YEAR-END REPORT Q4
1 January – 31 December 2023

Q4 2023

Strong cash flow and increased profitability

FOURTH QUARTER HIGHLIGHTS

- Revenue decreased by -6.8 per cent to MSEK 2,538 (2,723). Organic growth was -7.5 per cent.
- Gross margin increased to 43.4 per cent (41.4).
- Adjusted EBITA increased by 3 per cent to MSEK 308 (298), corresponding to an adjusted EBITA margin of 12.1 per cent (10.9).
- Operating profit increased to MSEK 278 (268) and the operating margin was 11.0 per cent (9.8). Operating profit was charged with items affecting comparability of MSEK -16 (-15).
- Profit amounted to MSEK 192 (194).
- Earnings per share amounted to SEK 3.76[2] (3.82[2]).
- Cash flow from operating activities increased to MSEK 526 (417).

SIGNIFICANT EVENTS DURING THE FOURTH QUARTER

- Alligo signed an agreement to acquire 100 per cent of the shares in Tore Vagle AS. The company has operations in Sandnes, Norway and sells tools and industrial components. The acquisition was completed in January 2024.
- Alligo signed agreements to acquire 100 per cent of the shares in Svets och Tillbehör i Sverige AB and Svetspartner i Malmö AB. The companies have operations in Ystad and Malmö respectively and have a broad offering within welding and grinding and related service business. The acquisitions were completed in January 2024.
- Alligo joined the Science Based Targets initiative (SBTi).
- Alligo decided to streamline its concept brands in the Nordic region. The stores in Sweden were brought together under the Swedol concept brand and in Norway and Finland under the Tools concept brand.

FULL YEAR 2023 HIGHLIGHTS

- Revenue increased by 1.3 per cent to MSEK 9,335 (9,211). Organic growth was -1.4 per cent.
- Gross margin increased to 41.4 per cent (40.5).
- Adjusted EBITA increased by 9 per cent to MSEK 827 (756), corresponding to an adjusted EBITA margin of 8.9 per cent (8.2).
- Operating profit increased to MSEK 748 (669) and the operating margin was 8.0 per cent (7.3). Operating profit was charged with items affecting comparability of MSEK -20 (-24).
- Profit from continuing operations amounted to MSEK 497 (481) and profit from discontinued operations to MSEK 0 (28[1]). The impact on earnings of the distribution of Momentum Group was MSEK 0 (3,553) and total profit from the Group amounted to MSEK 497 (4,062).
- Earnings per share from continuing operations amounted to SEK 9.76[2] (9.51[2]) and earnings per share from discontinued operations amounted to SEK 0.00[2] (0.55[1,2]). The impact on earnings of the distribution of Momentum Group was SEK 0.00[2] (70.38[2]) per share and earnings per share for the Group as a whole amounted to SEK 9.76[2] (80.44[2]).
- Cash flow from operating activities increased to MSEK 993 (507).
- The Board of Directors proposes a dividend for 2023 of SEK 3.50 per share (3.00).

EVENTS AFTER THE END OF THE PERIOD

- Alligo completed the acquisitions of Tore Vagle AS, Svets och Tillbehör i Sverige AB and Svetspartner i Malmö AB.

KEY PERFORMANCE INDICATORS

Group	2023 OCT-DEC	2022 OCT-DEC	2023 JAN-DEC	2022 JAN-DEC
Revenue, MSEK	2,538	2,723	9,335	9,211
Gross profit, MSEK	1,102	1,127	3,868	3,728
Gross margin, %	43.4	41.4	41.4	40.5
Operating profit, MSEK	278	268	748	669
Operating margin, %	11.0	9.8	8.0	7.3
Adjusted EBITA, MSEK	308	298	827	756
Adjusted EBITA margin, %	12.1	10.9	8.9	8.2
Return on equity[1, 3], %			14	16
Equity per share[4], SEK	72.19	67.51	72.19	67.51
Equity/assets ratio, %	41	41	41	41

1) Adjusted for the impact on earnings of the distribution of Momentum Group AB.
2) Before and after dilution.
3) Refers to the Group total (continuing operations and discontinued operations).
4) Refers to equity attributable to the Parent Company's shareholders.

DISCONTINUED OPERATIONS

Alligo's former subsidiary Momentum Group AB is reported as discontinued operations in accordance with IFRS 5. Comments and figures relate to continuing operations unless otherwise specified. Comparison figures in the consolidated income statement have been recalculated. For more information, see Note 1 Accounting policies and Note 7 Discontinued operations.

ALLIGO

MESSAGE FROM THE CEO

Despite a weaker market during the fourth quarter, we have continued to increase profitability and strengthen our cash flow.

We are gradually adapting our cost structure to the prevailing market conditions, while also continuing to build on the strong foundation we have laid in recent years. We see great potential in increasing our operational efficiency and strengthening our offering and position, including through the acquisition of profitable companies that are aligned with our growth strategy. We signed agreements during the quarter to acquire three businesses, two of them in welding – an area where we see potential and can build close collaboration with our customers.

Weak market

Revenue for the fourth quarter was MSEK 2,538 (2,723), a decrease of -6.8 per cent. Organically, sales decreased by -7.5 per cent. Growth through acquisitions was 3.0 per cent. Organic sales were weakest in Sweden, followed by Finland, where there was a clear slowdown within the manufacturing industry. Organic sales in Norway were positive, thanks to strong development in the oil and gas industry.

Revenue for 2023 as a whole amounted to MSEK 9,335 (9,211). This increase of 1.3 per cent was mainly acquisition-driven. Organic growth for the full year was -1.4 per cent.

Increased profitability

We continued to improve both profits and margins in the fourth quarter. Adjusted EBITA increased to MSEK 308 (298) and the adjusted EBITA margin increased to 12.1 per cent (10.9). The improvement in profit was driven by development in Norway, but was mitigated by reduced organic growth in Sweden, where Alligo has a more profitable customer mix. Reduced organic growth in Finland and ongoing store investments to strengthen long-term profitability also had a mitigating effect.

Adjusted EBITA for the full year increased to MSEK 827 (756), corresponding to an adjusted EBITA margin of 8.9 per cent (8.2).

In order to increase profitability, we have worked on areas such as price and cost adaptation, supplier negotiations, sales and assortment management and increasing the proportion of small and medium-sized customers. Inflation, a weak krona and cost-conscious customers make it particularly important for us to work on pricing. By making continuous adjustments based on the product and market situation, we are able to offer competitive prices to customers while also maintaining good underlying margins.

Reduced tied-up capital and strong cash flow

Our work to reduce capital tie-up, primarily by reducing inventory levels, continues to yield positive results and a strong cash flow. The growth of own brands has mitigated this to an extent but overall, the trend is positive. Cash flow from operating activities increased to MSEK 526 (417) for the quarter and to MSEK 993 (507) for the full year. Although we have achieved significant improvements in just a short time, there is still scope to further reduce our tied-up capital.

