



INTERIM REPORT
JANUARY – SEPTEMBER 2022
www.distit.se

Q3

INTERIM REPORT FOR THE THIRD QUARTER, 2022

1 JULY – 30 SEPTEMBER 2022

- Operating income increased by MSEK 11.5, or 1.9 per cent, to MSEK 622.0 (610.5). Excluding currency effects, operating income increased by 1.6 per cent.
- The gross margin amounted to 19.9 per cent (20.6). Excluding currency effects, the gross margin amounted to 21.0 per cent (21.2).
- EBITA decreased by MSEK 3.9 to MSEK 3.4 (7.3), including restructuring costs of MSEK 3.3 related to the merger of Aurdel. Adjusted EBITA amounted to MSEK 6.7 (19.2). Excluding currency effects, adjusted EBITA amounted to MSEK 12.9 (22.6).
- The result for the period amounted to MSEK -4.6 (0.5), and the earnings per share before dilution decreased to SEK -0.36 (-0.02).
- Revenue from own brand labels (OBL) for the entire DistIT Group increased to MSEK 187.2 (161.7), corresponding to an increase of 15.8 per cent, and amounted to a share of operating income of 30.1 per cent (26.5).
- Liquid assets amounted to MSEK 35.5 (MSEK 32.8 as of the end of June 2022), and MSEK 76.6 (MSEK 73.2 as of the end of June 2022) in unused overdraft facilities. Interest-bearing net liabilities, including leasing liabilities, amounted to MSEK 387.5 (396.1).

1 JANUARY – 30 SEPTEMBER 2022

- Operating income increased by MSEK 139.3, or 8.2 per cent, to MSEK 1 844.7 (1 705.4). EFUEL contributed with MSEK 177.4. Excluding currency effects, operating income increased by 7.9 per cent.
- The gross margin amounted to 20.7 per cent (21.2). Excluding currency effects, the gross margin amounted 21.5 per cent (21.7).
- EBITA decreased by MSEK 17.4 to MSEK 8.3 (25.7), including restructuring costs of MSEK 7.4 related to the merger of Aurdel. Adjusted EBITA amounted to MSEK 15.7 (37.6). Excluding currency effects, adjusted EBITA amounted to MSEK 28.8 (46.4).
- The result for the period decreased to MSEK -15.0 (9.0), and the earnings per share before dilution decreased to SEK -1.11 (0.70), and after dilution to SEK -1.11 (0.65).
- Revenue from own brand labels (OBL) for the entire DistIT Group increased to MSEK 523.0 (468.3), corresponding to an increase of 11.7 per cent, and amounted to a share of operating income of 28.4 per cent (27.5).

SIGNIFICANT EVENTS DURING THE SECOND QUARTER, 2022

- The subscription warrant programme of 450 000 subscription warrants approved by the 2022 AGM was subscribed with 300 000 subscription warrants, divided between the CEO and other senior executives. The programme was fully subscribed, except for the subscription warrants allocated to DistIT's CFO, Philip Gunnarsson, who chose not to subscribe for his share given the end of his employment with the Company.
- Deltaco and Aurora Group were merged to form Aurdel. The purpose of the merger of the two DistIT-owned companies is to create a new, stronger company in the form of Aurdel, with an expanded line, as well as a smarter service range and logistics solutions. See the press release of 29 September 2022.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- The 2022 Annual General Meeting resolved on a dividend of SEK 2.00 (2.00) per share for the financial year 2021, with a mandate for the Board of Directors to determine the timing of the dividend up to the next Annual General Meeting. In conjunction with the Annual General Meeting, the Board of Directors communicated that the dividend would tentatively be implemented in the third quarter of 2022. Due to the continued uncertain economic global and market situation, the Board of Directors has decided to revisit the timing of the dividend after the fourth quarter of 2022, which is the group of companies' largest in terms of revenue.

SELECTED KEY FINANCIAL RATIOS

MSEK	JUL-SEP		JAN-SEP		FULL YEAR
	2022	2021	2022	2021	2021
Operating income	622.0	610.5	1 844.7	1 705.4	2 524.2
Gross margin, %	19.9	20.6	20.7	21.2	21.7
EBITA	3.4	7.3	8.3	25.7	79.5
EBITA margin, %	0.5	1.2	0.4	1.5	3.1
Adjusted EBITA	6.7	19.2	15.7	37.6	91.4
Adjusted EBITA margin, %	1.1	3.1	0.9	2.2	3.6
Result for the period	-4.6	0.5	-15.0	9.0	44.2
Number of employees at the end of the period	262	261	262	261	264
Cash flow from operating activities per share, SEK	0.45	-8.70	1.32	-10.52	-7.58
Earnings for the period per share (before dilution), SEK	-0.36	-0.02	-1.11	0.70	3.39
Earnings for the period per share (after dilution), SEK	-0.36	-0.02	-1.11	0.65	3.33

A FEW WORDS FROM OUR CEO

FINANCIAL DEVELOPMENT DURING THE QUARTER

The Group's operating income for the third quarter increased by 1.9 per cent to MSEK 622.0. EFUEL increased the operating income by 107 per cent compared to the same period last year, with increased market shares. Aurdel increased sales of own brands, but decreased total sales by 12.5 per cent due to a challenging market climate from inflation and interest rate increases. Aurdel ceased the distribution of certain less profitable external products during the year, which have not yet been completely replaced by the sale of more profitable products from own brands. Septon grew its business during the quarter by 10.5 per cent, while Sominis increased operating income by 32.5 per cent.

The gross result for the Group decreased during the quarter by MSEK 2.2 to MSEK 123.6. The gross margin amounted to 19.9 per cent, compared to 20.6 per cent in the corresponding period last year. The margin has been negatively affected by the continued weakening of SEK, where we are lagging behind in the price increases implemented. In addition, the Company faces increased resistance to price increases and uncertainty among customers, attributable to the demand from end consumers. In some categories, demand has decreased and inventory and logistics are adjusted according to these new conditions, which also affects the gross margin. Aurdel and Septon are placing increased focus on improving the product mix, price increases, and range adjustments in order to manage the pressure on the gross margin. Through DistIT's diversified product offer and broad customer portfolio in various business segments, the Company has the ability to handle fluctuations in various categories. As an example, EFUEL's growth has created sales growth in the Group, while Aurdel experienced a decline in the period.

EBITA for the quarter was MSEK 3.4 (7.3). Adjusted for restructuring costs, EBITA was MSEK 6.7.

EFUEL

EFUEL is following its strategic plan and has had continued strong sales growth, and is starting to make a significant contribution to the Group's EBIT. We see scalability in the growth and a maturity in the organisation, and intend to broaden the offer, in terms of services, basic range and geographical expansion, as well as to investigate new business opportunities. With the current energy crisis and focus on electrification, EFUEL is well positioned with a robust demand.

AURDEL

The restructuring programme in Aurdel burdened the quarter by MSEK 3.3, and is continuing according to plan. The merger of the stock occurred for the most part in Q3, and will be completed in Q4. The programme is estimated to entail MSEK 22 in annual cost savings, where the costs are front-loaded and the savings effects are rear-loaded. The outcome of the savings in the third quarter is only MSEK 3.2. One-off costs in the programme are estimated at MSEK 9 during quarters two to four (of which the majority, a total of MSEK 7.4, has been charged to quarters two and three), and the restructuring is also expected to lead to improved working methods, as well as more efficient logistics and inventory management.

The IT integration of Aurdel continues and is expected to be completed in the first quarter of 2023, with further efficiency gains as a result. We have therefore established DistIT Services, which will in part be an operational platform for Aurdel, but also be developed as a synergy platform for other DistIT companies within product development, purchasing, logistics, and marketing. This creates added value by realising operational synergy opportunities between the subsidiaries.

The larger stock, which was intentionally built up in Aurdel during the Corona period in order to ensure deliveries to customers, is expected to normalise during Q4.



