DIST IT

ANNUAL REPORT

2021

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ABOUT DIST IT

Aim & business concept

DistIT shall acquire, own, and develop niche distributors within IT, Mobility, Consumer Electronics, Network and Data Communication in Europe.

Companies within the DistIT Group deliver both B2B and B2C products to the IT and AV market. The companies shall also develop and distribute their own brand labels (OBL).

Our vision is to be:
”A leading partner of IT, technical and AV products”

This is DistIT

DistIT AB (publ) with its subsidiaries is a stable and well-established distribution group within IT accessories, data communication, consumer electronics, networks and AV products in the Nordic region, on its way into Europe. Companies within the Group are niche distributors with strong market positions. The companies' products are aimed at both consumers and companies whose customers are in consumer electronics chains, online retailers, installers, Telecom operators, discount chains, grocery stores, and independent specialist retailers. Each subsidiary constitutes its own results centre, with responsibility for its chosen strategy. Common to the companies is a value-creating strategy for own brand labels (OBL) that increases the relevance of customers and creates prerequisites for growth and profitability. DistIT is a reliable business partner with high delivery reliability and service level, guaranteed product quality, and fast deliveries.

OPERATING INCOME

2 524.2

MSEK

GROSS MARGIN

21.7%

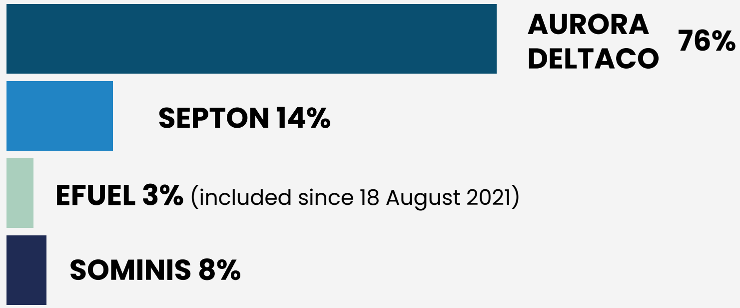
ADJUSTED EBITA MARGIN

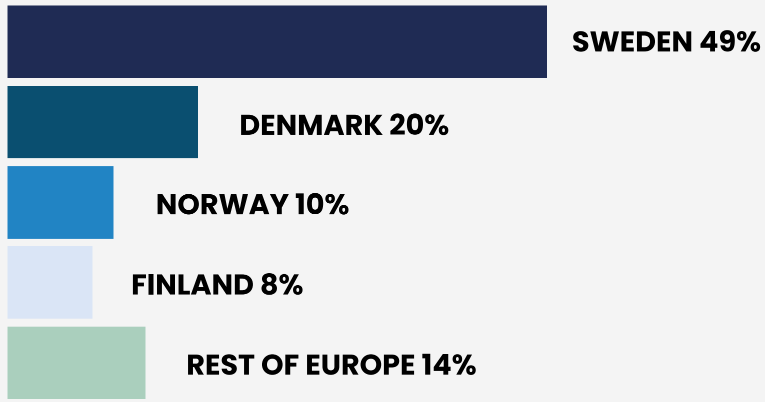
3.6%

EMPLOYEES

264

Operating income per subsidiary and country 2021





Financial goals

The DistIT Group's financial goals for 2025 consist of:

3.5
BILLION SEK REVENUE

8 %
EBIT MARGIN

25 %
GROSS MARGIN

8 %
ANNUAL GROWTH IN REVENUE

Strategy for growth

The DistIT Group's growth strategy consists of organic growth, acquisitions and positive coordination effects within procurement, product development, logistics and marketing using DistIT shared services.

Growth strategy

Organic growth

Organic growth will take place through continuous development of product ranges, customers and channels, with the help of a flexible organisation and a thorough analysis of the market's driving forces.

Acquisitions

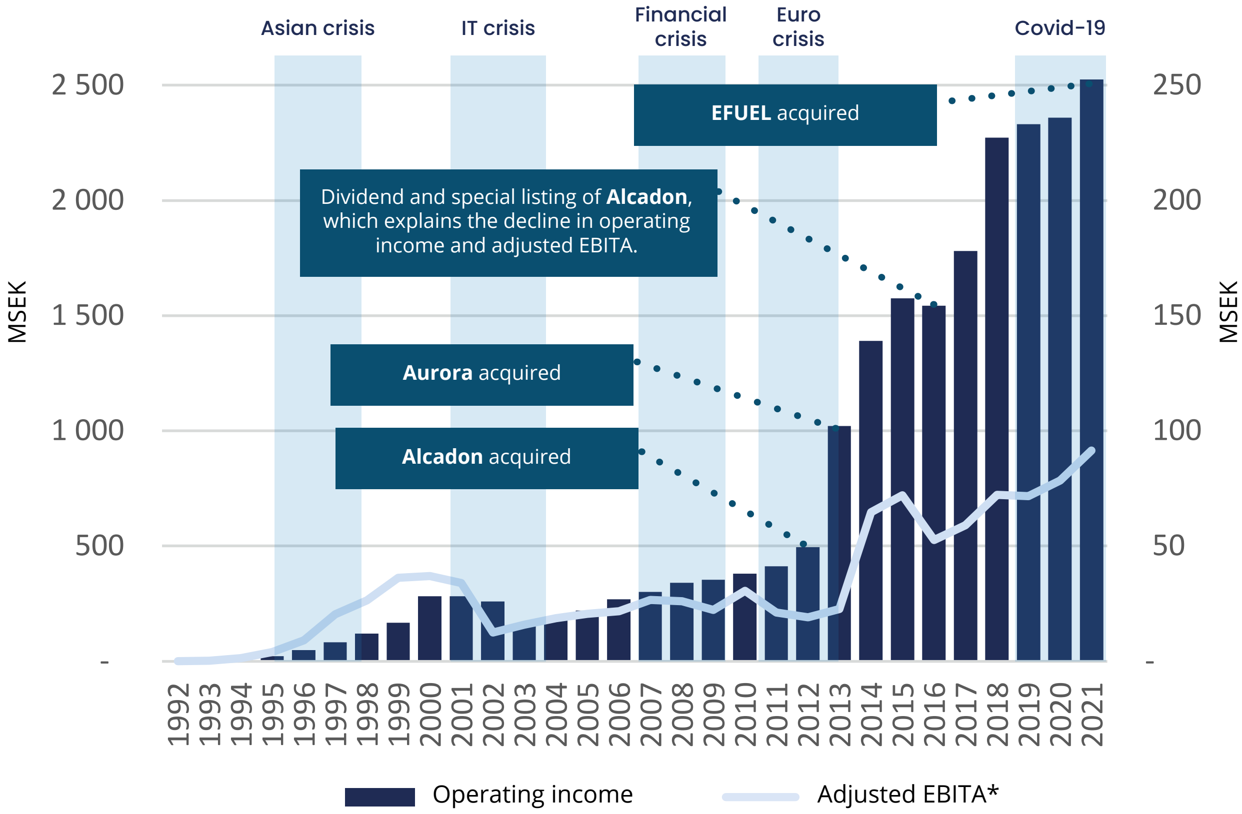
Acquisitions will strengthen the Group's offering and position, expand its geographical presence or supplement the Group's customer base.

Synergy opportunities

Synergy opportunities between the subsidiaries shall be identified and realised when the profit is greater than the coordination costs.

Profitable growth

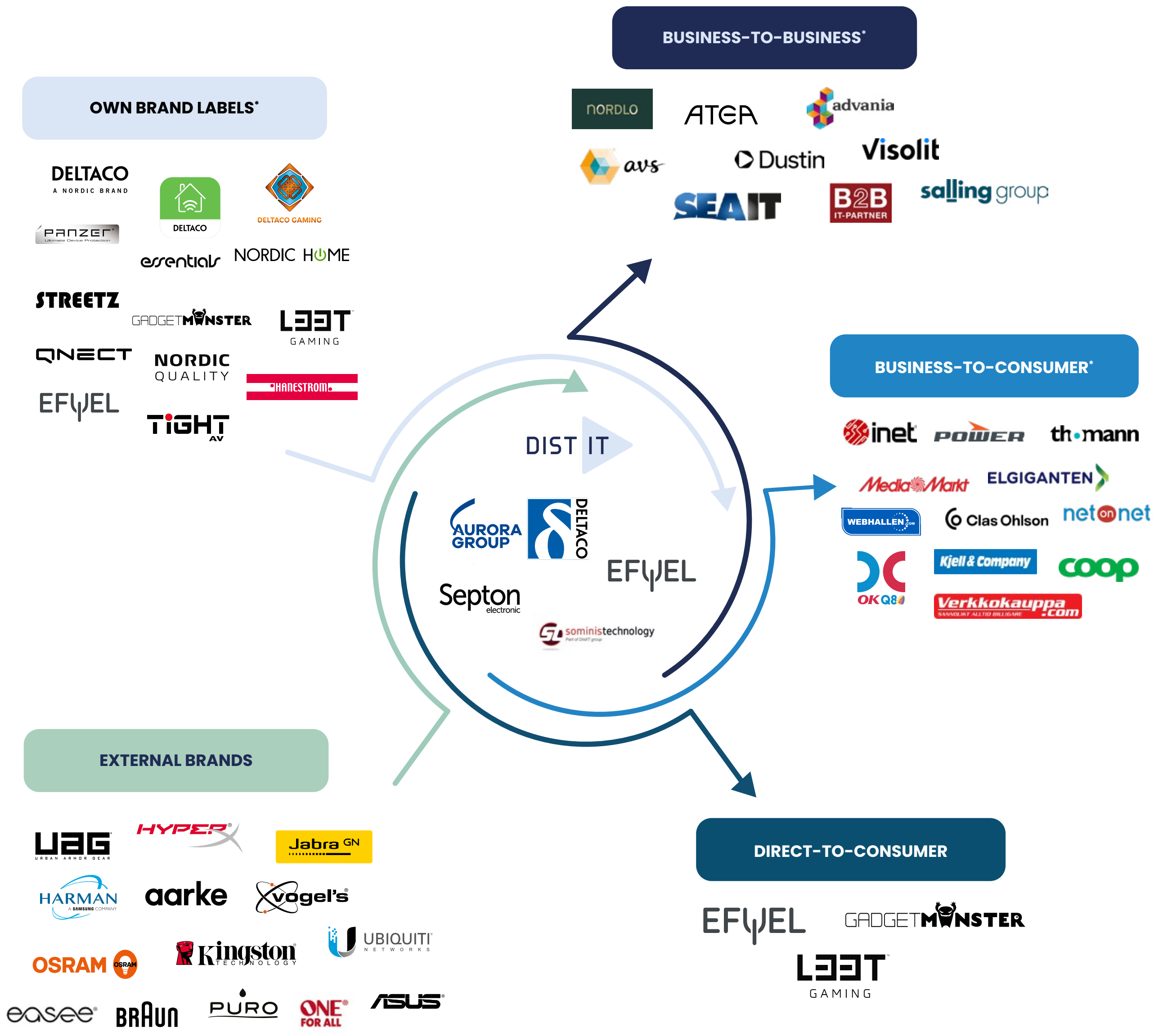
The DistIT Group has shown positive EBITA every quarter for the past 25 years, and been resilient to changes in the market.



** Adjustments in 2019 were related to impairment of ERP systems in Deltaco and restructuring costs. Adjustments in 2020 referred to support related to covid-19. Adjustments in 2021 referred to one-off costs related to the acquisition of EFUEL.*

Wide access to customer channels enables scalability and efficient "Go-to-market" for the company's product categories

DistIT's portfolio companies' attractive market positions are created by niche offers and access to leading customer channels (both physical and digital).



* All logos and trademarks are examples and not comprehensive. ~30 000 article numbers are delivered to ~6 000 active corporate customers and directly to consumers in the Nordic countries, the Baltic countries and the rest of Europe.

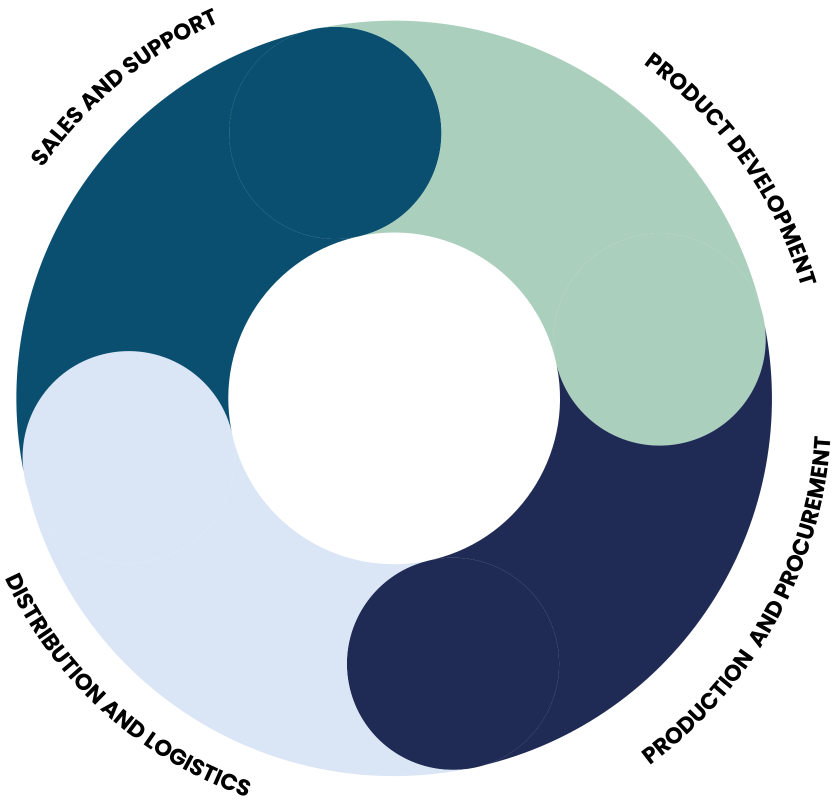
DistIT has a clear place in the value chain

DistIT and its portfolio companies create long-term competitiveness by maximising value creation in all parts of the value chain through increased efficiency, quality and performance, and by acting responsibly towards business partners, employees, and the world around them.

The DistIT companies' value creation in the various parts of the value chain

- Wide customer base
- Expert in the Nordic and Baltic markets, and increasingly in the rest of Europe
- Wide product range
- Quality at competitive prices
- Marketing (online and offline)
- Product warranties
- Financing/trade finance

- Development of products and services
- Meet customers' product range requirements and provide them with long-term profitable products
- Product development based on societal changes, megatrends and new technology



- Product availability and warehousing
- Delivery reliability
- Efficient and fast deliveries
- Service levels and support
- Customer service
- Expert in distribution strategies in the Nordic and Baltic countries, and increasingly in the rest of Europe

- Long-term collaboration with suppliers drives efficiency, quality and responsible behaviour through the entire value chain
- Economies of scale through consolidation of procurements to several customer channels
- High demands on partners in the supply chain

History

2011

FIRST NORTH

In 2011, Deltaco AB (publ) was split from Intoi AB (publ) and was listed as an independent company on NASDAQ OMX First North. SweDeltaco AB, which is a subsidiary of Deltaco AB (publ), established itself in Norway during the year.

2012

ALCADON

Deltaco AB (publ) acquired Alcadon AB, which is a Swedish distributor of products for data and telecommunications.

2013

AURORA

Deltaco AB (publ) acquired Aurora Group Danmark A/S, which is a leading distributor of accessories within consumer electronics in the Nordic market. Aurora has its own sales companies in Denmark, Norway, Finland and Sweden.

2014

DIST IT AB (publ)

Deltaco AB (publ) changed its name to DistIT AB (publ).

AG Trade UAB (Deltaco Baltic UAB)

SweDeltaco AB expanded its operations in Lithuania and Latvia through the acquisition of AG Trade UAB. The acquired company later changed its name to Deltaco Baltic UAB.

2015

DIST IT AB (publ)

DistIT's shares were listed on the OMX Nasdaq First North Premier.

AURORA

Aurora Group Danmark A/S is appointed by PROCTER & GAMBLE and DURACELL® as Master Importer of DURACELL® in the Nordic region.

2016

ALCADON (publ)

ALCADON AB shares issued to shareholders in DistIT AB. Alcadon's shares were admitted to trading on Nasdaq First North in connection with the dividend.

2017

SEPTON

DistIT AB acquired Septon Electronic AB and Septronic AB (jointly "Septon"). Septon is a leading distributor of sound, light and AV products in Sweden.

SOMINIS

DistIT AB acquired Sominis Technology UAB. Sominis is a leading distributor of accessories and spare parts for IT products in Lithuania.

WINTHER

SweDeltaco AB acquired Winther Wireless AB, which is a leading niche distributor with a focus on wireless network solutions for indoor and outdoor needs.

2018

SEPTON

Septon Electronic AB acquired LydRommet, which is a leading distributor of professional AV products in Norway and Denmark.

DIST IT FASTIGHETER AB

DistIT Fastigheter AB signed a lease with PostNord Sverige AB.

AURORA OCH DELTACO

Aurora Group Danmark A/S and SweDeltaco AB began integration to increase investment in own brand labels (EBL) and strengthen operations.

History

2019

SEPTON

Through the subsidiary LiteNordic AB, Septon Electronic AB acquired 60% of the shares in Tight Led Scandinavia AB, which designs and produces LED products aimed at the professional lighting market under the TiGHT brand.

DIST IT FASTIGHETER AB

DistIT AB sold DistIT Fastigheter AB, which owned the Genetikern 2 property in Tullinge.

DELTACO

SweDeltaco moved to new premises in Älvsjö.

AURORA DELTACO

The previously announced strategic review of Aurora's and SweDeltaco's business structure and organisation are finalised through the merger of the companies.

2020

AURORA DELTACO

Efforts to develop the Aurora Deltaco progressed and led to increased sales of own products "OBL".

A major investment to build niche categories, such as smart home, security, charging infrastructure for electric cars, gaming and ergonomic, and space-efficient office, consisting of own and external brands, began.

2021

EFUEL ACQUISITION

DistIT acquired EFUEL. The acquisition constitutes a significantly strengthened, further exposure to one of today's most defined structural trends and societal changes.

EFUEL (EFUELSE) is one of the largest companies in Sweden in electric car charging.

The year in brief

January
DistIT issues a press release on reverse profit warning. DistIT's strategy with, among other things, increased focus on own brand labels and cost efficiency has had an effect, which the company considers to be significantly higher than market expectations. The operating result after depreciation (EBIT) in the fourth quarter of 2020 represents an increase of 25% compared with the corresponding period in 2019.

March
DistIT invites investors, analysts and media representatives to its first capital market day to present and discuss the company's strategy, products, operations and financial development.

May
DistIT successfully issues senior unsecured bonds of MSEK 300, under a framework of MSEK 800.

June
DistIT publishes a bond prospectus and applies for admission to trading of its bonds on Nasdaq Stockholm. The application for admission to trading is submitted and the first day for trading in the bonds is 17 June 2021.

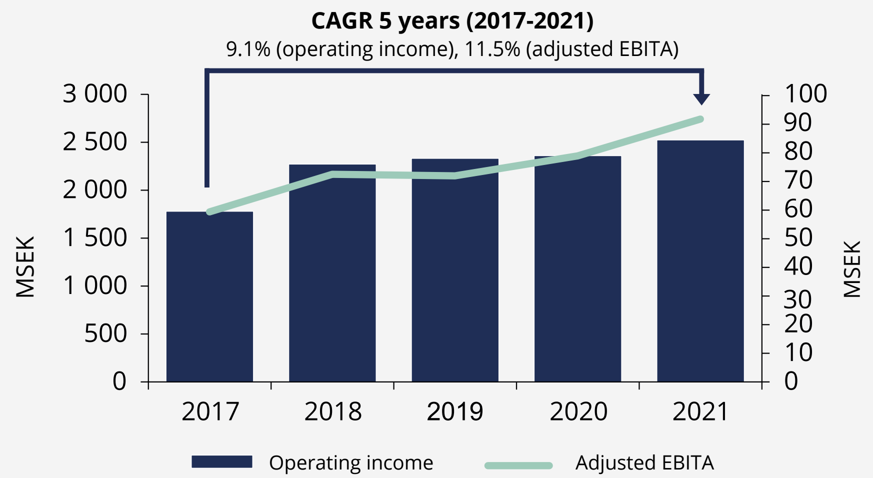
August
DistIT acquires EFUEL (Electric Fuel Infrastructure Sweden 2 AB), one of Sweden's largest companies in electric car charging. The acquisition constitutes a significantly strengthened, further exposure to one of today's most defined structural trends and societal changes. DistIT expects the market for charging infrastructure for electric cars in the Nordic region to grow by 70-100% per year in the coming years.

September
An Extraordinary General Meeting in DistIT is held on 3 September 2021. As part of the company's acquisition of EFUEL, the General Meeting resolves to increase the company's share capital by a maximum of SEK 3 252 572 through the issue of a maximum of 1 626 286 new shares. As an additional part of the acquisition, and in order to offer key individuals in EFUEL a future shareholding in the company, an incentive programme based on subscription warrants is also resolved.

The strategy and integration work in Aurora Deltaco is formalised and enters an operational phase. In connection with this, Robert Rosenzweig and Philip Gunnarsson leave the roles of CEO and CFO of the subsidiary Aurora Deltaco, respectively, to focus exclusively on the Parent Company, DistIT AB, and the further development of the Group. Martin Gutberg, COO of Aurora Deltaco, will take over as CEO, and Christian G. Jørgensen, CFO of Aurora, will take over as CFO of Aurora Deltaco, starting on 1 September.

SELECTED KEY RATIOS, MSEK	2021	2020
Operating income	2 524.2	2 358.2
Gross margin, %	21.7	22.0
EBITA	79.5	87.4
EBITA margin, %	3.1	3.7
Adjusted EBITA	91.4	78.5
Adjusted EBITA margin, %	3.6	3.3
Result for the period	44.2	58.0
Number of employees at the end of the period	264	259
Cash flow from operating activities per share, SEK	-7.58	7.38
Earnings per share for the period (before dilution), SEK	3.39	4.57
Earnings per share for the period (after dilution), SEK	3.33	4.57

OPERATING INCOME AND ADJUSTED EBITA



A few words from our CEO

A record year despite yet another year of the pandemic

2021 was an eventful and challenging year for DistIT. The pandemic continued to affect even this year's results in the form of, among other things, long lead times for the delivery of goods, sharply increased freight prices, and restrictions in physical retail trade. The fact that, despite challenging conditions, we still manage to report a record year, with the Group's highest ever revenue and adjusted operating result, shows the strength of our core operations. In addition, we continued the work of building a foundation for continued profitable growth, thanks to good progress in a number of forward-looking initiatives.

Acquisition of EFUEL - increased exposure to electric car charging

In August 2021, we acquired EFUEL, one of the largest companies in Sweden in electric car charging, with a market share of approximately 30% of all delivered charging boxes. Through the acquisition, we strengthen our exposure to electric car charging, one of the strongest structural trends and societal changes. We expect that the market for charging infrastructure for electric cars in the Nordic region will grow by 70-100% per year in the coming years.

EFUEL's revenue for the full year 2021 (including the part of the period DistIT did not own the company) amounted to MSEK 125.4. Adjusted EBIT amounted to MSEK 10.5, which corresponds to an adjusted EBIT margin of 8.4 per cent. EFUEL, like other companies in the DistIT Group, has been affected by the pandemic, primarily in the form of delayed deliveries of products with a relatively high margin. Profitability is expected to be gradually strengthened by increasing and recurring service revenues from the company's software-based products, as well as further development of own brand labels within accessories. I am enthusiastic about the future of EFUEL.

A record year for Aurora Deltaco

That Aurora Deltaco, during a year of challenges related to the pandemic and in the midst of ongoing integration work between the two companies, manages to report its best year ever in terms of operating income and operating results is impressive, and is a result of my colleagues' hard work and commitment.

During the year, Aurora Deltaco continued work on other strategic priorities, such as further developing its own brand labels and intensifying exports to markets outside of the Nordic and Baltic countries. Exports of own brand labels have had strong momentum, with a growth of ~62% in 2021 to MSEK ~50.

Two other milestones were achieved, as DELTACO GAMING has become a leading brand in e-sports equipment in Sweden, and the app, Deltaco Smart Home, now has approximately 200 000 downloads.

I am convinced that Aurora Deltaco is well positioned for continued profitable growth.

Septon

During the fourth quarter of 2021, it was encouraging to see how demand in the events industry gradually increased, which has been severely limited during another year of the pandemic. Increased diversification has, to some extent, compensated for this and, in 2021, Septon managed to report the highest revenue ever. Profitability during the year, however, was affected by a changed business mix in the wake of the government restrictions that have been in place.

Strategic investments in digitalisation, restructuring and streamlining of the business have yielded results, and the work of developing the own brand TIGHT in collaboration with Aurora Deltaco's product and procurement organisation has been intensified: a first range will be launched in 2022.

Sominis

Despite challenging circumstances, Sominis reported the highest revenue ever. Profitability was affected to some extent by a shortage of goods in certain categories, as well as a changed compensation structure for the management team of Sominis, which had previously been a minority owner. Sominis continues to develop its strategy towards European marketplaces.

Sustainability work in focus

As an organisation, we want to minimise our negative environmental footprint, at the same time as we want to help our customers in their improvement work and contribute to sustainable development. To help DistIT develop the strategy further, and support customers' needs for improvement, a senior Head of Sustainability was hired in 2021. DistIT has based the further developed sustainability strategy on the UN Global Compact's ten principles, the 17 global sustainability goals, and customers' expectations, requirements and needs. The fundamental work this autumn means that we will be able to take big steps forward in 2022.

Well positioned for the future

I am proud of our results in 2021. Despite challenging circumstances, we not only succeeded in delivering a record year in several areas, but the work of building a foundation for continued profitable growth continued unabated. These results would not have been possible without hard work and commitment from our incredible employees.

We continue to see that acquisitions will play an important role in strengthening DistIT in the long term, and our focus in the future will be on opportunities for our existing portfolio of own brand labels in Europe.

DistIT and its subsidiaries continue to acquire minority interests in the Group, in accordance with the previously communicated strategy of simplifying the company structure. During the year, the minority holdings in Septon Holding, Winther Wireless, and Sominis were acquired.

In order to be able to handle the planned extended inventory commitments, a decision was made early in 2021 to refinance DistIT's bond loans and extend the framework of the Group's overdraft facility. A new bond of MSEK 300 was issued for a limit of up to MSEK 800, on better terms than the previously redeemed bond. The pandemic came in different waves, and demand fluctuated in different channels and categories with lockdowns and openings in society. This made it more difficult than usual to forecast product flows, but we anticipated early on that it would be important to be able to maintain a good level of service to our customers and channels through increased inventory levels.

I would once again like to take this opportunity to thank all colleagues for their work, commitment, and constant customer focus. I am more proud than ever to represent DistIT.

Robert Rosenzweig

CEO & President

DistIT AB (publ)

WHY INVEST IN DIST IT?

6 REASONS TO INVEST IN DIST IT

1 Structural growth in megatrends

Structural growth from trends such as digitalisation, gaming, electric cars, smart homes and home offices.

2 Portfolio companies with low business risk and limited investment needs

Limited structural investment needs in portfolio companies, as production, warehousing and logistics take place through third parties, and the end customer is reached through the customers' store network or a portfolio company's web shop.

3 Successful development of own brand labels

OBL is a strategically important area for DistIT. Through well-established processes for sourcing, and the creation of commercially strong concepts, DistIT can offer its customers unique and profitable products at attractive market prices that are in line with megatrends in society.

4 Export and geographical expansion

The product range within OBL is compatible for export in Europe. Momentum in export sales in 2021 with MSEK ~50 in sales.

5 Strategic and active focus within sustainability

The Group has an active management of sustainability at a strategic and tactical level, where customers are in focus, which also creates a comparative competitive advantage for the Group's companies.

6 Active acquisition strategy with a focus on synergies

New companies will strengthen the Group's offers and position, expand its geographical presence, or supplement the Group's customer base. With a synergy platform in DistIT Services, there are coordination effects within product development, procurement, logistics and marketing.

Structural growth in megatrends

Structural trends such as digitalisation, gaming, electric cars, smart homes, and home offices enable the development of own brand labels (OBL).

MEGATRENDS AND DRIVING FORCES

DIGITALISATION (Incl. 5G, "IoT")

Digitalisation and new technologies are creating growth in several underlying trends. The number of connected devices is expected to increase from the current 30 billion to 75 billion in 2025.[1]

GAMING

51% between the ages of 6-64 in Western Europe today play computer games, and globally the market is growing by 8.3% annually.[2]

SMART HOMES

The number of smart households is expected to grow by an average of 20% annually over the next five years.[3]

ELECTRIC CAR CHARGING

Around 450 new electric car models will be launched over the next two years.[4]

HOMES OFFICES

Remote working will increase by 250% following the covid-19 pandemic.[5]

1) McKinsey, www.mckinsey.com, "McKinsey Electric Vehicle Index: Europe cushions a global plunge in EV sales", 2020
2) BlackRock, www.blackrock.com, "Megatrends research study", 2019
3) Newzoo Global Games Market Report, 2020
4) Statista, Internet of Things (IoT) Connected Devices Installed Base Worldwide from 2015 to 2025
5) Cisco, "2020 Global Networking Trends Report", 2020

EXAMPLES OF OWN BRAND LABELS IN EACH MEGATREND

GADGETMONSTER, essentials, DELTACO A NORDIC BRAND, TIGHT AV, NORDIC HOME, QNECT, STREETZ, PANZER

DELTACO GAMING, L33T GAMING

DELTACO, QNECT

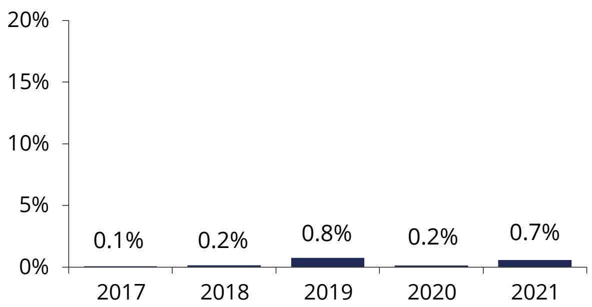
DELTACO A NORDIC BRAND, EFUEL

DELTACO A NORDIC BRAND

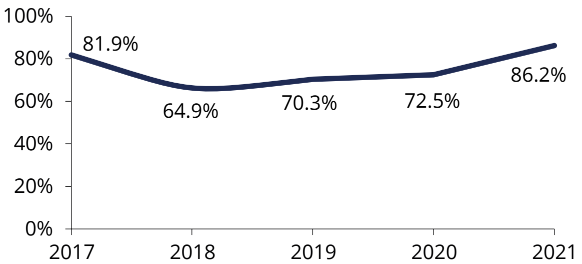
Portfolio companies with low business risk and limited investment needs

Limited structural investment needs in portfolio companies, as production, warehousing and logistics take place through third parties, and the end customer is reached through the customers' store network or a portfolio company's web shop.

Investments in tangible and intangible fixed assets in relation to total revenue



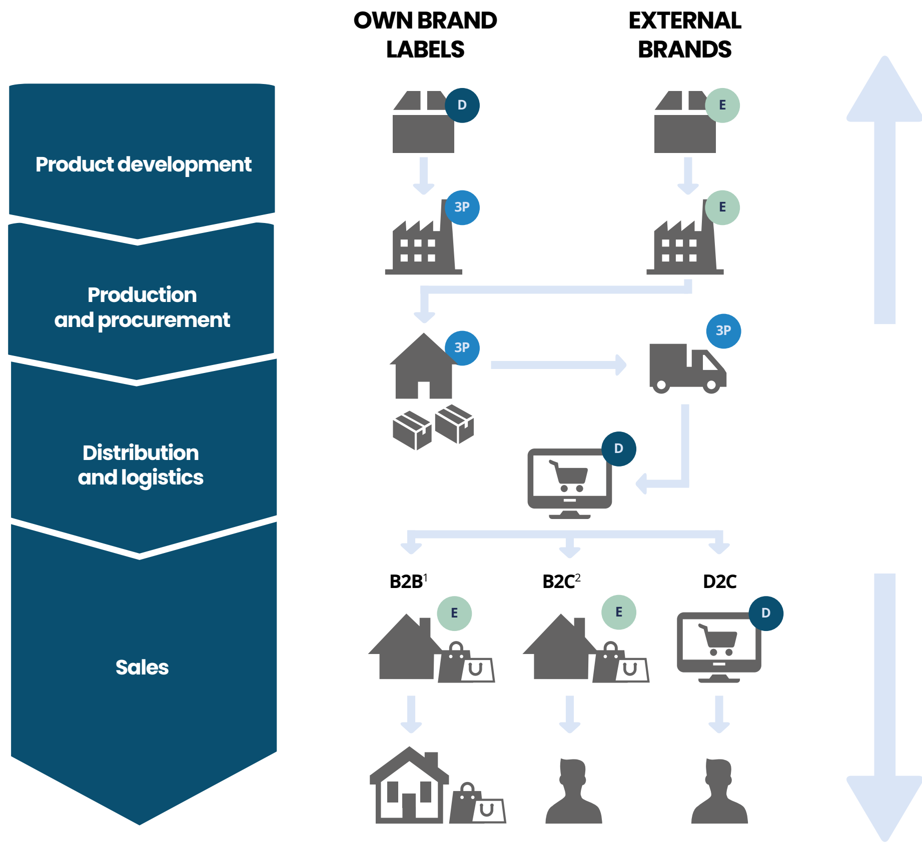
Cash conversion[1]



[1] Cash conversion is defined as cash flow from operating activities before changes in working capital divided by EBITDA

PRODUCT FLOW OF THE VALUE CHAIN

– LIMITED INVESTMENT NEEDS IN THE PART OF THE VALUE CHAIN PERFORMED BY DIST IT'S PORTFOLIO COMPANIES



DistIT's portfolio companies offer most value-creating services, both upstream and downstream in the value chain, such as product development, customer service, financing, product warranties and marketing.

- D – Performed by DistIT's portfolio companies
- 3P – Controlled by DistIT's portfolio companies but through third parties
- E – Performed by an external party

1) Examples Atea, Dustin and Advania.
2) Examples: Clas Ohlson, Media Markt, and Elgiganten.

Successful development of own brand labels (OBL)

DistIT currently has several own brand labels (OBL) in various product categories, which are aimed at both companies and consumers. The brand strategy focuses on volume, quality, megatrends and best-in-test.

28%

OBL proportion of total revenue (2021)

DELTACO

A NORDIC BRAND

OFFICE SMART HOME E-CHARGE POWER STANDARD

Every success story begins with a dream. DELTACO's vision is to offer affordable products in the latest global megatrends with high quality and functionality. The DELTACO brand offers various concepts with a focus on offices, smart homes, charging of electronics, mobile accessories and electric car charging.

DELTACO GAMING

All gamers, regardless of age and level, should have the same chance to play. DELTACO GAMING therefore offers an affordable alternative to expensive professional E-sports equipment. The range includes headsets, keyboards, mice, mouse mats, chairs, tables, cables, console accessories, and much more!

L33T GAMING

L33T is slang for "elite", and our mission can't be expressed more clearly: to be the first choice for those gamers who simply want to be the best. It all started with a series of innovative gaming chairs and today L33T offers a wider range of gaming products for the more experienced and professional player!

STREETZ

Aimed at a younger audience, STREETZ offers a wide range of cool and affordable audio products; headphones, headsets and speakers for laptops, tablets and smartphones. STREETZ makes it both fun and easy to listen to your favourite music or podcast wherever you are in the world.

EFUEL

EFUEL are experts in electric car charging. As the preferred partner and distributor for Norwegian Easee, EFUEL ensures that the transition to more sustainable car ownership is accelerated. With the market's best charging box and a wide network of installers, EFUEL can provide the whole of Sweden with the best solution for electric car charging at home, at work, and on the road. EFUEL offers a range of its own brand labels in installation products and accessories, such as charging cables.

NORDIC HOME

NORDIC HOME is a brand that offers affordable and functional seasonal products in climate and lighting all year round; such as fans and portable AC units in the summer, as well as heating fans and light loops for indoor and outdoor use in the autumn and winter.

NORDIC QUALITY

POWER VACUUM KITCHEN CLEANING WASH & DRY

NORDIC QUALITY has been a leading supplier of household products and accessories for household appliances in the Nordic market for 20 years. The product range includes everything from cleaning items, hoses, and thermometers, to accessories for dishwashers, washers and dryers, all tailored to the needs and quality requirements of our Nordic customers.

QNECT®

SMART HOME CLEANING

Qnect offers a wide range of quality cabling products with high performance, with a focus on audio, video and network cables, as well as cleaning products for office and home use.

PANZER®

Ultimate Device Protection

PANZER offers optimal screen protection on your tablet, smartphone or smartwatch, always for the latest models, with a perfect fit and surface treatment, and technology that combats fingerprints and bacteria.

essentials

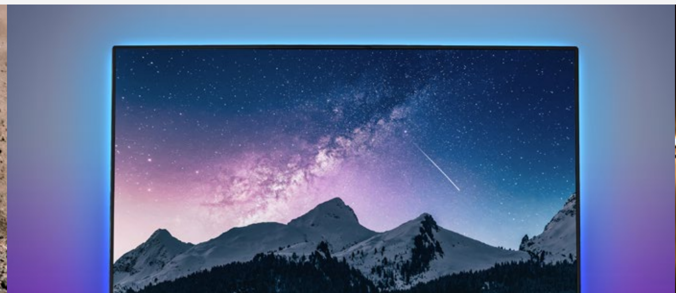
Essentials offers a wide range of accessories for laptops, tablets and smartphones. Whether you need to charge your device in the car, have an extra charger at home, or extra power when you travel, Essentials offers the equipment you need. Products from Essentials are developed and manufactured with a focus on quality and design.

GADGETMONSTER

GADGETMONSTER is a brand with fun and smart products that can be enjoyed both alone and in the company of friends and family, or perfect to give as gifts. GADGETMONSTER offers a wide range of fun and practical everyday inventions, such as cool games, radio-controlled toys, insulated bottles with built-in thermometers, USB refrigerators for soft drinks and snuff, and much more!

