

A woman with dark hair, wearing a white textured sweater, is seated at a wooden table in a meeting. She is holding a black tablet with both hands, looking at the screen. On the table are two white coffee cups on saucers, a yellow pen, and a black folder. In the background, another person's hands are visible, one holding a pen and the other on a laptop keyboard. A laptop screen displays a website with several figures. The scene is brightly lit, likely from a window.

2017/18

Annual and Corporate Responsibility Report
September 1, 2017 – August 31, 2018

Dustin

An aerial photograph of a winter forest. The ground is covered in a thick layer of snow, and numerous evergreen trees are scattered throughout. A prominent, winding path or stream bed cuts through the forest, creating a large, irregular loop in the lower right portion of the image. The lighting is soft, suggesting a bright but overcast day.

Greetings

Dustin's Annual and Corporate Responsibility Report provides a summary of the financial results and the corporate responsibility work we have undertaken during the 2017/18 financial year. This is the first time we are presenting financial information and sustainability information in a joint report. The report has been prepared in accordance with the Global Reporting Initiative (GRI) standards for sustainability reporting and describes our most important corporate responsibility issues, our focus areas and their respective targets and key performance indicators.

The audited annual accounts and consolidated financial statements of Dustin Group AB can be found on pages 50-64 and 80-125. The Corporate Responsibility Report, which has been reviewed by the auditors, can be found on pages 37-45. The Annual and Corporate Responsibility Report is published in Swedish and English. The Swedish publication is the original version.

An aerial photograph of a winding river, likely the Amazon, flowing through a vast, green forested landscape. The river's path is a light brown color, contrasting with the deep green of the surrounding trees. The image is used as a background for the report's cover and sidebars.

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Dustin as an investment

Strong market position

We are a leading IT partner in the B2B market. We gain loyal customers with our broad range of hardware, software and related services and solutions in combination with a high level of IT expertise and fast and reliable delivery. The combination of our online platform and continuous expansion of our service offering provides us with an optimal position in a market characterised by a rapidly growing share of online sales, with increasing demand for mobility and cloud services.

Value-creating growth strategy

With our attractive customer offering, a broad and diversified customer base and a flexible sales model, we see significant potential for continued and profitable organic growth combined with continuous efficiency improvements. By conducting add-on acquisitions, we are continuously widening our range of advanced products and services, which supports continued growth, strengthens customer loyalty and increases shareholder value.

Initiatives to enhance margins

We have defined clear initiatives to continuously improve both gross and operating margins over time. We are convinced that growing the online channel,

the continued acquisition of attractive niche players, the launch of private label products and the further expansion of our offering, with a higher service content focusing primarily on the SMB segment, will enable us to achieve our target of an adjusted EBITA margin of between 5 and 6 per cent over time.

Low capital requirements and strong cash flow

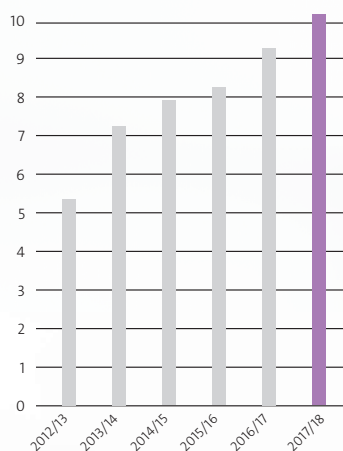
Our investment needs are low and working capital is limited through a close relationship with suppliers and a central warehouse and regional consolidation warehouses with efficient stockholding. Our operations generate strong cash flows, which allows for continued expansion through acquisitions and attractive dividends to our shareholders. Our aim is to pay dividends of more than 70 per cent of net profit.

Ethical and responsible core values

We strive for integrity, transparency and responsible behaviour in everything we do. In recent years, we have worked to further integrate this into all areas of our operations, from values and corporate culture to our Code of Conduct, risk management and internal control. The results of our proactive efforts have been favourably received, for instance in public procurements and in the form of a growing interest in Dustin among investors with a sustainability profile.

Net sales 2017/18

10.3
SEK billion



Gross margin

15.9%

Adjusted EBITA

SEK 501 million

Adjusted EBITA margin

4.9%

EBIT

SEK 444 million

Earnings per share

SEK 3.99

Cash flow from operating activities

SEK 748 million

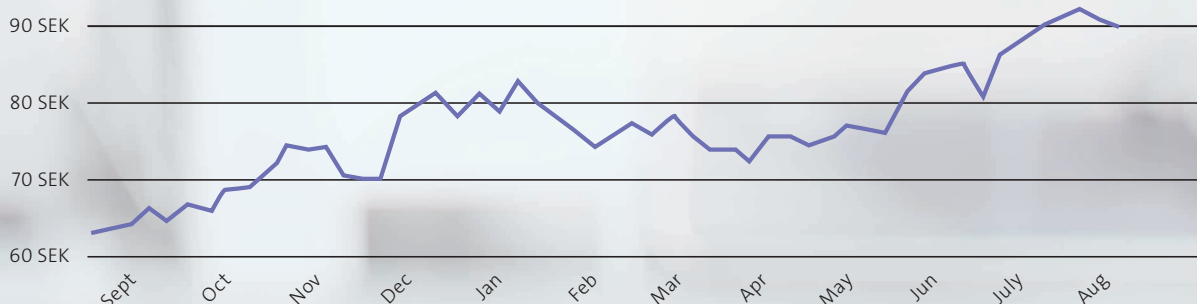
Proposed dividend per share

SEK 2.72*

* After taking into account the outcome of the completed rights issue

Share performance for the financial year

35.0%



The year in brief

Q1

- Dustin acquired the Denmark-based **Norriq's** business area for **hosting** and **outsourcing** of IT services.
- Dustin acquired **Core Services** in Norway, one of the leading players in the new generation of data centre solutions, **Software Defined Data Center**.
- Dustin acquired Swedish **JML-System**, which offers installation and service of **AV solutions** for meeting rooms and conferences.
- Dustin held its first **Capital Markets Day**, when new segment reporting was presented together with a detailed review of the company's **strategy** and **position**.

Q2

- Dustin divested IT-Hantverkarna and **refines its offering** towards standardised **IT operating services**.
- **Thomas Ekman** took up his position as new **President** and **CEO** on January 1, 2018.

Q3

- Dustin acquired the Gothenburg-based company **DAV Partner**, specialised in **AV solutions**.
- Dustin acquired **ITaito**, a Finnish supplier of IT services, focusing on small and medium-sized businesses.

Q4

- Dustin won a procurement of **cloud-based services** in the form of **back-up and storage** with Norwegian public service company **NRK**.
- Dustin won the award decision for a new **framework agreement** via the Danish **government, municipalities and regions** (SKI). The annual value is estimated at approximately **DKK 500 million**.
- Dustin **entered the Dutch market** through the acquisition of **Vincere**, specialised in managed services with focus on cloud and security solutions, along with IT solutions with associated value added hardware and consultancy services.

Dustin in brief

Leading online IT partner

Dustin is a leading online IT partner in the Nordic region, with a wide range of hardware, software and related services and solutions. Our centralised warehouse along with an efficient logistics and online platform ensure fast and reliable delivery. By adding high-level IT expertise we act as a strategic IT partner primarily for small and medium-sized businesses, but also for large companies, the public sector and consumers. The acquisition of the Vincere Group towards the end of the financial year provides us with a strong position in the Netherlands, primarily in advanced products and services.

Sales focusing on business customers

Dustin employs a multichannel model where the majority of sales take place online, supplemented by relationship-based and consultative selling over the telephone or through customer visits. Dustin conducts operations in Sweden, Denmark, Finland, Norway and the Netherlands through three business segments, SMB (Small and Medium-sized Businesses) with a sales share of about 43 per cent, LCP (Large Corporate and Public Sector) with a sales share of about 51 per cent and B2C (Business to Consumer) with a sales share of about 6 per cent.

Efficient online platform

As the leading B2B e-retailer in the Nordic region and through our recently acquired operations in the Netherlands, Dustin has created a strong market position with our efficient online platform, since more and more

sales of both products and core services are now taking place online. The operations are supported by scalable and shared central functions, including the online platform, purchasing, warehousing and logistics, pricing, marketing, IT and HR.

Increase in service sales

We see increasing demand for more advanced and managed services as demand on mobility and accessibility grow. We are continuously expanding our customer offering and our market, by combining products and services into integrated solutions, and by adding more advanced services through acquisitions. We are able to solve more and more of our customers' IT needs, which is in line with our vision.

Clear focus on corporate responsibility

Responsible business is a prerequisite for a sound and successful company. For us, responsible business encompasses the Group's long-term impact on society and the environment, where our responsibility extends throughout the entire value chain. The size of our operations provides us with a key role and an opportunity to influence both suppliers and customers. We will now focus on making sustainable IT more easily accessible to our customers.

Dustin Group AB 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.

Financial key ratios

All amounts in SEK million, unless otherwise indicated

	2017/18	2016/17
Net sales	10,300	9,306
Organic sales growth (%)	2.0	8.6
Gross margin (%)	15.9	14.8
Adjusted EBITA	501	426
Adjusted EBITA margin (%)	4.9	4.6
EBIT	444	349
Net profit for the year	305	239
Earnings per share, including discontinued operations, after dilution, SEK	3.97	3.13
Cash flow from operating activities	748	214
Net debt/adjusted EBITDA (multiple)	3.3	2.3
Return on equity (%)	18.5	16.1
Dividend per share, SEK	3.10*	2.80

* To make comparison between the financial years possible, the Board of Directors' proposed dividend is stated before taking into account the outcome of the completed rights issue. After taking the outcome of the completed rights issue into account, the proposed dividend amounts to SEK 2.72 per share.

For definitions and alternative performance measures, refer to pages 143 and 142 respectively.

Our history

Founded in 1984

Dustin was founded in 1984 by two entrepreneurs, Bo and Ulla Lundevall, as an ancillary business to the couple's pet shop in Farsta, a suburb of Stockholm.

The business concept was to sell computer accessories via mail order using a catalogue as their main marketing tool. The best-selling product was multi-coloured floppy disks.

Online sales by as early as 1995

Ten years later, the range was extended from products only to also include software licenses. Our online sales began as early as 1995, roughly the same time as Amazon. For the first 20 years, sales focused exclusively on the B2B market, but with the launch of Dustin Home in 2004, the offering was extended to the B2C market.

Nordic expansion commenced in 2007

Altor became the new principal owner in 2006 and the operations were then expanded in the Nordic region by entering new markets and making add-on acquisitions. The Danish operations were established in 2007 through the acquisition of Computerstore, followed two years later by a new e-commerce venture in Norway. The Norwegian business was supplemented in 2012 through the acquisition of Norsk Data Senter. In 2013, operations were established in Finland through the acquisition of Businessforum, which was supplemented with the acquisition of Resolute in 2015. E-commerce was also launched in the Finnish market the following year.

IPO in early 2015

Dustin was listed on Nasdaq Stockholm on 13 February 2015 and received a new principal owner, Axel Johnson

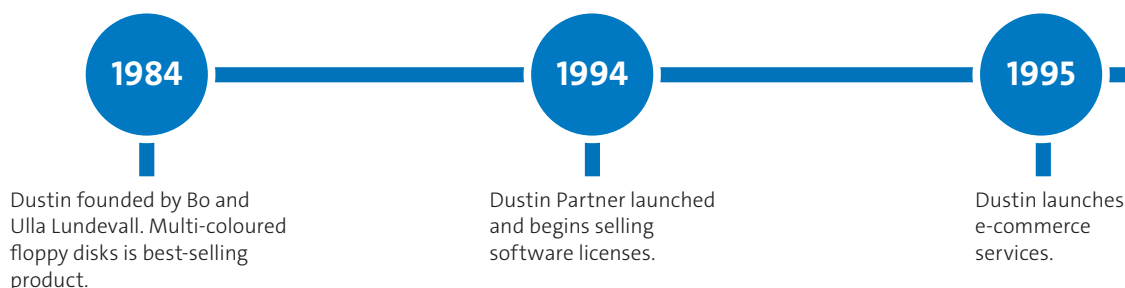
AB, through the subsidiary Axmedia AB. After the listing, Altor has gradually reduced its holding and sold its last shares in the company in spring 2017.

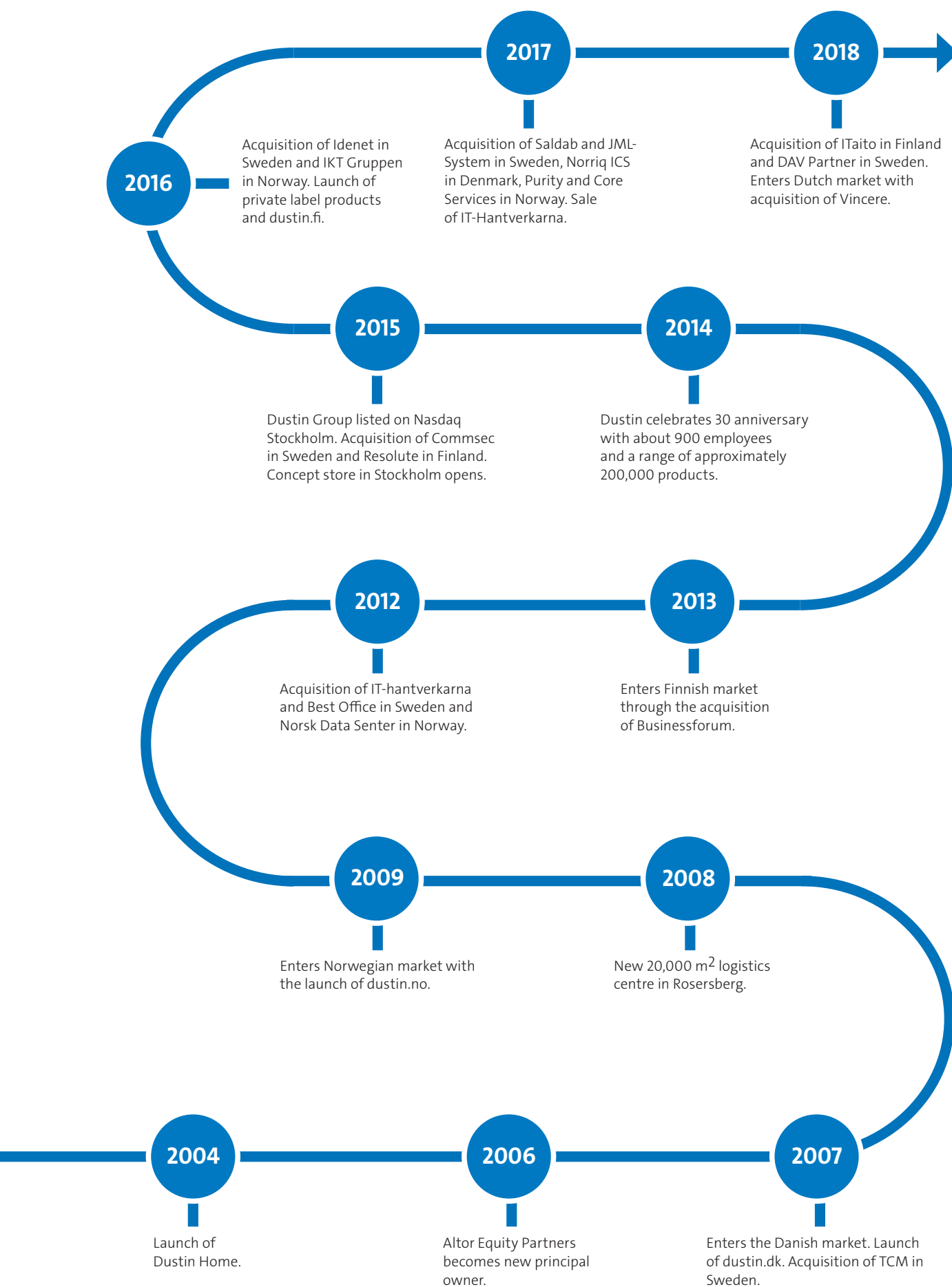
A stronger and broader offering

A number of add-on acquisitions have been conducted in the Nordic region in recent years to strengthen and broaden our offering of more advanced products and services. During the 2017/18 financial year, we completed additional acquisitions in line with our strategy. During the first quarter, we acquired Denmark-based Norriq's business area for hosting and outsourcing IT services, Core Services in Norway, which is a strong player in the new generation of data centre solutions and JML-System, which is one of Sweden's leading suppliers of AV solutions for meeting rooms and conferences. In the third quarter, DAV Partner in Sweden was added, which is specialised in AV solutions, along with Finnish ITaito, with a broad offering in managed services, cloud services, security and data centres for small and medium-sized businesses.

Entering the Dutch market

Early in the fourth quarter 2017/18, we expanded our geographic area through the acquisition of Vincere in the Netherlands. Vincere is specialised in managed services primarily for small and medium-sized businesses. The acquisition has substantially increased our addressable market and provides us with a strong foundation for continued consolidation in the region. The launch of our online platform will be an important future step in developments.





CEO comment

When I summarise my first year at Dustin, we can look back on an eventful time where we reached many milestones. During the year, we strengthened our position as an online IT partner in the Nordic region and entered the Dutch market. Our addressable market increased from SEK 162 billion to SEK 262 billion through geographic expansion, where the acquisition of Vincere in the Netherlands has provided us with a solid platform for continued growth. In addition to this, we completed five acquisitions in the Nordic region that have broadened our offering in advanced services and solutions and thus the possibility to improved margins. We have a strong position in the Nordic countries and the Netherlands and are well-equipped for continued profitable growth.

Sales growth

This year, we exceeded SEK 10 billion in sales, which grew 10.7 per cent to SEK 10.3 billion. Organic growth in our primary segment of small and medium-sized businesses (SMB) was strong at 9.6 per cent. The total organic sales growth slowed slightly, which is solely linked to developments in the public sector in the LCP segment. Public sector sales is affected by the number of procurements conducted during the period and we continue to be selective and chose not to participate in procurements where margins are expected to be low.

Strong margin growth

The gross margin rose to 15.9 per cent compared to 14.8 per cent in the preceding year. EBITA increased to SEK 501 million from SEK 426 million. There are several factors affecting the positive trend. During the year, we had a favourable sales mix, with a larger share of advanced products and services where acquired companies make a positive contribution, as well as a higher share of sales in the SMB segment, where margins are generally higher. Our private label products continued to develop very well and we launched several new products during the year that were positively received by customers.

The Netherlands – a new market

This year, we took the first step outside the Nordic region when we acquired the Dutch company Vincere Group. This entails an increase of our addressable B2B market from SEK 162 billion to SEK 262 billion. The Dutch market has many similarities to the Nordic market, fragmented and with a large potential for consolidation. Vincere is similar to Dustin, but while Dustin stems from hardware and adds services, Vincere stems from services and adds hardware. Vincere is specialised in managed services with focus on cloud and security

solutions. We complement each other, see many potential synergies and we will also launch our online platform in the Netherlands.

Broader offering

During the financial year, we acquired another five Nordic companies specialised in advanced services and solutions to enable us to fulfil the changing needs of our customers. The acquisition of Danish-based Norriq's business area for hosting and outsourcing has broadened our offering in Denmark. In Finland, we have become an IT partner in earnest for small and medium-sized businesses following the acquisition of ITaito, which complements our existing business, with its previous focus on the LCP segment and online. In Norway, we have strengthened our offering with the acquisition of Core Services, which specialises in the new generation of data centre solutions and in Sweden we complemented our offering with audio/video solutions through the acquisition of JML-System and DAV Partner.

During the year, we saw several examples of synergies where we, in combination with the acquired companies, have secured new deals. For example, with our joint offering we have been awarded contracts for NRK in Norway and Öresundsbron in Sweden.

Rights issue

After the end of the financial year, a rights issue of approximately SEK 695 million was completed. The reasoning behind the issue is the high level of activity we see in the market, with many potential acquisition candidates and an opening for us to continue playing an active role in the ongoing consolidation. The rights issue offers us the resources to take advantage of these opportunities and creates flexibility and scope to continue with our acquisition strategy. The acquisitions

help us to broaden our offering with advanced services and solutions, which strengthen our margins and our market position.

Greater focus on corporate responsibility

I am convinced that managing a successful business requires the integration of sustainability issues as a natural part of all areas of the company. In the long term, this is about creating a sustainable business strategy. We have five focus areas that we are continually following up and develop. We are ahead of plan in several of our focus areas to achieve the 2020 targets, including the target to recover 140,000 used IT products and to reduce our climate impact by 40 per cent. I am proud of our achievements and our level of ambition. In addition to help our customers make more sustainable choices, we also have an opportunity to help manufacturers become more sustainable, based on our insight into customer needs.

We are constantly developing our focus areas. One example is in the area of Diversity and Equality, where we are working in parallel with our equality target to increase focus on diversity. During the year, we initiated a partnership “Mitt Livs Chans” to raise awareness of, and create tools for, working on greater inclusion.

Responsible manufacturing

In order to supply products of a good quality at a price that customers are willing to pay in a competitive market, our industry often entails manufacturing in countries far from us. This means we have a particular responsibility to ensure that manufacturing operations are conducted in a sustainable manner, in terms of the environment and occupational health and safety. This is why we have a Supplier Code of Conduct, which regulates work environment and environment, and why we carry out our own factory audits. By following up documentation and being on site, we can see how the factory operates and talk with personnel to obtain our own picture. When we identify non-conformance, we have a clear procedure for following up and action based on working together with the factories. During the year, we conducted 19 factory audits and our target is to carry out 80 inspections by 2020.

Strong market position

To summarise, we are well positioned for sustained profitable growth. We possess a properly functioning core business with our central online platform and scalability in our support functions. Following the acquisitions in recent years, we have a broad offering of advanced services and solutions that are increasingly demanded from our customers. The recently completed

rights issue will enable us to continue to acquire companies and to strengthen our position, both in the Nordic countries and in the Netherlands. Together with all my co-workers, I am looking forward to continue to drive development in our markets and to be the natural IT partner for our customers.



“Dustin’s vision is to be the customer’s preferred partner and set the standard for efficient and sustainable IT.”



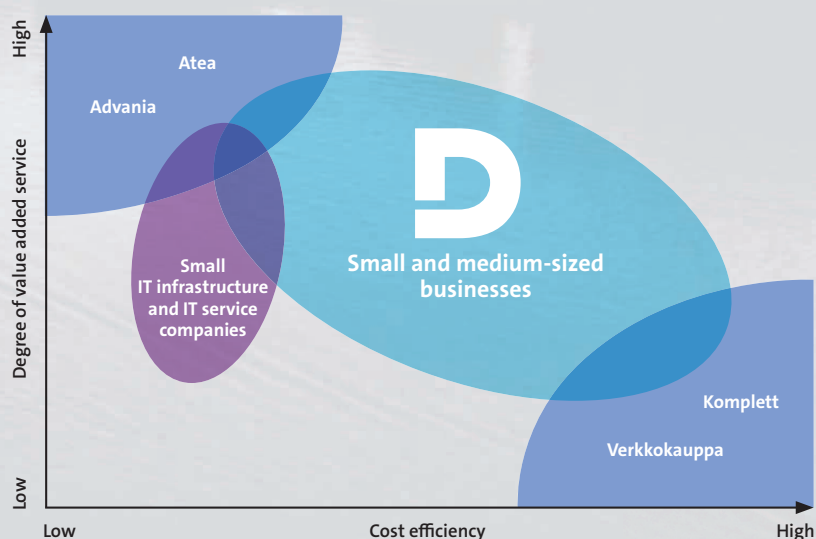
Our market and operating environment

In terms of geography, Dustin has operated in the Nordic region for many years and since the summer of 2018 also in the Netherlands, through the acquisition of Vincere. We have a clear focus on the customer segment for small and medium-sized businesses and is positioned as a complete IT partner in the Nordic region, with the majority of sales carried out online. So far, our operations in the Netherlands are concentrated to a comprehensive range of services and solutions.

The IT market

Structurally, the IT market is similar in the Nordic region and in the Netherlands, they are both highly fragmented with a few major players and a large number of minor and more local IT resellers. Market players can be described from two dimensions: cost efficiency and value content. IT service companies and system integrators generally provide a high level of value content and varying degrees of customised solutions, but with a low level of cost efficiency. These types of solutions mainly target large companies and the public sector. Online players have a relatively high degree of cost efficiency due to their efficient logistics resources, but generally have lower value content without specific product know-how or IT expertise. These players mainly target consumers and in many cases also offer other types of products in widely differing categories.

Dustin is positioned at the centre of these dimensions. We offer a combination of centrally produced cloud solutions, with a relatively high and over time increasing value content, and online sales with a high level of cost efficiency. With our clear focus on the small and medium-sized business segment we mainly compete with minor local IT resellers, which are finding it increasingly difficult to compete as the range of, and interest for, cloud-based services and solutions grows.



The B2B market

The total IT market for the private and public sector in the B2B segment in the Nordic region and the Netherlands comprises hardware, software and services. In 2017, its total value was estimated at approximately SEK 616 billion. Broken down by region, the market is estimated at the equivalent of about SEK 369 billion in the Nordic countries and at about SEK 247 billion in the Netherlands.

Our addressable B2B market

Dustin has a total market share of about 4 per cent of our addressable B2B market in the Nordic region and the Netherlands, which was estimated at about SEK 262 billion in 2017. The market comprised core products and standardised services amounting to approximately SEK 121 billion, and advanced products and services amounting to about SEK 141 billion. Our addressable market in the Nordic region is an estimated SEK 162 billion and the acquisition in the Netherlands increased our total addressable market by about SEK 100 billion. The size of our addressable market is increasing as we expand the range of services through acquisitions and with geographical expansion into new markets.

We believe that virtually all categories of core products and standardised services can be purchased online. More advanced products and services, as well as integrated solutions, more often require initial contact with a salesperson or product specialist. In line with technological developments, today's services are becoming increasingly standardised and will therefore eventually be available for purchasing online.

The core products and standardised services category includes:

- Computer hardware, such as computers, tablets and printers.
- Computer software, such as operating systems and Office suites.

- Installation services, configuration, support and help desk.

The advanced products and services category and integrated solutions include:

- Workplace: managing computers, SaaS, licenses, mobility and print.
- Infrastructure: cloud solutions, hosting, storage and application management.
- Network and communications solutions.
- Security solutions, including virus protection, firewalls and continuity services.
- Support services and service desk.

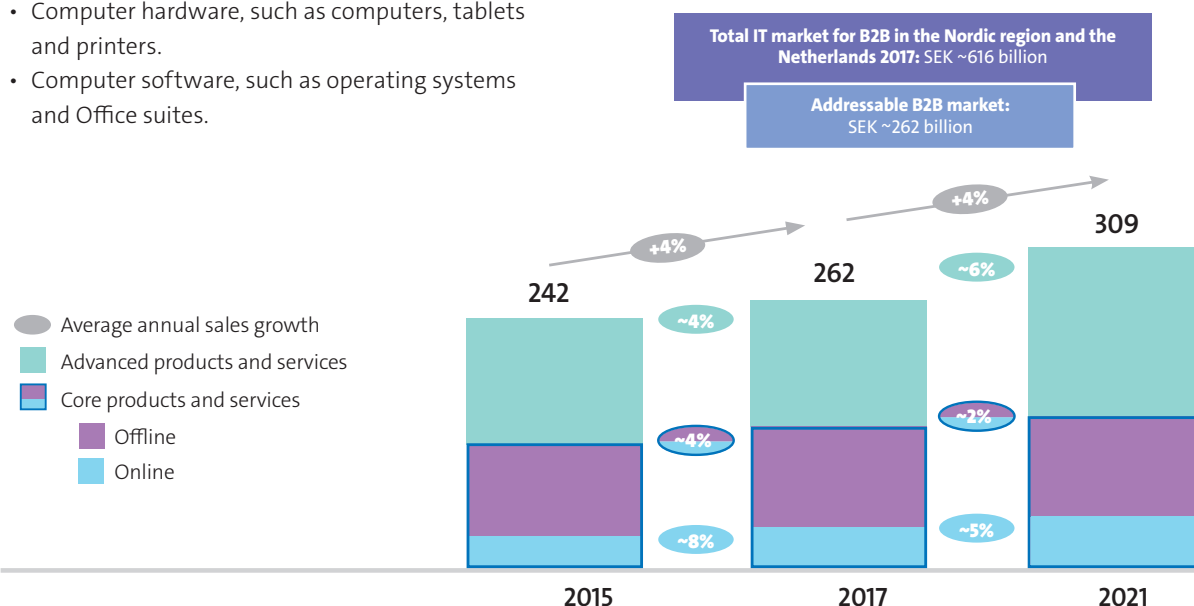
Market trends in the B2B market

We currently see three important trends that are expected to drive the underlying growth in our addressable B2B market in the Nordic region and the Netherlands and to create the conditions for more sustainable business:

1. Increased share of sales online.
2. Growing interest in cloud solutions and mobility.
3. Rising demand for sustainable IT and ethical procurements.

1 Increased share of sales online

Online sales of IT products and services have increased in recent years and more B2B customers are now transferring a higher share of their IT purchases to this channel. This trend is mainly due to customer benefits offered by online retail:



- Accessibility and convenience.
- Broader range.
- Detailed and comparable information.
- Fast and convenient delivery adapted to specific customer needs.
- Competitive and comparable prices.

In our addressable B2B market, online sales still represent a relatively small share. For 2017, the estimated share of online sales in the Nordic countries and the Netherlands was just under 20 per cent. As a comparison, the equivalent market in the US is estimated to have a share of online sales of almost 40 per cent.

The online shift in the B2B market has not progressed as far as the B2C market. This is partly because of the digital maturity process is not as fast for companies as for consumers and partly because many business customers maintain close relationships with minor local resellers that do not have an online presence. Business customers tend to gather their purchasing with one supplier and the online shift in the B2B market is expected to accelerate as centrally produced cloud services replace locally produced services at the customer's site.

2 Growing interest in cloud solutions and mobility

Cloud solutions and mobility promote a more flexible and sustainable IT environment, in terms of both cost and utilisation and are expected to drive growth over the coming years. Today, there are cloud services in the market suitable for all types of operations, everything from basic e-mail services to services for storage and backup and the opportunity to transfer the entire business IT environment into the cloud. The growth of these centrally produced cloud solutions offers Dustin an opportunity to provide services and thereby move higher in the value chain, which was not previously possible without a local presence.

We see a trend towards more outsourcing of IT management and a request to receive IT as a service, and thus a fixed monthly cost for IT. This provides an opportunity for growth for Dustin, and for more stable revenue from cloud-based subscription services while leasing is becoming an increasingly common alternative to buying IT products. Leasing also ensures that returned products are anonymised, deleted and reused in a secure manner, which is also important from the perspective of data protection.

We believe these technological trends will influence purchasing by small and medium-sized businesses. An increasing share of subscription services will, in turn, accelerate and simplify investments in new technology and new solutions. For large corporations, the transition from existing older and complex systems is often a major challenge while small and medium-sized businesses generally find it easier to transition and are more flexible in their IT purchasing.

3 Rising demand for sustainable IT and ethical procurements

Demand for, and awareness about, sustainable IT has increased in recent years. Working conditions during manufacturing, the product's energy consumption and chemical content, and the potential for repairing, reuse or recycling of end-of-life products are often taken into account. The public sector imposes demands for environmental considerations and social and ethical responsibility as part of many procurements, which is one of the drivers behind this change. The UN's Sustainable Development Goals for 2030 are another driver as is the growing awareness among small and medium-sized businesses, which are imposing more stringent demands on their suppliers. During the year, the first public procurement was carried out in Sweden that included sustainability as one basis of evaluation by the authority for its award decision.

The B2C market

The B2C market consists of IT products and other consumer electronics, excluding white goods, that are offered to consumers and was estimated in the Nordic region at about SEK 54 billion in 2017.

B2C market trends

The B2C market is more competitive and generally has a higher degree of price transparency and price pressure. Behaviour in the B2C market is characterised by a large number of purchases with a lower average order value. The larger number of purchases is mainly a result of the market having a high pace of innovation and relatively short product life cycles.

Sales in the B2C market mainly take place through physical retail chains and online resellers, with the majority of retail chains also offering online sales. Traditional physical stores still account for the highest share of total sales, but online sales are rapidly increasing and taking market shares from other sales channels.

Our vision and strategy

Dustin's vision is to be the customer's preferred partner and set the standard for efficient and sustainable IT. By clarifying our view of sustainability and by basing our work on our overall strategy, we not only want to highlight our own social and environmental impact, but also to make it easier for customers to choose sustainable IT products, services and solutions.

Strategy for profitable and sustainable growth

We see significant potential for continued growth using a flexible sales model and by continuously expanding our portfolio of products, services and solutions. Add-on acquisitions in existing markets together with the launch of private label products and continuous

efficiency improvements offer us favourable conditions to improve profitability over time. The implementation of our strategy is characterised by proactive sustainability efforts with regard to our social and environmental impact.

2017/18

- Pan-Nordic operations with a shared platform that supports the product and service offering
- Nordic control with a skilled centrally located online team and a local sales organisation
- Approximately 250 sales specialists who address more than 10,000 selected customers with a broad portfolio of IT solutions
- Cloud-based service platform ensures growth in SaaS and managed services

Average annual sales growth ~10%

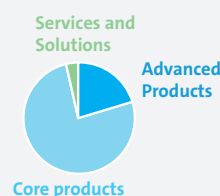


- Based on financial targets for organic growth of 8 per cent over a business cycle
- Add-on acquisitions in existing markets in the Nordic countries and the Netherlands
- Scalability in the integrated platform – infrastructure and customer offerings in all geographical areas
- Realise sales synergies in recently acquired offerings and expand the customer base
- Accelerate sales of managed services to SMBs to increase recurring revenues and strengthen the margin
- Continue the consolidation of specialised IT service companies through acquisitions

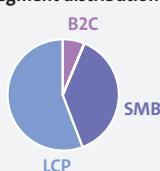
2021/22

- IT partner and one-stop-shop for small and medium-sized businesses in the Nordic region and the Netherlands
- Fully-integrated online experience for product and service sales
- Sales share of over 50 per cent for large companies in the LCP segment
- More than SEK 4 billion in sales of advanced products and services, driven by acquired companies and organic growth
- More than SEK 1 billion in recurring revenues

Product distribution



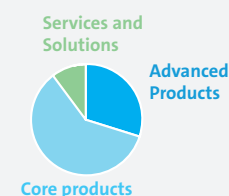
Segment distribution



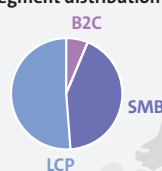
Net sales
SEK 10.3 billion

EBITA margin
4.9%

Product distribution



Segment distribution



Net sales
SEK ~15 billion*

EBITA margin
5–6%*

* Based on Dustin's financial targets.

Growth

Dustin currently has a strong position in the market for IT-related products and services. Our attractive sales model comprises a central online platform combined with a consultative and relationship selling organisation.

1 A prominent online position

Thanks to our proprietary online platform, we are well-positioned to benefit from the ongoing shift to an online market. Because of this shift, customers are choosing to allocate more of their IT purchases to online channels, and also concentrate their purchases on fewer suppliers.

The online platform has proved successful as a first point of contact with new customers. This is based on high brand awareness, digital marketing, and attractive offers and campaigns. The continued development of the platform will enable us to attract new customers in our markets and offer customers a comprehensive, integrated online experience. Consequently, we can grow faster than the market.

2 Broader customer offering

We are continuously expanding our offering, both organically and through acquisitions, to further improve our range of services and solutions. Organically, we achieve this by combining products and services into complete solutions mainly tailored for small and medium-sized businesses.

