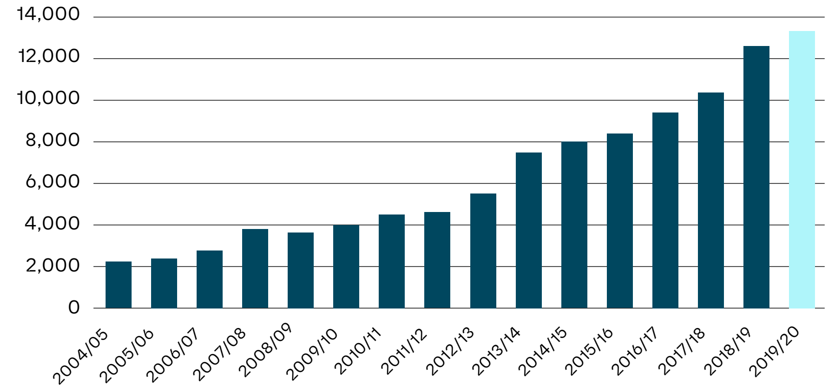
SEK million	19/20	18/19	Change, %
Net sales	5,717.4	5,532.9	3.3
Segment result	510.6	584.4	-12.6
Segment margin (%)	8.9	10.6	–

Net sales

Net sales for the year increased 3.3 per cent (26.5) to SEK 5,717 million (5,533). Acquisition-related growth accounted for 4.8 percentage points (21.1) of the growth while exchange-rate differences accounted for a negative 0.1 percentage points (pos: 1.3). Organic growth was negative 1.4 per cent (pos: 4.0), a decrease attributable to a cautious market situation related to the corona pandemic during the second half of the year.

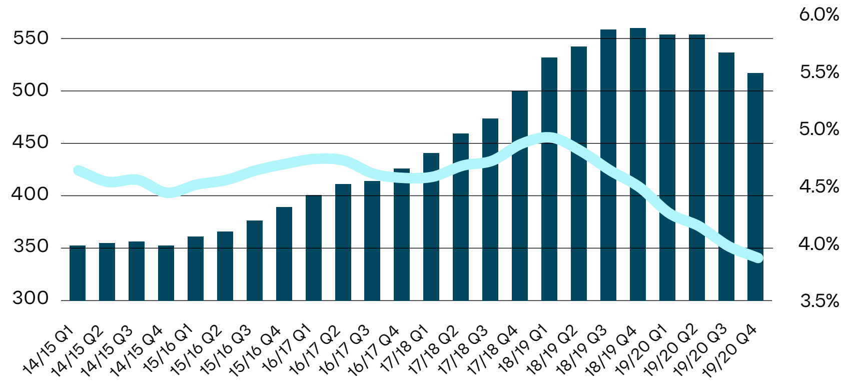
Net sales

SEK million



Adjusted EBITA & margin, rolling 12 months

SEK million



During the second half of the year, the business was characterised by a stable performance for hardware sales, primarily among small and medium-sized businesses. Contractual recurring revenues from subscription-based services were stable. The development of project-related services, such as customers signing up to new services and the installation of conference rooms and suchlike was weak, as a consequence of closed offices. Demand from larger companies in the segment was generally more cautious.

Segment results
Profit for the segment fell 13 per cent, corresponding to approximately SEK 74 million, to SEK 511 million (584). The segment margin declined to 8.9 per cent (10.6).

The change was primarily attributable to:
- a cautious market climate due to the pandemic, mainly among the larger SMB companies,
- changes in the sales mix, with a higher share of computer hardware at a lower margin,
- a significantly lower share of project-related income and advanced hardware with a high margin, and
- higher costs in the form of investments made earlier in the organisation for services and solutions.

During the year, software and services as a percentage of sales remained unchanged at 24 per cent (24) in the segment. At the end of the financial year, the customer base for SaaS configurations in integrated operations had increased to a total of 186,000 users (76,417) in the Nordic region.

Net sales and LCP segment earnings

SEK million	19/20	18/19	Change, %
Net sales	6,880.9	6,376.8	7.9
Segment result	410.9	359.4	14.3
Segment margin (%)	6.0	5.6	–

Net sales
Net sales for the year increased 7.9 per cent (20.7) to SEK 6,881 million (6,377). Acquisition-related growth accounted for 2.6 percentage points (1.8) while exchange-rate differences accounted for a negative 0.7 percentage points (pos: 2.3). Organic growth was 6.1 per cent (16.5), where lower growth was mainly attributable to weak demand from larger companies during the second half of the year.

The trend for sales to the public sector remained stable during the year and was less affected by the ongoing pandemic. The market for larger companies was challenging during the second half of the year due to the official restrictions.

Segment results
Profit for the segment rose 14 per cent, corresponding to approximately SEK 52 million, to SEK 411 million (359). The segment margin increased to 6.0 per cent (5.6).

The change was primarily attributable to:
- improved margins in major framework agreements for the public sector as the contracts mature,
- economies of scale due to higher volumes, and
- good cost control.

Net sales and B2C segment earnings

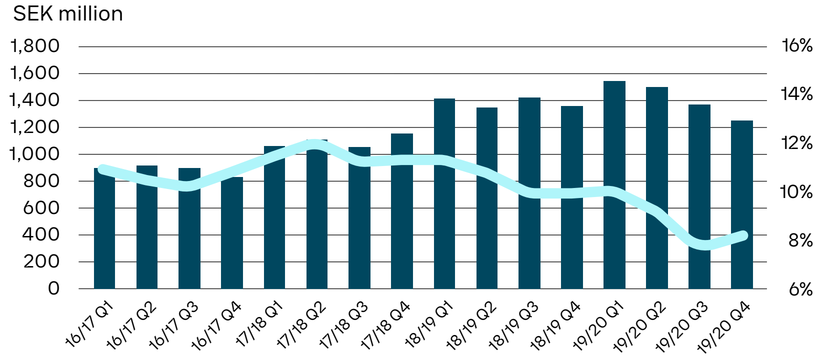
SEK million	19/20	18/19	Change, %
Net sales	597.0	625.9	-4.6
Segment result	37.1	36.7	1.1
Segment margin (%)	6.2	5.9	–

Net sales
During the year, net sales fell 4.6 per cent (neg: 2.4) to SEK 597 million (626). Organic growth was negative 3.9 per cent (neg: 3.9). Exchange-rate differences accounted for a negative 0.8 percentage points (pos: 1.6). The business was characterised by a relatively stable performance for hardware sales for most of the year. The fourth quarter was weak following a peak in demand in connection with the corona pandemic outbreak.

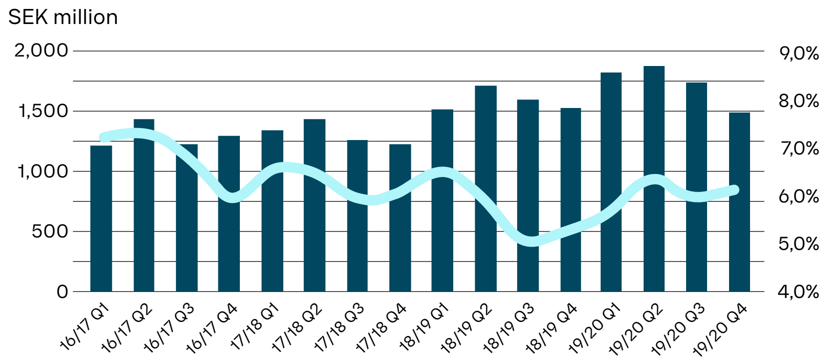
Segment results
The segment result increased 1.1 per cent to SEK 37 million (37). The segment margin increased to 6.2 per cent (5.9), due to the continued focus on margin ahead of volume in the consumer business.

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 3.3 per cent (3.4) of sales. Costs for central functions amounted to SEK 441 million (421), with the increase attributable in absolute terms to the integration of previously acquired businesses.

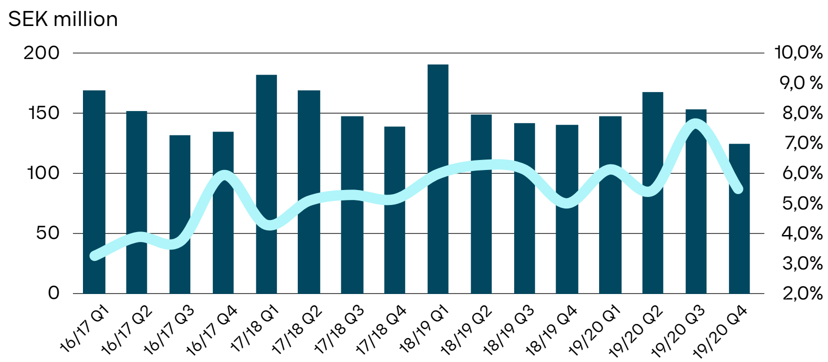
SMB – Net sales and segment margin



LCP – Net sales and segment margin



B2C – Net sales and segment margin



A positive earnings effect of IFRS 16 of SEK 6 million (–) is included in the costs for central functions for the year. For additional financial data on the segments, refer to Note 3.

Central functions

SEK million	19/20	18/19	Change, %
Cost for central functions	-441.3	-420.7	4.9
Costs in relation to net sales (%)	-3.3	-3.4	–

Financial position

Condensed consolidated balance sheet

SEK million	Aug. 31, 2020	Aug 31, 2019
Non-current assets	5,050.0	4,745.6
Current assets	2,726.1	2,522.7
Total assets	**7,776.1**	**7,268.3**
Equity	2,455.6	2,460.3
Non-current liabilities	2,764.8	2,265.8
Current liabilities	2,555.7	2,542.3
Total equity and liabilities	**7,776.1**	**7,268.3**

Net working capital

At year end, net working capital amounted to a negative SEK 422 million (neg: 68). The year-on-year change in net working capital was mainly a result of tax liabilities and other current liabilities. Dustin exercised the tax credits offered in Sweden, Norway and Denmark, which increases current liabilities year-on-year by approximately SEK 240 million. The lower level of accounts payable is mainly attributable to the decrease in business volume and was also offset by extended credit periods to suppliers. The decline in accounts receivable was mainly attributable to lower sales in the final month of the period.

Net working capital

SEK million	Aug. 31, 2020	Aug 31, 2019
Inventories	482.9	465.7
Accounts receivable	1,256.6	1,460.4
Tax assets, other current receivables, as well as prepaid expenses and accrued income	256.5	313.9
Accounts payable	-1,543.6	-1,712.3
Tax liabilities, other current liabilities, accrued expenses and deferred income	-874.2	-595.3
Net working capital	**-421.8**	**-67.6**

Net debt and cash and cash equivalents

At the end of the year, net debt amounted to SEK 1,940 million (1,736). The change was attributable to higher lease liabilities that were offset by higher cash and cash equivalents. The increased lease liability is attributable to the implementation of IFRS 16 Leases. In total, cash and cash equivalents amounted to SEK 730 million (281). The increase is mainly attributable to extended credit periods with suppliers and expanded tax credits. At the end of the year, there was also an unutilised overdraft facility of SEK 100 million (270) and an unutilised credit facility of EUR 5 million (5) in the Dutch operations.

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 2.6 (2.9), which is in the middle of the range for the financial target. When calculated including the effects of IFRS 16, the net debt ratio would have amounted to 2.7. For calculation, see source of alternative performance measures.

Net debt and cash and cash equivalents

SEK million	Aug. 31, 2020	Aug 31, 2019
Liabilities to credit institutions	2,159.0	2,006.1
Lease liabilities	511.5	11.5
Cash and cash equivalents	-730.1	-281.3
Net debt	**1,940.4**	**1,736.4**

Investments

Investments made during the year refer to capitalised costs for the integrated IT platform totalling SEK 115 million (87) and other investments in computer equipment and vehicles.

Investments

SEK million	19/20	18/19
Capitalised expenditure for IT development (integrated IT platform and other long-term strategic IT systems)	37.5	32.3
Other investments in tangible and intangible assets	73.8	47.2
Cash flow from acquisitions and divestment of operations	204.3	499.5
Cash flow from investing activities	**315.6**	**579.0**
Net investment in finance lease assets	3.1	7.5
Net investment in lease assets	318.8	–
Total	**637.5**	**586.5**

Cash flow

Cash flow, condensed

SEK million	Aug. 31, 2020	Aug 31, 2019
Cash flow from operating activities	867.7	264.0
Cash flow from investing activities	-315.6	-641.8
Cash flow from financing activities	-156.1	393.2
Cash flow for the period	**395.9**	**15.5**

Cash flow for the year was SEK 396 million (16). The year-on-year change was mainly attributable to cash flow from changes in working capital.

Cash flow from operating activities was SEK 868 million (264), with the year-on-year increase mainly attributable to changes in working capital. The period's impact from changes in working capital amounted to SEK 321 million (neg: 126), with the positive year-on-year change primarily due to a lower level of accounts receivable, combined with an increase in current liabilities. The period was impacted by a lower share of sales in the final month of the period and the lower share of accounts payable is mainly attributable to the decrease in business volume and was to a certain degree offset by extended credit periods to suppliers. For further information regarding working capital, refer to the Net working capital section.

Cash flow from investing activities amounted to a negative SEK 316 million (neg: 642). The change was mainly due to acquisitions made in the preceding year of SEK 536 million. During the year, earn-outs of a negative SEK 209 million (neg: 31) were paid that were attributable to acquisitions completed earlier. Investments in tangible and intangible assets amounted to a negative SEK 111 million (neg: 80), of which a negative SEK 38 million (neg: 32) pertained to the IT platform, and a negative SEK 74 million (neg: 47) mainly pertained to investments in hardware for data centres and in a new platform for customer and market information. The period was also positively impacted in an amount of SEK 5 million attributable to divestments. During the year, investments were also made in the launch of domains for e-commerce in the Netherlands. Investments in assets financed through leasing amounted to SEK 322 million (8) and were mainly attributable to extended leases, IT equipment for service provision, such as servers and network solutions, vehicles, and an investment in enhanced automation of the central warehouse in Rosersberg. The investment refers to a robot solution that increases the level of service for our Nordic customers through shorter handling time in the warehouse and thus shorter delivery times.

Cash flow from financing activities amounted to a negative SEK 156 million (pos: 393). The decrease was mainly attributable to the new share issue of SEK 681 million conducted during the preceding year. The year was positively impacted by a new bank loan raised corresponding to SEK 390 million, in combination with a repayment of SEK 134 million. The repayment of lease liabilities amounted to SEK 149 million and was mainly attributable to the IFRS 16 accounting standard. The year was also negatively impacted by a dividend to shareholders of SEK 266 million (neg: 239) and positively by SEK 4 million (pos: 29) attributable to cash flow effects from long-term incentive (LTI) programmes relating to the payment of warrants issued.

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 111 present how Dustin defines its performance measures and the purpose of each performance measure. The data presented on page 110 is supplementary information from which all performance measures can be derived.

Market overview and outlook

In 2019/20, Dustin reported organic growth of 2.3 per cent (9.9), in which SMB totalled negative 1.4 per cent (pos: 4.0), LCP a positive 6.1 per cent (pos: 16.5) and B2C negative 3.9 per cent (neg: 3.9). Growth for the SMB segment fell below our financial target, and is mainly attributable to a cautious market climate during the second half of the year. Growth in the LCP segment did not quite achieve the financial targets due to a cautious market climate among larger companies during the second half of the year. The performance of the company's online core business was favourable during the financial year. Limited access to customers' offices has impacted the services and solutions business.

During the year, Dustin focused on integrating previous acquisitions and handling the new market conditions in conjunction with the corona pandemic. No additional corporate acquisitions were completed during the financial year.

During the year, Dustin accelerated the implementation of the strategy for services and solutions by consolidating offices and reducing the workforce, automating the central warehouse with a robot solution and by consolidating its data centres to improve future profitability.

The corona pandemic has accelerated digitalisation in society with an increase in shopping online and greater demand for mobility and cloud solutions. Dustin is well positioned for this with a unique digital relationship to hundreds of thousands of customers, a more 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. Furthermore, Dustin's strong financial position is expected to provide opportunities to further strengthen its position in existing markets and we are well-equipped to face the opportunities and challenges presented by the business climate and our customers.

Seasonal variations

Dustin is impacted by seasonal variations. Each quarter is comparable between years. Sales volumes are normally higher in November and December, and lower during the summer months when sales and marketing activities are less intense. Similar seasonal variations occur in all geographical markets.

Effects of the corona pandemic

The prevailing situation with the ongoing pandemic has resulted in a considerable increase in uncertainty and Dustin has taken several measures to mitigate the future effects on its operations.

During the period, measures were taken to reduce costs, such as a changed bonus structure and voluntary short-time working for employees. An investment and recruitment freeze was in place during the latter part of the financial year, which has reduced the share of consultants. Ongoing probationary employment was also terminated during the period. Travel restrictions and reduced marketing activity had a positive impact during the quarter. In total, these measures resulted in savings of approximately SEK 35 million during the period.

During the year, two of the Dutch units in the Group applied for government grants for the remuneration of salary-related costs. The government grants were recognised as a reduction in selling and administrative expenses and increased interim receivables. Total remuneration amounts to SEK 3 million.

During the period, impairment testing of goodwill, non-financial assets and financial assets was established. The current financial situation was assessed in relation to the measurement. Detailed analyses of alternative scenarios and sensitivity analyses were conducted to ensure that there was no impairment requirement at the end of the reporting period. The impairment testing has demonstrated sustained significant margins in the measurements. Dustin will continue to carefully monitor developments to assess any effects on the measurement of the assets.

The uncertain market situation contributed to an increased risk of future credit losses. To address this increased risk, extra measures have been deployed and Dustin has reviewed its provision of credit for certain industries, which has resulted in a positive structure and reduced exposure to credit losses. It has therefore not been considered necessary to make further assessments or adjustment of the model applied for provisions for credit losses, but this is something that Dustin is continuously assessing. Payment discipline among customers remains high and credit losses are at a stable, low level.

In addition to the measures mentioned, Dustin has been offered extended credit terms by suppliers, which is indicative of a strong market position. During the year, Dustin has also exercised the tax credits that the authorities offered in Sweden, Denmark, Finland and Norway.

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, 2020, the price was SEK 56.4 per share (80.90), representing a total market capitalisation of SEK 5,000 million (7,172). At August 31, 2020, the company had a total of 12,428 shareholders (7,191) according to Euroclear. Our three largest shareholders were Axmedia AB (Axel Johnson Gruppen) with 29.8 per cent, AMF Försäkring & Fonder with 9.9 per cent and Fidelity Investments with 6.1 per cent. A shareholder register with the largest shareholders is presented on our website.

Multi-year overview

All amounts in SEK million, unless otherwise indicated	19/20	18/19	17/18	16/17	15/16
Net sales	13,195.4	12,535.7	10,300.5	9,306.2	8,300.8
Organic sales growth (%)	2.3	9.9	2.0	8.6	4.4
Gross margin (%)	15.5	16.7	15.9	14.8	15.0
Adjusted EBITA	517.3	559.7	500.6	426.1	389.6
Adjusted EBITA margin (%)	3.9	4.5	4.9	4.6	4.7
EBIT	387.2	489.1	443.8	349.5	323.5
Net profit for the year	277.3	356.2	305.1	239.1	224.9
Earnings per share before dilution (SEK)	3.13	4.12	3.91	3.08	2.89
Cash flow from operating activities	867.7	264.0	747.9	213.6	447.2
Net debt/adjusted EBITDA (multiple) (excl. IFRS 16)	2.6	2.9	3.3	2.3	2.1
Net debt/adjusted EBITDA (multiple) (incl. IFRS 16)	2.7	–	–	–	–
Return on equity (%)	11.3	14.5	18.5	16.1	15.8

Employees
The average number of full-time employees was 1,700, compared with 1,644 in the year-earlier period. The increase was primarily attributable to acquisitions in the preceding year, which were therefore not included for the full year.

Guidelines for remuneration of senior executives
The most recently resolved guidelines for remuneration of senior executives are described in Note 7 Number of employees, employee benefits expense and remuneration of senior executives.