Continued coordination and streamlining of logistics

On 1 December, Alligo achieved an important milestone in Norway as the logistics unit in Skedsmokorset began its migration to the newly constructed central warehouse in Vestby, near Oslo. Relocation of the Rosenholm logistics unit is set to begin in mid-February and is expected to be completed during Q2 2024. Coordinating the two logistics units in new, ultramodern premises will lead to more efficient operations and better service for customers, while also securing our capacity for potential future expansion. Jens Henriksen, Country Manager for Norway, has chosen to leave his position at the end of February. The process of recruiting a new Country Manager is under way.

» We can adapt when we need to by further adjusting costs, but we are also ready to hit the accelerator as soon as the market changes.

In our Swedish logistics operations, the new automated facility in the central warehouse in Örebro was commissioned in mid-December. This is an important investment that will streamline many parts of the goods flow and improve the work environment. Everything has gone well and we have been able to deliver on schedule.

Alligo joins the Science Based Targets initiative

Towards the end of the fourth quarter, Alligo joined the Science Based Targets initiative (SBTi). This represents a commitment to set science-based targets for reducing Scope 1, 2 and 3 emissions by the end of 2025. This is an important step for Alligo's sustainability work and our ambition to be the leader in sustainable development in the industry.

Stable position in an uncertain market

There remains considerable uncertainty on the market but the extensive integration work we have carried out since the merger of Swedol and Tools has laid the foundation for a stable, well-positioned company. We have a strong balance sheet and a common, scalable platform, so we are properly equipped to handle the changes in the world around us and the market situation. We can adapt when we need to by further adjusting costs, but we are also ready to hit the accelerator as soon as the market changes.

Clein Johansson Ullenvik
President and CEO

ALLIGO – WE MAKE BUSINESSES WORK

Alligo is a leading player within workwear, personal protective equipment, tools and consumables in the Nordic region. Its offering consists of a standardised product range of goods and services that enable companies to function. The range consists of a balanced mix of own brands and leading external brands and is characterised by high quality, value for money and product safety, combined with a good service level and availability.

Alligo's main markets of Sweden, Norway and Finland generate total revenue of approximately SEK 53 billion per year. Its customers are a balanced mix of small and medium-sized enterprises, large companies and public-sector agencies within eight defined industry segments: Manufacturing industry, Construction industry, Public sector, Transport and storage, Repair and maintenance, Agriculture and forestry, Fishing and aquaculture and Oil and gas.

Through the concept brands Swedol and Tools, alongside local specialist companies, we interact with professional users throughout the Nordic region in the channels where they want to meet us, whether this is a store, field sales, digital channels or smart solutions on-site at the customer.

Since Alligo's formation through the merger of Swedol and Tools in 2020, we have been carrying out intensive integration work. The major integration projects have now been completed – Alligo is an integrated company with a scalable platform that can continue to drive long-term profitable and sustainable growth, both organically and through acquisitions. We are driven by our vision of becoming unbeatable as a partner to our customers and suppliers, as an employer for our employees and as a leader in sustainable development in our industry.

swedol

TOOLS

ALLIGO

Independent stores

SWEDEN: Mercus, Company Line, Reklamproffsen, Industriprofil, TriffiQ, Profilmakarna, Defacto, Magnusson Agentur, Profeel, Z-Profil, Kents Textiltryck, Olympus Profile, Topline, Svets och Tillbehör i Sverige and Svetspartner i Malmö. **FINLAND:** Metaplan, Liukkosen Pultti, Kitakone and Pirkka-Hitsi. **NORWAY:** Tore Vagle.

GROUP DEVELOPMENT

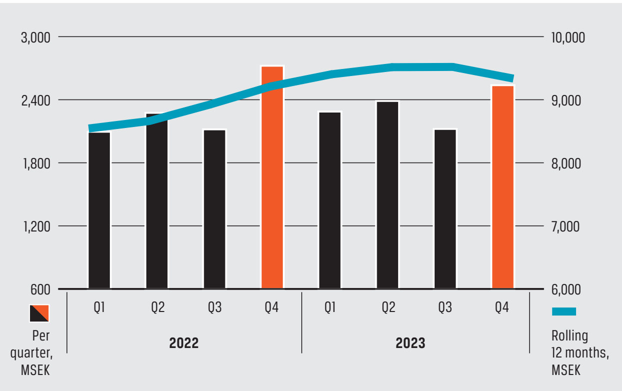
REVENUE

Fourth quarter 2023

Revenue decreased by -6.8 per cent to MSEK 2,538 (2,723). Acquisitions made had a positive impact on revenue but this does not compensate for the counteractive effects of negative organic growth in both Sweden and Finland, negative currency effects and one fewer trading day. Revenue from like-for-like sales, measured in local currency and adjusted for the number of trading days, decreased by -7.5 per cent compared with the corresponding quarter last year. The growth in like-for-like sales corresponded to organic growth, as no new stores were established during the quarter. The market slowdown continued during the quarter and the slowdown within the manufacturing industry in Finland became clear. Acquired growth amounted to 3.0 per cent and relates mainly to our acquisitions of product media companies in Sweden, as well as acquisitions completed in Finland.

The proportion of own brands during the quarter was 21.8 per cent (20.2). This increase is a result of improvements on all markets. Workwear and personal protective equipment accounted for 79.7 per cent of own brand sales and tools and consumables for 20.3 per cent. Currency translation effects had a negative impact on revenue of MSEK 26, driven by the NOK trend and offset by the EUR trend.

REVENUE



MSEK	2022 Q1	Q2	Q3	Q4	2023 Q1	Q2	Q3	Q4
Per quarter	2,095	2,275	2,118	2,723	2,287	2,388	2,122	2,538
Rolling 12 mos.	8,544	8,662	8,924	9,211	9,403	9,516	9,520	9,335

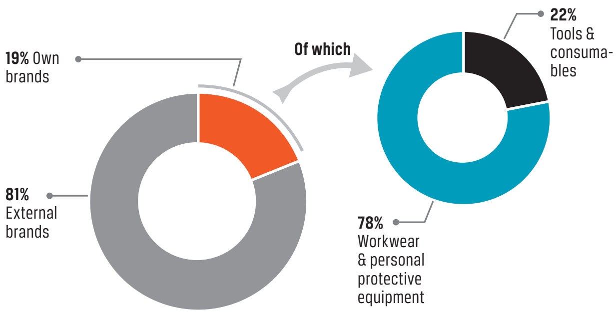
Full year 2023

Revenue increased by 1.3 per cent to MSEK 9,335 (9,211). Acquisitions made had a positive impact on revenue but this was counteracted by negative organic growth and fewer trading days. Revenue from like-for-like sales, measured in local currency and adjusted for the number of trading days, decreased by -1.4 per cent compared with the corresponding period last year. The growth in like-for-like sales corresponds to organic growth, as no new stores were established during the period. The slowdown that was observed in Sweden in the fourth quarter of 2022, and in Finland during the second quarter of 2023, has continued and gradually intensified and the downturn applies to most customer segments. Organic growth was negative in Sweden, unchanged in Finland and positive in Norway. The growth in Norway was driven primarily by larger industrial customers within the oil and gas industry. Acquired growth amounted to 3.5 per cent and relates primarily to our acquisitions of product media companies in Sweden, as well as acquisitions completed in Finland and Norway.