DISTIT'S STRATEGY

The pillars of DistIT's strategy are (i) growth in megatrends and niche categories, (ii) gross margin expansion through own brand labels (OBL), (iii) establishing service businesses, and (iv) scalability through efficient operational platforms in the subsidiaries. In addition, strategic and tactical investments are carried out within sustainability (v).

(i): EFUEL is a clear example of our megatrend strategy. Charging infrastructure is a megatrend that we see will have strong growth for a long period of time, and will give us opportunities to expand into adjacent niches in energy efficiency and green energy, with both products and services.

(ii): The investment in OBL within megatrends is developing well, with a total OBL growth for the Group of approximately 15.8 per cent, to MSEK 187.2, in an otherwise challenging quarter. OBL now makes up a healthy 30.1 per cent of total revenue, compared to 25.9 per cent two years ago. This provides a good base and stronger position for further brand building.

(iii) EFUEL's work on developing its service offer continues. The launch of a new partner portal for installers and the new user app for charging infrastructure is being prepared, partly in collaboration with Deltaco. With the development of service business deals, conditions are created for recurring income and higher margins.

(iv) Aurdel's merger project is going according to plan, and the announced cost synergies are progressing as previously communicated. In the first quarter of 2023, Aurdel will be a more scalable platform, both in terms of cost efficiency and market opportunities.

(v) The development of the Group's sustainability strategy continues as an integrated part of the business, where commercial factors are in line with the sustainability goals of the companies' customers. An important step in our sustainability work was taken during the quarter, when DistIT became a member of the UN Global Compact. Our increased focus on quality assurance, reduced freight costs, and focus on material selection and product categories make the DistIT companies even more competitive.

Meanwhile, we are dealing with the market's various challenges and opportunities, and focusing on driving and realising the Company's strategy – in tandem.

Älvsjö, 28 October 2022

Robert Rosenzweig
CEO, DistIT AB

THE GROUP'S DEVELOPMENT

JULY - SEPTEMBER 2022

INCOME AND RESULT

Operating income increased by MSEK 11.5, or 1.9 per cent, to MSEK 622.0 (610.5). Excluding currency effects, operating income for the Group increased by 7.9 per cent. Aurdel reduced operating income by MSEK 56.9, mainly related to long lead times for delivery of external products combined with a negative impact on demand in B2C channels from increased inflationary pressure and geopolitical factors. In addition, the cessation of external distribution, which has not yet been compensated by the establishment of own brands, had an effect. Septon increased operating income by MSEK 20.0, to MSEK 105.4. Sominis increased operating income by MSEK 12.5, to MSEK 50.9. EFUEL contributed MSEK 49.6 to the increase in operating income.

Revenue from own brand labels (OBL) for the entire DistIT Group increased to MSEK 187.2 (161.7), corresponding to an increase of 15.8 per cent, and to a share of operating income of 30.1 per cent (26.5).

The gross margin amounted to 19.9 per cent (20.6). Excluding currency effects, the gross margin amounted to 21.5 per cent (21.7). Aurdel's gross margin was positively affected by price increases and increased sales of own brands. Septon's gross margin was mainly affected by a negative effect from exchange rate movements, compared to a positive effect from exchange rate movements in the comparison period. Somini's gross margin has been positively affected by a changed sales mix, with a higher proportion of products sold with a relatively higher margin. EFUEL's gross margin was negatively affected, mainly due to not receiving delivery of own brand labels with a relatively higher margin.

EBITA decreased by MSEK 3.9, to MSEK 3.4 (7.3), including restructuring costs of MSEK 3.3 related to the merger of Aurdel. The restructuring programme had only a minor positive effect on the third quarter. Adjusted EBITA amounted to MSEK 6.7 (19.2). Excluding currency effects, EBITA amounted to MSEK 9.6 (15.2), and adjusted EBITA to MSEK 12.9 (22.6). EBITA was negatively affected by a combination of reduced business volume in Aurdel, as well as a reduced gross margin in Septon and EFUEL. In addition, the result was negatively affected by increased operating expenses in Aurdel related to the relatively larger inventory and increased freight costs.

The result for the period decreased to MSEK -4.6 (0.5). In addition to the factors influencing EBITA, the result for the period was negatively affected by acquisition-related depreciation and interest on the additional consideration related to the acquisition of EFUEL.

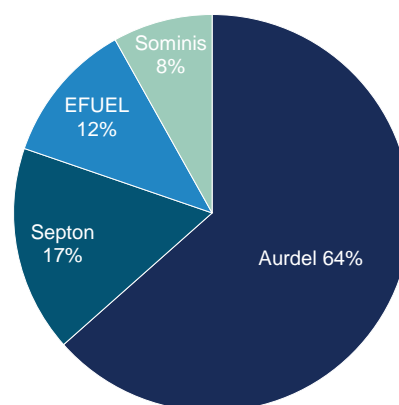
CASH FLOW AND WORKING CAPITAL

Cash flow from operating activities amounted to MSEK 6.3 (-111.6) where last year was mainly affected by the inventory build-up of own brands to ensure deliveries to customers.

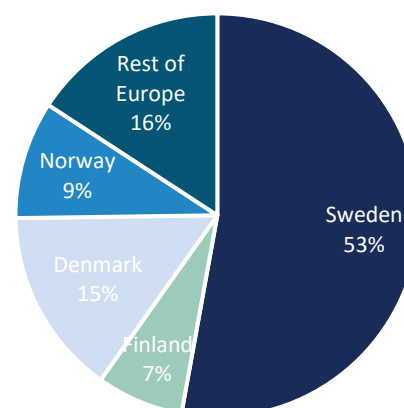
Cash flow from investment activities in the quarter amounted to MSEK -9.3 (-46.7) and consisted for the most part of acquisitions of tangible and intangible fixed assets. Last year's outcome was mainly affected by the acquisition of EFUEL.

Cash flow from financing activities of MSEK 4.4 was mainly affected by the increased use of overdraft facilities. The change from last year (88.0) was mainly affected by the change in loans.

OPERATING INCOME PER SUBSIDIARY



OPERATING INCOME PER COUNTRY



JANUARY – SEPTEMBER 2022

INCOME AND RESULT

Operating income increased by MSEK 139.3, or 8.2 per cent, to MSEK 1 844.7 (1 705.4). Aurdal reduced operating income by MSEK 104.4. Septon and Sominis increased operating income by MSEK 57.2 and MSEK 20.0, respectively. EFUEL contributed MSEK 177.4 to the increase in operating income.

The gross margin for the period amounted to 20.7 per cent (21.2). Excluding currency effects, the gross margin amounted to 21.5 per cent (21.7).

EBITA decreased by MSEK 17.4 to MSEK 8.3 (25.7), including restructuring costs of MSEK 7.4 related to the merger of Aurdal. Adjusted EBITA amounted to MSEK 15.7 (37.6). Excluding currency effects, adjusted EBITA amounted to MSEK 28.8 (46.4).

The result for the period decreased to MSEK -15.0 (9.0).

CASH FLOW AND WORKING CAPITAL

Cash flow from operating activities amounted to MSEK 18.5 (-131.1). The change in working capital had a positive effect on cash flow from operating activities of MSEK 5.0 (-149.6). Last year's change in working capital was mainly affected by the inventory build-up of own brands to ensure deliveries to customers.

Cash flow from investment activities amounted to MSEK 26.4 (-68.9) and was mainly affected by the acquisition of tangible and intangible fixed assets, of MSEK -22.3 (-6.7). Last year's change was mainly affected by the acquisition of EFUEL.

Cash flow from financing activities of MSEK 5.3 was mainly affected by the increased use of overdraft facilities. The change from last year (175.8) was mainly affected by the change in loans.

LIQUIDITY AND FINANCIAL POSITION

Available liquid assets amounted to MSEK 35.5 in net cash and MSEK 76.6 in unused overdraft facilities.