TIGHT AV

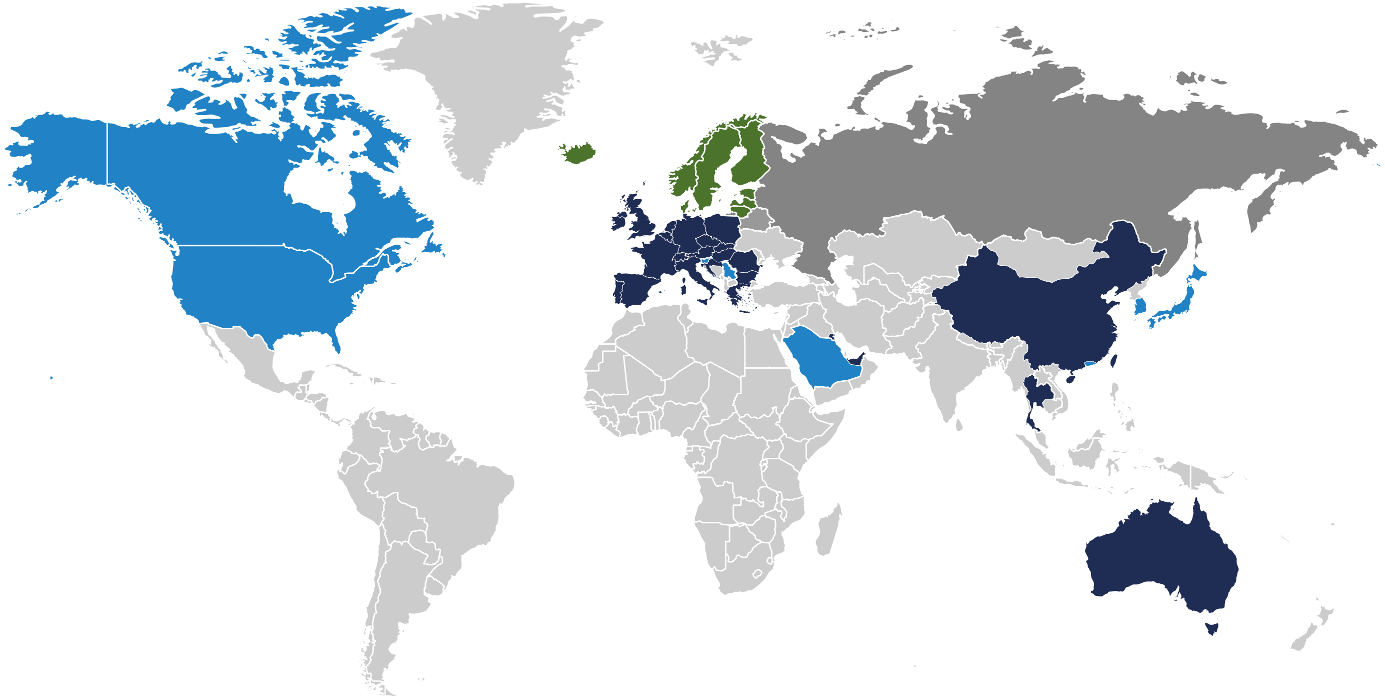
TIGHT AV offers cost-effective AV products with the latest technology that are developed based on customer and market needs. The range includes a mix of basic AV products and new innovative special products aimed at the growing B2B segment.

Export and geographical expansion of our own brand labels

Exports of our own brand labels (OBL) to markets outside the Nordic and Baltic countries have had strong momentum, with growth of ~62% in 2021 to MSEK ~50. Products in gaming, smart homes, mobility and accessories account for the largest increase.

Illustration of exports of our own brand labels (OBL) to markets outside the Nordic and Baltic countries in 2021, as well as ongoing discussions about further expansion.



- Nordic and Baltic countries
- Market with exports in 2021
- Market with ongoing discussions
- In March 2022, DistIT and its subsidiaries decided to stop all sales to Russia and Belarus due to the invasion of Ukraine.

Sustainability in focus

In the autumn of 2021, Mikael Salo was recruited as Head of Sustainability for the DistIT Group. At the end of 2021, DistIT began work on a new sustainability strategy after carrying out a current situation analysis in the late autumn and winter, and holding dialogues with employees, customers, suppliers and investors. The new sustainability strategy is proposed to include, among other things;

1. Market conversion and customer dialogue
Sustainability and digitalisation are two megatrends that are reshaping the world. Dedicated focus on the forces of transformation and customer needs gives us the conditions for a positive impact, and for driving sustainable growth. A dialogue will be held with each company's most important customers in 2022. The results of the dialogue will guide each of the DistIT company's individual sustainability goals and priorities. 2022 will be the year with sustainability goals for the DistIT Group's companies. During the year, a number of sustainability training courses will be held for all employees, as well as key individuals, to raise competence and the level of knowledge within the area of sustainability.

2. Supply chain management
DistIT continues to work dedicatedly to strengthen quality and sustainability at the production stage, which is largely situated in China. This is done through a new updated strategy that entails reducing the number of suppliers while increasing control of, and dialogue with, the suppliers. The team of employees at our office in China is growing in number, and more in-house factory inspections will be carried out.

During 2022, management groups and key roles in the companies will be trained in managing sustainability risks in the production chain. The ambition is for a new model for risk assessment, and third-party control and follow-up of suppliers, to be launched and implemented.

3. Sustainable production, products and packaging
Stakeholder dialogue clearly shows that product quality and safety are high priorities. Work on sustainable materials and production will continue to be prioritised. The focus in 2022 will be on conflict minerals, materials, and continued focus on sustainable packaging and on eliminating unnecessary plastic.

4. Climate
In 2022, DistIT will create a climate strategy, and determine the companies' different degrees of impact and set realistic goals. We will use the GHG protocol, which is the world's most widely used accounting standard for greenhouse gases, and explore the possibility of joining the Science based targets initiative (SBTi).

5. New sustainability regulation on the way
A new comprehensive sustainability regulation (SFDR) is currently being developed and implemented in the EU. The new legislation will transform the financial sector into a catalyst for achieving a more sustainable low-carbon economy. During 2022, we will focus on how different regulatory frameworks and legislations will affect the game plan, business models, ESG reporting, and accounting.

We will, for example, comply with the new Corporate Sustainability Reporting Directive (CSRD), the Task Force on Climate-Related Financial Disclosures (TCFD) and the Due Diligence Directive.

"It is important to drive and implement the sustainability work in the core business and thereby create customer value."

Charlotte Hansson
Board member, DistIT

Active acquisition strategy focusing on value

Growing through acquisitions has been, and is, an important strategy for DistIT. It is through acquisitions we are able to strengthen the Group's offers and position, expand its geographical presence, and/or supplement the Group's offers to customers. Leaders within the Group are encouraged to actively identify potential acquisitions, and this is often where the most important relationship building takes place. This process means that we can attain good knowledge of the acquisition candidate at an early stage, as well as a clear plan and ownership of the acquisition and integration process.

DIST IT AS AN OWNER

DistIT has no exit strategy, but is interested in continuing to develop the business together with the contractors as a partnership, and we want to do this long-term. As part of the DistIT Group, acquired companies gain access to a large internal network of entrepreneurs, company managers and capable employees. DistIT actively supports knowledge transfer. Furthermore, the Group's financial strength creates stability and facilitates investments and expansion.

Decentralised leadership is one of the cornerstones of DistIT's business model, which means that self-determination in companies is great. This creates freedom and flexibility, and ensures that the most important business decisions are made close to the customers and the market.

WHAT WE'RE LOOKING FOR

We continuously evaluate companies, and DistIT's fundamental focus is to acquire profitable and/or fast-growing companies with local leadership, a clear customer offer, and growth potential.

EFUEL in focus – DistIT's latest acquisition

Four questions to Rasmus Bender

Who are EFUEL?
We are experts in electric car charging, and have an estimated market share of approximately 30% of all delivered charging boxes in Sweden. As a "preferred" partner and distributor to the world-leading manufacturer Easee, EFUEL ensures that the transition to more sustainable car ownership is accelerated. With the market's best charging box and a wide network of installers, EFUEL can provide the whole of Sweden with the best solution for electric car charging at home, at work, and on the road. EFUEL offers a range of own brand labels in installation products and accessories, such as charging cables.

We also offer an operator service for customers who want to charge at home, at work and on the go.

Tell us more about your operator service
With our operator service (app), we make it easy for our customers, both companies and private individuals, to keep track of and manage their charging. The service includes scheduling charging for the end user, as well as the administration and payment of charges for companies and tenant-owner associations. The service also includes that the user can charge on the road.

Who are your customers and how does the market look?
We are in the middle of an expansion to Finland and Germany. In addition, we plan to gradually add new geographical markets, primarily in the Nordic countries and Central Europe.

We expect that the market for charging infrastructure for electric cars in the Nordic region will grow by 70-100% per year in the coming years and that this trend will also gain momentum in the rest of Europe, in different phases for different countries and regions.

What is it like to be part of the DistIT group?
Together with DistIT, we can do what we do best - to make it easy for people to own an electric car. The merger has really only meant that we can do it even faster, bigger, and better.

The DistIT Group's presence in markets for electric car charging supports further acceleration and wider expansion for EFUEL. In addition, it is possible to be included in a tender agreement as a DistIT-listed company. We also benefit from the DistIT Group's other product range, logistics, access to financing, and opportunities for product development.

I am extremely proud of EFUEL and to be a part of DistIT.

Rasmus Bender
CEO EFUEL

DistIT's stock and shareholders

PLACE OF LISTING

DistIT's share has been listed on NASDAQ OMX First North since 19 April 2011, and on the Nasdaq First North Premier Growth Market, previously Nasdaq OMX First North Premier, since 28 April 2015, under the ticker DIST. For companies affiliated with First North Premier, a Certified Advisor is required who, among other things, shall exercise certain supervision. Erik Penser Bank AB is DistIT's Certified Adviser.

SHARE FACTS

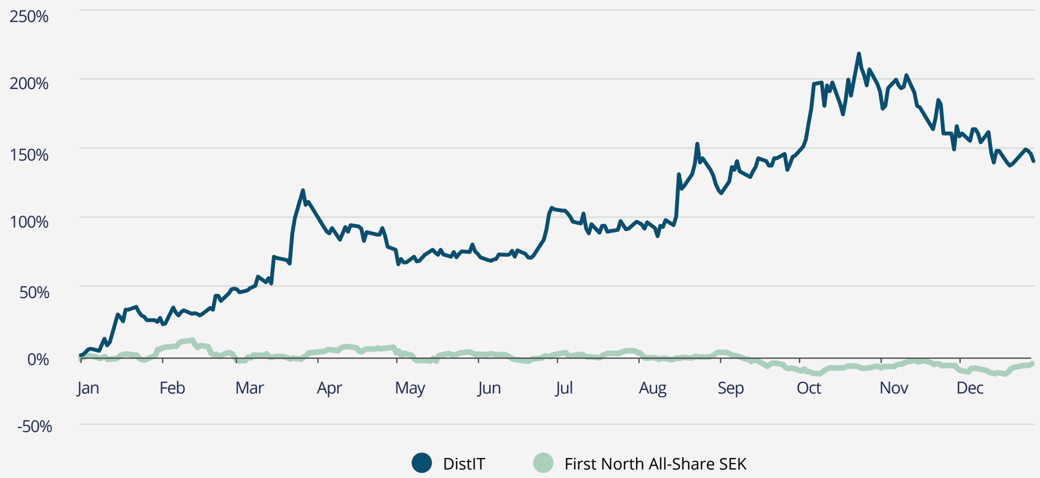
The closing price of the share during the year varied from SEK 47.4 (26.7) as the lowest and to SEK 151.0 (47.5) as the highest. The closing price of the share on the last trading day of the year on 30 December 2021 was SEK 114.0 (47.4), which meant an increase of 140.5 per cent compared to the closing price of the share on the last trading day in 2020. DistIT's market value as of 31 December 2021 was MSEK 1 585.5 (582.2).

The number of shareholders in DistIT on 31 December 2021 was 6 871 (6 254). Of these, 422 (421) had more than 1 000 shares each. On average, 22 161 shares (15 252) were traded per trading day during 2021. DistIT's share capital on 31 December 2021 amounted to SEK 27 816 494 divided into 13 908 247 shares (with one vote each).

SHARE-RELATED KEY RATIOS

	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Share data as of	2021-03-31	2021-06-30	2021-09-30	2021-12-31
Share price (SEK)	100.0	96.0	115.5	114.0
Market value (MSEK)	1 228.2	1 179.1	1 606.4	1 585.5
Number of shares	12 281 961	12 281 961	13 908 247	13 908 247
Average number of trades per day during the quarter	92	92	111	197
Average trading volume per day during the quarter (shares/day)	23 931	15 641	26 026	22 675
Average revenue per day during the quarter (SEK/day)	1 574 243	1 375 235	2 835 772	2 978 729

PRICE DEVELOPMENT 2021



SHARE DISTRIBUTION AS OF 31 DECEMBER 2021

HOLDING	SHAREHOLDERS	NUMBER OF SHARES
1 - 500	6 113	474 880
500 - 1 000	336	269 549
1 001 - 5 000	305	683 079
5 001 - 10 000	35	258 822
10 001 - 15 000	20	257 334
15 001 - 20 000	9	164 255
20 001 -	53	11 800 328
TOTAL	**6 871**	**13 908 247**

SUBSCRIPTION WARRANTS

A total of 394 686 subscription warrants were subscribed for following a resolution at an Extraordinary General Meeting of DistIT AB on 3 September 2021. The programme was fully subscribed, and was aimed at key employees in EFUEL. The subscription price per share is SEK 190.53. The warrants can be used to subscribe for shares during the period 1 - 30 September 2025. The 2021 Annual General Meeting resolved, with a deviation from the shareholders' preferential rights, to issue a maximum of 180 000 subscription warrants, with the accompanying right to subscribe for a maximum of 180 000 new shares in DistIT AB at a subscription price of SEK 133.43 per share. The right to subscribe for the new subscription warrants appertained to some of the DistIT Group's senior executives and key individuals. The subscription warrant programme was fully subscribed. The warrants can be used to subscribe for shares during the period 15 - 31 May 2024.

The 2020 Annual General Meeting approved an offer to senior executives of a maximum of 379 854 subscription warrants, with the accompanying right to subscribe for a maximum of 379 854 new shares in DistIT AB at a subscription price of SEK 50 per share. The subscription warrant programme was fully subscribed and all participants, nine senior executives in DistIT, Aurora, Deltaco and Septon, took their full allocation. The warrants can be used to subscribe for shares during the period 1 - 15 December 2023.

An Extraordinary General Meeting of DistIT AB (publ) resolved on 21 February 2019 to issue up to a total of 300 000 subscription warrants with a subscription price of SEK 40, with the right to subscribe at share prices of 60, 64, 68, 72, 76 and 80 for various categories. Only the CEO of the company, Robert Rosenzweig, had the right to subscribe for the subscription warrants, who took his full allocation. The warrants can be used to subscribe for shares between 8 - 31 March 2022. More complete information about subscription warrants can be found on DistIT's website.

BOND LOANS

On 19 May 2021, DistIT AB issued a new four-year senior, unsecured bond loan of MSEK 300, within a framework of MSEK 800. In connection with the issue of the new bonds, DistIT AB called for early redemption of the company's outstanding senior unsecured bonds. For further information on the Group's bond loans, see Note 31.

DIVIDEND POLICY

The Board of Directors intends to annually propose a dividend, or other equivalent value transfer, which shall amount to 30-50 per cent of the profit after tax. In addition, the Board of Directors may propose a further return of capital to the shareholders, provided that the Board of Directors deems this to be justified with regard to the expected future cash flow and the company's investment plans.

The Board of Directors has proposed to the Annual General Meeting 2022 a dividend of SEK 2.00 to the shareholders in accordance with the established Dividend Policy.

AUTHORISATION

The 2021 Annual General Meeting authorised the Board of Directors to decide on a new issue of shares in conjunction with an agreement on business combinations. The authorisation comprised a maximum of 1 228 000 shares, corresponding to a maximum of 10% of the company's existing share capital on the day of the Annual General Meeting. During the year, the Board did not use the General Meeting's authorisation.

SHARE CAPITAL DEVELOPMENT

Year	Transaction	Quota value	Change in the no. of shares	Total no. of shares	Changes in share capital	Total share capital
2011	Dividend from Intoi AB	2	-	11 053 961	-	22 107 922
2014	Exchange of convertible	2	1 228 000	12 281 961	2 456 000	24 563 922
2021	New issue	2	1 626 286	13 908 247	3 252 572	27 816 494

THE 10 LARGEST SHAREHOLDERS AS OF 31 DECEMBER 2021

Name	No. of shares	Share of capital and votes (%)
Athanase Industrial Partner	2 949 885	21.2%
Redstone Investment Group SA	1 738 730	12.5%
Ribbskottet AB	1 550 000	11.1%
Insurance Company, Avanza Pension	714 719	5.1%
JP Morgan Bank Luxembourg S.A.	576 077	4.1%
Humle Kapitalförvaltning AB	467 979	3.4%
Theodor Jeansson	417 751	3.0%
FE Småbolag Sverige	233 622	1.7%
Hajskäret Invest AB	208 459	1.5%
Måns Ola Flodberg	204 000	1.5%
Total 10 largest owners	**9 061 222**	**65.1%**
Total other owners	**4 847 025**	**34.9%**
Total	**13 908 247**	**100.0%**

PORTFOLIO COMPANIES

Portfolio Companies

Companies within the DistIT Group are niche distributors of IT, technology and AV products with strong market positions. Each company constitutes its own results centre, with responsibility for its chosen strategy. Common to the companies is a value-creating strategy for developing and distributing own brand labels (OBL) that increases the relevance of customers and creates prerequisites for profitable growth.

DIST IT

AURORA GROUP
DELTACO
Septon electronic
EFUEL
soministechnology
Part of DistIT group

Aurora Group Holding A/S ("Aurora") and SweDeltaco AB ("Deltaco") are two of DistIT's subsidiaries that have historically worked with the Nordic markets in parallel with, among other things, separate sales and administration structures.

In 2019, an organiational merger of the operations within Aurora and Deltaco was carried out to obtain clearer coordination in order to expand market and cost synergies in the sales phase and in the support functions. In 2020, a new joint management team was put together for Aurora and Deltaco. Moreover, full integration of the operations is ongoing and is expected to be completed in 2022. The new organisation will have a significantly greater market share in the Nordic market, and improved results in the future through a new common platform, new leadership, and successful restructuring measures.

BUSINESS CONCEPT AND VISION

Aurora and Deltaco's business concept is to offer an attractive and updated range of products and accessories in IT and consumer electronics. The range consists of both own and external brands. Furthermore, the companies have cost-effective offers with additional services within concepts and marketing, a high level of service and availability of products, as well as expertise, and dedicated and service-conscious employees with a great interest in technology. The vision for the companies is to create value for customers and external brand owners, and become the obvious business partner in Europe with a special focus on the Nordic and Baltic countries.

BUSINESS MODEL

Through size and specialisation, Aurora Deltaco can achieve economies of scale, ensure specialised employees and a high level of market knowledge, as well as provide fast and relevant feedback to customers and external brand owners.

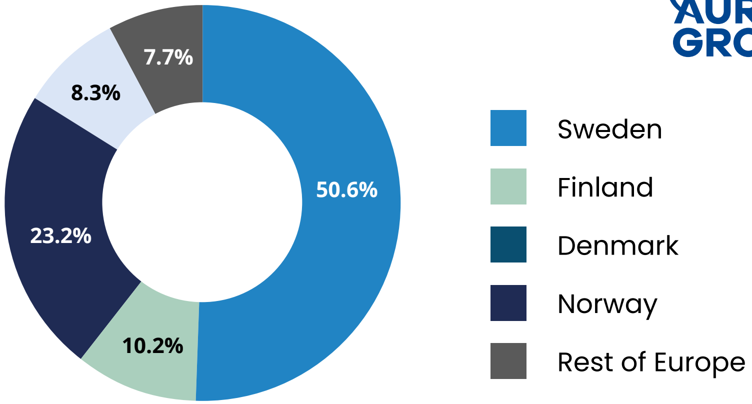
The combination of offering both relevant own brand labels (OBL) and external brands in niche product categories that are in demand in both physical and digital channels creates additional sales with customers. The merger of Aurora and Deltaco means being able to offer even larger product and brand catalogues. With a third-party logistics solution, the companies can offer reliable and efficient distribution, with daily deliveries throughout the Nordic region; to store, central warehouse or directly to end customers via "drop shipping". Aurora Deltaco will in future have a good platform for growing organically and through acquisitions.

BRANDS

Own brand labels (OBL) include a basic range within several product lines where the companies create and update innovative concepts, as well as ranges within, for example, gaming, smart homes, electric car charging, security and offices. The product categories include several price and product ranges, and handle control of final prices to ensure the right margin structures. Examples of own brands are DELTACO™, DELTACO Gaming™, L33t Gaming™ and Panzer™. External brands cover all focus categories and are developed separately in order to maintain updated and complete brand portfolios. The companies also offer advanced services within marketing and concept services. Examples of external brands are, Aarke, Ubiquiti and Kingston.

SELECTED KEY RATIOS, MSEK	2021	2020
Operating income	1 908.4	1 879.8
Gross margin, %	22.6	22.1
EBIT	95.1	92.7
EBIT margin, %	5.0	4.9

OPERATING INCOME PER GEOGRAPHICAL MARKET, %



MANAGEMENT, AURORA DELTACO

Martin Gutberg
CEO Aurora & Deltaco

Christian G. Jørgensen
CFO Aurora & Deltaco

Anders Lagerstedt
CCO Aurora & Deltaco

Claes Eriksson
CPO Own brands Aurora & Deltaco

Johan Lønk Ramskov
CPO External brands Aurora & Deltaco

Adrian Langer
CMO Aurora & Deltaco

Mikael Johansson
CIO Aurora & Deltaco

Previous companies	Note	Sonion A/S & JAI A/S	Hope & Acne Studios	Rusta & Teknikmagasinet	Garmin	Splay One & NENT/MTG	Planja, WM Data, Note & Autoliv
Shareholding in DistIT AB*	31 900	-	338	2 000	6 932	-	-
Warrants programme	Yes	No	Yes	Yes	Yes	Yes	Yes

* Including related parties and via companies

Septon electronic

In 2020, the Septon Group placed great focus on restructuring the business' companies in order to achieve identified economies of scale.

The Septon Group follows the Group's strategy for developing its own brand labels (OBL) and has several projects underway to develop and scale up that business area.

BUSINESS CONCEPT AND VISION

Septon creates added value for suppliers, customers and end users by offering expertise and an attractive range of AV products, as well as lighting equipment in the Nordic region. Septon's vision is to be the strongest partner for the professional lighting industry, AV integrators, and retailers in exclusive home electronics. Septon shall be respected for its qualified employees and high level of service, with quality in every aspect of the implementation.

BUSINESS MODEL

Septon has three main business areas. Professional AV products for the B2B market, consumer electronics products for the B2C market, and light-related products for the B2B market. The model provides less risk exposure as both brand representation and market processing vary between the different business areas.

CUSTOMERS AND MARKET

Within professional audio/video products (Pro AV) and lighting, Septon represents world-leading brands on an exclusive basis in the markets in which they operate. Septon's model involves representation via dealers, integrators and installers. At Septon, product, sales and marketing work across borders in Scandinavia in order to streamline and better utilise the collective expertise found in the group.

Within B2C, Septon represents a number of exclusive brands for retail and e-commerce. The company has a selective distribution representation that provides customers the opportunity for good earnings while ensuring the brands' continued status and exclusivity. This is a model that is also applicable to the growing segment of e-commerce, where Septon methodically increases its presence. Septon also has a growing department within "smart home" and consumer products for installation, where demand has increased during the past year.

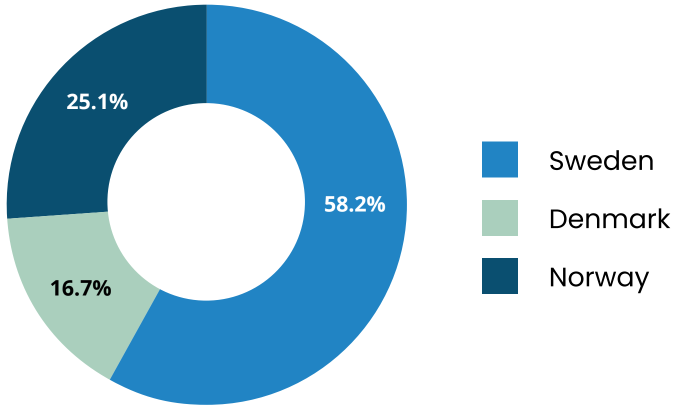
BRAND

The own brand TiGHT LED has, from the outset, shown stable growth in LED lighting aimed at theatres, cultural centres, TV production, and architectural applications in B2B. The focus has been on designing and producing unique and cost-effective LED products aimed at the professional lighting market. Within B2C, Septon represents a number of exclusive brands for retail and e-commerce, such as Harman Pro, Marantz and Klipsch.

Septon electronic

SELECTED KEY RATIOS, MSEK	2021	2020
Operating income	352.7	296.7
Gross margin, %	23.0	27.4
EBIT	9.1	8.5
EBIT margin, %	2.6	2.9

OPERATING INCOME PER GEOGRAPHICAL MARKET, %



MANAGEMENT SEPTON

Magnus Löndén
CEO Septon

Peter Bäckius
COO Septon

	Magnus Löndén	Peter Bäckius
Previous companies	EMI Music & JVC	SHIN Group, Capacent & Applied Value
Shareholding in DistIT AB*	10 186	-
Warrants programme	Yes	Yes

* Including related parties and via companies

EFUEL

EFUEL is one of the largest companies in Sweden in electric car charging with a market share of approximately 30% of all delivered charging boxes. For the past three years, EFUEL has been a strategic and "preferred" partner to Easee, which is a world-leading manufacturer of electric car chargers.

BUSINESS CONCEPT AND VISION

EFUEL's business concept is to develop the right solution for electric car charging for companies, tenant-owner associations, or public car parks.

EFUEL was acquired by DistIT in August 2021. This provides EFUEL an opportunity for an aggressive acceleration of business plans and expansion of the company, as well as benefits in the management of warehousing and logistics units, IT development and maintenance, finance, or similar.

EFUEL's vision is:
"We are electrifying Europe."

BUSINESS MODEL

The company offers sales, installation and support of charging boxes to companies, tenant-owner associations, and public car parks.

The company's offer includes:
- one of the best charging boxes on the market
- installation across the country
- world-class support
- smooth management in the app

CUSTOMERS AND MARKET

The electric car market is in a clear growth phase, and is expected to continue to grow strongly in the coming years. Within the European market, 42% of cars are estimated to be electric by 2030. Nordic countries, such as Norway, Sweden and Finland, are among the markets in Europe today with the highest level of preparedness.

In Sweden, there are currently around 240 000 electric cars, and the number is estimated to be able to grow to 2.5 million vehicles by 2030.

EFUEL expects that the market for charging infrastructure for electric cars (e.g. charging boxes) will grow in the coming years in line with the increasing market trend.

EFUEL will continue its success in the Swedish market, and also expand to other Nordic markets and further on to Europe.

BRAND

As a "preferred" partner to Easee, the company offers one of the best charging boxes on the market. The charging box from Easee together with EFUEL's app is the complete solution for the electric car.

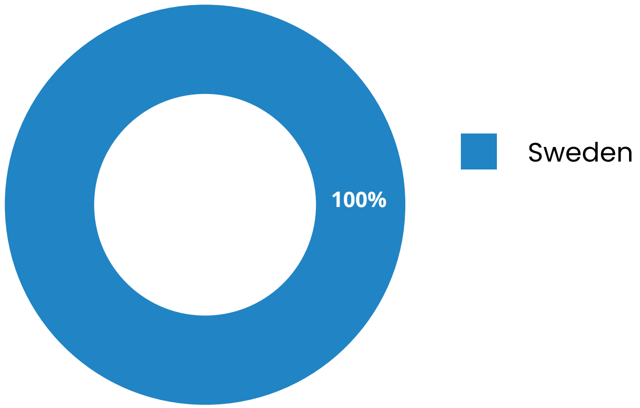
The solution is also the most intelligent on the market, with its integrated electricity meter, earth-fault circuit breaker type B, and 4G E-sim that allows control of the box completely from a mobile phone app. Via the app, you can pay/charge for charging, schedule charging and reduce/increase the charging speed. Easee also has patented local phase balancing for boxes installed in a series connection, which allows maximum utilisation of available power.

The company also offers its customers a range of accessories and cabling under the brand "EFUEL".

SELECTED KEY RATIOS, MSEK	18 AUG – 31 DEC
Operating income	65.2
Gross margin, %	18.0
EBIT	-6.4
EBIT margin, %	-9.8
Adjusted EBIT	3.6
Adjusted EBIT margin, %	5.5

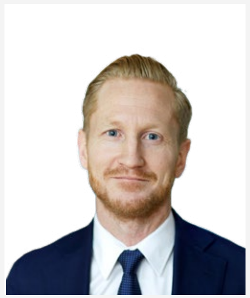
* The period was affected by one-off costs of MSEK 10.0 for 'sign on' bonuses for key employees in EFUEL.

OPERATING INCOME PER GEOGRAPHICAL MARKET, %



MANAGEMENT EFUEL

Rasmus Bender
CEO EFUEL



Fredrik Nyström
Deputy CEO

	Rasmus Bender	Fredrik Nyström
Previous companies	EFUEL	Nobia & Marbodal
Shareholding in DistIT AB*	1 748 332	-
Warrants programme	No	No

* Including related parties and via companies

soministechnology

Part of DistIT group

UAB SOMINIS TECHNOLOGY is today an established trading company in the IT products, office equipment, and consumer electronics in the Baltic region. The company collaborates with many e-retailers, stores, IT integrators, and distributors around Europe by offering well-known products and brands.

Computers, IT accessories, gaming products, consumer electronics, small household appliances, and spare parts are included in the company's product range.

BUSINESS CONCEPT AND VISION

The company's vision is to give the company's international B2C and B2B customers the best availability at the lowest price of products, with fast delivery from stock. With the help of dedicated and professional personnel, technical solutions for fast and efficient delivery within Europe are ensured.

BUSINESS MODEL

Sominis is an internationally recognised distributor of established branded products, with complementary sales channels, both physical and digital, covering the whole of Europe. The range is constantly updated, and new products and suppliers are selected in order to be able to meet customers' needs.

CUSTOMERS

The customers are international companies in hardware sales, retail, e-commerce, telecommunications, and hotels. Sominis works continuously to offer reliable products at a competitive price to its business partners, to organise fast and efficient logistics service worldwide, and to provide support and product warranty.

BRAND AND PRODUCTS

The company offers customers more than 30 000 different products from a comprehensive list of suppliers. Brands such as Lenovo, Philips, Acer, LG, Asus, Tefal, Braun, Revlon, Honeywell, Dicota, and iLife are currently represented in the range.

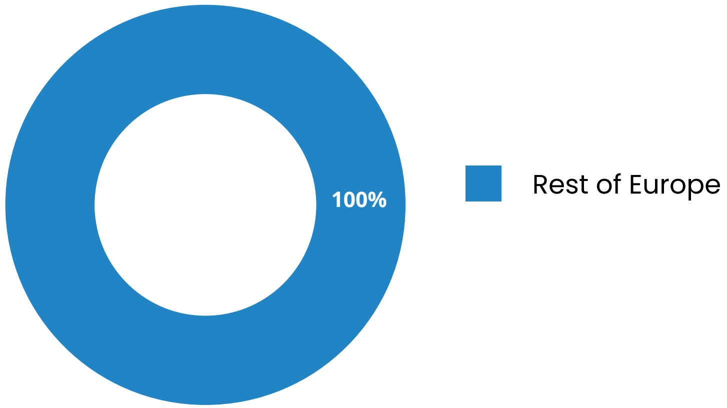
LOGISTICS

Efficient logistics is a key factor in ensuring the best operational performance. The company's partnership within 3PL, combined with the company's dedicated employees, enables the best possible efficiency within logistics and distribution. The market's dynamic conditions place high demands on future developments within logistics and distribution.

soministechnology
Part of DistIT group

SELECTED KEY RATIOS, MSEK	2021	2020
Operating income	202.0	182.5
Gross margin, %	11.1	11.9
EBIT	7.2	9.3
EBIT margin, %	3.6	5.1

OPERATING INCOME PER GEOGRAPHICAL MARKET, %



CEO SOMINIS

Mindaugas Apanavicius
CEO Sominis

Previous companies	Sominis
Shareholding in DistIT AB*	-
Warrants programme	No

* Including related parties and via companies

SUSTAINABILITY REPORT

SUSTAINABLE DEVELOPMENT

Sustainable development and Corporate Social Responsibility (CSR) are fundamental to DistIT's operations: in part due to demand from customers, employees and other stakeholders, but also because CSR and sustainability issues create new business opportunities for us.

Everything we do affects our world in some way. We are responsible for our operations and for the impact we have on the environment and people. Our customers have high demands, and we know that these also include that we as a company take our responsibility seriously. We therefore pursue conscious sustainability.

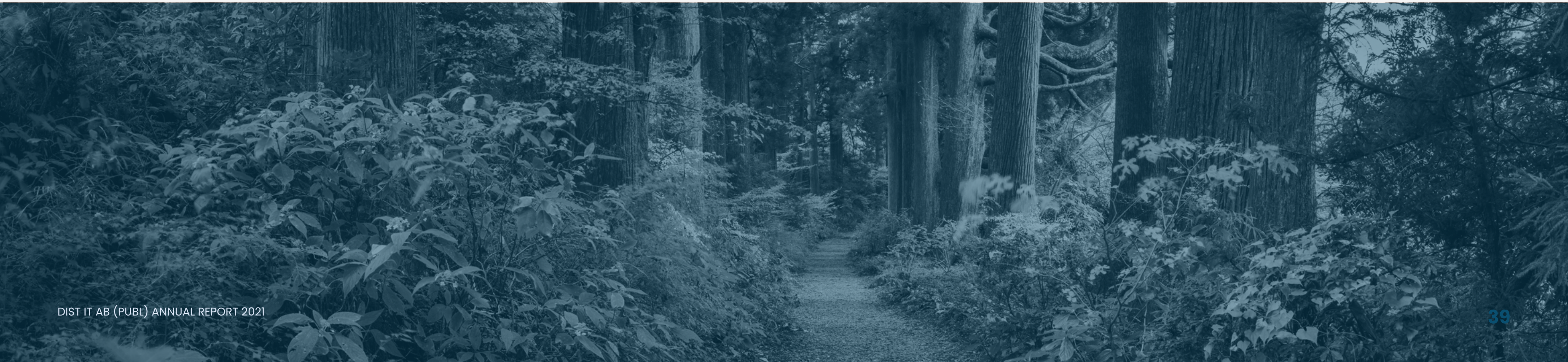
We work purposefully to integrate sustainable development into our business and into our daily operations. This includes taking responsibility from an economic, environmental, and social perspective, such as striving for improved working conditions in the supplier factories, ethical issues, approaches to human rights, and environmental work.

These issues are fundamental to all of DistIT's operations. The companies in DistIT Group shall be responsible business partners and operate a sustainable business based on business ethics, anti-corruption, human rights, working conditions, equality and diversity, and use of resources.

BUSINESS MODEL

DistIT acquires, owns, and develops niche distributors within IT, mobility, consumer electronics, networks, data communication and AV products, primarily in the Nordic and Baltic countries, as well as the charging infrastructure. The companies within the DistIT Group deliver products and accessories in both the B2B and B2C markets in the Nordic and Baltic countries, and the rest of Europe.

With the Nordic and Baltic countries as the main markets, the companies within the DistIT Group shall offer the market's best product range in the niches in which the companies operate. Competitive prices, fast deliveries, and good service and support shall be the watchwords. Sales take place via physical and digital channels. Consumer electronics chains, discount stores, specialty retail, grocery stores, telecom, e-commerce, consultants, office department stores, integrators, and installers are examples of channels for reaching corporate customers and consumers. DistIT's offers within IT, mobility, consumer electronics, networks, data communications and AV products have structural growth from trends such as digitalisation, 5G, e-sports, electric vehicles, smart homes, smart cities and surveillance.



RESOURCES

- Own brand labels, known brands, relevant range and product portfolio.
- Suppliers, customer relations, employees, networks and collaborations.
- Invested capital, inventory.
- E-commerce, business tools, business processes, business development, system solutions.

WHAT WE DO

- We integrate ethics, the environment, and social issues into our business.
- The customer's experience is most important to us. Meetings and dialogue, training and support, follow-up.
- We find and develop new trends in the market.
- We test and quality assure our products.

OUR OFFERS

- Professional employees - reliable business partner.
- Quality-assured products.
- Offices throughout the Nordic region - proximity to customers.
- Instructions for use in local languages.

THE VALUE WE CREATE

- Customers: sustainable business and growth, profitability, increased competitiveness, new concepts, and technical solutions.
- Society: Improved environment, improved work environment, more efficient solutions, faith in the future.
- Employees: sustainable work life, increased knowledge and skills, career opportunities.
- Owners/partners: long-term investments, create conditions for growth and profitability.

STAKEHOLDER DIALOGUE

We aim to be a responsible, honest and transparent company. We maintain an ongoing dialogue with our stakeholders in order to gain a better understanding of their expectations and to identify areas where there is room for improvement.

During the autumn of 2021, a more comprehensive stakeholder dialogue was held through a survey aimed at four important stakeholders. The priority areas for the four different groups are presented below.

Employees	Suppliers	Customers	Investors
Health and safety	Product quality	Climate change	Customer satisfaction
Human rights	Product safety	Human rights	Long-term return and growth
Climate change	Health and safety	Product safety	Climate change
Work enironment	Innovation	Innovation	Business ethics
Product safety	Human rights	Sustainable materials	Global sustainability goals

The survey in question generally provides support in an increased focus on sustainability among all stakeholders.

Approximately 95 per cent of the 122 suppliers who responded in the survey confirm an increase in focus on sustainability. A majority of employees see this investment as positive and that this strengthens the Group's competitiveness. Increased focus is also perceived as positive by customers and investors/owners.

At the end of 2021, DistIt's management teams carried out SDG (Sustainable Development Goal) mapping, in which the global goals were analysed and prioritised. Management has agreed that the greatest impact, both positive and negative, lies in the following global goals, which should be prioritised for future sustainability work.

GOAL 8

DECENT WORK AND ECONOMIC GROWTH

GOAL 9

INDUSTRY, INNOVATION AND INFRASTRUCTURE

GOAL 11

SUSTAINABLE CITIES AND COMMUNITIES

GOAL 12

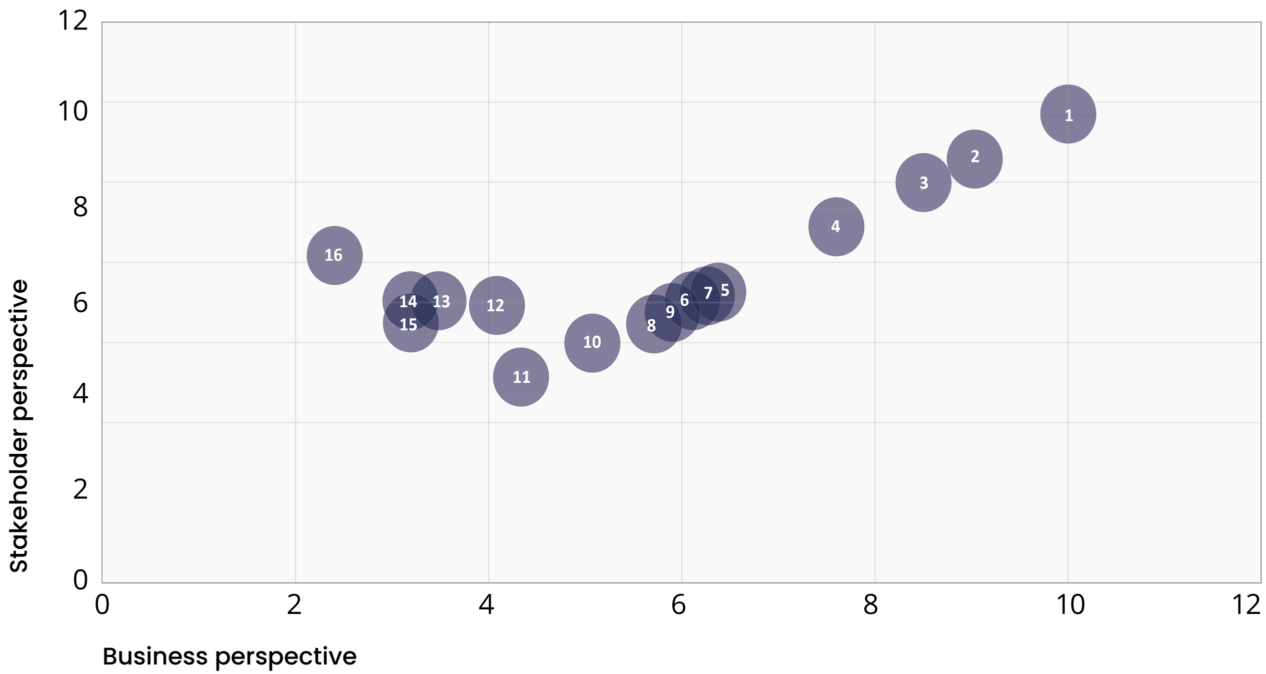
RESPONSIBLE CONSUMPTION AND PRODUCTION

GOAL 13

CLIMATE ACTION

MATERIALITY ANALYSIS

The materiality analysis is carried out to identify important sustainability issues, i.e. the areas that are particularly important to work with. The analysis helps to identify the issues that are most important in sustainability work in a structured way. Through this approach, we avoid that investments become event-driven or person-dependent. The result is sustainability work focused on what is important, based on business conditions and availability.