During the year, new legal requirements for remuneration guidelines came into force. This was due to amendments to the EU directive on shareholders' rights. Accordingly, the Board's proposals for new remuneration guidelines include a number of clarifications. Since both we and the market have developed, a raised ceiling for variable remuneration for senior executives is also proposed. In addition, the proposal does not entail any significant changes in relation to our current remuneration guidelines.

For more information regarding the guidelines, refer to page 69 of the Corporate Governance Report and Note 7 Number of employees, employee benefits expense and 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, which is to be held on December 14, 2020, will make a decision about the guidelines for remuneration of senior executives. Proposals ahead of the Annual General Meeting are available at www.dustingroup.com.

Significant events after the balance-sheet date

Acquisition in Denmark
The Danish company Exato A/S was acquired in September. The company specialises in standardised services, including IT security, where more than half of income comes from subscription services, primarily small and medium-sized businesses. The acquisition contributes to Dustin's strategy of increasing sales of services and complements Dustin's offering in Denmark. The company reported sales of approximately DKK 30 million during the latest financial year and has approximately 20 employees.

Corporate responsibility ambitions move to new level
Dustin is launching a new strategy for corporate and social responsibility. The strategy, which will extend until 2030, focuses on three areas: climate, circularity and social equality. For example, the company is the first e-retailer in the Nordic region to announce that it will be entirely climate-neutral by 2030.

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, net sales amounted to SEK 0.4 million (0.4) and profit totalled SEK 254 million (166). The change is the result of the receipt of a dividend of SEK 106 million (47) from Group companies during the year and intra-Group interest income of SEK 44 million (1). The net currency position during the period was SEK 101 million (neg: 21) and was mainly attributable to the external financing. The Group applies hedge accounting, whereby the net currency position is recognised against equity.

Annual General Meeting
Information about this year's Annual General Meeting can be found on page 108.

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 2.20 (3.00) per share, totalling SEK 195 million (266).

Proposed appropriation of earnings
The Board of Directors proposes that available earnings totalling SEK 1,053,124,100 be distributed at SEK 2.20 per share as an ordinary dividend. The proposal states that this amount be appropriated as follows:

Appropriation of earnings

SEK	
Dividends	195,024,146
To be carried forward	858,099,954
Total	**1,053,124,100**

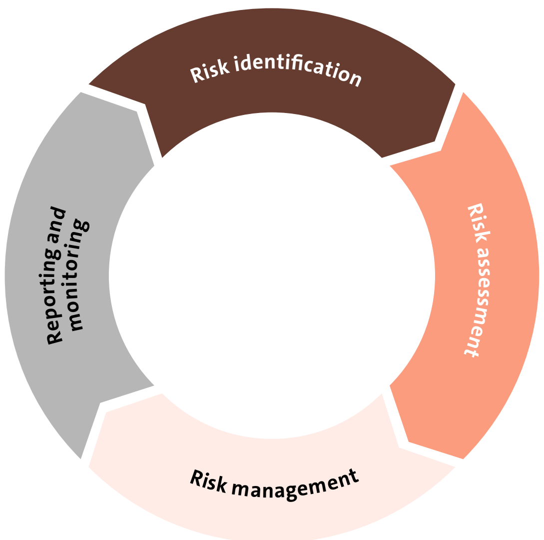
In its proposed appropriation of earnings, the Group has taken into consideration the company's operations, need for consolidation, liquidity and financial position in general. The Board of Director's complete statement regarding the proposed dividend is available on our website, www.dustingroup.com

Risks and risk management

Risks are a natural part of all business operations, just like in other companies, and a certain amount of risk-taking is a prerequisite for our Group's financial growth. Appropriate risk management is therefore fundamental to our running and development of sustainable, profitable business operations. Our risk management aims to ensure proper control of our Group's collective risk exposure and to ensure cost-efficient, systematic management of risks and opportunities in our operations that will create value. This way, we will 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 the expanded team). In connection with the appointment of our EVP Netherlands in August, a new executive management team was established for the business area and the Group's framework for risk management was applied in full during the 2020/21 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 that restrict both the impact and the probability of the risk occurring.
- Operational risks are associated with our operational activities, and identified primarily in procedural reviews and follow-ups on business. 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 such measures 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 at the 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 can include:

(i) avoidance, which means the risk is avoided entirely,

(ii) reduction, which means that we take measures to reduce risk exposure,

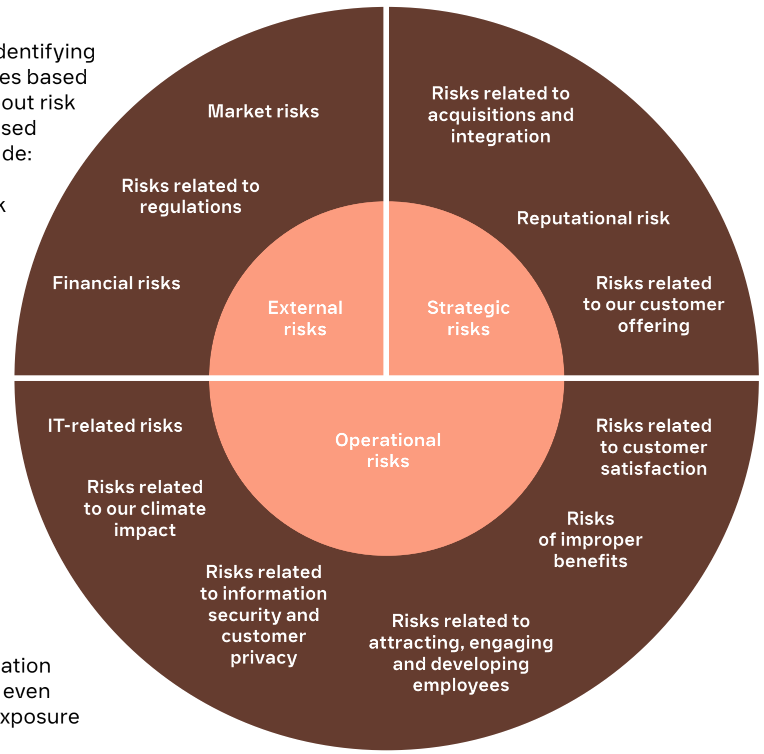
(iii) monitoring, which means that the risk exposure is accepted but that developments in the risk are followed, or

(iv) increasing risk, which means that we take measures to increase risk exposure. An example where we choose to increase risk exposure is the acceleration of our service operation with expected high profitability, even though it includes greater risk exposure than the product operation.

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

Our largest risk areas and the measures taken to manage 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 will remain part of the growth strategy moving forward. There is a risk that we may not find suitable acquisition targets or acquires a faulty company.

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

Mitigation

We continuously assess a number of companies to identify operations that could strengthen our offering. Prior to a potential acquisition, the operations are evaluated in accordance with a structured procedure before we make a decision in order to assess possibilities and risks in
the investment.

We implement a structured integration programme in order to expand the possibilities into a positive earnings effect. The purpose of this is to secure the acquired company's relationships with customers and suppliers, as well as to engage and retain key personnel.

Reputational risk

Description

A good reputation is of great significance to our success, since one of our success factors is a strong brand. It is important for us to continue operations in accordance with our values, which are characterised by a responsible entrepreneurial attitude.

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 could be damaged.

Mitigation

We undertake thorough work with a responsible entrepreneurial attitude in our areas of focus, as well as by providing continuous information and training concerning our values and business principles. Read more about our values on pages 24 and areas of focus on pages 20.

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 intensively to develop new and attractive offerings for our customers. To meet the heightened demand for more advanced products and services, we have created a special function that focuses on developing and enhancing our service offerings, chiefly within managed IT services. This work is carried out in close collaboration with our suppliers and other business partners. We have also focused on integrating acquired companies to strengthen our offering during the year, in addition to further developing our business system and our processes in order to improve the management of our service offering and deliveries to our customers.

Operational risks

IT-related risks

Description

Our operations are highly dependent on an efficiently performing IT platform. Increasing digitalisation has raised the threat from cyber attacks, and these attacks pose a constant and increasing risk for us. Inadequate protection and incident management could lead to considerable disruptions to our IT platform.

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 earnings as well as our reputation.

Mitigation

We work continuously to restrict the number of disruptions in our systems and their consequences. Furthermore, we regularly follow up on our customers' views of the availability 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.

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 achieving the targets we have set and driving 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 skills development with the aim of developing operations and achieving set targets. We have a 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 about their staff. We have also created a uniform working method to increase clarity for our managers as well as our other employees.

To identify focus areas expected to increase our employee satisfaction, we regularly carry out employee surveys that are followed up in each team.

Risks related to customer satisfaction

Description

Our ability to retain customers could decline if we cannot provide satisfactory customer service or match 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 earnings.

Mitigation

We work continuously 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.

Risks of improper benefits

Description

In our business operations, there is a risk that our employees will receive or offer improper benefits in connection with purchases and sales. Actual or suspected improper benefits can damage our reputation, lead to fines and exclude us from procurement or investment.

Mitigation

During the year, we worked continuously 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.

The purchasing organisation has been given in-depth training in how they can work together with our partners on activities, within the framework of our business ethics guidelines. Moreover, we were in continual dialogue with strategically important suppliers during the year regarding our requirements and expectations for ethically correct behaviour.

During the year, new employees were given induction training in our Code of Conduct, and separate sessions on ethics were held with the units in which risks had been identified. We also held dilemma discussions at recently acquired companies.
Our guidelines for representation communicated in the organization contain detailed information on how we at Dustin should act with regard to external representation and on the rules that apply to giving and receiving gifts or other benefits.

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 significant negative impact on our brand.

Mitigation

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.

Our 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 strategic climate impact

Description

We see a risk that incremental improvements regarding reduced CO_2 emissions from the entire value chain will not go fast enough year by year.

This is largely dependent on past and future improvements in the transport sector as well as other parts of our value chain, that until 2020 were not covered by our climate scope.

Mitigation

Dustin has established a strategy for the climate area in 2019/20 and launched new targets for 2030, where we will work strategically with a much wider scope than before. This covers the entire value chain from raw materials to end customers with the target of reaching zero emissions by 2030.

External risks

Market risks

Description

Our operations are impacted by the general economic climate, structural changes, new or changed competition 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 demands for our products and services.

Global e-retailers and other digital players are continuously expanding their business and challenging existing business models. More players are competing for the same customers with similar offers and it is easier than ever to make comparisons.

The corona pandemic has had major consequences on the global market and drastic measures have been taken in several countries to prevent the spread of infection. It is likely that the virus will continue to spread and that countries will take additional measures to limit infections as well as to support economic growth. It is difficult to predict how long the pandemic will last and what its effects will be on the economy and society at large.

A significant economic downturn can have a negative impact on demand for 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 be at the forefront.

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 their management.

Financial risks

Foreign exchange risk

Description

Our risks connected to foreign exchange risk are divided into transaction exposure and translation exposure.

Transaction 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 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, our transaction exposure is limited since we primarily operate in the Nordic and Dutch markets, where purchases and sales are chiefly conducted in the local currency. Our outstanding currency hedging on the balance-sheet date is presented in Note 17, Derivative instruments and hedge accounting.

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 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. Loans raised in the respective currency (DKK, NOK and EUR) are specified in Note 23 Borrowing. The current hedge level is on a par with the level stipulated above.

Credit and counterparty risk

Description

Our credit and counterparty risk refer 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.

In our opinion, credit risk has increased due to the corona pandemic. To address this increased risk, we deployed extra measures during the second half of the year, which has resulted in a positive structure and reduced exposure to credit losses.

Our counterparty risk is specified in our financial policy and manages risk levels for the counterparty, maturities and amounts. Our counterparties mainly refer to Scandinavian banks, authorities and municipalities. Our counterparty risk, despite the corona pandemic, 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 that we report to the banks. In connection with the corona pandemic, we have held recurring dialogues with the external bank to transparently analyse and assess the financial covenants. All covenants were fulfilled during the year. Our short- and long-term borrowing is specified in the supplementary disclosures under Note 23 Borrowing.

Interest rate risk

Description

Our interest rate risk pertains to the risk of material changes in the market interest rates, which in turn affects the variable interest rate on 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 hedging agreements have different maturities to reduce the risk of simultaneous new subscriptions.

We apply hedge accounting, as stated in the accounting principles. Our external loans in each currency are specified in the additional information.

If the market interest rate increases by one percentage point, profit before tax deteriorates by around SEK 2.3 million based on the balance sheet date's loan structure, interest rate futures and distribution of currencies.

Corporate Governance Report

Our Corporate Governance

Good corporate governance is about ensuring that we conduct Dustin's[1] 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.

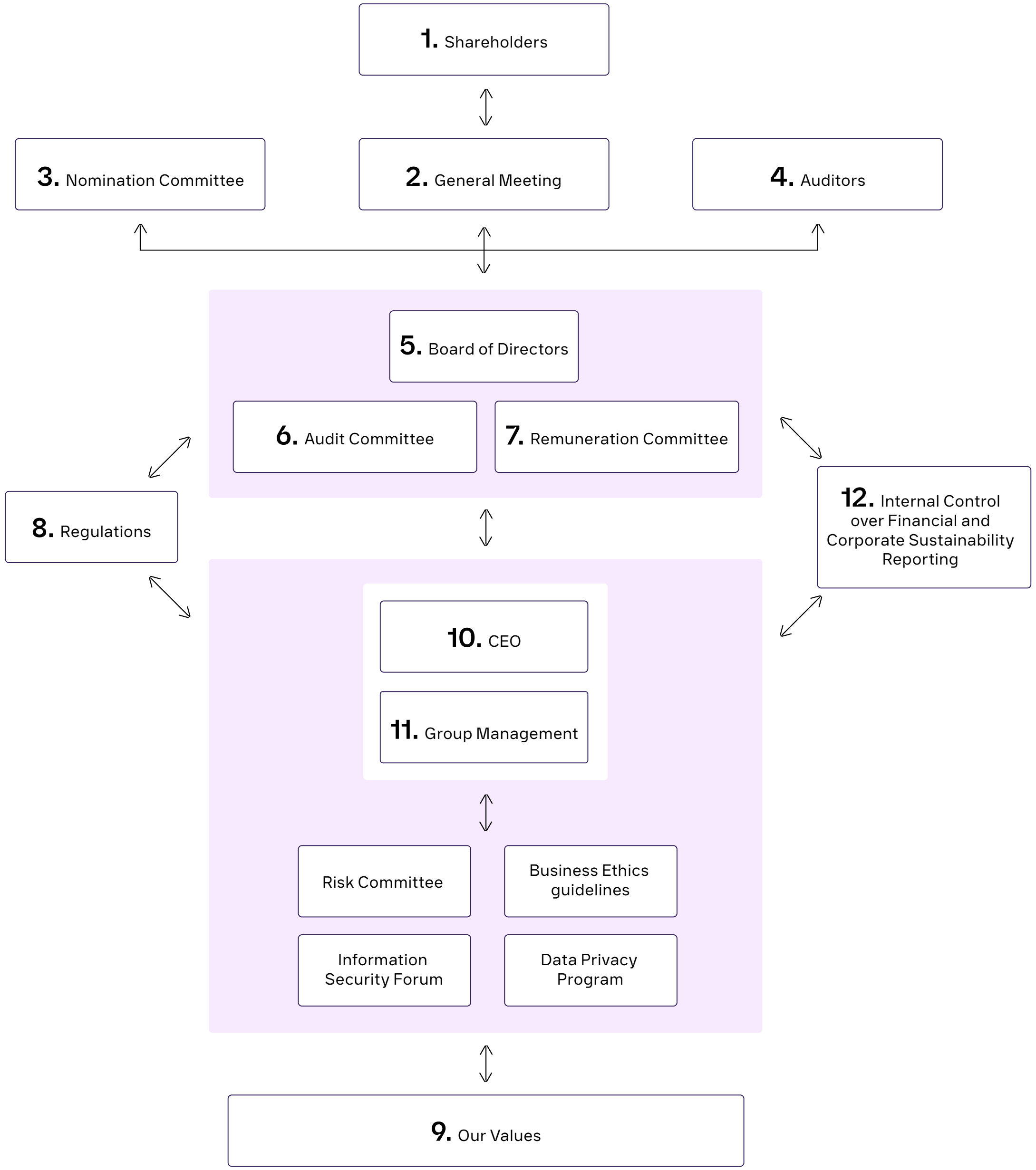
We value good corporate governance and regard governance as a prerequisite for being able to conduct our operations with profitable and sustainable growth. Governance lends us stability and enables us to more easily convert, adapt to and capitalise on changed conditions. Corporate governance provides 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 report is available as part of the Auditor's Report.

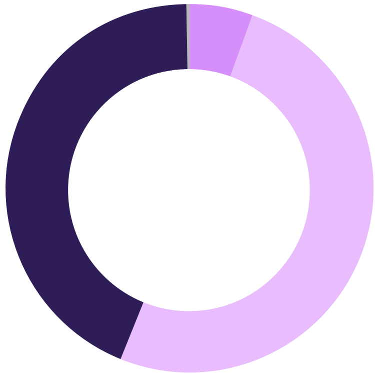


[1] The name Dustin or "we" refer to Dustin Group AB (publ) or the Group for which Dustin Group AB (publ) is the parent company, depending on the context.

1. The Share and Shareholders

Our share has been listed since 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 12,428 shareholders. As of August 31, 2020, our largest shareholder was Axmedia (Axel Johnson) with 29.83 per cent. 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: 5.67%
Swedish institutional owners: 50.46%
Foreign institutional owners: 43.82%
Other: 0.05%

Source: Euroclear.

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 sets out a requirement to notify of attendance within a certain time set out in the notice.

2018/19 Annual General Meeting
Our most recent Annual General Meeting was held on December 11, 2019 in Stockholm and pertained to the 2018/19 financial year. 120 shareholders attended the Annual General Meeting, representing 63 per cent of the share capital and voting rights. All Board members and our Auditor in Charge were present at the Meeting.

The minutes of the Annual General Meeting and other relevant documents are available on our website, www.dustingroup.com.

2019/20 Annual General Meeting
Our next Annual General Meeting will be held on December 14, 2020 and relates to the financial year 2019/20. In light of the continued uncertainty regarding the corona pandemic, the Annual General Meeting will be conducted pursuant to so called advance voting (postal voting), meaning that no shareholders will attend the Annual General Meeting in person or through proxy. Instead, shareholders can participate in the Annual General Meeting by voting and submitting questions in advance. For more information about the next Annual General Meeting, see page 108 and our website www.dustingroup.com.

3. Nomination Committee

The Nomination Committee for our Annual General Meeting comprises representatives of our largest shareholders that 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 of the Board, 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, 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, width and experience.

On June 11, 2020, we presented our Nomination Committee ahead of the 2019/20 AGM. 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. Since one of our largest shareholders increased their ownership after this date, we have taken this into consideration in the composition of the Committee.

Ahead of the 2019/2020 Annual General Meeting, the Nomination Committee comprises the following members:

- Caroline Berg, Axel Johnson/Axmedia, Chair of the Nomination Committee,
- Tomas Risbecker, AMF Försäkring & Fonder,
- Suzanne Sandler, Handelsbanken Fonder,
- Lennart Francke, Swedbank Robur 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 Rule 2.4 of the Code, with the exception of the deviation stated on page 69. The Committee's mandate period extends until such time as a new Nomination Committee has been appointed.

The Nomination Committee has held six meetings to date. In addition to meetings, the members of the Nomination Committee had talks and conducted individual interviews with the Board members and the 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.

4. Auditors

Our auditor reviews the Annual and Corporate Responsibility 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 Corporate Responsibility Report and the review of the Corporate Governance Report and presents her conclusions before the Annual General Meeting.