Our add-on acquisitions focus on specialised niche players in our existing markets in the Nordic countries and the Netherlands. This enables us to further expand our offering. Our continuously expanding offering makes us a one-stop-shop, mainly for small and medium-sized businesses. These add-on acquisitions in existing markets have increased our addressable market, along with a progressively broader offering. We continuously evaluate potential acquisition

candidates to support continued growth and increase shareholder value. Acquisitions are evaluated on the basis of their potential to consolidate our position in existing markets, expand the customer base, achieve cost synergies and, above all, to broaden our existing offerings, thereby enabling us to capture a larger share of our customers' total purchases of IT products and related services and solutions.

3 Increased sales to existing customers

We offer relationship selling to selected parts of our large customer base of small and medium-sized businesses in order to increase loyalty from our customers and thereby grow the share of sales to each customer. We estimate that Dustin's share of IT purchases by customers is relatively low. We can see an opportunity to increase our share by further developing and strengthening customer relationships through additional sales in the form of more advanced products, services and solutions.

The growth of, and increased interest in, centrally produced cloud services provides us with an opportunity to offer services and solutions mainly for small and medium-sized businesses, which was not previously possible without a local presence. A wider range of advanced services and solutions, which are often sold as subscription services, also increases the share of recurring revenues and thus strengthens customer loyalty.

4 Introduction of the offering in all markets

Our acquisitions add expertise and strengthen our local presence in our existing markets. Moreover, the geographic spread of the entire product and service portfolio to all of our markets and customers, we can realise sales synergies, which makes further growth possible. For example, we can see great potential to launch the online platform in the Netherlands.

Profitability

We have identified a number of areas to improve profitability over time. We can strengthen our margins through a focus on SMBs, the launch of private label products, value-creating acquisitions and the introduction of managed services, in combination with continuous improvements.

Sustained growth in existing markets creates the conditions for favourable profitability in the form of economies of scale in several areas. We have concentrated scalable units as central functions in order to serve the entire Group as efficiently as possible and work steadily to improve efficiency through continuous improvements.

1 Increased share of SMB

We have an expressed focus on small and medium-sized businesses, which purchase online to a greater extent. We therefore particularly target our offerings to this customer group. Small and medium-sized businesses generally have limited or no personnel resources in IT and are therefore more often interested in our range of services and solutions. By increasing this customer group's share of our total sales we can improve our profitability.

2 Larger share of private label products

At the start of the 2016/17 financial year, we launched private label products in some core product categories, such as cables, USB flash drives and accessories for mobile phones and tablets. New products, including headphones, speakers and monitors have been successfully launched aimed at achieving an annual earnings

contribution of SEK 40 million by the end of the 2018/19 financial year.

By replacing products from other suppliers with private label products, we can strengthen our customer offering with quality-assured products at attractive prices and enhance profitability.

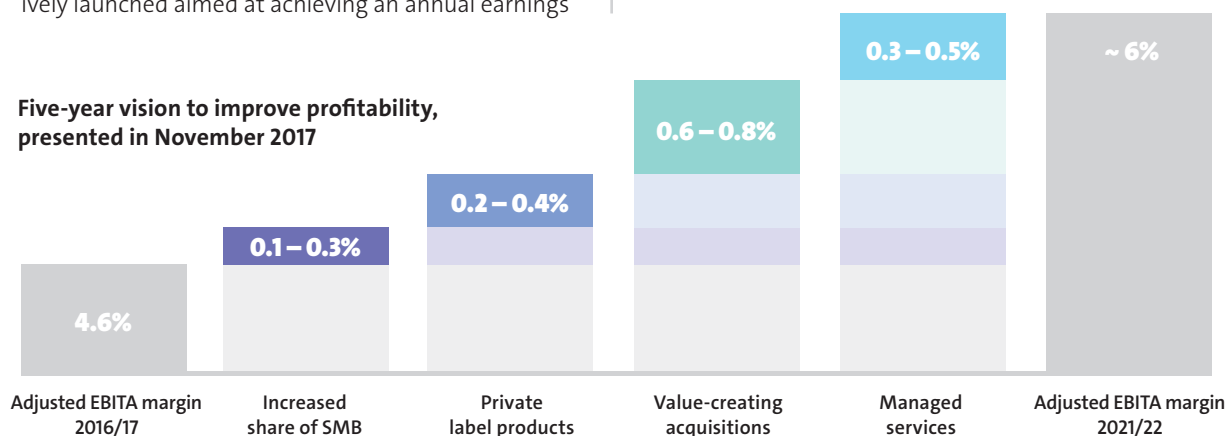
3 Value-creating acquisitions

We can increase our profitability over time by continuously expanding, through acquisitions and organically, our range of more advanced services and solutions. These ordinarily have higher margins compared with core products. Acquired operations generally have higher profitability than Dustin's core business and make a positive contribution from the date of acquisition. When we make the acquired product, service or solution available to our entire customer base, we can create positive synergies in terms of both growth and profitability.

4 Managed services

Focused initiatives, such as Dustin's online platform for cloud-based services, create opportunities for further margin expansion, as these replace conventional software with lower margins. The platform is scalable and makes a broad portfolio of SaaS configurations and applications available to the B2B market. We can see major opportunities to capture a considerable share of this market over time. Our aim is to reach 10,000 customers and SEK 300 million in sales of managed services by the end of the 2019/20 financial year.

Five-year vision to improve profitability, presented in November 2017



Corporate responsibility pervades our strategy

The implementation of our strategy is characterised by proactive corporate responsibility, which includes business ethics, human rights, labour conditions, occupational health and safety, well-being, environmental considerations, diversity and equality. For us, responsible business involves our long-term impact on society and the environment, where our responsibility extends throughout the entire value chain. The size of our operations provides us with a key role and an opportunity to influence both suppliers and customers.

Based on our strategy, we have in consultation with a selection of our key stakeholders identified and established long-term 2020 targets for five focus areas within corporate responsibility. These focus areas are:

1. responsible manufacturing
2. reduced climate impact
3. responsible use of resources
4. business ethics and anti-corruption
5. diversity and equality.

Dustin's five focus areas for corporate responsibility



RESPONSIBLE MANUFACTURING

Ensuring 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.



REDUCED CLIMATE IMPACT

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



RESPONSIBLE USE OF RESOURCES

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



BUSINESS ETHICS AND ANTI-CORRUPTION

Engaging in ethical business practices and counteracting 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.



DIVERSITY AND EQUALITY

Building 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, gender and views.

Operational targets

Dustin's board of directors has established financial targets, corporate responsibility targets and a dividend policy for the Company's operations. Our financial targets aim to maintain and strengthen the Group's leading position, to create shareholder value and to help generate high total returns for Dustin's shareholders.

Financial targets

Growth

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

Outcome 2017/18: 2.0 per cent and CAGR (5 years) 8.1 per cent, respectively

Outcome 2017/18:

2.0%

CAGR 5 years:

8.1%

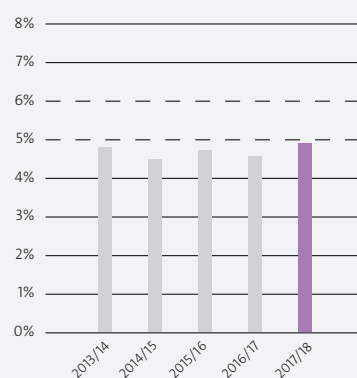
Margin

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.

Outcome 2017/18: 4.9 per cent

Outcome 2017/18:

4.9%



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.

Outcome 2017/18: 3.3 multiple

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 2017/18: 78 per cent of the net profit for the year, corresponding to SEK 239 million.

Outcome 2017/18: **78%**

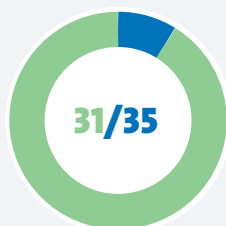
Corporate Responsibility targets



Responsible manufacturing

Target: Starting in 2015/16, to conduct 80 factory audits by 2020, of which 35 inspections by the end of 2017/18.

Outcome 2017/18: We have conducted 19 factory audits and a total of 31 since the target was established.



Responsible use of resources

Target: Starting in 2014/15, to recover 140,000 sold products by 2020, of which 35,000 by the end of 2017/18.

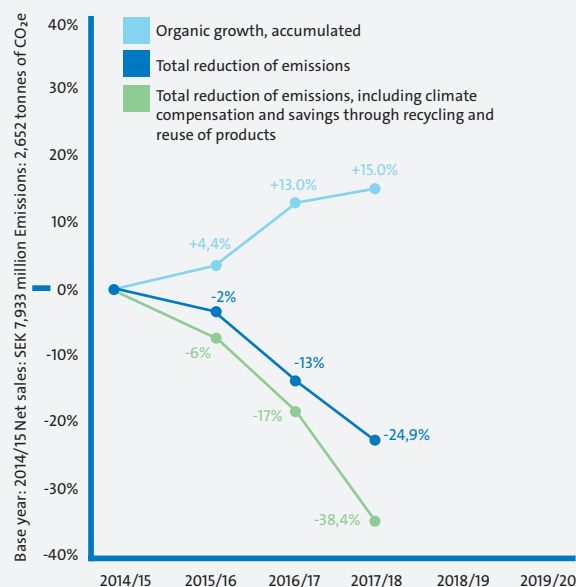
Outcome 2017/18: During the year, we recovered a total of 35,342 products, of which 33,291 products for reuse and the remaining 2,051 were recycled. Since this target was adopted, we have taken back a total of 64,288 end-of-life units, representing 46 per cent of the 2020 target.



Reduced climate impact

Target: To reduce our climate impact by 40 per cent by 2020, compared with 2014/15.

Outcome 2017/18: The total amount of greenhouse gases we release has decreased 13.6 per cent since 2016/17, while our organic growth totalled 2.0 per cent. If we include emissions savings relating to the reuse of end-of-life returns, the recycling of waste together with carbon offset from one of our logistics partners, the total amount of greenhouse gas emissions has decreased 38.4 per cent since 2014/15.



Business ethics and anti-corruption

Target: 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 2017/18: 100 per cent of our business areas underwent a business ethics and anti-corruption risk assessment. Two incidents were reported in the whistleblower function and investigated in 2017/18. No shortcomings relating to business ethics or corruption were noted.



Diversity and equality

Target: By 2020, each gender is to make up at least 40 per cent of the entire organisation. At the end of 2017/18, our interim target was to achieve a gender balance (women/men) of 32/68 at senior level and 33/67 within the entire organisation.

Outcome 2017/18: At the end of the financial year, our gender balance (women/men) at the senior level was 36/64 (31/69) and within the entire organisation 30/70 (29/71).

“We have divided our operations into three business segments: Small and Medium-sized Businesses, Large Corporate and Public Sector and Business to Consumer.”



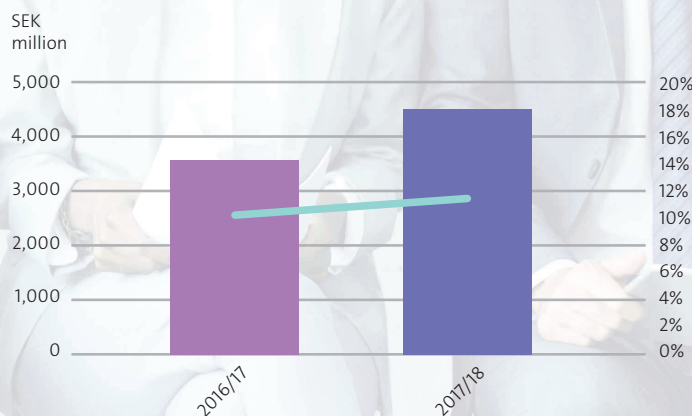
Our business segments

We have divided our operations into three business segments: SMB (Small and Medium-sized Businesses), LCP (Large Corporate and Public Sector) and B2C (Business to Consumer). Within the SMB and LCP segments, customers are served through both the online platform and relationship and consultative selling. In the B2C segment, customers are only served through the online platform. The segments are supported by scalable and shared central functions.

SMB – Small and Medium-sized Businesses

We define the SMB segment as small and medium-sized businesses with up to 500 employees. This is our main target group and the focus of our customer offering. Customers are served through the online platform and through relationship and consultative selling.

SMB Net sales and segment margin



2017/18

- **Percentage of total sales:** 43 per cent
- **Percentage of segment results:** 58 per cent
- **Sales growth:** 23.9 per cent, of which 9.6 per cent organic
- **Segment margin:** 11.6 per cent
- **Number of customers:** approx. 100,000
- **Average order value:** approx. SEK 7,000
- **Typical customer:** 1–49 employees
- **Purchasing behaviour:** Minor orders, replacement purchases, new employees
- **Geographical presence:** Sweden, Norway, Denmark, Finland and the Netherlands

Typical customer

Our typical SMB customers are small to medium-sized companies with 1–49 employees. Customers in this segment do not ordinarily have their own IT personnel or have limited staff resources for IT. Most purchasing concerns core products, such as computers, telephones, cables and accessories, but there is also a growing share of more advanced products and services, including conference equipment and security solutions.

Sales to SMBs are characterised by a large number of transactions with a low average order value. The companies buy new products when something breaks and needs replacing or when they are expanding and employing new staff. Most customers purchase on our online platform, as this is both simple and easy. For larger orders and when purchasing more advanced services and solutions, the dialogue is conducted directly with each account manager.

Broader customer offering

The acquisitions in recent years combined with internal initiatives mean we are now a more complete IT partner for our customers. In addition to our more traditional product areas, such as hardware and software, we can now also provide complex solutions that include

infrastructure, audiovisual equipment and operations and storage. With our comprehensive range of products, services and solutions, combined with a high level of IT expertise, we are a strategic partner and can adopt a role as the customer's IT department.

The past year and the future

In 2017/18, the segment performed well in all markets, and the acquisition of JML-System in Sweden and ITaito in Finland, together with entry into the Dutch market, were important steps in continuing to strengthen our position in the SMB segment. Over the next few years, we are looking forward to consolidating our leading position in Sweden and further strengthening our SMB business in other Nordic countries and in the Netherlands.

LCP – Large Corporate and Public Sector

We define the LCP segment as larger companies with more than 500 employees and the public sector. Procurements and larger orders are mainly managed by the sales organisation, while regular minor orders are handled by using the online platform.

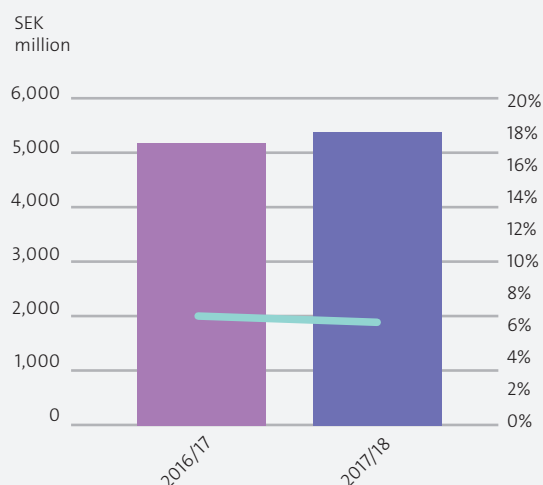
Typical customer

A typical customer in the LCP segment is generally a municipality or larger company. Sales are often conducted through procurements and framework agreements or following lengthy discussions with a potential customer. Larger deliveries are often supplemented with purchases by individual employees, who frequently or on a daily basis, place minor orders for specific products or accessories directly on Dustin's online platform or by using the company's intranet. Characteristic products in the segment include computers (including configuration), infrastructure, projectors and accessories. An LCP customer normally purchases a smaller share of software and services compared with an SMB customer.

Quarterly fluctuations

The segment has a more volatile sales trend between quarters and years, and is dependent on when major contracts are signed and terminated and when sub-orders are placed. The average order value in LCP amounts to about SEK 11,000, which is twice that of the SMB segment. Margins are lower than for SMB, as a large share of sales comprise major orders where prices are under pressure, primarily for hardware. Dustin has a long-term ambition to increase the share of sales to large companies in the segment, as they have more

LCP Net sales and segment margin



2017/18

- **Percentage of total sales:** 51 per cent
- **Percentage of segment results:** 38 per cent
- **Sales growth:** 1.9 per cent, of which -3.8 per cent organic
- **Segment margin:** 6.3 per cent
- **Number of customers:** approx. 5,000
- **Average order value:** approx. SEK 11,000
- **Typical customer:** 500–1,000 employees
- **Purchasing behaviour:** Larger orders, supplementary, procurements, rollouts
- **Geographical presence:** Sweden, Norway, Denmark, Finland and the Netherlands

stable purchasing patterns than the public sector. The public sector is governed by procurement rules, which create greater fluctuations in sales between quarters and years.

The past year and the future

The 2017/18 financial year was marked by a slightly weaker performance compared with the year-earlier

period. This was primarily due to a more challenging competitive environment, mainly in Finland and Denmark, and a conscious decision to refrain from larger transactions with low profitability. A growing share of purchasing is also conducted online in the LCP segment, and we can see that our position as the leading online player in the Nordic countries will make us even more attractive as a supplier and IT partner.

B2C – Business to Consumer

The B2C segment represents the consumer market and is served by the online platform. We consider the consumer market as a complementary segment.

Typical customer

A typical customer in our B2C segment is a consumer who values fast and reliable deliveries and appreciates our broad range and IT expertise. Since we are an important partner to many suppliers, we often have the latest products in stock, which may be difficult to find at other players. Price is, of course, important, but is often not crucial for our customers. They value the total experience. Computers, mobile phones, audio and visual, as well as accessories are the bestselling products in the segment.

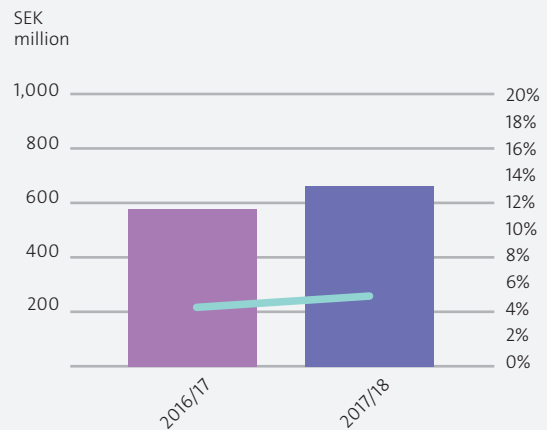
Strong price competition

Sales to consumers are characterised by a large number of online orders for, above all, hardware products, with a lower average order value than other segments. Individual consumers show a much faster change in their purchasing behaviour, from physical stores to online, compared with companies and organisations. The B2C market is generally more competitive and has a higher degree of price transparency and price pressure compared with the B2B market.

The past year and the future

The consumer segment has reported relatively stable sales over time, but is affected by temporary offers and campaigns conducted by our competitors. Both sales and profitability improved in the 2017/18 financial year, partly as a result of an expressed focus on margins before growth in the segment and partly due to more favourable currency rates in Denmark and Norway. We expect the segment to continue its stable growth, with substantial potential in Finland and Norway.

B2C Net sales and segment margin



2017/18

- **Percentage of total sales:** 6 per cent
- **Percentage of segment results:** 4 per cent
- **Sales growth:** 8.5 per cent, of which 7.9 per cent organic
- **Segment margin:** 4.9 per cent
- **Number of customers:** approx. 350,000
- **Average order value:** approx. SEK 2,000
- **Typical customer:** Consumers
- **Purchasing behaviour:** Minor orders
- **Geographical presence:** Sweden, Norway, Denmark and Finland

Focus on our online platform

The online platform is at the heart of Dustin's business model and handles about 80 per cent of sales and more than 90 per cent of the number of transactions in the Nordic region. We also intend to launch the online platform in the Netherlands. The scalable platform allows us to grow our sales without a proportional increase in operating expenses. Dustin has a leading online position and a strong brand, where the largest share of online traffic is organic.

Core business online

Our proprietary online platform is at the core of Dustin's business. The e-commerce solution, supported by automated order handling, is how we interact with and help most of our customers. In recent years, we have invested in both technology and expertise to improve our systems and processes. During the 2017/18 financial year, Dustin had approximately 35 million Nordic website visitors, of which business customers accounted for about 15 million. About 70 per cent of this traffic was organic, meaning unpaid traffic. We also intend to launch online sales in the Netherlands.

We can improve the online customer experience by adapting the content to user behaviour and needs, and thereby maximising customer value. Simple navigation and the ability to compare similar products is now an expected feature. Through automated processes, online marketing can be adapted for each customer, based on their previous behaviour and interests. This will further strengthen the brand and increase our share of the customer's purchasing budget.

The intelligent platform is supported by several modules to optimise the packaging of offers, campaigns, pricing, marketing and online customer service, and to simplify expansion and the way we operate. Costs associated with our online platform and its support features are recognised under central functions and are relatively constant, regardless of

sales volumes. Investments conducted by us in recent years are related to technology and expertise, and the continuous expansion of the service offering.

Efficient pricing

Dustin's pricing platform is constantly evolving and being streamlined to optimise purchase and selling

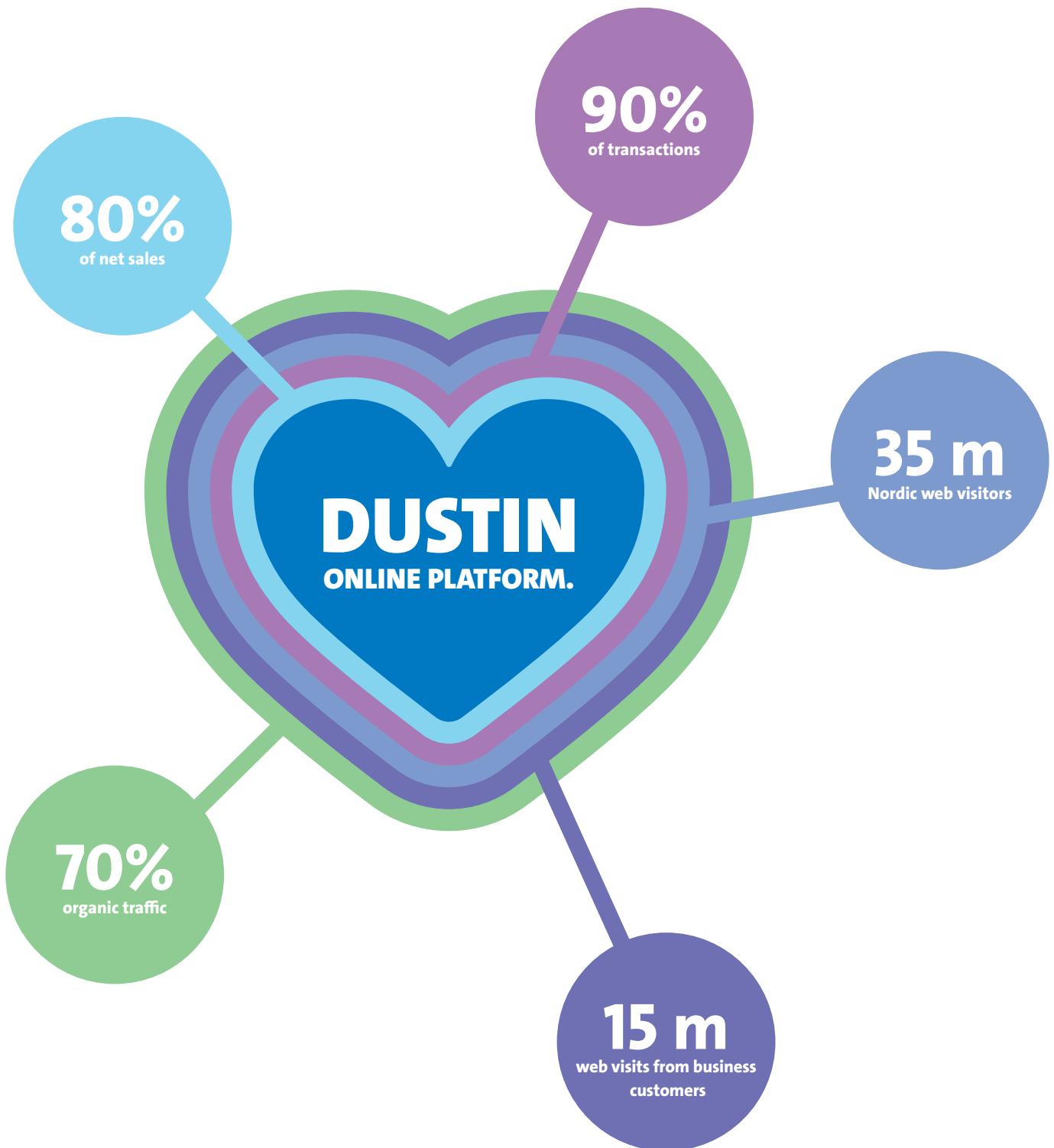
prices in a broad range and in a growing number of markets. The platform is based on a variety of parameters linked to supply and demand and performs several million price adjustments every day. For example, if purchase prices change or competitors change their

selling prices, we adjust our prices quickly and efficiently using the prevailing pricing strategies and rules. The pricing platform has provided us with good control over pricing, which has improved our profitability.

Cloud-based service platform

Our online platform for cloud-based services offers our customers a simple way to use and manage their SaaS (Software as a Service) configurations and business applications. We aggregate a large selection of quality-assured software from multiple providers, and offer them to the customer with guaranteed support from us, or the manufacturer. Customers can administrate the number of subscriptions and users for each application in a simple, cost-efficient and secure manner. Most of the applications require no installation and are also updated automatically by the provider requiring no customer input.

“The online platform is at the heart of Dustin's business model.”



Attractive customer offering

Dustin offers a wide range of IT products and related services and solutions. With our high level of IT expertise, we provide support for both individual products and packaged solutions. This is combined with attractive prices and fast and reliable delivery and enables the company to meet the majority of customer needs. We are perceived as an agile strategic partner for small and medium-sized businesses with comprehensive solutions and support to address their IT challenges.

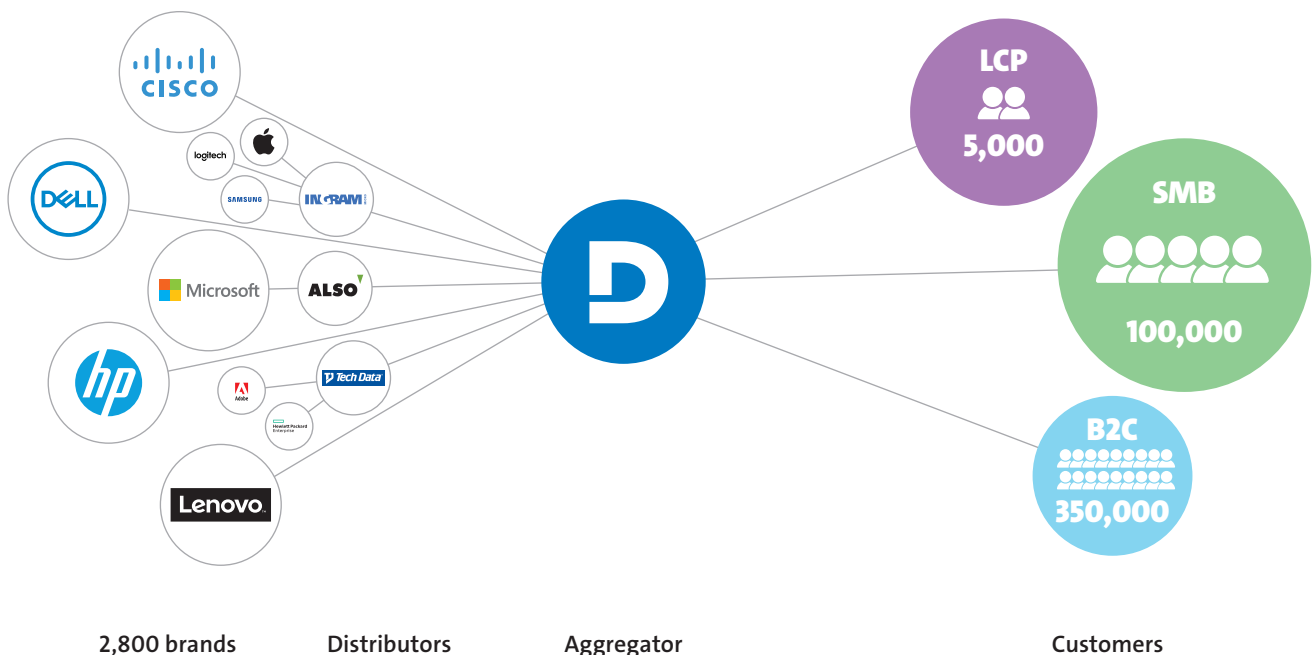
A broad product and service offering

Dustin has adopted a role as aggregator and offers a wide range of hardware and software products, and related services and solutions at competitive prices. Our broad IT expertise characterises all sales channels and is adapted to customer needs – from a needs analysis, to delivery and support. For most companies, using IT equipment generates more value than owning it, so we also offer a range of financing solutions so that customers can lease IT equipment rather than buy. Financing solutions are based on a circular business model that may include repairs and reuse. The service offering is often designed as a subscription service, which provides the customer with greater flexibility and cost control, at the same time as strengthening loyalty to Dustin as a supplier.

Hardware and software

Hardware and software are the core of our offering. Dustin's comprehensive range of hardware and software products has mainly been selected to meet the needs of small and medium-sized businesses, but also caters to large corporates and the public sector. Dustin is an independent IT partner with a range comprising some 255,000 hardware and software products from about 2,800 manufacturers. We work continuously to develop our offering, and follow product launches carefully to ensure that new products are offered to our customers as quickly as possible.

The purchasing patterns of many of our customers are often based on unplanned urgent needs rather than planned purchases, which also makes us an attractive channel for the marketing strategies of manufacturers and distributors.



We can offer customers a continuous and attractive flow of campaigns, due to close and frequent dialogues with manufacturers and distributors.

Private label products

At the start of the 2016/17 financial year, Dustin launched private label products in some core product categories, such as cables, USB flash drives and accessories for mobile phones and tablets. New products, including headphones, speakers and monitors have also been successively launched. The aim is that private label products should add an annual earnings contribution of about SEK 40 million by the end of the 2018/19 financial year. In this way, we can further strengthen our customer offering with quality-assured products at an attractive price. This also enables us to increase our control of the value chain, and working conditions in manufacturing plants can be inspected by sustainability managers at Dustin together with a team of local experts trained in our Code of Conduct.

It's simpler to choose the eco-label

As part of our corporate responsibility efforts, we want to make it easier for customers to choose products that are better for the climate. Almost 23 per cent of sales are eco-labelled IT products we have as part of our range (TCO Certified, EPEAT, Svanen, Energy Star, EU Ecolabel and Blå Ängeln). In order to eco-label a product, the manufacturer must minimise the product's environmental impact during its entire life cycle. This includes recycling, using recycled materials in manufacturing, the product's lifetime, packaging material and size, and the content of hazardous substances in the product. In addition, energy-saving features and other steps that reduce the product's climate impact are often added. Different eco-labels fulfil one or more of these requirements to varying degrees.

Services and integrated solutions

Dustin offers a comprehensive portfolio of services and solutions, as either supplements to hardware and software purchases or as independent services. By combining several items of hardware, software and service into an integrated solution, we can offer a simple and effective solution to a customer's total IT needs in a single purchase. Our range of advanced services and solutions is continuously growing due to acquired expertise and our own development of the existing offering.

Our service offering includes client management, ranging from product selection and configuration to security, support and end-of-life returns to reduce environmental impact. We offer data storage, network and security solutions that make it easier for small-sized businesses to create a cost-efficient, functional and flexible IT environment focused on performance and reliability. Our software services include license management, where

existing license agreements are compared with real needs to optimise license models and reduce costs.

Our mobility services and solutions provide users with the flexibility to work wherever and whenever they want to, and from any device. We offer also offer a range of cloud-

based storage, backup and disaster recovery services, in both public and private clouds. The service range also includes different types of printing solutions, with a focus on cost efficiency and sustainability.

High level of IT expertise

Since the company's foundation more than 30 years ago in Sweden, Dustin has gathered a broad and deep level of IT expertise. We design our offering so that customers can easily find the information and support they need both before and after purchasing. This is conducted through our customer service, either online or with the consultative or relationship selling organisation's guidance. Today, it is increasingly important to ensure that the customer's IT is working effectively, and not only providing the right products. This is particularly the case for small and medium-sized businesses, which generally lack their own IT personnel. By using our IT expertise, we become a complete partner that solves the customer's IT challenges.

Customer offering helps to build a loyal customer base

The combination of our broad range of products, services and solutions and a high level of IT expertise has provided Dustin with a large and diversified customer base and a high degree of customer loyalty. We have further strengthened customer loyalty by adding subscription services to this offering.

In the B2B segment, there is a strong link between the duration of the customer relationship and sales per customer. Sales to loyal customers are far higher compared with a customer acquired in past year, both through a greater number of transactions and higher order value.

“We want to make it easier for customers to choose products that are better for the climate.”

Efficient and responsible purchasing and logistics model

Purchasing from both distributors and manufacturers increases our ability to offer competitive prices. It is important for us to ensure that the suppliers we have chosen to collaborate with work continuously to improve working conditions in the value chain. Our Supplier Code of Conduct provides a basis for where we conduct our purchasing. Our logistics model is based on a central warehouse in Sweden, complemented by smaller consolidation warehouses in Denmark, Finland and Norway as well as direct deliveries from suppliers to end customers.

Sourcing from multiple suppliers

By sourcing from several different suppliers, both from distributors and directly from manufacturers, we can offer our customers a broad range at competitive prices. Dustin collaborates with some 390 distributors that stock and distribute IT products. In parallel, we are an important sales channel for many manufacturers and our online platform and substantial customer base offer an efficient route to markets. Our sales model and large customer base therefore make us an important partner for campaigns and product launches. Dustin's range includes about 255,000 products from more than 2,800 brands.

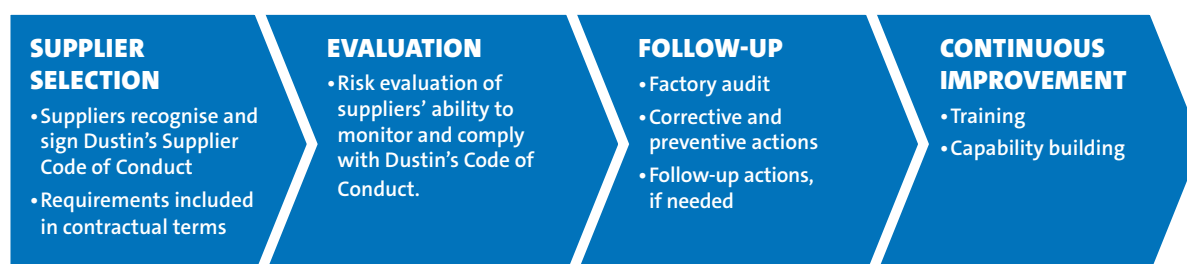
Our market position and high sales volumes offer us an advantageous position with our suppliers when it comes to volume discounts, terms for product returns, price protection policies, marketing contributions and responsibility. In the 2017/18 financial year, about 70

per cent of hardware and software products were purchased from distributors. The largest distributor represented 22 per cent of our total purchases and together the three largest distributors accounted for 49 per cent.

Follow-up and transparency in purchasing and manufacturing operations

Dustin's Supplier Code of Conduct is part of the purchasing agreement, which means all suppliers for direct purchases are obligated to act in accordance with these principles, and in accordance with all applicable laws and regulations. For annual purchases exceeding SEK 200,000 we ensure that the Code of Conduct has been signed, or that the supplier can produce an equivalent code. At the end of the 2017/18 financial year, 99.8 per cent of our hardware suppliers, from whom our total annual purchasing volume exceeds SEK 200,000 or equivalent, had adopted our Code

Responsible manufacturing



99.8%

of our hardware suppliers have adopted Dustin's Code of Conduct.

of Conduct or introduced their own code of conduct that corresponds to our requirements (99.8 per cent in 2016/17). The Supplier Code of Conduct covers legal requirements, freedom of association and the right to collective bargaining, the prohibition of discrimination, salaries and remuneration, working hours, health and safety in the workplace, living conditions, prohibition of child labour, terms of employment, prohibition of forced labour and disciplinary measures, environmental protection and environmental work, conflict minerals and business ethics. Our ambition is to work systematically together with our suppliers based on the entire life cycle and to integrate sustainability aspects at each stage. This encompasses everything from 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.