1. Product quality
2. Health and safety
3. Climate change
4. Human rights
5. Good work environment & development opportunities
6. Sustainable materials
7. Innovation
8. Climate (goals and ambition)
9. Corporate responsibility
10. Responsible sourcing
11. 17 Sustainability goals
12. Energy efficient products and services
13. Technology in society
14. Electronic waste
15. Good employment conditions
16. Gender equality, diversity and inclusion

ENVIRONMENTAL RESPONSIBILITY

INTRODUCTION

DistIT's environmental impact is mainly through freight transportation, energy consumption, waste and packaging. The companies within the DistIT Group work actively to minimise the environmental impact in each area. The environmental impact is also taken into account when choosing passenger transportation and electricity suppliers.

OUR ENVIRONMENTAL POLICY

The DistIT Group strives to conduct its operations with as little environmental impact as possible. Both as companies and individuals, we all have a great responsibility for our common environment. Therefore, we are constantly working to improve our procedures within environment and quality.

We work to:

- Reduce resource consumption, waste and environmental impact throughout our operations.
- Design products and services with low negative environmental impact during production and use.
- To take a proactive approach regarding environmental legislation that affects our business.
- Encourage our stakeholders - for example suppliers, subcontractors, resellers and recycling companies - to use the same environmental principles as us.
- To apply our environmental policy in purchasing decisions, future planning and investment decisions.
- To set relevant and essential goals and objectives to achieve continuous improvement and sustainable development.

CORPORATE RESPONSIBILITY

Within the DistIT Group, quality doesn't just mean that our products shall meet or exceed customers' expectations, it also means that production must take place under good conditions and that our customers shall be satisfied with us as a supplier.

Taking responsibility for how people and the environment are affected by our operations is also an important prerequisite for all subsidiaries to grow with continued good profitability. How the DistIT Group works with corporate responsibility is described in the established Code of Conduct. The purpose of our Codes of Conduct and policies is to create a common and clear value base.

The DistIT Group's Code of Conduct is based on the UN declaration of human rights, the UN conventions on the rights of the child and against discrimination of women, the ILO (International Labour Organization) conventions on labour law and human rights, the UN Global Compact, OECD guiding principles for multinational enterprises, BSCI code of conduct version 1/2014, and other relevant international human rights and labour law standards in force.

DistIT's Code of Conduct applies to all companies in the Group, and employees. We also place extensive demands on our suppliers. In the winter of 2021 and during 2022, a review and revision of the DistIT Group's policies will be carried out. Below is an overview of the various documents for the Code of Conduct and sustainability-related policies that have been produced.

Code of Conduct for employees
Code of Conduct for suppliers
CSR Policy
Environmental Policy
Policy for Business Ethics and Anti-corruption
Gender Equality Policy
Travel Policy

All employees shall be given training in DistIT's Code of Conduct and policies, which is part of, for example, sustainability training that is conducted with all employees in the spring of 2022, and thereafter regular follow-up. New employees shall be given training in this, and each employee shall know and apply the Code of Conduct and policies. Further training in essential areas for relevant roles shall take place on an ongoing basis, and managers are responsible for ensuring that this happens. Compliance and any deviations are monitored on an annual basis.

Suppliers' compliance with the Code of Conduct shall take place on an ongoing basis, in part with their own controls, but control also takes place with third-party controls. Our Codes of Conduct and policies can be read on our website **www.distit.se**.

RISK MANAGEMENT

Risk management is a priority area for the DistIT Group, and we work dedicatedly to meet the market's and customers' expectations, increased demands for openness and sustainability considerations. Subsidiaries within the Group have different operations within their area of responsibility, with different risks within environment, work environment, social conditions, human rights and corruption. Each subsidiary identifies the risk areas and shall assess the risk for the work and workplaces that exist within the respective operations. Risks at the supplier level shall be managed in accordance with DistIT's strategy and Code of Conduct.

SUSTAINABILITY WORK IN 2021

INTRODUCTION

DistIT's vision is for economic growth to be profitable, green and sustainable. The overall responsibility for a value-creating sustainable business strategy lies with the Board of Directors and the Group's CEO. The focus of the Group's strategic sustainability work is to identify both the business risks and opportunities which the sustainability challenges, and the transition to sustainable development entail.

The CEOs of the DistIT Group's subsidiaries are responsible for integrating sustainability into each company's strategy and business models. The operational sustainability work in the Group is driven by and coordinated centrally by a responsible person.

SUSTAINABILITY WORK

The work with implementing the policy, procedure descriptions, and follow-ups at each subsidiary began as early as 2015. In the development of procedures and follow-up models, consideration was given to the respective subsidiaries' corporate culture and business models. The Board of Directors also appointed a coordinator who, together with the management of each subsidiary, began implementing the policy and developing procedures and follow-up models for each subsidiary.

The sustainability report has been reviewed in accordance with RevR12 by the auditors who review the Group's annual report, but not reviewed by third parties as management deemed that the added value of such an audit, although valuable to the organisation and its stakeholders, cannot immediately be considered to outweigh the additional cost of such an audit. On the other hand, it is the Group management's long-term ambition that the Group's sustainability reports shall also be reviewed by an independent third party.

FRAMEWORK FOR REPORTING

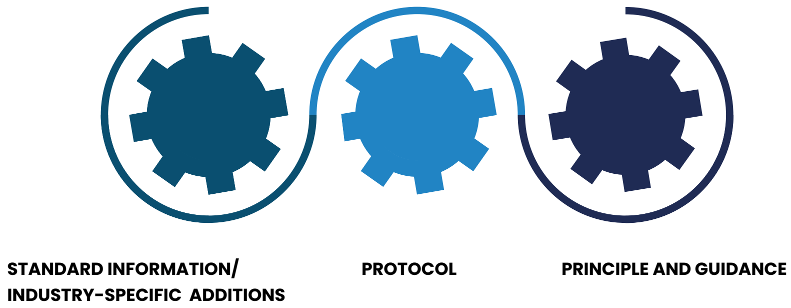
DISTIT'S FOCUS AREAS

1. Product and supplier responsibility

Our customers expect our products to be sustainable in all respects. Therefore, it is important for us that our suppliers take environmental aspects into account when manufacturing, respect social conditions and human rights, refrain from corruption and bribery, and ensure that none of the delivered products contain metals or minerals that originate in or have been transported through conflict-affected and high-risk areas. As a result of our ambitious sustainability work, we have been recognised by international customers, such as ATEA, as a leading supplier of IT products.

The Group adopted a new code of conduct in 2019, which, in addition to the UN declaration of human rights, the UN conventions on the rights of the child and against the discrimination of women, and the ILO (International Labour Organization) conventions on labour law and human rights, is also based on the UN Global Compact, the OECD guiding principles for multinational enterprises, the BSCI code of conduct, and other relevant international standards on human rights and labour law.

In accordance with our Code of Conduct, visits to factories shall be carried out regularly by our personnel, but also by independent third parties. It is the supplier's responsibility to ensure the implementation of this Code of Conduct in its operations. Our suppliers are also obliged to ensure that all their suppliers, subcontractors, producers and business partners who participate in the manufacture of goods and services for companies within the DistIT Group comply with this policy. In addition to DistIT's Code of Conduct, the supplier shall comply with national laws and regulations.



- How shall this be reported?
- What shall be reported?

Goal 2021

The DistIT Group's goal for the subsidiaries in 2021 was continued work with the approval of suppliers for compliance with the Code of Conduct. The goal was to ensure that the 50 largest suppliers of own brand labels (OBL) to each subsidiary would be certified during 2021. These suppliers accounted for approximately 90% of the total imports of own brand labels within the Group in 2021. Monitoring of these suppliers would continue, and the result would be presented in connection with the annual report 2021. Furthermore, visits to factories would be carried out regularly by our personnel, or by independent third parties, to inform, inspect, and guide the suppliers. In addition, those suppliers who did not meet our CSR requirements would be asked to monitor the regulations or be phased out.

The investigation into the subsidiaries' opportunities for possible membership, or certification, with BSCI or EcoVadis would continue in 2021. The ambition was to be able to present the results of the survey to DistIT's Board of Directors in the autumn of 2021 in order to receive the Board's decision to certify the companies.

The management team would hold several workshops in order to clarify future ambitions and strategies regarding CSR and sustainability in the organisation.

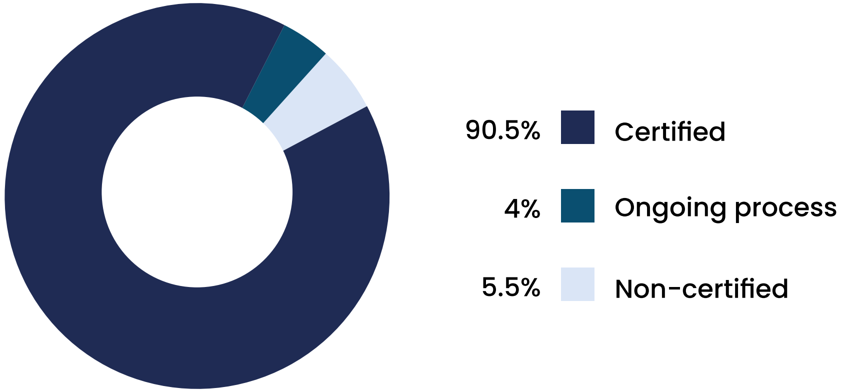
Status and results 2021

In November 2018, the Board of Directors announced that Aurora and SweDeltaco would merge in order to, among other things, generate synergy effects in the procurement of own brand labels. In 2020, the new organisation halved the number of suppliers of own brand labels (OBL) in order to increase control and improve sustainability work together with suppliers.

Our survey during the year encompassed a total of 72 suppliers. These suppliers accounted for just over 94% of the total imports of own brand labels within the Group in 2021. Of these suppliers, 65, or 90.5%, are certified suppliers, three, or 4%, have started the certification, and only six, or 5.5%, had no certification or lacked plans to begin such a process.

On the following page, the result for suppliers of own brand labels to all companies within the Group is reported.

OBL SUPPLIERS, AURORA DELTACO



Despite the ongoing corona pandemic, our office in Shenzhen recruited a Quality Manager in 2021 with the aim of carrying out visits to our suppliers, to train suppliers and document their visits.

We also hire one of Asia's leading inspection companies, which is a member of IFIA (The International Federation of Inspection Agencies), accredited by Sedex (Supplier Ethical Data Exchange), holds ISO9001:2015 certificates, and is certified by UKAS and Moody for inspection at our suppliers. In 2021, approximately 300 company inspections were carried out.

An investigation into possible membership of BSCI or Sedex/SMETA was ongoing during the year. DistIT's Board of Directors decided to evaluate the subsidiaries with EcoVadis.

EcoVadis is the leading evaluation system that considers aspects such as the environment, working conditions, business responsibility and ethics, as well as sustainable procurement. The EcoVadis method is based on internationally accepted principles for sustainability reporting, such as the GRI (Global Reporting Initiative), the UN Global Compact, and ISO:26000. The evaluation is also reviewed by independent sustainability experts.

We attained the bronze result after their EcoVadis evaluation and we are now working on various supplements to submit an application for membership in 2022.

SUPPLIERS OF OWN BRAND LABELS

Aurora Deltaco

2019	Top 40	77.5% certified
2020	Top 40	88% certified
2021	Top 50	96% certified

EFUEL

2021	No suppliers for OBL

Septon

2019	One new supplier for OBL
2020	No suppliers for OBL
2021	Three new suppliers for OBL

In 2021, Septon developed a range of audio and video products under its own brand "TiGHT AV". In 2022, the suppliers and manufacturers of these products will undergo audits in the form of visits, by both our own employees and third-party inspectors.

Sominis

2019	No suppliers for OBL
2020	No suppliers for OBL
2021	No suppliers for OBL

NEW GOAL 2022

The DistIT Group's new goal for the subsidiaries in 2022 is continued work with the approval of suppliers for compliance with the Code of Conduct. The goal is to ensure that the 80 largest suppliers of own brand labels (OBL) to each subsidiary shall be certified during 2022. As a result, at least 95% of all own brand labels within the Group will be traded by approved suppliers. Monitoring of these suppliers will continue on an ongoing basis, and the results will be presented in conjunction with the annual report for 2022.

In 2021, the management team held a number of workshops in order to clarify future ambitions and strategies regarding CSR and sustainability in the organisation.

DistIT recruited a new Sustainability Manager in 2021 to create a clear vision, mission and strategy for Sustainability within the DistIT Group.

The vision is to digitalise and drive the world through companies with innovative, fair and sustainable products and services. The mission will be realised through each company in the Group. Each company will establish and decide on assignment descriptions during 2022. The ambition is to be the leading sustainability supplier for key customers by 2024.

We will also continue with regular visits to factories, with the help of our inspection company, to inform, inspect, and guide our suppliers in accordance with our Code of Conduct. Furthermore, during 2022 we will also continue to replace those suppliers who do not meet our requirements regarding CSR, or in cases where we have too low turnover to justify having them as a business partner.

A new environmental goal for 2022 is the implementation of the Greenhouse Gas Protocol (GHG Protocol) at the subsidiaries. The GHG Protocol is the most widely used international calculation and accounting standard used by nations and companies as a tool for understanding, quantifying and managing the emission of greenhouse gas. According to the GHG Protocol, reporting is done by dividing the emissions into different areas (scope 1, 2 and 3). This gives a clear overview of which emissions are direct (scope 1) or indirect (scope 2 and 3).

Scope 1 contains direct greenhouse gas emissions, i.e. those over which the business has direct control. This applies, for example, to greenhouse gas emissions from vehicles and machines that the business owns or leases. Scope 2 includes indirect emissions from electricity, i.e. consumption of electricity, district heating and district cooling. Scope 3 relates to direct greenhouse gas emissions, in addition to purchased energy, that occur outside the business' limits. The goal is to report scopes 1 and 2 for all subsidiaries in the next sustainability report.

2. Personnel

Personnel-related performance indicators for the DistIT Group's companies in the sustainability report for 2021 are presented below. This is the first time this type of information has been reported and will be developed in the coming years.

COMPANY	UAB Sominis Technologgy	Electric Fuel Infrastructure Sweden 2 AB	Septon Electronic AB	Aurora Deltaco
No. of employees	9	3	45	195
Of which are women	2	0	9	60
Sick leave (%)	2%	1.8%	4.2%	2.6%
Accidents (no.)	0	0	0	0
Training hours (hours/person)	-	37.5	10	6.4

3. Environmental responsibility

Within the area of environment, the subsidiaries comply with the environmental laws that apply in the countries where the companies operate. The subsidiaries shall also streamline energy consumption, sort paper and cardboard for recycling, and reduce CO_2 emissions through coordinated transportation. As of 2019, the subsidiaries have arranged sorting and recycling of all waste in offices. The sorting includes metal, plastic, glass, electronics, lighting, cardboard, paper and food waste.

DistIT became a member of FSC in 2019. FSC stands for Forest Stewardship Council and is an independent, international member organisation that works for environmentally friendly, socially responsible, and economically viable use of the world's forests, through its FSC certification system. Certified companies follow FSC's rules (standards) for forestry and traceability. Those who follow the rules may label their packaging with the FSC brand. The FSC label allows consumers and companies to choose wood products that come from responsible forestry, i.e. forestry that considers people and the environment. The forest gives us clean water and fresh air, and helps to slow down global warming. It provides food, medicine, and important natural resources, such as timber and paper. Responsible forestry ensures that the forest can also provide these benefits in the long term. Those who participate in the FSC voluntarily want to contribute to this.

In 2020, the DistIT Group began to switch to FSC packaging by redesigning a number of selected packages, including all products and upcoming new items within the STREETZ brand. The work continued on an ongoing basis in 2021. During the year, 33% of our paper packages was converted to FSC-approved packaging. This corresponds to about 12% of the total number of active items with packaging, including plastic bags. We have also adopted a new policy to reduce plastic and increase the durability of our packaging (so-called No Plastic packaging). We will continue with the conversion of plastic packaging to FCS approved packaging in 2022.

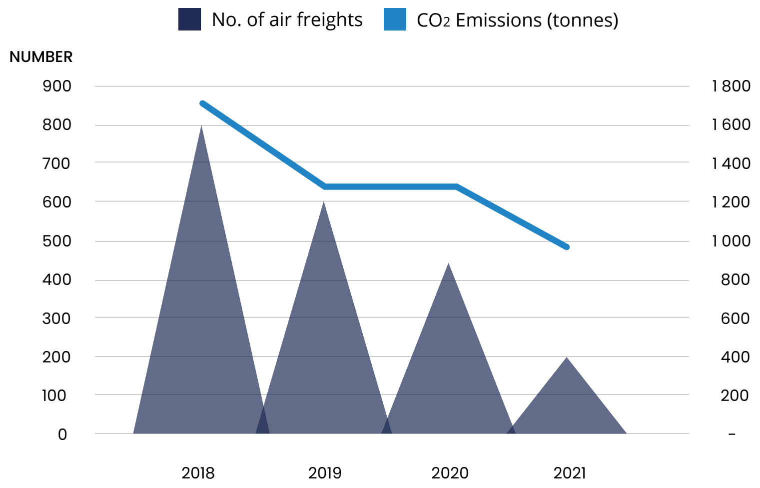
In 2020, all subsidiaries within the Group switched to digital meetings due to Covid-19. We have continued our work with digitalisations within our operations during 2021. This has resulted in significantly reduced car and air travel. We see a very positive environmental impact in this respect, and our ambition is to be able to continue this approach even when the pandemic is over.

All new company cars that were introduced in 2021 were either electric or plug-in hybrids. DistIT's goal for 2022 is to continue with the same policy.

Another environmental goal for 2021 was for all companies within the Group to report their annual air freights and to try to reduce these by at least 20% per year. During the year, the number of air freights had decreased by about, 60% while emissions of CO_2 measured in tonnes (1000 kg) decreased by just over 40% compared to 2020. A contributing reason why we succeeded in reducing our emissions at those levels is the merging of the operations in Aurora and Deltaco, which means that planning of purchases of goods is done much more centrally. We are looking for and evaluating tools for measuring CO_2 emissions in other parts of our operations, in accordance with the GHG protocol. The work is expected to be completed during 2022.

The figure below shows the number of air freights and CO_2 emissions in tonnes for the DistIT Group during the years 2018 to 2021.

AIR FREIGHTS WITHIN THE GROUP



Deliveries of goods from the subsidiaries' warehouses are carried out by haulage firms. PostNord and Bring account for over 80% of all transportation at present. PostNord had an expressed environmental goal to reduce the Group's CO_2 emissions in absolute tonnage by 40% between 2009 and 2020. PostNord also collaborates with municipalities and other players in various environmental projects, such as the green route and electric roads for heavy transport. Bring's overall environmental goal is to use only renewable energy for its vehicles by 2025. Bring also collaborates with other companies to develop new electric trucks for fossil-free package distribution in the city centres of the Nordic markets. Read more about PostNord's and Bring's environmental work at **www.postnord.se** and **www.bring.se**.

4. Employee responsibility (Whistleblower function)

In 2017, DistIT decided to create a whistleblower function within the Group.

Information on the whistleblower function, how it works, and how employees can make a report, is available on each subsidiary's website.

During the year, Charlotte Hansson, Board member of DistIT, was responsible for receiving and promptly processing incoming cases. However, no cases have been reported for the 2021 operations.

A new whistleblower law came into effect 17 December 2021, which means that DistIT must have another whistleblower function that is both independent and autonomous from the company. The company will also establish effective and secure reporting channels, where the whistleblower and everyone mentioned in the report remain anonymous, as well as ensure that no unauthorised person has access to the reports, and that all documentation is stored securely.

DistIT has therefore signed an agreement with KPMG on a whistleblower service. KPMG's whistleblower service covers these areas:

- Provision of a secure digital reporting channel solution (whistleblower system).
- Reception function, where an initial assessment and evaluation of incoming cases takes place, as well as quality-assured case management.
- An investigation function where KPMG ensures independent and autonomous investigations in cases where it is required.

KPMG also assists with action management and helps to develop the organisation's preventive work.

5. Societal support

In 2016, DistIT's Board of Directors adopted a programme for support to society, in the form of financial support to organisations that help vulnerable people in the world. The financial support in 2021 will correspond to 0.005 percentage points of the Group's total annual revenue. This year's donation amounted to SEK 125 000 and was awarded to the City Missions in Sweden.

DistIT's Board of Directors has also approved DistIT's CEO's proposal to make a donation of SEK 100 000 to the Red Cross, which fights to save lives in Ukraine and helps people affected by the conflict.

The work of the Red Cross is based on seven basic principles, including neutrality and impartiality. Neutrality means that the Red Cross never takes sides in an armed conflict but is always behind the people who are affected. Impartiality means that the Red Cross does not discriminate when it comes to, for example, nationality, ethnicity, religion, social status or political opinions. The help shall go to those who need it most.

In 2022, DistIT will review and renew the strategy for community support.

6. Other non-financial conditions relevant to operations

GDPR

On 25 May 2018, the Personal Data Act was replaced by the General Data Protection Regulation (GDPR). The regulation applies as law in all EU member states. Since 2017, DistIT has worked actively to adapt to this new regulation. The Board of Directors has appointed a working group to carry out this work and implement any necessary new processes.

As a first step, the subsidiaries mapped existing processes in order to identify where personal data is handled and what privacy risks exist. The mapping also included own IT systems and how personal data is stored or transferred to other systems, parties, and to countries outside the EU area. Subsequently, the subsidiaries, with the help of experts and lawyers, have prepared and produced the necessary documentation and procedures for handling personal data in accordance with the current regulation.

In 2019, the subsidiaries' own procedures were harmonised and common policies for the DistIT Group were established. All policies are common to the subsidiaries, except for the IT policy, which can be adapted to local conditions as long as the adaptation does not contravene the current regulation.

DistIT's policies are written in English, which is also the company language and has interpretive precedence. In order to facilitate implementation, the policies were also translated into Swedish, Norwegian, Finnish, Danish and Lithuanian. The task of the subsidiaries is to translate the necessary policy into any additional languages in order to respond to the regulation.

The responsibility for the subsidiaries' handling of personal data in accordance with the regulation lies with DistIT's CFO. In the subsidiaries, the Head of IT is responsible for any adaptation of the IT policy, and to ensure that the policies are implemented.

Furthermore, a new emergency preparedness plan for the DistIT Group has been adopted. The emergency preparedness plan applies to all companies and employees within the Group. The emergency preparedness plan defines the framework for when and how to act if a crime or an attempt to breach data security occurs in the DistIT Group.

BENEFICIAL OWNER

The Act on beneficial owner (Act (2017:631)) entered into force on 1 August 2017, and the registration obligation arose with entry into force of the act, a notification under chapter 2 no later than six (6) months after the entry into force. The act, by demanding increased transparency and registration of beneficial owners in legal entities, as well as trusts and similar legal structures, aims to prevent legal entities or structures from being used for money laundering or terrorist financing. In accordance with the act, DistIT has reported all its owners.

Market Abuse Regulation (MAR)

In 2016, the Swedish Parliament decided on new rules on the Market Abuse Regulation (MAR). The new rules primarily involved a changed reporting obligation for people in senior positions and related parties to The Swedish Financial Supervisory Authority (Finansinspektionen) and the company, a new definition of insider information, and new rules for preparing insider lists. In accordance with the regulation, DistIT has established instructions and procedures for the identification, management, and documentation of inside information within the organisation. If a press release contains inside information, a reference to MAR must be included. DistIT sent out a total of 25 press releases in 2021. Of these, eight press releases were deemed to contain information that constitutes inside information.

THE AUDITOR'S REMARKS WITH REGARD THE STATUTORY SUSTAINABILITY REPORT

To the Annual General Meeting of DistIT AB, corporate identity number 556116-4384.

DUTIES AND DIVISION OF RESPONSIBILITIES

The Board of Directors is responsible for the sustainability report for the financial year 2021, on pages 38-50, and for preparing it in accordance with the Swedish Annual Accounts Act.

FOCUS AND SCOPE OF THE REVIEW

Our review has taken place in accordance with FAR's recommendation RevR 12 *Auditor's remarks on the statutory sustainability report*. This means that our review of the sustainability report has a different focus and a significantly smaller scope compared with the focus and scope of an audit in accordance with International Standards on Auditing and good auditing practice in Sweden. We believe that this review provides us with a sufficient basis for our statement.

STATEMENT

A sustainability report has been prepared.

Stockholm, 30 March 2022

Grant Thornton Sweden AB

Therése Utengen
Chartered Accountant

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE REPORT

As of 2015, the preparation of a corporate governance report is a requirement for DistIT AB in accordance with the Swedish Annual Accounts Act (1995:1554), Sections 6–9 of Chapter 6. This corporate governance report follows the Swedish code of corporate governance rules and application instructions. The corporate governance report has been prepared as a separate document from the annual report, and as such does not form part of the formal annual report documentation. The corporate governance report has been reviewed by the company's auditors as per the provisions of the Swedish Annual Accounts Act, and the auditor's remarks is attached to the report.

DistIT AB (publ), corporate identity number 556116–4384, ("DistIT" or "the Company") is a Swedish public limited company subject to Swedish law. During 2020, the operations consisted of the subsidiaries Aurora Group Danmark A/S, Septon Electronic AB, Sominis Technology UAB and SweDeltaco AB, and from 18 August also Electric Fuel Infrastructure Sweden 2 AB. Aurora Group and SweDeltaco conduct operations in all the Nordic countries, SweDeltaco through the subsidiary Deltaco Baltic UAB also conducts operations in the Baltic countries. Septon Electronic AB operates in Sweden, Denmark and Norway, and Sominis Technology UAB operates in Lithuania. Electric Fuel Infrastructure Sweden 2 AB operates in Sweden.

The corporate governance report has been prepared in accordance with the Swedish Annual Accounts Act (1995:1554). The corporate governance of DistIT AB is based on Swedish legislation, primarily the Swedish Companies Act, the agreement with the Nasdaq First North Premier Growth Market, the Swedish Code of Corporate Governance (the "Code") and other relevant rules and guidelines. The shares were admitted to trading on Nasdaq First North in 2011. The Company has issued senior unsecured bonds for MSEK 300, within a total limit of MSEK 800, maturing in May 2025. The bonds were admitted to trading on Nasdaq Stockholm on 17 June 2021. Since 1 July 2018, the Company has Erik Penser Bank AB as a Certified Advisor.

The basis for governance of the Company and the Group is, among other things, the Articles of Association, the Swedish Companies Act, the Stockholm Stock Exchange's regulations for listing on the First North Premier Growth Market, and the Code. Companies whose shares are admitted to trading on the First North Premier Growth Market before 1 July 2018 need to publish their corporate governance report at the time of publication of the annual report. However, since its introduction on Nasdaq First North in 2011, and later the First North Premier Growth Market, DistIT's work with corporate governance has been inspired by the Code. All corporate governance reports prepared since 2012 are published on DistIT's website, **www.distit.se**. A Nomination Committee for the 2022 Annual General Meeting has been formed which deviates from the Code as three of the Nomination Committee's members represent shareholders, each with more than ten per cent of the shares and votes. The reason for this deviation is that participation in the Nomination Committee is a central part of the exercise of ownership of shares in the Company.

VIOLATION OF THE REGULATORY FRAMEWORK

During the financial year 2021, DistIT AB, its Board members, the executive management and DistIT's Nomination Committee did not commit any unreported violations of the regulations that apply to the shares admitted to trading on First North Premier Growth Market, or to DistIT's corporate bond admitted to trading on Nasdaq Stockholm. No violations have been committed with regard to the Swedish Securities Market Board's application of good practice in the stock market.

APPLICATION OF THE CODE/DEVIATIONS

The Company applies the Code, and, for 2021, the Board of Directors reports the following deviations from the Code.

Nomination Committee

A Nomination Committee for the 2022 Annual General Meeting has been formed which deviates from the Code as three of the Nomination Committee's members represent shareholders, each with more than ten per cent of the shares and votes. The reason for this deviation is that participation in the Nomination Committee is a central part of the exercise of ownership of shares in the Company.

Composition of the Board of Directors

Prior to the 2021 Annual General Meeting, the Nomination Committee was aware that an even gender distribution could not be achieved. Future work within the Nomination Committee for DistIT should pay special attention to this.

Remuneration Committee

The Board of Directors has decided not to establish a Remuneration Committee. In accordance with the Code, the Board of Directors has found it more appropriate for the entire Board to constitute a Remuneration Committee. During 2022, the Board of Directors intends to regularly examine the need to establish a Remuneration Committee.

The Board of Directors annually evaluates the CEO's work in accordance with guidelines decided by the Annual General Meeting. Regarding the remuneration and terms of employment of other senior executives, the CEO decides on the basis of the guidelines for remuneration for senior executives decided on by the Annual General Meeting.

Audit Committee

The Board of Directors has evaluated the need for a special review function and decided not to appoint such a function. The entire Board of Directors thereby constitutes a special review function, which, during the 2021 financial year, is justified by the Company's ongoing change work, which has involved continuous and close cooperation between the entire Board of Directors and company management. At least one Board member has accounting skills. During 2022, the Board of Directors intends to regularly examine the need to establish an Audit Committee.

SHAREHOLDERS

DistIT's share has been listed on Nasdaq First North since 19 April 2011, and on First North Premier Growth Market since 28 April 2015. For companies affiliated with First North Premier Growth Market, a Certified Adviser is required who, among other things, shall exercise certain supervision. Erik Penser Bank AB is DistIT's Certified Adviser. The number of shareholders in DistIT on 31 December 2021 was 6 871 (6 254). Of these, 422 (421) had more than 1 000 shares each. Ten shareholders own shares corresponding to 65 per cent (67) of share capital and votes. Each share has one vote. For further information on owners and ownership structure, see pages 25-26.

GENERAL MEETING

The Company's highest decision-making body is the General Meeting, where the shareholders' influence in the Company is exercised. Shareholders who wish to attend the General Meeting, in person or by proxy, shall be entered in the share register five weekdays before the meeting and notify the Company in accordance with the notice.

Notice of a General Meeting is given by press release, on DistIT's website (**www.distit.se**) and by advertising in *Post- och Inrikes Tidningar*. The fact a notice has been issued is posted via an announcement in *Svenska Dagbladet*. The Annual General Meeting shall be held within six months from the end of the financial year. At the Annual General Meeting, the shareholders decide on, among other things, the election of the Board of Directors and auditors, principles for the work of the Nomination Committee, and on discharge from liability for the Board of Directors and the CEO for the past year. Decisions are also made on the adoption of the financial reports, appropriation of profits, and fees for the members of the Board and the auditors.

NOMINATION COMMITTEE PRIOR TO THE AGM 2021

The Nomination Committee for the 2021 Annual General Meeting consisted of Daniel Nyhren (Chair of the Nomination Committee), Carl Rosvall, Anders Bladh and Stefan Charette.

ANNUAL GENERAL MEETING 2021

The 2021 Annual General Meeting was held on 29 April 2021.

The Annual General Meeting resolved to adopt the income statement, balance sheet, consolidated income statement and consolidated balance sheet presented in the 2020 annual report.

The Annual General Meeting resolved on a dividend of SEK 2.00 per share in line with the Board's dividend proposal.

Stefan Charette, Charlotte Hansson, Jonas Mårtensson and Anders Bladh were re-elected as ordinary Board members. In addition, Mikael Nilsson was elected as a Board member. The Annual General Meeting appointed Stefan Charette as Chair of the Board. Furthermore, it was decided that the Board fee is paid with an annual remuneration to the Chair of the Board of SEK 375 000 (375 000) and to other members not employed in the Company of SEK 175 000 (175 000) per person. The auditing company, Grant Thornton Sweden AB, was re-elected as auditor, who appointed the Chartered Accountant Therése Utengen as the principal auditor.

The Annual General Meeting resolved to determine the remuneration of the Board of Directors and the auditor in accordance with the Nomination Committee's proposal.

Guidelines for remuneration to senior executives were adopted in accordance with the Board of Directors' proposal.

The 2021 Annual General Meeting resolved on new principles for the Nomination Committee's assignment and how the Nomination Committee is to be appointed. The resolution shall apply annually until the General Meeting decides on an amendment thereof.

The Annual General Meeting resolved that, with a deviation from the shareholders' preferential rights, the issue of a maximum of 180 000 subscription warrants, with the accompanying right to subscribe for a maximum of 180 000 new shares in DistIT AB at a subscription price of SEK 133.43 per share. The right to subscribe for the new subscription warrants appertained to some of the DistIT Group's senior executives and key individuals. The subscription warrant programme was fully subscribed. The complete terms and conditions are available on the Company's website, **www.distit.se**.

The Annual General Meeting authorised the Board to, until the 2022 Annual General Meeting, on one or more occasions, with or without deviation from the shareholders' preferential rights, decide on a new issue of shares corresponding to a dilution of a maximum of 10 per cent of the Company's share capital and total votes at the time the authorisation is used for the first time. Furthermore, such issues can be made against cash payment, through non-cash and offset, or otherwise combined with conditions. The authorisation shall primarily be used for the implementation of acquisitions or financing of the Company's operations.

The Annual General Meeting resolved to amend the Company's Articles of Association so that the shareholders are able to exercise their voting rights by post before the Annual General Meeting.

EXTRAORDINARY GENERAL MEETING 3 SEPTEMBER 2021

An Extraordinary General Meeting of DistIT AB (publ) resolved on 3 September 2021 to issue up to a total of 394 686 subscription warrants to senior key individuals in the acquired Electric Fuel Infrastructure Sweden 2 AB. The programme was fully subscribed. The Extraordinary General Meeting also resolved that the Company's share capital be increased by SEK 3 252 572 through the issue of 1 626 286 new shares in relation to the above acquisition. Only Redstone Investment Group SA, the previous owner of Electric Fuel Infrastructure Sweden 2 AB, had the right to subscribe for new shares, with a deviation from the shareholders' preferential rights.

THE BOARD OF DIRECTORS

According to DistIT's Articles of Association, the Board of Directors shall consist of a minimum of three and a maximum of seven members, with a maximum of five deputies.

At the 2021 Annual General Meeting, five members were elected. The members elected by the Annual General Meeting are appointed for the period until the next Annual General Meeting in accordance with the Code. There is no rule on the maximum time a member can be on the Board of Directors. The average age of the members is 57 years and one (1) of the members is a woman. The Nomination Committee for the 2021 Annual General Meeting was aware that an even gender distribution had not been achieved. Future work within the Nomination Committee for DistIT should pay special attention to this.

During the 2021 financial year, the Board of Directors consisted of Stefan Charette (Chair of the Board), Charlotte Hansson, Jonas Mårtensson, Anders Bladh and Mikael Nilsson. The Company's CEO is not a member of the Board but is present and a rapporteur at the Board meetings. At the Board meetings that dealt with the evaluation of the CEO, and on one occasion when the Board of Directors met with the auditor, the CEO was not present.

All Board members are deemed by the Nomination Committee for the 2022 Annual General Meeting to be independent in relation to the Company and the company management. Three of the Board members for the 2022 Annual General Meeting are deemed by the Nomination Committee to be dependent in relation to the Company's major owners. Board member Stefan Charette is deemed by the Nomination Committee to be dependent in relation to one of the Company's major owners, Athanase Industrial Partner, and Anders Bladh is deemed by the Nomination Committee to be dependent in relation to one of the Company's major owners, Ribbskottet AB. DistIT thereby fulfils the requirements set by the Code regarding the Board's independence in relation to the Company, the company management and the Company's major owners, respectively. For information on the Board members elected by the Annual General Meeting, see page 65.

BOARD OF DIRECTORS' WORK AND RESPONSIBILITIES

DistIT's Board of Directors has established rules of procedure for the Board, with instructions regarding the division of work between the Board of Directors and the CEO, as well as instructions for financial reporting. The Board is responsible for ensuring that DistIT's organisation is designed so that the accounting, asset management and other financial conditions are controlled in a reassuring manner. The Board of Directors shall continuously assess the Group's financial situation.

The Board of Directors' rules of procedure state that the Chair of the Board, in consultation with the CEO, shall, before issuing a notice, prepare an agenda for each meeting and determine the necessary decision material and documentation for current matters. The Board is called to a constituent meeting after the Annual General Meeting, and, in addition, to at least six ordinary meetings per year. Four of the regular meetings coincide with the dates for external financial reporting. A fifth regular meeting will be held in December with a review of the budget and business plan for the following year. A sixth scheduled Board meeting also discusses the Company's long- term strategic considerations. At the Board meeting where the annual accounts are presented, the auditor attends in order to communicate their observations from the annual audit. In addition to the regular meetings, the Board of Directors is called to additional meetings as the situation requires. During the year, the Board met 13 times, of which three (3) times were per capsulam, including a constituent Board meeting.

The Chair of the Board leads the Board of Directors' work and is responsible for ensuring that other members continuously receive the information necessary for the quality of Board work, and is exercised in accordance with the Swedish Companies Act and the Code. The Chair represents the Company in ownership matters. The Board of Directors monitors the CEO's work and is responsible for ensuring that the organisation is efficient. The Board establishes DistIT's overall goals and strategies, decides on budgets and business plans, processes and approves annual accounts and interim reports, and establishes important policies and regulatory systems. The Board of Directors shall monitor financial developments, ensure the quality of financial reporting and internal control, and regularly follow up and evaluate operations based on the goals and guidelines set by the Board. The Board of Directors shall also decide on major investments and changes in DistIT's organisation and operations.

REMUNERATION TO THE BOARD OF DIRECTORS

Remuneration is paid to the Chair and members of the Board in accordance with the decision of the Annual General Meeting. Board fees paid for the financial year 2021 have been reported as revenue from services for each individual Board member. As informed by the Chair of the Nomination Committee at the Annual General Meeting, the Company applies the principle that any work in addition to ordinary Board work shall take place on market terms and be agreed directly between the Company and the member concerned. This procedure has been applied previously, and the extent of these consulting fees is reported, if such has been paid, specifically in the annual report. For 2021, no fee for work other than ordinary Board work has been paid to the Board members.