Interest-bearing net liability, including leasing liability (IFRS16), amounted to MSEK 387.5 (396.1). Excluding leasing liability, net liability amounted to MSEK 360.3 (364.2).

For information on the Group's bond loans, see Note 3.

PORTFOLIO COMPANIES' DEVELOPMENT

Aurdel

Aurdel is a leading distributor of quality products and accessories in IT, mobility, consumer electronics, networks and data communication in the Nordic region, on its way into Europe. 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, within both B2B and B2C. OBLs include a base range within several product lines and concepts, such as gaming, smart homes, electric car charging, safety and offices. Examples of own brand labels are DELTACO™, DELTACO Gaming™, L33T Gaming™ and Panzer™. The distribution of external brands is developed separately to maintain updated and complete product portfolios and increase margins.

SELECTED KEY FINANCIAL RATIOS MSEK	JUL-SEP		JAN-SEP		FULL YEAR
	2022	2021	2022	2021	2021
Operating income	397.8	454.7	1 193.1	1 297.5	1 908.4
Gross margin, %	20.9	20.5	22.1	21.8	22.6
EBIT	1.4	14.9	6.0	41.8	95.1
EBIT margin, %	0.4	3.3	0.5	3.2	5.0
Adjusted EBIT ¹	4.7	14.9	13.4	41.8	95.1
Adjusted EBIT margin, % ¹	1.2	3.3	1.1	3.2	5.0

Operating income in the third quarter decreased by 12.5 per cent to MSEK 397.8 (454.7), mainly related to long lead times for delivery of external products combined with a negative impact on demand within B2C channels from increased inflationary pressures and geopolitical factors. In addition, sales were negatively affected by the Company ceasing distribution of an external brand within batteries. The corresponding volume of replacement own and external brands is in place, but requires a gradual build-up to reach the same volume.

The gross margin increased to 20.9 per cent (20.5), mainly attributable to the fact implemented price increases have begun to cover the increased freight costs, combined with a changed sales mix with an increased share of business volume from own brand labels.

EBIT decreased to MSEK 1.4 (14.9), mainly attributable to reduced business volume, increased inventory and freight costs, and restructuring costs of approximately MSEK 3.3.

Septon

Septon is a distributor of high-quality audio and video equipment (AV products), and lighting equipment, intended for the professional market and consumers. The company represents well-known brands, such as Harman Pro, Klipsch and Marantz. Customers include Dustin, Effektgruppen, SCAN AV and BRL.

SELECTED KEY FINANCIAL RATIOS MSEK	JUL-SEP		JAN-SEP		FULL YEAR
	2022	2021	2022	2021	2021
Operating income	105.4	95.4	302.0	244.8	352.7
Gross margin, %	18.0	23.7	21.3	22.9	23.0
EBIT	0.8	5.0	6.7	3.6	9.1
EBIT margin, %	0.8	5.3	2.2	1.5	2.6

Operating income in the third quarter increased by 10.5 per cent to MSEK 105.4 (95.4), mainly attributable to strong sales linked to B2B-oriented business areas. In addition, the company saw continued normalisation of demand in the event industry, which was negatively affected by government restrictions as a result of Covid-19.

EBIT decreased to MSEK 0.8 (5.3), mainly attributable to a deteriorating gross margin combined with an increase in costs for travel and trade fairs that did not exist in the comparison period due to restrictions resulting from Covid-19.

The gross margin decreased to 18.0 per cent (23.7), mainly due to the negative effect from exchange rate movements. In addition, a combination of increased purchase prices for strategically important products and a changed sales mix with a continued significant share of business volume towards the consumer segment had a negative effect on the gross margin.

¹ The third quarter of 2022 was negatively affected by restructuring costs of approximately MSEK 3.3.

EFUEL

EFUEL is a hybrid distributor and operator in electric car charging, and its strategy is to expand its revenue streams and operating margin with payment and administration services. This will build a strong market position towards the end customer, and create a positive margin profile with recurring revenue streams. In addition, the company is strengthening the gross margin even more through further development of own brand labels in installation products and accessories, such as charging cables. The company's position, with an estimated market share of approximately 30 per cent on sales of charging boxes in Sweden, creates good conditions for continued growth in an expanding domestic market. In addition, EFUEL will gradually add new geographic markets, primarily in the Nordic region and Northern Europe.

SELECTED KEY FINANCIAL RATIOS	JUL-SEP		JAN-SEP		FULL YEAR
MSEK	2022	2021	2022	2021	18 AUG – 31 DEC
Operating income	72.8	23.2	200.6	23.2	65.2
Gross margin, %	22.3	27.0	19.5	27.0	18.0
EBIT	6.4	4.3	12.4	4.3	-6.4
EBIT margin, %	8.7	18.5	6.2	18.5	-9.8
Adjusted EBIT ¹	6.4	4.3	12.4	4.3	3.6
Adjusted EBIT margin, % ¹	8.7	18.5	6.2	18.5	5.5

Operating income in the third quarter amounted to MSEK 72.8 (23.2), which was an increase of 107.4 per cent (compared with EFUEL's total sales in the third quarter of 2021 of MSEK 35.1, which includes the part of the period DistIT did not own the company) or MSEK 49.6.

The gross margin amounted to 22.3 per cent (27.0), which was negatively affected by delayed deliveries of own goods with a relatively higher margin, as well as continued competitive external distribution of charging boxes, which creates challenges in the short term in offsetting exchange rate changes with price increases.

EBIT amounted to MSEK 6.4 (4.3). The increase comes mainly from sharply rising operating income. EBIT is also affected by a gradually increased cost base to support the continued growth and development of service-related software sales.

Note that the comparison period in 2021 was not a full quarter, as the takeover took place on 18 August.

Sominis

Sominis Technology UAB, Lithuania, is a sales partner to distributors of products within IT, office supplies, and consumer electronics. Customers are international companies within hardware sales, the retail trade, e-commerce, telecommunications and hotels.

SELECTED KEY FINANCIAL RATIOS	JUL-SEP		JAN-SEP		FULL YEAR
MSEK	2022	2021	2022	2021	2021
Operating income	50.9	38.4	162.6	142.6	202.0
Gross margin, %	10.5	9.4	9.1	11.0	11.1
EBIT	1.3	0.7	3.1	5.1	7.2
EBIT margin, %	2.6	1.8	1.9	3.6	3.6

Operating income in the third quarter increased by 32.5 per cent to MSEK 50.9 (38.4).

The gross margin increased to 10.5 per cent (9.4), mainly due to a changed sales mix with an increased share of sales of consumer-related goods with a relatively higher margin.

EBIT increased to MSEK 1.3 (0.7 which was mainly a result of an increased gross margin).

¹ 2021 was affected by one-off costs of MSEK 10.0 for 'sign on- bonuses for key employees in EFUEL.

OTHER FINANCIAL INFORMATION

EXCHANGE RATE DIFFERENCES

Exchange rate differences of an operating nature are reported in the operating result as other operating income/expenses. This includes all currency differences that arise due to commitments to customers and suppliers. Other exchange rate differences are classified as financial, which include exchange rate differences on loans and bank balances in foreign currencies. Currency adjustments due to the translation of foreign operations are reported in other comprehensive income.

The quarter's exchange rate differences of an operating nature amounted to MSEK -6.2 (-3.4), see page 19.

ACQUISITIONS AND GOODWILL

The value of goodwill is assessed on an ongoing basis in order to identify any need for impairment, and is reported at acquisition value less accumulated impairments. The company has taken into account external and internal sources of information according to p.12 of IAS 36, and, as of 30 September, has not identified any indications of impairment. Goodwill as of 30 September 2022 amounted to MSEK 377.8 (411.9), of which MSEK 283.4 is attributable to the acquisition of EFUEL, see page 21.