The majority of the world's IT products are currently produced in Asia. Today, we carry out regular risk analyses and factory audits to make certain that manufacturing is conducted in accordance with our Supplier 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. At the end of the 2017/18 financial year, 96.0 per cent of our suppliers for direct purchases of hardware, from whom our total annual purchasing volume exceeds SEK 200,000, had been subject to a risk assessment (77.1 per cent in 2016/17). During the financial year, 19 factory audits were conducted.

Non-conformance management and follow-up
We have identified five levels of non-conformance that

we use when we follow up how well a supplier lives up to the requirements of Dustin's Supplier Code of Conduct. Depending on the type of non-conformance and the severity level, the manufacturer has a certain number of days to correct the non-conformance. A root cause analysis is then carried out and preventive actions are prepared.

Zero-tolerance non-conformance – Unacceptable finding, with a significant impact that requires immediate corrective actions. This type of non-conformance applies to children or slave labour, immediate danger of injury, bribes and forgery. The non-conformance must be reported to Dustin's CEO within 24 hours and corrected within 48 hours.

Critical non-conformance – Full violation of the requirement, putting employee health, safety or rights, or the surrounding community at risk. Non-conformance must be corrected within 30 days.

Major non-conformance – Significant violation of the requirement. The finding indicates a systematic failure in the management system and a lack of control. The impact on employee safety, employee rights or the surrounding community is moderate. Non-conformance must be corrected within 60 days.

Minor non-conformance – A partial violation of the requirement. The finding can be regarded as an isolated case or a random incident. The impact on employee safety, employee rights or the surrounding community is low. Non-conformance must be corrected within 90 days.

Observation – An observation that does not constitute non-conformance but can be used in several situations.

This could be the absence of sufficient evidence to decide on conformity or non-conformance, the risk of future non-conformance and in cases where there are improvement opportunities. In 2017/18, we identified a total of 285 cases of non-conformance, which were systematically corrected and followed up. Most of the non-conformance was minor, and no “zero-tolerance” discrepancies were revealed as part of the audits.

Logistics model and warehousing

Our Nordic logistics model is based on a central warehouse in Rosersberg, north of Stockholm, complemented by smaller consolidation warehouses in Denmark, Finland and Norway as well as direct deliveries from suppliers to end customers. This enables both fast and reliable delivery to our customers. About 62 per cent of sales in the Nordic region passed through the central warehouse in the 2017/18 financial year. Approximately 23 per cent passed one of our consolidation warehouses and the remaining 15 per cent was sent directly from suppliers to end customers.

We have created an efficient warehousing process at the central warehouse where we handle on average 18,000 products every day. During the 2017/18 financial year, 1.2 million orders were sent from the central warehouse, which corresponds to about 4,700 deliveries per day. About 95 per cent of all orders available for direct delivery were picked, packaged and delivered on the same day the order was placed. The warehouse capacity of approximately 20,000 square metres is not yet being fully utilised, and can handle several more years of growth.

We also perform customer-specific services, such as configuration, installation and safety labelling in Rosersberg and in the smaller consolidation warehouses in Denmark, Finland and Norway. In the Netherlands,

we have a regional warehouse based in Enschede with a capacity of approximately 800 square metres. This warehouse will also eventually be integrated into our logistics model.

Efficient and sustainable logistics flows

Our logistics work concerns continuously optimising stock levels and logistics to enhance efficiency and reduce our environmental impact. Customer deliveries currently constitute most of our environmental impact, measured as greenhouse gas emissions. It is therefore important for us to stock the right products in the right quantities and to choose the right mode of transportation, to reduce transport distances and to maximise filling factor by co-loading. A combined delivery, instead of several small ones, reduces our climate impact and reduces the customer’s administrative burden at the same time. The geographical location of the central warehouse means we can efficiently deliver products to customers across the Nordic region and remain easily available for our main suppliers.

Our logistics system is integrated with several of our suppliers who provide real-time information about product availability and warehouse status. This, combined with our ability to determine which products should be kept in stock, means that stock levels can be kept low and deliveries can be made rapidly.

We stock just under 10 per cent of products in our own warehouse and had a stock turnover ratio of about 23 during the 2017/18 financial year. Rapid stock turnover combined with price protection and the right of return with several of our suppliers produces a very low level of obsolescence.

Direct deliveries from selected manufacturers and distributors to end customers also contribute to the low

Dustin’s range includes about

255,000
products.

level of obsolescence. This method of delivery is mainly used for major orders from a single supplier and for deliveries outside of Sweden when it may offer faster deliveries to customers. We continuously evaluate an increase in the share of direct deliveries, in cases where distribution from the central warehouse only offers limited value creation.

Responsible use of resources

The climate issue, meaning a reduction in the impact the business has on the environment, is one of Dustin's focus areas for sustainability. The environmental aspects that we have identified as important are energy consumption, emissions of greenhouse gases, resource usage, as well as reuse and recycling. These are related to our own operations and are regularly assessed. Currently, deliveries to customers constitute about 70 per cent of our total environmental impact, measured as greenhouse gas emissions, though our properties and business travel also contribute. As part of our efforts to reduce climate impact, our ambition is that all of

Dustin's operations should run on renewable energy. In the last two years, we have noted a significant increase in the use of solar energy, and wind and hydropower in the operation of our properties and our central warehouse.

Dustin's business also creates various types of waste. We sort the waste into multiple categories in order to maximise opportunities for recycling. We strive to reduce the total amount of waste we create, while at the same time increasing the quantity of products we can recover and that can be reused.

End-of-life returns

We endeavour to extend product lifetimes by encouraging our customers to return them to us when they no longer need them. Firstly, we ensure that functional products are reused or sold as second hand and are thereby offered a new life. Products that cannot be reused are recycled in a responsible manner. In 2016/17, we launched an online service for end-of-life returns in all of our Nordic markets.

We handle around
18,000
products every day.

Warehouse capacity

20,000 square

4,700
deliveries every day.

95%

of all orders
available for
direct delivery
are picked,
packaged and
delivered the
same day.

We keep barely
10%
of the products in our
own warehouse.

Dedicated employees

Employees are our most important asset and the development of our corporate culture comes from developing people, who in turn shape our culture. Together, we build and maintain confidence among customers, employees, suppliers, the general public, shareholders and other stakeholders. Dustin's values lay the foundation for how we work and act as a company. We believe in an inclusive corporate culture with respect for each other based on attributes, experience and values.

Our values

Dustin's culture and success builds on being one company that focuses on growth and entrepreneurship while remaining attentive to the changing needs of customers. We have a flat organisational structure and it is not far from idea to action. Continuing our success while acting in an ethical and responsible manner throughout the entire value chain requires both commitment and cooperation, among our employees and suppliers, customers, and other stakeholders. Dustin therefore has "Win as a team" as its core value, which is supplemented by four support values: "live up to promises", "strive to improve", "challenge all cost", and "keep it simple", which pervade our way of working. For us, this is about keeping our promises and trusting each other, remaining proactive and acting before problems arise at the same time as we use our resources efficiently and constantly

strive to simplify and improve both processes and our customer offering.

Diversity and equality

As one of the leading companies in the Nordic market, we have a responsibility and opportunity to promote greater diversity and equality in the IT industry. One of our focus areas since the 2014/15 financial year has been equality, with the aim of increasing the number of women in senior positions. In the past year, we have further broadened our focus and work actively with inclusion and diversity. One initiative as part of these efforts is the collaboration with Mitt Liv, which was initiated in spring 2018. Our active work with diversity gives us new perspectives and we can challenge ourselves and drive the business forwards. We view diversity as a success factor and are convinced that

4 focus areas for greater diversity and equality

Recruitment

When we recruit, we always try to put together the best and most dedicated team. We endeavour to make all job advertisements available in both English and the local language and to have at least one man and one woman with equal competence among the final candidates as part of an executive recruitment.

Inclusion

An open and inclusive corporate culture is supported by both sound values and good examples within the company, by clear guidelines and by long-term goals. We believe an organisation that represents diversity is better at allowing employees to use their personal strengths and to express their needs. We disassociate ourselves from all forms of discrimination.

Governance

It is important that our commitment to gender equality is reflected at all levels in the organisation, from the Board of Directors and Group Management to our employees in all countries. Our aim is for each gender to make up at least 40 per cent of the organisation. The current gender-balance between women and men on the Board is 43/57 and in Group Management 40/60.

Mentorship

Since 2018, Dustin has been actively involved in "Mitt Livs Chans," which is a Mitt Livs mentorship programme. This has meant all Dustin employees are offered an opportunity to mentor an academic with a foreign background. These mentorships help us to expand our network when recruiting and we can help job seeking academics with a foreign background to enter the labour market. They also increase awareness and knowledge about inclusion and diversity in the organisation.

employees who reflect society as a whole also help us respond better towards our customers.

We have chosen to work within four specific areas to increase diversity and equality within the company: **recruitment, inclusion, governance and mentorship.**

Occupational health and safety

Our objective is to create a working environment where employees are motivated and thriving – physically, psychologically and socially. We wish to encourage leadership that promotes safety and creates an insight that accidents can be prevented with the right behaviour. Since 2016/17, occupational health and safety has been a part of Dustin's Code of Conduct and we also have a separate health and safety policy that covers the company at a Nordic level.

Our operations in Sweden are governed by work environment management systems as per the requirements of the OHSAS 18001 standard, and moving forward pursuant to the ISO 45001 standard, as well as the AFS 2001:1 provisions. The line organisation bears the responsibility. Managers coordinate and drive ongoing health and safety efforts, through participation and responsible involvement on the part of employees. All Dustin employees must have at least one professional development meeting with their manager every year.

Business management and development

The development of our corporate culture comes from developing people, who in turn shape our culture. All employees should be aware of our strategy and our shared goals to ensure that they are given what they need to commit and participate. We have a clear

structure in terms of performance and management by objectives for both managers and employees. We use two methods for strategic target attainment that support the entire process from target formulation to the development of individuals to achieve results; Target Management and Talent Management.

Dustin Target Management

The concept behind the management by objectives process is for senior executives to set overall targets in terms of the strategy and annual budget, while middle management and other employees create activities based on the targets, which they then implement and follow up. This ensures clarity in terms of direction and target-setting, as well as participation in the implementation.

Dustin Talent Management

The talent development process allows us to identify employees' performance and potential, to help leaders to develop and motivate their staff. It also helps provide better and clearer feedback to and from employees. Furthermore, possible internal career paths emerge for employees and ensures internal recruitment, both vertically and horizontally.

Trainee programme

Five years ago, Dustin started a trainee programme to attract and discover potential future leaders. The one-year programme is run at an overall level, and is not associated with any particular field of expertise. A trainee follows the daily work of the CEO and Group Management with the aim of using the programme as a springboard into our business operations. All five trainees who have completed the programme are still working in different areas of the business.

WE WIN AS A TEAM

LIVE UP TO PROMISES ■ CHALLENGE ALL COSTS ■ STRIVE TO IMPROVE ■ KEEP IT SIMPLE

“As an IT partner, we are positioned between manufacturers and customers. That means we can have an influence at several stages — from how we choose our range, to how we guide our customers to a more sustainable choice of products, services and solutions.”



Statement from the Head of Corporate Responsibility

I am very proud of the corporate responsibility initiatives we took this year. The commitment to and interest in integrating corporate responsibility into our daily operations have led to great advances towards achieving our long-term corporate responsibility targets. We have already reduced our climate impact by 25 per cent compared with 2014/15, with the target of achieving a 40 per cent reduction by 2020. The main reason behind this year's decrease is our switch to renewable energy. We are also almost half way towards the target of recovering 140,000 products by 2020 — and we are also ahead of schedule here.

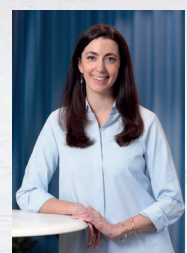
Sustainable IT begins with responsible manufacturing, which is an area where both the company and I are involved. Being transparent and working in partnership with our suppliers are important to us. We are proud to report that for the second year in a row, 99.8 per cent of our hardware suppliers — with an annual purchase volume of over SEK 200,000 — have adopted the commitments in our Supplier Code of Conduct. To ensure compliance with the requirements, we carry out risk assessments and conduct on-site inspections at the factories. The inspections allow me to engage with staff and factory management, which creates mutual understanding and facilitates working together to address any non-conformance. During the year, we increased the number of inspections conducted to 19, compared with twelve the year before.

As an IT partner, we want to pursue positive development in the industry by encouraging our customers to choose sustainable products and to return end-of-life products for reuse or recycling. During the year, we held four campaign weeks focusing on sustainability labelled IT products. We doubled the number of end-of-life returns compared with the previous year. One important cause was that the service was launched in all the Nordic countries and online as well. In 2017/18, nearly 23 per cent of our sales were eco-labelled IT products.

It is encouraging to see the difference we can make by focusing on one area. Equality initiatives have been an important issue for us for several years, and we have also seen a major change over time because of it. The gender balance (women/men) among managers has evened out from 20/80 to 36/64, which is very close to our goal of 40/60. Even though this trend has not been as strong in the company as a whole, we see that more women managers over time also means a larger proportion of women employees in total.

Internally, the issue of diversity at Dustin has roused the greatest amount of commitment and pride over the year, and it is an issue where we are now intensifying our focus. We have received a very positive response around the “Mitt Livs Chans” mentor programme, which is an initiative around the partnership with Mitt Liv. It means that our employees have the opportunity to become mentors for graduates with foreign backgrounds in order to facilitate their entry into the job market with work that corresponds to their education.

In short, it has been a year in which we came a long way towards meeting our goals for 2020 and where we see that focus, goal-oriented activities and a commitment to the entire organisation produces results.



Responsible manufacturing

We have a responsibility for how the products we sell are manufactured. For us, it's a matter of working together with our suppliers, in a transparent manner, for positive working conditions in manufacturing. By visiting sites ourselves and leading factory inspections, we can link the results to our purchasing operations and work together with the factories on taking measures to correct any shortcomings. Our aim is to review 80 selected factories by 2020.

Progress during the year

Among our hardware suppliers with a total annual purchase volume exceeding SEK 200,000 in value, 99.8 per cent have adopted our Supplier Code of Conduct or have introduced their own code of conduct equivalent to Dustin's. In addition, 96.0 per cent of suppliers assessed their own ability to check and comply with

Dustin's Supplier Code of Conduct. The purpose is to obtain greater insight early in the process into ongoing activities, commitment and competence among suppliers in order to safeguard and improve working conditions in warehouses, factories and further down the value chain. The assessment provides Dustin with an indication of which suppliers we need to work more actively with to reduce the risk of shortcomings.

Target: 100 per cent of Dustin's hardware suppliers, from whom our annual purchase volume exceeds SEK 200,000, will have adopted the commitments described in Dustin's Supplier Code of Conduct.

Outcome:

2017/18	2016/17	2015/16	2014/15
99.8%	99.8%	97.0%	85.0%

Target: All of Dustin's new hardware suppliers, from whom our annual purchase volume exceeds SEK 200,000, will have adopted the commitments described in Dustin's Code of Conduct.

Outcome:

2017/18	2016/17	2015/16	2014/15
92.9%	-	-	-

Target: 100 per cent of Dustin's hardware suppliers, from whom our annual purchase volume exceeds SEK 200,000, will carry out a risk assessment regarding their ability to check and comply with Dustin's Code of Conduct.

Outcome:

2017/18	2016/17	2015/16	2014/15
96.0%	77.1%	-	-

Target: All of Dustin's new hardware suppliers, from whom our annual purchase volume exceeds SEK 200,000, will carry out a risk assessment regarding their ability to check and comply with Dustin's Code of Conduct.

Outcome:

2017/18	2016/17	2015/16	2014/15
26.6%	-	-	-

Result of factory inspections

During the 2017/18 financial year, we performed a total of 19 factory inspections (12), zero of which were unannounced (2). The majority of the inspections were led by Dustin's Head of Corporate Responsibility together with local experts trained in our Supplier Code of Conduct. Each audit scrutinises about 180 sub-demands in our Supplier Code of Conduct, including age, working hours, wages, freedom of speech, discrimination, machinery safety, chemicals management, housing conditions and waste management. Discussions are also held with workers, both in groups and individually. The inspection group also visits worker dormitories and eats in the worker canteen.

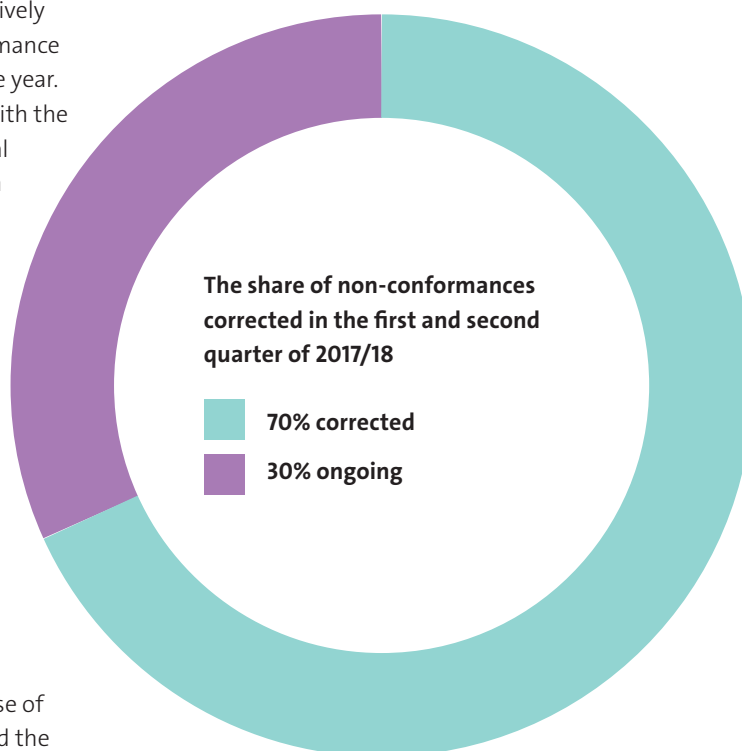
During the inspections, 285 cases of non-conformance (183) were identified. Most cases of non-conformance were minor, but serious and critical cases of non-conformance were observed at several factories. We were not made aware of any "zero-tolerance" non-conformances. More than 70 per cent of the non-conformance cases were 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.

Factory audits are conducted on an ongoing basis every quarter and measures are implemented continuously at factories where Dustin is actively involved. On average, 15 cases of non-conformance (15) were identified at each factory during the year. Dustin's purchasing organisation, together with the corporate responsibility team and an external expert, hold regular follow-up meetings with the factories. Over 70 per cent of the cases of non-conformance identified in the first and second quarters of the financial year have been corrected, while correction of the non-conformance discovered in the third and fourth quarters is still ongoing. The main reason that rectifying the non-conformance has taken a long time is largely due to external factors, such as a lack of permits or certificates.

Two of the 19 factory inspections conducted during the financial year led to our initiating a process of terminating our collaboration with the factory in question. This was because of the number of cases of non-conformance and the attitude of factory management towards the work and

measures required to correct and rectify these. Dustin is supporting the factories in this rectification at the same time as the process to replace the suppliers has begun. In 2016/17, it was resolved to phase out collaboration with one factory. The process has taken longer than estimated, which is why a small number of orders was placed with this factory during this financial year. The collaboration has now been terminated completely; as a result, Dustin has adapted its routines to provide further support in correction efforts during the phase-out period as well.

Dustin's Supplier Code of Conduct contains requirements concerning conflict minerals. In 2017/18, we performed a risk assessment to identify the origin of minerals in the supply chain of our proprietary products. Some of the products contain tin, tantalum, tungsten and/or gold, four minerals extracted in a conflict zone and used in nearly all electronic products. At the end of the financial year, 96 per cent of our own-brand products were free of conflict minerals. The minerals come from certified smelters that have passed a review under the Conflict-Free Smelter Initiative (CFSI). A total of 133 smelters were reviewed. For the remaining four per cent, we are awaiting certificates or are working on replacing the smelter. The aim is that our proprietary products will be free from conflict materials.



Total non-conformances, 2017/18

Area	Requirement	Number of non-conformances	Examples of non-conformance
Human rights and labour	Right to Freedom of Association and Collective Bargaining	8	Shortcomings in dialogue with factory management and employees
	Non-discrimination	2	Discovery of discrimination regarding age and gender
	Grievance Systems	2	Lack of complaint mechanism
	Fair Compensation	28	Lack of social insurance or correct remuneration for overtime work
	Decent Working Hours	26	Overly long working days and poor control of ensuring at least one day of rest per week
	Child labour avoidance	5	Lack of action plan if a child is discovered at the workplace
	Juvenile and Student Worker Protection	8	Poor control in preventing overtime for young employees
	Freely chosen employment	8	Lack of employment contract
	Inhumane treatment	4	Shortcomings in training around humiliation
Health and safety	Health and Safety Management System	22	Shortcomings in management system for occupational health and safety
	Health and Safety Permits	2	Lack of occupational health and safety permits
	Emergency Preparedness	4	Lack of emergency preparedness plan
	Injury and Incident Management	3	Deficient documentation and follow-up of work-related injuries and accidents
	Physically Demanding Work	0	
	Machine Safety	10	Insufficient safety devices
	Chemical Safety	32	Deficiencies in knowledge and handling of chemicals
	Personnel Protective Equipment (PPE)	15	Lack of, or incorrect, protective equipment in use
	Fire Protection	18	The workplace has not ensured that all employees have taken part in fire drills
	First Aid	7	Deficient knowledge of first aid
Environmental protection	Environmental Management System	12	Shortcomings in environmental management system
	Environmental Permits and Reporting	6	Lack of environmental permits
	Resource Reduction and Continuous Improvement	2	Lack of improvement goals
	Hazardous and Non-hazardous Waste Management	8	Deficiencies in control over amount of waste and hazardous waste generated
	Wastewater Management	0	
	Storm Water Management	0	
	Air Emissions	0	
	Materials Restrictions	7	Discovery of prohibited process chemicals
Housing conditions	Food and Water	6	Shortcomings in hygiene related to food handling
	Worker Dormitories	9	Shortcomings in fire safety for employee housing
Legal Compliance and Ethical Business Practice	Legal and Regulatory Compliance	21	Shortcomings in monitoring routines regarding legal requirements
	Anti-corruption	1	Lack of training for employees exposed to risks related to corruption and bribes
	Whistleblower protection and anonymous complaints	2	Lack of opportunities for managing anonymous complaints
	Information Protection	0	
	Conflict minerals	7	Lack of policy concerning risk assessment and use of conflict minerals

Reduced environmental impact

Dustin's aim is to reduce its environmental impact and strain on the climate by 40 per cent in 2020 compared with 2014/15. During the financial year, we were successful in combining reduced emissions with organic growth.

Progress during the year

At the end of the financial year, the greenhouse gas emissions from operations amounted to 1,991 tonnes of CO₂ equivalents (CO₂e). The total includes Scope 1, Scope 2 and Scope 3 emissions. The largest amount of greenhouse gas emissions, 72 per cent, relates to transportation, followed by business travel and lease vehicles. The total amount of greenhouse gases we release has decreased 13.6 per cent since 2016/17, while our organic growth

totalled 2.0 per cent. This means that we have made progress within the framework of Dustin's target to reduce environmental impact. One of the main reasons for the positive results during the year was the choice of renewable energy for our properties. If we include emissions savings relating to the reuse of end-of-life returns, the recycling of waste together with carbon offset from one of our logistics partners, the total amount of greenhouse gas emissions has decreased 38.4 per cent since 2014/15.

GHG emissions	2017/18	2016/17	2015/16	2014/15
GHG Scope 1 direct emissions from company-owned vehicles (kg CO ₂ e)	19,889	10,709	18,805	14,216
GHG Scope 2 indirect emissions from purchased electricity, heating and cooling (kg CO ₂ e)				
GHG Scope 2 – 'market-based'	41,913	304,698	470,897	511,711
GHG Scope 2 – 'location-based'	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 ₂ e)	1,443,196	1,434,518	1,632,937	1,790,398
Offset emissions from transport activities (kg CO ₂ e)	-51,416	-32,734	-43,620	-40,996
Emissions from business travel (kg CO ₂ e)	265,887	276,558	211,074	123,410
Emissions prevented through reuse of old devices (kg CO ₂ e)	-172,018	-129,688	-122,891	-33,035
Emissions prevented through recycling of waste (kg CO ₂ e)	-201,221	-96,181	-42,260	-36,660
Emissions from off-premises data centres (kg CO ₂ e)	1,142	0	0	0
Emissions from lease vehicles (kg CO ₂ e)	219,214	277,439	273,783	212,418
Total (Scope 1, Scope 2 and Scope 3)	1,991,241	2,303,922	2,607,496	2,652,153
Total including offsets, recycling and end-of-life returns (kg CO₂e)	1,566,586	2,045,319	2,398,725	2,541,562

Energy consumption for the 2017/18 financial year amounted to 4,894 MWh (4,257). Our 20,000 sqm central warehouse is the largest single source. Despite efficiency enhancements, the consumption of energy

has increased over the past few years. The cause of the increase is primarily continual acquisitions, which result in an increased number of properties and data centres.

Energy	2017/18	2016/17	2015/16	2014/15
Electricity consumption, total (kWh)	3,462,896	2,710,809	2,513,687	2,431,460
Heating, total (kWh)	1,335,080	1,481,056	1,212,204	1,234,280
Cooling, total (kWh)	95,532	64,831	82,850	91,608
Total energy (kWh)	4,893,507	4,256,696	3,808,741	3,757,348

Waste

Dustin's business creates waste of various types. We sort the waste into multiple categories in order to maximise opportunities for recycling. In 2017/18 we

generated 580 tons of waste at our central warehouse and head office. The amount increased in comparison with previous financial years, primarily owing to a thorough review of our central warehouse.

Waste	2017/18	2016/17	2015/16	2014/15
Recycling (kg)	145,884	108,129	104,163	121,344
Energy recovery (kg)	147,290	400,936	359,980	373,650
Landfill (kg)	0	70	0	1,000
Other treatment method	287,093	0	0	0
Total amount of waste (kg)	580,267	509,129	464,143	495,994

Between 2016/17 and 2017/18, legislation was changed concerning the reporting of means of recovery for collected electrical and electronic products. 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. The collection system no longer provides companies with data about the means of recovery.

For 2017/18, the volume of hazardous waste thus represents only the hazardous waste we have generated ourselves at our central warehouse and office – such as old fluorescent lamps, batteries and end-of-life electronics equipment. No hazardous waste is sent to landfill; everything is either reused, recycled, diverted towards energy recovery or handled in some other form. The "Other treatment method" in the table below related to the final disposal of hazardous waste in accordance with applicable laws and regulations, which differ depending on the type of waste.

Hazardous waste	2017/18	2016/17	2015/16	2014/15
Recycling (kg)	10,801	204,893	273,893	79,283
Energy recovery (kg)	105	31,966	65,617	17,054
Landfill (kg)	0	0	0	0
Other treatment method	75	6,784	5,924	2,146
Total amount of hazardous waste (kg)	10,981	243,643	345,434	98,483

- **Waste** – The total amount of non-hazardous waste generated. This includes wood, cardboard, waste paper, plastic, combustible household waste, coloured and non-coloured glass, metal and aluminium cans.

- **Hazardous waste** – The total amount of hazardous waste generated. This waste includes batteries and fluorescent lamps, as well as electronics. Hazardous waste could, for example, be flammable or toxic to humans and the environment. Hazardous waste is sorted in accordance with local legislation. We recover waste consisting of electrical and electronic products as part of our producer responsibility, but this is not included in the reported figures for 2017/18.

Business ethics and anti-corruption

We strive for integrity and compliance with the principles of business ethics throughout our entire business. Our work is intended to create an open and responsible business culture. We take a zero-tolerance approach to corruption and bribes. Continuous training, interactive discussions and risk assessments help us increase awareness and act responsibly.

Business ethics are one important aspect of responsible business for both Dustin and its 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.

Guidance and compliance

Our business ethics guidelines contain a clear framework for all employees to comply with. The guidelines are available in local languages and we require all employees are obligated to read and sign our business ethics guidelines.

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 supervisor, Group Management or the company's chief corporation counsel.

All employees are encouraged and expected to report suspected violations to their immediate supervisor, Group Management or the company's chief corporation counsel. There is also a whistleblower system that allows employees to anonymously report suspected violations.

The whistleblower function is based on a secure web-based reporting system. The function is managed by the chairman of the audit committee.

Progress during the year

During the year, we expanded training concerning ethical dilemmas to also include employees in acquired companies and our suppliers in the Nordic region. At the end of the 2017/18 financial year, we conducted training for companies including ITaito in Finland, Core Services and Purity IT in Norway and JML Partner in Sweden regarding our business culture and how we handle anti-corruption, entertainment, gifts and conflicts of interest. Training our personnel is a matter of routine. At the end of the financial year, 87.7 per cent (94.1) of active employees had undergone web-based training in our Code of Conduct. The implementation of a new HR system during the year delayed training for new employees slightly, but over time this will lead to an improvement.

Using open dialogue and training for our suppliers concerning Dustin's business ethics requirements, we intend to build good and responsible business relationships and work to prevent risks. During the year, we conducted training with our seven largest suppliers in the Nordic region. Our Suppliers also guarantee our business ethics requirements by using our Supplier Code of Conduct.

During 2017/18, as with previous years, 100 per cent of our business areas underwent a risk assessment concerning business ethics and anti-corruption. Two incidents were reported in the whistleblower function and investigated in 2017/18. No shortcomings relating to business ethics or corruption were noted.

Total share of employees undergoing online training in our Code of Conduct

	2017/18	2016/17	2015/16	2014/15
Outcome:	87.7%	94.1%	—	—

Share of business areas that underwent an annual business ethics and anti-corruption risk assessment

	2017/18	2016/17	2015/16	2014/15
Outcome:	100%	100%	100%	100%

Responsible use of resources

In its role as aggregator, Dustin has an important role in the value chain, which gives us both a responsibility and the potential to reuse and recycle end-of-life products. The target for Dustin's responsible use of resources focus area is to recover a total of 140,000 products by 2020.

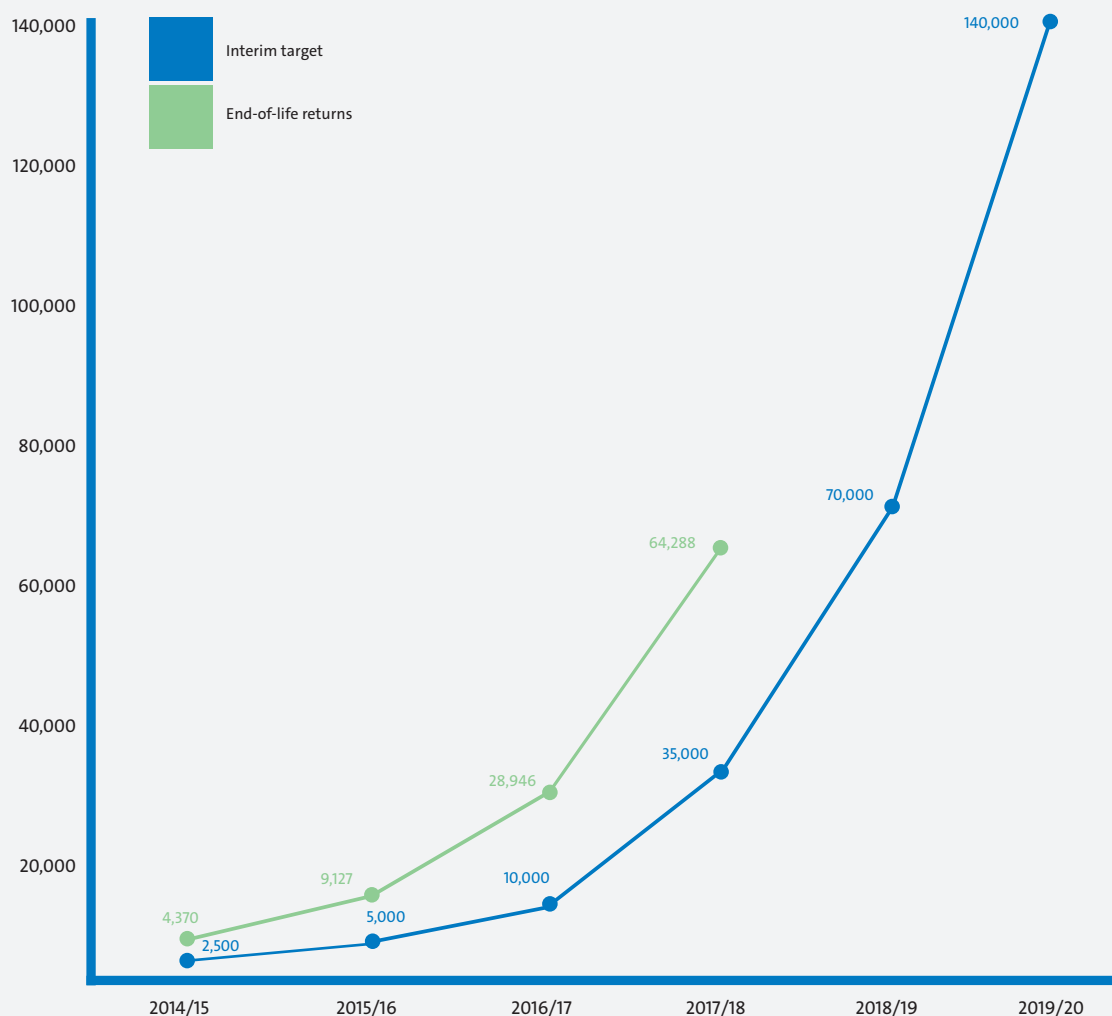
Progress during the year

In 2017/18, 35,342 sold products (15,449) were recovered as end-of-life returns. 33,291 of these products (13,839) could be reused, and the remaining 2,051 were recycled (1,610). We have collected a total of 64,288 products as end-of-life returns since 2014/15. One of the main reasons for these good results is that we launched our service for end-of-life returns in Norway, Denmark and Finland during the year, and our customers can now

order an end-of-life return online.

The products reused or recycled include the categories desktop computers, laptops, tablets, mobile phones, monitors, servers, networking equipment and printers. Only one of two partners in our end-of-life return operation is currently able to report carbon emissions. The total amount of carbon-emission savings for 2017/18 represents 20 per cent of the total number of end-of-life returns during the year.

Number of end-of-life returns



Diversity and equality

Dustin strives continually for an even gender balance at all levels in the organisation. We set up annual interim targets, which we achieved during the past financial year. We intend to achieve a 40/60 gender balance in Dustin by 2020.

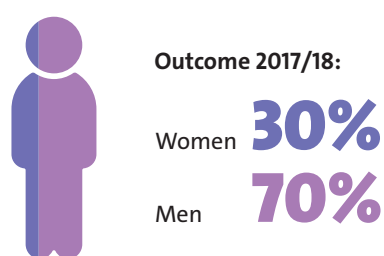
Progress during the year

In 2017/18, we achieved positive results in our work on equality. At the end of the financial year, our gender balance (women/men) at the senior level was 36/64 (31/69); the share of women managers increased five percentage points during the year. In Group Management, we achieved a gender balance of 40/60 (30/70), and on the Board of Directors the gender

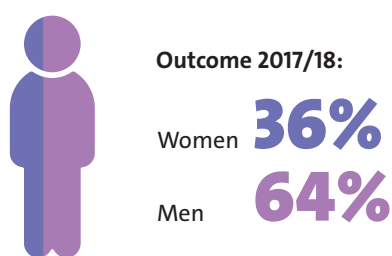
balance is 43/57 (50/50). At the end of the financial year, gender balance in the company as a whole was 30/70 (29/71). We note an increased proportion of women in the company, and the trend is a positive one. Statistics for the percentage of terminated contracts indicates that the women we recruit enjoy working for us. The trend, however, is somewhat slower than we had wished for in our annual goal of 33/67.