Name	Elected	Dependency	Attendance	Nomination Committee
Stefan Charette, Chair of the Board	2016	No/Yes[1]	13/13	Member
Jonas Mårtensson	2011	No	13/13	-
Charlotte Hansson	2012	No	13/13	-
Anders Bladh	2018	No/Yes[2]	13/13	Member
Mikael Nilsson	2021	No	13/13	-

1) Stefan Charette is independent in relation to the Company and the company management, and dependent in relation to one of the Company's major owners, Athanase Industrial Partner.
2) Anders Bladh is independent in relation to the Company and the company management ,and dependent in relation to one of the Company's major owners, Ribbskottet AB.

ATTENDANCE, THE BOARD OF DIRECTORS

BOARD FEES TO THE BOARD OF DIRECTORS

TSEK	2021	2020
Stefan Charette, Chair	375	375
Jonas Mårtensson	175	175
Charlotte Hansson	175	175
Anders Bladh	175	175
Mikael Nilsson	131	-

OTHER REMUNERATION TO THE BOARD OF DIRECTORS

TSEK	2021	2020
Stefan Charette, Chair	-	-
Jonas Mårtensson	-	-
Charlotte Hansson	-	-
Anders Bladh	-	-
Mikael Nilsson	-	-

THE BOARD OF DIRECTORS' WORK 2021

The Board of Directors held 13 Board meetings during the year, of which three (3) were per capsulam. Each Board member's attendance is shown in the table on page 55. The Company's CFO is the Secretary to the Board of Directors. At the ordinary Board meetings, the CEO presented the Group's results and financial position, including forecasts for the coming quarters, and the development of the Company's business operations.

During the year, the Board of Directors focused on mainly four areas;

- Measures to create market and cost synergies in the ongoing integration of Aurora and Deltaco.
- Strategy work for Aurora and Deltaco, with focus on developing own brand labels and go-to-market.
- Strategy work for Septon and integration of companies within the Septon Group.
- The acquisition, strategy and integration of EFUEL.

Other significant issues that the Board of Directors addressed during the year include, among other things:

- The Company's management, results and financial position.
- The Company's internal control and risk management, where management of Covid-19 has been a part.
- Refinancing with a bond.
- Other strategy, restructuring and organisational issues.

BOARD COMMITTEES

According to the Board of Directors' Rules of Procedure, adopted at the Statutory Board Meeting on 29 April 2021, the Board does not appoint an Audit or Remuneration Committee, but the entire Board of Directors is responsible for fulfilling these tasks. The Board has therefore not appointed any specific Board Committees during the year. If necessary, the Board of Directors appoints working groups within itself whose tasks are to develop and prepare decision documentation for future Board decisions, including in connection with acquisitions.

DIVERSITY POLICY

The Nomination Committee uses section 4.1 of the Code as a Diversity Policy in its assessment of the Board of Directors' appropriate composition, taking into account the Company's operations, development stage and other circumstances, and the assessment shall be characterised by versatility and breadth regarding expertise, experience and background with a desire for equal gender distribution.

The Nomination Committee is aware that an even gender distribution has not been achieved so far. Future work within the Nomination Committee for DistIT should pay special attention to this.

GDPR

On 25 May 2018, the Personal Data Act was replaced by the General Data Protection Regulation (GDPR). The regulation applies as law in all EU member states. Since 2017, DistIT has worked actively to adapt to this new regulation and, prior to the entry into force of the regulation, appointed a working group to carry out this work and implement any necessary new processes. In 2019, the subsidiaries' own procedures were harmonised, and common policies for the DistIT Group were established. All policies are common to the subsidiaries, except for the IT Policy, which can be adapted to local conditions as long as the adaptation does not contravene the current regulation. DistIT's policies are written in English, which is also the company language and has interpretive precedence. In order to facilitate implementation, the policies were also translated into Swedish, Norwegian, Finnish, Danish and Lithuanian. The task of the subsidiaries is to translate the necessary policy into any additional languages in order to comply with the regulation.

The responsibility for the subsidiaries' handling of personal data in accordance with the regulation lies with DistIT's CFO. In the subsidiaries, the Head of IT is responsible for any adaptation of the IT Policy, and to ensure that the policies are implemented.

BENEFICIAL OWNER

The Act on beneficial owner (Act (2017:631)) entered into force on 1 August 2017, and the registration obligation arose with entry into force of the act, a notification under chapter 2 no later than six (6) months after the entry into force. The act, by demanding increased transparency and registration of beneficial owners in legal entities, as well as trusts and similar legal structures, aims to prevent legal entities or structures from being used for money laundering or terrorist financing. In accordance with the act, DistIT has reported all its owners.

WHISTLEBLOWER FUNCTION

DistIT's good brand and reputation is based on high integrity and good business practice. DistIT works for openness and good communication within the organisation, which strengthens a good corporate culture.

The whistleblower function is about reporting illegal, or suspected illegal, acts and violations of DistIT's Code of Conduct. DistIT is keen to identify irregularities in the business. Examples of irregularities include sexual harassment, fraud and corruption, discrimination and violations of environment and human rights.

All employees have rights and obligations to report irregularities related to corruption, abuse of position, fraud, financial crime, serious misconduct or environmental crimes. Information about the whistleblower function, how it works and how employees can submit a report, is available on the Company's website, **www.distit.se**, it shall be possible to report anonymously and/or confidentially. Complaints or reports of irregularities are sent to a special email address where the recipient is responsible for cases being processed promptly.

As of 17 December 2021, there is a new whistleblower law which means that DistIT must have a whistleblower function that is both independent and autonomous from the Company. The Company shall also create, establish, and secure reporting channels, where the whistleblower and everyone mentioned in the report remain anonymous, ensure that no unauthorised person has access to the reports, and that all documentation is stored securely. DistIT has therefore signed an agreement with KPMG on a whistleblower service.

No cases have been reported for 2021.

AUDITOR

Auditors are appointed at the Annual General Meeting with the task of reviewing the Company's financial reporting, and the Board of Directors' and the CEO's management of the Company. Election of auditor was carried out at the 2021 Annual General Meeting, where Grant Thornton Sweden AB was re-elected as auditor for the period until the end of the Annual General Meeting in 2022. The principal auditor is the chartered accountant Therese Utengen (born 1986).

The principal auditor receives regular notices of Moard meetings and General Meetings, Board minutes, the monthly financial reporting, CEO reports, and other information of significant importance to the business on a regular basis. The audit also includes parts of the Company's internal control and management audits. Areas that are reviewed are selected in accordance with the risk assessment of significant processes. At the Board's annual review of the annual accounts, the principal auditor prefers a written audit memorandum.

The principal auditor met the Board of Directors twice to present the evaluation of their internal control work, as well as the audit of the annual accounts for the financial year 2021. During the year, the auditor also had regular contact with the Company's CEO and the Company's management team.

Grant Thornton submits an audit report regarding DistIT and the Group as a whole. Grant Thornton also performs services for companies within the DistIT Group in addition to the audit work. For this, Grant Thornton has invoiced a total amount of MSEK 1.1 in 2021 (1.1). The auditor receives a fee for their audit work in accordance with a decision at the Annual General Meeting. For information on fees to the auditor during 2021 and 2020, see note 7.

CEO AND GROUP MANAGEMENT

The Board of Directors appoints the President of DistIT AB, who is also the CEO. The CEO leads the operations within the framework established by the Board. The CEO prepares the necessary information and decision material for Board meetings, is the rapporteur at Board meetings, and submits reasoned proposals for decisions.

Every month, the CEO provides the members of the Board with the information required to monitor the Company's and the Group's position, operations and development, and keeps the Chair of the Board continuously informed on operations. The CEO shall take the measures necessary for the accounting to be carried out in accordance with law, and for asset management to be handled in a secure manner. For a more detailed division of responsibilities between the Board of Directors and the CEO's tasks, there is a written CEO instruction, which is regularly updated. The CEO has participated in all Board meetings during 2021, except Board meetings that dealt with the evaluation of the CEO, and one occasion when the Board of Directors met with the auditor.

Group management consists of the CEO and CFO. Robert Rosenzweig has been CEO since 1 September 2018, and Philip Gunnarsson took over as CFO of DistIT on 1 January 2020.

The Board of Directors conducts an internal evaluation of the CEO's work at least once a year. This encompasses both a reconciliation of compliance with determined instructions and reporting procedures, as well as an assessment that a number of operational criteria have been achieved. It includes a number of soft criteria, such as leadership, business acumen and respect, as well as how well the work of the management functions and the ability to handle overall issues. Normally, the evaluation is recorded at the first Board meeting for the financial year.

REMUNERATION TO THE CEO AND OTHER SENIOR EXECUTIVES

The Board of Directors has decided not to appoint a specific Remuneration Committee. In accordance with the Code, the Board has found it more appropriate for the entire Board of Directors to constitute a Remuneration Committee. The entire Board has thereby fulfilled the tasks of the Remuneration Committee according to the Code and the Board of Directors' Rules of Procedure for the Remuneration Committee, including the Board's proposal to the Annual General Meeting regarding guidelines for determining salaries and other remuneration to the CEO and other senior executives, to follow and evaluate the application of guidelines, applicable principles for variable remuneration, remuneration structures and conditions for senior executives in the Company, including the outcome of any variable remuneration for the company management. The Board of Directors decides on remuneration to the CEO. The Chair of the Board prepares, on the proposal of the CEO, the Board's decision on remuneration and other conditions for senior executives within the framework of established remuneration guidelines.

The Annual General Meeting on 29 April 2021 decided on the following guidelines for remuneration to Senior Executives in DistIT. Senior Executives referred to the CEO and CFO of DistIT AB and Senior Executives of Aurora Group Danmark A/S, SweDeltaco AB, Electric Fuel Infrastructure Sweden 2 AB and Septon Electronic AB (a total of 10 people). The guidelines for remuneration also apply to Board members to the extent that they receive remuneration outside the Board assignment.

IN GENERAL

The Company aims for a remuneration system for the CEO and senior executives that is market-based and competitive. The remuneration system contains customary benefits, such as a company car, pension and health insurance. The Group's target for new company cars to be put into service from 2021 means that these cars shall be either electric cars or plug-in electric hybrids, which supports the DistIT Group's long-term sustainability work.

FIXED SALARY

The fixed salary is market-based and based on performance, results and responsibility. As a general rule, fixed salaries shall be reviewed once a year. Fixed salaries were reviewed once during the 2021 financial year. The CEO and senior executives may apply salary exchange.

VARIABLE REMUNERATION

The variable remuneration shall take into account the individual's level of responsibility and authority. The variable remuneration shall be based on goal fulfilment in the areas of results, revenue, and individual measurable goals. Fulfilment of goals should be measurable over a period of one year. The size of the variable remuneration shall be based on the employee's fulfilment of the measurable goals. The variable remuneration shall amount to a maximum of 50 per cent of the fixed salary. Payment of part of the variable salary shall be conditional on the underlying goals having been achieved in a long-term sustainable manner. The Company shall have the right to demand repayment of variable salary if a payment was based on information that later proved to be clearly incorrect.

During 2019, 2020 and 2021, the Company reported an advance variable remuneration for the years 2019-2021 to the CEO comprising a total of SEK 3 066 366. The underlying goals for the variable remuneration contribute to long-term sustainable value creation of the business over time. The variable remuneration paid has, in its entirety, made it possible to subscribe to the incentive programme described below. The variable remuneration relating to 2021 (SEK 1 022 112) constitutes 37 per cent of the fixed salary for the same period.

INCENTIVE PROGRAMME

A total of 394 686 subscription warrants were subscribed for following a resolution at an Extraordinary General Meeting of DistIT AB on 3 September 2021. The programme was fully subscribed and was aimed at key employees in EFUEL. The subscription price per share is SEK 190.53. The options can be used to subscribe for shares during the period 1-30 September 2025.

The 2021 Annual General Meeting resolved, with a deviation from the shareholders' preferential rights, to issue a maximum of 180 000 subscription warrants, with the accompanying right to subscribe for a maximum of 180 000 new shares in DistIT AB at a subscription price of SEK 133.43 per share. The right to subscribe for the new subscription warrants appertained to some of the DistIT Group's senior executives and key personnel. The subscription warrant programme was fully subscribed. The options can be used to subscribe for shares during the period 15 - 31 May 2024.

The 2020 Annual General Meeting approved an offer to senior executives of a maximum of 379 854 subscription warrants, with the accompanying right to subscribe for a maximum of 379 854 new shares in DistIT AB at a subscription price of SEK 50 per share. The subscription warrant programme was fully subscribed and all participants, nine senior executives in DistIT, Aurora, Deltaco and Septon, took their full allocation. The options can be used to subscribe for shares during the period 1-15 December 2023.

An Extraordinary General Meeting of DistIT AB (publ) resolved on 21 February 2019 to issue up to a total of 300 000 subscription warrants with a subscription price of SEK 40, with the right to subscribe at share prices of 60, 64, 68, 72, 76 and 80 for various categories. The right to subscribe for the subscription warrants only appertained to the CEO of the Company, Robert Rosenzweig, who took his full allocation. The warrants can be used to subscribe for shares between 8-31 March 2022.

More complete information about subscription warrants can be found on DistIT's website.

The Board of Directors shall, on an annual basis, evaluate whether an additional share-related or share price-related long-term incentive programme should be proposed to the Annual General Meeting.

PENSION

For the CEO, pension benefits, including health insurance, shall be defined-contributions. Variable cash compensation shall not be pensionable.

The pension premiums for defined- contribution pensions can amount to a maximum of 35 per cent of the fixed annual cash salary. For other senior executives, pension benefits, including health insurance, shall be defined-contributions unless the executive is covered by a defined-benefit pension in accordance with mandatory collective agreement provisions. Variable cash compensation shall be pensionable to the extent that this follows mandatory collective agreement provisions that are applicable to the executive. The pension premiums for defined-contribution pensions shall amount to a maximum of 35 per cent of the fixed cash salary.

OTHER TERMS OF EMPLOYMENT

In the event of termination on the part of the executive, the notice period is normally six (6) months and in the event of such termination, the executive shall not be entitled to severance pay. When the Company initiates termination, a notice period of a maximum of 12 months applies, and severance pay is not issued. Fixed cash salary during the notice period may not exceed an amount corresponding to the fixed cash salary for one year. In addition, compensation may be paid for any commitment to restrict competition. Such compensation shall compensate for any loss of income and shall only be paid to the extent that the former executive is not entitled to severance pay.

The compensation shall amount to a maximum of 60 per cent of the fixed cash salary at the time of termination, unless otherwise provided by mandatory collective agreement provisions, and shall be paid during the period of the commitment to restrict competition, which shall be a maximum of 24 months after termination of employment.

Other benefits may include, among other things, life insurance, health insurance, and company cars. Such benefits may amount to a maximum of 19 per cent of the fixed annual cash salary. In terms of employment relationships that are subject to rules other than Swedish, in as far as this concerns pension benefits and other benefits, appropriate adjustments may be made to comply with such mandatory rules or established local practice, whereby the overall purpose of these guidelines shall, as far as possible, be met.

CONSULTANCY FEES TO BOARD MEMBERS

In cases where Board members perform work in addition to the usual Board work, the Board of Directors shall, under certain circumstances, be able to determine additional remuneration in the form of consulting fees.

DEVIATIONS FROM GUIDELINES

The Board of Directors shall have the right to deviate from these guidelines if, in an individual case, there are special reasons, such as additional variable remuneration for specific performance. If such deviations occur, the Board of Directors shall present the reasons for the deviation at the next Annual General Meeting.

There were no deviations from the guidelines for remuneration to executives resolved by the 2021 Annual General Meeting.

Guidelines for remuneration to senior executives from the financial year 2022 will be presented at the 2022 Annual General Meeting.

TRANSACTIONS WITH RELATED PARTIES

The Group did not carry out any material transactions with related parties during the full year 2021.

TSEK	Year	Fixed remuneration	Variable remuneration	Benefits	Pension costs	Total
Robert Rosenzweig, CEO[1]	2021	2 655	1 022	96	648	4 421
	2020	2 295	1 022	68	554	3 939
Other senior executives[2]	2021	14 130	1 907	311	2 452	18 800
	2020	8 549	1 201	139	1 669	11 558

1) The Company reports an advance variable remuneration for the years 2019 - 2021 to the CEO comprising a total of TSEK 3 066. The variable remuneration reported here refers to 2020 and 2021.
2) Other senior executives refer to the CFO of DistIT and senior executives of Aurora Group Danmark A/S, SweDeltaco AB, Septon Electronic AB and Electric Fuel Infrastructure Sweden 2 AB.

SYSTEMS FOR INTERNAL CONTROL AND RISK MANAGEMENT IN FINANCIAL REPORTING

According to the Swedish Companies Act and the Swedish Annual Accounts Act, the Board of Directors is obliged to ensure that the Company has satisfactory internal controls, keep themselves informed about the Company's internal control system, and assess how well the system works.

The Board has evaluated the need for a specific review function and decided not to appoint such a function. The entire Board of Directors thereby constitutes a specific review function, which, during the financial year 2021, is justified by DistIT's ongoing change work, which has involved continuous and close cooperation between the Board of Directors and company management during the financial year. The Board intends to continuously review the need to establish a special review function in 2022.

The DistIT Group's work with internal control is based on the internal control principles developed by the Committee of Sponsoring Organizations of the Tradeway Commission (COSO). These principles have five basic elements;

1. Control environment,
2. Risk assessment,
3. Control activities,
4. Information/communication, and
5. Monitoring.

CONTROL ENVIRONMENT

Internal control within the DistIT Group is based on a control environment including organisation, decision-making routes, authorities and responsibilities. This is documented and communicated in governing documents, such as internal policies, guidelines and instructions. For example, this applies to the division of work between the Board of Directors and the CEO, and instructions for certification, accounting and reporting.

RISK ASSESSMENT

The Board of Directors has the ultimate responsibility for risk management. Through a clear organisation and decision-making process, including great awareness of risks among employees with common definitions and principles within established frameworks, controlled risk-taking is achieved. Risk areas are business and industry-related risks, as well as risks in connection with the year-end closing process linked to financial reporting, operational risks and legal risk. See also pages 70-77 regarding risks and risk management.

CONTROL ACTIVITIES

The Group's business processes include financial controls in relation to the approval and reporting of business transactions. The year-end closing and reporting process includes controls, among other things, in terms of accounting, valuation and disclosure requirements, as well as concerning the application of significant accounting principles and estimates, both in individual subsidiaries and at a Group level. The finance and accounting function in DistIT AB is responsible for financial statements, quarterly reports, audits and analyses. All subsidiaries with sub-groups have their own finance functions. The regular analysis of each operation's monthly financial reporting includes significant items, such as assets, liabilities, revenue, expenses and cash flow. Together with the analysis carried out at Group level, this important part of the internal control helps to ensure that the financial reporting does not contain any material errors or deviates from established reporting procedures.

The quality of external financial reporting is ensured through a number of measures and procedures. In addition to auditing the accounts and annual financial statements, the auditor also conducts a review of the year-end report and the quarterly report for the third quarter. All financial reports and other press releases are published at the same time as the publication on DistIT AB's website.

INFORMATION/COMMUNICATION

The Group has information and communication channels that aim to promote complete and accurate financial and operational reporting. Internal instructions and guidelines in terms of presenting operational and financial reporting, as well as regular updates and announcements on reporting and requirements for information disclosure and changes in accounting principles, are made available and known to the personnel concerned. All subsidiaries compile monthly financial reports, and accounts of their administration to Group management, with analyses and comments on financial results and risks. The Board of DistIT AB receives the CEO's monthly compilation of the subsidiaries' reports, together with an activity report for the DistIT Group and a financial report for the Group companies compiled by the CFO.

MONITORING

The Board of Directors has not established a function for internal audit. The main work regarding internal audit is handled by the Group's CFO together with the finance managers in each company. The Board's assessment is that this way of working, together with the monthly financial reports that the Board of Directors receives, is at present satisfactory and meets the requirements for reporting and internal control that can be set.

The Group's financial situation is discussed at each Board meeting. The Board of Directors reviews all interim reports and the annual report before publication. The Board receives annual and regular reports from the auditor. Company management receives annual and regular reports from the subsidiaries' auditors. The Board of Directors and company management follow up all measures taken in order to improve or change the controls.

The Group's process for financial reporting is reviewed annually by Group management and forms the basis for the evaluation of the internal management system and the internal governing documents, to ensure that these cover all important areas related to financial reporting.

In addition, the DistIT Group's financial goals have been discussed within the Board of Directors, which has resulted in clearer guidelines for how the Board of DistIT AB continuously monitors the internal financial reporting of each company. The processes for financial reporting are of significant importance for the Board of Directors' monitoring of operations and are continuously evaluated.

DIRECT OR INDIRECT SHAREHOLDING

As shown in the table "Largest shareholders as of 31 December 2021" on page 27, Anders Bladh, through Ribbskottet, and Stefan Charette, through Athanase Industrial Partners II AB and Athanase Industrial Partners Fond II, each control more than ten per cent of capital and votes. In addition, no individual on the Board of Directors or company management has more than ten per cent of the capital or votes in the Company.

PROCEDURES FOR INSIDER INFORMATION, INSIDER LISTS, AND REPORTING CHANGES IN HOLDINGS FOR PEOPLE IN SENIOR POSITIONS

On 3 July 2016, EU Market Abuse Regulation 596/2014/EU (MAR) entered into force and as such became directly applicable as Swedish law. The Market Abuse Regulation extended the rules on market abuse, which previously only covered financial instruments admitted to trading on a regulated market, to also include financial instruments traded on an MTF, i.e. Nasdaq First North Premier, among others. DistIT AB, which has been traded on Nasdaq First North Premier since 28 April 2015, is thereby covered by this law and these rules.

The Board of Directors has developed a procedure for how this is to be handled. The procedure contains the following headings;

- Procedure for publishing inside information.
- Procedure for preparing insider lists.
- Procedure for transactions performed by people in a senior position and related parties.
- Procedure for trade bans during the so-called closed periods.

The procedures state the measures to be taken to ensure that DistIT AB fulfils its obligations in accordance with the Market Abuse Ordinance. DistIT AB's Board of Directors is responsible for developing and establishing the procedures.

The procedures are handled by the Company's CFO on behalf of DistIT AB.

RESTRICTIONS ON VOTING RIGHTS

The Company's Articles of Association do not contain any restrictions on how many votes each shareholder can cast at a General Meeting.

CERTAIN ARTICLES OF ASSOCIATION PROVISIONS

The Company's Articles of Association have no special provisions on the appointment and dismissal of Board members, or on amendments to the Articles of Association.

AUTHORITIES PROVIDED BY THE AGM

The Annual General Meeting on 29 April 2021 authorised the Board of Directors to, in conjunction with agreements on company acquisitions, on one or more occasions, with or without deviation from shareholders' preferential rights, decide on a new issue of shares in DistIT AB. The authorisation has comprised a maximum of 1 228 000 shares, corresponding to a maximum of 10 per cent of DistIT AB's existing share capital on the date of the Annual General Meeting on 29 April 2021.

The purpose of the authorisation was for DistIT AB to be able to have issued shares as payment in conjunction with company acquisitions. The Board of Directors has not at any time during the financial year used the authorisation resolved by the 2021 Annual General Meeting.

NOMINATION COMMITTEE

DistIT's work with corporate governance follows the Code. The Code states that the Nomination Committee is the body of the Annual General Meeting with the sole task of preparing the AGM's provisions on election and fee issues and, where applicable, procedural matters for the next Nomination Committee. The members of the Nomination Committee shall, regardless of how they are appointed, safeguard the interests of all shareholders.

The 2021 Annual General Meeting resolved on new principles for the Nomination Committee's assignment, and how the Nomination Committee is to be appointed. The resolution shall apply annually until the Annual General Meeting resolves to amend it.

The Chair of the Board shall convene the four largest shareholders or owners representing the four largest ownership groups in the Company no later than 15 October each year, who then have the right to appoint one member each to the Nomination Committee.

If any of the four largest shareholders or groups of owners waives their right to appoint a member to the Nomination Committee, the next shareholder or group of owners shall be given the opportunity to appoint a member to the Nomination Committee until the tenth largest owner/ownership structure and all owners/ownership structures represent more than 5% of the Company's shares have been consulted. If fewer than four members have been recruited through this procedure, the Nomination Committee may consist of at least two people. In addition, the Chair of the Board shall be appointed to be a member of the Nomination Committee.

If a member leaves the Nomination Committee prematurely, a new member shall, if possible, be appointed by the same shareholder. If the said shareholders waive their right to appoint a member to the Nomination Committee, the next major shareholder, who has not already appointed a member to the Nomination Committee, will be given the opportunity to appoint a member to the Nomination Committee. Changes in the Nomination Committee shall be announced immediately.

NOMINATION COMMITTEE FOR THE 2022 AGM

In accordance with the above, DistIT AB informed on 27 October 2021 that DistIT AB's Nomination Committee for the 2021 Annual General Meeting consists of;

- Daniel Nyhren, Chair of the Nomination Committee, appointed by and representing Athanase,
- Anders Bladh, appointed by and representing Ribbskottet AB,
- Ramus Bender, appointed by and representing Redstone Investment Group SA,
- Stefan Charette, Chair of the Board of DistIT AB.

The Nomination Committee prior to the 2022 Annual General Meeting deviates from the Code as three of the Nomination Committee's members represent shareholders, each with more than ten per cent of the shares and votes. The reason for this deviation is that participation in the Nomination Committee is a central part of the exercise of ownership of shares in the Company.

The Nomination Committee has evaluated the Board of Directors' work, expertise and composition. In evaluating the Board, the Nomination Committee has given special consideration to the requirement for versatility and breadth in the Board of Directors, as well as the requirement to strive for an even gender distribution. In 2021, an evaluation of the Board took place, in part via a written document, the results of which were submitted in writing to the entire Board of Directors, the CEO and the auditor, as well as an oral interview conducted by members of the Nomination Committee who are not members of the Board of DistIT AB. The Board of Directors evaluation has been discussed at one of the Nomination Committee's working meetings and at an ordinary Board meeting of the Company.

The members have not received any fee or remuneration from DistIT for their work in the Nomination Committee. At two meetings of the Nomination Committee held prior to the 2022 Annual General Meeting, all members of the Nomination Committee were present.

The Nomination Committee's task is to submit proposals to the Annual General Meeting on 28 April 2022 regarding the election of a Chair of the Annual General Meeting, the number of Board members and auditors to be elected by the meeting, Board and auditor fees, possible remuneration for committee work, election of Board members, Chair of the Board and auditors, and, where applicable, proposals for changes in current guidelines for the Nomination Committee.

Prior to the 2022 Annual General Meeting, the Nomination Committee held two minuted meetings.

AUDITOR'S REMARKS ON THE CORPORATE GOVERNANCE REPORT

To the Annual General Meeting of DistIT AB, Corp. ID No. 556116-4384

TASKS AND DIVISION OF RESPONSIBILITY

The Board of Directors is responsible for the corporate governance report for the year 2021, on pages 51–69, and for the fact that it has been prepared in accordance with the Swedish Annual Accounts Act.

FOCUS AND SCOPE OF THE REVIEW

Our review has taken place in accordance with FAR's statement RevU 16 *Auditor's review of the corporate governance report*. This means that our review of the corporate governance report has a different focus and a significantly smaller scope compared with the focus and scope of an audit in accordance with International Standards on Auditing and good auditing practice in Sweden. We believe that this review provides us with a sufficient basis for our statement.

STATEMENT

A corporate governance report has been prepared. Information in accordance with chapter 6, section 6, second paragraph, items 2–6 of the Swedish Annual Accounts Act, and chapter 7, section 31, second paragraph of the same Act is compatible with the annual accounts and the consolidated financial statements, and are in accordance with the Swedish Annual Accounts Act.

Stockholm, 30 March 2022

Grant Thornton Sweden AB

Therése Utengen
Chartered Accountant

BOARD OF DIRECTORS AND AUDITOR

STEFAN CHARETTE, CHAIR OF THE BOARD

Stefan Charette, born 1972, Board member since 2016, is currently Chair of the Board of Athanase Industrial Partners Ltd. Stefan has previously been CEO of the listed companies Creades AB, Investment AB Öresund, and AB Custos, and CEO of the industrial company Brokk AB. Stefan has experience from sixteen stock exchange boards, five of which as Chair.

Other Board assignments:
Chair of the Board of Athanase Innovation AB and BuildData Group, as well as Board member of Haldex AB.

Shareholding in DistIT AB:
13 000 shares.
Represents Athanase Industrial Partners II AB, Athanase Industrial Partners Fund II and Athanase Industrial Partners II, which as a whole hold 2 949 885 shares in DistIT AB.

JONAS MÅRTENSSON, BOARD MEMBER

Jonas Mårtensson, born 1963, Board member since 2011, has been employed by Alted AB since 2006, where he is also a partner and board member. For 17 years, Jonas has worked for investment banks (SEB Enskilda, Maizels, Westerberg & Co., and Nordea) as an advisor in business transfers, as well as with raising capital and stock exchange listings.

Other Board assignments:
Chair of the Board of OPP Owner AB and Ownpower Projects Europe AB, Deputy Chair of the Board of Alcadon Group AB, as well Board member of Slitevind AB, dLaboratory Sweden AB, Niutech Group AB , Alted AB, JNM Invest AB and DO Intressenter AB.

Shareholding in DistIT AB:
100 092 shares (own and via companies).

CHARLOTTE HANSSON, BOARD MEMBER

Charlotte Hansson, born 1962, Board member since 2012, is the owner and CEO of Scandinavian Insight Consulting AB. Charlotte has more than 25 years of commercial experience from the transport and logistics industry, as well as Life Science, including as CEO of MTD Morgontidig Distribution in Sweden and Jetpak Sweden, and other leading commercial positions.

Other Board assignments:
Chair of the Board of Orio AB and Link Top Holding A/S, as well as Board member of Bergman & Beving AB, Green Cargo AB, Probi AB, Stena Trade & Industry AB, Senergia Nordic AB and Scandinavian Insight Consulting AB.

Shareholding in DistIT AB:
23 900 shares (own, related parties, and via companies).

BOARD OF DIRECTORS AND AUDITOR

ANDERS BLADH, BOARD MEMBER

Anders Bladh, born 1958, Board member since 2018, has been CEO of Intervalor AB since 1992, and has previous board experience from the financial industry, including Erik Penser Fonder, later Evli Fonder. Through Ribbskottet AB, Anders is the third largest shareholder in DistIT AB. Anders has previous extensive experience of mergers & acquisitions from Handelsbanken, and also as CEO of real estate companies in the Netherlands for over ten years.

Other Board assignments:
Board member of Intervalor AB, Ribbskottet AB, Rimturs AB and Xspray Pharma AB.

Shareholding in DistIT AB:
146 184 shares (related parties, via ISK and via endowment insurance). Represents Ribbskottet AB, which holds 1 550 000 shares in DistIT AB.

MIKAEL NILSSON, BOARD MEMBER

Mikael Nilsson, born 1976, Board member since 2021, is a consultant in e-commerce and business development. Since 2009, Mikael has held most management team positions within e-commerce and retail. Among others, COO and CEO at Gymgrossisten, global e-commerce Director at Zound Industries, and CCO at Lensway Group. Mikael has a master's degree in business development and media technology from the Royal Institute of Technology and the Stockholm School of Economics.

Other Board assignments:
-

Shareholding in DistIT AB:
-

AUDITOR – GRANT THORNTON SWEDEN AB

Chartered accountant Therése Utengen, at Grant Thornton Sweden AB , is the principal auditor for the Company until the 2022 Annual General Meeting.

Prior to the 2022 Annual General Meeting, the Nomination Committee considered all Board members to be independent in relation to the Company and the company management. Prior to the 2022 Annual General Meeting, the Nomination Committee considered two of the members to be dependent in relation to the Company's major owners. The Nomination Committee considered member Stefan Charette to be dependent in relation to one of the Company's major owners, Athanase Industrial Partner, and Anders Bladh to be dependent in relation to one of the Company's major owners, Ribbskottet AB.

SENIOR EXECUTIVES

ROBERT ROSENZWEIG, PRESIDENT AND CEO

Robert has an education in international economics and languages, and more than 25 years of experience working internationally in companies such as Alfa Laval, Nobia and Swedish Match. He has extensive and solid international experience of distribution operations and growth, both organically and through acquisitions. Most recently, he came from the contract manufacturer Note, where he was COO for eight years.

Other Board assignments:
–

Shareholding in DistIT AB:
142 433 (own and related parties)

Number of warrants in DistIT AB:
370 077

PHILIP GUNNARSSON, CFO

Philip Gunnarsson, born 1987, has a master's degree in finance from Imperial College London, a bachelor's degree in business administration and economics from Uppsala University, and studied international finance and leadership at Singapore Management University. Most recently, Philip came from an investor role at Athanase Industrial Partner, and before that extensive experience of M&A and corporate financing from Citigroup in London and Stockholm.

Other Board assignments:
–

Shareholding in DistIT AB:
46 719 (own and via companies)

Number of warrants in DistIT AB:
41 205

OTHER SENIOR EXECUTIVES

Martin Gutberg
CEO Aurora & Deltaco

Christian G. Jørgensen
CFO Aurora & Deltaco

Anders Lagerstedt
CCO Aurora & Deltaco

Claes Eriksson
CPO Own brands Aurora & Deltaco

Johan Lønk Ramskov
CPO External brands Aurora & Deltaco

Adrian Langer
CMO Aurora & Deltaco

Mikael Johansson
CIO Aurora & Deltaco

	Martin Gutberg	Christian G. Jørgensen	Anders Lagerstedt	Claes Eriksson	Johan Lønk Ramskov	Adrian Langer	Mikael Johansson
Previous companies	Note	Sonion A/S & JAI A/S	Hope & Acne Studios	Rusta & Teknikmagasinet	Garmin	Splay One & NENT/MTG	Planja, WM Data, Note & Autoliv
Shareholding in DistIT AB*	31 900	-	338	2 000	6 932	-	-
Warrants programme	Yes	No	Yes	Yes	Yes	Yes	Yes

* Including related parties and via companies

OTHER SENIOR EXECUTIVES

Magnus Löndén
CEO Septon

Peter Bäckius
COO Septon

Rasmus Bender
CEO EFUEL

Fredrik Nyström
Deputy CEO EFUEL

Previous companies	EMI Music & JVC	SHIN Group, Capacent & Applied Value	EFUEL	Nobia & Marbodal
Shareholding in DistIT AB*	10 186	-	1 748 332	-
Warrants programme	Yes	Yes	No	No

* Including related parties and via companies

OTHER INFORMATION

None of the aforementioned Board members and/or senior executives has been convicted in fraud-related cases during the past five years, been involved in bankruptcy, liquidation or bankruptcy administration in their capacity as Board member or senior executive, has been subjected to official accusations and /or sanctions from authorities and has been banned by a court from being a member of a company Board of Directors, or management group, or otherwise engaging in business activities for the past five years.

None of the aforementioned Board members and/or senior executives have any family relationships with each other. There are no conflicts of interest between the duties of the Board members and/or senior executives towards DistIT and their private interests, and/or other duties in addition to what is stated in the Company Description. There have been no special agreements with major shareholders, customers and suppliers, according to which any of the above-mentioned Board members and/or senior executives has been elected as a Board member or other senior position. Furthermore, none of the Board members, senior executives or auditors in the current, last, or previous financial years had any direct or indirect participation in business transactions with the Company, which were unusual in nature with regard to the terms.

Office address of the Board members, Robert Rosenzweig and Philip Gunnarsson are:

DistIT AB (publ)
Glasfibergatan 8
125 45 Älvsjö

RISKS AND RISK MANAGEMENT

RISKS AND RISK MANAGEMENT

The DistIT Group's (hereinafter referred to as the Group) operating activities are mainly conducted by Aurora Group Danmark A/S, with headquarters in Copenhagen, Denmark, Electric Fuel Infrastructure Sweden 2 AB, with headquarters in Stockholm, Sweden, Septon Holding AB, with headquarters in Gothenburg, Sweden, Sominis Technology UAB, with headquarters in Vilnius, Lithuania, and SweDeltaco AB, with headquarters in Stockholm, Sweden. Operations are conducted in these companies or in the respective companies' subsidiaries in all the Nordic countries, and the Baltic countries.

The Group's operations are affected by a number of risks that may affect the Group's results or financial position to varying degrees. When assessing the Group's development, it is important to consider relevant risk factors in addition to the opportunities for earnings growth. Not all risk factors can be described in this section, but should be evaluated together with other information in this annual report and a general assessment of the business environment. The Group has decided on a Risk Policy that is reviewed on an ongoing basis and, if necessary, adapted to the operations and external factors. DistIT's subsidiaries work continuously with risks and risk management, with the goal of identifying and controlling the risks. This section describes risks that may, among other things, affect the Group's customers and suppliers. Specifically, this may relate to external influences caused by, for example, natural disasters, wars and pandemics.

RISK MANAGEMENT - IN GENERAL

In a global crisis situation, all priorities should be based on ensuring human health and minimising risk diversification. When this is taken into account, other questions come into the frame.

Global risk refers to global threats that directly or indirectly affect human life and living conditions on earth. Climate change, other large-scale environmental degradation, extreme poverty and pandemics are among the biggest and most acute threats affecting us today.

Strategic risks mainly impact demand and can be counteracted through changes in the cost base. Management, together with the Board of Directors, closely monitors the economic growth in order to be able to act quickly and adapt the business in the event of economic changes.

Operational risks refer to risks that processes, systems, or organisations fail in some respect. By continuously working with corporate culture, visiting customers and suppliers, and monitoring competitors, the risks are reduced.

Financial risks refer to the risk of fluctuations in the operating results and cash flow as a result of changes in exchange rates, interest rates, financing, and credit risks. Financial risks are managed according to established procedures.

GLOBAL RISKS

The world community today is exposed to global threats that could lead to a serious deterioration in the living conditions of billions of people.

DESCRIPTION	MEASURE
SUSTAINABILITY Long-term sustainability is becoming increasingly important for DistIT's operations in order to conduct operations long-term with good financial profitability. If companies in the Group do not identify significant sustainability risks or deficiencies in the management of identified risks, DistIT may be exposed to various forms of penalties and risk a deteriorating reputation, which in turn may adversely affect the Group's earnings and financial position.	To increase competence and the ability to work in a structured way with sustainability, an established common framework is in place for all companies. A sustainability platform has been implemented for reporting sustainability data from the Group's companies. Trainings, workshops and network meetings in sustainability are carried out continuously. The companies' sustainability work and risks are followed up and discussed annually by the respective Boards of Directors.
PANDEMICS Pandemics, such as the covid-19 outbreak, can significantly affect the Group's companies with a risk to the health of employees, customers, and suppliers, and disruptions in operations; for example, if many people become ill at the same time, or are quarantined, or if, as a result of actual or feared spread of infection, import or export regulations are introduced that lead to delays, increases in costs, or obstacles. This could affect the Group's sales and costs, and as such the result.	The Group's structure, with diversified and dispersed operations, limits the aggregate business and financial risks in the event of a pandemic. The decentralised governance model with independent companies also contributes to locally adapted rapid decision-making, which is important to minimise the effects of a pandemic outbreak. In the event of extensive crises, DistIT expands its dialogue with the subsidiaries to ensure the correct and rapid dissemination of information and the right support for good decision-making.
WAR War, such as the invasion of Ukraine, can significantly affect the Group's companies with risks to the lives and living conditions of employees, customers, and suppliers, as well as disruptions in operations.	As a result of the ongoing war in Ukraine, the Group continuously monitors risks, as well as measures, to mitigate the risks and reduce the impact on the Group.