The proportion of own brands during the period was 19.4 per cent (18.2). This increase is a result of improvements on all markets. Workwear and personal protective equipment accounted for 78.4 per cent of own brand sales and tools and consumables for 21.6 per cent. During the period, the proportion of in-store sales was 54 per cent (55), the proportion of direct sales was 41 per cent (42) and the remaining 5 per cent (3) relates to product media. Currency translation effects had a positive impact on revenue of MSEK 4, driven by the EUR trend and offset by the NOK trend. The period contained two trading days fewer than last year.

OWN BRANDS JAN-DEC 2023

Share of sales and breakdown by product category

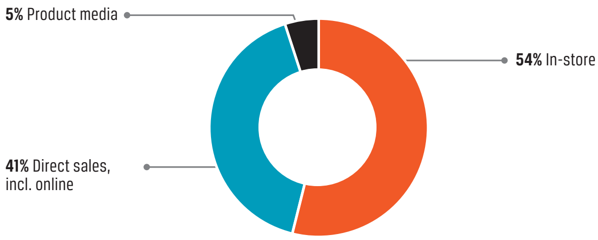


SALES TREND

	2023 OCT-DEC	2023 JAN-DEC	2022 JAN-DEC
Change in revenue from:			
Like-for-like sales in local currency,%	-7.5	-1.4	6.1
Currency effects, %	-0.9	0.0	2.3
Number of trading days, %	-1.4	-0.8	-
New stores established in local currency,%	-	-	-
Other units[1], %	3.0	3.5	1.0
Total change, %	**-6.8**	**1.3**	**9.4**

1) Acquisitions and divestments.

SALES BY CHANNEL JAN-DEC 2023



PROFITS

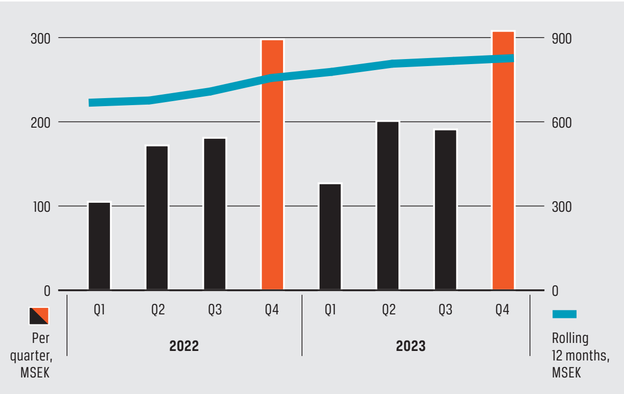
Fourth quarter 2023

Operating profit amounted to MSEK 278 (268). Adjusted EBITA (operating profit excluding items affecting comparability and amortisation of intangible assets arising in connection with corporate acquisitions) increased by 3 per cent to MSEK 308 (298), corresponding to an adjusted EBITA margin of 12.1 per cent (10.9). The improvement in profit was attributable to Norway and was driven by organic growth, margin improvements and cost adjustments, but was mitigated by weaker profits in Sweden and Finland. The weaker profits in Finland were the result of the lower demand in the market and the effect of investments in stores to better meet the needs of small and medium-sized customers. The improvement in profit was also mitigated by an unfavourable country mix in the form of growth in Norway while Sweden experienced weaker development. Operating profit was charged with items affecting comparability of MSEK -16 (-15) net regarding costs for the disposal of Covid materials and costs for organizational changes and other efficiency-enhancing measures in connection with implemented cost-saving programs.

During the quarter, MSEK 11 was utilised from restructuring reserves from previous years, MSEK 7 of which originates from the third quarter of 2020 and MSEK 4 from the third quarter of 2021.

The effective tax rate was 21.3 per cent (21.1). Profit after financial items was MSEK 244 (246) and profit after tax was MSEK 192 (194), which corresponds to earnings per share of SEK 3.76 (3.82) for the quarter.

ADJUSTED EBITA



MSEK	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4
Per quarter	105	172	181	298	127	201	191	308
Rolling 12 mos.	668	676	708	756	778	807	817	827

Full year 2023

Operating profit amounted to MSEK 748 (669). Adjusted EBITA (operating profit excluding items affecting comparability and amortisation of intangible assets arising in connection with corporate acquisitions) increased by 9 per cent to MSEK 827 (756), corresponding to an adjusted EBITA margin of 8.9 per cent (8.2). The improvement in profit was primarily attributable to Norway and was driven by organic growth, margin improvements and cost adjustments. The effect was mitigated by an unfavourable country mix in the form of stronger growth in Norway and Finland than in Sweden, which experienced a weaker trend. Operating profit was charged with items affecting comparability of MSEK -20 (-24) net relating to costs for the scrapping of Covid materials, as well as costs for organisational changes and other efficiency measures in connection with the savings programme implemented.

The merger of Tools and Swedol has been completed in principle and only the adaptation of the range remains to be fully implemented, alongside the change of business system in Norway, which is scheduled for early 2025. There was a net increase in the number of stores from 203 to 210 through acquisitions. During the period, MSEK 36 was utilised from restructuring reserves from previous years, MSEK 18 of which originates from the third quarter of 2020 and MSEK 18 from the third quarter of 2021. The restructuring reserve from the third quarter of 2020 amounts to MSEK 1 (originally MSEK 97). The restructuring reserve originating from the third quarter of 2021 regarding the coordination of logistics in Sweden amounts to MSEK 62, compared with an initial MSEK 108. Both restructuring reserves have been utilised according to the original plan.

The effective tax rate was 21.6 per cent (21.4). Profit after financial items was MSEK 634 (612) and profit after tax was MSEK 497 (481), which corresponds to earnings per share for continuing operations of SEK 9.76 (9.51) for the period.

The Group's profitability, measured as the return on equity, amounted to 14 per cent for the most recent 12-month period, corresponding to a return on capital employed of 12 per cent.

Total operations

Total profit from the Group amounted to MSEK 497 (4,062), of which MSEK 497 (481) is attributable to continuing operations, MSEK 0 (28) to discontinued operations, and MSEK 0 (3,553) to the impact on earnings of the distribution of Momentum Group.

DEVELOPMENT BY GEOGRAPHIC SEGMENT

Fourth quarter 2023

SWEDEN	OCT-DEC 2023
Revenue	MSEK 1,517
Adjusted EBITA	MSEK 234
Adjusted EBITA margin	15.4%
Proportion of own brands	25.4%

Revenue in Sweden reduced by -7.8 per cent to MSEK 1,517 (1,645). Organic growth was negative, but was mitigated by the acquisitions of Profeel Sweden AB, Profilföretaget Z-profil AB, Kents Textiltryck i Halmstad, Olympus Profile i Uddevalla AB and Topline AB. The previously observed slowdown continued and intensified in the fourth quarter. Organic growth was negative at approximately -11 per cent. This decline derives from most customer segments. Adjusted EBITA for the quarter amounted to MSEK 234 (253) and the adjusted EBITA margin to 15.4 per cent (15.4). The decline in profit was the result of lower volumes, mitigated to an extent by margin improvements achieved in part by ending unprofitable customer agreements and through supplier negotiations and cost adjustments.