Gender balance at Dustin	2017/18	2016/17	2015/16	2014/15
Gender balance at Dustin: target	33/67	29/71	26/74	22/78
Gender balance at Dustin: outcome	30/70	29/71	27/73	22/78
Gender balance at the senior level: target	32/68	28/72	24/76	20/80
Gender balance at the senior level: outcome	36/64	31/69	31/69	20/80
Gender balance in Group Management: target	28/72	21/79	15/85	9/91
Gender balance in Group Management: outcome	40/60	30/70	11/89	9/91
Gender balance on the Board: target	31/69	26/74	22/78	17/83
Gender balance on the Board: outcome	43/57	50/50	29/71	17/83

Gender balance at Dustin



Gender balance at senior level



Employment	Total	Women	Men
Total	922 (865)	272 (250)	650 (615)
New employment	200 (219)	60 (67)	140 (152)
Employment terminated	192 (171)	48 (34)	144 (134)

Dustin's workforce, incl. acquisitions	Total	Women	Men
Dustin's workforce, incl. acquisitions	1,258 (1,144)	325 (273)	933 (871)
Full-time employees	1,214 (1,119)	300 (256)	914 (863)
Part-time employees	44 (25)	25 (17)	19 (8)

Our share and shareholders

Dustin's share has been listed since February 13, 2015 in the Mid Cap segment on Nasdaq Stockholm. At the end of the financial year, the price was SEK 90.10 (66.75) per share, representing a total market capitalisation of SEK 7.0 billion (5.1).

Share price performance and market value

At August 31, 2018, Dustin's share price was SEK 90.10 (66.75) per share, representing a total market capitalisation of SEK 6,958 million (5,085). The change in share price during the financial year represents an increase of 35.0 per cent compared with the year-earlier date. The OMX Sweden Mid Cap PI index increased 13.6 per cent during the same period.

Turnover

Total turnover during the financial year was just over 41.4 million shares (37.6) with a total value of just over SEK 3.3 billion (2.4). The average daily turnover amounted to about 164,000 shares (149,000), corresponding to a daily value of about SEK 13.0 million (9.7).

Incentive programmes

The incentive programme for senior executives introduced at an extraordinary general meeting in January 2015 entitles participants through the use of warrants to subscribe for new shares in the company during the first half of 2018. The programme was fully subscribed, and the number of shares increased 1,053,387 in total to 77,226,502 shares.

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 2017/18 financial year, the Board of Directors proposes a dividend of SEK 239 million per share (213), corresponding to 78 per cent of net profit for the year. The dividend represents SEK 3.10 per share (2.80), before taking the outcome of the resolved rights issue into account.

Share-related key ratios	2017/18	2016/17
Dividend per share (SEK)	3.10*	2.80
Dividend in relation to net profit (%)	78.5	89.2
Closing share price (SEK)	90.10	66.75
Closing market capitalisation (SEK million)	6,958	5,085
Dividend yield (%)	3.4	4.2
Earnings per share including discontinued operations after dilution (SEK)	3.97	3.13
Equity per share after dilution (SEK)	21.32	19.50
Cash flow from operating activities after dilution (SEK)	9.72	2.80
Number of shares outstanding	77,226,502	76,173,115
Number of shareholders	6,534	5,129

* To make comparison between the financial years possible, the Board of Directors' proposed dividend is stated before taking into account the outcome of the completed rights issue. After taking the outcome of the completed rights issue into account, the proposed dividend amounts to SEK 2.72 per share.

Ownership structure

At the end of the period the company had a total of 6,534 (5,129) shareholders, equivalent to an increase of 1,405. The table below shows the ten largest shareholders and their holdings at August 31, 2018.

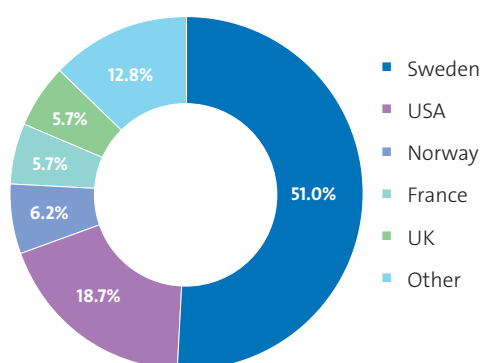
Analyst coverage

The following analysts cover Dustin:

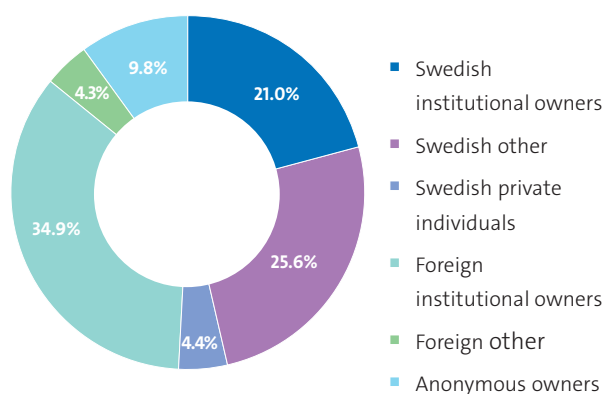
- ABG Sundal Collier – Daniel Thorsson
- Carnegie Investment Bank AB – Mikael Laséen
- Danske Bank – Carolina Elvind
- Handelsbanken Capital Markets – Magnus Råman
- Nordea Bank – Predrag Savinovic
- SEB – Victor Höglund

Shareholders	Shares	%
Axmedia AB (Axel Johnson AB)	19,043,280	24.7
Swedbank Robur Funds	8,530,501	11.0
Capital Group	4,221,011	5.5
Allianz SE	4,079,012	5.3
Franklin Templeton	3,914,017	5.1
ODIN Funds	3,257,119	4.2
Crux Asset Management Limited	2,198,110	2.8
Oddo BHF Asset Management	1,483,307	1.9
Nordea Funds	1,185,091	1.5
Danske Invest Funds	1,024,333	1.3
Total ten largest owners	48,935,781	63.4
Other	28,290,721	36.6
Total	77,226,502	100.0

Owner per geography



Owner per category



Source: Modular Finance AB



“Dustin Group AB is a leading Nordic IT reseller, with a wide range of hardware, software and related services and solutions.”

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Directors' Report

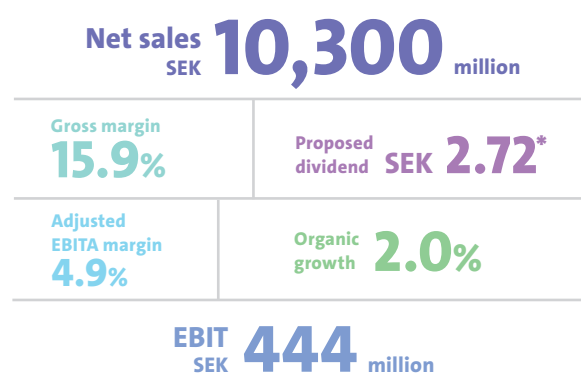
The Board of Directors and the CEO of Dustin Group AB (publ), Corporate Registration Number 556703-3062, hereby present the Annual and Corporate Responsibility Report that also includes the statutory Corporate Responsibility Report and Consolidated Financial Statements for the financial year September 1, 2017 to August 31, 2018.

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.

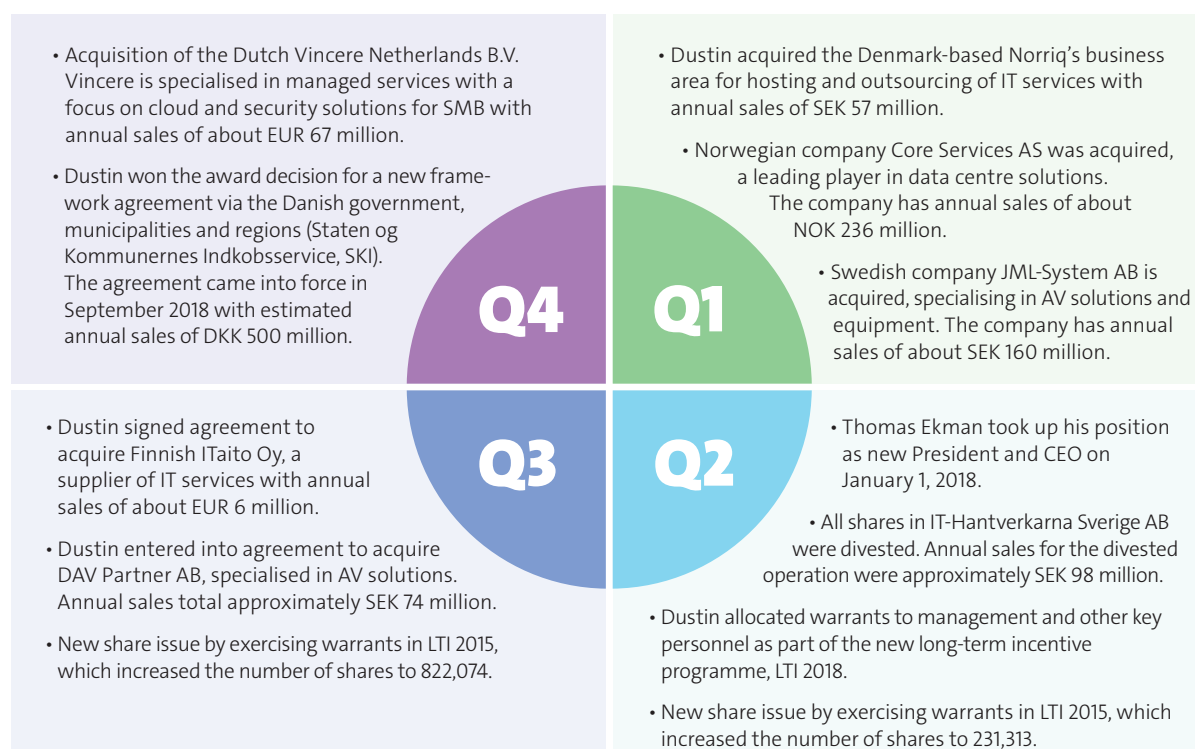
Dustin employs a multichannel model where the majority of sales take place online, supplemented by relationship-based and consultative selling over the telephone or through customer visits. Dustin conducts operations in Sweden, Denmark, Finland, Norway and the Netherlands through the business segments: 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, marketing, IT and HR. Sales to the SMB and LCP segments amount to approximately 94 per cent of total sales.



* After taking into account the outcome of the completed rights issue

Significant events during the year



Net sales and earnings

Condensed income statement

SEK million	17/18	16/17	Change %
Net sales	10,300.5	9,306.2	10.7
EBIT	443.8	349.5	27.0
Profit after net financial items	384.6	308.1	24.8
Net profit for the year	305.1	239.1	27.6

Net sales for the year increased 10.7 per cent to SEK 10,300 million (9,306). Organic growth amounted to 2.0 per cent (8.6), of which SMB accounted for 9.6 per cent (6.2), LCP for negative 3.8 per cent (pos: 11.8) and B2C for 7.9 per cent (neg: 2.7). Acquired growth was 7.3 percentage points (1.7) and exchange-rate differences had a positive impact of 1.4 percentage points (1.8).

During the year, the former reporting segment B2B was divided and is now reported in the segments for LCP (Large Corporate and Public Sector) and SMB (Small and Medium-sized Businesses). B2C (consumer market) continues to be reported separately.

SEK million	17/18	16/17	Change %
SMB	4,375.1	3,530.8	23.9
LCP	5,284.1	5,184.6	1.9
B2C	641.2	590.8	8.5
Total	10,300.5	9,306.2	

Gross profit rose SEK 257 million, corresponding to 18.7 per cent, to SEK 1,637 million (1,380) in relation to the preceding year. The gross margin rose to 15.9 per cent (14.8), mainly attributable to a more advantageous sales mix with a higher share of advanced products, services and solutions, primarily due to acquisitions. Operating profit amounted to SEK 444 million (349).

Operating profit includes items affecting comparability of SEK 1 million (neg: 7), which mainly comprised acquisition and divestment-related expenses of SEK 20 million and a positive effect from a change to acquisition-related liabilities of SEK 24 million. For more information, refer to Note 5 Items affecting comparability.

During the year, adjusted EBITA rose 17.5 per cent to SEK 501 million (426). The adjusted EBITA margin was 4.9 per cent (4.6). Adjusted EBITA excludes items affecting comparability of SEK 1 million (neg: 7), which are specified in Note 5 Items affecting comparability.

Financial items

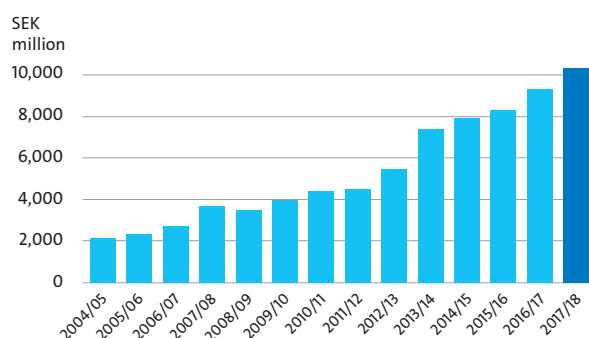
Financial expenses amounted to SEK 60 million (43), with the costs for the year primarily pertaining to borrowing costs of SEK 54 million (38) for external financing. Borrowing costs mainly comprise amortisation and impairment of borrowing expenses of SEK 21 million (8), of which SEK 14 million (-) pertains to impairment of borrowing expenses brought forward for raising loans in connection with the new bank agreement signed during the fourth quarter. Other financial expenses relate primarily to discounting of acquisition-related liabilities of SEK 4 million (0.9). Financial income amounted to SEK 1 million (1).

Tax and net profit for the year

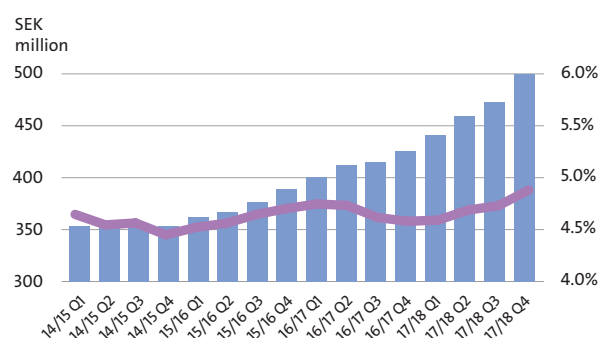
The tax expense for the year was SEK 79 million (69), corresponding to an effective tax rate of 20.7 per cent, compared with 22.4 per cent in the preceding year. The decline is mainly attributable to the remeasurement of deferred tax assets and deferred tax liabilities due to the decision of the Riksdag on June 13, 2018 to lower the corporate tax rate. The total effect of the changed tax rate during the year amounted to SEK 4 million.

Net profit for the year amounted to SEK 305 million (239). Earnings per share amounted to SEK 3.99 (3.14) before dilution and SEK 3.97 (3.13) after dilution.

Net sales



Adjusted EBITA & margin, LTM



Net sales and SMB segment earnings

SEK million	17/18	16/17	Change %
Net sales	4,375.1	3,530.8	23.9
Segment results	508.2	377.5	34.6
Segment margin, (%)	11.6	10.7	-

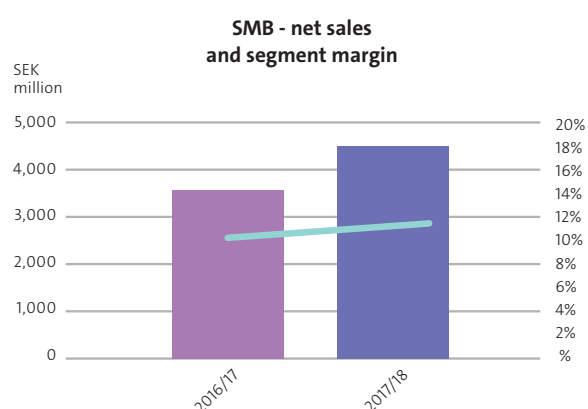
Net sales

Net sales rose 23.9 per cent in total during the year to SEK 4,375 million (3,531), with 13.3 percentage points of the increase compared with the year earlier attributable to acquisitions and divestments and 1.0 percentage point to exchange-rate differences. Organic growth amounted to 9.6 per cent (6.2) and was mainly attributable to strong sales in the mobile phone, computer and infrastructure product categories, predominantly in Sweden and Denmark. The acquisition of the Danish business area for hosting was consolidated into the SMB segment on October 1, 2018, JML-System on November 1, ITaito and DAV Partner on June 1 and July 2, 2018, respectively, and Vincere on July 4, 2018.

Segment results

Profit for the segment rose 34.6 per cent, corresponding to SEK 131 million, to SEK 508 million (375). The improved earnings were the result of higher sales and a better product mix, largely due to acquisitions and increased sales of own-branded goods.

The segment margin strengthened to 11.6 per cent (10.7). Investments in advanced products and services continued and, for example, the customer base for SaaS configurations via the cloud platform increased to 1,227 active customers (980), corresponding to 53,988 users (30,150) at the end of the financial year.



Net sales and LCP segment earnings

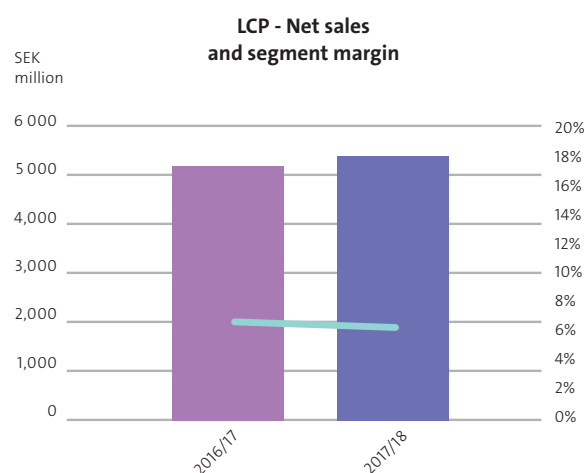
SEK million	17/18	16/17	Change %
Net sales	5,284.1	5,184.6	1.9
Segment results	330.5	355.4	-7.0
Segment margin, (%)	6.3	6.9	-

Net sales

Net sales increased 1.9 per cent during the year to SEK 5,284 million (5,185), positively impacted by acquisitions corresponding to 4.0 percentage points and exchange-rate differences to 1.7 percentage points. Organic growth was a negative 3.8 per cent (pos: 11.8) and attributable in its entirety to the weak performance of the Public Sector customer group. The decline was partially due to a strong trend in the preceding year and Dustin's decision to refrain from some large-scale procurements with low margins under certain framework agreements. The Large Corporate customer group, with a sales share of 36 per cent at the end of the year, performed strongly in all markets and reported total growth of slightly more than 30 per cent in the financial year. Core Services was consolidated in LCP on November 1, 2017.

Segment results

Profit for the segment was SEK 330 million (355), which was a decline compared with the year-earlier period. The segment margin declined slightly to 6.3 per cent (6.9). The decrease was mainly attributable to a higher share of recently signed contracts with a lower average margin and a higher share of computers with low margins.



Net sales and B2C segment earnings

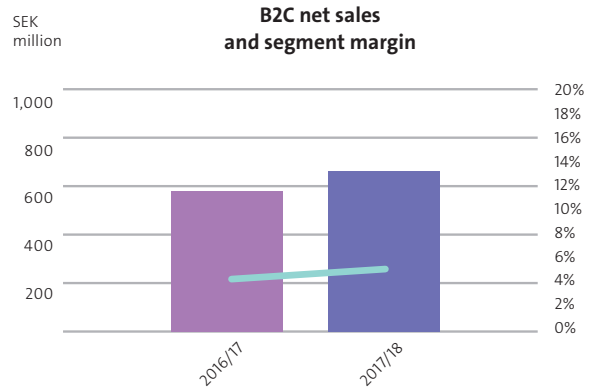
SEK million	17/18	16/17	Change %
Net sales	641.2	590.8	8.5
Segment results	31.5	24.6	28.3
Segment margin, (%)	4.9	4.2	-

Net sales

During the year, net sales rose 8.5 per cent to SEK 641 million (591). Organic growth was 7.9 per cent (neg: 2.7). The financial year was positively impacted by healthy sales growth in the product categories of consumer electronics, mobile phones and infrastructure.

Segment results

The segment result increased 28.3 per cent to SEK 32 million (25), while the segment margin grew to 4.9 per cent (4.2).



Central functions

SEK million	17/18	16/17	Change %
Cost for central functions	-369.5	-331.3	11.5
Costs in relation to net sales, (%)	-3.6	-3.6	-

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 3.6 per cent (3.6) of sales. Costs for central functions amounted to SEK 369 million (331), with the increase attributable in absolute terms to continued investments in the product and service offering and the integration of acquired businesses.

Financial position

Condensed consolidated balance sheet

SEK million	Aug 31, 2018	Aug 31, 2017
Non-current assets	4,034.1	2,614.7
Current assets	2,143.0	1,554.1
Total assets	6,177.1	4,168.8
Equity	1,646.6	1,485.1
Non-current liabilities	2,381.1	1,286.6
Current liabilities	2,149.5	1,397.1
Total equity and liabilities	6,177.1	4,168.8

Net working capital

Net working capital amounted to a negative SEK 192 million (pos: 118) at year-end. The low level of working capital at the end of the year was attributable to higher accounts payable due to the temporary extension of credit terms. The effect of the temporary extension of credit terms was slightly higher than in prior periods, mainly due to the higher share of purchases with extended credit terms at the end of the year. The higher level of inventories and accounts receivable compared with the preceding year was mainly due to an increase in the scope of the operations.

Net working capital

SEK million	Aug 31, 2018	Aug 31, 2017
Inventories	395.8	261.9
Accounts receivable	1,272.6	1,047.1
Tax assets, other current receivables, as well as pre-paid expenses and accrued income	191.8	173.7
Accounts payable	-1,568.5	-956.3
Tax liabilities, other current liabilities, accrued expenses and deferred income	-483.6	-408.2
Net working capital	-192.0	118.1

Net debt and cash and cash equivalents

At the end of the year, net debt amounted to SEK 1,731 million (998). In total, cash and cash equivalents amounted to SEK 278 million (71), up SEK 206 million. At the end of the financial year, there was also an unutilised overdraft facility of SEK 270 million (270).

The Dutch subsidiary acquired also had a credit facility of a maximum of EUR 5 million, of which EUR 1 million had been utilised at the end of the financial year.

Net debt in relation to adjusted EBITDA was 3.3 (2.3) at the end of the financial year.

Net debt and cash and cash equivalents

SEK million	Aug 31, 2018	Aug 31, 2017
Liabilities to credit institutions	1,984.8	1,068.6
Current liabilities to credit institutions	12.6	-
Financial leasing liabilities	10.9	1.2
Cash and cash equivalents	-277.6	-71.5
Net debt	1,730.6	998.3

Investments in tangible and intangible assets

Investments made during the year mainly refer to capitalised costs for the integrated IT platform totalling SEK 56 million (27) and other investments in computer equipment.

SEK million	17/18	16/17
Capitalised expenditure for IT development (integrated IT platform and other long-term strategic IT systems)	22.9	16.9
Other investments in tangible and intangible assets	29.2	10.3
Investments in tangible assets through financial leasing	4.0	-
Total	56.1	27.3

Acquisitions of businesses during the year

During the year, Dustin conducted six acquisitions. In September, the Denmark-based Norriq's business area for hosting and outsourcing IT services was acquired on the basis of an asset transfer. In October, Dustin acquired all of the shares outstanding in the Norwegian company Core Services AS, which is one of the leading players in the new generation of data centre solutions, known as software defined data centres. In November, Dustin acquired all of the shares in the Swedish company JML-System AB, which offers installation and service of AV equipment for meeting rooms and conferences.

In June, ITaito Oy, a Finnish supplier of IT services, focusing on small and medium-sized businesses, was acquired. In July, DAV Partner AB, a company specialised in audio/video solutions, with focus on the public sector, was acquired. In the fourth quarter, Vincere Netherlands B.V., was also acquired, a Dutch company focusing on cloud solutions, safety and IT solutions with associated hardware and consultancy services.

Cash flow

Cash flow, condensed

SEK million	17/18	16/17
Cash flow from operating activities	747.9	213.6
Cash flow from investing activities	-1,127.4	-201.0
Cash flow from financing activities	610.8	-186.1
Cash flow for the year	231.3	-173.6

Cash flow for the year was SEK 231 million (neg: 174). Cash flow from operating activities amounted to SEK 748 million (neg: 214), of which SEK 386 million (neg: 110) was attributable to changes in working capital. The positive change from working capital for the period was largely related to an increase in current liabilities of SEK 451 million (62), with the change primarily attributable to accounts payable.

Cash flow from investing activities amounted to a negative SEK 1,127 million (neg: 201), primarily due to acquisitions of operations including a paid earn-out. Acquisitions during the year are: Danish company Norriq AS's business area for hosting and outsourcing IT services SEK 141 million, Norwegian company Core Services AS SEK 104 million, Swedish company JML-System AB SEK 107 million, Finnish company ITaito Oy SEK 38 million, Swedish company DAV Partner AB SEK 10 million and Dutch company Vincere Netherlands B.V. SEK 655 million. Earn-outs paid pertain to Core Services AS SEK 31 million, Purity IT AS SEK 14 million and merged companies IKT Gruppen SEK 7 million and Commsec SEK 1 million.

Cash flow from financing activities totalled SEK 611 million (neg: 186) and mainly pertained to a new loans raised of SEK 2,165 million and a repayment on previous loans amounting to negative SEK 1,384 million. During the year, dividends were paid to shareholders, which had an impact of SEK 213 million (183) on cash flow.

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 143 present how Dustin defines its performance measures and the purpose of each performance measure. The data presented on page 142 is supplementary information from which all performance measures can be derived.

Market overview and outlook

In 2017/18, Dustin reported organic growth of 2.0 per cent (8.6), with SMB accounting to 9.6 per cent (6.2), LCP a negative 3.8 per cent (pos: 11.8) and B2C 7.9 per cent (neg: 2.7). Growth for SMB is in line with the financial targets while growth for LCP made a negative contribution.

During the year, Dustin continued to increase the share of advanced products and services, largely through acquisitions, which is one step in further strengthening the company's position in the addressable market. At the start of July 2018, Dustin acquired Dutch company Vincere Netherlands B.V., a leading player specialised in managed services with focus on cloud and security solutions. As a result of the acquisition, the addressable market increased from SEK 162 billion to SEK 262 billion in a market that is very similar to the Nordic in terms of structure and customer needs.

Dustin is benefitting from an increased share of online spending, and trends in mobility and cloud solutions have accelerated. Dustin's business model, with a shared and efficient IT platform, is expected to create scalability in future development. Furthermore, Dustin's strong financial position is expected to provide opportunities to further strengthen its position in the Nordic and Dutch IT market and to expand its range of more advanced products and services, both organically and through additional acquisitions.

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.

The share

The Parent Company's share has been listed since February 13, 2015 in the Mid Cap segment on Nasdaq Stockholm. At August 31, 2018, the price was SEK 90.10 per share (66.75), representing a total market capitalisation of SEK 6,958 million (5,085). At August 31, 2018 the company had a total of 6,534 shareholders (5,129). The company's three largest shareholders were Axel Johnson AB with 24.7 per cent, Swedbank Robur Fonder with 11.0 per cent and Capital Group with 5.5 per cent. Dustin's shareholder register with the largest shareholders is presented on the company's website.

During the 2017/18 financial year, LTI 2015 was exercised and the number of shares thus increased from 76,173,115 to 77,226,502. As a result, the share capital increased by SEK 5 million and the share premium reserve by SEK 50 million.

Multi-year overview

All amounts in SEK million, unless otherwise indicated

	17/18	16/17	15/16	14/15
Net sales	10,300.5	9,306.2	8,300.8	7,933.5
Organic sales growth (%)	2.0	8.6	4.4	5.7
Gross margin (%)	15.9	14.8	15.0	14.1
Adjusted EBITA	500.6	426.1	389.6	353.5
Adjusted EBITA margin (%)	4.9	4.6	4.7	4.5
EBIT	443.8	349.5	323.5	218.0
Net profit for the year	305.1	239.1	224.9	125.0
Earnings per share before dilution (SEK)	3.99	3.14	2.95	1.75
Cash flow from operating activities	747.9	213.6	447.2	58.6
Net debt/adjusted EBITDA (multiple)	3.3	2.3	2.1	2.6
Return on equity (%)	18.5	16.1	15.8	9.4

Employees

The average number of full-time employees was 1,152, compared with 977 in the year-earlier period. The increase was primarily attributable to acquisitions.

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.

The Board of Directors' proposal for guidelines for remuneration of the CEO and other senior executives, to be applied for the period from the next Annual General Meeting, is largely unchanged compared with last year. For more information regarding the guidelines, refer to 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 11, 2018, will make a decision about the guidelines for remuneration of senior executives. The Board proposes guidelines whose content is essentially unchanged compared with the preceding year, but with the term salary replaced by the term fee, as the Remuneration Committee has noted that senior executives at the recently acquired company Vincere Netherlands B.V. remuneration as consultant fees. Proposals ahead of the Annual General Meeting are available at www.dustingroup.com.

Corporate Responsibility Report

In addition to reporting its earnings trend, Dustin also reports on its corporate responsibility performance. In compliance with the Chapter 6, Section 11 of the Annual Accounts Act, Dustin has chosen to prepare the statutory Corporate Responsibility Report as a report separate from the Annual Report. The Corporate Responsibility Report was submitted to the auditor at the same time as the Annual Report. The Corporate Responsibility Report can be found on pages 16-21, 30-45, 58-72 and 134-136 in this printed document. This Corporate Responsibility Report covers Dustin Group AB.

Significant events after the balance-sheet date

Changes to Dustin's Group Management

Dustin announced changes to its organisation to create greater clarity within the segments and further increase the scalability of its support functions. The

organisation is also to be adapted to the expansion in the Netherlands. As a result, changes are being made to Dustin's Group Management whereby new roles will be added while other functions will be removed. The changes were implemented as of October 1, 2018.

Rights issue

Dustin Group AB held an extraordinary general meeting on October 10, 2018, when a decision was made to approve the rights issue previously adopted by the Board of Directors. The terms and conditions of the rights issue mean that every seven (7) subscription rights entitles the holder to subscribe to one (1) new share at a price of SEK 63 per new share. Following the rights issue, the number of shares amounts to 88,258,859 and the total equity increased to SEK 695,038,518, of which SEK 55,161,788 pertains to share capital. The rights issue will provide the company with greater flexibility and the ability to continue to broaden its customer offering through the acquisition of companies with a high level of advanced products, services and recurring revenues.

Parent Company

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

Net sales for the year amounted to SEK 0.4 million (0.4) and profit for the year totalled SEK 366 million (138). The change is mainly the result of the receipt of a dividend of SEK 300 million (10) from Group companies during the year and the fact that the net currency position amounted to a negative SEK 133 million (pos: 2). The net currency position is 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 146.

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 potential and future prospects must be taken into account.

The Board of Directors proposes a dividend of a total payout of SEK 239 million (213), corresponding to SEK 2.72 per share (2.80) after taking into account the outcome of the completed rights issue.



Proposed appropriation of earnings

The Board of Directors proposes the distribution of SEK 239 million as an ordinary dividend, before taking into account the outcome of the ongoing rights issue. The proposal states that this amount be appropriated as follows:

In its proposed appropriation of earnings, the Board has taken into consideration the company's operations, financial position, cash flow as well as financial targets and prospects. The Board of Directors' complete statement regarding the proposed dividend is available on the company's website, www.dustingroup.com.

Appropriation of earnings

SEK

Dividends	239,402,156
To be carried forward	242,681,958
Total	482,084,114

Risks and Risk Management

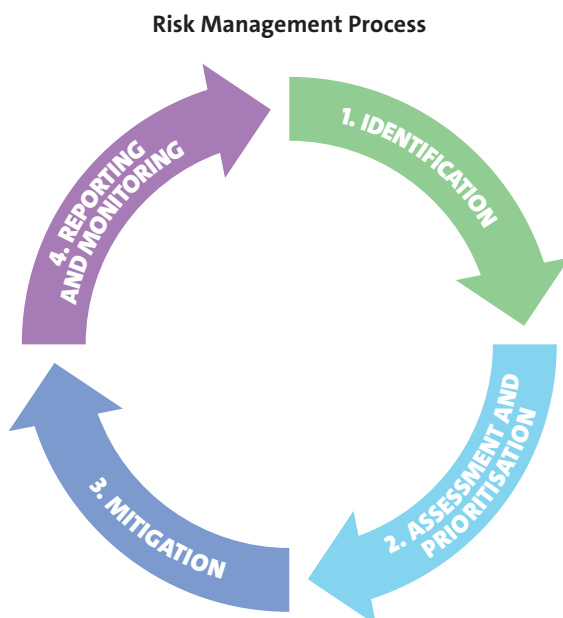
Risks are a natural part of all business operations and risk-taking is a prerequisite for financial growth. The Board of Directors bears ultimate responsibility for Dustin's risk management, but activities intended to manage risk exposure are distributed across every level of the Group. Dustin's risk management aims to maintain good control of the Group's collective risk exposure and to ensure efficient management of the risks. Efficient risk management is a fundamental part of Dustin's ability to manage and develop its business operations.

Dustin's Group-wide risk management process is integrated into the operations and is based on cooperation between Dustin's Risk Committee, Executive Management Teams and other individuals who work on different parts of the risk management process. The process consists of four main activities: (i) Identification, (ii) Assessment and Prioritisation, (iii) Mitigation and (iv) Reporting and Monitoring.

Risk is defined as a future uncertain event that could have an adverse impact on Dustin's ability to achieve the company's strategic, financial and operational targets and comply with laws and regulations.

been coordinated, supplemented and analysed by the Risk Committee, which has decided which risks and measures are to be followed up at Group level. All risks are classified into one of the following three categories: strategic risks, operational risks and external risks. This allocation provides support in choosing suitable methods to identify current, new and emerging risks, the link between them and how to manage them.

- The strategic risks are normally identified in conjunction with risk discussions connected to a strategic initiative and are managed by measures that restrict the impact and probability of the risk occurring.
- Operational risks arise in the business and are identified mainly through process reviews. Management of operational risks focuses on limiting the probability of the risk occurring, for example, through internal controls or process rationalisation.
- The external risks comprise risks that are outside the direct control of the Group, for example, changes in regulations or altered market conditions.



Identification

In the 2017/18 financial year, risk meetings were held with all Executive Management Teams in the Group with the aim of identifying the most significant risks for each area. The results of these meetings have since

Assessment and Prioritisation

The extent of the identified risks is evaluated using a risk tool that takes into account both the potential impact of the risk on the operations and the likelihood of the risk occurring over a defined period of time. This provides support when deciding upon the significance and prioritisation of the risk and what response it should be given.

Mitigation

The choice of response and mitigation is determined by using a risk assessment and existing controls. This could include, for example, monitoring methods, implementing extra controls to reduce the risk, or amending procedures and processes. An important



part of Dustin's risk management is the appointment of a risk owner for all prioritised risks. The risk owner is responsible for pursuing measures to manage each risk within a reasonable timeframe and with a high level of quality.

Reporting and Monitoring

Each risk owner monitors the current risk and reports their findings back to the Risk Committee. The Risk Committee compiles, coordinates and develops the Group's risk management, after which reports are submitted to Group Management and the Board of Directors.

The Group's largest risks and the measures for managing them are reported at least twice per year to the Audit Committee.

Below is a summary of the largest risks and how these are managed.