STRATEGIC RISKS

Strategic risks refer to external and internal threats that affect the Company's ability to achieve its strategic goals.

DESCRIPTION	MEASURE
NEGATIVE PUBLICITY The Group relies on, among other things, brand and reputation to attract and retain new customers and employees. Negative publicity or disclosures regarding the Group may, regardless of whether they relate to correct information or not, worsen the Group's reputation. Furthermore, negative publicity relating to any of the Group's products or brands may affect demand for said products.	The Group works actively with brand marketing. The Group continuously monitors all publicity about the subsidiaries and brands for preventive purposes.
RISKS RELATED TO COMPANY ACQUISITIONS From time to time, the Group may evaluate potential acquisitions in accordance with the Group's strategic goals. The possibility of implementing acquisition strategies may be limited by external factors, such as competition, financing opportunities, the market situation and price levels of investment objects. It is possible that the Group's acquisition strategy cannot be followed, and transactions may have a negative impact on the Group's financial position.	The Group shall focus on its own acquisition strategy and evaluate it continuously and on an ongoing basis. When evaluating potential acquisitions, the Group shall take precautionary measures, such as hiring external experts to carry out legal and financial due diligence.
CORPORATE GOVERNANCE Each company within the Group is financially integrated but consists of separate operational units. DistIT relies on the subsidiaries to conduct their respective operations in accordance with established strategies, budgets and policies. There is a risk that DistIT does not have sufficient operational control over the other Group companies, which may have a negative impact on the Group's position. The Group relies mainly on its employees to ensure that operations are conducted in accordance with the Group companies' respective internal corporate policies for governance and compliance. There is a risk that the Group's employees violate internal policies, which may expose the Group to risks, such as breach of contract, conclusion of conflicting agreements, violations of the law, and breaches of regulations, etc.	The Group shall exercise its control over the Group companies by routinely requesting reports, having an ongoing dialogue, and reconciling previously submitted reports on a continuous basis. Furthermore, the CEOs of each subsidiary shall participate when necessary and at a minimum of two Board meetings annually for a review and discussion of significant operational decisions.
ECONOMIC TRENDS Economic trends are difficult to assess and are of importance to the Group's sales and results development.	Management closely monitors the economic trends. The Group's customers are in several industries and can be both corporate customers and customers who sell to end consumers, which reduces a sensitive economic climate.

OPERATIONAL RISKS

Operational risks refer to risks that processes, systems or organisations fail in some respect. By continuously working with corporate culture, reviewing procedures, cultivating customers and suppliers, and monitoring competitors, risks are reduced.

DESCRIPTION	MEASURE
INDUSTRY AND MARKET Changes in the IT industry, with its rapid product changes and technology development, may be associated with a greater degree of uncertainty than for companies in more stable industries and markets with minor changes.	The Group works continuously and actively to limit this risk through continued careful product selection and close collaboration with current and future suppliers and customers.
DISTRIBUTOR'S ROLE The distributor's role is changing, partly due to today's advanced Internet technology, and development of new logistics and distribution services. The Internet can make it possible for both retailers and end customers to find and contact the manufacturer directly. The Internet can make it possible for international and European distributors to take market share from the Group. New logistics and distribution services make it possible for providers to self-distribute their products.	Through an increasing share of sales of our own brand labels, we have strengthened our position against foreign competitors and created added value in our offers to end customers that are difficult for others to compete with.
REGULATORY RISKS DistIT's operations are not subject to licence, but are covered by laws, rules and standards regarding, among other things, taxes, personnel, the environment and product safety. If the Group does not comply with such rules, it could, for example, result in the Group being ordered to pay penalties. Unforeseen problems with the quality of the products could further damage the Group's reputation and lead to increased costs for product warranties, which would accordingly have a negative impact on the Group's results and financial position (see more below, under "Risks related to product quality and product safety").	The Group carefully observes applicable laws and regulations to ensure that all operations are conducted in accordance with applicable rules, laws and standards. New rules, laws and standards are monitored and analysed, and, if necessary, measures are taken to ensure full compliance. Deviations are reported on an ongoing basis to company management in accordance with established procedures and policies. Any major deviations are reported to the Board of Directors.
RISKS RELATED TO PRODUCT QUALITY AND PRODUCT SAFETY The products DistIT and its subsidiaries provide can, in the event of poor quality, cause damage, to both person and property, for example, other products that are installed together with the damaged products or components.	For own brand labels, an extended life-long warranty period is issued. In the event of deficiencies in product quality and product safety, the companies are required to replace or repair the damaged product. In the event of a sharp increase in compensation claims according to issued warranties, this may result in a negative impact on the Group's results and financial position.

DESCRIPTION	MEASURE
KEY INDIVIDUALS AND EMPLOYEES The Group is dependent on key individuals, usually senior executives. The Group's development is also dependent on the ability to recruit and retain qualified employees.	We work to create an attractive work environment with good development opportunities, and to be a learning organisation where knowledge and experiences are shared between and by employees. We are also actively seeking to secure senior executives in the long term, primarily through warrant programmes.
CUSTOMERS The Group offers IT products and accessories to a large number of customer groups in most industries and market segments. A general decline in demand for IT products may therefore have a negative effect on the Group's operations.	We work continuously to create long-term relationships with our current customers, while actively working on acquiring new customers. We have also significantly broadened our product range to reduce dependence on individual products and product groups. This work continues.
PRICE PRESSURE The Group's operations are conducted in a competitive industry which, among other things, can be affected by price pressure, which in turn drives demands for cost-effective solutions. In recent years, we have seen increasing price pressure in the market, which has partly led to declining margins for certain product groups.	The Group has an active procurement strategy based on long-term relationships with suppliers in Asia and Europe. Through these collaborations, we have ensured that we can meet customers' demands for lower prices and increasing margins. Together with our long-term approach to both customer and supplier relationships, we have ensured sustainability in a changing market.
COMPETITION Competing companies may increase competition for the Group's products.	Despite the fact that the subsidiaries are constantly trying to adapt to the current competitive situation, we may be forced to carry out costly restructuring of the operations in order to maintain our market position and profitability. Growth is also an important way of securing the best purchase prices based on increasing volumes.
STOCK DEPENDENCE A distributor of physical products is dependent on their stock.	The Group takes measures through collaborations with the Group's logistics partners and its own reasonable measures to protect its stock from fire risk, water damage and theft.
SUPPLIERS To be able to sell and deliver products, the Group is dependent on external deliveries meeting agreed requirements relating to, for example, quantity, quality and delivery time. Incorrect, delayed or missing deliveries from suppliers can mean that the subsidiaries' deliveries in turn are delayed, or are defective or incorrect, which can result in reduced sales and thereby negatively affect our operations, financial position and results.	We continuously evaluate and develop our quality criteria, which we ensure our suppliers can meet through our internal processes. This is done, among other things, through close contact and regularly visiting them, together with quality assessments and quality tests performed by third parties.
DEPENDENCE ON THIRD PARTIES FOR INVENTORY MANAGEMENT The Group engages third parties for warehousing, inventory management and logistics. There is a risk that such third parties will not deliver products in accordance with set conditions, that the price of the services will increase, or damage to storage facilities, such as fire, water or theft, will occur. Any such risk may have a negative impact on the Group's operations.	The Group companies shall limit the contract period for agreements with third parties to a maximum of five years. Furthermore, the Group companies shall maintain a continuous dialogue with each third party in order to find improvement measures and streamline work. The agreements with third-party companies are carefully regulated in agreements which, for example, state requirements for delivery times, etc.

DESCRIPTION	MEASURE
ENVIRONMENTAL RISKS The Group's operations are not regulated by law or subject to any license. There is a risk that the products which the Group distributes will be subject to additional environmental laws, rules or regulations, or that additional taxes or fees will be introduced or added, which may have a negative impact on the Group's financial position.	The Group has developed an action plan based on the Group's environmental policy, which, for example, sets environmental requirements for suppliers, products, and services. The environmental policy is continuously monitored and updated in accordance with current environmental laws and regulations.
INADEQUATE PROCEDURES OR LACK OF CONTROLS Within the framework of day-to-day operations, the Group may incur losses due to inadequate procedures, lack of controls, irregularities, or external factors. If the Group's warehouses or products therein are damaged, for example, as a result of a fire or other event, or delays in distribution, or if any of the warehouses had to close, or if a third party providing warehousing services terminates the collaboration or activities, it may lead to losses for the Group due to delayed deliveries.	All the Group's companies have a lead in their orders with suppliers based on various parameters and lead times. The Group has also taken out business interruption insurance for all the Group's companies, which covers any losses.
INTELLECTUAL PROPERTY RIGHTS Sales of some of the Group's products depend on brands and domain names. If the Group's protection of its brands or domain names is insufficient, or if the Group violates the intellectual property rights of third parties, this may result in lower sales and income and have a negative impact on the Group's position.	The Group actively cultivates and follows up its own brand labels and domain names through, among other things, national and European trademark registrations.
DISPUTES There is a risk that the Group will become involved in future disputes. The results of any ongoing or future investigations, proceedings, disputes or arbitration proceedings initiated by customers or other counter-parties, supervisory authorities or bodies cannot be predicted. Consequently, an unfavourable settlement or decision for the Group may entail significant fines, damages and/or negative publicity, which may have a negative impact on the Group's operations.	The Group has broad competence and a good network of expertise, as well as the legal resources for handling disputes and arbitration proceedings. Any ongoing disputes are reported on an ongoing basis and described in quarterly reports.
INSURANCE RISKS The Group is exposed to various types of risks, such as product liability, property damage, third party liability, and interruptions in operations, including events caused by natural disasters and other events beyond the Group's control. In such a case, the Group may be obliged to compensate for losses, damages, and expenses.	The Group has an ongoing overview of all the Group's companies' insurances, and procures and adapts existing insurances to the ongoing operations.
RISKS RELATED TO IT INFRASTRUCTURE The Group is dependent on its IT system for operating important business systems, including administrative and financial functions. Interruptions, such as downtime of network servers, virus attacks, and other disruptions or errors in IT systems, can occur and have a negative impact on the Group's operations. In addition, insufficient strategies regarding IT and outsourcing, as well as documentation of IT systems and strategies, can lead to failures in the Group's technical systems and cause disruptions in the Group's operations.	All the Group's companies have their own resources that are integrated into each company's operations, and take care of the companies' IT systems and their various functions.

FINANCIAL RISKS

FInancial risks refer to the risk of fluctuations in the operating results and cash flow as a result of changes in exchange rates, interest rates, financing, and credit risks.

DESCRIPTION	MEASURE
CURRENCY RISK The currency risk relates to how the value of financial instruments varies due to changes in exchange rates.	To manage transactional currency risk, the Group's measures are to buy currency in the event of identified needs in order to minimise the short-term impact on results and at the same time create long-term room for manoeuvre.
INTEREST RATE RISK The interest rate risk relates to the value of a financial instrument varying due to changes in market interest rates.	The Group's credit runs with variable interest rates that are in part renegotiated on an annual basis.
CREDIT RISK The Group's credit risk mainly constitutes the solvency of the subsidiaries' customers.	Credit assessment of customers is standard according to established procedures. In most cases, credit insurance is used as a means of reducing credit risk. Credit losses have historically been low, but increasing competition in the industry has meant poorer opportunities for credit insurance for customers and slightly higher credit losses.
LIQUIDITY RISK Liquidity risk means that financing cannot be obtained, or only at significantly increasing costs.	The Group's liquidity risk is considered to be relatively limited. Ongoing dialogue and communication takes place with lenders such as banks, financial institutions and bondholders.
TAX RISK The DistIT Group conducts its operations in the Nordic countries. Operations in these countries are conducted in accordance with the Group's interpretation of applicable laws, rules and case law, as well as the tax authorities' administrative practices. However, it cannot be ruled out that tax authorities may make other assessments in any respect, and that the Group's previous and current tax situation may change as a result of the tax authorities' decisions.	The Group's tax situation is considered to be relatively secure. Ongoing monitoring is carried out in connection with audits, and through regular contact with the relevant authorities in the Nordic markets.
DEPENDENCE ON SUBSIDIARIES DistIT is a holding company and the Group's operations are mainly conducted through its subsidiaries. DistIT is therefore dependent on its subsidiaries in order to meet its payment obligations.	The Group intends to provide DistIT liquidity through the Group's cash pool, intra-group loans, dividends, or other value transfers in order for DistIT to be able to meet its payment obligations. However, there is a risk that DistIT will not be able to meet its payment obligations if the subsidiaries do not provide such liquidity, or, due to other circumstances, conditions, laws or regulations, are prevented from supplying DistIT with liquid assets.
LOANS The Group has outstanding interest-bearing liabilities. Such loans may have an impact on the Group's financial position by limiting the Group's ability to obtain additional financing for future operations, investments, acquisitions, and other business opportunities.	The Group has a continuous and ongoing dialogue with the Group companies' banks and other financiers, and adheres to the guidelines required to obtain good financing for various operational areas.

FINANCIAL REPORTS

CONTENT

STATUTORY ADMINISTRATION REPORT

The Board of Directors and CEO hereby submit the annual report and consolidated financial statements for DistIT AB (publ) for the fiscal year 2021. The Company has its registered office in Stockholm and the company registration number is 556116-4384.

THE GROUP'S OPERATIONS AND STRUCTURE

During 2021, the operations consisted of the subsidiaries Aurora Group Holding A/S, SweDeltaco AB, Septon Holding AB, UAB Sominis Technology and Electric Fuel Infrastructure Sweden 2 AB (EFUEL). The Group has subsidiaries in Sweden, Norway, Denmark, Finland and Lithuania. An organisational merger of Aurora Group and SweDeltaco was carried out in 2019, and full integration of the operations is ongoing. The merger of IT, warehousing, logistics and operational structures is expected to be completed during 2022. Since the first quarter of 2021, these companies have been reported as a merged segment. EFUEL was acquired by DistIT in August 2021. The DistIT share has been listed on NASDAQ OMX First North since 19 April 2011, and later on Nasdaq First North Premier Growth Market since 28 April 2015. The Company's corporate bond has been listed on NASDAQ Stockholm since 17 June 2021. The head office is located in Älvsjö.

INCOME AND RESULTS

The Group's operating income increased by 7.0 per cent to MSEK 2 524.2 (2 358.2). The gross margin was 21.7 per cent (22.0). EBITA decreased to MSEK 79.5 (87.4) after one-off costs of approximately MSEK 11.9, related to the acquisition of EFUEL. Adjusted EBITA amounted to MSEK 91.4 (78.5), an increase of 16.4 per cent. The result for the year decreased to MSEK 44.2 (58.0), and earnings per share decreased to SEK 3.39 (4.57).

Revenue from own brand labels (OBL) for the entire DistIT Group increased to MSEK 709.6 (629.2), an increase of 12.8 per cent compared with the previous year, and a share of total revenue of 28.1 per cent (26.7) .

DEVELOPMENT OF THE PORTFOLIO COMPANIES

Aurora Deltaco

Aurora Deltaco is a leading distributor of quality products and accessories in IT, mobility, consumer electronics, networks and data communications in northern Europe. Through the distribution of own brand labels (OBL) and external brands, Aurora Deltaco creates added value for several customer channels in both B2C and B2B, such as retail, grocery, e-commerce and digital marketplaces. Examples of customers are ATEA, Clas Ohlson, Mediamarkt, Elgiganten and Salling group. The head office is located in Älvsjö, and Aurora Deltaco has subsidiaries in Sweden, Denmark, Finland, Norway and Lithuania.

Aurora Deltaco increased operating income in 2021 by 1.5 per cent to MSEK 1 908.4 (1 879.8). The gross margin amounted to 22.6 per cent (22.1), mainly attributable to the fact that implemented price increases began to partially cover the drastically increased freight costs. Operating result after depreciation (EBIT) amounted to MSEK 95.1 (92.7), an increase of 2.6 per cent compared with the previous year.

Septon

The Septon Group is a leading distributor of high-quality audio and video equipment (AV products), as well as lighting equipment, for the professional market and consumers in the Nordic region. Septon has its head office in Billdal outside Gothenburg, and operates in Sweden, Denmark and Norway.

Septon increased operating income in 2021 by 18.9 per cent to MSEK 352.7 (296.7). The gross margin decreased to 23.0 per cent (27.4), driven by a continued significant share of business volume to the consumer segment, increased exposure to E-commerce, continued inertia in project business due to Covid-19, significant cost increases on freight and sourcing, and the negative effect of exchange rate movements. Operating result after depreciation (EBIT) for the full year was MSEK 9.1 (8.5), an increase of 7.1 per cent compared with the previous year.

Sominis

Sominis is an internationally recognised distributor of established branded products within IT hardware, offices and consumer electronics, and uses complementary sales channels that cover the whole of Europe. Sominis has its head office in Vilnius, Lithuania.

Sominis increased operating income in 2021 by 10.7 per cent to MSEK 202.0 (182.5), and achieved an operating result after depreciation (EBIT) of MSEK 7.2 (9.3). The result was negatively affected by increased freight prices, price pressure, and a changed sales mix with an increased share of sales of goods with a relatively lower margin.

EFUEL

EFUEL is one of the largest companies in Sweden in electric car charging. The company offers sales, installation, and support of charging boxes to companies, tenant-owner associations, and public car parks. EFUEL is a strategic and "preferred" partner for Easee, which is a world-leading manufacturer of electric car chargers.

EFUEL was acquired by DistIT on 18 August 2021. Operating income for the full year 2021 (including the part of the period DistIT did not own the company) amounted to MSEK 125.4. EBIT for the same period amounted to MSEK 0.5 after one-off costs of MSEK 10.0 relating to 'sign-on' bonuses for key employees in EFUEL. Adjusted operating result after depreciation (EBIT) amounted to MSEK 10.5, which corresponds to an adjusted operating margin after depreciation (EBIT) of 8.4 per cent.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Bond loan

On 19 May 2021, DistIT AB issued a new four-year senior, unsecured bond loan of MSEK 300, within a framework of MSEK 800. In connection with the issue of the new bonds, DistIT AB called for early redemption of the Company's outstanding senior unsecured bonds. For further information on the Group's bond loans, see Note 31.

Acquisition

During the year, minority interests of 20 per cent in Winther Wireless AB, 20 per cent in UAB Sominis Technology, 10 per cent in Septon Norge Holding AS, and 15 per cent in Septon Holding AB were acquired. During the first quarter of 2021, the shares in the subsidiary UAB Tarpo klavisas were sold. During the third quarter of 2021, DistIT AB acquired 100 per cent of the shares in Electric Fuel Infrastructure Sweden 2 AB.

New share issue and incentive programme

At the 2021 Annual General Meeting, it was resolved to issue a maximum of 180 000 subscription warrants. The right to subscribe for the new subscription warrants appertained to some of the DistIT Group's senior executives and key individuals. The subscription warrant programme was fully subscribed. At an Extraordinary General Meeting on 3 September 2021, an offer of 394 686 subscription warrant, aimed at key employees in EFUEL was approved. The subscription warrant programme was fully subscribed. For more information about subscription warrants, see page 26 and DistIT's website.

As part of the Company's acquisition of EFUEL, it was decided at the Extraordinary General Meeting on 3 September 2021 to increase the Company's share capital by a maximum of SEK 3 252 572 through the issue of a maximum of 1 626 286 new shares at a price corresponding to approximately SEK 86.09 per share. The issue price is based on the volume-weighted average price of the DistIT share during 90 trading days before 23 July 2021. The right to subscribe for new shares, with a deviation from the shareholders' preferential rights, appertained only to Redstone Investment Group SA, the seller of EFUEL.

Covid-19

The Covid-19 pandemic continued to have a significant impact in 2021, in the form of, among other things, long lead times for the delivery of goods, sharply increased freight prices, and government restrictions in the physical retail trade and event operations.

CASH FLOW AND WORKING CAPITAL

Cash flow from operating activities amounted to MSEK -97.1 (90.6). Changes in working capital affected cash flow from operating activities negatively by MSEK 182.2 (8.0), of which MSEK 220.7 related to an increase in inventory, in accordance with a previously communicated strategy to increase the inventory prior to expected delivery disruptions from primarily Asian suppliers. Working capital at the end of the year amounted to MSEK 703.4 (514.8) for the Group as a whole. Working capital as a percentage of 12-month rolling sales at the end of December 2021 amounted to 28.0 per cent (21.8).

Cash flow from investment activities was mainly affected by acquisitions of shares in subsidiaries by MSEK 62.2 (0.0), and the change in tangible and intangible fixed assets by MSEK -18.4 (-3.7), of which MSEK 17.4 related to acquisitions of intangible fixed assets that were largely attributable to the acquisition of EFUEL (see notes 17, 18 and 19).

Cash flow from financing activities was mainly affected by this year's dividend of MSEK -24.6 (0.0), the net redemption and issuance of bond loans of MSEK 134.4 (-18.0), and increased utilisation of overdraft facilities of MSEK 59.8 (- 6.2).

LIQUIDITY AND FINANCIAL POSITION

Available liquid assets at the end of December 2021 amounted to MSEK 35.6 in net cash, and MSEK 94.4 in unutilised overdraft facilities. The DistIT Group has a so-called cash pool with a credit capacity of MSEK 139.3 (89.3), of which MSEK 61.1 (14.6) was utilised as of the last day of December 2021. In addition, the Group has access to MSEK 34.7 (10.5) in other overdraft facilities, of which MSEK 18.5 (0.5) was utilised as of the last day of December 2021.

Interest-bearing net debt, including leasing debt, amounted to MSEK 380.7 (159.5) as of the last day of December 2021. The increase in interest-bearing net debt is mainly attributable to the previously-mentioned investment in the inventory in Aurora Deltaco, and cash payment for the EFUEL acquisition, which has reduced the liquid assets.

PERSONNEL

The number of employees at the end of the period was 264 (259), of which nine were added through the acquisition of EFUEL.

PARENT COMPANY

The operations of the Parent Company include group management, finance and IR/PR. The Parent Company's revenue, which in its entirety is intra-group, amounted to MSEK 117.5 (16.3), and the operating result amounted to MSEK -8.2 (-8.4). The number of employees in the Parent Company at the end of the period was two (2).

RELATED PARTY TRANSACTIONS

The Group did not carry out any material transactions with related parties during the full year 2021, except for remuneration to the Board of Directors and the CEO.

CORPORATE GOVERNANCE REPORT

The Company prepares a corporate governance report separately from the administration report, see pages 51-69 (auditors' opinion on page 64). The corporate governance report includes information on the Group's system for internal control. See also pages 70-77 for risks and risk management.

SUSTAINABILITY REPORT

In accordance with the Swedish Annual Accounts Act, Section 11, Chapter 6, the sustainability report is presented separately, see pages 38-50.

DIST IT'S STOCK AND OWNERSHIP

Information about DistIT's stock and ownership in DistIT is given on page 27 in the section "DistIT's share and shareholders".

SUBSCRIPTION WARRANTS PROGRAMME

Information on DistIT's subscription warrants programme is given on page 26 in the section "DistIT's share and shareholders".

EXPECTED FUTURE DEVELOPMENT, AND SIGNIFICANT RISKS AND UNCERTAINTIES

The Group will continue to develop its own brand labels (OBL) in parallel with the distribution of recognised, well-established brands. The Group continuously assesses possible strategic acquisitions, as well as complimentary acquisitions. The Group plans logistics according to demand and supply of goods. The Group is actively monitoring the development of the Covid-19 pandemic and taking ongoing measures to limit the effect. The Group is also monitoring the development of the invasion of Ukraine in order to be able to take measures to limit any financial impact, if necessary. See also the section "Risks and risk management" on pages 70-77 for how the Group assesses and addresses various risk areas.

SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

- After the end of the year, the wholly owned subsidiary Septon Norge Holding AS has been liquidated.
- The subsidiary EFUEL is expanding in Europe, and growing with key recruitments in Germany and Finland.
- DistIT and its subsidiaries have decided to stop all sales to Russia and Belarus due to the ongoing invasion of Ukraine.
- The Board of Directors proposes a dividend of SEK 2.00 (2.00) per share for the 2021 financial year.
- DistIT ends the incentive programme 2019/2022, whereby the CEO subscribes for shares for SEK 5 288 760. In connection with the share subscription and in order to enable the CEO's subscription of new shares, DistIT has repurchased a total of 137 780 of the unexercised subscription warrants in the programme from the CEO for a total purchase price of SEK 5 288 784. The purchase price for the repurchased subscription warrants has been used by the CEO to pay for the newly subscribed shares through offsetting.

PROPOSAL ON APPROPRIATION OF PROFIT

The following profits are at the disposal of the AGM (SEK):

Retained earnings	300 392 754
Result for the year	28 282 498
Total	328 675 252

The Board proposes that the profits be distributed as follows (SEK):

SEK 2.00 per share will be paid to shareholders	27 816 494
Carried forward	300 858 758
Total	328 675 252

BOARD OF DIRECTORS' REMARKS REGARDING THE PROPOSAL ON APPROPRIATION OF PROFIT

The Board of Directors has proposed to the 2022 Annual General Meeting a dividend of SEK 2.00 to the shareholders. The Board finds that there is full coverage for the Company's restricted equity after the proposed dividend. The Board of Directors finds that the proposed dividend to shareholders is justifiable with regard to the parameters specified in chapter 17, section 3, second and third paragraphs of the Swedish Companies Act, regarding the nature, scope and risks of the business, as well as consolidation needs, liquidity and position in general. The Board estimates that the Company's and the Group's equity, after the proposed dividend, will be sufficiently large in relation to the nature, scope and risks of the business. In this context, the Board of Directors considers, among other things, the Company's and the Group's historical development, budgeted development, investment plans, and the economic situation.

The proposed dividend constitutes 6.1% of the Company's equity and 4.6% of the Group's total equity. The Company's and the Group's equity/assets ratio is good, taking into account the conditions prevailing in the industry. On these grounds, the Board of Directors believes that the Company and the Group are well placed to take on future business risks, and also to withstand any losses. Planned investments have been taken into account in determining the proposed dividend. In addition, the dividend will not negatively affect the Company's and the Group's ability to make further commercially motivated investments according to adopted plans. The proposed dividend will not affect the Company's and the Group's ability to meet its payment obligations in a timely manner.

The Board of Directors has considered other known circumstances that may be significant for the Company's and the Group's financial position, and which have not been taken into account within the framework of the above. In doing so, no circumstance has emerged which means that the proposed dividend does not appear to be justifiable. With regard to the Company's results and position in general, reference is made to the income statements and balance sheets with accompanying notes. The annual report and consolidated financial statements have been approved for issuance by the Board of Directors on 30 March 2022. The Parent Company's and the Group's income statements and balance sheets will be subject to approval at the Annual General Meeting on 28 April 2022.

FINANCIAL REPORTS (GROUP AND PARENT COMPANY)

INCOME STATEMENT (GROUP AND PARENT COMPANY)

		GROUP		PARENT COMPANY	
INCOME STATEMENT (TSEK)	**NOTE**	**2021**	**2020**	**2021**	**2020**
Operating income					
Net revenue		2 520 230	2 353 907	17 464	16 283
Other operating income	5	4 026	4 330	54	-
Total operating income	4	**2 524 256**	**2 358 237**	**17 518**	**16 283**
Operating expenses					
Merchandise		-1 962 292	-1 842 782	-	-
Other external expenses	7, 8	-229 035	-206 644	-13 568	-14 560
Personnel costs	9	-219 384	-198 295	-11 435	-9 368
Other operating expenses	10	-14 858	3 397	-	-
Total operating expenses		**-2 425 569**	**-2 244 324**	**-25 003**	**-23 928**
Operating result before depreciation		**98 687**	**113 913**	**-7 485**	**-7 645**
Depreciation and impairment of tangible and intangible fixed assets	17, 18,19, 20	-22 233	-26 469	-717	-717
Operating result		**76 454**	**87 444**	**-8 202**	**-8 362**
Operating result from financial items					
Result from interests in Group companies	11	-	-	3 127	2 222
Financial income and similar items	12	14 371	3 475	15 062	13 158
Financial expenses and similar items	13	-31 920	-22 030	-22 684	-15 892
Result after financial items		**58 905**	**68 889**	**-12 697**	**-8 874**
Year-end appropriations	14			48 078	34 700
Tax on the result for the year	15	-14 686	-10 904	-7 099	-3 705
Result for the year		**44 219**	**57 985**	**28 282**	**22 121**
Attributable to:					
Parent Company's shareholders		43 464	56 122		
Non-controlling interests	22	755	1 863		
Earnings per share	6				
Profit/loss per share before dilution		3.39	4.57		
Profit/loss per share after dilution		3.33	4.57		

GROUP'S REPORT OF OTHER COMPREHENSIVE INCOME

	GROUP	
REPORT OF OTHER COMPREHENSIVE INCOME	**2021**	**2020**
Result for the year	**44 219**	**57 985**
Items that may be reclassified to the income statement		
Translation differences of foreign subsidiaries	5 441	-11 134
Other comprehensive income after tax	**5 441**	**-11 134**
Comprehensive income for the year	**49 660**	**46 851**
Comprehensive income for the year attributable to		
Parent Company's shareholders	48 905	44 988
Non-controlling interests	755	1 863
	49 660	**46 851**

BALANCE SHEET (GROUP AND PARENT COMPANY)

		GROUP		PARENT COMPANY	
ASSETS (TSEK)	**NOTE**	**2021**	**2020**	**2021**	**2020**
Fixed assets					
Intangible fixed assets					
Goodwill	16	374 377	89 542	-	-
Other intangible fixed assets	17	60 599	18 754	358	1 075
Total intangible fixed assets		**434 976**	**108 296**	**358**	**1 075**
Tangible fixed assets					
Buildings and land	18	592	891	-	-
Equipment	19	4 618	4 786	-	-
Right of use assets	20	36 778	31 841	-	-
Total tangible fixed assets		**41 988**	**37 518**	**-**	**-**
Financial fixed assets					
Interests in Group companies	22	-	-	553 938	206 620
Deferred tax receivables	23	1 359	4 399	-	3 777
Receivables from Group companies		-	-	118 670	121 034
Other long-term receivables	24	2 864	1 921	-	-
Total financial fixed assets		**4 223**	**6 320**	**672 608**	**331 431**
Total fixed assets		**481 187**	**152 134**	**672 966**	**332 506**
Current assets					
Inventory etc.	25				
Finished goods and merchandise		625 084	406 233	-	-
Advances to suppliers		37 922	24 734	-	-
Total inventory		**663 006**	**430 967**	**-**	**-**
Short-term receivables					
Accounts receivable	26	501 386	458 282	-	-
Receivables from Group companies		-	-	330 652	198 707
Current tax receivables		13 873	19 284	2 032	2 032
Other receivables	27	36 750	25 351	59	12
Prepaid expenses and accrued income	28	18 380	12 996	4 848	2 948
Total short-term receivables		**570 389**	**515 913**	**337 591**	**203 699**
Cash and bank balances	32	**35 642**	**53 748**	**-**	**-**
Total current assets		**1 269 037**	**1 000 628**	**337 591**	**203 699**
Total assets		**1 750 224**	**1 152 762**	**1 010 557**	**536 205**

		GROUP		PARENT COMPANY	
EQUITY AND LIABILITIES (TSEK)	**NOTE**	**2021**	**2020**	**2021**	**2020**
Equity	29				
Restricted equity					
Share capital		27 816	24 564	27 816	24 564
Development expenditure fund				358	1 075
Total restricted equity		**27 816**	**24 564**	**28 174**	**25 639**
Unrestricted equity					
Other contributed capital		309 816	165 965	-	-
Reserves		-3 383	-8 824	143 256	2 290
Retained earnings including result for the year		264 268	260 470		
Retained earnings				300 394	302 119
Result for the year				28 282	22 121
Total unrestricted equity				**471 932**	**326 530**
Equity attributable to the Parent Company's shareholders		598 517	442 175		
Non-controlling interests	22	2 660	12 589		
Total equity		**601 177**	**454 764**	**500 106**	**352 169**
Provisions					
Deferred tax liabilities	23	12 187	5 863	-	-
Provisions	30	133 252	1 000	140 000	-
Total provisions		**145 439**	**6 863**	**140 000**	**-**
Long-term liabilities					
Lease liability	20	20 125	17 435	-	-
Bond loans	31	300 000	165 595	300 000	165 595
Other long-term liabilities		22	-	-	-
Total long-term liabilities		**320 147**	**183 030**	**300 000**	**165 595**
Short-term liabilities					
Liabilities to credit institutions	32	79 620	15 060	61 076	14 590
Lease liability	20	16 588	15 119	-	-
Accounts payable		431 242	337 163	97	166
Current tax liabilities		11 570	9 332	3 321	-
Other liabilities	33	87 242	85 596	513	362
Accrued expenses and prepaid income	34	57 199	45 835	5 444	3 323
Total short-term liabilities		**683 461**	**508 105**	**70 451**	**18 441**
Total equity and liabilities		**1 750 224**	**1 152 762**	**1 010 557**	**536 205**

GROUP'S CHANGES IN EQUITY

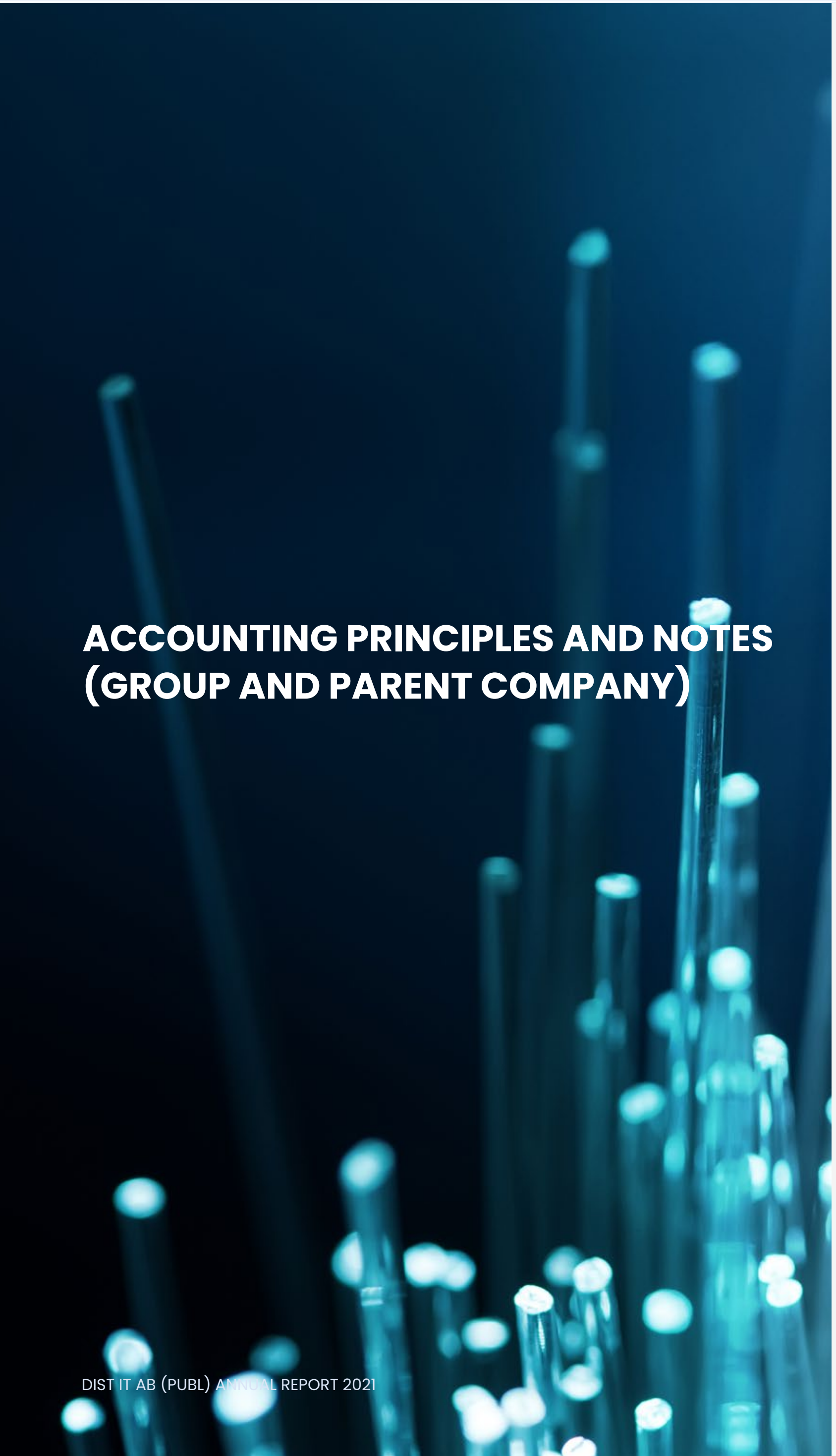
	NOTE	Share capital	Other contributed capital	Translation reserve	Reserves	Retained earnings incl. result for the year	Parent Company's shareholders	Non-controlling interests	Total equity
Opening balance 2020-01-01		**24 564**	**163 959**	**2 310**	**1 792**	**202 747**	**395 372**	**12 060**	**407 432**
Dividends								-561	-561
Reversal of development fund					-717	717			
Subscription warrants			931				931		931
Transactions with non-controlling interests						884	884	-773	111
Result for the year						56 122	56 122	1 863	57 985
Other comprehensive income				-11 134			-11 134		-11 134
Comprehensive income for the year				-11 134		56 122	44 988	1 863	46 851
Closing balance 2020-12-31	29	**24 564**	**164 890**	**-8 824**	**1 075**	**260 470**	**442 175**	**12 589**	**454 764**
Opening balance 2021-01-01		**24 564**	**164 890**	**-8 824**	**1 075**	**260 470**	**442 175**	**12 589**	**454 764**
Dividends						-24 564	-24 564		-24 564
Provision for development fund					3 663	-3 663			
Reversal of development fund					-778	778			
New issue		3 252	136 748				140 000		140 000
Subscription warrants			4 218				4 218		4 218
Transactions with non-controlling interests						-12 217	-12 217	-10 684	-22 901
Result for the year						43 464	43 464	755	44 219
Other comprehensive income				5 441			5 441		5 441
Comprehensive income for the year				5 441		43 464	48 905	755	49 660
Closing balance 2021-12-31	29	**27 816**	**305 856**	**-3 383**	**3 960**	**264 268**	**598 517**	**2 660**	**601 177**

PARENT COMPANY'S CHANGES IN EQUITY

	NOTE	Share capital	Development expenditure fund	Premium fund	Retained earnings	Result for the year	Total equity
Opening balance 2020-01-01		**24 564**	**1 792**	**1 359**	**300 195**	**1 207**	**329 117**
Dividends							
Reversal of development fund			-717		717		
Subscription warrants				931			931
Transfer of the previous year's result					1 207	-1 207	
Result for the year						22 121	22 121
Closing balance 2020-12-31		**24 564**	**1 075**	**2 290**	**302 119**	**22 121**	**352 169**
Dividends					-24 564		-24 564
Reversal of development fund			-717		717		
New issue		3 252		136 748			140 000
Subscription warrants				4 218			4 218
Transfer of the previous year's result					22 121	-22 121	
Result for the year						28 282	28 282
Closing balance 2021-12-31	29	**27 816**	**358**	**143 256**	**300 393**	**28 282**	**500 105**

CASH FLOW STATEMENT (GROUP AND PARENT COMPANY)

		GROUP		PARENT COMPANY	
	NOTE	2021	2020	2021	2020
Operating activities					
Operating result		76 454	87 445	-8 202	-8 362
Adjustment for items not included in the cash flow etc.	37	27 176	20 439	1 241	717
Interest received		3 120	3 475	9 605	13 158
Dividend received		-	–	3 127	2 222
Interest paid		-21 237	-22 030	-17 751	-15 892
Income tax paid		-366	-6 684	-	–
Cash flow from operating activities before changes in working capital		**85 147**	**82 645**	**-11 980**	**-8 157**
Changes in working capital:					
Change in inventory		-220 732	1 264	-	–
Change in accounts receivable and other receivables		-36 864	-56 516	-131 527	-49 293
Change in accounts payable and other liabilities		75 392	63 221	2 202	- 2 440
Net cash flow from operating activities		**-97 057**	**90 614**	**-141 305**	**-59 890**
Investment activities					
Acquisition of shares in subsidiaries	38	-39 269	-	-50 358	-500
Acquisition of non-controlling interests	38	-22 901	-	-16 960	-
Divestment of shares in subsidiaries		184	-	-	–
Acquisition of intangible fixed assets		-17 436	-2 622	-	–
Acquisition of tangible fixed assets		-1 011	-1 044	-	–
Change in other financial assets		-942	-24	-	–
Cash flow from investment activities		**-81 375**	**-3 690**	**-67 318**	**-500**
Financing activities					
Dividend paid		-24 564	-	-24 564	-
Dividends to non-controlling interest shareholders		-	-561	-	-
Group contributions received		-	-	48 078	34 700
Payment of subscription warrants		4 218	931	4 218	931
Amortisation of lease liabilities		-16 539	-16 077	-	-
Credit institutions and overdraft facilities		59 778	-6 160	46 486	14 590
Bond loans taken	31	300 000	-	300 000	-
Amortisation of bond loans	31	-165 595	-18 015	-165 595	-18 015
Cash flow from financing activities	**37**	**157 298**	**-39 882**	**208 623**	**32 206**
Cash flow for the year		**-21 134**	**47 042**	**-**	**-28 184**
Liquid assets at the beginning of the year		53 748	10 657	-	28 184
Exchange rate difference in liquid assets		3 028	-3 951	-	-
Liquid assets at the end of the year		**35 642**	**53 748**	**-**	**-**



ACCOUNTING PRINCIPLES AND NOTES (GROUP AND PARENT COMPANY)

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NOTE 1 - GENERAL INFORMATION

DistIT AB (publ) is the Parent Company of a Group and has its headquarters in Stockholm. DistIT AB (publ) shall acquire, own and develop niche distributors within IT, mobility, consumer electronics, networks, data communication and AV products in the Nordic and Baltic countries. Companies within the DistIT Group deliver both B2B and B2C products to the IT and AV markets in the Nordic and Baltic countries. The Companies shall also develop and distribute their own brand labels (OBL). DistIT AB (publ) with its subsidiaries is a stable and well-established distribution group within IT accessories, data communication, consumer electronics, networks and AV products in Europe. Companies within the Group are niche distributors with strong market positions.