At the 2018/19 Annual General Meeting, Ernst & Young AB was re-elected as the audit firm, with Jennifer Rock-Baley as the Auditor in Charge for the period up to the end of the 2019/20 Annual General Meeting. In addition to her assignment with us, Jennifer Rock-Baley is also the Auditor in Charge for companies including DeLaval International AB, HKScan AB, Recipharm AB (publ), Swedfund International AB and Volkswagen Group Sverige AB.

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 2019/20 financial year can be found in Note 6 Auditor's remuneration.

5. Board of Directors

Our Board of Directors has the 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 seven members:

- Mia Brunell Livfors (Chair),
- Caroline Berg,
- Gunnel Duveblad,
- Johan Fant,
- Tomas Franzén,
- Mattias Miksche, and
- Morten Strand.

Our Board of Directors met the independence requirement of the Code during the 2019/20 financial year. 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 68.

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 2019/20 financial year was conducted in survey form. 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.

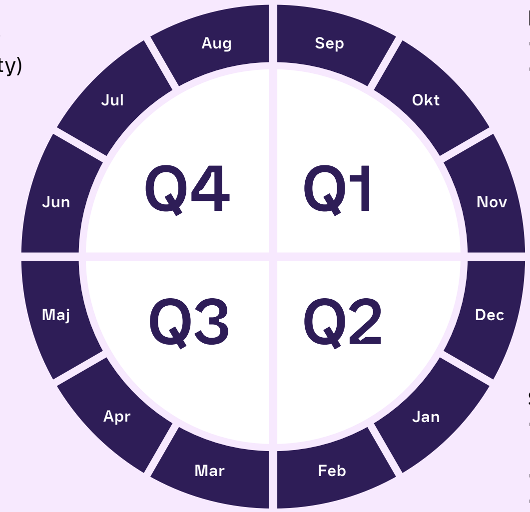
As for previous years, the Board work was deemed to function very well. The members are considered to be making a constructive contribution to both the strategic discussion and the governance of the company. The discussions are seen as open and the dialogue between the Board and management is perceived 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 2018/19 Annual General Meeting and the attendance of Board members at meetings during the 2019/20 financial year are described in the presentation of the Board of Directors on page 68 and in Note 7 Number of employees, employee benefits expense and remuneration of senior executives. 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



First quarter
- Year-end report
- Annual and Corporate Responsibility Report

Third quarter
- Q2 Interim Report*
- Strategy Day

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

*The interim reports also include corporate responsibility information.

Board Committees

6. Audit Committee

The main task of the Audit Committee is to ensure the quality of the financial and corporate responsibility 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 2019/20 financial year, the Committee held five meetings, which were recorded in minutes. Our CEO, CFO, external auditors and representatives from specific functions of the organisation were present at all 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 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), Caroline Berg and Tomas Franzén. During the 2019/20 financial year, the Committee held three meetings and work pertained primarily to remuneration of the CEO and senior executives (including the long-term incentive programme for 2020), the structure for target formulation, financial targets and the performance management model.

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

Our Board of Directors







	Mia Brunell Livfors	**Caroline Berg**	**Gunnel Duveblad**	**Johan Fant**	**Tomas Franzén**	**Mattias Miksche**	**Morten Strand**
Born	1965	1968	1955	1959	1962	1968	1965
Elected	2016 Chair of the Board since 2017	2016	2016	2016	2013	2006	2017
Education	Business at Stockholm University.	BA in Media and Psychology at Middlebury College, USA.	Systems Scientist, Umeå University.	MSc in Economics from the Stockholm School of Economics.	Education in Engineering, Industrial Economy at Linköping University.	MSc in Economics from the Stockholm School of Economics.	Graduate in Business and Information Management, University of San Francisco, USA.
Other current assignments	CEO of Axel Johnson. Chair of the Board of *i.a.* Axel Johnson International, Axfood and Kicks Cosmetics chain. Board member of Martin & Servera, Stena, Åhléns, AxSol and Efva Attling Stockholm.	Chair of the Board of Axel Johnson, Martin & Servera Aktiebolag, Erik and Göran Ennerfelts fund and The Global Village Foundation. Vice Chair of Nordstjernan. Board member of *i.a.* Axfood, Axfast, Axel and Margaret Ax:son Johnson Foundation, Brilliant Minds Foundation and the Stockholm School of Economics' Advisory Board.	Chair of the Board of companies including Team Olivia, Global Scanning A/S and the Ruter Dam Foundation. Board member of *i.a.* Sweco and Kindred Group plc.	CEO of AltoCumulus. Chair of the Board of Perlavita. Board member of *i.a.* AltoCumulus Asset Management, AxFast and Novax.	Chair of the Board of *i.a.* Bonnier News Group, Elajo Invest, TietoEVRY Corporation and Sappa Holding. Board member of *i.a.* Axel Johnson and Martin & Servera.	Chair of the Board of Hem Design Studio Sweden. Board member of *i.a.* Avanza Bank Holding, EuroFlorist Intressenter, Bubbleroom, Stratsys and StickerApp Holding. Advisor to Altor Funds.	CEO ABAX Group, Senior Industry Advisor at Nordic Capital. Chair of the Board of EMHA Holding. Board member of ABAX AS, Teamleader BV and CXM BV.
Previous assignments the recently past years	CFO of Kinnevik.	Director of Human Development and Communications and member of the management team of the Axel Johnson group.	Chair of the Board of of *i.a.* HiQ International and Board member of *i.a.* PostNord.	CFO of Axel Johnson	CEO of Bonnier AB and Com Hem.	Board member of Pricerunner Group and Sportamore.	CEO of Cint and COO of Visma Software International AS.
Shareholding at 31 August 2020	–	–	2,285	–	57,686	56,628	–
Independence	Independent of the company, Group Management, not independent of major share-holders.	Independent of the company, Group Management, not independent of major share-holders.	Independent of the company, Group Management and major shareholders.	Independent of the company, Group Management, not independent of major share-holders.	Independent of the company, Group Management, not independent of major share-holders.	Independent of the company, Group Management and major shareholders.	Independent of the company, Group Management and major shareholders.
Total fee (SEK)	680,000	345,000	375,000	425,000	345,000	315,000	375,000
Committee assignment	Chair of the Remuneration Committee	Member of the Remuneration Committee	Member of the Audit Committee	Chair of the Audit Committee	Member of the Remuneration Committee	–	Member of the Audit Committee
Attendance at meetings							
Board meetings	17/17	17/17	17/17	17/17	17/17	17/17	17/17
Audit Committee	–	–	5/5	5/5	–	–	5/5
Remuneration Committee	3/3	3/3	–	–	3/3	–	–

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.

Deviations from the Code, Nasdaq Stockholm's Rule Book for Issuers or good stock market practice
In the 2019/20 financial year, we deviated from the Code on one item.

Deviation
According to Rule 2.4 of the Code, a Board member may not act as Chair of the Nomination Committee.

Explanation
That Caroline Berg, who is a Board member, is also Chair of the Nomination Committee is natural in view of the fact that she represents Axel Johnson, our largest owner.

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

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 seperate levels depending on where decisions are made and who the governance document is applicable to.

- **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.
- **The Rules of Procedure for the Board of Directors and the Board Committees,** instructions for the CEO and instructions of 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 corporate responsibility data is integrated with financial reporting. See pages 3 and 17-21 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.
- **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, adapt their operations according to the principles in our Code of Conduct and Supplier Code of Conduct. This is a criterion for us, both as we build new and also maintain 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 also to protect the privacy of our employees and customers and this is described in more detail in our Data Privacy work on page 73.
- **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.
- **Financial Management Policy**
  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 of our financial situation and business strategy.

Compliance
All employees are personally responsible for following our external and internal regulations, which also include 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, 96.7 per cent of our active employees had completed the training.

Our employees are encouraged to report suspected violations to their immediate manager, safety representative, Leadership Team 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 2019/20.

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. Refer to page 24 for more about our values.

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.

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 towards all forms of bribes
We do not directly or through middlemen offer, give, ask for, accept or receive any form of bribe or improper benefits. A bribe occurs upon an attempt to influence a decision by offering some form of undue or improper advantage, favour or incentive.

We are cautious when offering and accepting of gifts and hospitality
We make sure that gifts, rewards and other benfits in business always support a clear business purpose, are openly disclosed, 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 it can be perceived that its purpose is to improperly influence a business decision. Also, we do not offer or accept any cash or cash equivalents as gifts.

We act in the best interest of Dustin
We always act in the best interest of 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 influence the market place 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

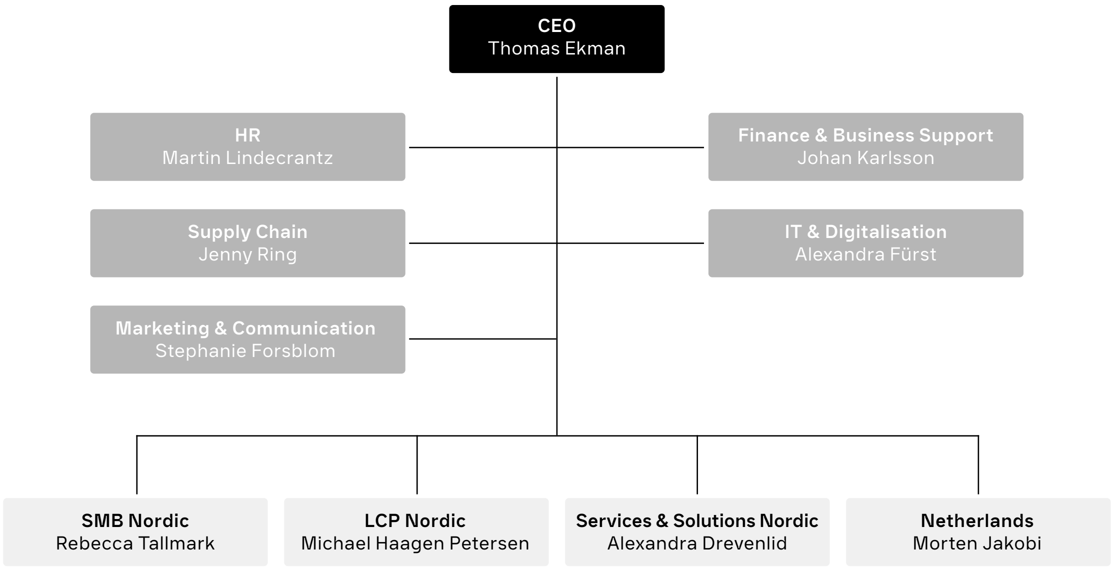
The CEO is responsible for the day-to-day management and daily operations. The division of work between the Board and the CEO is set out in the Rules of Procedure for the Board and instructions to the CEO.

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 2019/20 financial year, Group Management comprised ten individuals with each member holding responsibility for one of our Business Areas or Group Functions.

Group Management meetings are held monthly and otherwise as necessary. More meetings were held during the spring of 2020 due to the corona pandemic. 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. A presentation of the members of Group Management is available on page 72.



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 that we can 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 2019/20

Guidelines for remuneration 2019/20
The 2018/19 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/sv/ersattning.

Outcome 2019/20:
During the 2019/20 financial year, 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 2019/20 financial year, the total remuneration of Group Management amounted to SEK 36.7 million and is reported in more detail in Note 7 Number of employees, employee benefits expense and remuneration of senior executives.

The current guidelines, as approved by the Annual General Meeting on December 11, 2019, have been followed and all approved remuneration was within the stipulated guidelines.

Long-term incentive programme
On an annual basis, the Board evaluates whether a long-term incentive programme is to be proposed to the Annual General Meeting or not. Dustin has three outstanding incentive programmes: LTI 2018, LTI 2019 and LTI 2020. None of these programmes include the Board.

The Annual General Meeting on December 11, 2019 resolved to introduce a new incentive programme for senior executives (LTI 2020). The programme encompassed a total of not more than 1,329,710 warrants, of which 950,140 were acquired. The acquisitions were made at a market value totalling approximately SEK 4.4 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 Number of employees, employee benefits expense and remuneration of senior executives.

Guidelines for remuneration 2020/21
During the year, new legal requirements for remuneration guidelines entered into force. This was due to amendments to the EU directive on shareholders' rights. Accordingly, the Board's proposals for new remuneration guidelines include a number of clarifications. Since both we and the market have developed, a raised ceiling for variable remuneration for senior executives is also proposed. Other than the above, the proposal does not entail any significant changes in relation to our current remuneration guidelines.

Further information
Further information on fixed and variable remuneration can be found on our website, in the Board report on the Remuneration Committee evaluation in accordance with the Code, the notification of the Annual General Meeting and in Note 7 Number of employees, employee benefits expense and remuneration of senior executives.

Our Group Management

	Thomas Ekman	**Johan Karlsson**	**Rebecca Tallmark**	**Michael Haagen Petersen**	**Alexandra Drevenlid**	**Morten Jakobi**	**Jenny Ring**	**Alexandra Fürst**	**Martin Lindecratz**	**Stephanie Forsblom**
Title	President and CEO	CFO & EVP Business Support	EVP SMB Nordic	EVP Large Corporate & Public Nordic	EVP Services & Solu-tions Nordic	EVP Netherlands	EVP Supply Chain	EVP IT & Digitalisation	EVP Human Resources	EVP Marketing & Communication
Born	1969	1965	1976	1971	1967	1975	1978	1973	1980	1983
Employed at Dustin since	2018	2009	2017	2008	2018	2004	2015	2019	2020	2016
Education	MSc in Business Administration and Economics from Stockholm University.	MSc in Business and Economics from the Gothenburg School of Economics.	MSc in Economics from the Stockholm School of Economics.	BSc in Economics from Aarhus University School of Business and Social Science.	Degree from KTH Royal Institute of Technology, Road and Water Department.	BA in History and Soci-al Science from Aarhus University.	BSc in Business Administration from Stockholm University.	Education in Industrial Engineering and Management, Linköping University.	Master of Science in Business and Economics from Uppsala University.	M.Sc (Tech.) from Helsinki University of Technology and M.Sc (Econ.) from Hanken School of Economics and Business Administration in Helsinki.
Other assignments		Chair of Adlibris and board member of Permascand.	Board member of Giving Wings Foundation.			Board member of Langebjerggaard ApS, 2people A/S and Dansk HR.		Board member of Polarcape AB.		
Previous assignments	CEO Cabonline Group. CEO of Tele2 Sweden and board member of Com Hem and Sportamore.	Regional Finance Di-rector at Tech Data AB as well as CFO at ACO Hud Nordic.	Head of Strategy and Business Development at Systembolaget, Business Area Manager Finance and M&A at Axel Johnson International and consultant at McKinsey.	Sales Manager at thy:data A/S. Market Manager at Logica A/S.	Chief Digital Officer at Tieto, Chief Technology Information Officer at Tele2.	EVP People & Culture at Dustin, Executive Assistant at Dustin A/S. Senior Team Manager at Computerstore A/S.	VP Operations at Dustin Group, Head of Nordic Contact Center & Ecom at Dustin Group, Consumer Sales Manager at GE Money Bank.	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.	VP Corporate Responsibility, Communication & Brand at Dustin Group, Head of Corporate Responsibility at Dustin Group and Supply Chain Sustainability Manager at Microsoft Corporation.
Shareholding at 31 August 2020	40,500	324,903	64,531	180,281	–	10,000	6,185	2,000	–	–
Warrants	512,474	304,022	130,600	152,010	96,354	–	71,460	80,000	–	65,299

Our Data Privacy Program

We are committed to process personal data in a responsible manner and in accordance with privacy law and stakeholder expectations. Our business is built on enabling our customers to stay in the forefront so that they succeed in their businesses and organisations. One part of that is to ensure that customers trust us with their data so that we have insight 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. General Counsel is also the 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 legal firm 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 Privacy, 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 Privacy 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 live the rights of the individuals,
- 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 trainings 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 Corporate Responsibility Reporting

Internal control of the financial and corporate responsibility 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 corporate responsibility 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 corporate responsibility 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 corporate responsibility 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 corporate responsibility 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 year, we continued to focus on developing the internal control environment in the Services & Solutions department. We also extended our monitoring of the corporate responsibility area.

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	19/20	18/19
Continuing operations:			
Net sales	3	13,195.4	12,535.7
Cost of goods and services sold	4	-11,152.0	-10,446.3
Gross profit		**2,043.3**	**2,089.3**
Selling and administrative expenses	4, 6, 7	-1,617.9	-1,594.3
Items affecting comparability	5	-31.0	3.5
Other operating income		14.5	7.6
Other operating expenses		-21.8	-17.1
EBIT		**387.2**	**489.1**
Financial income and other similar income-statement items	8	1.3	0.8
Financial expenses and other similar income-statement items	8	-53.3	-45.0
Profit after financial items		**335.2**	**444.9**
Tax	9	-57.9	-88.7
Net profit for the year attributable in its entirety to Parent Company shareholders		**277.3**	**356.2**
Other comprehensive income (all items will be transferred to the income statement)			
Translation differences		-95.5	-43.4
Cash-flow hedging		96.0	39.0
Tax		-20.6	-8.6
Other comprehensive income		**-20.0**	**-13.0**
Comprehensive income for the year attributable in its entirety to Parent Company shareholders		**257.3**	**343.2**
Earnings per share before dilution (SEK)	10	3.13	4.12
Earnings per share after dilution (SEK)	10	3.13	4.11

Consolidated balance sheet

SEK million	Note	Aug. 31, 2020	Aug. 31, 2019
ASSETS			
Non-current assets			
Goodwill	11	3,706.5	3,839.8
Other intangible assets attributable to acquisitions	11	579.6	641.5
Other intangible assets	11	144.3	133.0
Tangible assets	12	99.3	105.7
Right-of-use assets	13	502.2	–
Divestment-related receivables	14, 20	–	1.6
Deferred tax assets	15	9.7	5.5
Derivative instruments	17, 20	0.2	0.6
Other non-current assets		8.3	17.9
Total non-current assets		**5,050.0**	**4,745.6**
Current assets			
Inventories	18	482.9	465.7
Accounts receivable	19, 20	1,256.6	1,460.4
Derivative instruments	17, 20	–	1.4
Tax assets		9.5	45.8
Other receivables	20	15.7	31.3
Prepaid expenses and accrued income	19, 20	231.3	236.8
Cash and cash equivalents	21	730.1	281.3
Total current assets		**2,726.1**	**2,522.7**
TOTAL ASSETS		**7,776.1**	**7,268.3**
EQUITY AND LIABILITIES			
Equity	22		
Share capital		443.2	443.2
Other contributed capital		1,099.5	1,095.6
Reserves		-11.8	8.2
Retained earnings including net profit for the year		924.6	913.2
Total equity (attributable to Parent Company shareholders in its entirety)		**2,455.6**	**2,460.3**
Non-current liabilities			
Other provisions	16	4.9	22.4
Deferred tax liabilities	15	205.0	213.1
Liabilities to credit institutions	20, 23	2,159.0	2,006.1
Non-current lease liabilities	13	370.3	–
Derivative instruments	17, 20	25.5	24.1
Total non-current liabilities		**2,764.8**	**2,265.8**
Current liabilities			
Other provisions	16	31.5	–
Current lease liabilities	13	141.3	–
Accounts payable	20, 23	1,543.6	1,712.3
Tax liabilities	20	46.2	10.2
Derivative instruments	17, 20	1.7	0.7
Other current liabilities	20, 23	347.7	214.2
Acquisition-related liabilities	14, 20, 24	–	244.8
Accrued expenses and deferred income	25	443.8	360.0
Total current liabilities		**2,555.7**	**2,542.3**
TOTAL EQUITY AND LIABILITIES		**7,776.1**	**7,268.3**