Strategic risks	Description	Mitigation
Risks related to the acquisition and integration of operations	An important part of Dustin's strategy is to support growth through the acquisition of operations. Strategic 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 Dustin may not find suitable acquisition targets.	<p>Dustin continuously assesses a number of companies to identify operations that could strengthen the Group's offering. The operations are appraised according to financial and commercial aspects. Before a decision is taken, a review of the entire business or company is conducted using a structured process to assess any risks. This work is coordinated by a dedicated resource and carried out by an M&A project group, supported by internal and external specialist expertise, such as legal and financial advisors.</p> <p>During the year, a more structured and powerful integration programme was introduced, to better integrate acquired assets into existing operations. The purpose of this was to secure the acquired company's relationships with customers, suppliers and key personnel, to monitor integration costs and to ensure expected synergies.</p>
Reputational risk	A good reputation is highly significant to Dustin's success since one of Dustin's success factors is a strong brand. If Dustin or any of the Group's suppliers, distributors, other partners or employees acts in a way that goes against the values Dustin represents, this could have a negative impact on Dustin's reputation.	<p>Dustin undertakes preventive work with a responsible entrepreneurial attitude by providing continuous information and training concerning its values, business principles, policies and guidelines.</p> <p>Read more about Dustin's values on pages 34-35.</p>

Risks related to the customer offering

Dustin operates in a dynamic market, and this could have an impact on its 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).

An inability to create attractive and profitable customer offerings could have a negative impact on Dustin's earnings and market position.

To adapt Dustin's strategy to this changeable market, Dustin's management closely monitors any changes in the market, customer expectations and technological developments.

Dustin works intensively to develop new and attractive offerings for its customers. To meet the heightened demand for more advanced products and services, Dustin has created a special function that focuses on developing and enhancing the Group's product range and service offerings, chiefly within managed IT services. This work is carried out in close collaboration with our suppliers and other business partners. During the year Dustin also added new expertise to the Group and strengthened our offering by acquiring companies in Sweden, Norway, Denmark, Finland and the Netherlands. During the year, we worked developing our business system to improve the management of our service offering to customers.

Our vision is to be the customer's first choice for efficient and sustainable IT. During the year, we conducted four campaign weeks focusing on eco-labelled IT products to further emphasise and highlight our commitment and offering in this area. We believe we can convince a larger share of our customers to opt for greener alternatives in their IT environment.

Operational risks	Description	Mitigation
IT-related risks	The Group's operations are highly dependent on an efficiently performing IT platform. Increasing digitisation has raised the threat from cyber attacks, and these attacks pose a constant and increasing risk for Dustin. Inadequate protection and incident management could lead to considerable disruptions to the company's IT platform.	Dustin works continuously to restrict the number of disruptions in the system and their consequences. Furthermore, regular follow-ups of customers' views of the availability and response of the IT platform are conducted to ensure a high level of customer satisfaction. Regular assessments are carried out to identify improvement measures and the source of potential errors.
	The inability to ensure a modern, secure and operationally adapted IT infrastructure and IT platform could also have a considerable adverse effect on the Group's operations and earnings.	To protect Dustin from cyber attacks, the Group's security system and software are updated continuously. The company conducts regular penetration tests and ensures strong incident and escalation procedures.
Employee risks	Dustin has enjoyed strong growth over the past few years, which in turns places great demands on its employees and necessitates continuous skills development.	Dustin works continuously on skills development with the aim of developing operations and achieving set goals. The company has a talent development process that aims to identify the employees' performance and potential, help managers focus on the future development of their staff and enable managers to obtain qualitative input about their staff.
	The company's ability to retain competent and committed employees is crucial to driving development in accordance with the strategic plan and to achieving set goals. If the Group does not have access to the right skills at the right time, the Group's operations and earnings could be negatively impacted.	To identify focus areas expected to increase employee satisfaction, the company regularly carries out employee surveys.

Risks related to customer satisfaction

A large proportion of Dustin's sales are made online, leading to a greater distance from the customer compared to relationship selling.

The inability to retain and attract new customers could have a significantly adverse impact on the Group's operations and earnings.

Dustin works continuously to follow up and improve its customers' experience by using the Net Promoter Score (NPS), which is used to measure customer satisfaction and customer loyalty among online customers. These factors are evaluated and updated continuously in order to pinpoint new factors that have an impact on the overall experience. Wherever the results of the surveys fail to achieve the expected level, measures are taken to increase customer satisfaction and customer loyalty.

During the year, we introduced text message notifications to customers whose orders were not dispatched as promised, phased out a number of distributors that failed to provide the agreed level of quality and improved the availability of products in stock through "on demand planning." We have also worked continuously with our logistics partners to improve the quality of both deliveries and the customer experience.

The risk of improper benefits in connection with purchases

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

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 was trained in what is considered a bribe and how they can work with activities within the framework of our business ethics guidelines. We also initiated discussions with strategically important suppliers with regard to our demands and expectations for ethically correct behaviour.

During the year, new employees at Dustin Group were given induction training in our Code of Conduct. Dilemma discussions were also held at recently acquired companies.

**Risks related to
information
security and
customer privacy**

Large quantities of data are handled in the interaction with our customers. With increased expectations and stricter legislation, we can see that the management of risks linked to customer privacy is becoming increasingly important.

During the year, the EU General Data Protection Regulation (GDPR) came into force. The new requirements have a substantial impact on our business as the amount of personal data being handled is increasing exponentially, cloud-based services and cross-border data transfers are becoming increasingly widespread, the threat scenario is constantly changing and customer trust is a crucial factor in our business.

The inability to comply with GDPR could have a significantly adverse impact on the Group's operations and earnings and could result in non-material damage, such as goodwill or other damage to trust.

Our work is governed by Dustin's guidelines for handling of personal data, which specifies principles for collecting, processing and storing personal data as well as consumer rights.

During the year, we implemented the requirements of GDPR by establishing a programme for data protection which is headed by a steering group and a cross-functional management organisation with responsibility for risk management, making strategic decisions and to ensure our processing complies with laws and internal requirements by taking such measures as necessary to protect customer privacy. We have also designated an external data protection officer who has assisted Dustin with advice during implementation and has been tasked with monitoring Dustin's compliance with GDPR over the coming years.

Moving forward, Dustin will mainly focus on risk management through controls and follow-up of the implementation and by continuously adjusting personal data processing in operations as responsible authorities provide clarifying guidelines. For example, we will prepare a supervision plan with regular reporting from our data protection officer, establish internal controls and conduct activities to increase awareness and strengthen governance linked to privacy and information security.

**Risks related to
non-conformance
with Dustin's Code
of Conduct for own-
brand products**

In 2016/17, Dustin launched products under its own brand. In 2017/18, activities took place to double sales of own-brands that included broadening the range of products.

A rapid expansion of the range of products resulted in a higher internal workload and risk that we cannot fully guarantee that working conditions at the factories where these products are manufactured meet with the requirements of Dustin's Supplier Code of Conduct.

To ensure that we, despite the increase in the number of own-brand products, still comply with our Code of Conduct, we increased the our internal expertise in leading factory inspections in China. During the year, Dustin also changed to a digital system for managing non-conformance, which provides better overview, efficiency and control of the follow-up activities.

During the financial year, we performed a total of 19 inspections. We were not made aware of any "zero-tolerance" non-conformances. Two of the 19 factory inspections conducted during the financial year led us to commence the termination of our collaboration with these factories. This was because of the number of cases of non-conformance and the attitude of factory management towards the work and measures required to correct and rectify these. Dustin is supporting the factories in this rectification at the same time as the process to replace the suppliers is in progress.

External risks	Description	Mitigation
Market risks	Dustin's operations are impacted by the general economic climate, structural changes, as well as procurement and distribution costs.	By continuously monitoring market trends, Dustin strives to adapt its prices, range, quality and service to match customers' demands.

Financial risks

Dustin's operations are linked to various financial risks, such as foreign exchange risk, credit risk, liquidity risk and interest rate risk. The financial risks are managed in accordance with the established 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. The management of the company's main financial risks is described below.

Financial risks	Description	Mitigation
Foreign exchange risk	<p>Foreign exchange risk is divided into transaction exposure and translation exposure.</p> <p>Transaction exposure refers to risks associated with purchases and sales in foreign currencies. Translation exposure refers to the exposure of the net assets of the foreign subsidiaries in Denmark, Finland, Norway and the Netherlands.</p>	<p>In accordance with the adopted financial policy, transactions with a net exposure exceeding SEK 50 million must be hedged. The CFO has the right to hedge transactions with suppliers based on assessed risk under the financial policy. However, transaction exposure is limited since the Group primarily operates in the Nordic and Dutch markets, where purchases and sales are chiefly conducted in the local currency. Outstanding currency hedging on the balance-sheet date is presented in Note 16 Derivate instruments and hedge accounting.</p> <p>The financial policy states that currency hedging must be conducted in foreign subsidiaries and be offset by raising external bank loans corresponding to the currency and level of the net investment. The Group 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 (Danish kroner, Norwegian kroner and euro) are specified in the supplementary disclosures. The current hedge level is on par with the lowest level stipulated above.</p>

Credit and counterparty risk

Credit and counterparty risk refers to the risk that the counterparty to a transaction may fail to meet its obligations, thereby resulting in a loss for the Group.

The Group has established procedures to ensure that sales are only made with customers with a good payment history. The Group's credit instruction includes credit limits, depending on the size and risk category of the company. The creditworthiness of 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.

Counterparty risk is specified in the Group's financial policy and manages risk levels for the counterparty, maturities and amounts. Counterparties mainly refer to Scandinavian banks, authorities and municipalities. During the financial year, counterparty risks were very limited and the financial policy was complied with.

Liquidity risk

The Group's liquidity risk pertains to the risk of not being able to reach agreements on external credit facilities and external bank loans.

This also includes the ability to finance short-term payment obligations.

The financial management policy includes short and long-term cash flow planning. The current financing for the Group is based on external bank loans, which are subject to covenants that are reported to the banks. All conditions were fulfilled during the year. External borrowing was negotiated and renewed during the financial year. The increased facility is primarily part of guaranteeing financing for acquisitions. The short and long-term borrowing is specified in the supplementary disclosures under Note 22 Borrowing.

Interest rate risk

The Group's interest rate risk pertains to the risk that material changes in market interest rates will affect the variable interest rate of external bank loans.

In accordance with the financial policy, interest-rate risk must be minimised by structuring the maturities of financial instruments to hedge the variable interest rate against the fixed interest rate. Maturities for financial instruments must not mean that more than 50 per cent of the total interest period falls due within 12 months and that the maturities must be between two and four years. Permitted hedging instruments for interest rates are fixed income futures. At the end of the financial year, the Group had partly hedged the variable interest rates using fixed-income futures. The Group applies hedge accounting, which is described in the accounting policies. The Group's external loans in each currency is specified in the supplementary disclosures.

If market interest rates increase one percentage point, profit before tax would be reduced by about SEK 5.3 million based on the balance-sheet date's loan structure, fixed-income futures and the distribution of currencies.



Corporate Governance Report

Good corporate governance is about ensuring that Dustin is managed in a sustainable, responsible and efficient manner. Governance supports the company's long-term strategies and objectives and forms the foundation for continued profitable and sustainable growth. The overall aim is to increase the value for shareholders, while at the same time maintaining confidence among shareholders and other key stakeholders.

Dustin Group AB ("Dustin") is a Swedish public limited liability company that was listed on Nasdaq Stockholm in February 2015. The Corporate Governance Report is submitted 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 Audit Report.

Deviation

According to Rule 2:4 of the Code, a Board member must not be the Chairman of the Nomination Committee.

Explanation

The deviation, i.e. that Board member Caroline Berg also is Chairman of the Nomination Committee, is natural in view of the ownership structure.

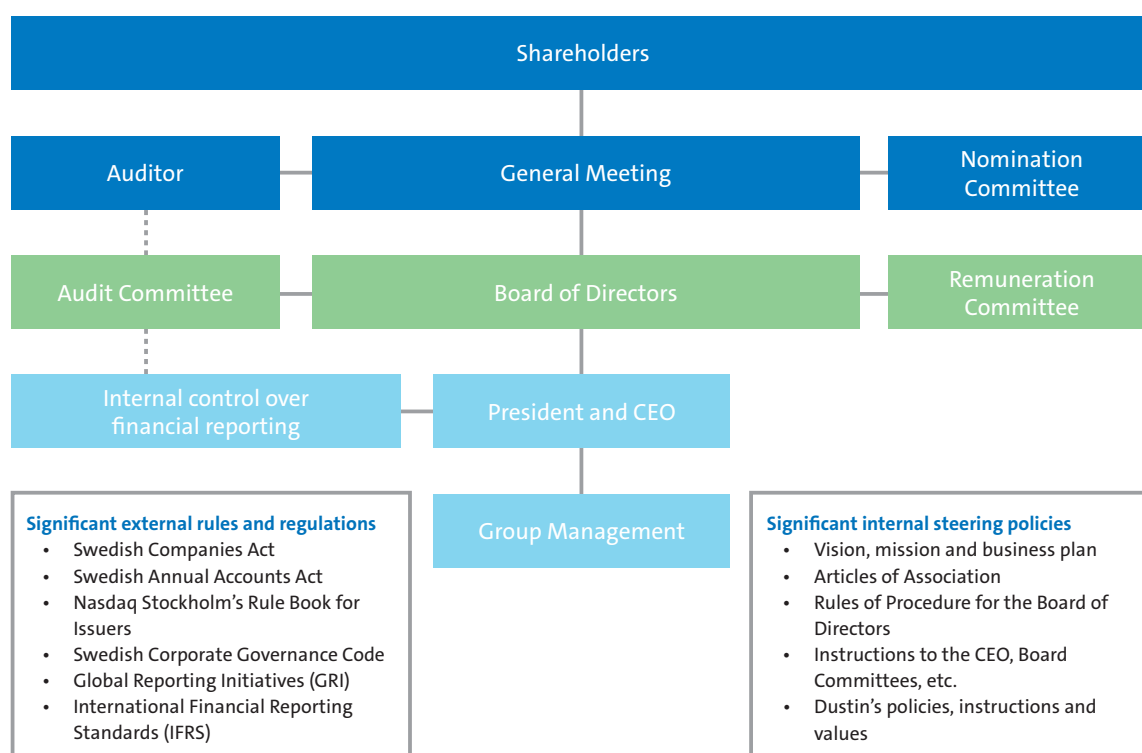
Swedish Corporate Governance Code

Dustin applies the Swedish Corporate Governance Code (the "Code"). In the 2017/18 financial year, Dustin deviated from the Code on one item:

Applicable regulations for stock trading

Dustin has not violated either Nasdaq Stockholm's Rule Book for Issuers or good stock market practice.

Model for Corporate Governance



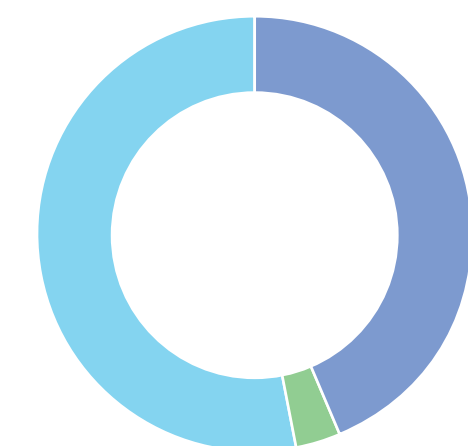
Shareholders and General Meeting

The General Meeting is Dustin's highest decision-making body, with all shareholders entitled to attend, raise issues for discussion and exercise voting rights. The Annual General Meeting appoints the company's Board of Directors and external auditors and adopts the Annual Report. The Annual General Meeting also resolves on the principles for the appointment of the Nomination Committee and the remuneration of Board members, approves policies for remuneration to senior executives and makes decisions regarding dividends and any discharge from liability.

Shareholders

Dustin's share was listed on Nasdaq Stockholm in 2015. All shares carry equal voting rights and equal entitlement to the company's profits and equity. The number of shareholders was 6,534 (5,129) at the end of the financial year. The company's largest shareholders, representing at least 10 per cent of the share capital each, were Axmedia AB (Axel Johnson AB) with 24.7 per cent and Swedbank Robur Fonder with 11.0 per cent as of August 31, 2018.

Ownership in percentage terms (voting rights and capital)



- Swedish legal entities: 43.8%
- Swedish natural persons: 3.4%
- Foreign shareholders: 52.8%

Source: Euroclear.

2016/17 Annual General Meeting

Dustin's Annual General Meeting for the 2016/17 financial year was held on December 13, 2017. 121 shareholders were represented at the meeting, corresponding to 58.51 per cent of the share capital and voting rights. Six of seven Board members and the Group's Auditor in Charge were present at the meeting.

The following major decisions were taken at the Annual General Meeting:

- Re-election of Mia Brunell Livfors, Caroline Berg, Johan Fant, Tomas Franzén, Gunnel Duveblad and Mattias Miksche as Board members and the election of Morten Strand as new Board member. Mia Brunell Livfors was elected as new Chairman of the Board. Former Chairman of the Board Fredrik Cappelen and former Board member Maija Strandberg left the Board.
- Re-election of the audit firm Ernst & Young AB as auditor, with Jennifer Rock-Baley as the Auditor in Charge.
- Adoption of 2016/17 Annual Report and resolution to distribute SEK 2.80 per share in dividends. The record date for the dividend was set for December 17, 2017. The dividend was paid out to shareholders on December 20, 2017.
- Granting of discharge from liability for the Board members and CEO.
- Approval of fees to Board members and the auditor.
- Approval of instructions for the Nomination Committee and guidelines for remuneration to senior executives.
- Resolution on Dustin's share-related long-term incentive programme for 2018, involving up to 1,017,956 warrants and about 30 people.

The minutes of the Annual General Meeting can be found on www.dustingroup.com.

2017/18 Annual General Meeting

Dustin's Annual General Meeting for the 2017/18 financial year will be held in Stockholm on December 11, 2018. For more information about the next Annual General Meeting, see page 133 and Dustin's website, www.dustingroup.com.

Nomination Committee

The Nomination Committee is tasked with submitting, prior to the Annual General Meeting, proposals for the Chairman of the Annual General Meeting, Board members, as well as the Chairman of the Board, remuneration for Board work and Committee work, the election and remuneration of auditors and proposals for the Nomination Committee for the next Annual General Meeting. The Nomination Committee also evaluates the Board's work and assesses its competence.

The Annual General Meeting resolved that, ahead of the 2017/18 Annual General Meeting and in accordance with the Nomination Committee's proposal, the Nomination Committee is to comprise representatives of the four

largest shareholders in the company in accordance with the shareholders' register maintained by Euroclear Sweden at March 31, 2018 as well as the Chairman of the Board. Ahead of the 2017/18 Annual General Meeting, the Nomination Committee comprises only three members and the Chairman of the Board, in view of the restrictions in the instruction adopted by the 2016/17 Annual General Meeting that no more than eight of the largest shareholders need to be asked unless this would result in the Nomination Committee consisting of less than its minimum of three members appointed by shareholders. The Committee's mandate period extends until such time as a new Committee has been appointed.

Ahead of the 2017/18 Annual General Meeting, Dustin's Nomination Committee comprises the following members:





- Caroline Berg, Axel Johnson/Axmedia, Chairman of the Nomination Committee
- Lennart Francke, Swedbank Robur Fonder
- Jan Särilvik, Nordea Funds
- Mia Brunell Livfors, Chairman of Dustin's Board of Directors (adjunct in 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 explained above.

The Nomination Committee has held three meetings to date during the financial year. In addition, discussions and interviews have been held between the meetings. The Chairman of the Board has informed the Nomination Committee of the work of the Board and the Committees and presented the Board's evaluation of its work. Together with the company-specific requirements, this evaluation has formed the basis of the Nomination Committee's work. A report of the Nomination Committee's work will be submitted at the Annual General Meeting. No special remuneration was paid to the members of the Nomination Committee, though 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 www.dustingroup.com.

Board of Directors during the 2017/18 financial year

Board members	Elected	Attendance at meetings			Director fees (SEK)*	Dependent**
		Board of Directors	Audit Committee	Remuneration Committee		
Mia Brunell Livfors (Chairman) ***	2016	14/14		2/2	660,000	
Fredrik Cappelen (Chairman) ****	2010	6/6	2/2	1/1		
Caroline Berg	2016	11/14		3/3	330,000	
Gunnel Duveblad	2016	14/14	3/3		350,000	
Johan Fant	2016	14/14	5/5		400,000	
Tomas Franzén	2013	13/14		3/3	330,000	
Mattias Miksche	2006	11/14			300,000	
Maija Strandberg ****	2013	3/6	2/2			
Morten Strand *****	2017	8/8	3/3		350,000	
Total					2,720,000	

 = Dependent in relation to major shareholders. No member is to be considered dependent in relation to the company or company management.

* Director fees include remuneration for committee work, as adopted by the 2016/17 Annual General Meeting.

** According to the definition in the Swedish Corporate Governance Code.

*** Became Chairman of the Board at the Annual General Meeting on December 13, 2017.

**** Stepped down from the Board at the Annual General Meeting on December 13, 2017.

***** Became a member of the Board at the Annual General Meeting on December 13, 2017.

Board of directors

The Board of Directors has overall responsibility for the company's organisation and management by continuously following up the operations, ensuring an appropriate organisation, management, guidelines and internal control. The Board of Directors establishes strategies and goals, and makes decisions concerning major investments and operational changes. The Chairman 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, Dustin's Board of Directors is to comprise a minimum of three and a maximum of ten members with no deputy members. Dustin's Board of Directors currently comprises seven members: Mia Brunell Livfors (Chairman), Caroline Berg, Gunnel Duveblad, Johan Fant, Tomas Franzén, Mattias Miksche and Morten Strand. During the 2017/18 financial year, Dustin's Board of Directors fulfilled the Code's requirement stating that the majority of the members elected at the Annual General Meeting must be independent in relation to the company and company management, and that at least two of the members

must be independent in relation to the company's major shareholders. The independence of the members of the Board is detailed in the table Board of Directors during the 2017/18 financial year on the preceding page.

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 ethics. All policies are evaluated when necessary and at least once per year.

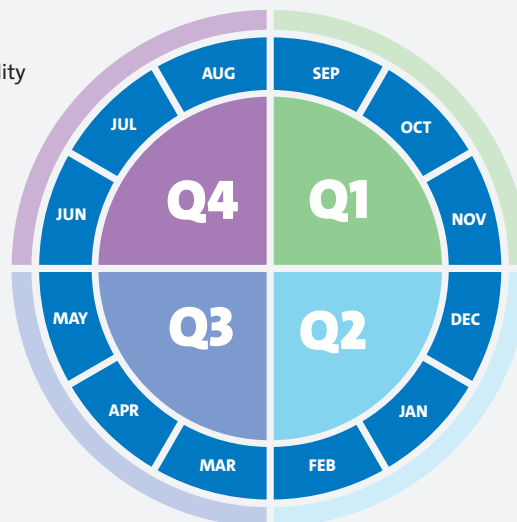
The Board does not have any specific internal distribution of work except for certain issues being prepared by Committees. Dustin has established an Audit Committee and a Remuneration Committee. The members of the committees are elected annually and the duties are regulated in the instructions established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

The Board's annual calendar

- Monitoring of strategy and risks
- Follow up of corporate responsibility
- Q3 Interim Report*
- Budget and financial outlook
- Evaluation of the Board's work

- Q2 Interim Report*
- Strategy Day

*The interim reports also include corporate responsibility information.



- Q4 Interim Report*
- Annual and Corporate Responsibility Report
- Inaugural Board meeting
- Q1 Interim Report*
- Significant steering instructions and policies

Evaluation of the Board's work

The work of the Board of Directors and CEO is evaluated annually 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 Chairman of the Board is responsible for the evaluation.

For the 2017/18 financial year, the annual evaluation was carried out in survey form followed by reporting and discussion by the Board. The survey focuses 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. In line with the results of previous years' evaluations, the Board's work is deemed to be progressing 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 is also evaluated within the scope of the Nomination Committee's work. 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.

Corporate responsibility issues on the Board

The responsibilities of the Board of Directors include approval of the Group's business strategy and also corporate responsibility activities. The Board regularly addresses relevant corporate responsibility matters at its meetings. In 2017/18, areas addressed included Dustin's own factory inspections and the outcome of corporate responsibility efforts connected to the company's focus areas.

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 (Chairman), Gunnel Duveblad and Morten Strand. During the 2017/18 financial year, the Committee held five meetings, which were recorded in minutes. The company's CEO, CFO, external auditors and representatives from specific functions of the organisation were present at all committee meetings.

The work of the 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 reports, examination of company risks, examination and updating of internal control and the follow-up of reported whistleblowing 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.

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.

The Committee currently comprises three members: Mia Brunell Livfors (Chairman), Caroline Berg and Tomas Franzén. During the 2017/18 financial year, the Committee held three meetings and work pertained primarily to remuneration of the CEO and senior executives, the structure for target formulation, financial goals and the performance management model.

The company's 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.

Board Committees

Audit Committee

Main tasks

- Monitoring the quality of financial reporting and risk management
- Monitoring the effectiveness of internal control and compliance

Members

- Johan Fant (Chairman)
- Gunnel Duveblad
- Morten Strand

Meetings

Five meetings were held during the financial year

Remuneration Committee

Main tasks

Provide recommendations to the Board regarding remuneration of senior executives (including long-term incentive programmes)

Members

- Mia Brunell Livfors (Chairman)
- Caroline Berg
- Tomas Franzén

Meetings

Three meetings were held during the financial year

CEO and Group Management

The CEO is responsible for Dustin's day-to-day management and daily operations. Distribution of work between the Board and CEO is outlined in the rules of procedure for the Board and instructions to the CEO.

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

Dustin's CEO leads Group Management's work and makes decisions pertaining to the operations in consultation with other senior executives in the Group. At the end of the financial year, Group Management comprised nine individuals with each member holding responsibility for one of the Group's business areas or functions. Group Management meetings were held monthly and otherwise as necessary. The meetings focus primarily on strategic and operative monitoring and development, as well as performance follow-up. In addition to these meetings, there is close daily

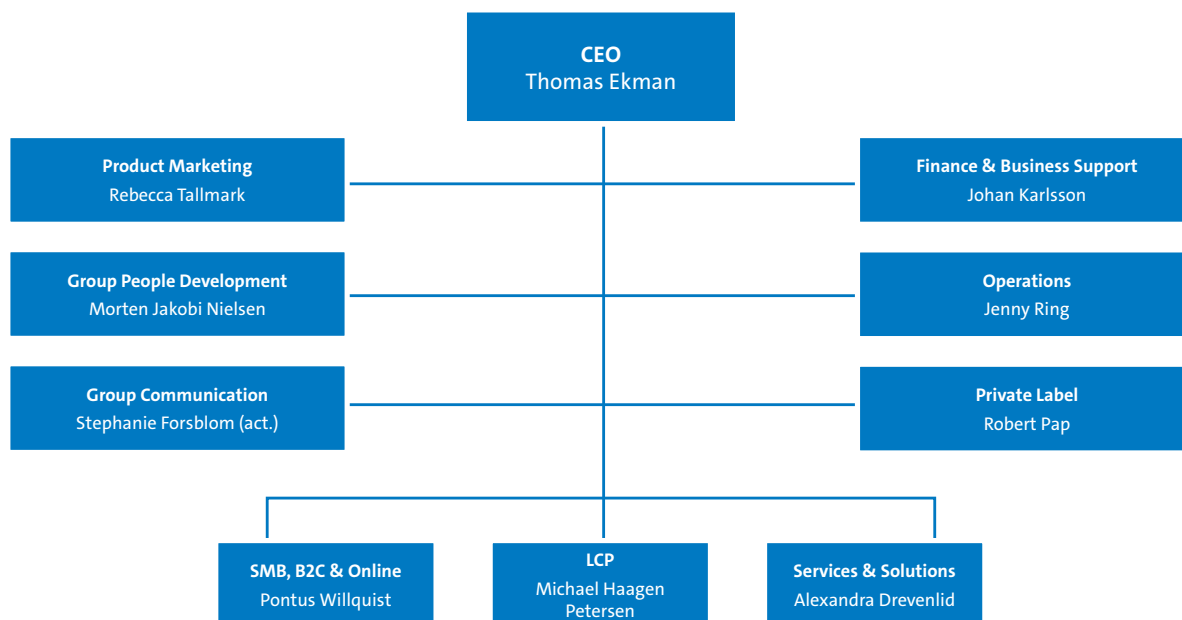
cooperation within management. A presentation of the members of Group Management is available under the section "Group Management" on page 78.

Auditors

The auditor reviews the Annual and Corporate Responsibility Report for the company and the Group, and conducts a review of the quarterly report for the third quarter. The auditors report on the results of the review of the Annual and Corporate Responsibility Report and the review of the Corporate Governance Report, which are presented to the Annual General Meeting.

At the 2017/18 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 next Annual General Meeting. In addition to her assignment with Dustin, Jennifer Rock-Baley is the Auditor in Charge for companies including DeLaval International AB, Recipharm AB (publ), HKScan AB, Skånemejerier AB and Swedfund International AB.

When Ernst & Young AB is engaged to provide services other than the ordinary audit, decisions pertaining to the nature, scope and fees for such work are made by the Audit Committee. Information about fees paid to the auditors for the 2017/18 financial year can be found in Note 6 Auditor's remuneration and expenses.



Following a reorganisation, Dustin's Group Management has since October 1, 2018 comprised the following members:

- Thomas Ekman, President and CEO and Acting VP Supply Chain
- Johan Karlsson, CFO and VP Finance & Business Support
- Alexandra Drevenlid, VP Services & Solutions
- Rebecca Tallmark, VP SMB Nordic
- Michael Haagen Petersen, VP LCP Nordic
- Henk Makaske, VP SMB & LCP Netherlands
- Per Lengquist, Acting CIO
- Morten Jakobi, VP People Development

Internal governance for responsible business

Dustin's Code of Conduct is our Group-wide policy for company actions governed by core values and responsibility. The Code is based on our values, voluntary commitments and business that is consistently conducted in accordance with prevailing laws and regulations. The Code of Conduct has been adopted by Dustin's Board of Directors.

In addition to Dustin's Code of Conduct, policies and guidelines clarify and exemplify expectations and requirements in the Code of Conduct linked to Dustin's corporate responsibility work.

- **Dustin Supplier Code of Conduct**
- **Business ethics guidelines**
- **Conflict minerals policy**
- **Environment, work environment and quality policy**

Compliance

All employees are personally responsible for following the company's external and internal regulations and for acting in compliance with Dustin's Code of Conduct and internal policies and instructions.

New employees take part in online training in our Code of Conduct, with a subsequent test, and then confirm with a signature that they undertake to follow the code. At the end of the financial year, 87.7 per cent (94.1) of active employees had completed the course.

Employees are encouraged to report suspected violations to their immediate supervisor, safety representative, Group Management or the company's chief corporation counsel. There is also a whistleblower system that provides employees with anonymous access to the Chairman of the Audit Committee. The whistleblower function is a secure web-based reporting system. The function is managed by the Chairman of the Audit Committee. Two reports were recorded in 2017/18.

Internal control of the financial reporting

Dustin's internal control structure is based on the COSO model, whose framework has been adapted to Dustin's operations. The framework consists of the following five components: control environment, risk assessment, control activities, information and communication, and monitoring activities. Based on this framework, areas for development are identified and prioritised for Dustin's internal control work.

Our commitments

Dustin has also committed to the Universal Declaration of Human Rights, and the ILO conventions and core labour standards. We have also endorsed the UN Global Compact's Ten Principles taking into account the fundamental responsibilities of business in the areas of human rights, labour, environment and anti-corruption. Furthermore, we have committed to the OECD Guidelines for Multinational Enterprises. These voluntary commitments are incorporated into Dustin's Code of Conduct and Dustin's Supplier Code of Conduct, and apply to all companies in the Group.



International
Labour
Organization



The Board of Directors is responsible for internal control of the financial reporting and for corporate responsibility reporting. The Audit Committee supports the Board by continuously monitoring the financial and corporate responsibility reporting, any risks that could affect the reporting and the company's internal control environment.

Dustin has an internal control function that aims to support management in providing excellent internal control of the financial reporting including corporate responsibility data. This work focuses on ensuring compliance with guidelines and following up control activities in significant processes relating to the reporting. The Audit Committee is informed about the results of the work conducted by Dustin's internal control function pertaining to risks, control activities and follow-up.

Control environment

The control environment forms the basis of the internal control of the financial and corporate responsibility reporting. The basis of Dustin's control environment consists of the Group's values, policies and instructions. Dustin's Board of Directors has adopted fundamental policy documents such as rules of procedure for the Board and Committees, instructions to the CEO, Code of Conduct, a financial management policy, information policy, Dustin's Supplier Code of Conduct and business ethics guidelines. The aim of these control documents is to achieve and maintain a high ethical standard within the Group and to lay the groundwork for excellent internal control.

Dustin has clear guidelines regarding the responsibilities and authorities of different levels and functions within the Group, and communicating this to the entire Group is an important task. An important aspect of Dustin's control environment is the internal control framework. This includes documentation about the most important control activities and those responsible for each activity.

Risk assessment

Dustin regularly evaluates the risks that affect the internal control with respect to reporting. Measures to manage identified risks are established in connection with the evaluation. Significant risks are discussed by the Board and the Audit Committee to establish measures aiming to ensure excellent internal control of the financial and corporate responsibility reporting.

Control activities

Dustin's control activities are defined in a Group-wide control framework that is divided up into the company's most significant processes. The control activities are designed to manage the risks identified in the risk analysis. Examples of control activities included in the framework are authorised approval of business transactions, accounts reconciliation, analysis of income statement items and documentation of critical processes. Each control has an assigned control owner who continuously evaluates the ability of the control to address the risk and the execution of the control.

Information and communication

Dustin's control documents, in the form of policies, instructions and procedures, insofar as they concern the financial reporting and corporate responsibility data, are updated at least once per year and mainly communicated via the intranet. There is also a financial manual on the intranet containing instructions and procedures for financial reporting. The financial manual is updated continuously based on changes in external requirements or changes in Dustin's operations and processes.

To ensure that external information publication is consistent and of a high quality, an information policy is available describing how external information should be communicated.

Monitoring activities

Dustin's internal control function follows up and evaluates the Group's control environment on a continuous basis by way of self-assessments and evaluations by external parties. Any deviations are reported to the control owner responsible for correcting shortcomings and improving the internal control in their area of responsibility.

Internal control developments are reported on a continuous basis to the Audit Committee. Furthermore, the company's external auditor reports the observations from the review and assessment of the internal control environment to the Audit Committee.

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.

Remuneration to senior executives

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

Remuneration to Group Management

During the 2017/18 financial year, the remuneration to Group Management consisted of a fixed salary, short-term variable remuneration of between 40 and 100 per cent of fixed salary, long-term incentive programmes, pension and other customary benefits. The variable salary is linked to established, individual and measurable financial targets.

During the 2017/18 financial year, the total remuneration to Group Management amounted to SEK 40.8 million and is reported in more detail in Note 7 Number of employees, employee benefits expense and remuneration to senior executives.

Long-term incentive programme

The Board evaluates on an annual basis whether a long-term incentive programme is to be proposed to the Annual General Meeting or not. Dustin has three outstanding incentive programmes: LTI 2016, LTI 2017 and LTI 2018. None of these programmes include the Board.

The Annual General Meeting on December 13, 2017 resolved to introduce a new incentive programme for senior executives (LTI 2018). The programme comprises a total of 1,017,956 warrants, acquired at a market value of approximately SEK 4 million. Dustin has 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 to senior executives.

Board remuneration

Remuneration and fees that were approved by the 2016/17 Annual General Meeting and the attendance of Board members at meetings during the 2017/18 financial year are described in the table The Board of Directors

during the 2017/18 financial year on page 68 and in Note 7 Number of employees, employee benefits expense and remuneration to senior executives. Remuneration for committee work was paid in line with the resolution of the 2016/17 Annual General Meeting (SEK 100,000 to the Chairman of the Audit Committee and SEK 50,000 to each of the other two members of the Audit Committee, and SEK 60,000 to the Chairman of the Remuneration Committee and SEK 30,000 to each of the other members of the Remuneration Committee). Board members are not entitled to any benefits after their assignments as Board members have come to an end.