The companies' products are aimed at both consumers and companies, and their customers are in consumer electronics chains, online retailers, installers, telecom operators, discount chains, grocery stores and independent specialist retailers. Each subsidiary constitutes its own results centre, with responsibility for its chosen strategy. Common to the companies is a value-creating strategy for own brand labels (OBL) that increases the relevance of customers and creates prerequisites for growth and profitability. DistIT is a reliable business partner with high delivery reliability and service level, guaranteed product quality, and fast deliveries.

The shares in DistIT AB are listed under the ticker DIST, and the Company's Certified Advisor is Erik Penser Bank. For more information see **www.distit.se**.

On 30 March 2022, the Board of Directors and the CEO approved this annual report for publication. The Group's and the Parent Company's income statement and balance sheet will be subject to approval by the Annual General Meeting on 28 April 2022.

NOTE 2 - ACCOUNTING AND VALUATION PRINCIPLES

The Group's financial reports have been prepared in accordance with the Swedish Annual Accounts Act, RFR 1 Supplementary Accounting Rules for Groups and International Financial Reporting Standards (IFRS), as adopted by the EU. The financial reports have been prepared on the assumption that the Group conducts its operations on a going concern basis.

The Parent Company DistIT AB has prepared its reports in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR2 Accounting for Legal Entities.

The most important accounting and valuation principles that have been used in the preparation of the financial reports are summarised below. In cases where the Parent Company applies deviating principles, these are stated under the 'Parent Company' section below.

Parent Company

Interests in Group companies are reported according to the acquisition value method. An impairment test of the interests' value is performed when there is an indication that the value has decreased. In cases where the value has decreased, an impairment is made to the consolidated value. All dividends received are reported in the income statement within 'Result from interests in Group companies'.

The Parent Company reports the Group contribution received, which can be equated with a dividend, as financial income in the income statement, in accordance with RFR 2 Accounting for legal entities. Acquisition-related costs are entered as shares in subsidiaries in the Parent Company, or in the acquiring subsidiaries and are recognised within the operating result in the consolidated income statement.

New and amended accounting principles 2021

The amendments to IFRS 7, IFRS 9 and IFRS 16 that apply from 1 January 2021 are attributable to the reform for reference rates - phase 2 and provide guidance on how the effects of the reform shall be reported. The reference rate reform is attributable to the transition from current reference rates to new reference rates. The transition means that the contract terms for certain financial instruments will be changed and shall be reported as an adjustment of variable interest rates. The Group monitors the transition that will take place at different times for different interest rates in the coming years.

Other new or revised IFRS standards and interpretations for 2021 have not had any significant effect on the Group's financial position, results or disclosures.

New and amended accounting principles 2022

New IFRSs and interpretations that have not yet entered into force and that have not been applied in advance.

As of the date of approval of these consolidated financial reports, certain new standards, amendments and interpretations of existing standards that have not yet entered into force have been published by the IASB. These have not been applied in advance by the Group. The Board of Directors and the CEO assume that all relevant statements will be included in the Group's accounting principles when the statement enters into force. New standards, amendments and clarifications that are not applied are not expected to have a significant impact on the Group's financial reports.

Functional and presentation currency

All amounts are expressed in thousands of kronor (TSEK) unless otherwise stated. Amounts in parentheses refer to the previous year. The Parent Company's functional currency is Swedish kronor (SEK), which is also the reporting currency for the Parent Company and for the Group. This means that the financial reports are presented in Swedish kronor. All assets, provisions and liabilities are reported at acquisition value, unless otherwise stated.

Long-term and short-term items

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

Government grants

In accordance with IAS 20, government grants are reported in the income statement when there is reasonable assurance that the Company will meet the requirements that come with the grants, and that the grants will be received. Government grants are reported as other income and reduction of operating expenses.

2.1 ESTIMATES AND ASSESSMENTS

Group management makes estimates and assessments about the future. These assessments are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are considered reasonable under the prevailing conditions. The estimates for accounting purposes that result from these will, by definition, seldom correspond to the actual result. When calculating fair values in business combinations, valuation techniques are used for the various parts of a business combination. Above all, the fair value of the additional purchase price depends on the outcome of several variables.

For the assessment of the following items, see the specified reference in the annual report for 2021:

- Reporting of deferred tax receivables - see 2.8
- Assessment of bad and doubtful debts – see 2.17
- Impairment of intangible and tangible fixed assets including goodwill – see 2.9 and 2.12
- Inventory – see 2.13
- Business combinations – see 2.15

2.2 CONSOLIDATED ACCOUNTS AND BUSINESS COMBINATIONS

In the consolidated financial statements, the Parent Company's and all subsidiaries' operations are consolidated up to and including 31 December 2021. All subsidiaries have a balance sheet date of 31 December. The consolidated financial statements include subsidiaries in which the Parent Company directly or indirectly has more than 50% of the votes, or otherwise has a controlling influence.

All intra-group transactions and balance sheet items are eliminated on consolidation, including unrealised profits and losses on transactions between Group companies. In cases where unrealised losses on intra-group sales of assets are reversed on consolidation, the impairment need for the underlying asset is also tested from a Group perspective. Amounts reported in subsidiaries' financial reports have been adjusted where necessary to ensure compliance with the Group's accounting and valuation principles. Results and other comprehensive income for subsidiaries acquired or divested during the year are reported from the date the acquisition or divestment takes effect, as applicable. The Group distributes the comprehensive income for the subsidiaries the Parent Company's owners and non-controlling interests based on their respective ownership interests.

The Group applies the acquisition method when reporting business combinations. The remuneration transferred by the Group to obtain a controlling influence over a subsidiary is calculated as the sum of the fair values on the acquisition date of transferred assets, assumed liabilities and the equity instruments issued by the Group, which includes the fair value of an asset or liability resulting from a contingent consideration arrangement. Acquisition costs are expensed as incurred. Acquired assets and assumed liabilities are valued at fair value at the time of acquisition.

All of DistIT AB's foreign subsidiaries are recalculated according to the current exchange rate method. This means that the foreign subsidiaries' assets and liabilities are translated at the exchange rate on the balance sheet date. All items in the income statements are translated at the average exchange rate.

2.3 SEGMENT REPORTING

Segment reporting at DistIT is based on the Group's subsidiaries (Aurora Deltaco, Septon, EFUEL and Sominis) and corresponds to the internal reporting structure used by management, the Board of Directors, and the highest executive decision-maker (CEO). In 2021, the subsidiaries in DistIT have been operated as independent results centres, with their own goals, budgets, etc. The subsidiaries have basically two customer segments; B2B and B2C. When identifying customer segments, the subsidiary's management team usually follows the Group's policy on the main products that each subsidiary offers. The subsidiaries also have primarily two product segments; A-Brands and OBL. Each of the product segments is in principle managed separately as they require different marketing plans and sales channels. However, there are transactions from different segments to one and the same customer, so-called cross-selling. All transactions are carried out on a commercial basis.

2.4 FOREIGN CURRENCY TRANSLATION

Reporting currency

Items included in the financial reports for the various units in the Group are valued in the currency used in the economic environment in which each company is primarily operational (functional currency). Swedish kronor (SEK) is used in the consolidated accounts, which is the Parent Company's accounting currency.

Transactions and balance sheet items

Transactions in foreign currency are translated into the functional currency according to the exchange rates that apply on the transaction date or the day when the items are revalued. Exchange rate gains and losses that arise from the payment of such transactions, and from the translation of monetary assets and liabilities in foreign currency at the exchange rate on the balance sheet date, are reported in the income statement.

Receivables and liabilities in foreign currency are valued at the exchange rate on the balance sheet date. Exchange rate differences are reported in the operating result to the extent that they relate to operational balances, and otherwise in net financial items.

Group companies
The results and financial position for all Group companies (none of which have a high inflation currency as their functional currency) that have a functional currency other than the reporting currency are translated into the Group's reporting currency. Assets and liabilities for each of the balance sheets are translated at the exchange rate on the balance sheet date. Income and expenses for each of the income statements are translated at the average exchange rate (unless this average exchange rate consists of a reasonable approximation of the accumulated effect of the exchange rates applicable on the transaction date, otherwise income and expenses are translated at the exchange rate on the transaction date), and all exchange differences that arise are reported as a separate part of equity. Upon consolidation, exchange rate differences that arise as a result of the translation of net investments in foreign operations, and of borrowing, and other currency instruments identified as hedges of such investments, are entered in equity. Upon divestment of a foreign operation, in whole or in part, the exchange rate differences entered in equity are reported in the income statement and reported as part of the capital gain/loss.

Goodwill and fair value adjustments that arise on the acquisition of a foreign operation are treated as assets and liabilities in this operation and are translated at the exchange rate on the balance sheet date.

2.5 REVENUE RECOGNITION
Sales are reported as revenue at a certain point in time, i.e. when control of the goods is transferred to the customer, which normally coincides with its delivery. Delivery takes place when the goods have been handed over according to the delivery terms, the risks for the goods have been transferred to the customer, and the customer has either accepted the goods in accordance with the agreement, the time for objections to the agreement has expired, or the Group has objective proof that all acceptance criteria have been met. Volume discounts based on cumulative sales over a period occur. Revenue from the sale of the goods is reported based on the price in the agreement, with a deduction for estimated volume discounts. A liability is reported for expected volume discounts in relation to sales up to and including the balance sheet date. Invoicing takes place in connection with delivery, and the payment period is normally 30 - 120 days.

The Group has assessed that general utilisation of returns and warranties has had an insignificant impact, which is why no provision has been made for the effect from this. The Group carries out ongoing inspections to ensure that the level remains insignificant.

2.6 BORROWING COSTS
Borrowing costs that are directly attributable to the purchase, construction, or production of a qualifying asset form part of the asset's acquisition value. Other loan expenses are recognised and charged to the results for the period to which they relate.

2.7 RESULT FROM DISCONTINUED OPERATIONS
A discontinued operation is a part of the Group that has either been divested or is classified as being held for sale. Results from discontinued operations consists of both results after tax for discontinued operations, and results after tax from the valuation and divestment of assets that are classified as held for sale.

2.8 TAXES
The tax cost or tax income for the period consists of current and deferred tax. Current tax is the tax calculated on the taxable results for a period. Deferred tax is calculated on the basis of the so-called balance sheet method, meaning a comparison is made between reported and taxable values of the Group's assets and liabilities. The difference between these values is multiplied by the current tax rate, which gives the amount of the deferred tax receivable/liability. Deferred tax receivables are reported in the balance sheet to the extent that it is probable that the amounts can be utilised against future taxable results. Group management estimates that it will be possible for deferred taxes to be fully utilised against taxable income.

2.9 INTANGIBLE FIXED ASSETS
Goodwill
Goodwill represents future financial benefits that arise from a business combination, but which are not individually identified and reported separately. Goodwill is reported at acquisition value less accumulated impairments. Goodwill is impairment tested every year.

Other intangible fixed assets
The other intangible fixed assets are reported as an asset in the balance sheet if they meet the criteria for intangible assets in accordance with IAS 38, that it is probable that future economic benefits will benefit the Group, and the acquisition value can be calculated in a reliable manner. Intangible fixed assets are reported at acquisition value after deductions for planned depreciation and any impairments. Depreciation according to plan takes place on a straight line basis and is based on the estimated useful lives of the assets.

The following depreciation periods are applied:

• Capitalised product development	5 years
• Software	3-8 years
• Other intangible fixed assets	5-10 years

2.10 TANGIBLE FIXED ASSETS

Tangible fixed assets are reported at acquisition cost after deductions for impairments and depreciation according to plan. Depreciation according to plan takes place on a straight line basis and is based on the acquisition values and estimated useful lives of the assets. The residual values and useful lives of the assets are assessed on each reporting occasion.

The following depreciation periods are applied:

- Buildings 50 years
- Building equipment 5-20 years
- Ground facilities 5 years
- Equipment 5 years
- Computer equipment 2-3 years

2.11 LEASED ASSETS

The Group as a lessee

DistIT assesses whether the agreement is a lease agreement or contains a lease agreement: a lease agreement is defined as “an agreement, or part of an agreement, which transfers the right to use an asset (the underlying asset) for a certain time in exchange for compensation”. To apply this definition, DistIT assesses whether the agreement meets the requirements of three evaluations, which are whether:

- The agreement contains an identified asset that is either specifically identified in the agreement or implicitly specified by being identified at the time the asset has been made available to DistIT.
- DistIT is essentially entitled to all the financial benefits that arise through the use of the identified asset throughout the lease term, taking into account DistIT’s rights within the defined scope of the agreement.
- DistIT have the right to control the use of the identified asset throughout the lease period. DistIT assesses whether it holds the right to control “how and for what purpose” the asset is to be used throughout the lease period.

Valuation and reporting of lease agreements as lessees

At the start of the lease agreement, DistIT reports a right of use and a lease liability in the balance sheet. The right of use is valued at acquisition value, which includes the amount to which the lease liability is originally valued, any initial direct expenses incurred by DistIT, an estimate of DistIT’s expenses for dismantling and removal of the asset at the end of the lease period, and any lease fees paid before the start of the lease agreement (less any benefits received).

The Group writes off the right of use on a straight line basis from the start of the lease period until the earliest time of the useful life of the right of use and the end of the lease agreement. DistIT also makes an assessment of a possible need for impairment of the right of use when there is an indication of a decline in value.

At the start of the lease agreement, DistIT values the lease liability at the present value of the lease fees that have not been paid at this time. Lease fees are discounted using the lease agreement’s implicit interest rate, if this interest rate can easily be determined, or DistiT’s marginal borrowing rate. Lease fees that are included in the valuation of the lease liability include fixed fees (including the fees fixed to its substance), variable lease fees based on an index or price, amounts that are expected to be paid by DistIT according to residual value guarantees, and payments according to options that DistIT is reasonably sure will be utilised. After the commencement date, the liability is reduced with lease payments which are divided between amortisation and financial cost. The debt is revalued to reflect a possible new assessment or change, or if there are changes in the fees fixed to its substance. When the lease liability is revalued, a corresponding adjustment shall be made in relation to the right of use, or in the results if the right of use has already been assigned a value of zero.

DistIT has chosen to report short-term lease agreements, and lease agreements for which the underlying asset has a low value, by using the practical solution found in IFRS 16. Instead of reporting a right of use and a lease liability, lease fees for these lease agreements are recognised on a straight line basis over the lease period. In the report on the financial position, rights of use have been reported as rights of use assets, and the lease liability is divided into long and short lease liabilities.

2.12 IMPAIRMENTS

Intangible and tangible fixed assets

The reported values of the Company’s assets are checked at each balance sheet date to determine whether there is any indication of the need for impairment. If such an indication exists, the asset’s recoverable amount is calculated as the higher of value in use and net realisable value. Impairment is made if the recoverable amount is less than the reported value. If it is not possible to determine the recoverable amount of the individual asset, the recoverable amount of the asset’s cash-generating unit shall be determined; the cash- generating unit is the smallest identifiable group of assets that generates cash flows essentially independent of other assets. When calculating the value in use, future cash flows are discounted at an interest rate before tax that is judged to reflect the market’s assessment of the time value of money and the specific risks associated with the asset. A sensitivity analysis of the discount rate and growth assumptions is performed after each test of the need for impairment to determine whether the remaining surplus value is material.

With the exception of goodwill, a new assessment of the assets is made if there are signs that a previous impairment is no longer justified. If the impairment loss is no longer justified, in whole or in part, it is reversed in accordance with IAS 36. To assess the need for impairment, Management calculates the recoverable amount of each asset or cash-generating unit based on expected future cash flows, and using an appropriate interest rate to be able to discount these cash flows. Uncertainties lie in assumptions about future operating results and the determination of an appropriate discount rate.

Financial assets

The Group assesses the future expected credit losses that are associated to assets reported at accrued acquisition value. The Group reports a credit reserve for such expected credit losses on each reporting date. About 95% of the Group's accounts receivable are credit insured and, in the event of a credit loss, 90% of the outstanding amount is received. The Group applies the simplified approach to credit provision over the remaining term for all accounts receivable, as these items do not have a significant financing component. The Group uses forward-looking variables for expected credit losses. Expected credit losses are reported in the Group's report on comprehensive income in the item 'other external expenses'.

2.13 INVENTORY

Inventory refers to IT accessories. The inventory is valued according to the lowest value principle, i.e. at the lower of acquisition value and net sales value. When determining the acquisition value, the first-in-first-out principle is applied.

Net sales value consists of estimated sales value with a deduction for estimated sales cost. Group management calculates the net sales value of the inventory and takes into account the most reliable information available on each balance sheet date. The future sales value may be affected by future technology and other market-driven changes that may reduce future sales prices.

2.14 REMUNERATION TO EMPLOYEES

Pension obligations

The Group only has defined contribution pension plans, involving pension plans with fixed contributions to external legal entities. The defined contribution pension plans are reported as remuneration to employees when the contributions fall due for payment.

Compensation in the event of termination

Compensation in the event of termination is paid when an employee's employment is terminated before the normal retirement date, or when an employee accepts voluntary resignation from employment in exchange for such benefits. The Company reports severance pay when it is demonstrably obliged either to dismiss employees according to a detailed formal plan without the possibility of revocation, or to provide compensation in the event of termination as a result of an offer made to encourage voluntary resignation from employment.

Subscription warrants

Since 2019, the Company has had a long-term share-related incentive programme for the CEO consisting of subscription warrants (2019/2022). The Company is given the right to repurchase the subscription warrants if the CEO's employment or assignment in the Group ceases, or if the participant were to transfer subscription warrants to a third party.

At the 2020 Annual General Meeting, an offer of 379 854 subscription warrants was approved to senior executives in DistIT, Aurora, Deltaco and Septon, which was fully subscribed by all participants.

At the 2021 Annual General Meeting, it was resolved to issue a maximum of 180 000 subscription warrants. The right to subscribe for the new subscription warrants appertained to some of the DistIT Group's senior executives and key individuals. The subscription warrant programme was fully subscribed.

At an Extraordinary General Meeting on 3 September 2021, an offer of 394 686 subscription warrants aimed at key employees in EFUEL was approved. The subscription warrant programme was fully subscribed.

2.15 BUSINESS COMBINATIONS

Management uses different valuation techniques when calculating the fair value of financial instruments (in cases where there are no prices on active markets) and for non-financial assets. This includes making estimates and assumptions that are consistent with how market participants would price the instrument. Group management bases its assumptions, as far as possible, on observable data, but these are not always available. In these cases, Management uses the best information available. An estimated fair value may differ from the actual price that could be achieved in a transaction on commercial terms as of the balance sheet date.

When calculating fair values, Management uses different valuation techniques for the specific assets and liabilities acquired in a business combination. In particular, the fair value of contingent consideration arrangements depends on the outcome of several variables, including the acquired company's future profitability.

2.16 CONTINGENT LIABILITIES

A contingent liability is reported when there is a possible liability depending on whether uncertain future events will occur, or when there is an existing liability where payment is not probable or the amount cannot be estimated reliably. A provision only needs to be reported if an existing obligation has arisen as a result of a previous event, payment is probable and amounts can be reliably estimated.

2.17 FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities are valued at accrued acquisition value or at fair value through the result.

Classifications

The Group classifies its financial assets and liabilities in the category accrued acquisition value or fair value through the result. The classification depends on the purpose for which the financial asset or liability was acquired.

Financial assets at accrued acquisition value

Assets held for the purpose of collecting contractual cash flows, and where these cash flows only constitute capital amounts and interest, are valued at accrued acquisition value. The reported value of these assets is adjusted with any expected credit losses.

Interest income from these financial assets is reported using the effective interest method and is included in financial income. The Group's financial assets valued at accrued acquisition value consist of the items accounts receivable, other receivables, accrued income and liquid assets.

Assessment of doubtful accounts receivable is based on estimated future cash flows on non-credit-insured accounts receivable and credit-insured accounts receivable, respectively, where 10% of the receivable is not credit-insured.

Financial liabilities at accrued acquisition value

Financial liabilities that are classified as valued at accrued acquisition value consist of other long-term liabilities, accounts payable, and part of other short-term liabilities.

Financial liabilities at fair value through the result

Financial liabilities that are classified as fair value through the result consist of contingent consideration arrangements in connection with acquisitions.

Bond loans

The estimated fair value of the non-convertible bond is categorised as Level 2 in the fair value hierarchy. The assessment of fair value has been made on the basis of the trading that has taken place in the bond. At the closing date of the most notable transaction (17 September 2021), the estimated fair value amounted to 101.5% of nominal value. For the change for the year, see Note 40 - Principles and procedures for asset management. Accrued interest on the bond loan is reported under the heading interest in Note 34 - Accrued expenses and prepaid income.

Reporting of financial instrument

Financial instruments are reported in accordance with IFRS 9, Financial Instruments. DistIT does not apply hedge accounting, but classifies and values financial assets as follows. A financial asset or financial liability is reported in the balance sheet when the Group becomes a party in accordance with the terms of the agreement. A receivable is reported when the Group has fulfilled its obligation and the other party is liable for payment in accordance with the agreement, even if no invoice has been sent. Accounts receivable are entered in the balance sheet when the invoice is sent. Liabilities are reported when the counterparty has fulfilled its obligation and the party is liable for payment in accordance with the agreement, even if no invoice has been received. Accounts payable are reported when the invoice has been received. A financial asset is removed from the balance sheet when the rights have been realised, expire, or the Group no longer has control over them. The same applies to part of a financial asset. A financial liability is removed from the balance sheet when the obligation specified in the agreement has been paid or has otherwise ceased. The same applies to part of a financial liability. Financial assets and liabilities are offset and the net amount is entered in the balance sheet only when there is a legally enforceable right to offset the amounts, and there is an intention to settle the amounts through net payments, or realise the asset and at the same time settle the liability. Purchases and sales of financial assets are reported on the business day. The business day is the date when the Group undertakes to buy or sell the asset. Calculation of credit loss reserve is based on expected credit loss.

See also Note 20 Financial assets and liabilities.

2.18 EQUITY, RESERVES AND DIVIDENDS

Other contributed capital contains a premium fund that includes any premiums received in connection with a new issue of share capital and paid-in option premiums. Any transaction costs associated with the new issue of shares are deducted from the contributed capital, but taking into account any income tax effects.

Reserves in equity include translation reserves that contain exchange rate differences from the translation of financial reports for the Group's foreign operations to SEK. Retained earnings include all balanced profits.

2.19 CASH FLOW STATEMENT AND LIQUID ASSETS

Cash flows from operating activities are reported through the application of the indirect method, which means that the results are adjusted for transactions that did not involve incoming or outgoing payments, accrued or prepaid items relating to previous or future periods, and for any income and expenses attributable to the cash flows from investment or financing activities.

Liquid assets include cash and available balances with banks and credit institutions, as well as short-term liquid investments of up to three months.

NOTE 3 - RISK EXPOSURE AND FINANCIAL RISK MANAGEMENT

Policy for financial risk management

The overall goal for the Group's and the Parent Company's finance function is to provide cost-effective financing of the Group's operations. The overall goal for financial risk management is to minimise the risks of a negative impact on the Group's results. It follows that the Group's financial investments shall be done with a low risk profile. For major risk exposures, such as exchange rate differences, hedging shall be applied. The Group's operations are exposed to a number of risks. These include market risk, which includes currency risk, interest rate risk, and other price risks. A description of the Company's assessed risk exposure with accompanying risk management follows.

Currency risk

Currency risk relates to how the value of financial instruments varies due to changes in exchange rates. In order to manage the transactional currency risk, the Group's measures are, where necessary, to buy currency in order to minimise the short-term impact on results and at the same time create long-term room for manoeuvre.

Interest rate risk

The interest rate risk consists of the value of financial liabilities varying due to changes in market interest rates. The Group's loans carry variable interest rates. We deem that the market risks in the form of price, currency, and interest rate risk have no major impact on the operations. As an example, it can be mentioned that in the event of price and currency changes, our sales prices to the customer are changed. Price adjustments are made every day or according to agreement. An interest rate increase of 1% on Stibor would, based on the balance sheet as of 31 December 2021, entail an additional interest expenses of approximately MSEK 3.6.

Other price risks

The role of the distributor is changing, which is, in part, due to today's advanced Internet technology. The Internet can make it possible for both retailers and end customers to find and contact the manufacturer directly. The Internet can make it possible for international and European distributors to take market share from DistIT. By developing its own brand labels, the Group has strengthened its position against foreign competitors, and created added value in its offers to end customers which are difficult for others to compete with.

See also what is described under Financial risks in Risks & Risk Management on pages 70-77.

NOTE 4 - OPERATING INCOME

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Operating income is divided into the following business sectors:				
Hardware	2 520 230	2 353 907	-	-
Other	4 026	4 330	17 464	16 283
Total	**2 524 256**	**2 358 237**	**17 464**	**16 283**
Operating income is divided into the following geographical markets:				
Sweden	1 233 319	1 127 458	17 464	16 283
Finland	194 978	207 339	-	-
Denmark	501 169	479 942	-	-
Norway	247 750	251 505	-	-
Rest of Europe	347 040	291 993	-	-
Total	**2 524 256**	**2 358 237**	**17 464**	**16 283**

OPERATING INCOME AND OPERATING RESULT PER SEGMENT (MSEK)

	Aurora Deltaco	Septon	EFUEL	Sominis	Other/ Eliminations	Total
2021						
Operating income	1 908.4	352.7	65.2	202	-4.1	**2 524.2**
Depreciation	-2.7	-1.1	0	-0.5	-17.9	**-22.2**
Operating result	95.1	9.1	-6.4	7.2	-28.5	**76.5**
Interest income	3.9	2.1	0	0	8.4	**14.4**
Interest expense	-7.8	-4.4	-0.2	-0.5	-19	**-31.9**
Tax cost	-6.3	-1.6	0.7	-1.0	1.0	**-7.2**
Assets	1 128.7	226.1	54.6	31.1	309.7	**1 750.2**
Liabilities	874.2	182.8	53.4	15.0	-443.3	**682.1**
2020						
Operating income	1 879.8	296.7	-	182.5	-0.8	**2 358.2**
Depreciation	-9.4	-1.0	-	-0.7	-15.4	**-26.5**
Operating result	92.7	8.5	-	9.3	-23.1	**87.4**
Interest income	0.3	-1.3	-	0.0	4.5	**3.5**
Interest expense	-6.9	-1.9	-	-0.3	-12.9	**-22.0**
Tax cost	-5.0	-0.7	-	-1.5	-3.7	**-10.9**
Assets	943.1	212.4	-	25.6	-28.3	**1 152.8**
Liabilities	708.3	172.3	-	12.3	-182.3	**710,.6**

In 2019, an organisational merger of the companies Aurora and Deltaco was carried out. From 2021, these companies are reported as a merged segment. In 2021, a new segment was added with the acquisition of EFUEL.

No individual customer has a net revenue amounting to 10% of total net sales for the years 2021 or 2020. The Group's fixed assets (in addition to deferred tax receivables) are divided into the following geographical areas:

FIXED ASSETS

	GROUP	
	2021	2020
Sweden	387 603	59 514
Denmark	60 551	60 625
Norway	13 954	10 505
Rest of Europe	17 720	17 091
Total	**479 828**	**147 735**

NOTE 5 - OTHER OPERATING INCOME

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Exchange rate difference	1 538	- 3 735	-	-
Government support for Covid-19	-	5 516	-	-
Other	2 488	2 549	54	-
Total	**4 026**	**4 330**	**54**	**-**

NOTE 6 - EARNINGS PER SHARE

	GROUP	
	2021	2020
Average number of shares used in calculating earnings per share	12 816 630	12 281 961
Average number of shares at the end of the period	12 816 630	12 281 961
Number of dilution warrants	230 020	-
Average number of shares after dilution	**13 046 650**	**12 281 961**

NOTE 7 - REMUNERATION TO THE AUDITOR

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Expensed remuneration amounts to:				
Grant Thornton Sweden AB - audit assignments	2 560	2 937	427	723
- auditing activities in addition to auditing assignments	410	459	291	341
- tax advice	182	470	-	398
- other services	362	192	230	30
Other auditing companies				
- audit assignments	65	60	-	-
- auditing activities in addition to auditing assignments	-	-	-	-
- tax advice	-	-	-	-
- other services	29	29	-	-
Total	**3 608**	**4 147**	**948**	**1 492**

Audit assignments refer to an audit of the financial reports and accounts, as well as the administration of the Board of Directors and the CEO, and other tasks that it is the responsibility of the Company's auditors to perform. Auditing activities in addition to the audit assignment mainly relate to a review of interim financial statements. Tax advice includes advice on income taxation and VAT. Other services are advice that is not attributable to any of the above categories of services.

NOTE 8 - LEASE AGREEMENTS

All lease agreements are noncancellable agreements with a term of 1-5 years from the beginning of the lease period.

Future minimum lease fees are as follows:

GROUP	Within 1 year	1-5 years	After 5 years	Total
31 December 2021	16 588	20 125	-	36 713
31 December 2020	15 119	17 435	-	32 554
PARENT COMPANY				
31 December 2021	183	564	-	747
31 December 2020	223	122	-	345

Leasing costs during the reporting period amounted to TSEK 118 (54).

NOTE 9 - SALARIES AND REMUNERATION TO EMPLOYEES

	2021		2020	
AVERAGE NUMBER OF EMPLOYEES	Average number of employees	Of which are women	Average number of employees	Of which are women
Parent Company:				
Sweden	2	-	2	–
Total, Parent Company	**2**	**-**	**2**	**–**
Subsidiaries:				
Sweden	125	36	112	29
Finland	14	2	13	1
Denmark	63	13	67	14
Norway	29	6	29	6
Lithuania	28	15	28	12
Total, Subsidiaries	**259**	**72**	**249**	**62**
Group total	**261**	**72**	**251**	**62**

SALARIES AND OTHER REMUNERATION PER COUNTRY AND FOR BOARD MEMBERS, CEOS, OTHER SENIOR EXECUTIVES AND OTHER EMPLOYEES

	2021		2020	
	Board of Directors, CEO & other senior executives	Other employees	Board of Directors, CEO & other senior executives	Other employees
Parent Company:				
Sweden	8 054	-	6 906	-
Total	**8 054**	**-**	**6 906**	**-**
Subsidiaries:				
Sweden	10 760	69 651	7 294	60 422
Finland	-	10 398	–	10 136
Denmark	5 439	52 265	2 198	54 663
Norway	-	20 037	–	22 121
Lithuania	-	14 340	–	11 161
Total, Subsidiaries	**16 199**	**166 691**	**9 492**	**158 503**
Group total	**24 253**	**166 691**	**16 398**	**158 503**

	2021			2020		
	Salaries and other remuneration	Social security costs	Social security costs	Salaries and other remuneration	Social security costs	Social security costs
Parent Company	6 963	2 728	1 090	6 005	2 134	901
Subsidiaries	168 403	28 055	14 487	153 380	22 912	14 614
	175 366	**30 783**	**15 577**	**159 385**	**25 046**	**15 515**

The Company has no outstanding pension obligations.

Remuneration to senior executives

Remuneration to the CEO consists of basic salary, other benefits, and a pension. In negotiations regarding the CEO's employment contract, variable remuneration was replaced in 2019 with the option of signing a three-year incentive programme, resolved by the General Meeting in February. According to the agreement, the option premium shall be settled as remuneration to the CEO during the three years that the programme extends (2019-2021). To enable the subscription, the CEO received a net remuneration which corresponded to the option premium in 2019. Taxation is done, however, when the remuneration is received, and remuneration paid amounted to TSEK 3 066. The amount has been distributed and expensed in accordance with earnings during the option's term, 2019-2021, with SEK 1 022 000 annually (49% of fixed salary).

At the 2020 Annual General Meeting, an offer of 379 854 subscription warrants was approved to senior executives in DistIT, Aurora, Deltaco and Septon. Of these, 70 077 were subscribed by the Company's CEO. The subscription warrants have an exercise price of SEK 50 per share.

The 2021 Annual General Meeting resolved, with a deviation from the shareholders' preferential rights, to issue a maximum of 180 000 subscription warrants, with the accompanying right to subscribe for a maximum of 180 000 new shares in DistIT AB at a subscription price of SEK 133.43 per share. The right to subscribe for the new subscription warrants appertained to some of the DistIT Group's senior executives and key individuals. Following a decision at an Extraordinary General Meeting of DistIT AB on 3 September 2021, a total of 394 686 subscription warrants were subscribed for, aimed at key employees in EFUEL. The subscription price per share is SEK 190.53.

Remuneration to other senior executives consists of basic salary, other benefits, and pension. In 2020, subscription warrants were offered, which were fully subscribed by all participants. Senior executives refer to people who, together with the CEO, make up the company managements in the various companies. The Board of Directors has assessed that the incentive programme is favourable for the Company and contributes to long-term value creation of the business over time. Pension benefits and other benefits to the CEO and other senior executives are paid as part of the total remuneration.

Remuneration and other benefits to senior executives

Year 2021	Basic salary /board fee	Pension	Variable remuneration	Other remuneration	Total
Stefan Charette, Chair of the Board	375	-	-	-	375
Jonas Mårtensson, Board member	175	-	-	-	175
Charlotte Hansson, Board member	175	-	-	-	175
Anders Bladh, Board member	175	-	-	-	175
Mikael Nilsson, Board member	131	-	-	-	131
CEO	2 655	648	1 022	96	4 421
Other senior executives	14 130	2 452	1 907	311	18 800
Total	**17 816**	**3 100**	**2 929**	**407**	**24 252**

Year 2020	Basic salary /board fee	Pension	Variable remuneration	Other remuneration	Total
Stefan Charette, Chair of the Board	375	-	-	-	375
Jonas Mårtensson, Board member	175	-	-	-	175
Charlotte Hansson, Board member	175	-	-	-	175
Anders Bladh, Board member	175	-	-	-	175
CEO	2 295	554	1 022	68	3 939
Other senior executives	8 549	1 669	1 201	139	11 558
Total	**11 744**	**2 223**	**2 223**	**207**	**16 397**

Severance pay

There is no severance pay or the like for the Board of Directors, CEO or other executives. For the CEO, a notice period of six months applies. In the event of termination by DistIT AB, a notice period of 12 months applies.

GENDER DISTRIBUTION IN THE BOARD OF DIRECTORS AND COMPANY MANAGEMENT

	GROUP		PARENT COMPANY	
	2021	**2020**	**2021**	**2020**
Number of board members	5	4	5	4
Of which are women	1	1	1	1
Other senior executives incl. CEO	12	10	2	2
Of which are women	-	–	-	–

NOTE 10 - OTHER OPERATING EXPENSES

	GROUP		PARENT COMPANY	
	2021	**2020**	**2021**	**2020**
Exchange rate gains/losses	-14 858	3 397	-	-

NOTE 11 - RESULT FROM INTERESTS IN GROUP COMPANIES

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Dividend	-	–	3 127	2 222
Variable contingent consideration	-	–	-	–
Realisation result on sales	-	–	-	–
Total	**-**	**–**	**3 127**	**2 222**

NOTE 12 - OTHER INTEREST INCOME AND SIMILAR ITEMS

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Interest income from Group companies	-	–	6 707	7 754
Interest income from other companies	3 120	4 557	2 898	4 789
Exchange rate gains	11 251	-1 082	5 457	615
Total	**14 371**	**3 475**	**15 062**	**13 158**

NOTE 13 - INTEREST EXPENSES AND SIMILAR ITEMS

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Interest expenses to other companies	-17 751	-16 337	-14 237	-14 565
Interest expenses, acquisitions	-2 165	-	-	-
Other financial expenses	-3 486	-	-3 454	-
Exchange rate losses	-8 518	-5 693	-4 993	-1 327
Total	**-31 920**	**-22 030**	**-22 684**	**-15 892**

NOTE 14 - YEAR-END APPROPRIATIONS

	PARENT COMPANY	
	2021	2020
Group contributions received	48 078	34 700
Total	**48 078**	**34 700**

NOTE 15 - TAX ON THE RESULT FOR THE YEAR

The main components of the tax cost for the financial year, and the ratio between the expected tax cost based on the Swedish effective tax rate for DistIT of 20.6 % (21.4%) and the reported tax cost in the result, are as follows:

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Result before tax	58 905	68 889	35 381	25 826
Tax acc. to applicable tax rate, 20.6% (21.4%)	-12 134	-14 742	-7 288	-5 527
Effect of changed tax rate	-	–	-	–
Adjustment of previous years' tax	-25	12	-	–
Adjustment for differences in tax rate abroad	657	923	-	–
Tax-free income	35	801	644	476
Non-deductible expenses	-2 674	-2 156	-352	-239
Utilised deficit	-	4 637	-	1 585
Tax deficits for which no deferred tax receivables have been reported	-545	-379	-103	–
Reported tax in the income statement	**-14 686**	**- 10 904**	**-7 099**	**-3 705**

The tax cost consists of the following components:

Current tax				
On this year's result	-12 866	-9 751	-3 322	–
Deferred tax cost/income				
Utilised tax deficit deductions	-3 777	-3 705	-3 777	-3 705
Change in temporary differences	1 957	2 552	-	–
Reported tax in the income statement	**-14 686**	**- 10 904**	**-7 099**	**-3 705**
The average effective tax rate is	**25%**	**16%**	**20%**	**14%**

There are no time limits with regard tax deficit deductions.