During the second quarter, the minority share of 15 per cent in LiteNordic AB was acquired, and the transaction is reported in the Group's equity as a transaction with the owners. The acquisition has affected the cash flow by MSEK -4.2.

COVID-19 AND THE INVASION OF UKRAINE

The Covid-19 pandemic continued to affect the year 2022 in the form of, among other things, long lead times for the delivery of goods and increased freight prices.

During the first quarter of 2022, DistIT and its subsidiaries decided to stop all sales to Russia and Belarus due to the ongoing invasion of Ukraine. The invasion has not had any direct material effect on the Group, but rather indirect effects, such as inflation and weaker customer demand in parts of the business.

RELATED-PARTY TRANSACTIONS

The Group did not carry out any material transactions with related parties during the first, second or third quarters of 2022, except for remuneration to the Board of Directors and the CEO, and the repurchase of subscription warrants from the CEO (see section "Subscription warrants" below for further information).

SUBSCRIPTION WARRANTS

Information on DistIT's outstanding subscription warrant programme is provided in the section "DistIT's stock and shareholders" on page 16.

PERSONNEL

The number of employees at the end of the period was 262 (261), of which 21 (8) are attributable to the acquisition of EFUEL.

SIGNIFICANT RISKS AND UNCERTAINTIES

The risks and uncertainties applicable to DistIT are described in the Annual Report for 2021, pages 70-77. They can also be found on the Company's website, www.distit.se, in the Corporate Governance Report for 2021. In addition to the risks described, the invasion of Ukraine and its accompanying effects, such as energy inflation, weakened SEK (import inflation), and interest rate increases, mean that we see an increased risk of uncertainty among our customers, attributable to the purchasing behaviour of end consumers, and that this may affect demand at DistIT's customers, and as such parts of our business.

PARENT COMPANY

Operations in the Parent Company comprise group management, finance, and IR/PR. The Parent Company's revenue, which as a whole is intra-group, amounted to MSEK 4.4 (4.5) for the third quarter of 2022. The operating result amounted to MSEK -2.1 (-2.3). At the end of the period, the number of employees in the Parent Company totalled 3 (2).

DIVIDEND

The 2022 Annual General Meeting resolved on a dividend of SEK 2.00 (2.00) per share for the financial year 2021, with a mandate until the next Annual General Meeting for the Board of Directors to determine the timing of the dividend. The Board of Directors announced, in connection with the Annual General Meeting, that the dividend would tentatively be implemented during the third quarter of 2022. Due to the continued uncertain global economic and market situation, the Board of Directors has decided to revisit the timing of the dividend after the fourth quarter of 2022, which is the group of companies' largest in terms of revenue. The dividend amounts to a total of SEK 28 080 932 given the number of outstanding shares on 31 March 2022 of 14 040 466. Justification for the dividend proposal is given in the section "DistIT's share and shareholders" under the heading "Dividend policy" on page 16.

NOMINATION COMMITTEE PRIOR TO THE AGM 2023

In accordance with the guidelines for the Nomination Committee's work in DistIT AB, resolved at the Annual General Meeting on 28 April 2022, the Nomination Committee will be constituted on the basis of known ownership in the Company as of 31 August 2022. The composition of the Nomination Committee will be announced no later than six months before the 2023 Annual General Meeting.

FINANCIAL CALENDAR

- 22 February 2023: Year-end Report 2022
- 27 April 2023: Interim Report, January - March 2023
- 27 April 2023: AGM 2023, to be held in Stockholm
- 18 August 2023: Interim Report, January - June 2023
- 27 October 2023: Interim Report, January - September 2023

SIGNED BY THE CEO

The undersigned confirms that the report provides a true and fair view of the Company and the Group's operations, position and performance, and describes significant risks and uncertainties faced by the Company and the Companies included in the Group.

Älvsjö, 28 October 2022
DistIT AB (publ)

Robert Rosenzweig
President and CEO

The report has been signed by the President and CEO following authorisation from the Board of Directors.

NOTE

This information is that which DistIT AB (publ) is obliged to publish in accordance with the EU Market Abuse Regulation (MAR). The information was submitted on 28 October 2022, 08.00 (CET).

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ABOUT DIST IT

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 profit 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. DistIT's share is listed on Nasdaq First North Premier Growth Market under the ticker DIST, and the Company's Certified Adviser is Erik Penser Bank AB.

Please visit www.distit.se

AUDITOR'S REPORT ON THE GENERAL REVIEW OF INTERIM FINANCIAL INFORMATION IN SUMMARY (INTERIM REPORT) PREPARED IN ACCORDANCE WITH IAS 34 AND CH. 9 OF THE SWEDISH ANNUAL ACCOUNTS ACT (1995:1554)

INTRODUCTION

We have carried out a general review of the interim financial information in summary (interim report) for DistIT AB (publ), as of 30 September 2022, and the nine-month period that ended as of this date. The Board of Directors and the CEO are responsible for preparing and presenting this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express an opinion on this interim report based on our general review.

FOCUS AND SCOPE OF THE GENERAL REVIEW

We carried our general review in accordance with International Standard on Review Engagements ISRE 2410, General Review of Interim Financial Information Carried Out by the Company's Selected Auditor. A general review consists of making inquiries, primarily of those responsible for financial and accounting matters, carrying out an analytical review, and taking other general review measures. A general review has a different focus and a considerably smaller scope compared with the focus and scope of an audit in accordance with ISA and good auditing practice in general. The review measures taken during a review do not allow us to obtain such assurance that we become aware of all the important circumstances that could have been identified if an audit had been performed. The stated conclusion based on a general review therefore does not have the certainty as that of a stated conclusion based on an audit.

CONCLUSION

Based on our general review, no circumstances have emerged that give us reason to believe that the interim report, not in all material respects, has been prepared for the Group's part in accordance with IAS 34 and the Swedish Annual Accounts Act, and for the Parent Company's part in accordance with the Swedish Annual Accounts Act.

Stockholm, 28 October 2022

Grant Thornton Sweden AB

Therese Utengen

Chartered Accountant

Principle Auditor

THE GROUP

INCOME STATEMENT – THE GROUP

MSEK	NOTE	JUL-SEP		JAN-SEP		FULL YEAR
		2022	2021	2022	2021	2021
Net revenue		618.5	609.4	1 837.8	1 702.7	2 520.2
Other operating income		3.5	1.1	6.9	2.7	4.0
Total operating income	4	622.0	610.5	1 844.7	1 705.4	2 524.2
Commodities		-498.4	-484.7	-1 462.9	-1 344.5	-1 977.1
Gross result		123.6	125.8	381.8	360.9	547.1
Operating expenses		-114.5	-114.0	-356.8	-321.0	-448.4
Operating result before depreciation		9.1	11.8	25.0	39.9	98.7
Depreciation, tangible assets		-4.9	-4.1	-14.3	-12.8	-17.3
Depreciation and impairment, intangible assets		-2.7	-0.4	-8.1	-1.4	-5.0
Operating result		1.5	7.3	2.6	25.7	76.4
Net financial result		-4.0	-3.8	-13.2	-11.2	-17.5
Result after financial items		-2.5	3.5	-10.6	14.5	58.9
Deferred tax		0.4	0.0	1.1	0.0	-1.8
Tax on the result for the year		-2.5	-3.0	-5.5	-5.5	-12.9
Result for the period		-4.6	0.5	-15.0	9.0	44.2
Result for the period attributable to:						
Parent Company's shareholders		-5.0	-0.3	-15.5	8.7	43.5
Non-controlling interests		0.4	0.8	0.5	0.3	0.7

OTHER COMPREHENSIVE INCOME

Items that may be reclassified to the income statement

Translation differences in the translation of foreign subsidiaries		4.8	1.4	11.8	4.2	5.4
Other comprehensive income after tax		4.8	1.4	11.8	4.2	5.4
Comprehensive income for the period		0.2	1.9	-3.2	13.2	49.6
Comprehensive income for the period attributable to:						
Parent Company's shareholders		-0.2	1.1	-3.7	12.9	48.9
Non-controlling interests		0.4	0.8	0.5	0.3	0.7