Consolidated statement of changes in equity

	Equity attributable to Parent Company shareholders					
SEK million	Share capital	Other contributed capital	Translation reserve	Hedge reserve	Retained earnings	Total equity
Opening balance, Sep 1, 2019	**443.2**	**1,095.6**	**83.9**	**-75.6**	**913.2**	**2,460.3**
Net profit for the year	–	–	–	–	277.3	277.3
Other comprehensive income						
Translation differences	–	–	-95.5	–	–	-95.5
Cash-flow hedging, changes in fair value	–	–	–	96.0	–	96.0
Tax attributable to cash-flow hedges	–	–	–	-20.6	–	-20.6
Total other comprehensive income	**–**	**–**	**-95.5**	**75.5**	**–**	**-20.0**
Total comprehensive income	**–**	**–**	**-95.5**	**75.5**	**277.3**	**257.3**
Dividends to shareholders	–	–	–	–	-265.9	-265.9
Subscription with the support of warrants	–	3.9	–	–	–	3.9
Total transactions with shareholders	**0.0**	**3.9**	**–**	**–**	**-265.9**	**-262.0**
Closing balance, Aug 31, 2020	**443.2**	**1,099.5**	**-11.7**	**-0.1**	**924.6**	**2,455.6**

	Equity attributable to Parent Company shareholders					
SEK million	Share capital	Other contributed capital	Translation reserve	Hedge reserve	Retained earnings	Total equity
Opening balance, Sep 1, 2018	**386.1**	**443.0**	**127.3**	**-106.1**	**796.2**	**1,646.6**
Net profit for the year	–	–	–	–	356.2	356.2
Other comprehensive income						
Translation differences	–	–	-43.4	–	–	-43.4
Cash-flow hedging, changes in fair value	–	–	–	39.0	–	39.0
Tax attributable to cash-flow hedges	–	–	–	-8.6	–	-8.6
Total other comprehensive income	**–**	**–**	**-43.4**	**30.4**	**–**	**-13.0**
Total comprehensive income	**–**	**–**	**-43.4**	**30.4**	**356.2**	**343.2**
Dividends to shareholders	–	–	–	–	-239.2	-239.2
New share issue	57.1	663.3	–	–	–	720.4
Issue costs	–	-14.2				-14.2
Subscription with the support of warrants	–	3.5	–	–	–	3.5
Total transactions with shareholders	**57.1**	**652.6**	**–**	**–**	**-239.2**	**470.5**
Closing balance, Aug 31, 2019	**443.2**	**1,095.6**	**83.9**	**-75.6**	**913.2**	**2,460.3**

Consolidated statement of cash flow

SEK million	Note	19/20	18/19
Operating activities			
EBIT		387.2	489.1
Adjustment for non-cash items	26	302.8	66.9
Interest received		1.3	0.8
Interest paid		-53.4	-38.8
Income tax paid		-90.8	-127.7
Cash flow from operating activities before changes in working capital		**547.1**	**390.2**
Decrease (+)/increase (-) in inventories		-23.6	-62.2
Decrease (+)/increase (-) in receivables		238.3	-199.5
Decrease (-)/increase (+) in current liabilities		105.9	135.5
Cash flow from changes in working capital		**320.6**	**-126.2**
Cash flow from operating activities		**867.7**	**264.0**
Investing activities			
Acquisition of intangible assets		-68.5	-37.3
Acquisition of tangible assets		-42.8	-42.1
Acquisition of operations	24	–	-536.1
Divestment of operations		–	5.0
Divestment of intangible assets		4.7	–
Contingent earn-out paid	14, 24	-209.0	-31.2
Cash flow from investing activities		**-315.6**	**-641.8**
Financing activities			
New share issue		–	680.8
Cash flow from LTI programme		4.2	28.9
New loans raised		390.1	–
Repayment of loans		-134.4	-71.9
Paid borrowing expenses		-1.5	-0.6
Dividends		-265.9	-239.2
Repayment of lease liabilities		-148.7	-4.8
Cash flow from financing activities		**-156.1**	**393.2**
Cash flow for the year		**395.9**	**15.5**
Cash and cash equivalents at the start of the year		**281.3**	**277.6**
Cash flow for the year		395.9	15.5
Exchange-rate differences in cash and cash equivalents		53.0	-11.8
Cash and cash equivalents at the end of the year		**730.1**	**281.3**

Parent Company income statement

SEK million	Note	19/20	18/19
Net sales		0.4	0.4
Net sales	P1, P15	**0.4**	**0.4**
Operating expenses	P1		
Selling and administrative expenses	P2, P3	-6.7	-6.7
Other operating expenses		0.0	0.0
EBIT		**-6.3**	**-6.3**
Financial income and other similar income-statement items	P4	251.2	47.7
Financial expenses and other similar income-statement items	P4	-37.2	-59.5
Profit after financial items		**207.6**	**-18.1**
Appropriations	P5	87.0	213.5
Tax	P6	-40.6	-29.8
Net profit for the year		**254.0**	**165.6**

Parent Company statement of comprehensive income

SEK million	19/20	18/19
Net profit for the year	254.0	165.6
Other comprehensive income	–	–
Comprehensive income for the year	**254.0**	**165.6**

Parent Company balance sheet

SEK million	Note	Aug. 31, 2020	Aug. 31, 2019
ASSETS			
Non-current assets			
Participations in Group companies	P7	1,211.6	1,211.6
Total non-current assets		**1,211.6**	**1,211.6**
Current assets			
Receivables from Group companies	P15	2,095.5	2,254.3
Tax assets	P6	–	32.8
Prepaid expenses and accrued income	P8	1.9	2.2
Cash and bank balances	P9	616.2	201.2
Total current assets		**2,713.6**	**2,490.4**
TOTAL ASSETS		**3,925.1**	**3,702.0**
Equity and liabilities			
Restricted equity	P10		
Share capital		443.2	443.2
Total restricted equity		**443.2**	**443.2**
Non-restricted equity	P10		
Share premium reserve		1,091.3	1,087.3
Retained earnings		-292.2	-191.8
Net profit for the year		254.0	165.6
Total non-restricted equity		**1,053.1**	**1,061.1**
Total equity		**1,496.4**	**1,504.3**
Untaxed reserves	P11	244.8	182.8
Non-current liabilities			
Liabilities to credit institutions	P12	2,159.0	2,006.1
Total non-current liabilities		**2,159.0**	**2,006.1**
Current liabilities			
Accounts payable	P12	0.1	0.0
Tax liabilities	P6, P12	19.1	–
Other current liabilities	P12	0.3	0.3
Accrued expenses and deferred income	P13	5.4	8.3
Total current liabilities		**24.9**	**8.7**
TOTAL EQUITY AND LIABILITIES		**3,925.1**	**3,702.0**

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, 2019	**443.2**	**1,087.3**	**-26.2**	**1,504.3**
Net profit for the year	–	–	254.0	254.0
Total comprehensive income	**–**	**–**	**254.0**	**254.0**
Dividends	–	–	-265.9	-265.9
Subscription with the support of warrants	–	3.9	–	3.9
Total transactions with shareholders	**–**	**–**	**-11.9**	**-8.0**
Closing balance, Aug 31, 2020	**443.2**	**1,091.3**	**-38.1**	**1,496.4**

SEK million	Equity attributable to Parent Company shareholders Share capital	Share premium reserve	Retained earnings	Total equity
Opening balance, Sep 1, 2018	**386.1**	**438.3**	**43.8**	**868.2**
Net profit for the year			165.6	165.6
Total comprehensive income	**–**	**–**	**165.6**	**165.6**
Dividends	–	–	-239.2	-239.2
New share issue	57.1	663.3	–	720.4
Issue costs	–	-14.2	–	-14.2
Subscription with the support of warrants	–	–	3.5	3.5
Total transactions with shareholders	**57.1**	**649.0**	**-70.0**	**636.1**
Closing balance, Aug 31, 2019	**443.2**	**1,087.3**	**-26.2**	**1,504.3**

Parent Company statement of cash flow

SEK million	Note	19/20	18/19
Operating activities			
EBIT		-6.3	-6.3
Adjustment for non-cash items	P14	149.0	258.7
Interest received		145.1	0.9
Interest paid		-138.2	-37.4
Income tax paid		-25.0	-69.2
Cash flow from operating activities before changes in working capital		**124.6**	**146.7**
Decrease (+)/increase (-) in receivables		194.8	-712.5
Decrease (-)/increase (+) in current liabilities		-2.9	3.3
Cash flow from changes in working capital		**191.9**	**-709.2**
Cash flow from operating activities		**316.4**	**-562.5**
Financing activities			
New share issue		–	680.8
Cash flow from LTI programme		4.2	28.9
New loans raised		390.1	–
Repayment of loans		-134.4	–
Paid borrowing expenses	P12	-1.5	-0.6
Dividends received		106.1	46.8
Dividends		-265.9	-239.2
Cash flow from financing activities		**98.6**	**516.7**
Cash and cash equivalents at the start of the year		**201.2**	**247.0**
Cash flow for the year		415.0	-45.8
Cash and cash equivalents at the end of the year		**616.2**	**201.2**

Consolidated notes

Note 1 Significant accounting policies

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 Parent Company applies the same accounting policies as the Group except for the cases described under the section "Parent Company's accounting policies." The Board and the CEO approved this Annual Report and the consolidated financial statements for publication on November 17, 2020. The consolidated and Parent Company income statements and balance sheets will be adopted by the Annual General Meeting on December 14, 2020.

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 derivative instruments and acquisition-related earn-outs.

Functional currency and presentation currency

The functional currency of the Parent Company is the Swedish krona (SEK), which is also the presentation currency for both the Parent Company and the Group. This means that the financial statements are presented in SEK. All amounts, unless otherwise stated, are rounded to the nearest million SEK.

Classification of current and non-current items

Assets and liabilities are allocated as current or non-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 Important estimates and assessments.

The accounting policies outlined in this section are applied consistently to all external reporting, unless otherwise stated.

New and amended accounting policies

IFRS 16 Leases

IFRS 16 Leases is the new standard regarding recognition of leases, that replaced IAS 17 Leases. The Group has applied the new standard as of September 1, 2019. The adoption of IFRS 16 means that assets and liabilities for nearly all leases are recognised in the balance sheet, since the classification between operating and financial leases has disappeared. Identified leases for the Group mainly relate to buildings (offices and warehouses), transportation (vehicles and forklifts) and other equipment (such as IT and machinery). The exemptions that Dustin has chosen to apply in accordance with IFRS 16 are that leases of low value and those with a term of not more than 12 months are not included in the recognised right-of-use assets or lease liabilities.

The Group has chosen to apply the modified retrospective transition approach. That means that the cumulative effect of initial application of IFRS 16 is recognised in the opening balance on September 1, 2019 with no restatement of comparative information. In conjunction with the transition, lease liabilities were measured at the present value of the remaining lease payments discounted with the incremental borrowing rate as of September 1, 2019. The Group's weighted average incremental borrowing rate was approximately 2.9 per cent. Right-of-use assets are initially measured at cost, consisting of an initial measurement of the lease liabilities, any lease payments made on or before the start date less any discounts and any initial direct costs and restoration costs, and subsequently at cost less any accumulated depreciation and impairment adjusted for any revaluations of the lease liability. Incremental borrowing rates are decided on the basis of country and class of asset and taking into account each period of contract. The lease liability has been recognised as an interest-bearing liability with a corresponding right-of-use asset, and the lease expenses in the statement of income at the time have been replaced by depreciation and interest expenses in net financial items.

The effect on the financial statements

In conjunction with the transition to IFRS 16 on September 1, 2019, Dustin recognised SEK 350 million in right-of-use assets and SEK 341 million in lease liabilities. The difference between these consists of pre-paid or accrued lease payments. This also resulted in the financial statements being impacted by the new standard. EBITDA increased as a result of the lease expenses being recognised in part as depreciation. Net debt increases considerably due to the increase in lease liabilities. Cash flow from operating activities increased and cash flow from financing activities decreased. Dustin has chosen not to allocate the earnings effect of the new standard per segment but to include them in central functions, after which the segment earnings were unchanged.

Refer to the tables below as well as to Note 13 Leases for additional information on the effect of the transition from IAS 17 to IFRS 16 on September 1, 2019.

Consolidated income statement	Incl. IFRS 16 19/20	Effect IFRS 16 19/20	Excl. IFRS 16 19/20
Cost of goods and services sold	-11,152.0	0.9	-11,152.9
Selling and administrative expenses	-1,617.9	5.3	-1,623.2
EBITA	**387.2**	**6.2**	**381.0**
Financial expenses and other similar income-statement items	-53.3	-13.4	-39.9
Profit/loss after financial items	**335.2**	**-7.2**	**342.4**
Tax	-57.9	–	-57.9
Profit/loss for the period	**277.3**	**-7.2**	**284.5**

Consolidated balance sheet	Incl. IFRS 16 Aug. 31, 2020	Effect IFRS 16 Aug. 31, 2020	Excl. IFRS 16 Aug. 31, 2020
Right-of-use assets	502.2	502.2	–
Non-current assets	**5,050.0**	**502.2**	**4,547.8**
Prepaid expenses, accrued income	231.3	-6.1	237.4
Current assets	**2,726.1**	**-6.1**	**2,732.2**
Retained earnings	277.3	-7.2	284.5
Equity	**2,455.6**	**-7.2**	**2,462.7**
Lease liabilities, non-current	370.3	370.3	–
Non-current liabilities	**2,764.8**	**370.3**	**2,394.5**
Lease liabilities, current	141.3	133.2	8.1
Current liabilities	**2,555.7**	**133.2**	**2,422.5**

Government grants

In accordance with IAS 20, government grants are recognised in the income statement when there is reasonable assurance that the company will comply with the conditions attached to them and the grants will be received. The government grants were recognised as a reduction in selling and administrative expenses and increased interim receivables. Total remuneration amounts to SEK 3 million (–).

Amended and new accounting policies that enter force after the end of the financial year

There are no new changes and interpretations of existing reporting standards with future application that are expected to have any significant effect on the company's financial statements.

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 (Small and Medium-sized Businesses), LCP (Large Corporate and Public Sector) and B2C (Business to Consumer). 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 and amortisation/depreciation are recognised.

Consolidation policies

Group structure
The Group encompasses the Parent Company and subsidiaries. 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. An overview of all consolidated companies in the Group can be found in Note P7 Participations in Group companies.

Consolidation of subsidiaries and purchase price allocations
Acquisitions of subsidiaries 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. For more information on items affecting comparability, refer to the section on items affecting comparability below.

Transactions eliminated upon consolidation
Intra-Group receivables and payables, income and expenses arising from intra-Group transactions are eliminated when the consolidated financial statements are prepared.

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.

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 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.

The Group applies hedge accounting to hedge net investments in foreign subsidiaries. For effective hedges, exchange-rate differences from transaction of external loans from credit institutes are recognised in other comprehensive income. Gains or losses attributable to ineffective portions of hedges are recognised in profit or loss under net financial items. For further information, refer to the section on Derivative instruments and hedge accounting on page 82.

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 value of volume discounts is based on historical data and is recognised as an interim liability and as a reduction in revenue.

Dustin believes the use of returns has had an insignificant impact on revenue historically and accordingly no loss allowance for the impact of returns has been made and separate information relating to returns is deemed 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 consumers (B2C).

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 20–30 days.

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

Dustin primarily recognises revenue from the following revenue streams:

Sales of hardware
Sales of hardware comprise the largest share of the Group's total revenue. Revenue is recognised at the point in time that control of the product is passed to the customer. This occurs when the product 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 Dustin mediating the sale between the supplier and the customer and receiving a commission. The income is recognised when the obligation to mediate the sale has been met, which is typically when the license is delivered to the customer.

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/license is to be deemed a performance obligation or if the service and hardware/license are to be recognised separately. The assessment is based on whether the customer can benefit from the hardware/license separately from the service and if it is possible to separate the service from the hardware/license 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, 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/license 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.

Cost of goods and services sold

The cost of goods and services sold includes the purchase price, customs, other taxes, distribution 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.

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.

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 administration 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.

Items affecting comparability

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 non-recurring items of significant size. Items affecting comparability are recognised in the income statement and specified in Note 5.

Financial income and expenses

Financial income and expenses consist of interest income from bank deposits and receivables, and interest expenses from external financing. Interest expenses and interest income are recognised when they arise in accordance with the effective interest method.

Tax

Dustin's total tax expense consists of current and deferred tax. Income tax is recognised in profit or loss, except when the underlying transaction is recognised in other comprehensive income or directly in equity, in which case the related tax effect is recognised in other comprehensive income or directly in equity.

Current tax is tax that is to be paid or received in the current year, with the application of the tax rates that have been decided or decided in practice on the balance-sheet date in the countries in which the company's subsidiaries operate and generate taxable earnings. This also includes adjustments of current tax attributable to prior periods.

Deferred tax is recognised on all temporary differences, which is the difference between the taxable value of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is calculated using the tax rates and tax regulations that have been decided or announced as per the balance-sheet date. 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 liabilities and deferred tax assets are offset as far as possible within the framework of local laws and tax regulations.

Intangible assets

Brands

The Dustin brand is recognised as an intangible asset with an indefinite useful life since Dustin 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 and whenever there is an indication of a decline in value.

Goodwill

Goodwill arises when operations are acquired where the cost exceeds the fair value of Dustin's share of the acquired operations' identifiable net assets. Goodwill is recognised at cost less any impairment and is allocated to cash-generating units that are impairment tested on an annual basis.

Cash-generating units coincide with the business segments:

- B2C: Business to Consumer
- LCP: Large Corporate and Public Sector
- SMB: Small and Medium-sized Businesses

Impairment of goodwill 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.

Other intangible assets

Other intangible assets consist of acquired customer relationships and capitalised IT expenditure for the integrated IT platform and Dustin's pricing platform. Intangible assets are recognised in the balance sheet if they meet the criteria for intangible assets according to IAS 38 Intangible Assets.

Capitalisation of IT expenditure for the integrated IT platform (refer to definitions) is only applied to systems that Dustin considers 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. Amortisation is recognised on a straight-line basis over the estimated useful life and is recognised in profit or loss under Selling and administrative expenses. 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:

Attributable to acquisitions:	
Technology	3–5 years
Customer relationships	3–10 years
IT platform:	
Other technology	2–4 years
Web platform	3–6 years
ERP platform	3–15 years
Other	
Licenses	3 years
Pricing platform	3 years
Data platform	5 years

Tangible assets

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:

Telephones	2 years
Computers and accessories	3 years
Equipment, tools, fixtures and fittings	5 years
Leasehold improvements	5–10 years

Leases

On September 1, the Group implemented IFRS 16 Leases, which replaces IAS 17 Leases (for the policy applied in previous years, refer to page 114 of the 2018/19 Annual and Corporate Responsibility Report). As a lessee, the Group 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. Dustin 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, the Group assesses whether the contract is or contains a lease. Contracts can contain both lease and non-lease components (e.g. service components). If the components can be distinguished in the contracts pertaining to the leased asset, the non-lease components are recognised as a cost. Most of the contracts contain options for extension or premature termination. To the extent that Dustin is reasonably sure that the various possibilities will be exercised, this is reflected in the measurement of the lease liability.

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. 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 if the Group 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.

Impairment of assets
Assets with indefinite useful lives are not depreciated but are tested for impairment at least once a year. Assets that are subject to depreciation are also tested for impairment. Any impairment of assets subject to depreciation is reversed only when there is no longer any indication of impairment and the assumptions used as the basis for calculating the recoverable amount have changed. However, impairment of goodwill is never reversed. An impairment loss is only reversed to the extent that the asset's carrying amount, after reversal, does not exceed the recognised residual value that would have existed had the impairment not occurred. Impairment testing does not pertain to financial assets.

Inventories
Inventories are measured at the lower of cost and net realisable value, taking expected obsolescence into consideration. 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.

Receivables
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 (contract asset). Accounts receivable and contract assets are recognised at the transaction price on initial recognition, and other receivables are measured at fair value plus directly attributable transaction costs. Contract assets, other receivables and accounts receivable are subsequently recognised at amortised cost less any impairment. As of the current financial year, impairment losses are based on expected credit losses and recognised in profit or loss under administrative expenses. For accounts receivable and contract assets, 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.

Receivables are included in the balance sheet when Dustin has fulfilled an obligation and remuneration has not been received. This means that invoicing may take place during the course of the work once the contractual performance obligation has been met, usually when control has been transferred to the customer. Based on the terms and conditions in the contract, Dustin may also receive advances or payments from customers before revenue is recognised, which results in contract liabilities. Since the expected maturity of an account receivable is short, the value is recognised without discounting.