The remaining tax deficit deduction amounts to MSEK 2.7.

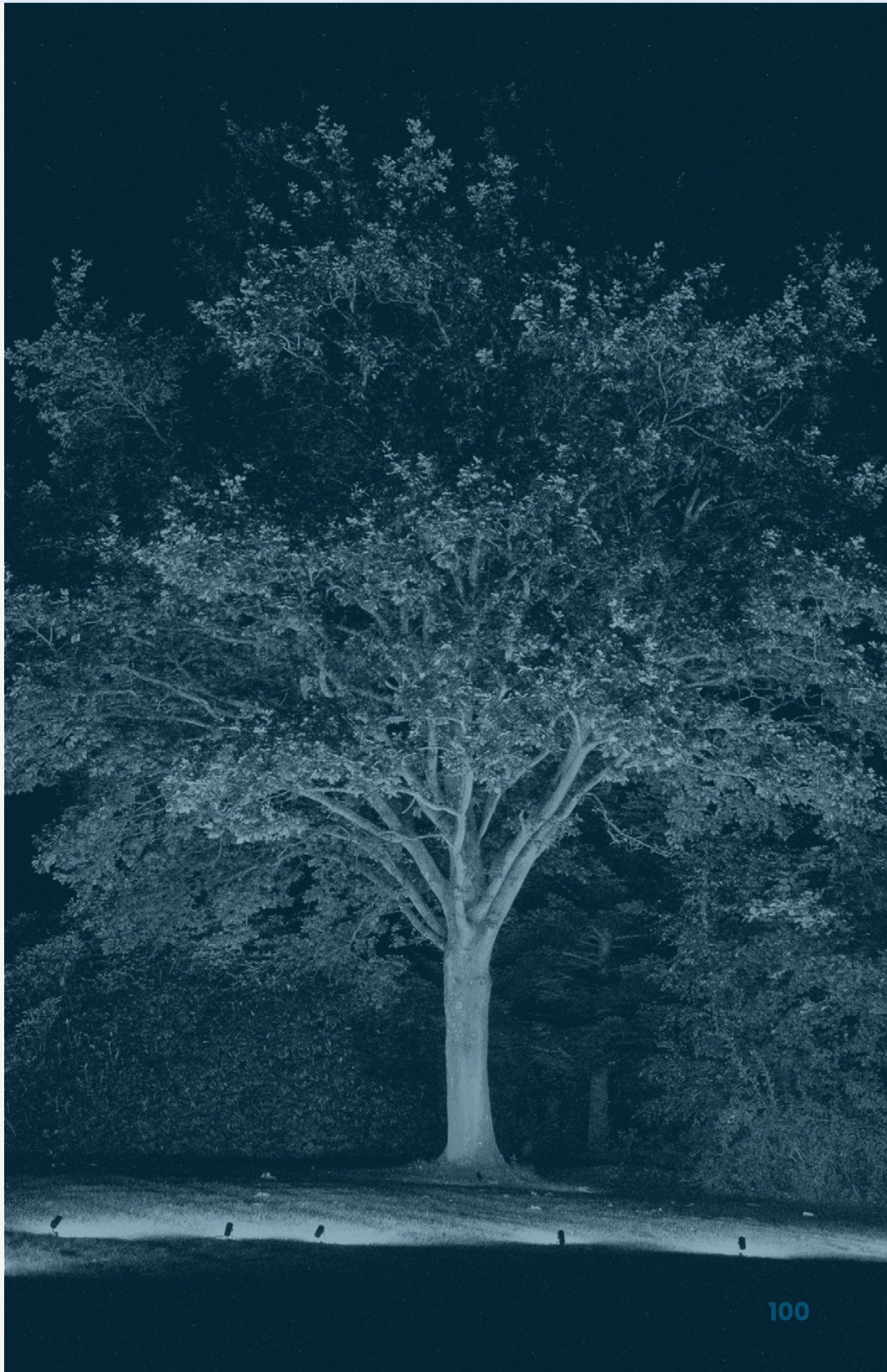
NOTE 16 - GOODWILL

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Opening acquisition value	89 542	89 822	-	–
Acquisitions for the year	283 436	2 090	-	–
Exchange rate differences	1 399	-2 370	-	–
Closing reported value	**374 377**	**89 542**	**-**	**–**

Goodwill and intangible assets are tested for impairment each year. The discount rate used on 31 December 2021, based on the Group's WACC (Weighted Average Cost of Capital) amounts to 8.8 - 13.3% (9.4 - 10.3%). The discount rate is calculated taking into account borrowing costs and cost of equity, including risk assessment based on current WACC definitions. Assumptions are based on previous experience and external sources of information. Calculation of the recoverable amount is made based on the forecast cash flow over the next five years, with an assumption of an EBITDA margin for each cash-generating unit. The basis for the companies' respective growth is the strategic business plans for each company, which are based on the expected organic growth of current operations and do not include possible additional acquisitions. The financial forecasts, which are the basis for the goodwill calculations, have been made with regard to Covid-19. This is expected to have varying implications for different segments, and company managements see a continued impact on the global logistics situation and that demand for different product segments will shift in the future. Overall, company managements view a positive return to normalised societies without restrictions on store visits and events. In the testing, the current margin of each cash-generating unit has been used as a basis, and the prevailing business climate has been taken into account. The assumed perpetual growth rate after the forecast period has been calculated at 2% (0%) and is attributable to sales. The sensitivity analyses have been carried out on a reduction in the EBITDA margin and an increase in the discount rate. The sensitivity analysis shows that a reduction in the EBITDA margin by 2% units and an increase in the discount rate by 2% units does not entail any need for impairment.

Goodwill is divided into the following cash-generating units; Aurora TSEK 28 718, Deltaco TSEK 10 299, Septon TSEK 45 967, Sominis TSEK 5 957, and EFUEL TSEK 283 436.

	Discount rate	Revenue growth	EBITDA margin
Aurora	9.3% (9.4)	5.0%	4.6 - 5.1%
Deltaco	8.8% (9.4)	9.0%	4.6 - 5.1%
Septon	8.8% (9.4)	6.0%	3.0 - 6.2%
Sominis	9.5% (10.3)	5.0%	1.0 - 3.4%
EFUEL	13.3% (-)	50.0%	9.3 - 13.6%



NOTE 17 - OTHER INTANGIBLE FIXED ASSETS

	GROUP					PARENT COMPANY	
	Software	Customer relations	Trademarks	Licences	Total	Software	Total
Opening acquisition value 2021 01 01	85 975	1 158	-	54	87 187	2 150	2 150
Acquisitions for the year	7 947	-	1 665	1 611	11 223	-	-
Acquired acquisition values	635	34 696	-	-	35 331	-	-
Sales and disposals	-	-	-	-	-	-	-
Exchange rate differences	3 811	-	-	-42	3 769	-	-
Closing accumulated acquisition value	**98 368**	**35 854**	**1 665**	**1 623**	**137 510**	**2 150**	**2 150**
Opening depreciations 2021 01 01	-37 741	-491	-	-7	-38 239	-1 075	-1 075
Depreciations for the year	-1 932	-2 916	-124	-3	-4 975	-717	-717
Sales and disposals	-	-	-	-	-	-	-
Exchange rate differences	-3 516	-	-	13	-3 503	-	-
Closing accumulated depreciations	**-43 189**	**-3 407**	**-124**	**3**	**-46 717**	**-1 792**	**-1 792**
Opening impairments 2021 01 01	-30 194	-	-	-	-30 194	-	-
Impairments for the year	-	-	-	-	-	-	-
Closing accumulated impairments	**-30 194**	**-**	**-**	**-**	**-30 194**	**-**	**-**
Closing reported value	**24 985**	**32 447**	**1 541**	**1 626**	**60 599**	**358**	**358**

	GROUP					PARENT COMPANY	
	Software	Customer relations	Trademarks	Licences	Total	Software	Total
Opening acquisition value 2020 01 01	88 161	1 158	-	-	89 319	2 150	2 150
Acquisitions for the year	3 282	-	-	351	3 633	-	-
Acquired acquisition values	-	-	-	-	-	-	-
Sales and disposals	-	-	-	-	-	-	-
Exchange rate differences	-5 751	-	-	-14	-5 765	-	-
Closing accumulated acquisition value	**85 692**	**1 158**	**-**	**337**	**87 187**	**2 150**	**2 150**
Opening depreciation 2020 01 01	-34 273	-463	-	-	-34 736	-358	-358
Depreciation for the year	-8 351	-28	-	-158	-8 537	-717	-717
Sales and disposals	-	-	-	-	-	-	-
Exchange rate differences	5 165	-	-	-131	5 034	-	-
Closing accumulated depreciation	**-37 459**	**-491**	**-**	**-289**	**-38 239**	**-1 075**	**-1 075**
Opening impairment 2020 01 01	-30 194	-	-	-	-30 194	-	-
Impairment for the year	-	-	-	-	-	-	-
Closing accumulated impairment	**-30 194**	**-**	**-**	**-**	**-30 194**	**-**	**-**
Closing reported value	**18 039**	**667**	**-**	**48**	**18 754**	**1 075**	**1 075**

The impairment is attributable to SweDeltaco's business system, ERP Microsoft Dynamics AX.

NOTE 18 - BUILDINGS AND LAND

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Opening acquisition value	2 404	2 156	-	-
Acquisitions for the year	-	133	-	-
Sales and disposals	-	-	-	-
Reclassifications	-	200	-	-
Exchange rate differences	45	-85	-	-
Closing accumulated acquisition value	2 449	2 404	-	-
Opening depreciation	-1 513	-1 220	-	-
Depreciation for the year	-312	-323	-	-
Sales and disposals	-	-	-	-
Reclassifications	-	-27	-	-
Exchange rate differences	-32	57	-	-
Closing accumulated depreciation	-1 857	-1 513	-	-
Closing reported value	592	891	-	-

NOTE 19 - EQUIPMENT

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Opening acquisition value	26 150	24 937	-	29
Acquisitions for the year	1 720	2 275	-	–
Increase through business combinations	16	–	-	–
Sales and disposals	-6 745	-361	-	-29
Reclassifications	-	-430	-	–
Exchange rate differences	211	-271	-	–
Closing accumulated acquisition value	21 352	26 150	-	-
Opening depreciation	-21 365	-19 708	-	-29
Depreciation for the year	-1 974	-2 242	-	–
Sales and disposals	6 739	165	-	29
Reclassifications	21	170	-	–
Exchange rate differences	-155	251	-	–
Closing accumulated depreciation	-16 734	-21 364	-	-
Closing reported value	4 618	4 786	-	-

NOTE 20 - RIGHTS OF USE ASSETS AND LEASE LIABILITIES

Lessee

The Group leases assets such as premises and vehicles. Some of the leases include extension options, and management uses material estimates in the determination of whether these extension options, with reasonable certainty, will be utilised. Extension options that, with reasonable certainty, will be utilised are included in the leasing period. Leasing agreements where agreements have been entered into but the leasing period has not started amount to TSEK 2 307 (-). The Group's residual value guarantees amount to TSEK 3 387 (4 022).

Leasing of premises

The Group leases premises for warehouses and offices. The lease agreements normally have a term of between one and five years. Some lease agreements include variable lease fees, such as property tax. There are commitments for variable lease fees going forward, which follow the lease period of the lease agreements.

Leasing of vehicles

The Group leases vehicles with an average lease period of three years.

Amounts reported in the Report on results and other comprehensive income

	2021	2020
Lease fees	16 539	16 077
Depreciation of rights of use assets	-14 986	-15 367
Interest on lease liabilities	-775	-1 076
Total	**778**	**-366**

	GROUP	
	2021	**2020**
Opening acquisition value	51 619	55 332
Acquisitions for the year	25 835	9 249
Termination and disposals	-16 115	-12 895
Exchange rate differences	28	-67
Closing accumulated acquisition value	61 367	51 619
Opening depreciation	-19 778	-13 933
Depreciation for the year	-14 986	-15 367
Termination and disposals	10 186	9 485
Exchange rate differences	-11	37
Closing accumulated depreciation	-24 589	-19 778
Closing reported value	36 778	31 841

Rights of use assets	2021			2020		
	Premises	Vehicles	Total	Premises	Vehicles	Total
Depreciation during the year	9 322	5 664	14 986	9 814	5 553	15 367
Closing balance	24 742	12 036	36 778	18 987	12 854	31 841

Reported lease liability	2021			2020		
	Premises	Vehicles	Total	Premises	Vehicles	Total
Short-term	10 433	6 154	16 587	8 344	6 775	15 119
Long-term 1-5 years	14 418	5 740	20 158	11 231	6 204	17 435

The total cash outflow for lease agreements amounts to TSEK 16 539 (16 147). Undiscounted lease agreements for rents are available to a value of TSEK 1 824 (3 242), of which TSEK 608 (1 417) falls due within one year and TSEK 1 216 (1 824) within two to three years.

NOTE 21 - FINANCIAL ASSETS AND LIABILITIES

2021-12-31 Financial assets	Accrued acquisition value	Fair value via the result	Total
Other short-term financial assets	28 363	-	28 363
Loan receivables and accounts receivable	504 250	-	504 250
Liquid assets	35 642	-	35 642
Total	**568 255**	**-**	**568 255**

2021-12-31 Financial liabilities	Accrued acquisition value	Fair value via the result	Total
Long-term borrowing	300 000	-	300 000
Contingent consideration arrangement	-	133 252	133 252
Short-term borrowing	79 620	-	79 620
Accounts payable and other liabilities	431 242	-	431 242
Total	**810 862**	**133 252**	**944 114**

2020-12-31 Financial assets	Accrued acquisition value	Fair value via the result	Total
Other short-term financial assets	2 159	–	2 159
Loan receivables and accounts receivable	460 203	–	460 203
Liquid assets	53 748	–	53 748
Total	**516 110**	**-**	**516 110**

2020-12-31 Financial liabilities	Accrued acquisition value	Fair value via the result	Total
Long-term borrowing	165 595	–	165 595
Short-term borrowing	15 060	–	15 060
Accounts payable and other liabilities	337 164	–	337 164
Total	**517 819**	**-**	**517 819**

As of 31 December 2021, the Group's financial liabilities had agreed maturities as follows:

	Short-term within 6 months	1-2 years	Long-term 3-5 years	Total
Bond loans	–	-	300 000	300 000
Short-term borrowing	79 620	–	–	79 620
Accounts payable	431 242	–	–	431 242
Total	**510 862**	**-**	**300 000**	**810 862**

NOTE 22 - INTERESTS IN GROUP COMPANIES

The Parent Company has direct holdings in the following subsidiaries:

Name/Registered office	Corp. ID No.	No. of shares	Percentage %	Reported value 2021	2020
SweDeltaco AB, Älvsjö	556509-3951	1 000	100	121 862	121 862
Aurora Group Holding A/S, Ballerup	3527252	100 000	100	58 689	58 689
Septon Holding AB, Billdal	559091-9345	100 000	100	17 800	13 300
UAB Sominis Technology, Vilnius	302488708	100	100	24 729	12 269
DistIT Services AB, Älvsjö	556161-5864	2 970	100	500	500
Electric Fuel Infrastructure Sweden 2, Stockholm	559234-8733	500	100	330 358	-

The Parent Company has indirect holdings in the following subsidiaries:

Name/Registered office	Corp. ID No.	No. of shares	Percentage %	Owned by subsidiaries
Aurora Group Danmark A/S, Ballerup	56827013	5 000	100	Aurora Group Holding A/S
Aurora Group Finland OY, Espoo	0536309-7	510	100	Aurora Group Danmark A/S
Aurora Group Norge AS, Stjørdal	945585781	401	100	Aurora Group Danmark A/S
Aurora Group Sverige AB, Älvsjö	556494-5961	1 000	100	Aurora Group Danmark A/S
DanDeltaco A/S, Ballerup	21729183	5 000	100	SweDeltaco AB
FinDeltaco OY, Tampere	10276131	1 000	100	SweDeltaco AB
LiteNordic AB, Billdal	556774-9923	1 000	85	Septon Holding AB
LiteNordic Aps, Risskov	39681668	50	100	LiteNordic AB
LiteNordic AS, Oslo	920958311	1 000	100	LiteNordic AB
LydRommet AS, Oslo	943864861	45 000	100	Septon Electronic AB
Septon Group A/S, Risskov	30485912	2 231 554	100	Septon Electronic AB
NorDeltaco AS, Lierskogen	997204948	100	100	SweDeltaco AB
Septon Electronic AB, Billdal	556321-3833	5 000	100	Septon Holding AB
Septon Norge Holding AS, Oslo	920966691	20 000	100	Septon Electronic AB
Tight Led Scandinavia AB, Billdal	559198-6517	500	60	LiteNordic AB
UAB Deltaco Baltic, Kaunas	300543045	100	100	SweDeltaco AB
Winther Wireless AB, Åkersberga	556805-3341	3 500	100	SweDeltaco AB

Change during the year:

	PARENT COMPANY	
	2021	2020
Opening acquisition value	429 883	429 383
Acquisitions for the year	347 318	500
Sales and disposals	-	-
Closing accumulated acquisition value	**777 201**	**429 883**
Opening impairments	-223 263	-223 263
Closing accumulated impairments	**-223 263**	**-223 263**
Closing reported value	**553 938**	**206 620**

The DistIT Group includes the following subsidiaries with non-controlling interests:

	Percentage held by non-controlling interests		Comprehensive income attributable to non-controlling interests		Accumulated non-controlling interests	
Name	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Septon Holding AB*)	0%	15%	-755	-436	2 660	7 211
UAB Sominis Technology	0%	20%	-	1 511	-	2 657
Winther Wireless	0%	20%	-	788	-	2 721
			-755	**1 863**	**2 660**	**12 589**

*) As of 31 December 2021, Septon Holding AB included 15% non-controlling interest in the subsidiary LiteNordic AB, and 40% non-controlling interest in LiteNordic AB's subsidiary Tight Led Scandinavia AB. For the previous year, as of 31 December 2020, 10% non-controlling interest in the subsidiary Septon Electronic AB's subsidiary Septon Norge Holding AB and 15% in Septon Holding AB was also included.

During the year, TSEK 0 (561) was paid out to the non-controlling interest in UAB Sominis Technology.

Financial information on subsidiaries with non-controlling interests:

	Septon Holding AB	
	2021	2020
Fixed assets	50 996	49 067
Current assets	175 097	163 305
Total assets	**226 093**	**212 372**
Long-term liabilities	1 733	2 200
Short-term liabilities	178 431	168 243
Total liabilities	**180 164**	**170 443**
Equity attributable to the Parent Company's owners	45 174	34 718
Non-controlling interests	755	7 211

	Septon Holding AB	
	2021	2020
Income	352 726	296 693
Result for the year attributable to the Parent Company's owners	1 945	-1 135
Result for the year attributable to non-controlling interests	754	-436
Result for the year	**2 699**	**-1 571**
Net cash flow from operating activities	**-9 672**	**25 015**

NOTE 23 - DEFERRED TAX RECEIVABLES AND LIABILITIES

	GROUP		PARENT COMPANY	
Deferred taxes arising from temporary differences and unused deficit deductions are as follows:	**2021**	**2020**	**2021**	**2020**
Untaxed reserves	-9 106	-11 406	-	–
Tax deficit deductions	-	18 336	-	18 336
Acquisition-related intangible assets	-33 654	-	-	-
Other temporary differences	-9 155	-13 143	-	–
	-51 915	**-6 213**	**-**	**18 336**
Deferred tax receivable	1 359	4 399	-	3 777
Deferred tax liability	12 187	5 863	-	–

NOTE 24 - OTHER LONG-TERM RECEIVABLES

	GROUP		PARENT COMPANY	
	2021	**2020**	**2021**	**2020**
Opening accumulated acquisition values	1 921	1 897	-	–
New receivables	943	24	-	–
Reported value	**2 864**	**1 921**	**-**	**-**

NOTE 25 - INVENTORY ETC.

	GROUP		PARENT COMPANY	
	2021	**2020**	**2021**	**2020**
Merchandise	625 084	406 233	-	–

The inventory value includes an impairment for obsolescence of TSEK 12 681 (13 662).

NOTE 26 - ACCOUNTS RECEIVABLE

	GROUP		PARENT COMPANY	
	2021	**2020**	**2021**	**2020**
Receivables				
Not overdue receivables	475 533	445 022	-	–
Overdue 1-30	19 843	12 651	-	–
Overdue 31-60	5 385	49	-	–
Overdue 61-90	731	749	-	–
Overdue › 90	1 882	760	-	–
	503 374	**459 231**	**-**	**–**

All accounts receivable that are not overdue or impaired have a high credit quality. Approximately 95% of accounts receivable are credit insured via Atradius. In the event of a credit loss, 90% of the outstanding amount is received. All amounts are current. The net reported value of accounts receivable is considered a reasonable approximation of fair value. All of the Group's accounts receivable and other receivables reported during the comparison period have been examined for an indication of impairment. The impaired accounts receivable are primarily attributable to customers with financial difficulties. The Group applies the simplified method in IFRS 9 for reporting of the expected credit losses over the remaining term for all accounts receivable, as these items do not have a significant financing component. When assessing the expected credit losses, accounts receivable have been assessed individually. Accounts receivable are written off in full when there is no reasonable expectation that payment will be received. Based on the above, the expected credit loss for accounts receivable as of 31 December 2021 and 1 January 2021 amounts to the following:

	GROUP		PARENT COMPANY	
	2021	**2020**	**2021**	**2020**
Reserve doubtful accounts receivable				
Not overdue receivables	-	–	-	–
Overdue 1-30	-1 139	-28	-	–
Overdue 31-60	-4	-150	-	–
Overdue 61-90	-18	-92	-	–
Overdue › 90	-827	-679	-	–
	-1 988	**-949**	**-**	**–**
Reported value	**501 386**	**458 282**	**-**	**–**

NOTE 27 - OTHER RECEIVABLES

	GROUP		PARENT COMPANY	
	2021	**2020**	**2021**	**2020**
VAT	5 121	3 270	-	–
Claim, supplier	28 462	21 336	-	–
Other receivables	3 167	745	59	12
Reported value	**36 750**	**25 351**	**59**	**12**

NOTE 28 - PREPAID EXPENSES AND ACCRUED INCOME

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Prepaid insurance	1 432	903	280	233
Prepaid rents	1 620	1 155	-	–
Sign-on fee, customer contract	-	1 022	-	–
Prepaid bond loan fees	3 750	992	3 750	992
Other prepaid expenses	9 380	8 125	818	1 723
Accrued income	2 198	799	-	–
Reported value	**18 380**	**12 996**	**4 848**	**2 948**

Other prepaid expenses include items such as costs for deliveries of goods and IT services.

NOTE 29 - EQUITY

Share capital

The share capital in the Parent Company consists only of fully paid ordinary shares with a nominal value of TSEK 2. All shares have the same right to dividends and the repayment of invested capital and the corresponding one vote at the Parent Company's Annual General Meeting.

	PARENT COMPANY	
Subscribed and paid shares:	2021	2020
At the beginning of the year	12 281 961	12 281 961
New issue	1 626 286	-
Subscribed and paid shares	13 908 247	12 281 961
Total resolved at the end of the year	**13 908 247**	**12 281 961**

Other contributed capital

Amounts received for issued shares in excess of nominal value during the year (premium) are included in the item 'Other contributed capital', after deductions for registration and other similar fees, and after deductions for attributable tax benefits. The item 'Other contributed capital' also includes premiums paid for subscription warrants.

Reserves

Other parts of equity are as follows:

	Currency reserve	Development expenditure fund	Total
Balance as of 1 January 2020	2 310	1 792	4 102
Exchange rate differences, foreign operations	-11 134	-	-11 134
Reversal of the development fund	-	-717	-717
Balance as of 31 December 2020	-8 824	1 075	-7 749
Balance as of 1 January 2021	-8 824	1 075	-7 749
Exchange rate differences, foreign operations	5 441	-	5 441
Provision for the development fund	-	3 663	3 663
Reversal of the development fund	-	-778	-778
Balance as of 31 December 2021	-3 383	3 960	577

NOTE 30 - PROVISIONS

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Opening provisions	1 000	-	-	-
New provisions	133 252	1 000	140 000	-
Payment	-692	-	-	-
Reclassification	-308	-	-	-
Reported value	**133 252**	**1 000**	**140 000**	**-**

The obligation in its entirety in 2021 refers to a contingent consideration arrangement with a planned outflow in 2023.

NOTE 31 - BOND LOANS

On 19 May 2021, DistIT AB issued a new four-year senior, unsecured bond loan of MSEK 300, within a framework of MSEK 800, with ISIN SE0015949359. The bond loan has a variable interest rate of three months Stibor plus 450bps. The bonds were registered for trading on Nasdaq Stockholm on 17 June 2021. The loan is reported net of MSEK 300.0 in the balance sheet. The bond loan matures on 19 May 2025, and is therefore classified as long-term. In conjunction with the issue of the new bonds, DistIT AB called for early redemption of the Company's outstanding senior unsecured bonds 2018/2022 with ISIN SE0011166842 with a maximum framework amount of MSEK 500, of which MSEK 240 was issued at the time and MSEK 74.4 was owned by DistIT AB. MSEK 100 of the bonds were redeemed at a price of SEK 100.75, and the remaining bonds, at a nominal value of MSEK 66, were redeemed irrevocably on the redemption date, 4 June 2021, at a price corresponding to 100.50 per cent of the outstanding nominal amount (SEK 1 005 000 per bond), together with accrued but unpaid interest, in accordance with the terms of the bonds.

Bond loans	**2021**	**2020**
Opening liability	165 595	183 610
Bond loan 2018/2022	-165 595	-18 015
Bond loan 2021/2024	300 000	-
Total change	134 405	-18 015
Closing liability	**300 000**	**165 595**

NOTE 32 - LIABILITIES TO CREDIT INSTITUTIONS

	GROUP		**PARENT COMPANY**	
	2021	**2020**	**2021**	**2020**
Granted limit, overdraft facility amounts to	173 989	99 794	139 300	89 300

The DistIT Group has a so-called cash pool with credit facilities of MSEK 139.3 (89.3), of which MSEK 61.1 (14.6) was utilised as of the last day of December 2021. In addition, the Group has assets of MSEK 34.7 (10.5) in other bank credits, of which MSEK 18.5 (0.5) was utilised as of the last day of December 2021.

NOTE 33 - OTHER LIABILITIES

	GROUP		**PARENT COMPANY**	
	2021	**2020**	**2021**	**2020**
VAT	58 431	56 369	141	69
Personnel-related liabilities	24 507	25 968	372	293
Other	4 304	3 259	-	–
Reported value	**87 242**	**85 596**	**513**	**362**

Personnel-related liabilities include items such as social security contributions and holiday pay liability.

NOTE 34 - ACCRUED EXPENSES AND PREPARED INCOME

	GROUP		**PARENT COMPANY**	
	2021	**2020**	**2021**	**2020**
Accrued personnel costs	25 172	22 247	2 632	1 642
Prepaid income	391	–	-	–
Accrued customer bonus	11 450	8 902	-	–
Accrued supplier invoices	7 083	1 797	-	–
Accrued interest	1 575	1 150	1 575	1 150
Accrued auditing fees	2 380	1 527	1 237	524
Other items	9 148	10 212	-	7
Reported value	**57 199**	**45 835**	**5 444**	**3 323**

NOTE 35 - PLEDGED COLLATERAL AND CONTINGENT LIABILITIES

	GROUP		**PARENT COMPANY**	
	2021	**2020**	**2021**	**2020**
Business mortgages	77 100	75 600	5 000	5 000
Shares in subsidiaries	266 993	244 800	174 683	174 683
Pledged assets	20 807	17 611	-	–
Other guarantees	20 791	21 194	-	–

NOTE 36 - TRANSACTIONS WITH GROUP COMPANIES

	PARENT COMPANY	
	2021	**2020**
Sales to Group companies	17 464	16 283
Interest income from Group companies	6 707	7 754
Receivables from Group companies	449 322	319 741

NOTE 37 - ADDITIONAL INFORMATION, CASH FLOW STATEMENT

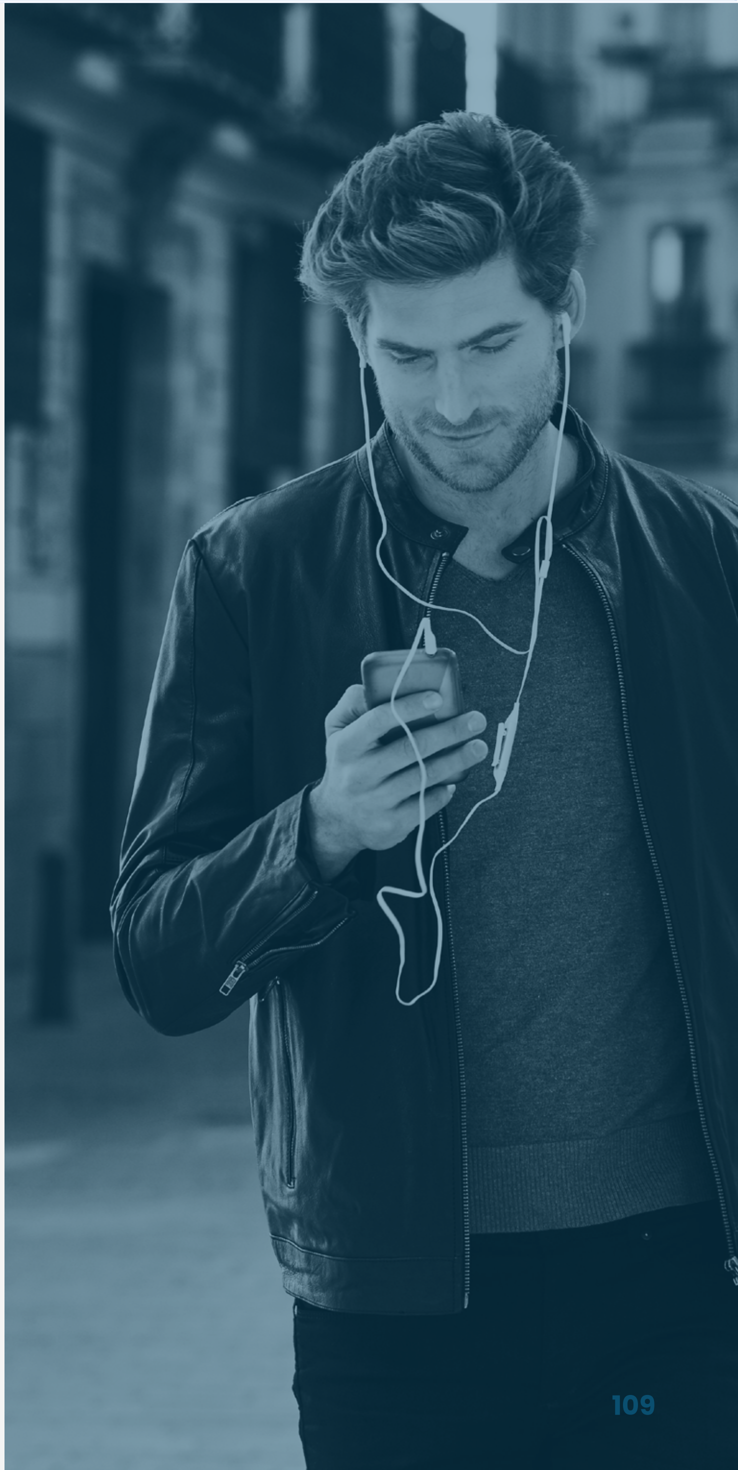
Adjustments for items not included in the cash flow	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Depreciation and impairment	22 233	26 469	717	717
Translation differences	5 441	-11 134	-	–
Other adjustments	-498	5 104	524	–
Total adjustments	**27 176**	**20 439**	**1 241**	**717**

Reconciliation of items included in financing activities

	Cash flow effects		Changes that do not affect cash flow				
	1 Jan 2021	New loans	Amort-isations	Reclass-ifications	New leases	Other	31 Dec 2021
Long-term liabilities	165 595	300 000	-165 595	-	-	-	300 000
Short-term liabilities	15 060	59 778	-	-	-	4 782	79 620
Lease liabilities	32 554	-	-16 539	-	20 698	-	36 713
Total	**213 209**	**359 778**	**-182 134**	**-**	**20 698**	**4 782**	**416 333**

	Cash flow effects		Changes that do not affect cash flow				
	1 Jan 2020	New loans	Amort-isations	Reclass-ifications	New leases	Other	31 Dec 2020
Long-term liabilities	184 729		-18 015	-1 119	-	-	165 595
Short-term liabilities	20 101		-6 160	1 119	-	-	15 060
Lease liabilities	41 747	-	-16 077	-	6 884	-	32 554
Total	**246 577**	**0**	**-40 252**	**0**	**6 884**	**0**	**213 209**

There has been a reclassification of MSEK 15.7 between investment activities and financing activities in comparison with the Q4 report.



NOTE 38 - ACQUISITION OF SHARES IN SUBSIDIARIES

Acquisitions in 2021

On 18 August 2021, DistIT AB (publ) entered into an agreement to acquire 100 per cent of the shares in Electric Fuel Infrastructure Sweden 2 AB (EFUEL). EFUEL is one of the largest companies in Sweden in electric car charging, with a market share of approximately 30 per cent of all delivered charging boxes. Access took place on the same day, 18 August, and EFUEL is consolidated with DistIT from this date. The acquisition constitutes a significantly strengthened exposure to one of today's most defined structural trends and societal changes. In addition, DistIT sees coordination effects between EFUEL and other subsidiaries.

For the fourth quarter of 2021, a preliminary acquisition analysis is prepared opposite. According to the agreement, DistIT acquired EFUEL for a purchase price of MSEK 185.0, of which MSEK 45.0 was in the form of cash and MSEK 140.0 was through a private placement of shares in DistIT, which comprises 1 626 286 shares at an issue price corresponding to approximately SEK 86.09 per share. The issue price was based on the volume-weighted average price for the DistIT share during 90 trading days before 23 July 2021. In addition, a contingent consideration arrangement of MSEK 140.0 will be paid when EFUEL delivers a gross profit of MSEK 70.0 on a rolling 12-month basis at any time in the future. The Extraordinary General Meeting further decided on a new subscription warrant programme, aimed at employees of EFUEL. In addition, there was a cost for 'sign-on' bonuses for key individuals in EFUEL of MSEK 10.0, in accordance with the transaction structure.

Of identified intangible assets of MSEK 36.4, the majority are attributable to customer relations and depreciated over five years. The depreciation period of five years is governed by an assessment of an annual loss of parts of the revenue attributable to the respective asset. Valuation of identified intangible assets has taken place through an estimation of future discounted cash flows.

Deferred tax liabilities attributable to the identified intangible assets in the acquisition analysis amount to MSEK -7.5 and are dissolved in line with depreciation. Depreciation will affect the operating result by MSEK -7.3 per year, and the result will be affected by MSEK -5.8. The contingent consideration arrangement amounting to MSEK 140.0 is calculated at present value, and amounts to MSEK 131.1 at the time of acquisition. The difference of MSEK 8.9 is reported as an interest expense over the forecast earnings period of 18 months, which affects the current year by MSEK -2.2, and on an annual basis by MSEK -5.9. Net assets, including identified intangible assets and deferred tax liabilities, amount to MSEK 37.8 in the acquisition analysis. Goodwill amounts to MSEK 283.4, and relates to the Company's expected earning capacity and key expertise of EFUEL's personnel.

Acquisition costs of MSEK 1.9 are included in the operating expenses during 2021.

EFUEL contributed MSEK 65.2 in net revenue, and MSEK -6.4 in operating result (EBIT) during 2021 from the time of acquisition (18 August 2021). The corresponding amounts for the current reporting period without the burden of 'sign-on' bonuses were MSEK 65.2 and MSEK 3.6, respectively. If the acquisition date had instead been 1 January 2021, EFUEL would have contributed MSEK 125.4 in net revenue and MSEK 0.5 in operating result (or MSEK 10.5 in operating result without the burden of 'sign-on' bonuses).

PRELIMINARY ACQUISITION ANALYSIS	REPORTED AT THE TIME OF ACQUISITION	ADJUSTMENT TO FAIR VALUE	FAIR VALUE
Fair value of transferred compensation			
Purchase price paid, settled in cash			45.0
Purchase price paid, shares issued			140.0
Contingent consideration arrangement relating to the year's acquisitions			131.6
Total			**316.1**
Fair value of acquired assets and liabilities			
Intangible assets	1.9	36.4	38.3
Inventory	11.3	-	11.3
Short-term receivables	9.8	-	9.8
Liquid assets	6.4	-	6.4
Deferred tax liability	-	-7.5	-7.5
Long-term liabilities, other	-4.8	-	-4.8
Short-term liabilities	-20.8	-	-20.8
Total	**3.8**	**37.8**	**32.7**
Goodwill			**283.4**
Change in the Group's liquid assets upon acquisition			
Purchase price paid relating to the year's acquisition			45.0
Liquid assets in the acquired subsidiary			-6.4
Total			**38.6**

NOTE 39 - RELATED PARTY TRANSACTIONS

Neither the Parent Company nor the Group carried out any material transactions with related parties during 2021 apart from salaries and remuneration to the Board of Directors and management, see Note 9.

NOTE 40 - PRINCIPLES AND PROCEDURES FOR ASSET MANAGEMENT

The Group's goals with asset management are:

- to ensure the Group's ability to continue operations,
- to provide an appropriate return to shareholders by pricing products corresponding to the level of risk to provide these products.

Management assesses the Group's capital needs in order to maintain an effective overall financing structure. The Group manages the capital structure and makes adjustments in the event of changed economic conditions, and with regard to the risk properties of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the amount of dividends to shareholders, repay capital to shareholders, issue new shares, or sell assets to reduce liabilities.

The amounts managed as capital by the Group for the current reporting periods are summarised as follows:

	2021	2020
Total equity	601 177	454 764
Subordinated loans	-	–
Cash flow hedges	-	–
Liquid assets	35 642	53 748
Capital	636 819	508 512
Total equity	601 177	454 764
Borrowing	379 620	180 655
Lease liabilities	36 713	32 554
Total financing	**1 017 510**	**667 973**

The Group has fulfilled its agreed commitments, "covenants", since the bond loan was taken in 2021.