Guidelines for remuneration

The 2016/17 Annual General Meeting resolved to adopt guidelines for remuneration to senior executives within the Dustin Group, consisting of a fixed salary, short-term variable remuneration incentive (STI), which is linked to the achievement of Dustin'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. The guidelines can be found on www.dustingroup.com/sv/ersattning.

The 2017/18 Annual General Meeting will decide on the guidelines for remuneration to senior executives. The Board proposes guidelines whose content is essentially unchanged.

Deviations from guidelines adopted by the 2016/17 Annual General Meeting

In exceptional circumstances, the Board of Directors may deviate from the guidelines outlined above. In this case, the Board of Directors is obliged to explain the grounds for the deviation at the following Annual General Meeting.

The current guidelines, as approved by the Annual General Meeting on December 13, 2017, have been followed and all approved remuneration was within the stipulated range.

The Remuneration Committee notes that a senior executive employed by the recently acquired company in the Netherlands, and who as of 1 October 2018 is a senior executive at Dustin, receives consultant fees instead of a fixed salary. The Committee does not consider this a deviation from the guidelines adopted by the 2016/17 Annual General Meeting.



Board of Directors



Dustin's board of directors comprises seven ordinary members, including the Chairman of the Board, with no deputy members, who are elected for the period until the end of the 2017/18 Annual General Meeting.



MIA BRUNELL LIVFORS

Chairman of the Board since 2017.
Board member since 2016.

Born: 1965

Education: Business at Stockholm University.

Key competence: Mia Brunell Livfors has many years of experience of working on the board of directors at listed companies. Mia Brunell Livfors contributes to the Board through her experience in retail, e-commerce, telecom and media.

Other current assignments: CEO of Axel Johnson. Chairman of the Board of Axel Johnson International, Axfood, Kicks and Åhléns. Board member of Martin & Servera, Stena, Svensk Handel and Efva Attling Stockholm.

Previous positions (in recent years): CEO of Kinnevik.

Shareholding¹: -



JOHAN FANT

Board member since 2016.

Born: 1959

Education: MSc in Economics from the Stockholm School of Economics.

Key competence: Johan Fant provides broad experience of retail, business operations and comprehensive knowledge of financing through his previous roles as CFO of Axel Johnson and Boliden, among other positions.

Other current assignments: CEO of AltoCumulus. Board member of AltoCumulus Asset Management, AxFast and Novax.

Previous assignments: CFO of Axel Johnson, CFO Boliden, Senior Vice President Group Treasurer Electrolux, Corporate Controller Ericsson and CFO Assa Abloy.

Shareholding¹: -

**CAROLINE BERG**

Board member since 2016.

Born: 1968

Education: Media and psychology at Middlebury College, US.

Key competence: Caroline Berg has extensive Board experience from both listed and unlisted companies in the retail and service sectors. She is also deeply knowledgeable about communication, sustainable business and HR from her years in the management team at Axel Johnson.

Other current assignments: Chairman of the Board of Axel Johnson Aktiebolag, Martin & Servera Aktiebolag and Erik och Göran Ennerfelts fond för svensk ungdoms internationella studier. Vice chairman of Nordstjärnan Aktiebolag. Board member of Nordstjärnan Kultur och Media, AxFast, Axfood Aktiebolag, the Axel and Margaret Ax:son Johnson Foundation and Stockholm School of Economics' Advisory Board.

Previous positions (in recent years): Director of Human Development and Communications and member of the management team of the Axel Johnson Aktiebolag group. Board member of Filippa K Group and Åhléns. Deputy board member of Axstores, AxRetail and Mekonomen Aktiebolag.

Shareholding¹: -

**TOMAS FRANZÉN**

Board member since 2013.

Born: 1962

Education: MSc in Engineering, Industrial Economy at Linköping University.

Key competence: Tomas Franzén has, through his current role as CEO of Bonnier and previous role as CEO of Com Hem, extensive and broad experience of leading major companies and solid financial knowledge.

Other current assignments: CEO of Bonnier AB. Chairman of the Board of Bonnier Broadcasting, Bonnier News and the Adlibris group. Board member of Axel Johnson.

Previous positions (in recent years): CEO and Chairman of the Board of UPC Digital and Com Hem Holding.

Shareholding¹: 57,686

**GUNNEL DUVEBLAD**

Board member since 2016.

Born: 1955

Education: Systems Scientist, Umeå University.

Key competence: Gunnel Duveblad contributes extensive board experience through her current and previous board assignments and her valuable expertise in the IT sector, where her positions have included several leading roles at IBM and CEO of EDS Northern Europe.

Other current assignments: Chairman of the Board of companies including Team Olivia, Global Scanning A/S, the Ruter Dam Foundation and HiQ International. Board member positions including Sweco and Kindred Group plc.

Previous positions (in recent years): Board member positions including PostNord, Anoto Group, and Aditro Holding.

Shareholding¹: 2,000

**MORTEN STRAND**

Board member since 2017.

Born: 1965

Education: Graduate in Business and Information Management, University of San Francisco.

Key competence: Morten Strand contributes technical expertise, experience of the north European SMB market and operational experience of IT, service development and sales through positions at Cint and Visma Software.

Other current assignments: Senior Industry Advisor at Nordic Capital.

Previous positions (in recent years): CEO of Cint and COO of Visma Software International AS.

Shareholding¹: -

**MATTIAS MIKSCHÉ**

Board member since 2006.

Born: 1968

Education: MSc in Economics from the Stockholm School of Economics.

Key competence: Mattias Miksche contributes broad experience in digital business, through his roles as CEO and founder of E*TRADE Nordic, Boxman/LOVEFiLM and Stardoll and Board member of Avanza, Pricerunner and Sportamore.

Other current assignments: Chairman of the Board of Hem Design Studio. Board member of Glorious Games Group (former Stardoll), Sana Labs, Avanza Bank Holding, Pricerunner Group and EuroFlorist Intressenter.

Previous positions (in recent years): Board member of Eniro and Sportamore.

Shareholding¹: 53,628

¹Own or related legal and/or natural persons' holdings as of August 31, 2018.

Group Management



Dustin's Group Management includes the CEO Thomas Ekman and an additional nine senior executives with various areas of responsibility.



THOMAS EKMAN

President and CEO. Employed at Dustin since 2018.

Born: 1969

Education: Master of Business Administration from Stockholm University.

Previous assignments: CEO of Cabonline Group, CEO of Tele2 Sweden.

Other assignments: Board member of Com Hem, Board member of Sportamore.

Shareholding: 7,000

Warrants: 239,387



JOHAN KARLSSON

CFO & VP Business Support. Employed at Dustin since 2009.

Born: 1965

Education: MSc in Business and Economics from the Gothenburg School of Economics.

Previous assignments: Regional Finance Director at Tech Data AB, as well as CFO at ACO Hud Nordic.

Shareholding: 282,734

Warrants: 282,535

Following a reorganisation, Dustin's Group Management has since October 1, 2018 comprised the following members:

- Thomas Ekman, President and CEO and Acting VP Supply Chain
- Johan Karlsson, CFO and VP Finance & Business Support.
- Alexandra Drevenlid, VP Services & Solutions
- Rebecca Tallmark, VP SMB Nordic
- Michael Haagen Petersen, VP LCP Nordic
- Henk Makaske, VP SMB & LCP Netherlands
- Per Lengquist, Acting CIO
- Morten Jakobi, VP People Development

**STEPHANIE FORSBLOM**

Acting* VP Group Communication.
Employed at Dustin since 2016.
Born: 1983

Education: MSc from the University of Technology in Helsinki and MSc in Business and Economics from the Hanken School of Economics in Helsinki.

Previous assignments: Head of Corporate Responsibility at Microsoft, Head of Corporate Responsibility at Nokia.

Shareholding²: -

Warrants: 50,076

**PONTUS WILLQUIST**

VP SMB & B2C. Employed at Dustin since 2014.
Born: 1973

Education: MSc in Engineering in Industrial Economics and Licentiate degree in Innovation Technology from the Chalmers University of Technology.

Previous assignments: Head of Pricing and Analytics at Dustin Business development and IT Director at Brandos.

Other assignments: Board member of Formac.

Shareholding²: -

Warrants: 80,299

**JENNY RING**

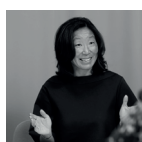
VP Operations. Employed at Dustin since 2015.
Born: 1978

Education: BSc in Business Administration from the University of Stockholm.

Previous assignments: Head of Nordic Contact Center & Ecom at Dustin Group, Consumer Sales Manager at GE Money Bank.

Shareholding²: 2,000

Warrants: 52,047

**ALEXANDRA DREVENLID**

VP Services & Solutions. Employed at Dustin since 2018.
Born: 1967

Education: KTH Royal Institute of Technology, Road and Water Department

Previous assignments: Chief Digital Officer at Tieto, Chief Technology Information Officer at Tele2.

Shareholding²: -

Warrants: -

**MICHAEL HAAGEN PETERSEN**

VP LCP. Employed at Dustin since 2008.
Born: 1971

Education: BSc in Economics from Aarhus University School of Business and Social Science.

Previous assignments: Sales Manager at thy:data A/S. Market Manager at Logica A/S.

Shareholding²: 179,784

Warrants: 172,565

**MORTEN JAKOBI**

VP People Development. Employed at Dustin since 2004.
Born: 1975

Education: BA in History and Society from Aarhus University.

Previous assignments: Executive Assistant at Dustin A/S. Senior team manager at Computerstore A/S.

Shareholding²: 14,806

Warrants: 62,608

**REBECCA TALLMARK**

VP Product Marketing. Employed at Dustin since 2017.
Born: 1976

Education: MSc in Economics from the Stockholm School of Economics.

Previous assignments: Head of Strategy and Business Development at Systembolaget, Business Area Manager Finance and M&A at Axel Johnson International and consultant at McKinsey.

Other assignments: Board member at Giving Wings Foundation.

Shareholding²: 21,525

Warrants: 159,465

**ROBERT PAP**

VP Private Label. Employed at Dustin since 2008.
Born: 1964

Education: BSc in Economics from Linköping University.

Previous assignments: Managing Director, Spectra Stage & Event Technologies. Director Vendor Management, Ingram Micro Nordics. Sales and Marketing Director, Computer 2000 Sweden.

Shareholding²: 75,000

Warrants: 109,954

*Deputising for Caroline Rudbeck who is on parental leave.

²Own or related legal and/or natural persons' holdings as of August 31, 2018.

Consolidated income statement

SEK million	Note	17/18	16/17
Net sales	3	10,300.5	9,306.2
Cost of goods and services sold	4	-8,663.7	-7,926.7
Gross profit		1,636.8	1,379.5
Selling and administrative expenses	4,6,7,8	-1,183.3	-1,016.3
Items affecting comparability	5	1.0	-7.3
Other operating income		6.8	5.9
Other operating expenses		-17.5	-12.3
EBIT		443.8	349.5
Financial income and other similar income-statement items	9	1.1	1.2
Financial expenses and other similar income-statement items	9	-60.3	-42.6
Profit after financial items		384.6	308.1
Tax	10	-79.4	-69.0
Net profit for the year attributable in its entirety to Parent Company shareholders		305.1	239.1
Other comprehensive income (all items will be transferred to the income statement)			
Translation differences		115.3	-3.2
Cash-flow hedging		-128.5	10.6
Tax attributable to cash-flow hedges		28.2	-2.3
Other comprehensive income		15.0	5.1
Comprehensive income for the year attributable in its entirety to Parent Company shareholders		320.1	244.1
Earnings per share before dilution (SEK)	11	3.99	3.14
Earnings per share after dilution (SEK)	11	3.97	3.13

Consolidated balance sheet

SEK million	Note	Aug 31, 2018	Aug 31, 2017
ASSETS			
Non-current assets			
Goodwill	12	3,221.7	2,105.8
Other intangible assets attributable to acquisitions	12	572.0	357.9
Other intangible assets	12	127.0	115.1
Tangible assets	13	91.7	24.6
Divestment-related receivables	14.19	1.6	–
Deferred tax assets	15	2.1	8.4
Derivative instruments	16.19	2.0	–
Other non-current assets		16.2	2.9
Total non-current assets		4,034.1	2,614.7
Current assets			
Inventories	17	395.8	261.9
Accounts receivable	18.19	1,272.6	1,047.1
Derivative instruments	16.19	0.2	–
Tax assets		9.0	7.6
Other receivables	19	14.4	7.7
Prepaid expenses and accrued income	18	168.3	158.5
Divestment-related receivables	14.19	5.0	–
Cash and cash equivalents	20	277.6	71.5
Total current assets		2,143.0	1,554.1
TOTAL ASSETS		6,177.1	4,168.8
EQUITY AND LIABILITIES			
Equity			
	21		
Share capital		386.1	380.9
Other contributed capital		443.0	393.7
Reserves		21.2	6.2
Retained earnings including net profit for the year		796.2	704.3
Total equity (attributable to Parent Company shareholders in its entirety)		1,646.6	1,485.1
Non-current liabilities			
Provisions for pensions and similar obligations		–	0.4
Deferred tax liabilities	15	186.5	132.9
Liabilities to credit institutions	19.22	1,984.8	1,068.6
Acquisition-related liabilities	14,19,23	202.5	78.3
Derivative instruments	16.19	7.3	6.5
Total non-current liabilities		2,381.1	1,286.6
Current liabilities			
Liabilities to credit institutions	19.22	12.6	–
Accounts payable	19.22	1,568.5	956.3
Tax liabilities	15.19	20.0	59.3
Derivative instruments	16.19	0.1	0.1
Other current liabilities	19.22	162.7	115.1
Acquisition-related liabilities	14,19,23	73.9	31.3
Accrued expenses and deferred income	24	311.8	235.0
Total current liabilities		2,149.5	1,397.1
TOTAL EQUITY AND LIABILITIES		6,177.1	4,168.8

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, 2017	380.9	393.7	12.0	-5.8	704.3	1,485.1
Net profit for the year	—	—	—	—	305.1	305.1
Other comprehensive income						
Translation differences	—	—	115.3	—	—	115.3
Cash-flow hedging, changes in fair value	—	—	—	-128.5	—	-128.5
Tax attributable to cash-flow hedges	—	—	—	28.2	—	28.2
Total other comprehensive income	—	—	115.3	-100.3	—	15.0
Total comprehensive income for the year	—	—	115.3	-100.3	305.1	320.1
Dividends to shareholders	—	—	—	—	-213.3	-213.3
Holdings of own warrants	—	-5.9	—	—	—	-5.9
New share issue	5.3	50.1	—	—	—	55.4
Subscription with the support of warrants	—	5.1	—	—	—	5.1
Total transactions with shareholders	5.3	49.3	—	—	-213.3	-158.7
Closing balance, Aug 31, 2018	386.1	443.0	127.3	-106.1	796.2	1,646.6

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, 2016	380.9	392.1	15.2	-14.1	648.1	1,422.2
Net profit for the year	—	—	—	—	239.1	239.1
Other comprehensive income						
Translation differences	—	—	-3.2	—	—	-3.2
Cash-flow hedging, changes in fair value	—	—	—	10.6	—	10.6
Tax	—	—	—	-2.3	—	-2.3
Total other comprehensive income	—	—	-3.2	8.3	—	5.1
Total comprehensive income for the year	—	—	-3.2	8.3	239.1	244.1
Dividends to shareholders	—	—	—	—	-182.8	-182.8
Subscription with the support of warrants	—	1.6	—	—	—	1.6
Total transactions with shareholders	—	1.6	—	—	-182.8	-181.2
Closing balance, Aug 31, 2017	380.9	393.7	12.0	-5.8	704.3	1,485.1

Consolidated statement of cash flow

SEK million	Note	17/18	16/17
Operating activities			
EBIT		443.8	349.5
Adjustment for non-cash items	25	51.7	58.1
Interest received		1.1	1.2
Interest paid		-34.6	-27.4
Income tax paid		-99.8	-57.9
Cash flow from operating activities before changes in working capital		362.3	323.4
Decrease (+)/increase (-) in inventories		-87.1	-28.5
Decrease (+)/increase (-) in receivables		21.8	-143.8
Decrease (-)/increase (+) in current liabilities		451.0	62.5
Cash flow from changes in working capital		385.7	-109.9
Cash flow from operating activities		747.9	213.6
Investing activities			
Acquisition of intangible assets		-27.2	-18.1
Acquisition of tangible assets		-24.9	-9.2
Acquisition of operations	23	-1,023.0	-147.2
Divestment of operations		1.5	—
Contingent earn-out paid	23	-53.7	-26.6
Cash flow from investing activities		-1,127.4	-201.0
Financing activities			
Cash flow from LTI programme		54.6	1.6
New loans raised		2,165.0	—
Repayment of loans		-1,383.6	—
Paid liabilities start-up costs		-8.4	-3.3
Dividends		-213.3	-182.8
Change in financial leasing liabilities		-3.6	-1.6
Cash flow from financing activities		610.8	-186.1
Cash flow for the year		231.3	-173.6
Cash and cash equivalents at the start of the year		71.5	242.9
Cash flow for the year		231.3	-173.6
Exchange-rate differences in cash and cash equivalents		-25.1	2.2
Cash and cash equivalents at the end of the year		277.6	71.5

Parent Company income statement

SEK million	Note	17/18	16/17
Net sales		0.4	0.4
Net sales	P1	0.4	0.4
Operating expenses	P1		
Selling and administrative expenses	P2,P3	-11.8	-10.4
Other operating expenses		-0.1	0.0
EBIT		-11.5	-10.0
Financial income and other similar income-statement items	P4	314.2	20.0
Financial expenses and other similar income-statement items	P4	-187.6	-45.9
Profit after financial items		115.1	-35.9
Appropriations	P5	269.4	212.4
Tax	P6	-18.7	-38.8
Net profit for the year		365.9	137.6

Parent Company statement of comprehensive income

SEK million	17/18	16/17
Net profit for the year	365.9	137.6
Other comprehensive income	—	—
Comprehensive income for the year	365.9	137.6

Parent Company balance sheet

SEK million	Note	Aug 31, 2018	Aug 31, 2017
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	1,543.3	619.9
Tax assets		—	0.6
Prepaid expenses and accrued income	P8	0.8	6.3
Other receivables		—	0.2
Cash and bank balances	P9	247.0	42.9
Total current assets		1,791.1	669.8
TOTAL ASSETS		3,002.7	1,881.4
Equity and liabilities			
Restricted equity	P10		
Share capital		386.1	380.9
Total restricted equity		386.1	380.9
Non-restricted equity	P10		
Share premium reserve		438.3	388.1
Retained earnings		-322.0	-251.5
Net profit for the year		365.9	137.6
Total non-restricted equity		482.1	274.3
Total equity		868.2	655.2
Untaxed reserves	P11	137.7	109.4
Non-current liabilities			
Liabilities to credit institutions	P12	1,984.8	1,068.6
Total non-current liabilities		1,984.8	1,068.6
Current liabilities			
Accounts payable	P12	0.0	0.2
Tax liabilities	P12	6.6	45.1
Other current liabilities	P12	0.4	0.3
Accrued expenses and deferred income	P13	5.0	2.6
Total current liabilities		12.0	48.2
TOTAL EQUITY AND LIABILITIES		3,002.7	1,881.4

Consolidated statement of changes in equity

Equity attributable to Parent Company shareholders

SEK million	Share capital	Share premium reserve	Retained earnings	Total equity
Opening balance, Sep 1, 2017	380.9	388.1	-113.8	655.2
Net profit for the year			365.9	365.9
Total comprehensive income	—	—	365.9	365.9
Dividends	—	—	-213.3	-213.3
New share issue	5.3	50.1	—	55.4
Subscription with the support of warrants	—	—	5.1	5.1
Total transactions with shareholders	5.3	50.1	157.6	213.0
Closing balance, Aug 31, 2018	386.1	438.3	43.8	868.2

Equity attributable to Parent Company shareholders

SEK million	Share capital	Share premium reserve	Retained earnings	Total equity
Opening balance, Sep 1, 2016	380.9	388.1	-70.3	698.7
Net profit for the year			137.6	137.6
Total comprehensive income	—	—	137.6	137.6
Dividends	—	—	-182.8	-182.8
Subscription with the support of warrants	—	—	1.6	1.6
Total transactions with shareholders	—	—	-43.5	-43.5
Closing balance, Aug 31, 2017	380.9	388.1	-113.8	655.2

Parent Company statement of cash flow

SEK million	Note	17/18	16/17
Operating activities			
EBIT		-11.5	-10.0
Adjustment for non-cash items	P14	297.7	271.2
Interest received		14.2	9.6
Interest paid		-29.8	-23.7
Income tax paid		-56.6	-16.5
Cash flow from operating activities before changes in working capital		214.0	230.7
Decrease (+)/increase (-) in receivables		-920.6	-162.3
Decrease (-)/increase (+) in current liabilities		2.3	1.2
Cash flow from changes in working capital		-918.3	-161.0
Cash flow from operating activities		-704.3	69.6
Financing activities			
Cash flow from LTI programme		60.5	1.6
New loans raised		2,153.2	—
Repayment of loans		-1,383.6	—
Paid liabilities start-up costs	P12	-8.4	-3.3
Dividends received		300.0	10.4
Dividends paid		-213.3	-182.8
Cash flow from financing activities		908.4	-174.1
Cash flow for the year		204.1	-104.5
Cash and cash equivalents at the start of the year		42.9	147.4
Cash and cash equivalents at the end of the year		247.0	42.9

Note 1

Significant accounting policies

The consolidated financial statements for Dustin have been prepared in accordance with the Swedish Annual Accounts Act, International Financial Reporting Standards (IFRS), and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU. In addition, the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups is applied. 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 14, 2018. The consolidated and Parent Company income statement and balance sheet will be adopted by the Annual General Meeting on December 11, 2018.

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 more than 12 months after 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

None of the changes and interpretations in existing standards that have been applied from the financial year beginning September 1, 2017 had any material impact on the financial statements for the Group or the Parent Company.

IFRS 15 Revenue from Contracts with Customers

The standard deals with the recognition of revenue from contracts with customers. The new standard replaces IAS 11 Construction Contracts and IAS 18 Revenue and related interpretations. The standard became effective for financial years beginning on or after January 1, 2018, which for Dustin means the financial year beginning September 1, 2018. In addition to what is described below, the standard entails more informative disclosures in the company's external reporting.

Sales of products

Sales of products comprise the largest share of the Group's total income. Income is to be recognised at the point in time that control of the product is passed to the buyer, instead of the current policy whereby income is recognised when the material risks and benefits are transferred to the buyer. Dustin believes that the company's current policies for income recognition are essentially consistent with the new standard.

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 customer contracts in which Dustin in certain contracts, for specific licenses, is the principal, but acts as agent in other contracts. Dustin believes that the company's current income recognition is essentially consistent with the new standard.

Income from bundled services

To recognise income for various bundled services, an assessment is made of whether the service and hardware is to be deemed a performance obligation component and recognised over time or whether the service and the hardware are to be recognised separately with income from hardware recognised with the transfer of control and the service to the customer over time. An analysis of current income recognition revealed that no material changes exist.

IFRS 9 Financial Instruments

The standard replaces IAS 39 Financial Instruments: Recognition and Measurement. It contains rules for classification and measurement of financial assets and liabilities, impairment of financial instruments and hedge accounting. Dustin will utilise the exemption to restate comparable information for prior periods with respect to changes in classification and measurement. The new standard entails changes in principle to the model for impairment of anticipated credit losses. Dustin has calculated and is of the opinion that the effect of the changes in principle will not have any material impact on the financial statements. Furthermore, Dustin deems the type of hedge relationship for hedge accounting fulfils the requirements of IFRS 9 and is thus not expected to have any impact on the financial statements. The standard is effective for financial years beginning on or after January 1, 2018, which for Dustin means the financial year beginning September 1, 2018.

IFRS 16 Leases

This standard, which encompasses the recognition of lease agreements, comes into effect on January 1, 2019, which for Dustin means the financial year beginning September 1, 2019. The financial statements will be affected by this standard, partly as a result of the current values of future lease fees being recognised as assets and interest-bearing liabilities in the balance sheet, and by the fact that the current lease expenses in the income statement will be replaced by the recognition of depreciation and interest expense in net financial items. The contracts that will be recognised in Dustin's balance sheet relate mainly to buildings (offices and warehouses), transportation (vehicles and forklifts) and other equipment (e.g. IT and machinery). A project to evaluate the effects is in progress and Dustin has not yet completed its quantification of the impact of the new standard on the consolidated financial statements and key performance indicators.

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 presented new segment reporting at the end of November, with the former B2B segment divided into two new segments. 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. The divested lease operations in the B2B segment are included in the segment reporting for earlier periods.

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 and are recognised 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 Definitions on page 143.

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.

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 93. Exchange-rate differences attributable to operating assets and liabilities are recognised in profit or loss under EBIT.

Net sales

Net sales include income measured at the fair value of what has been or will be received for sold goods and services, excluding discounts, VAT and after eliminating intra-Group sales. Income is recognised in profit or loss when the following criteria have been fulfilled:

- The goods or services are delivered to the customer (B2C) or the carrier (B2B) and the financial benefits related to the goods or services have essentially been transferred to the customer.

- It is probable that any future financial benefits associated with the income item will accrue to the entity, and
- the income can be calculated in a reliable manner.

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). For sales of goods to the B2B segment, the risk passes to the buyer when the goods are delivered to the carrier, and for the B2C segment, the risk passes to the customer when the goods are handed over by the carrier.

Cost of goods and services sold

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.

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 material income and expense items recognised separately due to the significance of their nature and amounts to facilitate understanding of the Group's financial performance. Items affecting comparability are specified in Note 5 Items affecting comparability.

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.

Income 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.

Lease accounting

Dustin as a lessee

Financial leasing

A lease is classified as financial leasing when the risk and rewards associated with ownership have been transferred to Dustin. The assets are recognised as tangible assets and the future payments as liabilities.

Operating leases

Other lease contracts are classified as operating. Costs for operating leases are recognised in profit or loss for the year on a straight-line basis over the term of the lease.

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 on the acquisition date. Goodwill is recognised at cost reduced by any impairment.

Impairment of goodwill is tested annually and whenever there is an indication of a decline in value per cash-generating unit. 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. Any impairment is recognised as an expense and is never reversed.

The following cash-generating units have been identified:

- B2C: Private customers
- LCP: Business customers where the companies have more than 500 employees per group/contract point and public limited companies/organisations.
- SMB: Other business customers

The cash-generating units to which goodwill has been allocated are to be impairment tested by comparing the carrying amount of the unit, including goodwill, with the recoverable amount of the unit. When impairment testing goodwill, the recoverable amount of the operating capital, including goodwill, is compared with the carrying amount. Operating capital is defined as the net of operating assets and operating liabilities. Joint operating assets in Dustin include goodwill, inventory, accounts receivable, personnel receivables, tax assets and accrued receivables. Joint operating liabilities in Dustin primarily include accounts payable, provisions, tax liabilities and deferred tax.

The valuation is based on a business plan and a discounted cash flow analysis, as the main approach in estimating the recoverable amount. A sensitivity analysis of the discount rate and growth assumptions is made after each impairment test in order to determine whether the remaining surplus 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 is only applied to systems that Dustin considers strategic long-term systems. Expenditure for other systems are expensed immediately. Capitalised IT expenditures consist of:

- System development that improves system functionality. System development activities include functional and technical design, development/configuration, deployment, migration and project management of said activities within the framework of the architecture principles.
- Work to upgrade platforms, modules or systems in order to gain significant new functionality.
- Work to expand the use of the platforms to 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:

Customer relationships	3-10 years
ERP platform	3-15 years
Web platform	3-6 years
Other technology	2-4 years
Licenses and hardware	3 years
Pricing platform	3 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.

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:

Investment in rented premises	5-10 years
Computers and accessories	3 years
Equipment, tools, fixtures and fittings	5 years

Deferred tax

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.

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.

Inventories

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

Accounts receivable and other receivables are measured at fair value on initial recognition and subsequently at amortised cost less any impairment. The impairment is recognised in profit or loss under Selling and administrative expenses. Accounts receivable are included in the balance sheet when an invoice has been issued. 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. 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 21 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. 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.

Remuneration of employees

Defined-contribution pension plans

The Group only has defined-contribution pension plans. Defined-contribution plans are plans under which 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 including any social security contributions 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.

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.

From September 1, 2016, hedge accounting according to IAS 39 Financial Instruments: Recognition and Measurement has been 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.

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

Amended and new accounting policies

The Parent Company's accounting policies were unchanged during the year. No new or revised IFRS or RFR 2 changes are deemed to have impacted the Parent Company. IFRS 9 Financial instruments, which replaces IAS 39, will not be applied by the Parent Company.

Financial instruments

The Parent Company does not apply IAS 39 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 calculated recoverable amount of identified cash-generating units is based on a number of assessments and estimates based on managements best assessment. Changes to these could have a material effect on the recoverable amount. The most significant assumption are outlined in Note 12 Intangible assets and Note 23 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.

Performance-based contingent earn-out liability

Dustin has often applied a price model to acquisitions whereby the total purchase consideration partly comprises a performance-based earn-out liability. The total earn-out is initially assessed when the preliminary purchase price allocation is determined in direct connection with the acquisition. Changes in the earn-out liability are subsequently evaluated every quarter or when the need arises. The assessments on which the recognised liability is based comprise a number of critical assumptions with respect to, for example, growth and margins. Company management works actively on forecasts and follow-ups and ensuring that the assumptions forming the basis of recognised liabilities are deemed to be reasonable. For more information, refer to Note 23 Acquisition of businesses.

Note 3

Business segments and sales by geographic area

Net sales	Group	
	17/18	16/17
LCP	5,284.1	5,184.6
SMB	4,375.1	3,530.8
B2C	641.2	590.8
Total net sales	10,300.5	9,306.2
Segment results		
LCP	330.5	355.4
SMB	508.2	377.5
B2C	31.5	24.6
Segment results	870.2	757.4
Central functions	-369.5	-331.3
Adjusted EBITA	500.6	426.1
Segment margin		
LCP, segment margin (%)	6.3	6.9
SMB, segment margin (%)	11.6	10.7
B2C, segment margin (%)	4.9	4.2
Costs for central functions, excluding items affecting comparability in relation to net sales (%)	-3.6	-3.6
Reconciliation with EBIT		
Items affecting comparability	1.0	-7.3
Amortisation and impairment of intangible assets	-57.8	-69.3
EBIT, Group	443.8	349.5
Financial income and other similar income-statement items	1.1	1.2
Financial expenses and other similar income-statement items	-60.3	-42.6
Profit after financial items, Group	384.6	308.1

By geographic area	Net sales		Assets*	
	17/18	16/17	Aug 31, 2018	Aug 31, 2017
Denmark	1,638.5	1,563.0	538.3	258.5
Finland	1,631.0	1,571.6	366.8	267.4
The Netherlands	167.6	—	738.5	—
Norway	1,710.5	1,374.7	492.2	325.3
Sweden	5,152.8	4,796.9	1,876.5	1,752.2
Total	10,300.5	9,306.2	4,012.3	2,603.4

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

Dustin's operations were previously divided into two business segments: B2B and B2C, but since the 17/18 financial year B2B has been divided into two segments: LCP (Large Corporate and Public Sector) and SMB (Small and Medium-sized Businesses). Within LCP and SMB, 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, marketing, business support and people development. These Group-wide functions are referred to above as 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

	17/18	16/17
Cost of goods and services sold from suppliers	8,604.1	7,863.6
Personnel costs included in cost of goods and services sold	59.5	63.1
Cost of goods and services sold	8,663.7	7,926.7
Personnel costs	870.7	639.9
Amortisation/depreciation of tangible and intangible assets	78.4	81.6
Other selling and administrative expenses including items affecting comparability	233.2	302.2
Selling and administrative expenses including items affecting comparability	1,182.3	1,023.6
Total	9,845.9	8,950.3

The item Cost of goods and services sold from suppliers refers to direct costs for purchases of goods and direct costs related to the delivery of services. 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. 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

	17/18	16/17
Acquisition and divestment-related expenses	-20.2	-11.6
Recruitment costs, senior executives	-2.9	—
Change in value of acquisition-related liabilities	23.7	22.3
Gain attributable to divestment of operations	0.4	—
Provision for repayment requirement	—	-18.0
Total	1.0	-7.3

Items affecting comparability for the year amounted to SEK 1 million (-7) and mainly comprised costs of SEK 20 million (12) for acquisitions implemented during the year and positive effects from the change in value of acquisition-related liabilities of SEK 24 million (22).

Costs for acquisitions and divestments primarily pertained to remuneration to consultants and attorneys for financial and legal advisory services in conjunction

with acquisitions and divestments. The change in value of acquisition-related liabilities for the year is related to the acquisition of IDENET AB, the now merged company IKT AS and Core Services AS. For more information, refer to Note 14 Acquisition and divestment-related assets and liabilities. The gain attributable to the divestment of operations relates to the sale of IT-Hantverkarna Sverige AB.

Note 6

Auditor's remuneration and expenses

	17/18	16/17
Ernst & Young AB		
Audit assignment	3.0	3.0
Audit activities other than audit assignment	1.4	0.9
Tax consultations	0.1	0.1
Other services	–	0.1
Total	4.5	4.1
Other auditing firms		
Audit assignment	0.2	–
Total	4.7	4.1

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 assistance 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 16/17 and 17/18 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

Average number of employees	17/18			16/17		
	Women	Men	Total	Women	Men	Total
Sweden	169	540	709	147	500	647
Norway	27	126	153	22	100	123
Finland	26	82	108	21	77	98
Denmark	20	105	125	20	90	110
The Netherlands (consolidated July 4)	8	49	57	–	–	–
Total	250	902	1,152	211	767	977

Distribution of Board members and senior executives at the balance-sheet date	17/18			16/17		
	Women	Men	Total	Women	Men	Total
Board members	3	4	7	4	4	8
Group Management, including CEO	4	6	10	3	7	10
Total	7	10	17	7	11	18

Note 7

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

Salaries and other remuneration of the CEO, Group Management and other employees	17/18				Total
	CEO and Group Management	of which, CEO Thomas Ekman from Jan 1, 2018	of which, CEO Georgi Ganev until Dec 31, 2017	Other employees	
Salaries and other remuneration	28.2	5.8	3.3	673.7	701.9
of which, variable remuneration	9.5	2.5	1.4	26.1	35.6
Social security expenses	12.4	2.8	1.4	215.9	228.3
of which, pension costs	4.8	1.0	0.4	63.7	68.5
Total	40.6	8.6	4.7	889.6	930.2

Salaries and other remuneration of the CEO, Group Management and other employees	16/17			Total
	CEO and Group Management	of which, CEO Georgi Ganev	Other employees	
Salaries and other remuneration	28.1	9.0	514.1	542.2
of which, variable remuneration	9.0	3.5	17.9	26.9
Social security expenses	10.7	4.6	150.1	160.8
of which, pension costs	4.6	1.8	40.2	44.7
Total	38.8	13.6	664.2	702.9

Remuneration of senior executives

Guidelines for remuneration of senior executives

Guidelines for 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 11, 2018, will take a decision about the guidelines for remuneration of senior executives. The proposal ahead of the Annual General Meeting is that the guidelines for the next year remain unchanged compared with the established guidelines. The proposal is available at www.dustingroup.com.

Board members

Remuneration and fees that were approved for 2017/18 are described in the table "Board remuneration". During the 2017/18 financial year, separate remuneration was paid for committee work, in contrast to previous years, as resolved by the Annual General Meeting on December 13, 2017.