Operating profit has been charged with items affecting comparability of MSEK -6 (-8) net. The proportion of own brands during the quarter was 25.4 per cent (23.8).

NORWAY	OCT-DEC 2023
Revenue	MSEK 697
Adjusted EBITA	MSEK 57
Adjusted EBITA margin	8.2%
Proportion of own brands	20.2%

Revenue in Norway reduced by -6.3 per cent to MSEK 697 (744), negatively affected by changes in the NOK exchange rate. Organic growth was approximately 1 per cent, driven by developments primarily in the oil and gas industry. Adjusted EBITA for the quarter amounted to MSEK 57 (34) and the adjusted EBITA margin to 8.2 per cent (4.6). The improvement in profit was driven by growth, better sales and assortment management and cost adjustments.

Operating profit has been charged with items affecting comparability of MSEK -5 (-6). The proportion of own brands during the quarter was 20.2 per cent (17.2).

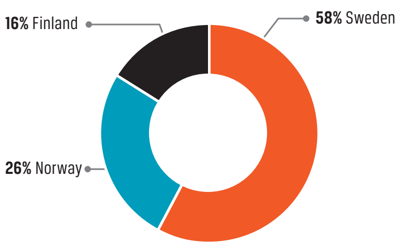
The Country Manager for Norway announced that he chooses to leave Alligo during the first quarter of 2024 and the recruitment of a successor is under way.

FINLAND	OCT-DEC 2023
Revenue	MSEK 425
Adjusted EBITA	MSEK 16
Adjusted EBITA margin	3.8%
Proportion of own brands	12.3%

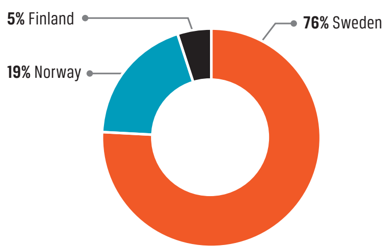
Revenue in Finland decreased by -1.8 per cent to MSEK 425 (433). The acquisitions of Kitakone Oy and Tampereen Pirkka-Hitsi Oy made a positive contribution to this, as did changes in the EUR exchange rate. Organic growth was negative at approximately -8 per cent. The slowdown observed in the second quarter has continued and gradually intensified and there was a clear slowdown in the manufacturing industry during the quarter. Adjusted EBITA for the quarter amounted to MSEK 16 (17) and the adjusted EBITA margin to 3.8 per cent (3.9). The weaker profits were the effect of lower volumes and of investments in stores to better meet the needs of small and medium-sized customers. This was mitigated by additional purchase considerations recognised in income in the amount of MSEK 6 (-) which are not expected to be realised.

Operating profit has been charged with items affecting comparability of MSEK -5 (-1). The proportion of own brands during the quarter was 12.3 per cent (11.9).

**REVENUE BY GEOGRAPHIC SEGMENT
OCT-DEC 2023**



**ADJUSTED EBITA BY GEOGRAPHIC SEGMENT
OCT-DEC 2023**



Full year 2023

SWEDEN	JAN-DEC 2023
Revenue	MSEK 5,357
Adjusted EBITA	MSEK 612
Adjusted EBITA margin	11.4%
Proportion of own brands	23.9%

Revenue in Sweden increased by 0.3 per cent to MSEK 5,357 (5,339). Sales were boosted by the acquisitions of seven product media companies. The slowdown that was observed in the fourth quarter last year has continued and intensified and applies to most customer segments. Organic growth was negative at approximately -5 per cent. The number of stores at the end of the period was 112 (107). Adjusted EBITA for the period amounted to MSEK 612 (610) and the adjusted EBITA margin to 11.4 per cent (11.4). The improvement in profit was driven by margin improvements and cost adjustments implemented.

Operating profit has been charged with items affecting comparability of MSEK -9 (-9) net. The proportion of own brands during the period was 23.9 per cent (22.9). During the period, the proportion of in-store sales was 66 per cent (70), the proportion of direct sales was 24 per cent (25) and the remaining 10 per cent (5) relates to product media.

Work is under way to increase the level of activity in sales work and to strengthen margins within the industrial segment through improved sales and assortment management, as well as to make further adjustments to the cost base. The approved organisational changes, with a new country manager and the establishment of a Nordic organisation with a focus on industrial customers, are part of this.

NORWAY	JAN-DEC 2023
Revenue	MSEK 2,611
Adjusted EBITA	MSEK 160
Adjusted EBITA margin	6.1%
Proportion of own brands	16.5%

Revenue in Norway increased by 0.8 per cent to MSEK 2,611 (2,591). Sales were positively affected by the acquisitions of Lunna AS, H E Seglem and LVH AS and good development within the oil and gas industry in particular, but mitigated by the change in NOK. Organic growth was around 4 per cent. The number of stores at the end of the period was 57 (57). Adjusted EBITA for the period amounted to MSEK 160 (107) and the adjusted EBITA margin to 6.1 per cent (4.1). The improvement in profit was driven by growth, better sales and assortment management and cost adjustments.

Operating profit has been charged with items affecting comparability of MSEK -5 (-6). The proportion of own brands during the period was 16.5 per cent (14.6). During the period, the proportion of in-store sales was 47 per cent (45) and the proportion of direct sales was 53 per cent (55).

Work is under way to establish a more favourable customer mix in the form of a greater proportion of small and medium-sized customers, as well as to strengthen the sales and assortment management in order to improve margins and at the same time reduce costs.

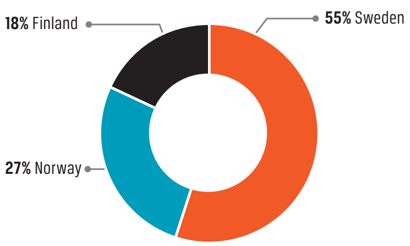
FINLAND	JAN-DEC 2023
Revenue	MSEK 1,709
Adjusted EBITA	MSEK 61
Adjusted EBITA margin	3.6%
Proportion of own brands	10.2%

Revenue in Finland increased by 10.1 per cent to MSEK 1,709 (1,552). The acquisitions of Liukkosen Pultti Oy, Kitakone Oy and Tampereen Pirkka-Hitsi Oy made a positive contribution to this, as did positive currency effects. Organic growth was approximately 0 per cent and the slowdown observed in the second quarter has continued and gradually intensified during the year. The number of stores at the end of the period was 41 (39). Adjusted EBITA for the period amounted to MSEK 61 (62) and the adjusted EBITA margin to 3.6 per cent (4.0). Profit has been boosted by margin improvements and additional purchase considerations recognised in income in the amount of MSEK 6 (-) but mitigated by higher costs resulting from investments in stores.

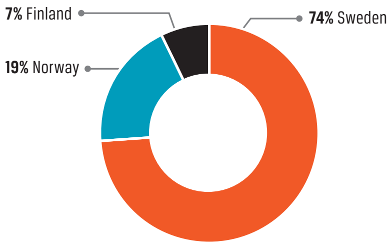
Operating profit has been charged with items affecting comparability of MSEK -6 (-5). The proportion of own brands during the period was 10.2 per cent (8.8). During the period, the proportion of in-store sales was 25 per cent (20) and the proportion of direct sales was 75 per cent (80).