These commitments involve a net liability/EBITDA of no more than 4.0x, in accordance with the agreement for the bond loan. For further information, see Note 31.

NOTE 41 - SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

- After the end of the year, the wholly owned subsidiary Septon Norge Holding AS has been liquidated.
- The subsidiary EFUEL is expanding in Europe, and growing with key recruitments in Germany and Finland.
- DistIT and its subsidiaries have decided to stop all sales to Russia and Belarus due to the ongoing invasion of Ukraine.
- The Board of Directors is proposing a dividend of SEK 2.00 (2.00) per share for the 2021 financial year.
- DistIT terminates the incentive programme 2019/2022, whereby the CEO subscribes for shares for SEK 5 288 760 with the support of subscription warrants, and unexercised subscription warrants are repurchased by DistIT.

DECLARATION

The Board of Directors and the CEO declare that the consolidated financial statements have been prepared in accordance with international accounting standards, IFRS, those adopted by the EU, and provide a true and fair view of the Group's position and results. The annual report has been prepared in accordance with good accounting practice and provides a true and fair view of the Parent Company's position and results.

The administration report for the Group and the Parent Company provides a fair overview of the development of the Group's and the Parent Company's operations, position and results, and describes significant risks and uncertainties that the Parent Company and the companies included in the Group are facing.

The annual report will be submitted to the Annual General Meeting on 28 April 2022 for approval.

Stockholm, 30 March 2022

Stefan Charette
Chair of the Board

Anders Bladh
Board member

Charlotte Hansson
Board member

Mikael Nilsson
Board member

Jonas Mårtensson
Board member

Robert Rosenzweig
CEO

Our audit report has been issued on 30 March 2022

Grant Thornton Sweden AB
Therése Utengen
Chartered Accountant

AUDITOR'S REPORT

To the Annual General Meeting of DistIT AB (publ), Corp. ID 556116-4384

Report on the annual report and the consolidated financial statements

STATEMENTS

We have carried out an audit of the annual report and the consolidated financial statements for DistIT AB (publ) for the financial year 2021, with the exception of the corporate governance report and sustainability report on pages 51-63 and 38-50. The Company's annual report and consolidated financial statements are included on page 78-111 of this document. In our opinion, the annual report has been prepared in accordance with the Swedish Annual Accounts Act, and provides, in all material respects, a fair view of the Parent Company's financial position as of 31 December 2021, and of its financial results and cash flow for the year, according to the Swedish Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act, and provide a fair view of the Group's financial position as of 31 December 2021, and of its financial results and cash flow for the year, according to International Financial Reporting Standards (IFRS), as adopted by the EU, and the Swedish Annual Accounts Act. Our statements do not cover the corporate governance report, on pages 51-63 or the sustainability report, on pages 38-50. The administration report is consistent with the other parts of the annual report and the consolidated financial statements.

We therefore recommend that the Annual General Meeting approves the income statement and the balance sheet for the Parent Company and the Group. Our statements in this report on the annual report and the consolidated financial statements are consistent with the content of the supplementary report that has been submitted to the Parent Company's Board of Directors in accordance with Auditor Regulation (537/2014/EU) Article 11.

BASIS FOR THE STATEMENTS

We have carried out the audit according to International Standards on Auditing (ISA) and good auditing practice in Sweden. Our responsibility according to these standards is described in more detail in the section Responsibilities of the auditor. We are independent in relation to the Parent Company and the Group, according to good auditing practice in Sweden, and have otherwise fulfilled our professional ethical responsibility according to these requirements. This includes, based on our best knowledge and conviction, that no prohibited services referred to in the Auditor Regulation (537/2014) Article 5.1 have been provided by the Company or, where applicable, its Parent Company, or its controlled EU companies.

We believe that the audit evidence we have obtained is sufficient and effective as the basis for our statements.

AREAS OF PARTICULAR IMPORTANCE

Areas of particular importance for the audit are the areas that, according to our professional assessment, were the most important for the audit of the annual report and the consolidated financial statements for the period in question. These areas were treated within the framework of the audit of, and in our position to, the annual report and the consolidated financial statements as a whole, but we make no separate statements about these areas.

AREAS OF PARTICULAR IMPORTANCE	HOW OUR AUDIT CONSIDERED THE AREA OF PARTICULAR IMPORTANCE
REVENUE RECOGNITION Revenues constitute a material item in the consolidated income statement and amounted to TSEK 2 524 256 for the financial year 2021. A larger part of the Group's revenues consists of the sale of products, where the revenue is reported when the Group meets its performance commitments and the customer has control over the goods. For further information on the revenue accounting, please refer to Note 2.5 and Note 4.	Our audit included the following audit measures, but was not limited to these: • Review of internal control in connection with the revenue process, cut-off review, and analytical review. • Review of the revenue accounting based on performance commitments for material customer agreements. • Review of a selection of customer orders against proof of delivery and book-keeping. • Review that applied accounting principles are in accordance with the rules of IFRS, and that information provided in the annual report essentially fulfils the requirements of the Swedish Annual Accounts Act and IFRS.
INVENTORY Inventories constitute a material item in the consolidated balance sheet and amounted to TSEK 663 006 TSEK as of 31 December 2021. The inventory mainly consists of accessory products for the home electronics industry and IT products. Changes in the IT industry, with its rapid product and technology development, could have an impact on the valuation of inventories, which is why we have assessed the inventory valuation as an area of particular importance in our audit. For further information on inventories, please refer to Note 2.13 and Note 25.	Our audit included the following audit measures, but was not limited to these: • Review of internal control in connection with the inventory process and analytical review. • Participation in a stock check. • Review of the valuation of inventories and examination of models for obsolescence assessment. • Review that the application of accounting principles is in accordance with the rules of IFRS, and that information in the annual report essentially fulfils the requirements of the Swedish Annual Accounts Act and IFRS.
VALUATION OF GOODWILL AND INTANGIBLE ASSETS, AND INTERESTS IN GROUP COMPANIES Goodwill or other intangible assets with indefinite useful lives shall be subject to impairment on an annual basis. The corresponding impairment test is made by the Parent Company in relation to the value of interests in Group companies. These impairment tests require the management team's estimates and assessments to identify and determine the Group's cash-generating units, and estimate their future revenues, operating result, working capital, and investment needs, as well as discount rate. For further information on goodwill and intangible assets, and shares in Group companies, please refer to Note 2.9, Note 16, Note 17 and Note 22.	As part of our audit relating to the valuation of goodwill and intangible assets, and shares in Group companies, we have implemented a number of audit measures. Our audit included the following audit measures, but was not limited to these: • Review of acquisition analyses including review of purchase price allocation. • Review for assessing and ensuring that impairment tests are implemented in accordance with what is stipulated in the regulatory framework for IFRS. • Assessment of the reasonableness of future cash flows by obtaining and evaluating the Group management's assumptions and forecasts, as well as previous years' assessments in relation to actual outcome. • Review of impairment tests with the support of our own valuation specialists in terms of methodology and discount rates, as well as macroeconomic aspects. • Assessment of the Group's sensitivity analysis based on reasonably possible changes in the Group's assumptions, and that the required notes have been submitted. • Review that the application of accounting principles for the accounting of goodwill is in accordance with IFRS, and the information provided in the annual report regarding the assumptions that have the most impact on the outcome of the impairment tests.

INFORMATION OTHER THAN THE ANNUAL REPORT AND THE CONSOLIDATED FINANCIAL STATEMENTS

This document also contains information other than the annual report and consolidated financial statements, and is found on pages 3-77. The Board of Directors and the CEO are responsible for this other information. Our statement regarding the annual report and consolidated financial statements does not include this information, and we make no statement of attestation in regard to this other information.

In conjunction with our audit of the annual report and consolidated financial statements, it is our responsibility to read the information identified above and consider whether the information is materially inconsistent with the annual report and consolidated financial statements. In this review, we also consider the knowledge we otherwise acquired during the audit and assess whether the information in general appears to contain material inaccuracies. If, based on the work carried out regarding this information, we conclude that the other information contains a material inaccuracy, we are obliged to report this. We have nothing to report in that regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND CEO

The Board of Directors and the CEO are responsible for preparing the annual report and consolidated financial statements, and for providing a true and fair view in accordance with the Swedish Annual Accounts Act and, with regard the consolidated financial statements, in accordance with IFRS, as adopted by the EU. The Board of Directors and the CEO are also responsible for the internal control that they deem necessary in order to prepare an annual report and consolidated financial statements that do not contain any material inaccuracies, whether due to irregularities or errors.

When preparing the annual report and consolidated financial statements, the Board of Directors and the CEO are responsible for assessing the Company's and the Group's ability to continue operations. They disclose, where applicable, conditions that may affect the ability to continue operations and to use the assumption of continued operations. However, the assumption of continued operation is not applied if the Board of Directors and the CEO intend to liquidate the Company, cease operations, or have no realistic alternative to doing any of these.

RESPONSIBILITIES OF THE AUDITOR

Our objectives are to achieve a reasonable degree of assurance as to whether the annual report and consolidated financial statements as a whole do not contain any material inaccuracies, whether due to irregularities or errors, and to submit an audit report containing our statements. Reasonable assurance is a high degree of assurance, but is no guarantee that an audit performed in accordance with ISA and good auditing practice in Sweden will always detect a material inaccuracy, if one exists. Inaccuracies may arise due to irregularities or errors, and are considered material if they, individually or together, can reasonably be expected to influence the financial decisions that users make on the basis of the annual report and the consolidated financial statements.

As part of an audit according to ISA, we use professional judgement and have a professionally sceptical approach throughout the audit. In addition we:

- Identify and assess the risks of material inaccuracies in the annual report and consolidated financial statements, whether due to irregularities or errors, design and perform audit procedures based on these risks, among other things, and obtain audit evidence that is sufficient and appropriate in order to form the basis of our statements. The risk of not detecting a material inaccuracy due to irregularities is higher than for a material inaccuracy due to errors, as irregularities may include collusion, forgery, intentional omission, incorrect information or breach of internal control.
- Gain an understanding of the part of the Company's internal control that is of importance to our audit in order to design audit measures that are appropriate in the circumstances, but not to comment on the effectiveness of the internal control.
- Evaluate the appropriateness of the accounting principles used, and the reasonableness of estimates in the accounts and related disclosures made by the Board of Directors and CEO.
- Draw a conclusion about the appropriateness in the Board of Directors and the CEO using the assumption of continued operation in the preparation of the annual report and consolidated financial statements. We also draw a conclusion, based on the audited evidence obtained, as to whether there is any material uncertainty factor relating to such events or circumstances that may lead to significant doubts about the Company's and the Group's ability to continue operations. If we conclude that there is a material uncertainty factor, we must draw attention in the audit report to the information in the annual report and consolidated financial statements about the material uncertainty factor, or, if such information is insufficient, modify the statement on the annual report and consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may mean that a Company and a Group can no longer continue operations.
- Evaluate the overall presentation, structure and content of the annual report and consolidated financial statements, including the disclosures, and whether the annual report and consolidated financial statements reproduce the underlying transactions and events in a way that gives a true and fair view.
- Obtain sufficient and appropriate audit evidence with regard the financial information for the units or business activities within the Group in order to make a statement regarding the consolidated financial statements. We are responsible for the management, supervision and execution of the Group audit. We are solely responsible for our statements.

We must inform the Board of Directors of, among other things, the planned scope and focus of the audit and the time for it. We must also inform about significant observations during the audit, including the significant deficiencies in internal control that we have identified. We must also provide the Board of Directors with a statement that we have complied with relevant professional ethics requirements in relation to independence, and address all relationships and other circumstances that may reasonably affect our independence, as well as, where applicable, associated countermeasures.

Of the areas that are communicated with the Board of Directors, we determine which of these areas have been the most significant for the audit of the annual report and the consolidated financial statements, including the most important assessed risks of material inaccuracies, and which therefore constitute the areas that are particularly important for the audit. We describe these areas in the audit report, unless laws or other regulations prevent disclosure of the matter, or when, in extremely rare cases, we assess that an issue shall not be communicated in the audit report as the negative consequences of doing so could reasonably be expected to be greater than the public interest of this communication.

REPORT ON OTHER REQUIREMENTS ACCORDING TO LAWS AND OTHER STATUTES

STATEMENTS

In addition to our audit of the annual report and consolidated financial statements, we also performed an audit of the Board of Directors' and the CEO's administration of DistIT AB (publ) for the financial year 2021, and of the proposed appropriations regarding the company's profits.

We recommend that the Annual General Meeting appropriate the profits according to the proposal in the administration report, and grant the members of the Board and the CEO discharge from liability for the financial year.

BASIS FOR THE STATEMENTS

We performed the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities according to these are described in more detail in the section Responsibilities of the auditor. We are independent in relation to the Parent Company and the Group, in accordance with good auditing practice in Sweden, and have otherwise fulfilled our professional ethical responsibility in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit statement.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND CEO

The Board of Directors is responsible for the proposed appropriations regarding the company's profit or loss. When proposing a dividend, this includes an assessment of whether the dividend is justifiable with regard to the requirements that the Company's and the Group's business type, scope and risks place on the size of the Parent Company's and the Group's equity, consolidation needs, liquidity, and position in general.

The Board of Directors is responsible for the Company's organisation, and management of the Company's affairs. This includes, among other things, continuously assessing the Company's and the Group's financial situation, and ensuring that the Company's organisation is designed so that the accounting, asset management and the Company's financial affairs in general are controlled in a satisfactory manner. The CEO shall handle the day-to-day administration in accordance with the Board of Directors' guidelines and instructions, and, among other things, take the measures necessary in order for the Company's accounting to be carried out in accordance with law, and for the asset management to be handled in a secure manner.

RESPONSIBILITIES OF THE AUDITOR

Our objective with regard the audit of the administration, and thereby our statement on discharge from liability, is to obtain audit evidence in order to be able to assess with a reasonable degree of assurance whether any Board member or the CEO in any significant respect has:

- Undertaken any action or committed any negligence that may give rise to liability to the Company,
- In any other way, acted in violation of the Swedish Companies Act, the Swedish Annual Accounts Act, or the Articles of Association.

Our objective with regard the revision of the proposal for dispositions of the Company's profit or loss, and thereby our statement on this, is to assess with a reasonable degree of assurance whether the proposal is consistent with the Swedish Companies Act. Reasonable assurance is a high degree of assurance, but no guarantee that an audit performed in accordance with good auditing practice in Sweden will always detect actions or omissions that may give rise to liability for damages against the Company, or that a proposal for appropriation of the Company's profit or loss is inconsistent with the Swedish Companies Act.

As part of an audit in accordance with good auditing practice in Sweden, we use professional judgement and have a professionally sceptical approach throughout the audit. The review of the administration and the proposal for appropriation of the Company's profit or loss is mainly based on the audit of the accounts. Any additional audit measures that are performed are based on our professional assessment depending on risk and materiality. This means that we focus the review on such measures, areas and circumstances that are significant to the operations, and where deviations and violations would have special significance for the Company's situation. We examine and evaluate decisions made, the basis for decisions, measures taken, and other circumstances that are relevant to our statement of discharge. As a basis for our statement on the Board of Directors' proposal for appropriation regarding the Company's profit or loss, we have examined the Board's reasoned opinion, and a selection of the supporting documentation for this, in order to assess whether the proposal is consistent with the Swedish Companies Act.

AUDITOR'S REVIEW OF THE ESEF REPORT

STATEMENT

In addition to our audit of the annual report and consolidated financial statements, we have also performed a review to ensure that the Board of Directors and the CEO have prepared the annual report and consolidated financial statements for DistIT AB (publ) for the year 2021 in a format that enables uniform electronic reporting (the ESEF report) in accordance Section 4a of Chapter 16 of the Swedish Securities Market Act (2007:528). Our review and our statement refer only to the statutory requirement. In our opinion, the ESEF report has been prepared in a format that in all material respects enables uniform electronic reporting.

BASIS FOR THE STATEMENT

We performed the review in accordance with FAR's recommendation RevR 18 Auditor's review of the ESEF report. Our responsibilities in accordance with this recommendation are described in more detail in the Responsibilities of the auditor section. We are independent in relation to DistIT AB (publ) in accordance with good auditing practice in Sweden, and have otherwise fulfilled our professional ethical responsibility in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate as a basis for our statement.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND CEO

The Board of Directors and the CEO are responsible for ensuring that the ESEF report has been prepared in accordance with Section 4a of Chapter 16 of the Swedish Securities Market Act (2007:528), and that there is such internal control as the Board of Directors and the CEO deem necessary to prepare the ESEF report without material inaccuracies, whether these are due to irregularities or errors.

RESPONSIBILITIES OF THE AUDITOR

Our task is, on the basis of our review, to state with reasonable assurance whether the ESEF report is in all material respects prepared in a format that meets the requirements in Section 4a of Chapter 16 of the Swedish Securities Market Act (2007:528).

RevR 18 requires that we plan and implement our review procedures to achieve reasonable assurance that the ESEF report is prepared in a format that fulfils these requirements.

Reasonable assurance is a high degree of assurance, but is no guarantee that an audit performed in accordance with RevR 18 and good auditing practice in Sweden will always detect a material inaccuracy, if one exists. Inaccuracies may arise due to irregularities or errors, and are considered material if they individually or together can reasonably be expected to influence the financial decisions that users make on the basis of the ESEF report.

The auditing company applies ISQC 1 Quality control for auditing companies that perform audits and review of financial reports, as well as other certification assignments and related services, and thereby has a comprehensive quality control system which includes documented guidelines and procedures relating to compliance with professional ethical requirements, standards for professional practice, and applicable requirements in law and other statutes.

The review includes obtaining evidence through various measures that the ESEF report has been prepared in a format that enables uniform electronic reporting of the annual report and consolidated financial statements. The auditor chooses which measures are to be performed, among other things, by assessing the risks of material inaccuracies in the reporting, whether these are due to irregularities or errors. In this risk assessment, the auditor considers the parts of the internal control that are relevant to how the Board of Directors and the CEO produce the documentation in order to design audit measures that are appropriate in the circumstances, but not in order to make a statement on the effectiveness of the internal control. The review also includes an evaluation of the appropriateness and reasonableness of the assumptions made by the Board of Directors and CEO.

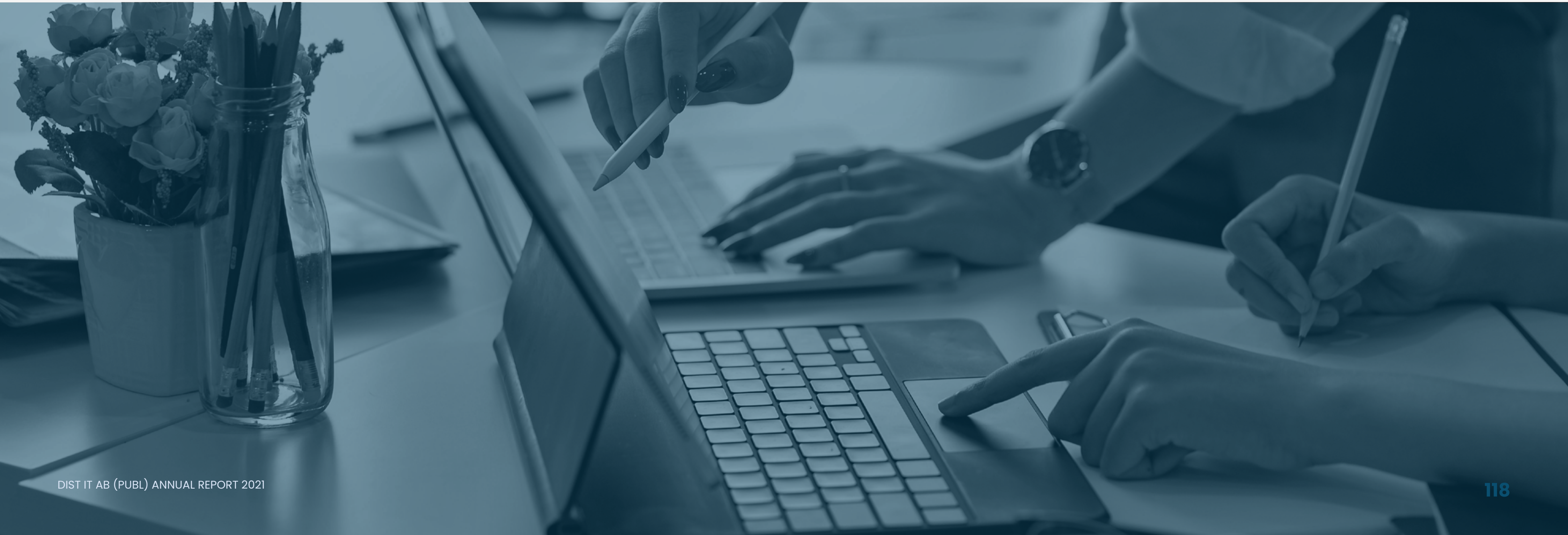
The audit measures primarily include a technical validation of the ESEF report, i.e. if the file containing the ESEF report complies with the technical specification set out in the Commission Delegated Regulation (EU) 2019/815, and a reconciliation with the audited annual report and consolidated financial statements of the ESEF report.

Furthermore, the review also includes an assessment of whether the ESEF report has been marked with iXBRL, which enables a fair and complete machine-readable version of the Group's income statement, balance sheet and equity accounts, as well as the cash flow statement.

Grant Thornton Sweden AB, Kungsgatan 57, 103 94 Stockholm, Sweden, was appointed DistIT AB's (publ) auditor by the General Meeting on 29 April 2021, and has been the Company's auditor since 4 May 2012.

Stockholm, 30 March 2022
Grant Thornton Sweden AB

Therése Utengen
Chartered Accountant



MULTI-YEAR OVERVIEW 2017-2021

INCOME STATEMENT	2021	2020	2019	2018	2017
Operating income	2 524.2	2 358.2	2 330.9	2 272.1	1 780.6
Operating result before depreciation (EBITDA)	98.7	113.9	71.4	83.4	71.2
Operating result after depreciation (EBIT)	76.4	87.4	16.1	72.2	59.1
Result after financial items	58.9	68.9	4.0	55.9	53.7
Result for the period - continuing operations	44.2	58.0	-3.2	43.9	41.3
Result for the period - distributed operations	-	-	44.6	-	-
BALANCE SHEET, MSEK					
Goodwill	374.4	89.5	89.8	88.0	77.2
Other intangible fixed assets	60.6	18.8	24.4	47.1	49.4
Tangible fixed assets	42.0	37.5	47.6	48.8	47.9
Financial fixed assets	2.8	1.9	1.9	1.8	1.5
Deferred tax receivables	1.4	4.4	8.3	8.6	7.1
Total fixed assets	**481.2**	**152.1**	**172.0**	**194.3**	**183.1**
Liquid assets	35.6	53.7	10.6	42.9	76.9
Other current assets	1 233.4	947.0	893.9	973.0	849.4
Total current assets	**1 269.0**	**1 000.7**	**904.5**	**1 015.9**	**926.3**
TOTAL ASSETS	**1 750.2**	**1 152.8**	**1 076.5**	**1 210.2**	**1 109.4**
Equity attributable to the Parent Company's shareholders	**598.5**	**442.2**	**395.4**	**365.0**	**338.3**
Non-controlling interests	**2.7**	**12.6**	**12.1**	**9.8**	**16.3**
Interest-bearing long-term liabilities	320.1	183.0	211.5	230.4	90.5
Provisions	145.4	6.9	6.3	8.5	7.3
Total long-term liabilities	**465.6**	**189.9**	**217.8**	**238.9**	**97.8**
Interest-bearing short-term liabilities	96.2	30.2	35.1	45.8	214.3
Other short-term liabilities	587.2	477.8	416.1	550.7	442.7
Total short-term liabilities	**683.4**	**508.1**	**451.2**	**596.5**	**657.0**
TOTAL LIABILITIES AND EQUITY	**1 750.2**	**1 152.8**	**1 076.5**	**1 210.2**	**1 109.4**

	2021	2020	2019	2018	2017
CASH FLOW, MSEK					
Cash flow from operating activities	-97.1	90.6	-9.8	70.2	11.5
Investments in tangible fixed assets	-1.0	-1.0	-2.4	-4.1	-1.6
Operating cash flow	-98.1	89.6	-12.2	66.1	9.9
KEY RATIOS, MSEK					
Gross margin, %	21.7	22.0	21.9	21.7	22.9
EBITDA margin, %	3.9	4.8	3.1	3.7	4.0
EBITA	79.5	87.4	16.1	72.2	59.1
EBITA margin, %	3.1	3.7	0.7	3.2	3.3
EBIT margin, %	3.0	3.7	0.7	3.2	3.3
Return on capital employed (ROCE), %	7.5	13.1	2.5	11.1	9.0
Return on equity (ROE), %	7.4	13.1	-0.8	12.0	12.2
Net interest-bearing liabilities	-380.7	-159.5	-234.7	-233.3	-227.9
Equity/assets ratio, %	34.4	39.5	37.9	31.0	32.0
Debt/equity ratio (multiplied)	0.6	0.3	0.6	0.6	0.6
Average number of employees	261	251	266	249	242
Number of employees at the end of the period	264	259	259	263	252

DEFINITIONS

DistIT presents alternative key ratios used by company management and investors to analyse trends and the development of the Group's operations that cannot be directly deduced or derived from the financial reports. These financial measures are intended to make it easier for company management and investors to analyse the Group's development. Investors should not consider these alternative key ratios as substitutes, but rather as a complement to the financial reporting prepared in accordance with IFRS. Note that the alternative key ratios defined below may differ from other companies' definitions of the same term.

The table below describes the definition of the Group's key ratios.

KEY RATIO	DESCRIPTION	MOTIVATION OF ALTERNATIVE KEY RATIOS
Return on equity (ROE)	Result for the period divided by 12 months' rolling equity, including non-controlling interests.	The key ratio illustrates how the owners' capital has yielded a return during the period.
Return on capital employed (ROCE)	Operating result divided by 12 months' rolling capital employed.	The key ratio illustrates how the Group has yielded a return on the capital that shareholders and lenders together have made available.
Gross margin	Gross result divided by total sales revenue.	The key ratio is a key measure of profitability as it shows how much of the revenue remains after direct costs linked to the Group's core operations have been deducted.
EBITA	Operating result before depreciation and impairment of intangible fixed assets that arose in connection with company acquisitions. Depreciation and impairment of tangible fixed assets and other intangible fixed assets are included.	The key ratio enables comparisons of profitability over time, regardless of the effects of depreciation and impairment of acquisition-related intangible fixed assets, financing structure and corporate tax rate. Depreciation and tax of tangible fixed assets, as well as other intangible fixed assets, are included as it is a measure of resource consumption that is necessary to generate results. EBITA is the business's main result measure.
EBITA margin, %	EBITA divided by total revenue.	Same motivation as for EBITA.
Adjusted EBITA	EBITA excluding items affecting comparability.	Same motivation as for EBITA, but is also adjusted for items affecting comparability to increase comparability over time.
Adjusted EBITA margin, %	Adjusted EBITA divided by total revenue.	Same motivation as for Adjusted EBITA.
Operating result before depreciation (EBITDA)	Operating result before depreciation and impairment.	The key ratio enables comparisons of profitability over time, regardless of the effects of the depreciation rate on fixed assets, financing structure and corporate tax rate.
Items affecting comparability	Costs in connection with acquisitions and government compensation for Covid-19.	In order to clarify the development in the Group's underlying operations and increase comparability over time, we believe that it is appropriate to analyse certain key ratios excluding items affecting comparability.
Cash flow from operating activities per share	Cash flow from operating activities divided by the average number of shares.	The key ratio illustrates the Group's ability to generate cash flow from operations, expressed in kronor (SEK) per share.
Earnings per share	Result for the period attributable to the Parent Company's shareholders divided by the average number of shares before/after dilution.	No alternative key ratio. Defined according to IFRS.

KEY RATIO	DESCRIPTION	MOTIVATION OF ALTERNATIVE KEY RATIOS
Net interest-bearing liabilities	Liabilities to credit institutions plus bond loans, other interest-bearing liabilities and long-term and short-term leasing liabilities minus cash and bank balances.	The key ratio illustrates the Group's indebtedness.
Operating result after depreciation (EBIT)	Operating result after depreciation.	The key ratio enables comparisons of profitability over time, regardless of the effects of the financing structure and corporate tax rate.
Operating result after depreciation (EBIT), %	Operating result after depreciation (EBIT) divided by total revenue.	Same motivation as for Operating result after depreciation (EBIT).
Adjusted operating result after depreciation (EBIT)	Operating result after depreciation (EBIT) excluding items affecting comparability.	The key ratio enables comparisons of profitability over time, regardless of the effects of the financing structure and corporate tax rate. The key ratio is also adjusted for items affecting comparability in order to increase comparability over time.
Adjusted operating margin after depreciation (EBIT), %	Adjusted operating result after depreciation (EBIT) divided by total revenue.	Same motivation as for Adjusted operating result after depreciation (EBIT).
Debt/equity ratio	Interest-bearing liabilities in relation to equity including non-controlling interests at the end of the period.	The key ratio highlights financial risk.
Equity/assets ratio	Equity, including non-controlling interests, as a percentage of the balance sheet total at the end of the period.	The key ratio highlights financial risk.
Capital employed	Total assets minus non-interest-bearing provisions and liabilities (provisions, deferred tax liabilities, accounts payable, accrued expenses and prepaid income and other short-term liabilities).	The Group uses capital employed to calculate the alternative key ratio Return on capital employed (ROCE).
Total working capital	Inventory plus accounts receivable and other current assets minus accounts payable and other short-term liabilities.	No alternative key ratio. Used as a term in the cash flow analysis.
Operating cash flow	Cash flow from operating activities and investments in tangible fixed assets.	Operating cash flow is a measure that shows whether a company can generate sufficient cash flow to maintain and expand its operations.

CALCULATION OF THE ALTERNATIVE KEY FIGURES ARE SHOWN IN THE TABLES BELOW

EBITA	**2021**	**2020**
Operating result (EBIT)	76.4	87.4
Depreciation, acquisition-related	-3.1	0.0
EBITA	**79.5**	**87.4**
Items affecting comparability*	-11.9	8.9
Adjusted EBITA	**91.4**	**78.5**
Currency impact	-13.3	-0.3
Adjusted EBITA excluding currency impact	**104.7**	**78.8**
EBITA excluding currency impact	92.8	87.7

* Items affecting comparability for 2021 consist of 'sign-on' bonuses for key employees in EFUEL (this according to previous communication regarding the transaction structure), as well as one-off costs related to the business combination. The corresponding item for 2020 consists of state support related to Covid-19.

REVENUE	**2021**	**2020**
Revenue	2 524.2	2 358.2
Currency impact	1.5	-3.7
Revenue excluding currency impact	**2 522.7**	**2 361.9**
Merchandise	-1 977.1	-1 839.4
Currency impact	-14.9	3.4
Merchandise excluding currency impact	**1 962.2**	**-1 842.8**
Gross result	547.1	518.8
Gross margin	**21.7**	**22.0**
Gross result excluding currency impact	560.5	519.1
Gross margin excluding currency impact	**22.2**	**22.0**

UPCOMING REPORTING OCCASIONS

INTERIM REPORT, JANUARY – MARCH 2022
28 April 2022, 08:00

HALF-YEAR REPORT, JANUARY – JUNE 2022
18 August 2022, 08:00

INTERIM REPORT, JANUARY – SEPTEMBER 2022
28 October 2022, 08:00

ANNUAL GENERAL MEETING

DistIT AB (publ), Corp. ID No. 556116-4384, (the "Company") has convened the Annual General Meeting on Thursday, 28 April 2022 at 14.00, at Nalen, Ceders Salong, Regeringsgatan 74, Stockholm, Sweden. Registration starts at 13.45.

Due to the corona pandemic, no refreshments will be served, and shareholders are encouraged to exercise their voting rights to the greatest extent possible through postal voting instead of physically attending the meeting.

Notice

Notice has been given by advertising in *Post- och Inrikes Tidningar* and via the Company's website **www.distit.se**. The notice and documentation made available before the Annual General Meeting are sent free of charge to the shareholders who request it and state their e-mail address. Such a request can be made via phone on +46 8 518 169 42, via e-mail to **bolagsstamma@distit.se**, or by letter to the address:
DistIT AB (publ)
"Annual General Meeting"
F.A.O. Philip Gunnarsson
Glasfibergatan 8
125 45 Älvsjö, Sweden

Right to participate and registration

Shareholders who wish to participate in the meeting by postal vote shall:

- firstly, be entered in the share register kept by Euroclear Sweden AB by Wednesday, 20 April 2022,
- and register by casting their postal vote in accordance with the instructions under the heading "Information on postal voting" below so that the postal vote is received by the Company no later than Friday, 22 April 2022.

Shareholders who wish to attend the meeting location in person or via a representative shall:

- firstly, be entered in the share register kept by Euroclear Sweden AB by Wednesday, 20 April 2022,
- and register their intention to participate at the Annual General Meeting no later than Friday, 22 April 2022 by phone on +46 8-518 169 42, via e-mail to **bolagsstamma@distit.se** or by post to the address: DistIT AB (publ), "Annual General Meeting" F.A.O. Philip Gunnarsson, Glasfibergatan 8, 125 45 Älvsjö, Sweden.

When registering, the name, address, telephone number, person or corporate ID number, and shareholding shall be specified. If the shareholder intends to bring an assistant to the meeting, the number (maximum of two) and name of the assistant(s) shall be notified to the Company, as above.

Information and instructions on how to register for the meeting and postal voting can be found in the notice of the Annual General Meeting and at **www.distit.se/sv/investerare/bolagsstammor**. *[in Swedish]*

Shareholders who have nominee registered their shares through a bank's notary department, or other nominee, shall, by Wednesday, 20 April 2022, temporarily register the shares in their own name with Euroclear Sweden AB. Shareholders should, in good time before 20 April 2022, request re-registration of the shares from the nominee. Registration of voting rights that has been requested by shareholders at such a time that the registration has been made by the nominee no later than Friday, 22 April 2022 will, however, be taken into account in the preparation of the share register.

Shareholders who intend to be represented by a proxy on location at the meeting, or postal vote via a proxy, shall issue a written and signed power of attorney signed by the shareholder and which, on the day of the meeting, may not be more than five years old. If the power of attorney has been issued by a legal entity, a certified copy of the registration certificate or equivalent authorisation document, showing the authorised signatory, shall be attached. The original power of attorney and, if applicable, a certified copy of the registration certificate or equivalent authorisation document shall be brought to the meeting. A copy of the power of attorney with accompanying authorisation documents should be sent to the Company together with the notification to the meeting.

Processing of personal data

Personal information regarding shareholders retrieved from the share register, registration to the meeting, and information on proxies and assistants, will be used for registration, preparation of the voting list for the meeting, and, where applicable, minutes of the meeting. Personal data is processed in accordance with the Data Protection Regulation (Regulation (EU) 2016/679 of the European Parliament and of the Council). For further information about the Company's processing of personal data and your rights, see the Company's website, www.distit.se under the heading "http://distit.se/sv/om-distit/hantering-av-personuppgifter/" (which can be found in the section "Om DistIT" and under the heading "Hantering av personuppgifter"). *[in Swedish]*

Stockholm, March 2022
DistIT AB (publ)
The board

ADDRESSES

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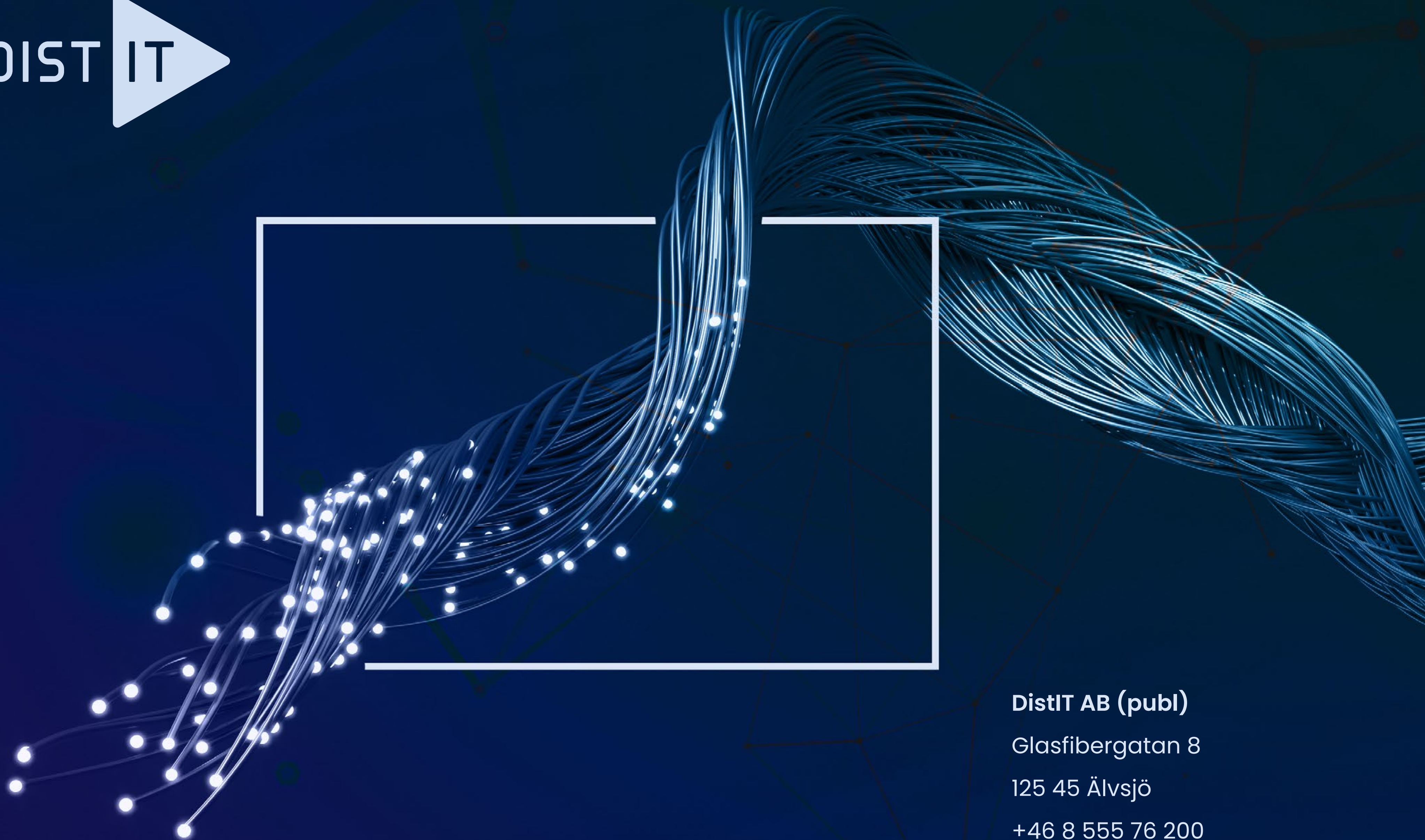
Acquired companies shall have leadership characterised by expertise and entrepreneurship, good earning capacity and a proven business model.



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