DATA PER SHARE

		JUL-SEP		JAN-SEP		FULL YEAR
		2022	2021	2022	2021	2021
NOTE						
Number of shares						
	Number of shares at the end of the period	14 040 466	13 908 247	14 040 466	13 908 247	13 908 247
	Average number of shares (before dilution)	14 040 466	12 824 056	14 004 626	12 462 659	12 816 630
	Average number of shares (after dilution)	14 040 466	12 824 056	14 004 626	13 463 910	13 046 651
Earnings per share						
	Earnings per share for the period (before dilution), SEK	-0.36	-0.02	-1.11	0.70	3.39
	Earnings per share for the period (after dilution), SEK	-0.36	-0.02	-1.11	0.65	3.33
Equity per share						
	Equity per share at the end of the period, SEK	40.35	40.22	40.35	40.22	43.03

BALANCE SHEET – THE GROUP

BALANCE SHEET – THE GROUP		30 SEPTEMBER		31 DECEMBER
MSEK	NOTE	2022	2021	2021
ASSETS				
Fixed assets				
Goodwill	5	377.8	411.9	374.4
Other intangible fixed assets		69.9	23.4	60.6
Tangible fixed assets		5.2	4.6	5.2
Right-of-use assets		26.8	32.1	36.8
Financial fixed assets		4.2	7.3	4.2
Total fixed assets		483.9	479.3	481.2
Current assets				
Inventory		617.9	637.9	663.0
Accounts receivable		409.4	405.1	501.4
Other current assets		67.4	66.0	69.0
Cash and bank balances		35.5	31.4	35.6
Total fixed assets		1 130.2	1 140.4	1 269.0
TOTAL ASSETS		1 614.1	1 619.7	1 750.2
EQUITY AND LIABILITIES				
Equity				
Share capital		28.1	27.8	27.8
Other contributed capital		307.1	302.6	305.8
Retained earnings including the result for the period		231.3	229.0	264.9
Total attributable to Parent Company’s shareholders		566.5	559.4	598.5
Non-controlling interests		0.2	2.0	2.7
Total equity		566.7	561.4	601.2
Long-term liabilities				
Provision	5	137.6	141.0	133.3
Lease liability		12.6	19.5	20.1
Bond loan	3	300.0	300.0	300.0
Deferred tax liability		11.3	6.0	12.2
Total long-term liabilities		461.5	466.5	465.6
Short-term liabilities				
Liabilities to credit institutions		95.8	95.6	79.6
Lease liability		14.6	12.5	16.6
Accounts payable		298.3	325.6	431.2
Accrued expenses and deferred income		49.4	51.6	57.2
Other short-term liabilities		127.8	106.5	98.8
Total short-term liabilities		585.9	591.8	683.4
TOTAL EQUITY AND LIABILITIES		1 614.1	1 619.7	1 750.2

CHANGES IN EQUITY – THE GROUP

MSEK	NOTE	JUL-SEP		JAN-SEP		FULL YEAR
		2022	2021	2022	2021	2021
Equity at the beginning of the period		593.6	424.0	601.2	454.8	454.8
Equity attributable to the Parent Company's shareholders, beginning of the period		593.7	416.8	598.5	442.2	442.2
Comprehensive income for the period		-0.6	1.1	-4.1	12.9	48.9
New issue of shares		0.0	140.0	0.0	140.0	140.0
Issue of subscription warrants		1.5	0.0	1.5	0.9	4.2
Dividend		-28.1	0.0	-28.1	-24.6	-24.6
Change of non-controlling interests		0.0	1.5	-1.3	-12.0	-12.2
Equity attributable to the Parent Company's shareholders, end of the period		566.5	559.4	566.5	559.4	598.5
Non-controlling interests, beginning of the period		-0.1	7.2	2.7	12.6	12.6
Comprehensive income for the period		0.4	0.8	0.5	0.3	0.7
Change of non-controlling interests		-0.1	-6.0	-3.0	-10.9	-10.6
Non-controlling interests, end of the period		0.2	2.0	0.2	2.0	2.7
At the end of the period		566.7	561.4	566.7	561.4	601.2

CASH FLOW SUMMARY – THE GROUP

MSEK	NOTE	JUL-SEP		JAN-SEP		FULL YEAR
		2022	2021	2022	2021	2021
Operating result		1.5	7.3	2.6	25.7	76.4
Adjustment for items not included in the cash flow		12.9	5.4	37.5	15.9	27.2
Net financial result		-4.6	-3.8	-15.0	-11.2	-18.1
Paid tax		-2.6	-2.8	-11.6	-11.9	-0.4
Changes in total working capital		-0.9	-117.7	5.0	-149.6	-182.2
Cash flow from operating activities		6.3	-111.6	18.5	-131.1	-97.1
Change in tangible and intangible fixed assets		-9.3	-3.6	-22.3	-6.7	-18.4
Change in financial fixed assets		0.0	0.0	0.1	-0.9	-0.9
Acquisition of subsidiaries	5	0.0	-38.6	0.0	-38.6	-39.3
Acquisition of non-controlling interests		0.0	-4.5	-4.2	-22.9	-22.9
Divestment of shares in subsidiaries		0.0	0.0	0.0	0.2	0.2
Cash flow from investment activities ¹		-9.3	-46.7	-26.4	-68.9	-81.3
Issued bond loans		0.0	0.0	0.0	300.0	300.0
Amortisation of bond loans		0.0	0.0	0.0	-165.6	-165.6
Amortisation of lease liabilities		-3.9	-2.9	-12.4	-11.1	-16.5
Credit institutions and overdraft facilities		6.8	90.9	16.2	75.8	59.8
Dividend to shareholders		0.0	0.0	0.0	-24.6	-24.6
Payment of subscription warrants		1.5	0.0	1.5	0.9	4.2
Cash flow from financing activities ¹		4.4	88.0	5.3	175.4	157.3
Cash flow for the year		1.4	-70.3	-2.6	-24.6	-21.1
Liquid assets at the beginning of the period		32.8	101.3	35.6	53.7	53.7
Exchange rate difference in liquid assets		1.3	0.4	2.5	2.3	3.0
Liquid assets at the end of the period		35.5	31.4	35.5	31.4	35.6

¹ As of the annual report 2021, there has been a reclassification between investment activities and financing activities of MSEK 15.7 for the full year 2021, MSEK 10.5 for part of 2021, and MSEK 7.5 for the third quarter of 2021.

THE PARENT COMPANY

INCOME STATEMENT – THE PARENT COMPANY

MSEK	NOTE	JUL-SEP		JAN-SEP		FULL YEAR
		2022	2021	2022	2021	2021
Net revenue		4.4	4.5	14.6	12.8	17.5
Total operating income		4.4	4.5	14.6	12.8	17.5
Operating expenses		-6.5	-6.6	-19.9	-18.3	-25.0
Operating result before depreciation		-2.1	-2.1	-5.3	-5.5	-7.5
Depreciation, intangible assets		0.0	-0.2	-0.4	-0.5	-0.7
Operating result		-2.1	-2.3	-5.7	-6.0	-8.2
Net financial result		4.3	-1.4	4.4	-2.6	-4.5
Result after financial items		2.2	-3.7	-1.3	-8.6	-12.7
Appropriations		0.0	0.0	0.0	0.0	48.1
Result before tax		2.2	-3.7	-1.3	-8.6	35.4
Tax on the result for the year		0.0	0.0	0.0	0.0	-7.1
Result for the period		2.2	-3.7	-1.3	-8.6	28.3