CEO and other Group Management

On December 31, 2017, Georgi Ganev stepped down as CEO of Dustin and was replaced by Thomas Ekman, who took over on January 1, 2018.

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 4,800,000 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 the former CEO Georgi Ganev comprised fixed salary, pension and other standard benefits, as well as variable remuneration. The former CEO was entitled to a fixed annual salary of SEK 4,800,000 and annual variable remuneration of a maximum of 100 per cent of the fixed salary. The retirement age for the CEO was 65. Until the agreed retirement age, the company was to contribute a monthly amount corresponding to 30 per cent of the fixed salary in a pension.

Note 7

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

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 6 to 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 13, 2017, the shareholders resolved to adopt a long-term incentive programme (LTI 2018) 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. Each warrant carries the entitlement to subscribe for one new share in the company. The programme includes a total of 866,713 warrants and carries the entitlement to subscribe for an equivalent number of shares. The duration period for the warrants is 3.5 years. There are also two long-term incentive programmes from

prior years (LTI 2016 and LTI2016) that encompass a total of 593,108 and 1,159,996 warrants, respectively, with a duration period of 3.5 years. Full exercise of the warrants would result in a dilution of approximately 3.4 per cent. The aim of the warrants programmes is to increase the proportion of ownership among Group Management and other key individuals, and to motivate them to remain at the company. In addition, the ownership is expected to increase long-term commitment to Dustin and its earnings performance.

The long-term incentive programme LTI 2015 was exercised in full by participants during the financial year, and the number of shares thus increased by 1,053,387, from 76,173,115 to 77,226,502. The exercise price per warrant was SEK 52.60 and as a result, the share capital increased by SEK 5 million and the share premium reserve by SEK 50 million.

Of the warrants in LTI 2016 and LTI 2017 held by the former CEO Georgi Kanev, 25,000 per programme were purchased by the CEO Thomas Ekman during the period. The remaining warrants held by the former CEO were repurchased by Dustin Aktiebolag, as reported in the table below. As a result, the former CEO has no remaining warrants from the LTI programmes.

Programme	Period of utilisation	Outstanding warrants*	Exercise price, SEK	Exercise price adjusted for new share issue, SEK	Dilution on full exercise*
LTI 2018	Jan 31, 2021 – Jun 30, 2021	866,713	88.9	87.1	1.1%
LTI 2017	Jan 31, 2020 – Jun 30, 2020	1,159,996	73.9	72.4	1.5%
LTI 2016	Jan 30, 2019 – Jun 30, 2019	593,108	69.3**	67.9	0.8%
Total		2,619,817			3.4%

* The number of warrants will be counted by factor 1.02 following the rights issue decided by the board, which will affect the dilution effect at full utilization.

** The exercise price has been adjusted for dividend payments during its term.

Participant	Number of warrants to exercise per programme		
	LTI 2018	LTI 2017	LTI 2016
CEO Thomas Ekman	189,387	25,000	25,000
Other Group Management	313,784	421,820	237,242
Other participants	363,542	474,527	118,622
Holdings of own warrants	–	238,649	212,244
Total	866,713	1 159 996*	593,108

* Of which 92,271 warrants are synthetic options.

Note 7

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

Remuneration Committee

The main task of the Remuneration Committee is to prepare matters regarding remuneration and other employment terms for the CEO and other senior executives. This work comprises preparing proposals for guidelines on, for example, the distribution between fixed and variable remuneration and the relationship between performance and compensation, the principal terms and conditions for incentive programmes, the terms for other benefits, pensions, notice of termination and severance pay, and to prepare proposals for individual compensation packages for the CEO and other Group Management. Further, the Remuneration Committee is to monitor and evaluate the outcome of the variable remuneration and the company's compliance with the remuneration guidelines adopted by the Annual General Meeting. In 2017/18, the Board members Mia Brunell Livfors (Chairman), Caroline Berg and Tomas Franzén were members of the Remuneration Committee. For 2018/19 financial year, the Committee will submit a proposal for remuneration of the CEO for the Board's approval. The Committee will also assist the CEO in approving remuneration of other Group Management.

Audit Committee

The task of the Audit Committee is to monitor financial reporting, risk management and efficiency in the company's internal control and regulatory compliance. In 2017/18, the Board members Johan Fant (Chairman), Gunnel Duveblad and Morten Strand were members of the Audit Committee.

Board members

Remuneration and fees that were approved for 2017/18 at the Annual General Meeting are described in the table below. The Annual General Meeting resolved that remuneration should be paid for committee work, in contrast to previous years. Remuneration for committee work is described in the table below in the column Other remuneration. Remuneration of the Board is approved annually at the Annual General Meeting and relates to the period until the next Annual General Meeting. Board fees are paid by Dustin Aktiebolag. No Board fees were paid to subsidiaries.

Board remuneration (annual fees in SEK)	17/18		16/17	
	Board fee	Other remuneration	Board fee	Other remuneration
Mia Brunell Livfors (Chair)	600,000	60,000	250,000	—
Fredrik Cappelen (former Chair)	—	—	750,000	—
Caroline Berg	300,000	30,000	250,000	—
Gunnel Duveblad	300,000	50,000	250,000	—
Johan Fant	300,000	100,000	250,000	—
Maija Strandberg	—	—	250,000	—
Mattias Miksche	300,000	—	250,000	—
Morten Strand	300,000	50,000	—	—
Tomas Franzén	300,000	30,000	250,000	—
Total	2,400,000	320,000	2,500,000	—

Note 8

Lease agreements

Operating lease agreements (Dustin as a lessee)

The Group's lease expense for the year amounted to SEK 82 million (77).

Future lease fees amount to:	17/18	16/17
Within 1 year	96.1	69.4
Year 2	84.3	52.9
Year 3	79.6	40.3
After 3 years	74.0	37.8
Total	333.9	200.4

The Dustin Group primarily leases premises, cars, trucks, IT equipment and office equipment in accordance with the definition of operating lease agreements. Maturity of the lease agreements is usually 24-60 months, with an option to renew. No lease agreements contain requirements for extension. There are index clauses in the lease agreements.

Financial lease agreements (Dustin as a lessee)

The Group leases assets under financial lease agreements. No financial lease agreements extend over a period that is longer than 36 months. No variable fees were reported in net profit for the year. The leased assets mainly apply to IT hardware and cars.

Future minimum lease fees amount to:	17/18			16/17		
	Minimum lease fees	Interest	Current	Minimum lease fees	Interest	Current
Within one year	4.4	0.3	4.7	1.1	0.1	1.1
Between one and five years	2.2	0.2	2.4	0.0	0.0	0.0
Total	6.6	0.6	7.1	1.1	0.1	1.2

Financial lease assets

Financial lease assets recognised as tangible assets comprise:

	17/18	16/17
Cost		
Cars	11.1	—
IT hardware	10.5	6.7
Closing balance	21.6	6.7
Accumulated depreciation		
Cars	-3.8	—
IT hardware	-5.9	-3.0
Closing balance	-9.6	-3.0
Carrying amount	12.0	3.7

Note 9

Financial items

Interest income and similar income-statement items	17/18	16/17
Interest income	1.1	1.2
Other financial income	0.0	0.0
Total	1.1	1.2
Interest expenses and similar income-statement items	17/18	16/17
Borrowing costs for external financing	54.7	37.9
Currency differences on loans and other non-current liabilities	0.0	2.8
Discount on contingent earn-out	4.3	0.9
Other financial expenses	1.3	1.0
Total	60.3	42.6

Note 10

Tax

Recognised effective tax

Tax expense	17/18	16/17
The following components are included in the tax expense in the income statement:		
Current tax	-73.1	-72.6
Deferred tax	-6.1	3.7
Adjustments of current tax attributable to prior periods	-0.3	-0.1
Recognised effective tax	-79.4	-69.0
Recognised effective tax rate	20.7%	22.4%
Recognised profit before tax	384.6	308.1
Reconciliation of effective tax rate		
Tax according to current tax rate for the Parent Company	-84.6	-67.8
Tax effect of:		
Non-deductible expenses	-3.8	-1.2
Non-taxable income	4.8	-1.3
Standardised income attributable to tax allocation reserve	-0.1	-0.2
Adjustment of tax for previous years and others	-0.3	0.7
Difference in tax rate between Parent Company and subsidiaries	0.1	1.6
Changed tax rate	4.5	-0.9
Recognised effective tax	-79.4	-69.0

Note 11

Earnings per share

Earnings per share before dilution	17/18	16/17
Net profit for the year, SEK million	305.1	239.1
Weighted number of shares outstanding	76,548,031	76,173,115
Number of shares when calculating earnings per share	76,548,031	76,173,115
Earnings per share before dilution, SEK	3.99	3.14
Earnings per share after dilution	17/18	16/17
Net profit for the year, SEK million	305.1	239.1
Weighted number of shares outstanding	76,548,031	76,173,115
Adjustment for adopted dilution through incentive programme*	370,780	165,672
Number of shares when calculating earnings per share after dilution	76,918,811	76,338,787
Earnings per share after dilution, SEK	3.97	3.13

* For more information about the incentive programme, refer to Note 7 Number of employees, employee benefits expense and remuneration of senior executives.

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 12

Intangible assets

Goodwill

Change in goodwill for the year	17/18	16/17	Goodwill per segment	Aug 31, 2018	Aug 31, 2017
Opening cost	2,105.8	1,894.7	B2C	7.7	7.7
Acquisition of operations	981.8	224.8	LCP	883.5	722.9
Reallocation of surplus values from preliminary purchase price allocations	1.6	-11.6	SMB	2,330.5	1,375.2
Exchange-rate differences	132.5	-2.2	Total	3,221.7	2,105.8
Closing residual value according to plan	3,221.7	2,105.8			

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, where acquisitions during the year were in areas with advanced products and services.

Note 12

Cont'd. Intangible assets

Other intangible assets attributable to acquisitions

	Customer contracts		Brands		Other		Total	
	17/18	16/17	17/18	16/17	17/18	16/17	17/18	16/17
Opening accumulated cost	296.1	257.2	318.3	318.3	–	–	614.4	575.5
Acquisition of operations	231.4	39.4	–	–	2.3	–	233.6	39.4
Divestments and disposals	-51.2	–	-6.3	–	–	–	-57.5	–
Exchange-rate differences	22.3	-0.6	–	–	0.1	–	22.3	-0.6
Closing accumulated cost	498.5	296.1	312.0	318.3	2.4	–	812.9	614.4
Opening accumulated amortisation	-250.5	-205.4	-5.9	-5.6	–	–	-256.5	-211.0
Acquisition of operations	–	-0.3	–	–	–	–	–	-0.3
Amortisation for the year	-29.7	-45.9	-0.4	-0.3	-0.1	–	-30.1	-46.2
Divestments and disposals	–	–	6.3	–	–	–	57.5	–
Exchange-rate differences	-11.8	1.1	–	–	0.0	–	-11.8	1.1
Closing accumulated amortisation	-240.8	-250.5	0.0	-5.9	-0.1	–	-240.9	-256.5
Closing residual value according to plan	257.7	45.5	312.0	312.4	2.3	–	572.0	357.9

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.

Note 12

Cont'd. Intangible assets

Other intangible assets

	IT platform		Other		Total	
	17/18	16/17	17/18	16/17	17/18	16/17
Opening cost	160.4	143.4	53.2	42.7	213.6	186.1
Purchases	22.9	16.9	4.3	1.2	27.2	18.1
Acquisition of operations	—	—	21.8	10.0	21.8	10.0
Reclassification	—	—	—	—	—	—
Divestments and disposals*	—	—	-7.2	-0.3	-7.2	-0.3
Exchange-rate differences	0.1	0.0	2.3	-0.3	2.4	-0.3
Closing accumulated cost	183.4	160.4	74.4	53.2	257.8	213.6
Opening amortisation	-38.7	-22.2	-36.1	-28.1	-74.8	-50.3
Amortisation for the year according to plan	-19.5	-16.5	-8.2	-6.5	-27.7	-23.1
Acquisition of operations	—	—	-9.7	-2.0	-9.7	-2.0
Reclassification	—	—	—	—	—	—
Divestments and disposals*	—	—	6.3	0.3	6.3	0.3
Exchange-rate differences	-0.1	0.0	-1.1	0.1	-1.2	0.1
Closing accumulated amortisation according to plan	-58.3	-38.7	-48.9	-36.1	-107.2	-74.8
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	101.5	98.0	25.5	17.1	127.0	115.1

*Of divestments for the year, SEK 0.3 million relate to disposals.

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 2.0 per cent (2.35), stock market premium of 5.2 per cent (5.2), share beta of

1.08 per cent (0.95) and an expected credit margin of 1.5 per cent (1.3). The calculation shows that the weighted cost of capital could have been reduced by 0.5 percentage points (0.8) but adjustments were not made in order to obtain comparability between periods and the consistent application of selected models.

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 7.6 per cent (8.1). If the discount rate decreased 0.5 percentage points the recoverable amount decreased 6.5 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 13

Tangible assets

	Cost of improvements on external properties		Equipment		Total	
	17/18	16/17	17/18	16/17	17/18	16/17
Opening accumulated cost	16.8	14.9	69.9	58.2	86.7	73.1
Purchases	1.0	1.6	27.9	7.7	28.9	9.3
Acquisition of operations	7.9	0.7	118.1	15.8	126.0	16.5
Divestments and disposals	-0.3	-0.5	-2.3	-11.6	-2.6	-12.1
Exchange-rate differences	0.3	0.0	6.6	-0.1	7.0	-0.1
Closing accumulated cost	25.7	16.8	220.3	69.9	246.0	86.7
Opening accumulated depreciation	-12.1	-10.1	-50.0	-42.7	-62.2	-52.8
Depreciation for the year according to plan	-2.8	-2.3	-17.7	-10.0	-20.5	-12.3
Acquisition of operations	-6.6	-0.2	-62.7	-8.9	-69.4	-9.1
Divestments and disposals	0.1	0.5	1.5	11.6	1.6	12.1
Exchange-rate differences	-0.3	0.0	-3.6	0.0	-3.9	0.0
Closing accumulated depreciation according to plan	-21.8	-12.1	-132.6	-50.0	-154.4	-62.2
Closing residual value according to plan	3.9	4.6	87.7	19.9	91.7	24.6

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)	17/18	16/17
Opening balance	109.6	52.6
Remeasurements recognised in profit or loss:		
Unrealised revaluation of contingent earn-out recognised under Items affecting comparability	-23.7	-22.3
Discount of contingent earn-out recognised under Financial expenses and other similar income-statement items	4.3	0.9
Remeasurements recognised under other comprehensive income:		
Unrealised exchange-rate differences recognised under Translation differences	12.2	-3.1
Changes recognised via the balance sheet:		
Payments attributable to previous acquisitions	-53.7	-26.6
Acquisitions	227.7	108.0
Closing balance	276.3	109.6

Change in divestment-related receivables measured at fair value based on inputs that are not based on observable market data (Level 3)	17/18	16/17
Opening balance	–	–
Changes recognised via the balance sheet:		
Estimated purchase consideration, divestment of subsidiary, long and short term	6.6	–
Closing balance	6.6	–

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. Of SEK 276 million (110), SEK 186 million (106) is 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 more information regarding purchase price allocation, see note 23 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, an earn-out liability of SEK 228 million (108) for new acquisitions was recognised, attributable to the acquisitions of JML-System AB, Core Services AS, ITaito Oy and the asset-transfer acquisition of Norriq. The acquisition of Vincere Netherlands B.V. also included an earn-out from an earlier acquisition by one of the subsidiaries. Of the earn-out liabilities of SEK 110 million recognised in the preceding year, SEK 54 million was settled in the current year. New assessments were also conducted of liabilities to Core Services AS, the now merged company IKT AS and IDENET AB, which entailed an impairment of acquisition-related liabilities of SEK 15 million and SEK 3 million, respectively. The maximum performance-based earn-out liability for acquisitions during the year totals SEK 341 million, see note 22 Borrowing.

Note 15

Deferred tax

	Other non- current assets	Appropri- ations	Financial instru- ments	Total deferred tax liabilities	Other non- current assets	Loss carry- for- wards	Total deferred tax assets
Opening balance, September 1, 2017	80.7	54.2	-2.1	132.9	8.4	0.0	8.4
Recognised in net profit for the year	-2.0	1.8	—	-0.2	-6.3	—	-6.3
Recognised in statement of financial position	52.3	0.5	—	52.8	—	—	—
Recognised in other comprehensive income	—	—	1.0	1.0	—	—	—
Closing balance, August 31, 2018	131.0	56.6	-1.1	186.5	2.1	0.0	2.1
Opening balance, September 1, 2016	80.9	45.0	-4.0	121.9	4.6	1.9	6.5
Recognised in net profit for the year	-11.4	9.6	—	-1.8	3.9	-2.0	1.9
Recognised in statement of financial position	11.1	-0.3	—	10.9	-0.2	—	-0.2
Recognised in other comprehensive income	0.0	—	1.9	1.9	0.0	0.1	0.1
Closing balance, August 31, 2017	80.7	54.2	-2.1	132.9	8.4	0.0	8.4

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

Note 16

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 13. The valuation level is unchanged compared with August 31, 2017. 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, 2018 qualify for continued hedge accounting.

Current assets	Aug 31, 2018	Aug 31, 2017
Interest-rate swaps	0.1	—
Currency futures	0.1	—
Total	0.2	—
Non-current assets	Aug 31, 2018	Aug 31, 2017
Interest-rate swaps	2.0	—
Currency futures	—	—
Total	2.0	—
Current liabilities	Aug 31, 2018	Aug 31, 2017
Interest-rate swaps	0.1	—
Currency futures	—	0.1
Total	0.1	0.1
Non-current liabilities	Aug 31, 2018	Aug 31, 2017
Interest-rate swaps	7.3	6.5
Currency futures	—	—
Total	7.3	6.5

Note 16

Cont'd. Derivative instruments and hedge accounting

Interest-rate derivatives	Nominal amount		Interest at fixed exchange rate		Maturity swap	
	Aug 31, 2018	Aug 31, 2017	Aug 31, 2018	Aug 31, 2017	Aug 31, 2018	Aug 31, 2017
SWAP SEK*	140,000,000	140,000,000	0.565%	0.565%	Apr 29, 2022	Apr 29, 2022
SWAP SEK*	—	70,000,000	—	0.165%	—	Apr 29, 2022
SWAP EUR*	12,500,000	12,500,000	0.049%	0.049%	Apr 29, 2022	Apr 29, 2022
SWAP EUR*	—	7,000,000	—	-0.114%	—	Apr 29, 2020
SWAP EUR	40,000,000	—	-0.075%	—	Jul 16, 2021	—
SWAP NOK	160,000,000	160,000,000	1.545%	1.545%	Oct 29, 2021	Oct 29, 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 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 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 0.1 million (0.1) as per the balance-sheet date.

Note 17

Inventories

	Aug 31, 2018	Aug 31, 2017
Goods for resale	395.8	261.9
Total	395.8	261.9
Cost of goods sold	-8,604.1	-7,790.1

The obsolescence reserve amounted to SEK 16 million (9) at the end of the year.

The cost of inventory impairment totalled SEK 5 million (2) for the year.

Note 18

Accounts receivable and other current assets

Accounts receivable

Maturity structure of outstanding accounts receivable	Aug 31, 2018	Aug 31, 2017
0-30 days	1,207.9	963.4
31-90 days	50.1	53.4
91- days	16.6	36.2
Impairment due to doubtful accounts receivable	-2.0	-6.0
Total	1,272.6	1,047.0

Changes in the provision for doubtful accounts receivable	Aug 31, 2018	Aug 31, 2017
Opening balance	6.0	2.6
Acquisition of operations	0.5	0.8
Provision for possible bad debt losses	2.8	6.8
Confirmed bad debt losses	-6.9	-4.0
Reversed bad debt losses	-0.6	-0.1
Exchange-rate differences	0.3	0.0
Closing balance	2.0	6.0

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 2 million (6) and amounted to 0.2 per cent (0.6) in relation to accounts receivable. Dustin has historically low bad debt 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, 2018	Aug 31, 2017
Prepaid expenses for suppliers	31.9	30.1
Accrued marketing subsidies	15.6	22.6
Accrued discounts from suppliers	52.7	62.6
Accrued lease income	0.8	14.9
Accrued income attributable to delivered but not invoiced	42.4	22.4
Other prepaid expenses and accrued income	25.0	5.8
Total	168.3	158.5

Note 19

Financial assets and liabilities

Aug 31, 2018	Accounts receivable and loans receivable	Items measured at fair value via profit or loss	Other financial assets and liabilities	Derivatives used in hedge accounting	Total carrying amount	Fair value
Assets						
Derivative instruments (Level 2)	—	—	—	2.2	2.2	2.2
Accounts receivable and other receivables	1,287.0	—	—	—	1,287.0	1,287.0
Accrued income	111.5	—	—	—	111.5	111.5
Divestment-related receivables (Level 3)	—	6.6	—	—	6.6	6.6
Cash and cash equivalents	277.6	—	—	—	277.6	277.6
Total assets	1,676.2	6.6	—	2.2	1,684.9	1,684.9
Liabilities						
Liabilities to credit institutions	—	—	1,997.4	—	1,997.4	1,997.4
Derivative instruments (Level 2)	—	—	—	7.4	7.4	7.4
Accounts payable	—	—	1,568.5	—	1,568.5	1,568.5
Acquisition-related liabilities (Level 3)	—	276.3	—	—	276.3	276.3
Other current liabilities	—	—	162.7	—	162.7	162.7
Accrued expenses	—	—	280.5	—	280.5	280.5
Total liabilities	—	276.3	4,009.1	7.4	4,292.8	4,292.8

Aug 31, 2017	Accounts receivable and loans receivable	Items measured at fair value via profit or loss	Other financial assets and liabilities	Derivatives used in hedge accounting	Total carrying amount	Fair value
Assets						
Accounts receivable and other receivables	1,054.7	—	—	—	1,054.7	1,054.7
Accrued income	122.5	—	—	—	122.5	122.5
Cash and cash equivalents	71.5	—	—	—	71.5	71.5
Total assets	1,248.7	—	—	—	1,248.7	1,248.7
Liabilities						
Liabilities to credit institutions	—	—	1,068.6	—	1,068.6	1,068.6
Derivative instruments (Level 2)	—	—	—	6.6	6.6	6.6
Accounts payable	—	—	956.3	—	956.3	956.3
Acquisition-related liabilities (Level 3)	—	109.6	—	—	109.6	109.6
Other current liabilities	—	—	115.1	—	115.1	115.1
Accrued expenses	—	—	206.4	—	206.4	206.4
Total liabilities	—	109.6	2,346.4	6.6	2,462.6	2,462.6

Note 20

Cash and cash equivalents

	Aug 31, 2018	Aug 31, 2017
Cash and cash equivalents	277.6	71.5
Closing balance	277.6	71.5

The utilised overdraft facility amounted to SEK - million (-) at the end of the financial year. The unutilised overdraft facility amounted to SEK 270 million (270) at the end of the financial year.

The Dutch subsidiary acquired also has a credit facility of a maximum of EUR 5 million, of which EUR 1 million had been utilised at the end of the financial year.

The Group has a global cash pool with Nordea.

The Parent Company is the main account holder for the Group account, which enables subsidiaries to utilise cash and cash equivalents 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 21

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. During the financial year, the share capital increased by 1,053,387 shares following the dissolution of the warrants programme. As of August 31, 2018, the number of shares amounted to 77,226,502 (76,173,115). As a result of the warrant programme, the share capital increased by SEK 5 million.

Other contributed capital

This item pertains to equity that has been contributed by the owners. During the year, other contributed capital increased SEK 49 million, of which SEK 50 million on account of the new share issue, SEK -6 million due to treasury warrants and SEK 5 million pertained to warrants. The increase in the preceding year related to warrants amounting to SEK 2 million.

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.

Share premium reserve

As a result of the warrant programme, the share premium reserve increased by SEK 50 million.

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 internally generated 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 (1) with financial covenants. In the current and preceding year, Dustin has fulfilled all reported covenant requirements.

Note 22

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.

	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
Aug 31, 2018					
Liabilities to credit institutions including future interest payments	2,103.7	32.5	20.0	59.9	1,991.4
Accounts payable	1,568.5	1,568.5	—	—	—
Tax liabilities	20.0	20.0	—	—	—
Derivative instruments	7.4	0.1	1.8	5.6	—
Other current liabilities	162.7	162.7	—	—	—
Acquisition-related liabilities	276.3	73.9	202.5	—	—
Accrued expenses	280.5	280.5	—	—	—
Total	4,419.2	2,138.5	224.2	65.4	1,991.4
	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
Aug 31, 2017					
Liabilities to credit institutions including future interest payments	1,143.8	16.5	16.5	1,110.7	—
Accounts payable	956.3	956.3	—	—	—
Tax liabilities	59.3	59.3	—	—	—
Derivative instruments	6.6	0.1	—	6.5	—
Other current liabilities	115.1	115.1	—	—	—
Acquisition-related liabilities	109.6	31.3	78.3	—	—
Accrued expenses	206.4	206.4	—	—	—
Total	2,597.0	1,385.0	94.8	1,117.2	—

Note 22

Cont'd. Borrowing

Summary of cash flow from financing activities pertaining to external loans

Change in liabilities to credit institutions for the year	17/18	16/17
Opening balance	1,068.6	1,066.4
Change in financial cash flow		
New loans raised	2,153.2	—
New loans raised through acquisitions during the year	11.8	
Paid liabilities start-up costs	-8.4	-3.3
Repayment of debt	-1,383.6	—
Total change in financial cash flow	773.0	-3.3
Other changes		
Changes via the effective interest rate method	20.9	7.6
Exchange-rate differences, NOK, DKK and EUR	134.8	-2.0
Total other changes	155.7	5.6
Closing balance	1,997.4	1,068.6

Loans

During the year, Dustin signed a new bank agreement, which took effect during the fourth quarter. The new credit volume amounts to approximately SEK 2,000 million with the option of additional lending of SEK 1,000 million. All former external loan agreements were repaid in their entirety whereupon the borrowing expenses relating to the former financing agreements were written down in full, which explains the increase in the amortisation/impairment item for borrowing expenses compared with previous years. The interest terms for bank loans utilised are described in the table

below. The bank agreement extends for three years with the option of an extension of up to two years, by slightly more than one year at a time. The loan is free from amortisation during the term of the loan.

Fair value of external loans

The fair value of external loans is deemed to correspond to the carrying amount. The interest rate for bank loans is variable and the credit risk is not considered to have changed significantly since entering into the loans.

Group and Parent Company, Aug 31, 2018	Liabilities to credit institutions	Interest terms	Interest period
Bank loan SEK	106.5	Stibor + interest margin 0.75–1.45%	3 + 1 + 1 years
Bank loan EUR	110.8	Euribor + interest margin 0.75–1.45%	3 + 1 + 1 years
Bank loan NOK	280.0	Nibor + interest margin 0.75–1.45%	3 + 1 + 1 years
Bank loan DKK	280.0	Cibor + interest margin 1.15–1.80%	3 + 1 + 1 years

Overdraft facility

The company had an unutilised overdraft facility of SEK 270 million (270) as per the balance-sheet date. The overdraft facility was also unutilised on the same date for the comparative year. The acquired subsidiary, Vincere Netherlands B.V., also had a credit facility of a maximum of EUR 5 million, of which EUR 1 million had been utilised at the end of the financial year.

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, 2018.

Note 23

Acquisition of businesses

Acquisitions 2017/18

In 2017/18, Dustin conducted a total of six acquisitions. All of the acquisitions were in the advanced products and services category. These acquisitions are presented in chronological order below.

On September 29, 2017, the Dustin Danmark A/S subsidiary acquired, in an asset-transfer acquisition, a Danish business from Norriq Infrastructure & Cloud Services AS. The operations concern a business area for hosting and outsourcing IT services. The purchase consideration amounted to SEK 216 million, of which SEK 75 million pertained to a contingent earn-out.

On November 1, 2017, Dustin acquired all of the shares outstanding in the Norway-based company Core Services AS, Corp. Reg. No. 995 962 292, through the subsidiary Dustin Norway AS. Core Services AS, which is one of the leading players in the new generation of data centre solutions, known as software-defined data centres. The customer base primarily comprises companies in the LCP segment. The purchase consideration amounted to SEK 198 million, of which SEK 54 million pertained to an expected earn-out.

All of the shares in the Swedish company JML-System AB, Corp. Reg. No. 556643-2802, were acquired on November 1, 2017. JML-System offers installation and service of AV solutions for meeting rooms and conferences, primarily to small and medium-sized businesses. The purchase consideration amounted to SEK 136 million, of which SEK 34 million pertained to an expected earn-out.

On June 1, 2018, all shares outstanding were acquired in the Finnish company ITaito Oy, Corp. Reg. No. 2201996-8, through the subsidiary Dustin Finland OY. ITaito Oy supplies IT services, focusing on small and medium-sized businesses. The purchase consideration amounted to SEK 72 million, of which SEK 25 million pertained to an expected earn-out.

All of the shares in the Swedish company DAV Partner AB, Corp. Reg. No. 556609-4842, were acquired on July 2, 2018. DAV Partner AB is a company specialising in AV solutions. The purchase consideration amounted to SEK 15 million, with no expected earn-out.

On July 4, 2018, the Dutch company Vincere Netherlands B.V., Corp. Reg. No. 71903968, was acquired. The Vincere Group is specialised in managed services with focus on cloud and security solutions, along with IT solutions with associated value added hardware and consultancy services primarily for small and medium-sized businesses and organisations. The purchase consideration amounted to SEK 655 million, with no contracted earn-out.

The effects of the acquisitions on the Group's financial position are specified below. The purchase price allocations are preliminary and the final analyses of acquired assets will take place within one year from the acquisition date. The purchase price allocations are preliminary to ensure high quality in internal processes and procedures for the acquired companies before the preliminary analyses are concluded and finalised.

Acquisition-related costs amounted to SEK 20 million (11).

Note 23

Cont'd. Acquisition of businesses

Preliminary purchase price allocations

Fair value of acquired assets and liabilities	Norriq Infra-structure & Cloud Services	Core Services AS	JML-System AB	DAV Partner AB	ITaito Oy	Vincere Netherlands B.V	Total
Intangible assets	32.8	7.0	7.4	—	5.8	203.0	256.0
Tangible assets	1.3	0.0	7.1	0.1	5.3	42.8	56.6
Financial assets	—	—	0.1	—	—	—	0.1
Inventories	0.1	—	6.9	7.2	0.5	25.5	40.2
Other current assets	—	41.2	51.2	23.0	6.7	83.8	206.0
Cash and cash equivalents	—	39.9	-4.2	4.9	8.8	—	49.4
Other current liabilities	11.8	30.1	43.6	23.3	10.2	170.2	289.2
Total identified assets and liabilities	22.4	58.1	24.8	11.9	16.9	184.9	319.1
Consolidated goodwill	193.3	139.6	111.5	3.3	55.3	469.7	972.8
Purchase consideration including estimated contingent earn-out	215.8	197.7	136.3	15.3	72.2	654.6	1,291.9
Less:							
Cash and cash equivalents	—	39.9	-4.2	4.9	8.8	—	49.4
Estimated contingent earn-out	74.6	53.7	34.0	—	25.4	—	187.8
Net cash outflow	141.2	104.1	106.5	10.4	38.0	654.6	1,054.7

Income and earnings attributable to acquired companies

The acquisitions during the financial year of Norriq Infrastructure & Cloud Services AS, Core Services AS, JML-System AB, ITaito Oy, DAV Partner AB and Vincere Netherlands B.V. have contributed during the year a total of SEK 610 million (101) to Group's income and SEK 67 million (5) to the Group's EBITA.

The acquisition of Vincere Netherlands B.V. has from the acquisition date contributed to Group revenues with a total of SEK 168 million and to Group EBITA with SEK 13 million. During the previous fiscal year (Jan 2017 - Dec 2017), Vincere Netherlands B.V. reported revenues of EUR 67 million and an EBITA of EUR 4 million. Other companies are individually not deemed to be material in financial terms.

Goodwill

In the preliminary purchase price allocations, acquired surplus values have been allocated in part to goodwill. Goodwill is deemed to be attributable to employee know-how and expected synergies. Goodwill is not deemed to be tax deductible.

Acquisition-related liabilities

Acquisition-related liabilities pertain to contingent earn-outs. For further information on contingent earn-outs, refer to Note 14 Acquisition and divestment-related assets and liabilities.

Note 23

Cont'd. Acquisition of businesses

Acquisitions 2016/17

During the preceding financial year, three acquisitions were completed, two of which in Norway and one in Sweden. The total purchase consideration including estimated contingent earn-out amounted to SEK 270.5 million, of which the net cash outflow was SEK 143.0 million in 2016/17. In 2017/18, the final purchase price allocations were confirmed for acquisitions in 2016/17 without any adjustment as specified below:

Final purchase price allocation

Fair value of acquired assets and liabilities	IKT Gruppen AS including			Total
	IT Gruppen AS	Purity IT AS	Saldab IT AB	
Intangible assets	4.4	19.0	9.0	32.5
Tangible assets	0.1	5.3	1.9	7.4
Inventories	0.9	1.9	1.7	4.6
Other current assets	3.0	16.3	33.4	52.7
Cash and cash equivalents	4.3	11.6	3.6	19.4
Other current liabilities	6.6	33.4	30.9	70.9
Total identified assets and liabilities	6.2	20.8	18.7	45.6
Consolidated goodwill	46.2	87.1	91.6	224.8
Purchase consideration including estimated contingent earn-out	52.3	107.9	110.2	270.5

Note 24

Accrued expenses and deferred income

	Aug 31, 2018	Aug 31, 2017
Accrued personnel costs	142.1	112.0
Accrued expenses for suppliers	89.2	52.8
Accrued discounts to customers	7.6	2.1
Deferred marketing subsidies	4.1	7.7
Advance invoicing	27.2	20.9
Provision for legal dispute	—	22.2
Other accrued expenses and deferred income	41.6	17.3
Total	311.8	235.0

Deferred marketing subsidies relate to payments that Dustin has received from suppliers on the basis that Dustin has an obligation to carry out marketing activities.

Note 25

Cash-flow statement

Adjustment for non-cash items	17/18	16/17
Depreciation of tangible assets	20.5	12.3
Amortisation of intangible assets	57.8	69.3
Unrealised revaluation of contingent earn-out recognised under Items affecting comparability	-23.7	-22.3
Capital gain	-2.3	—
Exchange-rate differences	—	-0.3
Other items	-0.6	-0.9
Total	51.7	58.1

Note 26

Pledged assets and contingent liabilities

	Aug 31, 2018	Aug 31, 2017
For loans and bank overdrafts		
Floating mortgages	98.3	85.3
Total	98.3	85.3

The increase in floating mortgages is related to previous taken out mortgages in companies acquired during the year. Dustin has not pledged any assets for its obligations under the current loan agreement.

Note 27

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 Participations in Group companies 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.

is also to be adapted to the expansion in the Netherlands. As a result, changes are being made to Dustin's Group Management whereby new roles will be added while other functions will be removed. The changes were implemented as of October 1, 2018.

Rights issue

Dustin Group AB held an extraordinary general meeting on October 10, 2018, when a resolution was taken to approve the rights issue previously determined by the Board of Directors. The terms and conditions of the rights issue mean that every seven (7) subscription rights entitles the holder to subscribe for one (1) new share at a price of SEK 63 per new share. Following the rights issue, the number of shares amounts to 88,258,859 and the total equity increased to SEK 695,038,518, of which SEK 55,161,788 pertains to share capital. The rights issue will provide the company with greater flexibility and the ability to continue to broaden its customer offering through the acquisition of companies with a high level of advanced products, services and recurring revenues.