Cash and cash equivalents
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.

Equity
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. For more information about equity, refer to Note 22 Equity.

Provisions
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.

Employee benefits

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. Dustin receives services from these employees as payment for the Group's equity instruments (warrants). Furthermore, the programme also includes a limited number of warrants that are settled in cash, known as synthetic options. The fair value of liabilities for cash-based payment is charged to profit or loss at the corresponding change in liabilities. All warrants were issued on market-based terms on the subscription date.

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.

For more information regarding employee benefits, see Note 7 Number of employees, employee benefits expense and remuneration of senior executives.

Loans
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.

Liabilities 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.

Acquisition-related liabilities
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 liabilities. 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. 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.

Derivative instruments and hedge accounting

Derivatives comprise interest-rate derivatives to cover the variable interest-rate risk associated with external bank loans and, in certain cases, currency futures to cover the transaction exposure that may arise upon purchase of foreign currency. Derivative instruments are recognised on the contract date and are measured at fair value, 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 Financial expenses 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.

Accounts payable

Accounts payable are obligations to pay for goods or services that have been acquired from suppliers in the operating activities. Accounts payable are classified as current liabilities if they fall due for payment within one year. If payment is expected to be made more than 12 months after the balance-sheet date, the liability is recognised as a long-term liability. Accounts payable are initially measured at fair value and thereafter at amortised cost applying the effective interest method.

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.

Parent Company's accounting policies

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.

In accordance with Article 403, Book 2 of the Civil Code of the Netherlands, Dustin has guaranteed the liabilities of a certain majority-owned Dutch subsidiary. 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, 2020, a 403-statement has been issued for the following companies: Swith IT Solutions B.V and Xcellent Automatisering B.V.

Differences between the accounting policies of the Group and the Parent Company are presented below.

Amended and new accounting policies

IFRS 16 Leases, which replaces IAS 17 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 the same way as in previous years, which means that lease payments are recognised as an expense on a straight-line basis over the term of the lease.

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.

Tax

The Parent Company recognises untaxed reserves (appropriations) and deferred tax.

Group contributions

Dustin applies alternative regulations pursuant to RFR 2, which means that Group contributions are recognised as appropriations.

Subsidiaries

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.

Shareholders' contributions

Shareholders' contributions are capitalised in shares and participations. Any impairment requirements are taken into account.

Note 2 Important estimates and assessments

The preparation of these financial statements involves management making estimates and assessments about the future. 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. Estimates and assessments recognised for the year are considered to be reasonable. The identified key estimates 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 Intangible assets and Note 24 Acquisition of businesses. 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.

Note 3 Business segments and sales by geographic area

Net sales	19/20	18/19
LCP	**6,880.9**	**6,376.8**
of which, hardware	6,079.8	5,699.2
of which, software and services	801.1	677.6
SMB	**5,717.4**	**5,532.9**
of which, hardware	4,340.1	4,225.9
of which, software and services	1,377.4	1,307.0
B2C	**597.0**	**625.9**
of which, hardware	593.7	622.3
of which, software and services	3.3	3.6
Total net sales	**13,195.4**	**12,535.7**
of which, hardware	11,013.6	10,547.4
of which, software and services	2,181.7	1,988.2
Segment results		
LCP	410.9	359.4
SMB	510.6	584.4
B2C	37.1	36.7
Total, segment results	**958.6**	**980.5**
Central functions	-441.3	-420.7
of which, effects related to IFRS 16	6.2	–
Adjusted EBITA	**517.3**	**559.7**
Segment margin		
LCP, segment margin (%)	6.0	5.6
SMB, segment margin (%)	8.9	10.6
B2C, segment margin (%)	6.2	5.9
Segment margin	**7.3**	**7.8**
Costs for central functions, excluding items affecting comparability in relation to net sales (%)	-3.3	-3.4
Reconciliation with EBIT		
Items affecting comparability	-31.0	3.5
Amortisation and impairment of intangible assets	-99.1	-74.1
EBIT, Group	**387.2**	**489.1**
Financial income and other similar income-statement items	1.3	0.8
Financial expenses related to IFRS 16	-13.4	–
Financial expenses and other similar income-statement items	-39.9	-45.0
Profit after financial items, Group	**335.2**	**445.0**

	Net sales		Assets*	
By geographic area	**19/20**	**18/19**	**Aug. 31, 2020**	**Aug. 31, 2019**
Sweden	5,228.6	5,514.5	2,182.1	1,878.6
Finland	2,047.8	1,771.0	678.5	660.3
Denmark	2,740.4	2,507.3	874.3	907.6
The Netherlands	937.2	869.1	814.2	796.2
Norway	2,241.3	1,873.8	482.8	477.4
Total	**13,195.4**	**12,535.7**	**5,031.8**	**4,720.1**

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

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. These Group-wide functions are referred to above as Costs for central functions. 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

	19/20	18/19
Cost of goods and services sold from suppliers	10,817.1	10,174.6
Personnel costs included in cost of goods and services sold	335.0	271.7
Cost of goods and services sold	**11,152.0**	**10,446.3**
Personnel costs	994.6	1,017.9
Amortisation/depreciation of tangible and intangible assets	296.9	115.5
Other selling and administrative expenses including items affecting comparability	357.4	457.4
Selling and administrative expenses including items affecting comparability	**1,648.9**	**1,590.8**
Total	**12,800.9**	**12,037.1**

The item cost of goods and services sold from suppliers above refers to direct costs for purchases of goods and direct costs related to the delivery of services. Personnel costs included in cost of goods and services sold refers to personnel costs that are directly attributable to the provision of a service. 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. Depreciation/amortisation encompasses intangible and tangible assets and is included in the line Selling and administrative expenses in the income statement. The year-on-year increase pertains to depreciation attributable to the implementation of IFRS 16. Other selling and administrative expenses including items affecting comparability primarily refer to rent for premises, 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

	19/20	18/19
Acquisition and divestment-related expenses	-0.4	-26.2
Integration costs	-15.9	–
Restructuring reserve	-26.9	–
Change in value of acquisition-related liabilities	20.1	48.1
Costs for launch of online sales	-7.9	-18.4
Total	**-31.0**	**3.5**

Items affecting comparability amounted to negative SEK 31 million (pos: 4) for the full year and pertained to an expense for the restructuring reserve of SEK 27 million (–) related to consolidation of smaller offices and a reduction in staff, and integration costs of SEK 16 million (–). The final settlement of performance-based earn-outs had a positive effect of SEK 20 million (pos: 48). Costs for the development of the IT platform to support online sales in the Netherlands, launched in October 2019, amounted to negative SEK 8 million (neg: 18). For more information on acquisition-related liabilities, refer to Note 14 Acquisition and divestment-related assets and liabilities.

Note 6 Auditor's remuneration

	19/20	18/19
Audit assignment	3.7	3.6
Audit activities other than audit assignment	1.3	1.3
Tax consultations	0.1	0.0
Other services	0.1	0.2
Total	**5.2**	**5.0**

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 Corporate Responsibility Report. For the 18/19 and 19/20 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

	19/20			18/19		
Average number of employees	**Women**	**Men**	**Total**	**Women**	**Men**	**Total**
Subsidiaries						
Sweden	239	560	**800**	205	570	**776**
Norway	29	133	**162**	29	134	**163**
Finland	50	164	**214**	37	126	**163**
Denmark	25	118	**143**	27	144	**171**
The Netherlands	43	339	**382**	45	327	**371**
Total	**386**	**1,314**	**1,700**	**343**	**1,301**	**1,644**

	19/20			18/19		
Distribution of Board members and senior executives at the balance-sheet date	**Women**	**Men**	**Total**	**Women**	**Men**	**Total**
Board members	3	4	**7**	3	4	**7**
Group Management, including CEO	5	5	**10**	4	5	**9**
Total	**8**	**9**	**17**	**7**	**9**	**16**

	19/20			
Salaries and other remuneration of the CEO, Group Management and other employees	**CEO and Group Management***	***of which, CEO Thomas Ekman***	**Other employees**	**Total**
Salaries and other remuneration	24.8	5.7	1,005.2	**1,030.0**
of which, variable remuneration	1.9	0.3	62.3	**64.2**
Social security expenses	11.9	3.4	287.6	**299.5**
of which, pension costs	5.8	1.6	95.7	**101.5**
Total	**36.7**	**9.1**	**1,292.8**	**1,329.5**

	18/19			
Salaries and other remuneration of the CEO, Group Management and other employees	**CEO and Group Management***	***of which, CEO Thomas Ekman***	**Other employees**	**Total**
Salaries and other remuneration	29.4	7.1	961.4	**990.8**
of which, variable remuneration	7.4	2.0	53.6	**61.0**
Social security expenses	13.1	3.7	285.7	**298.8**
of which, pension costs	5.9	1.5	86.9	**92.8**
Total	**42.5**	**10.8**	**1,247.1**	**1,289.6**

* Remuneration of the senior executive in the Netherlands up through July 2020 was paid through invoicing from a self-owned company.

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
During the year, new legal requirements for remuneration guidelines came into force. This was due to amendments to the EU directive on shareholders' rights. Accordingly, the Board's proposals for new remuneration guidelines include a number of clarifications. Since both Dustin and the market have developed, a raised ceiling for variable remuneration for senior executives is also proposed. In addition, the proposal does not entail any significant changes in relation to our current remuneration guidelines.

Board members
Remuneration and fees that were approved for 2019/20 are described in the section "Our Board of Directors" on pages 68–69. During the 2019/20 financial year, separate remuneration was paid for committee work, as resolved by the Annual General Meeting on December 11, 2019.

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 5,280,000 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 11, 2019, the shareholders resolved to adopt a long-term incentive programme (LTI 2020) 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 950,140 options and includes warrants and synthetic options. The duration period for the warrants is 3.5 years. There are also two long-term incentive programmes from prior years (LTI 2019 and LTI 2018) that encompass a total of 1,054,411 and 866,713 warrants, respectively, with a duration period of 3.5 years. Full exercise of the warrants would result in a dilution of approximately 2.9 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. During the financial year, the LTI 2017 programme expired, and no warrants were exercised as a consequence of the market price being lower than the exercise price, thereby having no effect on equity. On the other hand, 65,906 warrants were repurchased in accordance with the repurchase offer submitted to the participants. For further information, see the press release published on January 27, 2020.

Programme	Period of utilisation	Warrants outstanding*	Exercise price, SEK**	Dilution on full exercise
LTI 2020	Jan. 30–Jun. 30, 2023	950,140	93.5	1.0%
LTI 2019	Jan. 30–Jun. 30, 2022	1,054,411	96.7	0.9%
LTI 2018	Jan. 30–Jun. 30, 2021	866,713	87.1	1.0%
Total		**2,871,264**		**2.9%**

* The number of shares that each warrant entitles to subscribe for has been adjusted by a factor of 1.02 for LTI 2018 after the rights issue completed in 2018.
** The exercise price for the LTI 2018 programmes have been adjusted for the rights issue during its term.

	Number of warrants to exercise per programme		
Participant	LTI 2020	LTI 2019	LTI 2018
CEO Thomas Ekman	103,883	219,204	189,387
Other Group Management	324,248	356,405	219,092
Other participants	522,009	451,402	449,673
Holdings of own warrants through Dustin Aktiebolag	–	27,400	8,561
Total	**950,140***	**1,054,411****	**866,713**

* Of which 60,250 warrants are synthetic options.
** Of which 246,603 warrants are synthetic options.

Board members
Remuneration and fees that were approved for 2019/20 at the Annual General Meeting. Remuneration for committee work is described in the table below. Remuneration of the Board is approved annually at the Annual General Meeting and relates to the period until the next Annual General Meeting. Dustin Group's Board of Directors received fees during the period, regulated by Dustin Group AB. No board fees were paid in the subsidiaries during the period.

Board remuneration (annual fees in SEK)	19/20		18/19	
	Board fee	Committee fee	Board fee	Committee fee
Mia Brunell Livfors (Chair)	620,000	60,000	620,000	60,000
Caroline Berg	315,000	30,000	310,000	30,000
Gunnel Duveblad	315,000	60,000	310,000	50,000
Johan Fant	315,000	110,000	310,000	100,000
Tomas Franzén	315,000	30,000	310,000	30,000
Morten Strand	315,000	60,000	310,000	50,000
Mattias Miksche	315,000	–	310,000	–
Total	**2,510,000**	**350,000**	**2,480,000**	**320,000**

Note 8 Financial items

Interest income and similar income-statement items	19/20	18/19
Interest income	1.3	0.8
Total	**1.3**	**0.8**

Interest expenses and similar income-statement items	19/20	18/19
Borrowing costs for external financing	40.2	38.5
Interest expenses for leases	13.5	0.3
Discount on contingent earn-out	0.3	3.9
Other financial expenses	-0.8	2.3
Total	**53.3**	**45.0**

The increase in interest expenses is attributable to the implementation of IFRS 16. The decrease in other financial expenses is primarily attributable to the revaluation of synthetic options, which resulted in a positive effect of SEK 3 million (neg: 1).

Note 9 Tax

Recognised effective tax

Tax expense	19/20	18/19
The following components are included in the tax expense in the income statement:		
Current tax	-61.3	-78.6
Deferred tax	6.2	-8.2
Adjustments of current tax attributable to prior periods	-2.8	-1.9
Recognised effective tax	**-57.9**	**-88.7**
Recognised effective tax rate	17.3%	19.9%
Recognised profit before tax	335.2	444.9
Reconciliation of effective tax rate		
Tax according to current tax rate for the Parent Company	-71.7	-97.9
Tax effect of:		
Non-deductible expenses	-1.7	-5.3
Non-taxable income	18.0	13.6
Standardised income attributable to tax allocation reserve	-0.2	-0.2
Adjustment of tax for previous years and others	-2.8	-0.2
Difference in tax rate between Parent Company and subsidiaries	0.5	0.4
Changed tax rate	–	0.8
Recognised effective tax	**-57.9**	**-88.7**

Note 10 Earnings per share

Earnings per share before dilution	19/20	18/19
Net profit for the year, SEK million	277.3	356.2
Weighted number of shares outstanding	88,647,339	86,472,611
Number of shares when calculating earnings per share	88,647,339	86,472,611
Earnings per share before dilution, SEK	**3.13**	**4.12**

Earnings per share after dilution	19/20	18/19
Net profit for the year, SEK million	277.3	356.2
Weighted number of shares outstanding	88,647,339	86,472,611
Adjustment for adopted dilution through incentive programme*	–	294,182
Number of shares when calculating earnings per share	88,647,339	86,766,793
Earnings per share after dilution, SEK	**3.13**	**4.11**

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

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 according to the above.

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 outstanding.

Note 11 Intangible assets

Goodwill

Change in goodwill for the year	Aug. 31, 2020	Aug. 31, 2019
Opening cost	**3,839.8**	**3,221.7**
Acquisition of operations	–	591.7
Exchange-rate differences	-133.4	26.4
Closing residual value according to plan	**3,706.5**	**3,839.8**

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, 2020	Aug. 31, 2019
B2C	7.4	7.4
LCP	945.3	987.0
SMB	2,753.8	2,845.5
Total	**3,706.5**	**3,839.8**

Övriga immateriella tillgångar hänförliga till förvärv

	Customer contracts		Brands		Other intangible assets		Total	
	Aug. 31, 2020	Aug. 31, 2019	Aug. 31, 2020	Aug. 31, 2019	Aug. 31, 2020	Aug. 31, 2019	Aug. 31, 2020	Aug. 31, 2019
Opening accumulated cost	**605.8**	**498.5**	**312.0**	**312.0**	**2.4**	**2.4**	**920.2**	**812.9**
Purchases	3.5	–	–	–	–	–	**3.5**	**–**
Acquisition of operations	–	107.5	–	–	–	–	**–**	**107.5**
Divestments and disposals	–	-2.3	–	–	–	0.0	**–**	**-2.2**
Exchange-rate differences	-31.9	2.0	–	–	-0.1	–	**-32.0**	**2.0**
Closing accumulated cost	**577.4**	**605.8**	**312.0**	**312.0**	**2.3**	**2.4**	**891.7**	**920.2**
Opening accumulated amortisation	**-278.2**	**-240.8**	**–**	**–**	**-0.6**	**-0.1**	**-278.7**	**-240.9**
Amortisation for the year according to plan	-51.2	-41.0	–	–	-0.5	-0.5	**-51.6**	**-41.5**
Divestments and disposals	–	2.3	–	–	–	–	**–**	**2.3**
Exchange-rate differences	18.2	1.5	–	–	–	0.0	**18.2**	**1.4**
Closing accumulated amortisation according to plan	**-311.2**	**-278.2**	**–**	**–**	**-1.0**	**-0.6**	**-312.2**	**-278.7**
Closing residual value according to plan	**266.3**	**327.7**	**312.0**	**312.0**	**1.3**	**1.9**	**579.6**	**641.5**

Brands refer to Dustin's brand of 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. All intangible assets with indefinite useful lives are tested at least each year to ensure that the value does not deviate negatively from the current carrying amount. Individual assets may be tested more frequently if there are indications of impairment. The recoverable amounts of the cash-generating units were determined by using the value in use. The brand is proportionally distributed over the two cash-generating units LCP and SMB, see also the note on goodwill.

Other intangible assets

	IT platform		Other		Total	
	Aug. 31, 2020	Aug. 31, 2019	Aug. 31, 2020	Aug. 31, 2019	Aug. 31, 2020	Aug. 31, 2019
Opening cost	**215.6**	**183.4**	**58.8**	**74.4**	**274.4**	**257.8**
Purchases	37.5	32.3	27.6	4.9	**65.1**	**37.2**
Divestments and disposals*	–	–	-4.7	-22.0	**-4.7**	**-22.0**
Exchange-rate differences	–	0.0	-2.5	0.1	**-2.5**	**0.1**
Closing accumulated cost	**253.1**	**215.6**	**79.2**	**58.8**	**332.2**	**274.4**
Opening amortisation	**-83.6**	**-58.3**	**-34.2**	**-48.9**	**-117.8**	**-107.2**
Amortisation for the year according to plan	-39.9	-25.4	-7.6	-7.2	**-47.5**	**-32.6**
Divestments and disposals*	–	–	–	22.0	**–**	**22.0**
Exchange-rate differences	–	0.0	1.0	-0.1	**1.0**	**-0.1**
Closing accumulated amortisation according to plan	**-123.5**	**-83.6**	**-40.8**	**-34.2**	**-164.3**	**-117.8**
Opening impairment	**-23.6**	**-23.6**	**–**	**–**	**-23.6**	**-23.6**
Impairment for the year	–	–	–	–	**–**	**–**
Closing impairment	**-23.6**	**-23.6**	**–**	**–**	**-23.6**	**-23.6**
Closing residual value according to plan	**105.9**	**108.3**	**38.4**	**24.6**	**144.3**	**133.0**

* No disposals occurred during the year (22).

Impairment testing of intangible assets
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 for LCP and SMB as well as 1.0 per cent 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 8.2 per cent (8.2) before tax was used. The main assumptions used pertain primarily to a risk-free interest rate of 1.4 per cent (1.7), stock market premium of 6.0 per cent (5.8), share beta of 1.08 per cent (1.08) and an expected credit margin of 0.85 per cent (0.85). The calculation shows that the weighted cost of capital could have been increased by 0.2 percentage points (neg: 0.1) but adjustments have not been made in order to create stability in the calculations of value in use.

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 and the discount rate has been carried out. The analysis shows that if the discount rate increased 0.5 percentage points the recoverable amount decreased 8.4 per cent (8.0). If the discount rate decreased 0.5 percentage points the recoverable amount decreased 6.9 per cent (6.5). The analysis also included a calculation involving a 5-percentage point increase in the discount rate (5) without any indication of an impairment requirement. The sensitivity analysis revealed the risk of impairment is low.