BALANCE SHEET – THE PARENT COMPANY

MSEK	NOTE	30 SEPTEMBER		31 DECEMBER
		2022	2021	2021
ASSETS				
Fixed assets				
Other intangible fixed assets		0.0	0.5	0.4
Shares in Group companies	5	554.9	550.3	553.9
Deferred tax asset		0.0	3.8	0.0
Receivables from Group companies		118.7	110.7	118.7
Total fixed assets		673.6	665.3	673.0
Current assets				
Receivables from Group companies		318.3	308.2	330.7
Other receivables		10.3	10.2	6.9
Cash and bank balances		0.0	0.0	0.0
Total current assets		328.6	318.4	337.6
TOTAL ASSETS		1 002.2	983.7	1 010.6
EQUITY AND LIABILITIES				
Equity				
Share capital		28.1	27.8	27.8
Free reserves		445.5	440.7	444.0
Result for the period		-1.3	-8.6	28.3
Total equity		572.3	459.9	500.1
Long-term liabilities				
Provisions	5	140.0	140.0	140.0
Bond loan	3	300.0	300.0	300.0
Total long-term liabilities		440.0	440.0	440.0
Short-term liabilities				
Liabilities to credit institutions		50.3	76.1	61.1
Accounts payable		0.4	2.6	0.1
Liabilities to Group companies		1.0	0.1	-
Accrued expenses and deferred income		6.0	4.6	5.5
Other short-term liabilities		32.2	0.4	3.8
Total short-term liabilities		89.9	83.8	70.5
TOTAL EQUITY AND LIABILITIES		1 002.2	983.7	1 010.6

FINANCIAL INFORMATION IN SUMMARY

INCOME STATEMENT (MSEK)

	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
	2022	2022	2022	2021	2021	2021	2021	2020
Operating income	622.0	609.7	613.0	818.8	610.5	545.3	549.6	739.8
Gross result	123.6	123.9	134.3	186.2	125.8	114.5	120.6	174.1
Operating result before depreciation (EBITDA)	9.1	-0.3	16.2	58.8	11.8	10.1	18.0	57.6
Operating result after depreciation (EBIT)	1.5	-7.9	9.0	50.7	7.3	5.0	13.4	50.8
Result for the period	-4.6	-10.8	0.4	35.2	0.5	-2.9	11.4	37.0

BALANCE SHEET (MSEK)

Assets								
Total fixed assets	483.9	481.4	480.5	481.2	479.3	149.4	153.0	152.1
Total current assets	1 130.2	1 094.7	1 099.3	1 269.0	1 140.4	1 017.6	904.5	1 000.6
Total assets	1 614.1	1 576.1	1 579.8	1 750.2	1 619.7	1 167.0	1 057.5	1 152.7
Equity and liabilities								
Total equity	566.7	593.6	606.1	601.2	561.4	424.0	453.4	454.8
Total long-term liabilities	461.5	462.5	464.3	465.6	466.5	320.2	188.1	189.9
Total short-term liabilities	585.9	520.0	509.4	683.4	591.8	422.8	416.0	508.0
Total equity and liabilities	1 614.1	1 576.1	1 579.8	1 750.2	1 619.7	1 167.0	1 057.5	1 152.7

CASH FLOW (MSEK)

Net from operating activities	6.3	-25.2	37.4	34.0	-111.6	-16.4	-3.1	23.9
Investment activities	-9.3	-11.8	-5.3	-12.4	-46.7	-0.8	-21.4	-4.7
Financial activities	4.4	35.0	-34.1	-18.2	88.0	86.3	1.1	-6.1
Cash flow for the period	1.4	-2.0	-2.0	3.4	-70.3	69.1	-23.4	13.1

FINANCIAL MEASURES (MSEK)

Gross margin, %	19.9	20.3	21.9	22.7	20.6	21.0	21.9	23.5
Operating margin (EBIT), %	0.2	-1.3	1.5	6.2	1.2	0.9	2.4	6.9
Return on capital employed (ROCE), % ¹	0.1	-0.8	1.0	5.9	1.0	0.7	2.0	7.8
Return on equity (ROE), % ¹	-0.8	-1.8	0.1	6.9	0.1	-0.7	2.6	8.6
Revenue OBL	187.2	165.0	170.8	241.3	161.7	154.0	152.6	221.1
OBL of total revenue, %	30.1	27.1	27.9	29.5	26.5	28.2	27.8	29.9
Cash flow from operating activities per share, SEK	0.45	-1.79	2.68	2.44	-8.70	-1.34	-0.25	1.95
Earnings for the period per share (before dilution), SEK	-0.36	-0.76	0.01	2.50	-0.02	-0.25	0.98	2.99
Interest-bearing net liabilities, including leasing, in accordance with IFRS 16	-387.5	-386.6	-348.2	-380.7	-396.2	-226.0	-183.1	-159.5
Interest-bearing net liabilities, excluding leasing, in accordance with IFRS 16	-360.3	-356.3	-314.5	-344.0	-364.2	-198.7	-152.4	-127.0
Debt/equity ratio - multiplied	0.6	0.6	0.5	0.6	0.6	0.5	0.3	0.3
Solvency %	35.1	37.7	38.4	34.4	34.7	36.3	42.9	39.5
Share price, SEK	38.7	49.9	72.8	114.0	115.5	96.0	100.0	47.4

¹ As of 2021, the key financial ratios are based on 12 months' rolling capital employed and equity, respectively.

DISTIT'S STOCK AND SHAREHOLDERS

SHARE FACTS

DistIT's share is listed on Nasdaq First North Premier Growth Market under the ticker DIST, and the Company's Certified Adviser is Erik Penser Bank AB.

During the third quarter of 2022, the share's closing price varied from SEK 36.5 (88.2) at its lowest, and to SEK 62.5 (120.0) at its highest. The closing price of the share on 30 September 2022 was SEK 38.7 (115.5), which meant a decrease of 66.1 per cent compared to the closing price of the share on the last trading day in 2021. DistIT's market value as of 30 September 2022 was MSEK 543.4 (1 606.4). The number of shareholders in DistIT on the same date totalled 6 441. Of these, 418 had more than 1 000 shares each. On average, 6 045 shares (26 026) were traded per trading day during the quarter. DistIT's share capital on 30 September 2022 amounted to SEK 28 080 932, divided into 14 040 466 shares.

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 2022 Annual General Meeting resolved on dispositions of the Company's profit for a dividend of SEK 2.00 (2.00) per share for the business year 2021. The proposed dividend thereby amounts to a total of SEK 28 080 932, given the number of outstanding shares on 31 March 2022 of 14 040 466.

The current proposal entails a dividend share of 63.5% of the profit after tax, which is above the target range of 30-50 per cent. However, the dividend share adjusted for one-off costs of MSEK 11.9 will be 50.1%. The dividend proposal has been prepared on the basis of the Company's earnings and capital ties. The balance sheet also consists, for the most part, of liquid products. Uncertainty factors related to Covid-19 and the effects of the geopolitical situation have also been taken into account. In conjunction with the Annual General Meeting, the Board of Directors communicated that the dividend would tentatively be implemented in the third quarter of 2022. Due to the continued uncertain economic global and market situation, the Board of Directors has decided to revisit the timing of the dividend after the fourth quarter of 2022, which is the group of companies' largest in terms of revenue.