The customer mix remains unfavourable, but activities are under way to increase the proportion of small and medium-sized customers, including by opening new stores and investing in existing ones.

REVENUE BY GEOGRAPHIC SEGMENT JAN-DEC 2023



ADJUSTED EBITA BY GEOGRAPHIC SEGMENT JAN-DEC 2023



GEOGRAPHIC PRESENCE

OTHER FINANCIAL DEVELOPMENT

Investments and cash flow

Cash flow from operating activities before changes in working capital for the reporting period totalled MSEK 1,020 (1,047). Inventories increased during the period by MSEK 83 (349) but decreased during the fourth quarter. The average value of inventories was MSEK 2,353 (2,068) and the inventory turnover rate was 4.0 (4.5). Operating receivables decreased by MSEK 176 and operating liabilities fell by MSEK -120. Cash flow from operating activities for the reporting period therefore amounted to MSEK 993 (507). Cash flow for the period was also impacted by a net amount of MSEK -215 (-152) pertaining to investments in and divestments of non-current assets, as well as by MSEK -126 (-144) pertaining to acquisitions of subsidiaries. Investments in non-current assets principally relate to the development of e-commerce solutions and service concepts, store modifications primarily in Finland but also in other countries, the construction of a logistics centre in Vestby and the continued automation of the Group's logistics centre in Örebro.

Financial position and financing

At the end of the period, the Group's financial net loan liability amounted to MSEK 2,640, compared with MSEK 2,547 at the beginning of the financial year. The Group's operational net loan liability at the end of the period amounted to MSEK 1,449, compared with MSEK 1,534 at the beginning of the year. Available cash and cash equivalents, including unutilised granted credit facilities, totalled MSEK 1,251 compared with MSEK 1,176 at the beginning of the year. The business was refinanced during the first quarter of 2022 as a result of the distribution of Momentum Group. The total credit facility is MSEK 2,300, excluding a committed credit facility of MSEK 400. The credit facility was raised in March 2022 and extended by a year in March 2023. The credit facility therefore runs until 2026, with the option to extend for a further year. The interest rate is linked to STIBOR plus a surcharge based on the ratio of net operational liabilities to EBITDA. The equity/assets ratio at the end of the period was 41 per cent. Equity per share was SEK 72.19 at the end of the period, compared with SEK 67.51 at the beginning of the financial year.

Acquisitions 2023

Alligo completed six corporate acquisitions in 2023. Agreements were also signed for a further three corporate acquisitions with closing in 2024.

Acquisition of Profilföretaget Z-Profil AB

On 6 December 2022, Alligo signed an agreement to acquire 70 per cent of the shares in Profilföretaget Z-Profil AB, which has operations in Umeå and Skellefteå. Z-Profil generates annual revenue of approximately MSEK 40 and has 13 employees. Closing took place on 2 January 2023.

Acquisition of Kents Textiltryck i Halmstad AB and Olympus Profile i Uddevalla AB

On 22 December, Alligo signed an agreement to acquire 70 per cent of the shares in corporate branding companies Kents Textiltryck i Halmstad AB and Olympus Profile i Uddevalla AB. The companies generate annual revenue of just over MSEK 40, have 15 and 13 employees respectively and sell workwear, corporate branded clothing and product media. Closing took place on 2 January 2023.

Acquisition of Kitakone Oy

On 3 April, Alligo acquired 100 per cent of the shares in Finnish company Kitakone Oy, which runs a store in Jyväskylä selling tools, fittings and chemicals to the construction and vehicle service and repair markets. Kitakone generates annual revenue of approximately MEUR 3 and has eight employees. Closing took place in conjunction with the acquisition.

Acquisition of Topline AB

On 24 May, Alligo signed an agreement to acquire 70 per cent of the shares in corporate branding company Topline AB, which sells workwear, corporate branded clothing and product media. Topline has operations in Borås and Gothenburg and is also established in Kalmar through its subsidiary Topline Kalmar AB. Together the two companies generate annual revenue of just over MSEK 60 and have 16 employees. Closing took place on 1 June.

Acquisition of Tampereen Pirkka-Hitsi Oy

On 7 June, Alligo acquired 100 per cent of the shares in Finnish company Tampereen Pirkka-Hitsi Oy, which runs two stores – one in Pirkkala and one in Varkaus – and specialises in the sale and servicing of welding machines. Pirkka-Hitsi generates annual revenue of approximately MEUR 5.0 and has 13 employees. Closing took place in conjunction with the acquisition.

Acquisitions after the end of the period

Acquisition of Tore Vagle AS

On 8 December, Alligo signed an agreement to acquire 100 per cent of the shares in Norwegian company Tore Vagle AS, which has operations in Sandnes and sells tools and industrial components. Tore Vagle AS generates annual revenue of approximately MNOK 39 and has 11 employees. Closing took place on 2 January 2024.

Acquisition of Svets och Tillbehör i Sverige AB

On 13 December, Alligo signed an agreement to acquire 100 per cent of the shares in Svets och Tillbehör i Sverige AB, which operates in Ystad and has a broad offering within welding and grinding and related service business. Svets och Tillbehör i Sverige AB generates annual revenue of approximately MSEK 120 and has 22 employees. Closing took place on 2 January 2024.

Acquisition of Svetspartner i Malmö AB

On 13 December, Alligo signed an agreement to acquire 100 per cent of the shares in Svetspartner i Malmö AB ("Järnab"), which has a broad offering within welding and grinding and related service business. Svetspartner i Malmö AB generates annual revenue of approximately MSEK 25 and has 10 employees. Closing took place on 2 January 2024.

Employees

At the end of the period, the number of employees in the Group amounted to 2,443, compared with 2,371 at the beginning of the year. The increase in the number of employees is the result of corporate acquisitions made and the investments in Finland.

Transactions with related parties

No transactions having a material impact on the Group's position or earnings occurred between Alligo and its related parties during the period.

Parent Company

After a decision at the Extraordinary General Meeting of 2 December 2021, the Group's parent company changed its name from Momentum Group AB to Alligo AB.

At the end of the period, the Group comprised the parent company Alligo AB and a total of 32 Swedish and foreign subsidiaries. The parent company's operations comprise Group-wide management, including Legal and Investor Relations functions. Income takes the form of a management fee from Group companies for Group-wide services and costs which the parent company has provided.

The parent company's revenue for the period amounted to MSEK 25 (17) and the loss after financial items totalled MSEK -14 (-29). Profit has been charged with items affecting comparability of MSEK 0 (-4). The distribution of Momentum Group during the first quarter of 2022 corresponded to the carrying amount of MSEK 43. The balance sheet total amounted to MSEK 4,325 (4,064) and equity represented 41 per cent (46) of total assets. The number of employees at the parent company at the end of the period was 2 (2).