Note 12 Tangible assets

	Cost of improvements on external properties		Equipment		Total	
	Aug. 31, 2020	Aug. 31, 2019	Aug. 31, 2020	Aug. 31, 2019	Aug. 31, 2020	Aug. 31, 2019
Opening accumulated cost	**22.2**	**25.7**	**248.9**	**220.3**	**271.0**	**246.0**
Purchases	7.0	4.6	35.8	45.2	**42.8**	**49.7**
Acquisition of operations	–	–	–	36.2	**–**	**36.2**
Reclassification	2.5	-2.1	-2.5	0.1	**–**	**-1.9**
Divestments and disposals	0.0	-6.1	-7.0	-60.2	**-7.0**	**-66.3**
Exchange-rate differences	-0.2	0.0	-10.6	7.3	**-10.9**	**7.4**
Closing accumulated cost	**31.4**	**22.2**	**264.6**	**248.9**	**296.0**	**271.0**
Opening accumulated depreciation	**-15.6**	**-21.8**	**-149.7**	**-132.6**	**-165.3**	**-154.4**
Depreciation for the year according to plan	-1.9	-1.7	-41.2	-39.8	**-43.1**	**-41.5**
Acquisition of operations	–	–	–	-25.8	**–**	**-25.8**
Reclassification	-2.3	1.8	2.3	-1.9	**–**	**-0.1**
Divestments and disposals	0.0	6.1	4.2	56.6	**4.2**	**62.7**
Exchange-rate differences	0.2	0.0	7.2	-6.2	**7.4**	**-6.2**
Closing accumulated depreciation according to plan	**-19.6**	**-15.6**	**-177.2**	**-149.7**	**-196.7**	**-165.3**
Closing residual value according to plan	**11.8**	**6.6**	**87.4**	**99.2**	**99.3**	**105.7**

Note 13 Leases

The effect of the transition to IFRS 16 on the Group's leases is described in Note 1, Significant accounting policies. The Group applied the modified retrospective transition approach, which means that the cumulative effect of adopting IFRS 16 is recognised in the opening balance on September 1, 2019 with no restatement of comparative figures.

The transition from operational lease commitments on August 31, 2019 to lease liabilities on September 1, 2019 is as shown below, using a weighted average incremental borrowing rate on August 31, 2019 of approximately 2.9 per cent. The item "Adjustments as a result of various extension and termination alternatives" mainly consists of an adjustment regarding a lease where the determined rental period was assumed to be shorter when the contract was the subject of procurement.

SEK million	
Operating leases, Aug. 31, 2019	372.1
Discounted operating leases, Aug. 31, 2019	-9.6
Financial leases, Aug. 31, 2019	9.2
Adjustment for short-term leases and leases of low-value assets	-2.6
Adjustments as a result of various extension and termination alternatives	-16.8
Other adjustments	-2.1
Lease liabilities, Sep. 1, 2019	**350.4**

The leases that have been recognised in Dustin's balance sheet as a result of IFRS 16 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.

Right-of-use assets	**Buildings**	**Vehicles**	**IT equipment for internal use**	**IT equipment related to service provision**	**Other**	**Total**
Depreciation during the year	-69.9	-25.4	-32.4	-25.9	-1.1	**-154.6**
Closing balance, 31 Aug. 2020	**270.8**	**58.3**	**103.9**	**68.4**	**0.8**	**502.2**

Amounts recognised in profit or loss:	**19/20**
Depreciation of right-of-use assets	154.6
Interest on lease liabilities	13.4
Cost of short-term leases	3.9
Cost of low-value leases	2.1
Total	**174.0**

Note 13 Leases, cont.

Cash flow from leases
The lease liability consists of future lease payments attributable to leases that are recognised in the balance sheet through application of IFRS 16.

The impact of leases on cash flow for the year was SEK 149 million. Lease obligations fall due for payment as shown below:

Future annual payment commitments	19/20
Within one year	146.2
Between 1–5 years	307.8
More than 5 years	92.0
Total	**545.9**

Note 14 Acquisition and divestment-related assets and liabilities

Change in acquisition-related liabilities measured at fair value based on inputs that are not based on observable market data (Level 3)	19/20	18/19
Opening balance	**244.8**	**276.3**
Remeasurements recognised in profit or loss:		
Unrealised revaluation of contingent earn-outs recognised under Items affecting comparability	-20.1	-48.1
Discount of contingent earn-out recognised under Financial expenses and other similar income-statement items	0.3	3.9
Remeasurements recognised under other comprehensive income:		
Unrealised exchange-rate differences recognised under Translation differences	-5.6	1.7
Changes recognised via the balance sheet:		
Payment of deposit related to contingent earn-out	-10.5	–
Payments attributable to previous acquisitions*	-209.0	-37.3
Acquisitions	–	70.4
Reclassification	–	-22.1
Closing balance	**–**	**244.8**

Change in divestment-related receivables measured at fair value based on inputs that are not based on observable market data (Level 3)	19/20	18/19
Opening balance	**1.6**	**6.6**
Changes recognised via the balance sheet:		
Settlement of receivable for previously divested operations	-1.6	-5.0
Estimated purchase consideration, divestment of subsidiary, long and short term	–	–
Closing balance	**–**	**1.6**

* The discrepancy in the preceding year on the line Acquisition of operations in the consolidated statement of cash flow consists of the settlement of acquisition-related liabilities attributable to liabilities for the acquisition of subsidiaries carried out before Dustin's acquisition of Vincere.

Fair value
The measurement of acquisition-related liabilities and divestment-related assets is carried out on a continuous basis at fair value and the liability is settled as required via profit or loss. If a change in value occurs prior to the preparation of the purchase price allocation and is not the result of events following the acquisition date, measurement is carried out via the balance sheet. As of August 31, 2020 there were no closing liabilities pertaining to acquisitions. Of the SEK 245 million in closing liabilities recognised in the preceding year, SEK 73 million was related to preliminary purchase price allocations.

The fair value is calculated as defined for Level 3 in IFRS 7, meaning according to inputs that are not based on observable market data. For further information regarding purchase price allocation, see Note 24 Acquisition of businesses. 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.

For this financial year, no new earn-out liabilities were recognised (70). Of the earn-out liabilities of SEK 245 million recognised in the preceding year, SEK 209 million was settled in the current year. These are attributable to the earlier acquisitions of Inventio, Saldab, Norriq, JML, Core, IKT Gruppen, Purity and Itaito. In addition, new assessments were conducted of the liabilities to Core, Purity and Inventio, in which the liabilities for the earn-outs were written down by a total of SEK 20 million.

Divestment-related receivables pertain to contingent earn-outs for the divestment of IT-Hantverkarna i Sverige AB.

Note 15 Deferred tax

	Non-current assets	Appropri-ations	Financial instru-ments	Other	Total deferred tax liabilities	Non-current assets	Other	Total deferred tax assets
Opening balance, September 1, 2019	**153.3**	**64.8**	**-4.9**	**–**	**213.1**	**5.5**	**–**	**5.5**
Recognised in net profit for the year	-14.8	11.6	–	0.2	**-3.0**	-0.4	3.6	**3.2**
Recognised in other comprehensive income	-4.3	–	-0.8	–	**-5.1**	-0.2	–	**-0.2**
Reclassified between current and deferred tax	–	–	–	–	**–**	–	1.3	**1.3**
Closing balance, August 31, 2020	**134.2**	**76.3**	**-5.7**	**0.2**	**205.0**	**4.8**	**4.9**	**9.7**
Opening balance, September 1, 2018	**131.0**	**56.6**	**-1.1**	**–**	**186.5**	**2.1**	**–**	**2.1**
Recognised in net profit for the year	-0.5	8.2	–	–	**7.8**	1.2	–	**1.2**
Recognised in statement of financial position	21.8	–	–	–	**21.8**	–	–	**–**
Recognised in other comprehensive income	1.0	–	-3.8	–	**-2.9**	2.2	–	**2.2**
Closing balance, August 31, 2019	**153.3**	**64.8**	**-4.9**	**–**	**213.1**	**5.5**	**–**	**5.5**

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.

Not 16 Provisions

Restructuring
The provision for restructuring is primarily related to the ongoing developments in services and solutions. The restructuring measures were publicised in the third quarter of 2019/20 and are attributable to consolidation of offices and staff reductions.

Other provisions
Other provisions consist primarily of provisions for disputes concerning legal actions and synthetic options.

Changes in provisions

	Restructuring		Other		Total	
	Aug. 31, 2020	Aug. 31, 2019	Aug. 31, 2020	Aug. 31, 2019	Aug. 31, 2020	Aug. 31, 2019
Opening balance, September 1, 2019	**–**	**–**	**22.4**	**15.1**	**22.4**	**15.1**
Provisions during the period	27.2	–	6.4	8.3	33.5	8.3
Utilised during the period	-7.8	–	–	–	-7.8	–
Reversed during the period	–	–	-11.2	-1.0	-11.2	-1.0
Exchange-rate differences	-0.3	–	-0.3	–	-0.6	–
Closing balance, August 31, 2020	**19.1**	**–**	**17.4**	**22.4**	**36.4**	**22.4**
of which current	14.1	–	17.4	–	31.5	–
of which non-current	4.9	–	–	22.4	4.9	22.4

Not 17 Derivative instruments and hedge accounting

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 to hedging for USD purchases from China. The Group applies hedge accounting on derivatives and the fair value is measured as defined for Level 2 in IFRS 7. The measurement level remains unchanged compared with August 31, 2019. Changes in fair value are recognised in other comprehensive income and accumulated in the hedge reserve in shareholders' equity and are reversed to profit or loss when the hedged items are recognised in profit or loss. 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, 2020 qualify for continued hedge accounting.

Current assets	**Aug. 31, 2020**	**Aug. 31, 2019**
Interest-rate swaps	–	0.9
Currency futures	–	0.5
Total	**–**	**1.4**

Non-current assets	**Aug. 31, 2020**	**Aug. 31, 2019**
Interest-rate swaps	0.2	0.6
Currency futures	–	–
Total	**0.2**	**0.6**

Current liabilities	**Aug. 31, 2020**	**Aug. 31, 2019**
Interest-rate swaps	0.2	0.7
Currency futures	1.5	–
Total	**1.7**	**0.7**

Non-current liabilities	**Aug. 31, 2020**	**Aug. 31, 2019**
Interest-rate swaps	25.5	24.1
Currency futures	–	–
Total	**25.5**	**24.1**

Interest-rate derivatives	Nominal amount		Interest at fixed exchange rate		Maturity swap	
	Aug. 31, 2020	Aug. 31, 2019	Aug. 31, 2020	Aug. 31, 2019	Aug. 31, 2020	Aug. 31, 2019
SWAP SEK		140,000,000		0.315%		Jan. 31, 2020
SWAP EUR*	12,500,000	12,500,000	0.405%	0.405%	Feb. 26, 2026	Feb. 26, 2026
SWAP EUR	40,000,000	40,000,000	-0.075%	-0.075%	Jul. 16, 2021	Jul. 16, 2021
SWAP NOK**		70,000,000		1.950%		Jan. 31, 2023
SWAP DKK**	100,000,000	100,000,000	0.298%	0.298%	Oct. 29, 2021	Oct. 29, 2021

* Swaps with a floating leg consisting of an interest-rate floor of 0.00 per cent.
** Swaps with a floating leg consisting of an interest-rate ceiling of 1.75 per cent.
*** Swaps with a floating leg consisting of an interest-rate floor of 0.00 per cent and an interest-rate ceiling of a nominal DKK 40,000,000 of 0.50 per cent.

Currency futures
In total, the market value of outstanding futures was SEK 2 million (1) as per the balance-sheet date.

Note 18 Inventories

	Aug. 31, 2020	Aug. 31, 2019
Goods for resale	482.9	465.7
Total	**482.9**	**465.7**
Cost of goods sold	-10,817.1	-10,174.6

The obsolescence reserve amounted to SEK 12 million (10) at the end of the year. The cost of inventory impairment totalled SEK 6 million (13) for the period.

Note 19 Accounts receivable and other current assets

Accounts receivable

Maturity structure of accounts receivable outstanding	Aug. 31, 2020	Aug. 31, 2019
0–30	1,193.1	1,381.2
31–90	48.8	70.0
91–	19.2	13.0
Impairment due to doubtful accounts receivable	-4.5	-3.9
Total	**1,256.6**	**1,460.4**

Changes in the provision for doubtful accounts receivable	Aug. 31, 2020	Aug. 31, 2019
Opening balance	**3.9**	**2.0**
Acquisition of operations	–	0.1
Provision for expected credit losses	2.8	3.6
Confirmed credit losses	-1.6	-1.1
Reversed credit losses	-0.6	-0.6
Exchange-rate differences	-0.1	-0.3
Closing balance	**4.5**	**3.9**

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. The Group's risk exposure in foreign currencies is deemed to be low.

The provision due to doubtful accounts receivable was SEK 5 million (4) and amounted to 0.4 per cent (0.3) in relation to accounts receivable. Dustin has historically low credit losses. The company continuously obtains credit information for all corporate customers and does not offer any credit itself to private customers.

Prepaid expenses and accrued income

	Aug. 31, 2020	Aug. 31, 2019
Prepaid expenses for suppliers	51.2	54.1
Accrued marketing subsidies	22.5	23.8
Accrued discounts from suppliers	61.3	71.2
Accrued lease income	1.4	0.6
Accrued income attributable to delivered but not invoiced	18.6	25.5
Other prepaid expenses and accrued income	76.4	61.6
Total	**231.3**	**236.8**

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.

Accrued lease income is attributable to the Norwegian business. Contract assets corresponds to Accrued income attributable to delivered but not invoiced.

Note 20 Finansiella tillgångar och skulder

Aug. 31, 2020	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
Assets					
Derivative instruments (Level 2)	–	–	0.2	**0.2**	**0.2**
Accounts receivable and other receivables	–	1,272.3	–	**1,272.3**	**1,272.3**
Accrued income	–	103.8	–	**103.8**	**103.8**
Cash and cash equivalents	–	730.1	–	**730.1**	**730.1**
Total assets	**–**	**2,106.2**	**0.2**	**2,106.4**	**2,106.4**
Liabilities					
Liabilities to credit institutions	–	2,159.0	–	**2,159.0**	**2,159.0**
Derivative instruments (Level 2)	–	–	27.2	**27.2**	**27.2**
Accounts payable	–	1,543.6	–	**1,543.6**	**1,543.6**
Other current liabilities	–	347.7	–	**347.7**	**347.7**
Accrued expenses	–	431.3	–	**431.3**	**431.3**
Total liabilities	**–**	**4,481.5**	**27.2**	**4,508.7**	**4,508.7**

Aug. 31, 2019	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
Assets					
Derivative instruments (Level 2)	–	–	2.0	**2.0**	**2.0**
Accounts receivable and other receivables	–	1,491.7	–	**1,491.7**	**1,491.7**
Accrued income	–	121.0	–	**121.0**	**121.0**
Divestment-related receivables (Level 3)	1.6	–	–	**1.6**	**1.6**
Cash and cash equivalents	–	281.3	–	**281.3**	**281.3**
Total assets	**1.6**	**1,893.9**	**2.0**	**1,897.5**	**1,897.5**
Liabilities					
Liabilities to credit institutions	–	2,006.1	–	**2,006.1**	**2,006.1**
Derivative instruments (Level 2)	–	–	24.8	**24.8**	**24.8**
Accounts payable	–	1,712.3	–	**1,712.3**	**1,712.3**
Acquisition-related liabilities (Level 3)	244.8	–	–	**244.8**	**244.8**
Other current liabilities	–	214.2	–	**214.2**	**214.2**
Accrued expenses	–	346.2	–	**346.2**	**346.2**
Total liabilities	**244.8**	**4,278.8**	**24.8**	**4,548.4**	**4,548.4**

Note 21 Cash and cash equivalents

	Aug. 31, 2020	Aug. 31, 2019
Cash and cash equivalents	730.1	281.3
Closing balance	**730.1**	**281.3**

Cash and cash equivalents comprise bank balances. At the end of the financial year, the unutilised overdraft facility amounted to SEK 100 million (270), and EUR 5 million (5) in the Dutch subsidiaries. The Group has a global cash pool with Nordea (publ). The Parent Company is the main account holder for the Group account, which enables subsidiaries to utilise cash and cash equivalents deposited 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 22 Equity

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, 2020, the number of shares amounted to 88,647,339 (88,647,339). Operating profit at the balance-sheet date amounted to SEK 443 million (443).

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 1,100 million (1,096). Subscription with the support of warrants represents an increase of SEK 4 million (4).

Translation reserve
The translation reserve pertains to all exchange-rate differences arising on the translation of foreign operations that have prepared their financial statements in a currency other than SEK.

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. In addition to the Group's equity, there is external bank financing of approximately SEK 2 billion (2).

Note 23 Borrowing

Maturity structure of borrowing

The table below shows 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.

Aug. 31, 2020	Total borrowing	Maturity within one year	Maturity longer than one year but within two years	Maturity longer than two years but within five years	Maturity longer than five years
Liabilities to credit institutions including future interest payments	2,230.7	22.2	22.2	2,186.2	–
Accounts payable	1,543.6	1,543.6	–	–	–
Tax liabilities	46.2	46.2	–	–	–
Derivative instruments	27.2	1.7	1.0	7.9	16.7
Other current liabilities	347.7	347.7	–	–	–
Accrued expenses	443.8	443.8	–	–	–
Total	**4,639.2**	**2,405.2**	**23.2**	**2,194.0**	**16.7**

Aug. 31, 2019	Total borrowing	Maturity within one year	Maturity longer than one year but within two years	Maturity longer than two years but within five years	Maturity longer than five years
Liabilities to credit institutions including future interest payments	2,112.6	25.2	25.2	50.4	2,011.7
Accounts payable	1,712.3	1,712.3	–	–	–
Tax liabilities	10.2	10.2	–	–	–
Derivative instruments	24.8	0.7	0.5	4.9	18.7
Other current liabilities	214.2	214.2	–	–	–
Acquisition-related liabilities	244.8	244.8	–	–	–
Accrued expenses	360.0	360.0	–	–	–
Total	**4,678.9**	**2,567.5**	**25.7**	**55.3**	**2,030.5**

Summary of cash flow from financing activities pertaining to external loans

Change in liabilities to credit institutions for the year	19/20	18/19
Opening balance	**2,006.1**	**1,997.4**
Change in financial cash flow		
New loans raised	390.1	–
Paid borrowing expenses	-1.5	-0.6
Repayment of debt	-134.4	-71.9
Total change in financial cash flow	**254.2**	**-72.5**
Other changes		
New loans raised through acquisitions during the year	–	59.1
Amortisation/impairment capitalised liabilities start-up costs	2.1	1.7
Exchange-rate differences, NOK, DKK and EUR	-103.5	20.4
Total other changes	**-101.3**	**81.2**
Closing balance	**2,159.0**	**2,006.1**

Loans

New credit facilities have been utilised, corresponding to SEK 256 million and consisting of new loans of SEK 390 million in combination with SEK 134 million in repayments pertaining to changes in currency in the loan portfolio. The bank agreement matures in September 2023. The loan is free from regular repayment during its term, and the interest terms for utilised bank loans are described in the table below.

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 derivatives. Both finance and liquidity risks are not considered to have changed significantly since entering into the loans.

Group and Parent Company, Aug 31, 2020	Liabilities to credit institutions	Interest terms	Loan terms*
Bank loan SEK	93.5	Stibor + interest margin 0.65–1.45%	3 + 1 + 1 years
Bank loan EUR	115.8	Euribor + interest margin 0.65–1.45%	3 + 1 + 1 years
Bank loan NOK	297.0	Nibor + interest margin 0.65–1.45%	3 + 1 + 1 years
Bank loan DKK	425.0	Cibor + interest margin 0.65–1.45%	3 + 1 + 1 years

* New bank loans came into effect in July 2018 with an interest period of 3+1+1.