SHARE DISTRIBUTION, 30 SEPTEMBER 2022

No. of shares	NO. OF SHAREHOLDERS	NO. OF SHARES
1-500	5 701	448 164
501-1000	322	257 963
1001-5000	303	669 728
5001-10000	37	273 630
10001-15000	19	250 049
15001-20000	10	182 873
20001-	49	11 958 059
Total	6 441	14 040 466

10 LARGEST SHAREHOLDERS, 30 SEPTEMBER 2022

Name	NO. OF SHARES	SHARE OF CAPITAL AND VOTES, %
Athanase Industrial Partner	2 999 885	21.4%
Redstone Investment Group SA	1 749 832	12.5%
Ribbskottet AB	1 550 000	11.0%
Försäkringsaktiebolaget, Avanza Pension	779 888	5.6%
JP Morgan Bank Luxembourg S.A.	728 680	5.2%
Humle Kapitalförvaltning AB	466 979	3.3%
Theodor Jeansson	410 000	2.9%
Robert Rosenzweig	265 000	1.9%
FE Småbolag Sverige	262 597	1.9%
Måns Flodberg	245 000	1.7%
Total 10 largest owners	9 457 861	67.4%
Total other owners	4 582 605	32.6%
Total	14 040 466	100.0%

AUTHORISATION

The 2022 Annual General Meeting authorised the Board of Directors to decide on a new issue of shares in conjunction with an agreement on company acquisitions. The authorisation comprises a maximum of 1 404 046 shares, corresponding to a maximum of 10% of the Company's existing share capital on the day of the Annual General Meeting. The Board of Directors has not, during the period January - September 2022, used the General Meeting's authorisation.

As part of the Company's acquisition of EFUEL, it was resolved at the Extraordinary General Meeting on 3 September 2021 to increase the Company's share capital through a new share issue. 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. The Board of Directors' authorisation for a new share issue was accordingly not used.

SHARE-RELATED KEY FINANCIAL RATIOS

	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
KEY FINANCIAL RATIOS	2021-09-30	2021-12-31	2022-03-31	2022-06-30	2022-09-30
Share price at the end of the period (SEK)	115.5	114.0	72.8	49.9	38.7
Highest/lowest closing price during the quarter (SEK)	120.0/88.2	151.0/112.5	130.0/70.6	71.9/49.5	36.5/62.5
Number of shares at the end of the period	13 908 247	13 908 247	14 040 466	14 040 466	14 040 466
Market value at the end of the period (MSEK)	1 606.4	1 585.5	1 022.1	699.9	543.4
Average number of trades per day during the quarter	111	197	143	63	26
Average trading volume per day during the quarter (shares/day)	26 026	22 675	20 552	10 543	6 045
Average revenue per day during the quarter (SEK/day)	2 835 772	2 978 729	2 074 405	655 355	290 836

SUBSCRIPTION WARRANTS

As of the end of September 2022, there were 1 254 540 outstanding subscription warrants.

The 2022 Annual General Meeting resolved on a subscription warrant programme of 450 000. During the third quarter of 2022, 300 000 subscription warrants were subscribed for, distributed among the CEO and other senior executives. The programme was fully subscribed, except for the subscription warrants allocated to Philip Gunnarsson, who chose not to subscribe for his share given his termination of employment with the Company. The options can be used to subscribe for shares during the period 8 – 30 June 2025.

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 some of the DistIT Group's senior executives and key personnel. 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.

During the first quarter of 2022, the Group completed the 2019/2022 incentive programme, whereby the CEO subscribed for shares totalling SEK 5 288 760. In conjunction 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, 88 784 (which corresponds to SEK 38.4 per subscription warrant). The purchase price corresponds to the market value of the subscription warrants, determined by an independent appraiser. The CEO has used the purchase price for the repurchased subscription warrants to pay for the newly subscribed shares by way of an offset. After the subscribed shares had been registered, there were a total of 14 040 466 outstanding shares in the Parent Company, and the share capital amounted to a total of SEK 28 080 932 at the end of March 2022. The transaction has only affected the financial statements through a transfer within equity.

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

DEFINITIONS

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

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

KEY FINANCIAL RATIO	DESCRIPTION	JUSTIFICATION FOR ALTERNATIVE KEY FINANCIAL RATIO
Return on equity (ROE)	The result for the period divided by 12 months' rolling equity, including non-controlling interests.	The key financial ratio illustrates how the owners' capital has been remunerated during the period.
Return on capital employed (ROCE)	The operating result divided by 12 months' rolling capital employed.	The key financial ratio illustrates how the Group has remunerated the capital that shareholders and lenders together have made available.
Gross margin	Gross result divided by operating income.	The key financial ratio is a key measure of profitability, as it shows how much of the operating income is left after direct costs linked to the Group's core operations have been deducted.
EBITA	The operating result before depreciation and amortisation of intangible fixed assets that came about in conjunction with company acquisitions. Depreciation and amortisation of tangible fixed assets and other intangible fixed assets are included.	The key financial ratio allows comparisons of profitability over time, regardless of the effects of depreciation and amortisation of acquisition-related intangible fixed assets, financing structure and corporate tax rate. Depreciation and amortisation 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 measure of profit.
EBITA margin, %	EBITA divided by operating income.	Same justification as for EBITA.
Adjusted EBITA	EBITA excluding items affecting comparability.	Same justification as for EBITA but also adjusted for items affecting comparability to increase comparability over time.
Adjusted EBITA margin, %	Adjusted EBITA divided by operating income.	Same justification as for Adjusted EBITA.
Operating result before depreciation (EBITDA)	Operating result before depreciation.	The key figure 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	One-off costs in connection with restructuring, the merger of Aurora and Deltaco, 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 consider it appropriate to analyse certain key financial 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 financial ratio illustrates the Group's ability to generate cash flow from the business, expressed in 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 financial ratio. Defined according to IFRS.
Interest-bearing net liability	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 financial ratio highlights the indebtedness of the Group.
Operating result (EBIT)	Operating result.	The key financial ratio allows comparisons of profitability over time, regardless of the effects of financing structure and corporate tax rate.
Operating margin (EBIT), %	Operating result (EBIT) divided by operating income.	Same justification as for Operating result (EBIT).
Adjusted operating result (EBIT)	Operating result (EBIT) excluding items affecting comparability.	Same justification as for Operating result (EBIT) but also adjusted for items affecting comparability to increase comparability over time.

Adjusted operating margin (EBIT), %	Adjusted operating result (EBIT) divided by operating income.	Same justification as for Adjusted operating result (EBIT).
Debt/equity ratio	Interest-bearing net liability in relation to equity, including non-controlling interests at the end of the period.	The key financial ratio highlights financial risk.
Solvency	Equity, including non-controlling interests, as a percentage of total assets at the end of the period.	The key financial ratio highlights financial risk.
Capital employed	Total assets less non-interest-bearing provisions and liabilities (provisions, deferred tax liabilities, accounts payable, accrued expenses and prepaid income, and other current liabilities).	The Group uses capital employed to calculate the alternative key figure Return on capital employed (ROCE).
Total working capital	Inventory plus accounts receivable and other current assets less accounts payable and other current liabilities.	No alternative key financial ratio. Used as a term in the cash flow statement.

CALCULATION OF THE ALTERNATIVE KEY FINANCIAL RATIOS ARE SHOWN IN THE TABLES BELOW

	JUL-SEP		JAN-SEP		FULL YEAR
	2022	2021	2022	2021	2021
EBITA					
Operating result (EBIT)	1.5	7.3	2.6	25.7	76.4
Depreciation related to acquisition	-1.9	0.0	-5.7	0.0	-3.1
EBITA	3.4	7.3	8.3	25.7	79.5
Items affecting comparability ¹	-3.3	0.0	-7.4	0.0	-11.9
Adjusted EBITA	6.7	7.3	15.7	25.7	91.4
Currency impact	-6.2	-3.4	-13.1	-8.8	-13.3
Adjusted EBITA, excluding currency impact	12.9	10.7	28.8	34.5	104.7
EBITA, excluding currency impact	9.6	10.7	21.4	34.5	92.8

	JUL-SEP		JAN-SEP		FULL YEAR
	2022	2021	2022	2021	2021
Operating income and gross margin, excluding currency impact					
Operating income	622.0	610.5	1 844.7	1 705.4	2 524.2
Currency impact	2.6	0.9	5.0	1.0	1.5
Operating income, excluding currency impact	619.4	609.6	1 839.7	1 074.4	2 522.7
Commodities	-498.4	-484.7	-1 462.9	-1 344.5	-1 977.1
Currency impact	-8.8	-4.3	-18.1	-9.8	-14.9
Merchandise, excluding currency impact	-489.6	-480.4	-1 444.8	-1 334.7	-1 962.2
Gross result	123.6	125.8	381.8	360.9	547.1
Gross margin, %	19.9	20.6	20.7	21.2	21.7
Gross result, excluding currency impact	129.8	129.2	394.9	369.7	560.5
Gross margin, excluding currency impact, %	21.0	21.2	21.5	21.7	22.2

¹ 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. For 2022, items affecting comparability consist of restructuring costs of approximately MSEK 7.4 related to the merger of Aurdal (of which MSEK 3.3 is related to Q3 2022).