OTHER INFORMATION

RISKS AND UNCERTAINTIES

Alligo's profits, financial position and strategic position are affected by both internal factors over which the Group has control and external factors where the opportunity to influence the course of events is limited. The most significant external risk factors for Alligo are the economic and market situation, as well as changes in the number of employees, productivity and willingness to invest within the industrial and construction sectors, combined with structural changes and the competitive situation.

Russia's invasion of Ukraine has created uncertainty and affected the prices of energy and raw materials. There remains uncertainty about how the war will progress, but higher prices for energy and raw materials, challenges in the freight market, inflation and increased interest rates have a direct impact on the economy, which represents a risk to demand on Alligo's markets. Alligo does not have any dealings with companies that have links to Russia or Belarus.

Exchange rate fluctuations and a weak Swedish krona may make purchases more expensive, particularly in dollars, which risks having a negative impact on margins. Alligo is constantly working to offset changes in purchase prices by adapting our customer pricing.

The risk of pandemic-related effects has decreased since the beginning of 2022, but cannot be ruled out in the future. The situation in the Red Sea currently has some impact on freight prices and delivery times. At the same time, geopolitical tensions are increasing in the world, and the potential effects are difficult to assess. The business has therefore ensured it is very well prepared to handle changes in the global situation and in the economy.

For a more detailed summary of the Group's other risks and uncertainties, see pages 28–31 of the annual report for 2022. The parent company is indirectly affected by the above risks and uncertainties through its function in the Group.

GROUP TARGETS[1]

Financial targets

Alligo's financial targets focus on profitable growth, financial stability and dividend. The targets have been set based on Alligo's conditions during a medium-term strategy period.

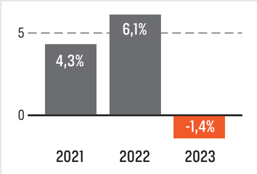
TARGET | OUTCOME

GROWTH

›5%

Organic growth

Average organic growth shall be more than 5 per cent per year over a business cycle. Further growth shall also be made through acquisitions.

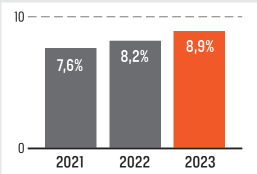


PROFITABILITY

›10%

Adjusted EBITA margin

The adjusted EBITA margin shall be more than 10 per cent per year.

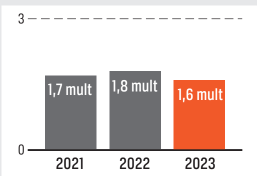


INDEBTEDNESS

‹3X

Ratio of net operational liabilities to adjusted EBITDA

Ratio of net operational liabilities to adjusted EBITDA shall be less than a multiple of 3.

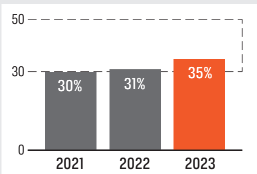


DIVIDEND

30-50%

Dividend from net profit

The dividend as a percentage of net profit shall be 30–50 per cent, taking into account other factors such as financial position, cash flow and growth opportunities.



Sustainability targets

The sustainability targets are based on Alligo's vision and material sustainability issues and are designed to make Alligo a leader in sustainable development in our industry.

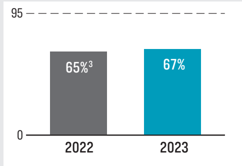
TARGET | OUTCOME

RESPONSIBLE SUPPLIER RELATIONSHIPS

›95%

Shall meet the Supplier Standard

More than 95 percent shall meet Alligo's Supplier Standard[2], measured as a proportion of the total purchase value from suppliers to the standard assortment.



SATISFIED CUSTOMERS

›75

Customer Satisfaction Index

Customer Satisfaction Index (CSI) shall amount to more than 75.

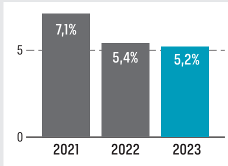
NKI	2021	2022	2023[4]
Sweden (Swedol)	76	76	
Sweden (Tools)	79	77	-
Sweden (Grolls)	79	78	
Norway (Tools)	79	79	-
Norway (Univern)	85	81	
Finland (Tools)	77	n.a.	-
Finland (Grolls)	76	n.a.	

HEALTH

‹5%

Sickness absence

Sickness absence shall be less than 5 per cent of total scheduled hours.

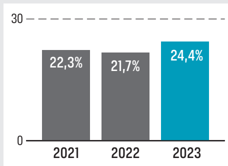


GENDER EQUALITY

›30%

Proportion of female managers

The proportion of female managers shall be more than 30 per cent.



CLIMATE IMPACT

↓CO_2

Reduce greenhouse gas emissions

The climate-impacting emissions shall be reduced.

In December 2023, Alligo joined the Science Based Targets initiative. By the end of 2025, the Group shall establish targets for reducing climate impact.

2023 2024 2025 2026

1) Adopted during the first quarter of 2022.
2) Alligo's Supplier Standard includes contracts, an accepted Code of Conduct for Suppliers with associated chemical restriction lists, and a self-evaluation conducted by the supplier linked to the requirements of the Code of Conduct.
3) The calculation basis was adjusted in 2023 and the comparative figures for 2022 have been restated according to the same principles.
4) The method for measuring customer satisfaction is being revised. Results for 2023 can not be reported and a new target will be set according to the new measurement method.

THE SHARE

In accordance with a resolution at the Extraordinary General Meeting of 2 December 2021, the Group's parent company has changed its name from Momentum Group AB to Alligo AB. As of 15 December 2021, the listed class B share is traded under the short name ALLIGO B with the ISIN code SE0009922305 on Nasdaq Stockholm, otherwise the name change does not affect shareholders or trading in the share.

The share and share capital

As part of the preparations for the distribution of Momentum Group during the first quarter of 2022, Nordstjernan requested the conversion of 498,363 Class A shares to the corresponding number of Class B shares in Alligo. This resulted in a change to the number of shares and votes in Alligo in February 2022. At the end of the period, the share capital amounted to MSEK 102. The distribution by class of share at the end of the period on 31 December 2023 was as shown in the table below:

CLASS OF SHARE	31/12/2023
Class A shares	564,073
Class B shares	50,342,116
Total number of shares before repurchasing	**50,906,189**
Less: Repurchased Class B shares	-855,300
Total number of shares after repurchasing	**50,050,889**

The quotient value is SEK 2.00 per share. Each Class A share entitles the holder to ten votes and each Class B share to one vote. All shares carry equal rights to the company's assets, earnings and dividends. Only the Class B share is listed on the Stockholm Stock Exchange. A conversion provision in the Articles of Association allows for conversion of Class A shares into Class B shares. Nordstjernan AB is the only shareholder whose shareholding provides total voting rights in excess of one-tenth of the voting rights of all the shares in the company. Nordstjernan's shareholding corresponds to 54.6 per cent of the outstanding shares and 49.6 per cent of the votes in Alligo.