Covenants

The current financing for the Group is based on external bank loans, which are subject to covenants that are reported to the banks each quarter. All conditions were fulfilled as per August 31, 2020.

Note 24 Acquisition of businesses

Acquisitions 2018/19
Three acquisitions were completed during the previous financial year. The total purchase consideration including estimated contingent earn-outs amounted to SEK 672 million, of which the total net cash outflow was SEK 536 million. In 2019/20, the final purchase price allocations were confirmed for acquisitions in 2018/19 as specified below:

Final purchase price allocation

Fair value of acquired assets and liabilities	Norisk B.V.	Inventio.IT AS	Chilit Oy	Total
Intangible assets (excl. goodwill)	13.1	63.7	31.1	107.9
Tangible assets	2.2	6.5	1.7	10.4
Inventories	1.4	–	4.2	5.6
Other current assets	7.3	22.1	38.6	68.1
Cash and cash equivalents	2.2	23.5	39.7	65.4
Liabilities to credit institutions	–	–	59.1	59.1
Other current liabilities	10.9	61.4	41.6	113.8
Total identified assets and liabilities	**15.3**	**54.4**	**14.7**	**84.4**
Consolidated goodwill	42.3	289.4	255.8	587.5
Purchase consideration including estimated contingent earn-out	**57.6**	**343.8**	**270.5**	**671.9**

Note 25 Accrued expenses and deferred income

	19/20	18/19
Accrued personnel costs	252.5	198.2
Accrued expenses for suppliers	145.2	100.9
Accrued discounts to customers	3.9	3.4
Deferred marketing subsidies	7.8	5.7
Advance invoicing	4.8	30.5
Other accrued expenses and deferred income	29.7	21.3
Total	**443.8**	**360.0**

Note 26 Cash-flow statement

Adjustment for non-cash items	Aug. 31, 2020	Aug. 31, 2019
Depreciation of tangible assets*	197.7	41.5
Amortisation of intangible assets	99.1	74.1
Unrealised revaluation of contingent earn-outs recognised under Items affecting comparability	-20.1	-48.1
Changes in provisions	14.1	7.3
Capital gain/loss	-0.4	-1.4
Exchange-rate differences	-0.1	-0.4
Other items	12.5	-6.0
Total	**302.8**	**66.9**

* Increase attributable to adoption of IFRS 16. Comprises depreciation of SEK 155 million.

Note 27 Pledged assets and contingent liabilities

For loans and bank overdrafts	Aug. 31, 2020	Aug. 31, 2019
Floating mortgages	90.8	93.3
Total	**90.8**	**93.3**

The decrease in floating mortgages is related to mortgages in companies merged during the year. Dustin has not pledged any assets for its obligations under the current loan agreement.

Note 28 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 and thus are not presented.

All Group companies referred to in Note P7 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 Number of employees, employee benefits expense and remuneration of senior executives.

Note 29 Significant events after the balance-sheet date

Acquisition in Denmark
The Danish company Exato A/S was acquired in September. The company specialises in standardised services, including IT security, where more than half of the revenue derives from subscription services, primarily small and medium-sized businesses. The acquisition contributes to Dustin's strategy of increasing sales of services and complements Dustin's offering in Denmark. The company reported sales of approximately DKK 30 million during the latest financial year and has approximately 20 employees.

Corporate responsibility ambitions move to new level
Dustin is launching a new strategy for corporate and social responsibility. The strategy, which will extend until 2030, focuses on three areas: climate, circularity and social equality. For example, the company is the first e-retailer in the Nordic region to announce that it will be entirely climate-neutral by 2030.

Note 30 Proposed appropriation of the Company's profit

The Board of Directors proposes that available earnings totalling SEK 1,053,124,100 be distributed at SEK 2.20 per share as an ordinary dividend. The proposal states that this amount be appropriated as follows:

Appropriation of earnings

SEK	
Dividends	195,024,416
To be carried forward	858,099,954
Total	**1,053,124,100**

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 Board of Director's complete statement regarding the proposed dividend is available on our website, www.dustingroup.com.

Parent Company notes

Note P1 Information on income and expenses within the Group

	19/20	18/19
Income	100%	100%
Expenses	0%	0%

Note P2 Number of employees, employee benefits expense and remuneration of senior executives

Number of FTEs and gender distribution	19/20			18/19		
Distribution of Board members and senior executives at the balance-sheet date	**Women**	**Men**	**Total**	**Women**	**Men**	**Total**
Board members	3	4	7	3	4	7
Total	**3**	**4**	**7**	**3**	**4**	**7**

The Parent Company has no employees. Information about the remuneration of the company's Board of Directors is provided in Group Note 7, Number of employees, personnel costs and remuneration of senior executives on page 84.

Note P3 Auditor's remuneration

Costs for the Parent Company audit are paid by the subsidiary Dustin Aktiebolag. For further information, see Note 6, Auditor's remuneration.

Note P4 Financial items

Interest income and similar income-statement items	19/20	18/19
Interest income	44.1	0.9
Dividends	106.1	46.8
Exchange-rate differences on liabilities to credit institutions	101.0	–
Total	**251.2**	**47.7**

The increase in interest income is attributable to intra-Group invoicing.

Interest expenses and similar income-statement items	19/20	18/19
Borrowing costs on external financing	37.2	37.7
Exchange-rate differences on liabilities to credit institutions	–	21.2
Other financial expenses	0.0	0.6
Total	**37.2**	**59.5**

Note P5 Appropriations

	19/20	18/19
Group contributions received	149.0	258.7
Change in tax allocation reserve	-62.0	-45.2
Total	**87.0**	**213.5**

Note P6 Tax

Recognised effective tax

Tax expense	19/20	18/19
The following components are included in the tax expense in the income statement:		
Current tax	-40.5	-29.7
Adjustments of current tax attributable to prior periods	0.0	-0.1
Recognised effective tax	**-40.6**	**-29.8**
Recognised effective tax rate	13.8%	15.3%
Recognised profit before tax	294.6	195.4
Reconciliation of effective tax rate		
Tax according to current tax rate	-63.0	-43.0
Tax effect of:		
Non-deductible expenses	0.0	-0.3
Non-taxable income	22.7	13.4
Adjustment of tax for previous years and others	-0.2	0.0
Recognised effective tax	**-40.6**	**-29.8**

Current tax	19/20	18/19
Current tax liabilities	19.1	–
Current tax assets	–	32.8
Total	**19.1**	**32.8**

The Parent Company has no recognised or unrecognised deferred tax assets or liabilities.

Note P7 Participations in Group companies

Parent Company's holdings in Group companies

Company name	Corp. Reg. No.	Domicile	Number of shares	Partici-pation	Equity	Net profit for the year	Carrying amount Aug. 31, 2020	Carrying amount Aug. 31, 2019
Dustin AB	556237-8785	Stockholm	25,000,000	100%	492.0	267.3	1,211.6	1,211.6
Total							**1,211.6**	**1,211.6**

The following companies are included in the Group in addition to the Parent Company's direct holdings:

Company name	Corp. Reg. No.	Aug. 31, 2020 Participating interest	Aug. 31, 2019 Participating interest
ComPromise Domino B.V.	04062532	100%	100%
Core Services AS *	995962292	–	100%
Chilit Group Oy	2768847-4	100%	100%
Chilit Oy	2768846-6	100%	100%
Dustin A/S	26092183	100%	100%
Dustin Finland Oy	0935141-3	100%	100%
Dustin Netherlands B.V.	06088974	100%	100%
Dustin Norway AS	939483969	100%	100%
Dustin Supply Chain Netherlands B.V.	73864994	100%	100%
Dustin Sverige AB	556666-1012	100%	100%
Issys ICT B.V.	37104253	100%	100%
Inventio IT A/S	26112001	100%	100%
ITaito Oy	2201996-8	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	100%	40%
Purity IT AS **	915291783	–	100%
Saldab IT AB ***	556645-4210	–	100%
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%
Vincere Netherlands B.V.	71903968	100%	100%
Xcellent Automatisering B.V.	32119865	100%	100%

* During the financial year, Core Services AS merged with Dustin Norway AS
** During the financial year, Purity IT AS merged with Dustin Norway AS
*** During the financial year, Saldab IT AB merged with Dustin Sverige AB

Note P8 Prepaid expenses and accrued income

	Aug. 31, 2020	Aug. 31, 2019
Pre-paid interest-rate swaps	0.6	0.9
Other prepaid expenses and accrued income	1.3	1.3
Total	**1.9**	**2.2**

During the previous financial year, an interest-rate swap was repaid early to ensure a wider maturity spread. The cost of the swap is recognised on an accrual basis over the remaining period from the exercise date.

Note P9 Cash and bank balances

	Aug. 31, 2020	Aug. 31, 2019
Cash and cash equivalents	616.2	201.2
Closing balance	**616.2**	**201.2**

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 Group Note 21, Cash and cash equivalents.

Note P10 Equity

Share capital
See Group Note 22 for information about the Parent Company's share capital.

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 266 million was distributed in line with the resolution by the Annual General Meeting on December 11, 2019. For the current financial year, the proposed dividend is SEK 195 million (266).

Share premium reserve
During the year, other contributed capital increased by SEK 4 million (653), attributable to subscription with the support of warrants.

Not P11 Untaxed reserves

	Aug. 31, 2020	Aug. 31, 2019
Tax allocation reserve	244.8	182.8
Total	**244.8**	**182.8**

Not P12 Borrowing

The Group's external financing is with the Parent Company. Total external loans amount to SEK 2,159 million (2,006). For more information about loans, refer to Group Note 23.

Maturity structure of borrowing
The table below 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.

Aug. 31, 2020	Total borrowing	Maturity within one year	Maturity longer than one year but within two years	Maturity longer than two years but within five years	Maturity longer than five years
Liabilities to credit institutions including future interest payments	**2,230.7**	22.2	22.2	2,186.2	–
Accounts payable	**0.1**	0.1	–	–	–
Tax liabilities	**19.1**	19.1	–	–	–
Other current liabilities	**0.3**	0.3	–	–	–
Accrued expenses	**5.4**	5.4	–	–	–
Total	**2,255.6**	**47.1**	**22.2**	**2,186.2**	**0.0**

Aug. 31, 2019	Total borrowing	Maturity within one year	Maturity longer than one year but within two years	Maturity longer than two years but within five years	Maturity longer than five years
Liabilities to credit institutions including future interest payments	**2,112.6**	25.2	25.2	50.4	2,011.7
Accounts payable	**0.0**	0.0	–	–	–
Tax liabilities	**–**	–	–	–	–
Other current liabilities	**0.3**	0.3	–	–	–
Accrued expenses	**8.3**	8.3	–	–	–
Total	**2,121.3**	**33.9**	**25.2**	**50.4**	**2,011.7**

Not P13 Accrued expenses and deferred income

	19/20	18/19
Accrued financial expenses	5.0	5.4
Other accrued expenses	0.4	2.9
Total	**5.4**	**8.3**

Not P14 Cash-flow statement

Adjustment for non-cash items	19/20	18/19
Group contributions outstanding	149.0	258.7
Total	**149.0**	**258.7**

Not P15 Related-party transactions

Transactions with subsidiaries
For information about direct and indirect shareholdings in subsidiaries, refer to Parent Company Note P7.

Transactions with subsidiaries	19/20	18/19
Purchases	–	–
Sales	0.4	0.4
Receivables as of August 31	2,095.5	2,254.3
Liabilities as of August 31	–	–

Corporate responsibility information

About this report
Dustin's Annual and Corporate Responsibility Report provides a summary of the financial results and the corporate responsibility efforts we have carried out during the 2019/20 financial year. This is the third 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 2019/20, 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 corporate responsibility efforts during the financial year from September 1, 2019 to August 31, 2020. Dustin presents corporate responsibility data every year, and the report for the preceding year was published on November 14, 2019.

If you have any questions, please contact Henrik Lampa, Head of Corporate Responsibility, e-mail: henrik.lampa@dustin.se

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 the autumn of 2019/20.

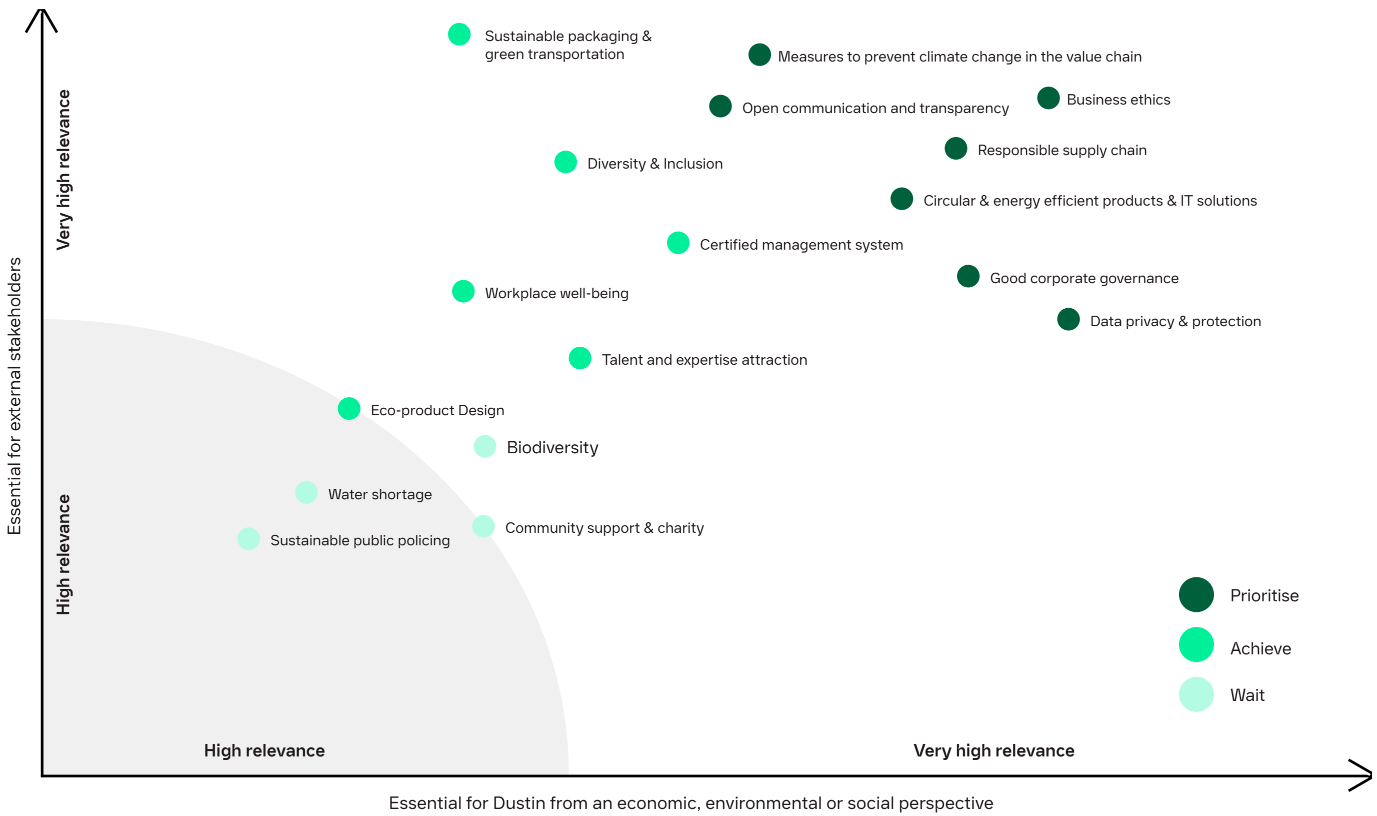
Our stakeholders comprise customers, employees, owners, manufacturers, distributors and non-state organisations. The aim of stakeholder dialogue is to continually gather our stakeholders' views on the corporate responsibility topics that they consider material.

The areas of corporate responsibility 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 worked out a long-term corporate responsibility strategy with commitments until 2030 that were decided on by the Board.

By 2030, we will be completely climate neutral throughout the entire value chain, we will have a 100 per cent circular offering and we will have taken 100 actions in total to further improve our work with social equality throughout the entire value chain.

Materiality assessment



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 corporate responsibility efforts, the dialogue channels and important issues during the year.

Stakeholders	Dialogue channels	Key issues during the year
Customer	• Customer contact and customer meetings • Concept store • Customer magazine and IT trade fair (Dustin Expo) • Information on website, customer service and social media • Customer surveys and brand tracker	• Responsible use of resources • Responsible manufacturing, Dustin Supplier Code of Conduct • Conflict minerals • Systematic work • Business ethics and anti-corruption • Ecolabelling • Climate
Shareholders	• Individual investor meetings • Webcasts/telephone conferences for interim reports • Presentations for investor lunches, seminars and other meetings • Board of Directors and General Meeting	• Responsible use of resources • Social equality, diversity • Long-term corporate responsibility targets • Business ethics and anti-corruption • Climate
Employees	• Daily meetings and interaction • All-staff meetings (All Dustin) • Training, classroom and e-courses • Annual employee surveys • Annual appraisals	• Long-term corporate responsibility efforts • Climate • Dustin's Code of Conduct
Suppliers	• Separate meetings in purchasing process • Supplier assessments under framework of Dustin's Code of Conduct • Seminars and panel discussions • Factory audits	• Climate • Responsible use of resources • Responsible production
Voluntary organisations and partners	• Individual meetings • Conferences, training courses and panel discussions	• Climate • Responsible use of resources • Transparency • Corporate responsibility targets

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 64–66. 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.

At the end of the 2019/20 financial year, the gender balance at Dustin was 30/70 per cent (31/69). If we include employees at our acquired but not integrated companies, we see a more uneven gender balance of 25/75 per cent (23/77), since the acquired companies have a significant percentage of men. If we compare the gender balance between countries, then Sweden is at the forefront with a gender balance of 34/66 per cent while Denmark is lagging behind with a gender balance of 17/83 per cent.

Age distribution employees, Dustin excluding not integrated companies	Aged <29	Aged 30–49	Aged >50
New employees (number)	51 (122)	77 (154)	14 (30)
New employees (%)	36 (40)	54 (50)	10 (10)
Employees leaving (number)	63 (74)	122 (100)	27 (18)
Employees leaving (%)	30 (39)	57 (52)	13 (9)

Employees, Dustin excluding not integrated companies	Total	Sweden	Norway	Denmark	Finland
New employees (number)	142 (306)	91 (217)	19 (26)	16 (31)	8 (32)
New employees (%)		64 (71)	13 (9)	11 (10)	6 (10)
Employees leaving (number)	212 (193)	154 (142)	29 (10)	20 (20)	7 (21)
Employees leaving (%)		73 (74)	14 (5)	9 (10)	3 (11)

Gender balance, Dustin excluding not integrated companies	Total	Sweden	Norway	Denmark	Finland
Gender balance at Dustin	30/70 (31/69)	34/66 (35/65)	21/79 (24/76)	17/83 (17/83)	33/67 (30/70)
Gender balance including acquisitions	25/75 (23/77)				
Gender balance at the managerial level	38/62 (38/62)	42/58 (42/62)	39/61 (35/65)	12/88 (18/82)	25/75 (46/64)
Gender balance at managerial level incl. acquisitions	30/70 (31/69)				

Age distribution Group Management and Board of Directors	Aged <29	Aged 30–49	Aged >50
Total	0 (0)	45 (38)	55 (62)
Group Management	0 (0)	73 (67)	27 (33)
Board of Directors	0 (0)	0 (0)	100 (100)

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.

Accounting policies for corporate responsibility

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. The data from acquired operations is reported separately until they have been fully integrated into Dustin, under the heading "acquired but not integrated companies". If an operation has been fully integrated into Dustin for less than half the financial year, it is counted as acquired but not integrated for that financial year. Dustin pertains to all operations in the Group, regardless of whether or not they have been integrated. Dustin "excluding not integrated companies" pertains to all operations that have been integrated but excludes "acquired but not integrated operations". 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 reported data.