Note 28

Significant events after the balance-sheet date

Changes to Dustin's Group Management

Dustin announced changes to its organisation to create greater clarity within the segments and further increase the scalability of its support functions. The organisation

Parent Company Notes

Note P1

Information on income and expenses within the Group

	17/18	16/17
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

	17/18			16/17		
Distribution of Board members and senior executives at the balance-sheet date	Women	Men	Total	Women	Men	Total
Board members	3	4	7	4	4	8
Total	3	4	7	4	4	8

The Parent Company has no employees. Information about the remuneration of the company's Board of Directors is outlined in Note 7 Number of employees, employee benefits expense and remuneration of senior executives on page 98 for the Group.

Note P3

Auditor's remuneration and expenses

	17/18	16/17
Ernst & Young AB		
Audit assignment	–	0.9
Audit activities other than audit assignment	–	0.1
Total	0.0	1.0

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 assistance 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.

Costs for the Parent Company audit are paid by the subsidiary Dustin Aktiebolag.

Note P4

Financial items

Interest income and similar income-statement items	17/18	16/17
Interest income	14.2	9.6
Dividends	300.0	10.4
Total	314.2	20.0

Interest expenses and similar income-statement items	17/18	16/17
Borrowing costs on external financing	54.5	37.7
Currency differences on liabilities to credit institutions	132.5	-1.9
Other financial expenses	0.6	0.1
Impairment of shares in subsidiaries	–	10.0
Total	187.6	45.9

Note P5

Appropriations

	17/18	16/17
Group contributions received	297.7	271.2
Change in tax allocation reserve	-28.3	-58.8
Total	269.4	212.4

Note P6

Tax

Recognised effective tax

Tax expense	17/18	16/17
The following components are included in the tax expense in the income statement:		
Current tax	-18.7	-38.8
Adjustments of current tax attributable to prior periods	0.0	0.0
Recognised effective tax	-18.7	-38.8
Recognised effective tax rate	4.9%	22.0%
Recognised profit before tax	384.6	176.4
Reconciliation of effective tax rate		
Tax according to current tax rate	-84.6	-38.8
Tax effect of:		
Non-deductible expenses	-0.1	-2.2
Non-taxable income	66.0	2.3
Adjustment of tax for previous years and others	0.0	0.0
Recognised effective tax	-18.7	-38.8
Current tax		
Current tax liabilities	6.6	45.1
Total	6.6	45.1

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	Participation	Equity	Net profit for the year	Carrying amount	
							17/18	16/17
Dustin Aktiebolag	556237-8785	Stockholm	25,000,000	100%	300.3	51.5	1,211.6	1,211.6
Total							1,211.6	1,221.7

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

Company name	Corp. Reg. No.	Aug 31, 2018	Aug 31, 2018
		Participating interest	Participating interest
ComPromise Domino B.V.	04062532	100%	—
Core Services AS	995962292	100%	—
DAV Partner AB	556609-4842	100%	—
Dustin A/S	26092183	100%	100%
Dustin Finland Oy	0935141-3	100%	100%
Dustin Norway AS	939483969	100%	100%
Dustin Sverige AB	556666-1012	100%	100%
IDENET AB	556443-9072	100%	100%
Issys ICT B.V.	37104253	100%	—
ITaito Oy	2201996-8	100%	—
JML-System AB	556643-2802	100%	—
Purity IT AS	915291783	100%	100%
Saldab IT AB	556645-4210	100%	100%
Sincerus B.V.	51450976	100%	—
Sincerus Consultancy B.V.	08142104	100%	—
Switch IT Solutions B.V.	06070240	100%	—
TopCrowd B.V.	08142105	100%	—
Unilogic B.V.	14053559	100%	—
Unilogic Networks 2 B.V.	68329210	100%	—
Vincere Group B.V.	06070239	100%	—
Vincere Netherlands B.V.	71903968	100%	—
Webnamen B.V.	06088974	100%	—
Xcellent Automatisering B.V.	32119865	100%	—

Note P8

Prepaid expenses and accrued income

	17/18	16/17
Pre-paid interest-rate swaps	—	2.8
Other prepaid expenses and accrued income	0.8	3.5
Total	0.8	6.3

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

	17/18	16/17
Cash and cash equivalents	247.0	42.9
Closing balance	247.0	42.9

The Parent Company is the main account holder for the Group account with Nordea. For more information about the cash pool and overdraft facility and credit facility, see the Group Note 20 Cash and cash equivalents.

Note P10

Equity

Share capital

See Note 21 Equity for the Group for information about the Parent Company's share capital and other contributed 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 of SEK 213 million was paid in dividends in line with the resolution by the Annual General Meeting on December 13, 2017. For the current financial year, the proposed dividend is SEK 239 million (213), which corresponds to about 78 per cent of net profit for the year (89).

Share premium reserve

During the year, the long-term incentive programme LTI 2015 was utilised, which increased the share premium reserve by SEK 50 million.

Note P11

Untaxed reserves

	17/18	16/17
Tax allocation reserve	137.7	109.4
Total	137.7	109.4

Note P12

Borrowing

The Group's external financing is with the Parent Company with the exception of the recently acquired company Vincere Netherlands B.V.. Total external loans amount to SEK 1,985 million (1,069). For more information about borrowing, refer to the Group Note 22 Borrowing.

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, 2018	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	2,091.1	20.0	20.0	59.9	1,991.4
Accounts payable	0.0	0.0	—	—	—
Tax liabilities	6.6	6.6	—	—	—
Other current liabilities	0.4	0.4	—	—	—
Accrued expenses	5.0	5.0	—	—	—
Total	2,103.1	31.9	20.0	59.9	1,991.4

Aug 31, 2017	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	1,143.8	16.5	16.5	1,110.7	—
Accounts payable	0.2	0.2	—	—	—
Tax liabilities	45.1	45.1	—	—	—
Other current liabilities	0.3	0.3	—	—	—
Accrued expenses	2.6	2.6	—	—	—
Total	1,192.0	64.8	16.5	1,110.7	—

Note P13

Accrued expenses and deferred income

	17/18	16/17
Accrued expenses for suppliers	—	0.4
Other accrued expenses and deferred income	5.0	2.2
Total	5.0	2.6

Note P14

Cash-flow statement

Adjustment for non-cash items	17/18	16/17
Outstanding Group contributions	297.7	271.2
Total	297.7	271.2

Note P15

Related-party transactions

Transactions with subsidiaries

For information about direct and indirect shareholdings in subsidiaries, refer to P7 Participations in Group companies for the Parent Company.

Transactions with subsidiaries	17/18	16/17
Purchases	—	—
Sales	0.4	0.4
Receivables as of August 31	1,543.3	619.9
Liabilities as of August 31	—	—

The consolidated income statement and balance sheet will be put before the Annual General Meeting on December 11, 2018 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
Chairman of the Board

Caroline Berg

Gunnel Duveblad

Johan Fant

Tomas Franzén

Mattias Miksche

Morten Strand

Thomas Ekman
CEO

Stockholm, November 14, 2018

Our audit report was submitted on November 14, 2018
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 66-79 for the year 2017-09-01 – 2018-08-31. The annual accounts and consolidated accounts of the company are included on pages 50-125 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, 2018 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, 2018 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 66-79. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

Key Audit Matters

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

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Valuation of goodwill and other intangible assets with indefinite useful life

Goodwill and other intangible assets with an indefinite life represents a significant portion of Dustin Group AB's total assets, totaling SEK 3 534 million as of August 31, 2018. That equals 57% of the group's total assets and 215% 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, 2018 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 the uncertainty normally present with estimating recoverable values we have assessed valuation of goodwill and other intangible assets with indefinite life as a key audit matter.

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.

Valuation of contingent consideration and purchase price allocation

During the financial year of 2017/18, Dustin has completed six acquisitions of which five include an earn-out which is based on future financial performance of the acquired businesses. In accordance with IFRS 3 the total earn-out combined with the initial price of purchase is reported at fair value per the acquisition date. The estimated total purchase price has a direct impact on the Company's purchase price allocation and the allocation to goodwill. As of August 31, 2018 the total debt related to earn-outs for acquisitions amounted to SEK 276 million. The earn-out is calculated as a multiple based on future financial performance of the acquisitions and Dustin has therefore estimated future earnings of the acquired company. In order to calculate the fair value of the estimated future earn-outs the net present value has been calculated using a discount rate reflecting the related risks. As part of the purchase price allocation the Company has allocated the purchase price to acquired assets including goodwill. This has been done by identifying acquired assets and valuing them at fair value based on applicable valuation methods. The remaining value after allocation to identified assets has been allocated to goodwill.

When estimating the fair value of an earn-out and the fair value of the identifiable acquired assets there is normally a certain degree of uncertainty present. That in combination with the significant financial impact that the estimate has we have assessed the valuation of earn-outs and purchase price allocation to be a key audit matter in our audit.

We have evaluated the Company's forecast of future financial performance of the acquired businesses used by the Company to estimate the fair value. The forecast has been assessed for reasonability by taking in to account previous financial performance of the acquired businesses, the forecast used when calculating the enterprise value, the Company's future plans for developing the acquired business and Dustin's previous ability to prepare accurate forecasts. We have used our valuation specialists to evaluate the Company's discount rate.

Refer to note 1 for the accounting principles regarding valuation of earn-outs and notes 2, 14 and 23 for the Company's description of the assessments made in connection with the valuation of earn-outs and purchase price allocations. 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 1-15, 22-29, 46-49, 133 and 137-147.

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 2017-09-01 – 2018-08-31 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 66-79 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.

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, 2017 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 14, 2018
Ernst & Young AB

Jennifer Rock-Baley
Auktoriserad revisor

Auditor's Limited Assurance Report on Dustin Group AB's Sustainability Report and statement regarding the Statutory Sustainability Report

To Dustin Group AB (publ), Corp. id. 556703-3062

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 2017 – 31 August 2018. The Statutory Sustainability Report is integrated with the Sustainability Report and is defined on page 56 in the Annual and Sustainability Report. Our review covers the information related to the operations of Dustin Group AB.

Responsibilities of the Board of Directors and the Executive Management

The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Report including the Statutory Sustainability Report in accordance with applicable criteria and the Annual Accounts Act respectively. The criteria are defined on the pages 137-138 in the Sustainability Report, and are part of the Sustainability Reporting Guidelines published by GRI (The 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.

Auditor's responsibility

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed and to express an opinion regarding the Statutory Sustainability Report. We conducted our limited assurance engagement in accordance with ISAE 3000 Assurance engagements other than audits or reviews of 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. Our examination regarding the Statutory Sustainability Report has been conducted in accordance with FAR's accounting standard RevR12. The auditor's opinion regarding the statutory sustainability report. A limited assurance engagement and an examination according to RevR 12 is different and substantially less in scope than an audit conducted in accordance with IAASB's Standards on Auditing and generally accepted auditing standards in Sweden.

Ernst & Young 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 limited assurance procedures performed and the examination according to RevR 12 do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion based on a limited assurance engagement and an examination according to RevR 12 does not provide the same level of assurance as a conclusion based on an audit.

Our procedures are based on the criteria defined by the Board of Directors and Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusions below.

Conclusions

Based on the limited review 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.

A Statutory Sustainability Report has been prepared.

Stockholm, 14 November, 2018
Ernst & Young AB

Jennifer Rock-Baley
Authorized Public Accountant

Charlotte Söderlund
Authorized Public Accountant

2017/18 Annual General Meeting

Dustin's Annual General Meeting will be held on Tuesday, December 11, 2018 at 3:00 p.m. at Westmanska Palatset, Holländargatan 17 in Stockholm, Sweden. Registration will begin from 2:00 p.m.

Participation

Shareholders wishing to participate at the Annual General Meeting must:

- be entered in the shareholders' register maintained by Euroclear AB no later than Wednesday, December 5, 2018; and
- notify the company of their attendance via e-mail: gm@dustingroup.com or by post to Dustin Group AB (publ), Att: Bolagsstämma, Box 1194, SE-131 27 Nacka Strand, Sweden, no later than Wednesday, December 5, 2018.

Notification

In their notification to the company, shareholders must state their name, personal identity number or corporate registration number, address and telephone number and, where applicable, information regarding proxies and assistants.

If participation is to take place based on a power of attorney, such power of attorney must be dated and signed. The power of attorney must be sent to Dustin Group AB at the address above well in advance of the Annual General Meeting.

The power of attorney registration form is available in both Swedish and English on the Group's website: <http://www.dustingroup.com/en/agm1718>

Representatives of legal entities must present a certified copy of the registration certificate or equivalent documents of authorisation.

For information on the processing of personal data, refer to the Privacy Policy available on Euroclear's website <https://www.euroclear.com/dam/ESw/Legal/privacy-notice-boss.pdf>

The notice and other information will be available at <http://www.dustingroup.com/en/agm1718> four weeks prior to the Annual General Meeting.

Trustee-registered shares

To be entitled to participate in the Meeting, shareholders who have their shares registered with a trustee must temporarily re-register the shares in their own name in the shareholders' register (known as voting rights registration), in addition to their notification of participation in the Meeting. To ensure this registration is completed by December 5, 2018, shareholders should contact their trustee or bank well in advance of this date.

Dividends

The Board of Directors proposes a total dividend of SEK 239 million in 2017/18, corresponding to SEK 2.72 per share after taking into account the outcome of the completed rights issue. The proposed dividend represents approximately 78 per cent of the net profit for the year. Thursday, December 13, 2018 is proposed as the record date for the dividend. The estimated payment date for the dividend is Tuesday, December 18, 2018.

Financial calendar

2017/18 Annual General Meeting	December 11, 2018
Interim Report, Sept - Nov	January 9, 2019
Interim Report, Dec - Feb	April 10, 2019
Interim Report, Mar - May	July 3, 2019
Year-End Report Sept - Aug	October 9, 2019

Corporate responsibility information

About this report

Dustin's Annual and Corporate Responsibility Report provides a summary of the financial results and the sustainability work we have carried out during the 2017/18 financial year. This is the first time we are presenting financial information and corporate responsibility information in a joint report. Dustin has used the Global Reporting Initiative's (GRI) guidelines in its reporting since 2014/15. For 2017/18, 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 aspect.

It encompasses the Group's corporate responsibility efforts during the financial year from September 1, 2017 to August 31, 2018. Dustin presents corporate responsibility data every year, and the report for the preceding year was published on November 17, 2017. If you have any questions, please contact Stephanie Forsblom, Head of Corporate Responsibility.

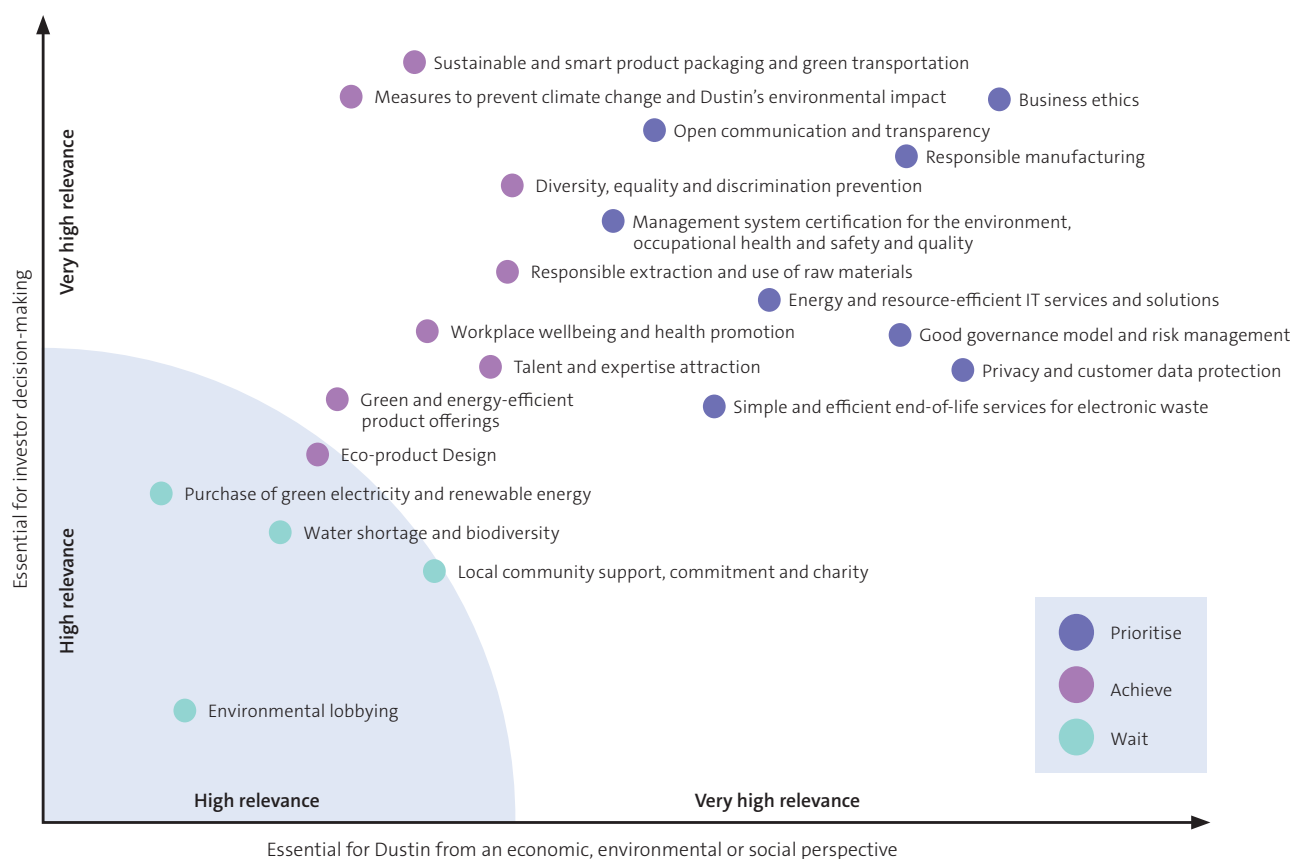
Materiality assessment

The 2015/16 materiality assessment was the most comprehensive corporate responsibility assessment

ever performed by Dustin. A total of 77 stakeholders took part, including manufacturers, distributors, customers, business partners, employees, the Board, Group Management, investors, non-governmental organisations and other partners. The aim was to identify the aspects that our stakeholders considered material.

Dustin has used the results of the materiality assessment and our five focus areas to define the sustainability areas described in this year's Corporate Responsibility Report. The areas of corporate responsibility are considered material for the entire organisation, as well as our external stakeholder groups.

Because our corporate responsibility targets are long-term – until 2020 – we have decided to conduct a materiality assessment at least once every third year. 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. We are planning to conduct a new materiality assessment in 2018/19.



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 work, the dialogue channels and important issues during the year.

Stakeholders	Dialogue channels	Key issues
Customer	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Conflict minerals • Certified management system • Code of Conduct and compliance • Factory inspections
Shareholders	<ul style="list-style-type: none"> • Individual investor meetings • Webcasts/telephone conferences for interim reports • Presentations for investor lunches seminar and other meetings 	<ul style="list-style-type: none"> • Risk analysis of value chain and factory inspections • Environmental targets
Employees	<ul style="list-style-type: none"> • Daily meetings and interaction • All-staff meetings • Training, classroom and e-courses • Annual employee surveys • Annual appraisals 	<ul style="list-style-type: none"> • Responsible manufacturing of Dustin's own-brand products • Work on Dustin's five focus areas • Conflict minerals • End-of-life returns
Suppliers	<ul style="list-style-type: none"> • Separate meetings in purchasing process • Supplier assessments under framework of Dustin's Code of Conduct • Seminars and panel discussions • Factory inspections 	<ul style="list-style-type: none"> • Compliance with the Code of Conduct • Healthy working conditions and promoting human rights • Occupational health and safety • Environmental protection • Anti-corruption and bribery • Country of origin and traceability
Voluntary organisations and partners	<ul style="list-style-type: none"> • Individual meetings • Conferences, training courses and panel discussions 	<ul style="list-style-type: none"> • Sustainable IT and eco-labelling • Environmental targets • Country of origin and traceability • End-of-life returns

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 45. 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 2017/18 financial year, the gender balance (women/men) at Dustin was 30/70 per cent. If we include employees at our acquired companies, the balance falls to 26/74 per cent. The main reason for this is the large number of men working at the acquired companies. If we compare the gender balance between countries, then Sweden is at the forefront with a gender balance of 35/65 per cent while Denmark is lagging behind with a gender balance of 16/84 per cent.

Age distribution employees	Aged -29	Aged 30 - 49	Aged 50
New employees (number)	70 (116)	116 (89)	14 (14)
New employees (%)	35% (53%)	58% (41%)	7% (6%)
Employees leaving (number)	62 (79)	107 (74)	23 (18)
Employees leaving (%)	32% (46%)	56% (43%)	12% (11%)

Employees	Total	Sweden	Norway	Denmark	Finland
New employees (number)	200 (219)	136 (160)	8 (19)	41 (18)	15 (22)
New employees (%)		68% (73%)	4% (9%)	21% (8%)	7% (10%)
Employees leaving (number)	192 (171)	130 (106)	16 (18)	28 (27)	18 (20)
Employees leaving (%)		68% (62%)	8% (10%)	15% (16%)	9% (12%)

Gender balance at Dustin	Total	Sweden	Norway	Denmark	Finland
Gender balance at Dustin	30/70 (29/71)	35/65 (33/67)	23/77 (21/79)	16/84 (21/79)	29/71 (22/78)
Gender balance including acquisitions	26/74 (24/76)				
Gender balance at the managerial level	36/64 (31/69)	40/60 (34/66)	38/62 (29/71)	16/84 (13/87)	44/65 (22/78)
Gender balance at managerial level incl. acquisitions	34/66 (28/72)				

Age distribution			
Group Management and Board of Directors	Aged -29	Aged 30 - 49	Aged 50
Total	24% (24%)	64% (63%)	12% (13%)
Group Management	0% (0%)	70% (70%)	30% (30%)
Board of Directors	0% (0%)	0% (37%)	100% (63%)

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

Data collection and measurement

Environmental data, energy and emissions are collected through the Group's environmental reporting process. Group-wide definitions are used for all environmental parameters in order to increase quality. The consolidation principles used for environmental data include all companies within the Group. Acquired companies are included in reporting for environmental data within 12 months of the acquisition date. All data has been collected in accordance with Dustin's reporting period September 1 to August 31 for 2014/15, 2015/16, 2016/17 and 2017/18. The collection of data related to emissions and energy uses the reporting period August 1 to July 31.

Employee data has been collected separately from countries where the Group operates and has been consolidated at Group level. Consolidation principles for employee data include all majority-owned companies within the Group, including Dustin's acquisitions. Internal consultants, meaning consultants with their own e-mail address from Dustin, are also included.

During the 2016/17 financial year, IKT Gruppen became an operational part of Dustin and Commsec was integrated in 2017/18. This means employee data reported for Dustin also includes IKT Gruppen and Commsec, while DAV Partner, Idenet, JML-System, Saldab, Purity IT, Core Services, Norriq and iTaito are reported under acquisitions. Dustin IT-Hantverkarna was divested during the 2017/18 financial year. Vincere Group is not included in collected data and measurements.

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 CO₂ equivalents (CO₂e), and primarily includes CO₂ greenhouse gases. Biogenic emissions are insignificant and have not been reported.

The reporting is performed in accordance with the 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 calculate units based on whether we can introduce policies and operating measures, rather than

on the basis of financial control and economic interest. For this reason, the following emission sources are used:

- Trips with vehicles owned by Dustin (Scope 1)
- Electricity consumption, heating and cooling of Dustin's offices in Sweden, Norway, Denmark and Finland with more than 15 employees. The Dustin Concept Store in Sweden, Dustin's central warehouse in Sweden and smaller consolidation warehouses in Finland are also included (Scope 2)
- Outbound shipments from warehouses to customers. This includes shipments from Dustin's central warehouse in Sweden, consolidation warehouses in Finland and Norway together with direct deliveries from distributors to customers (Scope 3)
- Dustin's off-premises data centres (Scope 3)
- Leasing vehicles for staff (Scope 3)
- Business travel by train and air (Scope 3)
- Recycling and energy recovery of waste from the head office and central warehouse (Scope 3)
- Reuse of sold end-of-life returns (Scope 3)
- Specific emission factors have been used to calculate all Scope 1, Scope 2 and Scope 3 emissions, in accordance with the "location-based" method. Calculating Scope 2 emissions in accordance with the "market-based" method uses Nordic residual mix for 2017 (329.19 g CO₂/kWh)

Energy

The total quantity of energy consumed is reported in kilowatt hours and includes electricity consumption, heating and cooling. The calculations encompass all of Dustin's office properties with more than 15 employees, the central warehouse, small consolidation warehouses in Finland and the Dustin Concept Store in Sweden. The boundary is in accordance with the calculations of Scope 2 emissions. Consumption furthermore includes electricity and cooling at off-premises data centres.

The office properties in Sweden, Norway, Denmark and Finland 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. For the data centres, consumption is measured using PUE (Power Usage Effectiveness) values.

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.

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 to accept. Dustin does not currently have an accepted method to measure the quantity of waste from our other properties that is sent for recycling.

Between 2016/17 and 2017/18, legislation was changed concerning the reporting of means of recovery for collected electrical and electronic products. 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. The collection system no longer provides companies with data about the means of recovery. For 2017/18, the volume of hazardous waste thus represents only the hazardous waste we have generated ourselves at our central warehouse and office – such as old fluorescent lamps, batteries and end-of-life electronics equipment.

End-of-life returns of electronics products

The quantity of returned products 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. CO₂ savings are only calculated for products that can be reused.

Employees

Active employees refers to all employees at Dustin and acquired companies, including internal consultants with their own e-mail address at Dustin. Individuals on parental leave or on long-term sick leave are not included. Active employees are reported in connection with the proportion of employees who have completed the online course on Dustin's Code of Conduct. 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 2016, Stena Recycling acquired the company IL Recycling. As a result, emissions prevented from the recycling of waste for 2016/17 were adjusted to include

both reported figures from IL Recycling for the first half of 2016/17 and from Stena Recycling for the second half of 2016/17. The change contributed to an increase in emissions prevented from 27,325 kg CO₂e to 96,181 kg CO₂e.

Significant changes concerning scope and boundaries

The decision 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. Based on this principle, Saldab, Idenet and Purity are included in energy and emissions reporting, while Commsec and IKT Gruppen are already an operational part of Dustin.

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 requirements in the Annual Accounts Act. The statutory Corporate Responsibility Report is available in the Annual and Corporate Responsibility Report under the following headings and encompasses reporting requirements including the environment, social responsibility, personnel, human rights and anti-corruption:

- Targets and key performance indicators on pages 20-21
- Business model and value creation on pages 16-19
- Privacy and risk management on pages 43, 58-64 and 72
- Internal governance on pages 66-72
- Materiality assessment and stakeholders on pages 134-135
- Responsible purchasing on pages 30-31 and 38-40
- Human rights on pages 30-31 and 38-40
- Environment on pages 32-33 and 41-42
- Personnel on pages 34-35, 45 and 136

External assurance

Corporate responsibility information in the Annual and Corporate Responsibility Report for 2017/18 has been reviewed by Dustin's auditors, Ernst & Young. In addition, it has been approved by the Dustin's Board of Directors.

GRI-Index

GRI Standard	Description/disclosures	Page
GRI 102: General disclosures 2016		
102-1	Name of the organisation	50
102-2	Products, services and brands	7
102-3	Location of headquarters	50
102-4	Location of operations	50
102-5	Ownership and legal form	50
102-6	Markets served	7
102-7	Scale of the organisation	7
102-8	Information on employees and other workers	45
102-9	Supply chain	30-33
102-10	Significant changes to the organisation and its supply chain	6 & 13-15
102-11	Precautionary principle or approach	138
102-12	External initiatives	72
102-13	Membership of associations	Confederation of Swedish Enterprise, WWF and Womentor
Strategy		
102-14	Statement from senior decision-maker	10-11 & 37
Ethics and integrity		
102-16	Values, principles, standards, and norms of behavior	34, 43 & 66-74
Governance		
102-18	Governance structure	66-79
Stakeholder engagement		
102-40	List of stakeholder groups	135
102-41	Collective bargaining agreements	136
102-42	Identifying and selecting stakeholders	134
102-43	Approach to stakeholder engagement	135
102-44	Key topics and concerns raised	134-135
Reporting practice		
102-45	Entities included in the consolidated financial statements	122
102-46	Defining report content and topic Boundaries	134
102-47	List of material topics	134
102-48	Restatements of information	137
102-49	Changes in reporting	138
102-50	Reporting period	137
102-51	Date of most recent report	134
102-52	Reporting cycle	137
102-53	Contact point for questions regarding the report	134
102-54	Claims of reporting in accordance with the GRI Standards	134
102-55	GRI content index	139-140
102-56	External assurance	131-132

GRI Standard	Description / disclosure	Page	Outstanding information
GRI 205: Anti-corruption 2016			
103-1/2/3	Management Approach 205	43 & 72	
205-1	Operations assessed for risks related to corruption	43	
205-3	Confirmed incidents of corruption and actions taken	43	
GRI: 301: Materials 2016			
103 – 1/2/3	Management Approach 301	33 & 44	
301-3	Reclaimed products and their packaging materials	44	Focus on the number as it is key for Dustin's 2020 target
GRI 302: Energy 2016			
103-1/2/3	Management Approach 302	32, 41 & 137	
302-1	Energy consumption within the organisation	41	
GRI 305: Emissions 2016			
103-1/2/3	Management Approach 305	41	
305-1	Direct (Scope 1) GHG emissions	41	
305-2	Energy indirect (Scope 2) GHG emissions	41	
305-3	Other indirect (Scope 3) GHG emissions	41	
305-5	Reduction of GHG emissions	41	
GRI 308: Supplier Environmental Assessment 2016			
103-1/2/3	Management Approach 308	30-31	
308-1	New suppliers that were screened using environmental criteria	38-40	
GRI 401: Employment			
103-1/2/3	Management Approach 401	34-35, 45 & 136-138	
401-1	New employee hires and employee turnover	45 & 136	
GRI 405: Diversity and Equal Opportunity 2016			
103-1/2/3	Management Approach 405	34-35	
	Diversity of governance bodies and employees	45 & 136	
GRI 414: Supplier Social Assessment 2016			
103-1/2/3	Management Approach 414	30-31	
414-1	New suppliers that were screened using social criteria	38-40	

Multi-year overview

All amounts in SEK million, unless otherwise indicated	17/18	16/17	15/16	14/15	13/14
Income statement					
Organic sales growth (%)	2.0	8.6	4.4	5.7	21.0
Gross margin (%)	15.9	14.8	15.0	14.1	14.4
EBIT	443.8	349.5	323.5	218.0	301.0
Adjusted EBITDA	521.2	438.4	400.2	364.1	361.9
Adjusted EBITA	500.6	426.1	389.6	353.5	353.5
Adjusted EBITA margin (%)	4.9	4.6	4.7	4.5	4.8
Return on equity (%)	18.5	16.1	15.8	9.4	22.0
Balance sheet					
Net working capital	-192.0	118.1	31.6	158.3	7.1
Capital employed	48.5	269.1	173.3	292.6	145.1
Net debt	1730.6	998.3	826.3	936.9	1,076.7
Net debt/adjusted EBITDA (multiple)	3.3	2.3	2.1	2.6	3.0
Maintenance investments	-52.1	-27.3	-4.7	-8.9	-8.0
Equity/assets ratio (%)	26.7	35.6	36.5	34.4	20.4
Cash flow					
Operating cash flow	854.8	301.2	500.7	217.2	458.9
Cash flow from operating activities	747.9	213.6	447.2	58.6	255.7
Data per share					
Earnings per share, including discontinued operations before dilution (SEK)	3.99	3.14	2.95	1.75	2.48
Earnings per share, including discontinued operations after dilution (SEK)	3.97	3.13	2.95	1.75	2.48
Equity per share before dilution (SEK)	21.32	19.50	18.67	17.38	11.24
Cash flow from operating activities per share before dilution (SEK)	9.77	2.80	5.87	0.82	3.87
Cash flow from operating activities per share after dilution (SEK)	9.72	2.80	5.87	0.82	3.87
Average number of shares	76,548,031	76,173,115	76,173,115	71,545,731	66,095,090
Average number of shares after dilution	76,918,811	76,338,787	76,173,115	71,552,025	66,095,090
Number of shares issued at end of period	77,226,502	76,173,115	76,173,115	76,173,115	66,095,090
Dividend per share (SEK)	3.10*	2.80	2.40	1.70	0.00

* To make comparison between the financial years possible, the Board of Directors' proposed dividend is stated before taking into account the outcome of the completed rights issue. After taking the outcome of the completed rights issue into account, the proposed dividend amounts to SEK 2.72 per share.

Source of alternative performance measures

All amounts in SEK million, unless otherwise indicated	17/18	16/17	15/16	14/15	13/14
Organic growth					
Sales growth (%)	10.7	12.1	4.6	7.6	35.5
Acquired growth (%)	-7.3	-1.7	-1.2	-0.6	-14.3
Currency effects in sales growth (%)	-1.4	-1.8	1.0	-1.3	-0.2
Organic sales growth (%)	2.0	8.6	4.4	5.7	21.0
Earnings before financial items including EBIT from discontinued operations					
EBIT from continuing operations	443.8	349.5	323.5	218.0	294.9
EBIT from discontinued operations	—	0.0	0.4	8.5	6.1
Total	443.8	349.5	323.9	226.5	301.0
Adjusted EBITA	17/18	16/17	15/16	14/15	13/14
EBIT including discontinued operations	443.8	349.5	323.9	226.5	301.0
Depreciation and impairment of intangible assets	57.8	69.3	60.6	58.3	53.6
Items affecting comparability	-1.0	7.3	5.0	68.7	-1.1
Adjusted EBITA	500.6	426.1	389.6	353.5	353.5
Adjusted EBITDA	17/18	16/17	15/16	14/15	13/14
EBIT including discontinued operations	443.8	349.5	323.9	226.5	301.0
Depreciation and impairment of tangible assets	20.5	12.3	10.6	10.6	8.5
Amortisation and impairment of intangible assets	57.8	69.3	60.6	58.3	53.6
Items affecting comparability	-1.0	7.3	5.0	68.7	-1.1
Adjusted EBITDA	521.2	438.4	400.2	364.1	361.9

Definitions

IFRS measures:

Definition/Calculation

Earnings per share

Net profit/loss in SEK in relation to average number of shares, according to IAS 33.

Alternative performance measures:

Definition/Calculation

Purpose

Acquired growth

Net sales for the relevant period attributable to acquired and divested companies in relation to net sales for the comparative period.

Acquired growth is eliminated in the calculation of organic growth.

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 EBITA margin

Adjusted EBITA in relation to net sales.

This performance measure is used to measure the profitability level of the operations.

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.

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.

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.

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.

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 accurate view of the company's long-term solvency.
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.
Gross margin	Gross profit in relation to net sales.	Used to measure product and service profitability.
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.
Maintenance investments	Investments required to maintain current operations excluding financial leasing.	Used to calculate operating cash flow.
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.
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.
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.
Organic growth	Growth in net sales for the relevant period adjusted for acquisitions, divestments and currency effects.	Provides a measure of the growth achieved by Dustin in its own right.
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.
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.
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.

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	Includes all non-allocated central expenses, including amortisation and depreciation, and excluding items affecting comparability.
Clients	Generic name for the product categories computers, mobile phones and tablets.
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.
LTM	Last twelve months, also known as rolling 12 months. Refers to going back 12 months regardless of financial year.
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 11, 2018

Annual General Meeting in Stockholm

January 9, 2019

Interim report for the first quarter,
September 1, 2018 – November 30, 2018

April 10, 2019

Interim report for the second quarter,
December 1, 2018 – February 28, 2019

July 3, 2019

Interim report for the third quarter,
March 1, 2019 – May 31, 2019

October 9, 2019

Year-end report,
September 1, 2018 – August 31, 2019

November 14, 2019

2018/19 Annual Report

December 11, 2019

2018/19 Annual General Meeting

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