Incentive programmes

Call option programme 2022/2025

The 2022 Annual General Meeting approved a call option programme containing a maximum of 185,000 options, corresponding to approximately 0.36 per cent of the total number of shares and approximately 0.33 per cent of the total number of votes in the company. The programme is designed for key personnel in senior positions and provides the opportunity to acquire call options at market price for Class B shares repurchased by Alligo. After two years, a subsidy will be paid equivalent to the premium paid for each call option (before tax) provided that the option holder's employment at the Group has not been terminated and that the call options have not been divested prior to this point. The subsidy is recognised as an accrued expense until the time when the employment condition is met. The subsidy is also charged with social security contributions. Each call option entitles the holder to acquire one (1) repurchased Class B share in the company on three occasions: 1) during the period from 2 June 2025 to 16 June 2025 inclusive, 2) during the period from 18 August 2025 to 1 September 2025 inclusive, and 3) during the period from 3 November 2025 to 17 November 2025 inclusive. The redemption price has been calculated as SEK 129.30, based on 120 per cent of the volume-weighted average price during the period 12 May to 25 May 2022. If the share price at the time the call option is exercised exceeds SEK 194.00, the redemption price shall be increased krona for krona by the amount in excess of SEK 194.00. The option premium has been calculated as SEK 7.82 by an independent third party according to the accepted Black-Scholes model. 185,000 call options have been allotted and acquired by employees on market terms. Of these, 80,000 have been acquired by the Group CEO and CFO and 105,000 by other key personnel. The option premium paid totals MSEK 1.4.

Holding of treasury shares

On the basis of the authorisation granted by the Annual General Meeting of 24 May 2023, Alligo's Board of Directors decided on 15 August to repurchase some of the company's own Class B shares. The aim of this repurchase is to enable companies or businesses to be acquired in the future using treasury shares, while also facilitating the adaptation of the Group's capital structure. The repurchase will take place on an ongoing basis, on one or more occasions, up to the Annual General Meeting in 2024. During the third quarter, 430,000 shares were repurchased, corresponding to 0.8 per cent of the total number of shares and 0.8 per cent of the total number of votes.

As at 31 December 2023, Alligo's holding of Class B treasury shares amounted to 855,300, corresponding to 1.7 per cent of the total number of shares and 1.5 per cent of the total number of votes. There were no changes to the holding of treasury shares after the end of the period.

Distribution of Momentum Group

An Extraordinary General Meeting on 23 March 2022 voted through a proposal from the Board of Directors to distribute all of the company's shares in Momentum Group AB to the shareholders of Alligo. This distribution contained a total of 50,480,889 shares, of which 564,073 were Class A shares and 49,916,816 were Class B shares, corresponding to all of the shares in Momentum Group. One Class A share in Alligo provided entitlement to one Class A share in Momentum Group and one Class B share in Alligo provided entitlement to one Class B share in Momentum Group.

This distribution corresponded to a total sum of MSEK 43, based on the carrying amount, constituting a dividend per share of approximately SEK 0.84. Alligo's 425,300 Class B treasury shares did not provide entitlement to allotment of shares in Momentum Group. The record date for the distribution was 25 March 2022. Momentum Group's net assets prior to distribution were MSEK 486. Remeasurement to fair value on distribution, corresponding to the market value of MSEK 4,038 of Momentum Group on listing, resulted in an impact on earnings of MSEK 3,553.

The Board's proposed cash dividend

The Board of Directors proposes to the Annual General Meeting of 23 May 2024 a dividend of SEK 3.50 (3.00) per share, which corresponds to 35 per cent (31) of the earnings per share for the financial year. Taking into account the repurchased Class B shares, the proposed dividend corresponds to a total of MSEK 175 (151).

CONDENSED CONSOLIDATED INCOME STATEMENT

MSEK	2023 OCT-DEC	2022 OCT-DEC	2023 JAN-DEC	2022 JAN-DEC
Revenue	2,538	2,723	9,335	9,211
Other operating income	41[1]	30	127[1]	122
Total operating income	**2,579**	**2,753**	**9,462**	**9,333**
Cost of goods sold	-1,436	-1,596	-5,467	-5,483
Personnel costs	-473	-476	-1,784	-1,719
Depreciation, amortisation, impairment losses and reversal of impairment losses	-138	-126	-533	-486
Other operating expenses	-254	-287	-930	-976
Total operating expenses	**-2,301**	**-2,485**	**-8,714**	**-8,664**
Operating profit	**278**	**268**	**748**	**669**
Financial income	3	1	13	4
Financial expenses	-37	-23	-127	-61
Net financial items	**-34**	**-22**	**-114**	**-57**
Profit/loss after financial items	**244**	**246**	**634**	**612**
Taxes	-52	-52	-137	-131
Profit/loss for the period, continuing operations	**192**	**194**	**497**	**481**
Profit/loss for the period, discontinued operations	**-**	**-**	**-**	**3,581**
Profit/loss for the period, Group total	**192**	**194**	**497**	**4,062**
Profit/loss for the period attributable to:				
Parent Company shareholders	**188**	**193**	**491**	**4,061**
Profit/loss for the period, continuing operations	188	193	491	480
Profit/loss for the period, discontinued operations excluding impact on earnings of the distribution of Momentum Group	-	-	-	28
Impact on earnings of the distribution of Momentum Group	-	-	-	3,553
Non-controlling interests	**4**	**1**	**6**	**1**
Profit/loss for the period, continuing operations	4	1	6	1
Profit/loss for the period, discontinued operations	-	-	-	0
Earnings per share				
Continuing operations, before and after dilution, SEK	3.76	3.82	9.76	9.51
Discontinued operations excluding impact on earnings of the distribution of Momentum Group, before and after dilution, SEK	-	-	-	0.55
Impact on earnings of the distribution of Momentum Group, before and after dilution, SEK	-	-	-	70.38