Greenhouse gas emissions
Climate data produced by companies are often associated with uncertainty. This is because of scientific uncertainty about measurement methods but also uncertainty about the data used in the measurement methods. The total amount of greenhouse gas emissions is reported in kg CO_2 equivalents (CO_2e), and primarily includes CO_2 greenhouse gases. 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. We chose the "operational control" approach for consolidating greenhouse gas emissions. This means that we include units based on whether we can introduce policies and operating measures. For this reason, the following emission sources are used:

Scope 1
- Direct emissions from vehicles owned by Dustin

Scope 2
- Electricity use, heating and cooling of Dustin's offices in Sweden, Norway, Denmark, Finland and the Netherlands with more than 15 employees. The Dustin Concept Store, Dustin's central warehouses and smaller warehouses in Finland are also included.

Scope 3
- Outbound shipments from warehouses to customers. This includes shipments from Dustin's central warehouse in Sweden and warehouses in Finland, Norway and Denmark, as well as direct deliveries from distributors or manufacturers to customers (known as "drop shipments").
- Dustin's off-premises data centres
- Leasing vehicles for staff
- Business travel by train and air
- Recycling and energy recovery of waste from the head office and central warehouse

Specific emission factors have been used to calculate all Scope 1, Scope 2 and Scope 3 emissions, in accordance with the "market-based" method. Calculating Scope 2 emissions in accordance with the "location-based" method uses Nordic residual mix for 2019, which amounts to 338.52 g CO_2/kWh. As a comparison, the Nordic residual mix for 2018 amounted to 250.76 g CO_2/kWh. CO_2 savings through re-use in connection with end-of-life returns have been calculated using the same method for all end-of-life returns partners. The method is based on a useful life model from the Berlin Institute of Technology (Energie- und CO_2-Bilanz von PCs – Relevanz für ReUse-Strategien, 2005) and the EuP preparatory study TREND/D1/40-2005, Lot 3.

Since the method was developed, the values for energy savings have been updated for mobile phones with data. Savings in end-of-life returns for products in relation to the purchase of these products as new totalled: 13 kg CO_2 per mobile phone and tablet, 20 kg CO_2 per monitor, 34 kg CO_2 per laptop and 54 kg CO_2 per desktop computer.

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 office properties in Sweden, Norway, Denmark, Finland the Netherlands are used only partly by Dustin, and their heat consumption is allocated based on space. The same applies to the consolidation warehouse in Norway as well as the Dustin Concept Store.

The calculations of kilowatt-hours also encompass electricity use and cooling of data centres.

Waste
The total reported quantity of waste encompasses Dustin's waste from its head office and central warehouse. Other properties or warehouse space are not included. Starting with the 2017/18 financial year, the "Waste" table the "Waste for energy recovery" also includes the 287,093 kg of waste designated as "Other processing method" in the 2016/17 report.

Hazardous waste
The total reported quantity of hazardous waste only encompasses hazardous waste from the central warehouse and electronics waste that we as a producer are responsible for accepting. Dustin does not currently have an established procedure for measuring the quantity of waste from our other properties that is sent for recycling.

During these years, most of the hazardous waste generated by Dustin was linked to the collected electronic waste we are responsible for handling as producer. In 2017/18, the collection system did not provide companies with data pertaining to recycling method, which was amended in 2018/19. 2018/19 thus also includes waste generated at Dustin associated with the collected electronic waste in addition to the volume of hazardous waste we generated ourselves at our central warehouse and offices.

End-of-life returns of electronics products
The quantity of end-of-life returns includes the categories of desktop computers, laptops, tablets, mobile phones, monitors, servers, networking equipment and printers. Categories not included are computer mice, keyboards, cables, laptop docking stations, external hard drives, removable hard drives, CDs and removable computer components. Carbon savings are only calculated on the four product categories that have key service life metrics in relation to Carbon savings in connection with reuse. In 2018/19, the scope for calculating carbon savings expanded from previously coming only from one of the end-of-life returns partners, who collects approximately 27 per cent of the total number of products to covering end-of-life returns from the other end-of-life returns partner as well. This means that carbon savings due to re-use of end-of-life products has been adjusted from 33,035 kg CO_2e to 112,899 for 2014/15, from 122,891 kg CO_2e to 217,025 for 2015/16, from 129,688 kg CO_2e to 368,815 for 2016/17 and from 172,018 CO_2e to 894,151 for 2017/18.

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.

There is one exception in the table for gender balance at Dustin (page 101), which also includes employee data for acquired but not integrated companies. In Vincere, employees on parental leave and long-term sick leave are included.

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.

Changed information compared with preceding Corporate Responsibility Report
In 2019/20, no key information has changed compared with the information in the preceding Corporate Responsibility Report.

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—Salda, Purity and Core Services integrated

Acquired but not integrated companies:
In 2019/20, the following operations were recognised under the heading "Acquired but not integrated operations": JML Systems (including DAV Partner), Vincere (including Norisk), ITaito, Chilit and Inventio. The decision in 2018/19 to include all acquisitions in the environmental report for energy and emissions within 12 months of the acquisition date has entailed an increase in the number of data centres and properties included in the report.

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 corporate responsibility as needed, for issues such as estimated emissions from leasing vehicles. The principle is defined in the company's Code of Conduct.

Statutory Corporate Responsibility Report
Dustin is subject to the requirements for statutory corporate responsibility 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 Corporate Responsibility Report is available in the Annual and Corporate Responsibility Report under the following headings:

- Business model and value creation, pp. 15-20
- Targets and key performance indicators, p. 23
- Privacy and risk management, pp. 58-63
- Internal governance, pp. 69-70
- Materiality assessment and stakeholders, pp. 99-100
- Responsible purchasing, pp. 34 and 46-49
- Human rights, pp. 34 and 46-49
- Environment, pp. 34 and 41-45
- Personnel, pp. 50 and 101

External assurance
The corporate responsibility information in the Annual and Corporate Responsibility Report for 2019/20 has been reviewed by Dustin's auditors, Ernst & Young. In addition, it has been approved by Dustin's Board of Directors.

The consolidated income statement and balance sheet will be put before the Annual General Meeting on December 14, 2020 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 Corporate Responsibility 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
Chair of the Board

Caroline Berg

Gunnel Duveblad

Johan Fant

Tomas Franzén

Mattias Miksche

Morten Strand

Thomas Ekman
CEO

Stockholm, November 17, 2020

Our Auditor's Report was submitted on November 17, 2020
Ernst & Young AB

Jennifer Rock-Baley
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 on pages 64-67, 69-71 and 73 for the year 2019-09-01 – 2020-08-31. The annual accounts and consolidated accounts of the company are included on pages 39-103 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 August 31, 2020 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 August 31, 2020 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 64-67, 69-71 and 73. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

Valuation of goodwill and other intangible assets with indefinite useful life
Goodwill and other intangible assets with an indefinite life represents a significant portion of Dustin Group AB's total assets, totaling SEK 3,851 million as of August 31, 2020 That equals 50% of the group's total assets and 157% of the group's Equity. Goodwill and intangible assets with indefinite life are recorded at historical acquisition value and are annually tested for impairment. An impairment is recorded if the recoverable value of an asset is lower than its carrying value.

The recoverable value of the assets was 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 was therefore per August 31, 2020 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.

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. In combination with 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.

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 for reasonability in comparison to our knowledge of the Company's business and historical information as well as the Company's past accuracy in developing forecasts. We have in our audit included our internal valuation specialists for the evaluation of the interest rate and valuation model used. 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. Refer to note 1 for accounting principles related to valuation of goodwill and intangible assets with an indefinite life and to note 2 and 13 for the company's description of assumptions used for preparing the impairment test. We have assessed if the disclosed information is suited for the purpose.

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 1-38 and 108-112. 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

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

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

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 Dusting Group AB (publ) for the period 2019-09-01 – 2020-08-31 and the proposed appropriations of the company's profit.

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

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

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

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

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

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

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

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

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

The auditor's examination of the corporate governance statement
The Board of Directors is responsible for that the corporate governance statement on pages 64-67, 69-71 and 73 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s auditing standard RevU 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 103, 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 Jennifer Rock-Baley as auditor-in-charge, was appointed auditor of Dustin Group AB by the general meeting of the shareholders on December 13, 2019 and has been the company's auditor since February 13, 2015 (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, November 17, 2020
Ernst & Young AB

Jennifer Rock-Baley
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 2019 – 31 August 2020. The company has defined the scope of the Sustainability Report to the areas referred to in the GRI Index on page 109.

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 pages 102-103, 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.

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, 2020
Ernst & Young AB

Jennifer Rock-Baley
Authorized Public Accountant

2019/20 Annual General Meeting

Our 2019/20 Annual General Meeting (AGM) will be held on Monday, December 14, 2020. In light of the continued uncertainty surrounding the corona pandemic, the annual general meeting — in contrast to what was previously announced—will be held in accordance with the postal voting procedure, which means that no shareholders will attend the meeting either in person or via proxy. Instead, shareholders will participate in the annual general meeting by voting and submitting questions in advance in accordance with the instructions below.

Owing to the continued uncertainty surrounding the corona pandemic, and to continue to ensure the health and safety of our shareholders, our employees and other stakeholders, the Board of Directors of Dustin has decided on an extraordinary meeting procedure under Chapter 22 of the Act on temporary exceptions to facilitate the execution of general meetings in companies and other associations (SFS 2020:198).

The following will thus apply:

- The Annual General Meeting (AGM) will be held on December 14, 2020. No shareholders, proxies or other outside parties, however, may participate in person.
- Shareholders can only participate in the annual general meeting by voting in advance on proposals and submitting questions to the company.
- The meeting agenda is described below, and the items for decision are explained in more detail further down in the notice to attend.
- The annual general meeting will not be broadcast live via the company's website.
- A press release will be published after the meeting with information on the important points adopted by the annual general meeting as soon as the results of the postal voting procedure are ready.
- The final postal voting results will be included in the meeting minutes, which will be published within two weeks of the annual general meeting.
- A shorter interview with the Company's CEO Thomas Ekman will be broadcasted and available on the Company's website from 14 December 2020. In connection to the interview it will be possible to ask questions, but the shareholders right to ask questions will be fulfilled by submitting questions in advance in accordance with the below. More information will be made available at https://www.dustingroup.com/en/general-meeting on 1 December 2020 at the latest.

Notification

Shareholders who intend to participate at the Annual General Meeting must:

- be entered in the shareholders' register maintained by Euroclear Sweden no later than Friday, December 4, 2020 (the "record date"); and
- register with the company by Friday, December 11, 2020 at the latest. The exercise of voting rights in accordance with the postal voting procedure will be regarded as a notification from the shareholder of the intent to participate in the annual general meeting.

Shareholders whose shares are registered with a trustee must — in addition to registration — temporarily re-register the shares in their own name with Euroclear Sweden. Such re-registration should be requested from the trustee well in advance of the record date, and should be completed by December 8, 2020 at the latest.

Shareholders' rights

A shareholder can exercise their voting rights at the annual general meeting by voting in advance on the items in the agenda and submitting questions to the company in conjunction with the meeting.

Shareholders who intend to participate in the annual general meeting (via postal voting or questions) must provide the following information in conjunction with their registration:

- name of the shareholder;
- personal or corporate identity number;
- e-mail address; and
- telephone number.

The information submitted with the registration will be processed only for the annual general meeting. See below for additional information about the processing of personal data.

For shareholders wishing to participate via authorised proxy (i.e. where the authorised proxy votes by post or asks questions on behalf of the shareholder), a power of attorney form is available on the company's website. Shareholders participating via authorised proxy must submit the power of attorney form together with the form for voting by post. If the shareholder is a legal entity, a copy of the proof of registration or other similar authorisation must be attached.

Voting by post

Voting by post will be available beginning Wednesday, November 11, 2020 through Friday, December 11, 2020. Shareholders can vote in advance using any of the following methods:

1. E-mail: Votes can be cast by filling in the postal voting form available on the company's website https://www.dustingroup.com/en/general-meetings and then e-mailing the form to gm@dustingroup.com, together with the power of attorney and/or other authorisation documents.

2. Regular post: Votes can be cast by filling in the postal voting form available on the company's website https://www.dustingroup.com/en/general-meetings and then sending the form to Dustin Group AB (publ), Attn: Bolagsstämma, Box 1194, SE-131 27 Nacka Strand, Sweden, together with the power of attorney and/or other authorisation documents.

A shareholder cannot provide instructions other than choosing one of the alternatives indicated in every item in the postal voting form. A ballot (i.e. the postal vote in its entirety) is invalid if the shareholder has added specific instructions or conditions to the form, or if the printed text has been changed or supplemented.

The postal voting form, together with any attached power of attorney and authorisation documentation, must have been submitted to Dustin by Friday, December 11, 2020 at the latest. Votes received after that date will be disregarded.

For any questions concerning the postal voting procedure, contact us via e-mail at gm@dustingroup.com or by phone at +46 (0)8-553 443 40 on weekdays from 9:00 a.m. to 4:00 p.m.

Further instructions and conditions are indicated on the postal voting form.

Questions

Questions for Dustin in conjunction with the annual general meeting can be submitted to us up until Friday, December 4, 2020. Shareholders who wish to ask question can do so using any of the following methods:

1. E-mail: Questions can be e-mailed to gm@dustingroup.com.

2. Regular post: Questions can be sent to Dustin Group AB (publ), Attn: Bolagsstämma, Box 1194, SE-131 27 Nacka Strand, Sweden.

Questions from shareholders must be submitted to Dustin no later than Friday, December 4, 2020 and will be answered and published by Wednesday, December 9, 2020 at the latest. Questions and answers will be available at the company, Dustin Group AB (publ), Augustendalsvägen 7, SE-131 52 Nacka Strand, Sweden and on the company's website, https://www.dustingroup.com/en/general-meetings and will be sent to the shareholders provided that the shareholders' addresses are known to the company or provided by the shareholder together with the question.

Dividend

The Board of Directors proposes a total dividend of approximately SEK 195 million for 2019/20, corresponding to SEK 2.20 per share. The proposed dividend represents approximately 70 per cent of the net profit for the year. Wednesday, December 16, 2020 is proposed as the record date for the dividend. The estimated payment date for the dividend is Monday, December 21, 2020.

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Multi-year overview

All amounts in SEK million, unless otherwise indicated	Full-year 19/20	Full-year 18/19	Full-year 17/18	Full-year 16/17	Full-year 15/16
Income statement					
Organic sales growth (%)	2.3	9.9	2.0	8.6	4.4
Gross margin (%)	15.5	16.7	15.9	14.8	15.0
EBIT	387.2	489.1	443.8	349.5	323.5
Adjusted EBITDA (excl. IFRS 16)	554.2	601.1	521.2	438.4	400.2
Adjusted EBITDA (incl. IFRS 16)	715.0	–	–	–	–
Adjusted EBITA	517.3	559.7	500.6	426.1	389.6
Adjusted EBITA margin (%)	3.9	4.5	4.9	4.6	4.7
Return on equity (%)	11.3	14.5	18.5	16.1	15.8
Balance sheet					
Net working capital	-421.8	-67.6	-192.0	118.1	31.6
Capital employed	338.0	196.6	48.5	269.1	173.3
Net debt	1,940.4	1,736.4	1,730.6	998.3	826.3
Net debt/adjusted EBITDA (excl. IFRS 16)	2.6	2.9	3.3	2.3	2.1
Net debt/adjusted EBITDA (incl. IFRS 16)	2.7	–	–	–	–
Maintenance investments	-111.3	-79.5	-52.1	-27.3	-4.7
Equity/assets ratio (%)	31.6	33.8	26.7	35.6	36.5
Cash flow					
Operating cash flow	904.1	395.5	854.8	301.2	500.7
Cash flow from operating activities	867.7	264.0	747.9	213.6	447.2
Data per share					
Earnings per share, including discontinued operations before dilution (SEK)	3.13	4.12	3.91	3.08	2.89
Earnings per share, including discontinued operations after dilution (SEK)	3.13	4.11	3.89	3.07	2.89
Equity per share before dilution (SEK)	27.70	27.75	21.32	19.50	18.67
Cash flow from operating activities per share before dilution (SEK)	9.79	3.05	9.58	2.75	5.76
Cash flow from operating activities per share after dilution (SEK)	9.79	3.04	9.53	2.74	5.76
Average number of shares	88,647,339	86,472,611	78,078,991	77,696,577	77,696,577
Average number of shares after dilution	88,647,339	86,766,793	78,449,771	77,862,249	77,696,577
Number of shares issued at end of period	88,647,339	88,647,339	77,226,502	76,173,115	76,173,115
Dividend per share (SEK)	2.20*	3.00	2.71	2.80	2.40

* Current year refers to proposed dividend

Source of alternative performance measures

All amounts in SEK million, unless otherwise indicated	Full-year 19/20	Full-year 18/19	Full-year 17/18	Full-year 16/17	Full-year 15/16
Organic growth					
Sales growth (%)	5.3	21.7	10.7	12.1	4.6
Acquired growth (%)	-3.4	-9.9	-7.3	-1.7	-1.2
Currency effects in sales growth (%)	0.5	-1.9	-1.4	-1.8	1.0
Organic sales growth (%)	**2.3**	**9.9**	**2.0**	**8.6**	**4.4**
Earnings before financial items including EBIT from discontinued operations					
EBIT from continuing operations	387.2	489.1	443.8	349.5	323.5
EBIT from discontinued operations	–	–	–	0.0	0.4
Total	**387.2**	**489.1**	**443.8**	**349.5**	**323.9**

Adjusted EBITA	Full-year 19/20	Full-year 18/19	Full-year 17/18	Full-year 16/17	Full-year 15/16
EBIT	387.2	489.1	443.8	349.5	323.9
Amortisation and impairment of intangible assets	99.1	74.1	57.8	69.3	60.6
Items affecting comparability	31.0	-3.5	-1.0	7.3	5.0
Adjusted EBITA	**517.3**	**559.7**	**500.6**	**426.1**	**389.6**

Adjusted EBITDA (excl. IFRS 16)	Full-year 19/20	Full-year 18/19	Full-year 17/18	Full-year 16/17	Full-year 15/16
EBIT	381.0	489.1	443.8	349.5	323.9
Depreciation and impairment of tangible assets	43.1	41.5	20.5	12.3	10.6
Amortisation and impairment of intangible assets	99.1	74.1	57.8	69.3	60.6
Items affecting comparability	31.0	-3.5	-1.0	7.3	5.0
Adjusted EBITDA (excl. IFRS 16)	**554.2**	**601.1**	**521.2**	**438.4**	**400.2**

Adjusted EBITDA (incl. IFRS 16)	Full-year 19/20	Full-year 18/19	Full-year 17/18	Full-year 16/17	Full-year 15/16
EBIT including discontinued operations	387.2	489.1	443.8	349.5	323.9
Depreciation and impairment of tangible assets	197.7	41.5	20.5	12.3	10.6
Amortisation and impairment of intangible assets	99.1	74.1	57.8	69.3	60.6
Items affecting comparability	31.0	-3.5	-1.0	7.3	5.0
Adjusted EBITDA (incl. IFRS 16)	**715.0**	**601.1**	**521.2**	**438.4**	**400.2**

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.
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 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 in relation to adjusted EBITDA.	This performance measure shows the Company's ability to pay its debt.
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.
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 finance leasing, 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.
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.
Contractual recurring revenues	Recurring revenues, such as subscriptions, that are likely to have a duration of several years.
Launch costs	Launch costs comprise the costs for the launch of online retail in the Netherlands.
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 14, 2020
2019/20 Annual General Meeting

January 12, 2021
Interim report for the first quarter,
September 1, 2020–November 30, 2020

April 13, 2021
Interim report for the second quarter,
December 1, 2020–February 28, 2021

June 30, 2021
Interim report for the third quarter,
March 1, 2021–May 31, 2021

October 6, 2021
Year-end report,
September 1, 2020–August 31, 2021

November 17, 2021
2020/21 Annual Report

December 15, 2021
2020/21 Annual General Meeting

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