NOTES

NOTE 1 - ACCOUNTING PRINCIPLES

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations of the IFRS Interpretations Committee (IFRS IC) as endorsed by the EU. The Group has also applied the Swedish Financial Reporting Board recommendation RFR 1, Supplementary Accounting Rules for Groups. This interim report has been prepared in accordance with the Swedish Annual Accounts Act (ÅRL), and IAS 34, Interim Financial Reporting, for the Group, and in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendations RFR 2, Accounting for Legal Entities, for the Parent Company. The accounting principles applied for the Group and the Parent Company are consistent with those used in the preparation of the latest Annual Report.

New or revised IFRS standards and interpretative statements for 2022 have had no material effect on the Group's financial position, results or disclosures.

NOTE 2 - PLEDGED COLLATERAL FOR OWN PROVISIONS AND LIABILITIES, MSEK

LIABILITIES TO CREDIT INSTITUTIONS	THE GROUP		THE PARENT COMPANY	
	2022-09-30	2021-12-31	2022-09-30	2021-12-31
Business mortgages	85.9	77.1	5.0	5.0
Shares in subsidiaries	266.2	267.0	174.7	174.7
Assets pledged as collateral security	51.0	20.8	0.0	0.0
Other guarantees	35.3	20.8	0.0	0.0

NOTE 3 – 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 450 bps. 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 (TSEK)	30 SEPTEMBER		31 DECEMBER	
	2022	2021	2021	2021
Opening liability	300.0	165.6	165.6	165.6
Bond loan 2018/2022	-	-165.6	-165.6	-165.6
Bond loan 2021/2024	-	300.0	300.0	300.0
Total change	-	134.4	134.4	134.4
Closing liability	300.0	300.0	300.0	300.0

NOTE 4 – SEGMENT INFORMATION AND DISCLOSURES ON CATEGORIES OF OPERATING INCOME AND EBIT, MSEK

OPERATING INCOME PER BRAND	JUL-SEP				JAN-SEP				FULL YEAR	
	2022	%	2021	%	2022	%	2021	%	2021	%
Own brand labels	187.2	30.1	161.7	26.5	523.0	28.4	468.3	28.0	709.6	28.1
External brands	431.3	69.3	447.7	73.3	1 314.8	71.3	1 234.4	71.9	1 810.6	71.7
Other income	3.5	0.6	1.1	0.2	6.9	0.3	2.7	0.1	4.0	0.2
Total	622.0		610.5		1 844.7		1 705.4		2 524.2	

OPERATING INCOME PER SEGMENT ¹	JUL-SEP				JAN-SEP				FULL YEAR	
	2022	%	2021	%	2022	%	2021	%	2021	%
Aurdal	397.7	63.9	454.7	74.5	1 193.1	64.7	1 297.5	76.1	1 908.4	75.6
Septon	105.4	16.9	95.4	15.6	302.0	16.4	244.8	14.4	352.7	14.0
EFUEL	72.8	11.7	23.2	3.8	200.6	10.9	23.2	1.4	65.2	2.6
Sominis	50.9	8.2	38.4	6.3	162.6	8.8	142.6	8.4	202.0	8.0
Other/eliminations	-4.8	-0.7	-1.2	-0.2	-13.6	-0.8	-2.7	-0.3	-4.1	-0.2
Total	622.0		610.5		1 844.7		1 705.4		2 524.2	

OPERATING INCOME PER COUNTRY	JUL-SEP				JAN-SEP				FULL YEAR	
	2022	%	2021	%	2022	%	2021	%	2021	%
Sweden	328.8	52.9	308.9	50.6	951.4	51.6	818.4	48.0	1 233.3	48.9
Finland	41.0	6.6	46.4	7.6	126.6	6.9	138.5	8.1	195.0	7.7
Denmark	96.3	15.5	112.1	18.4	284.9	15.4	324.5	19.0	501.2	19.9
Norway	58.9	9.5	61.8	10.1	196.9	10.7	175.9	10.3	247.8	9.8
Rest of Europe	97.0	15.5	81.3	13.3	284.9	15.4	248.1	14.6	346.9	13.7
Total	622.0		610.5		1 844.7		1 705.4		2 524.2	

EBIT PER SEGMENT ¹	JUL-SEP		JAN-SEP		FULL YEAR
	2022	2021	2022	2021	2021
Aurdal	1.4	14.9	6.0	41.8	95.1
Septon	0.8	5.0	6.7	3.6	9.1
EFUEL	6.4	4.3	12.4	4.3	-6.4
Sominis	1.3	0.7	3.1	5.1	7.2
Other/eliminations	-8.4	-17.6	-25.6	-29.1	-28.6
Total	1.5	7.3	2.6	25.7	76.4

NOTE 5 – BUSINESS ACQUISITIONS DURING 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 became consolidated with DistIT as of 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 collaboration effects between EFUEL and other subsidiaries.

For the fourth quarter of 2021, a preliminary acquisition analysis is presented below. 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 of MSEK 140.0 will be paid when EFUEL delivers a gross result of MSEK 70.0 on a rolling 12-month basis, whenever this occurs 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 the identified intangible assets of MSEK 36.4, the majority is attributed to customer relations and is 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 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 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 year 2021 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.

¹ In 2019, an organisational merger of the companies Aurora and Deltaco and a full integration of the operations was carried out. Since the first quarter of 2021, these companies are reported as a merged segment. A new segment was added in the third quarter of 2021 with the acquisition of EFUEL, whose result was negatively affected by MSEK 10.0 for 'sign-on' bonuses for key employees.

Acquisition costs of MSEK 1.9 are included in 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). Excluding 'sign-on' bonuses, EFUEL contributed MSEK 3.6 to the operating result. 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 incurrance of 'sign-on' bonuses).

PRELIMINARY ACQUISITION ANALYSIS	REPORTED AT THE TIME OF ACQUISITION	ADJUSTMENT TO FAIR VALUE	FAIR VALUE
Fair value of remuneration transferred			
Purchase price paid, settled in cash			45.0
Purchase price paid, shares issued			140.0
Contingent consideration regarding 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 Group's liquid assets upon acquisition			
Purchase price paid regarding the year's acquisitions			45.0
Liquid assets in acquired subsidiaries			-6.4
Total			38.6

	30 SEPTEMBER	31 DECEMBER
SHARES IN GROUP COMPANIES	2022	2021
Opening acquisition value	777.2	429.9
Acquisition of subsidiaries	1.0	326.7
Acquisition of non-controlling interests	-	17.0
Closing acquisition value	778.2	773.6
Opening impairment	-223.3	-223.3
Closing reported value	554.9	550.3

	30 SEPTEMBER	31 DECEMBER
PROVISIONS	2022	2021
Opening provisions	133.3	1.0
New provisions	-	-
Payments	-	-
Reclassification, including present value calculation	4.3	-
Closing provisions	137.6	1.0

New provision as of 31 December 2021 refers to additional purchase price acquisition of EFUEL, adjusted with a present value calculation.

ENGLISH VERSION

This English version of the Q3 report is provided as a service and is therefore superseded by the original publication in Swedish in the event of any discrepancies.

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