1) Other income includes revalued contingent additional purchase considerations of MSEK 6.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MSEK	2023 OCT-DEC	2022 OCT-DEC	2023 JAN-DEC	2022 JAN-DEC
Profit/loss for the period	**192**	**194**	**497**	**4,062**
OTHER COMPREHENSIVE INCOME FOR THE PERIOD				
Components that will not be reclassified to profit/loss for the period:				
Remeasurement of defined benefit pension plans	0	0	0	0
Tax attributable to components that will not be reclassified	0	0	0	0
	0	**0**	**0**	**0**
Components that will be reclassified to profit/loss for the period:				
Translation differences	-44	19	-48	57
Fair value changes for the period in cash flow hedges	-8	-7	-3	-5
Tax attributable to components that will be reclassified	1	2	0	1
	-51	**14**	**-51**	**53**
Other comprehensive income for the period	**-51**	**14**	**-51**	**53**
Comprehensive income for the period	**141**	**208**	**446**	**4,115**
Profit/loss for the period attributable to:				
Parent Company shareholders	**137**	**207**	**440**	**4,114**
Non-controlling interests	**4**	**1**	**6**	**1**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MSEK	31/12/2023	31/12/2022
ASSETS		
Non-current assets		
Intangible non-current assets	2,723	2,655
Right-of-use assets	1,162	983
Tangible non-current assets	666	574
Financial investments	2	0
Other non-current receivables	29	24
Deferred tax assets	59	67
Total non-current assets	**4,641**	**4,303**
Current assets		
Inventories	2,348	2,275
Accounts receivable	1,164	1,285
Other current receivables	252	286
Cash and cash equivalents	382	215
Total current assets	**4,146**	**4,061**
TOTAL ASSETS	**8,787**	**8,364**
EQUITY AND LIABILITIES		
Equity		
Equity attributable to Parent Company shareholders	3,613	3,408
Non-controlling interests	26	5
Total equity	**3,639**	**3,413**
Non-current liabilities		
Non-current interest-bearing liabilities	1,831	1,749
Non-current lease liabilities	793	661
Provisions for pensions	0	0
Other non-current liabilities and provisions	475	415
Total non-current liabilities	**3,099**	**2,825**
Current liabilities		
Current interest-bearing liabilities	0	0
Current lease liabilities	398	352
Accounts payable	1,017	1,070
Other current liabilities	634	704
Total current liabilities	**2,049**	**2,126**
TOTAL LIABILITIES	**5,148**	**4,951**
TOTAL EQUITY AND LIABILITIES	**8,787**	**8,364**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to Parent Company shareholders					
MSEK	Share capital	Reserves	Retained earnings incl. profit/loss for the year	Total	Non-controlling interests	Total equity
Opening equity, 01/01/2022	**102**	**-5**	**3,332**	**3,429**	**19**	**3,448**
Profit/loss for the period			4,061	**4,061**	1	**4,062**
Other comprehensive income		53		**53**		**53**
Distribution of shares in Momentum Group[1]			-4,038	**-4,038**	-17	**-4,055**
Dividend			-88	**-88**		**-88**
Premium received for issued share options			1	**1**		**1**
Repurchase of share options			0	**0**		**0**
Acquisitions of partly owned subsidiaries				**0**	4	**4**
Changes in ownership share in partly owned subsidiaries			-1	**-1**	-2	**-3**
Option liability, acquisitions[2]			-9	**-9**		**-9**
Closing equity, 31/12/2022	**102**	**48**	**3,258**	**3,408**	**5**	**3,413**
Opening equity, 01/01/2023	**102**	**48**	**3,258**	**3,408**	**5**	**3,413**
Profit/loss for the period			491	**491**	6	**497**
Other comprehensive income		-51		**-51**		**-51**
Dividend			-151	**-151**		**-151**
Repurchase of own shares			-46	**-46**		**-46**
Acquisitions of partly owned subsidiaries				**0**	15	**15**
Change in value of option liability			-5	**-5**		**-5**
Option liability, acquisitions[3]			-33	**-33**		**-33**
Closing equity, 31/12/2023	**102**	**-3**	**3,514**	**3,613**	**26**	**3,639**

1) Distribution of Momentum Group AB. Corresponds to the market value of Momentum Group at listing on Nasdaq Stockholm on 31 March 2022 (based on the opening price).

2) Pertains to the value of the put options in relation to non-controlling interests in the acquired subsidiary Profeel Sweden AB which grant the shareholders the right to sell shares to Alligo. The price of the options is dependent on the results achieved at the company and may be extended by one year at a time from 2026 onwards.

3) Pertains to the value of the put options in relation to non-controlling interests in the acquired subsidiaries Z-Profil AB, Kents Textiltryck i Halmstad Aktiebolag, Olympus Profile i Uddevalla AB and Topline AB which grant the shareholders the right to sell shares to Alligo. The price of the options is dependent on the results achieved at the company and may be extended by one year at a time from 2026 onwards.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

MSEK	2023 OCT-DEC	2022 OCT-DEC	2023 JAN-DEC	2022 JAN-DEC
Operating activities				
Profit/loss after financial items	244	246	634	612
Adjustment for non-cash items	141	124	527	485
Income taxes paid	-12	26	-141	-50
Cash flow from operating activities before changes in working capital	**373**	**396**	**1,020**	**1,047**
Change in inventories	76	-66	-83	-349
Change in operating receivables	26	-27	176	-100
Change in operating liabilities	51	114	-120	-91
Cash flow from operating activities	**526**	**417**	**993**	**507**
Investing activities				
Net investments in non-current assets	-92	-55	-215	-152
Acquisition of subsidiaries and other business units	-	-25	-126	-144
Cash flow from investing activities	**-92**	**-80**	**-341**	**-296**
Financing activities				
Borrowings	-	80	92	1,871
Repayment of loans	-122	-225	-378	-2,058
Other transactions with shareholders	-	-7	-	-7
Repurchase/sale of call options	-	-	-	1
Repurchase/sale of treasury shares	-	-	-46	-
Dividends paid	-	-	-151	-88
Cash flow from financing activities	**-122**	**-152**	**-483**	**-281**
Cash flow for the period, continuing operations	**312**	**185**	**169**	**-70**
Cash flow for the period, discontinued operations (see note 7)	-	-	-	7
Cash flow for the period, Group total	**312**	**185**	**169**	**-63**
Cash and cash equivalents at the beginning of the period	73	31	215	345
Exchange difference in cash and cash equivalents	-3	-1	-2	-1
Cash and cash equivalents in discontinued operations	-	-	-	-66
Cash and cash equivalents at the end of the period	**382**	**215**	**382**	**215**

CONDENSED PARENT COMPANY INCOME STATEMENT

MSEK	2023 OCT–DEC	2022 OCT–DEC	2023 JAN–DEC	2022 JAN–DEC
Revenue	6	4	25	17
Other operating income	0	1	3	4
Total operating income	**6**	**5**	**28**	**21**
Operating expenses	-5	-11	-34	-48
Operating profit	**1**	**-6**	**-6**	**-27**
Financial income and expenses	-3	-2	-8	-2
Profit/loss after financial items	**-2**	**-8**	**-14**	**-29**
Appropriations	108	32	108	32
Profit/loss before tax	**106**	**24**	**94**	**3**
Taxes	-22	-5	-20	-1
Profit/loss for the period	**84**	**19**	**74**	**2**

There are no items at the parent company that are recognised under other comprehensive income.
Total comprehensive income therefore corresponds to the profit/loss for the period.

CONDENSED PARENT COMPANY BALANCE SHEET

MSEK	31/12/2023	31/12/2022
ASSETS		
Intangible non-current assets	0	0
Tangible non-current assets	0	-
Financial non-current assets	3,432	3,432
Total non-current assets	**3,432**	**3,432**
Current receivables	564	457
Cash and bank	329	175
Total current assets	**893**	**632**
TOTAL ASSETS	**4,325**	**4,064**
EQUITY, PROVISIONS AND LIABILITIES		
Restricted equity	102	102
Non-restricted equity	1,638	1,761
Total equity	**1,740**	**1,863**
Untaxed reserves	33	1
Provisions	4	4
Non-current liabilities	1,831	1,739
Current liabilities	717	457
TOTAL EQUITY, PROVISIONS AND LIABILITIES	**4,325**	**4,064**

NOTES

NOTE 1 Accounting policies

The interim report for the Group has been prepared in accordance with IFRS, with the application of IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act and the Swedish Securities Markets Act. Disclosures in accordance with paragraph 16A of IAS 34 are made in the financial statements and related notes, as well as in other sections of the report. The interim report for the parent company has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Securities Markets Act, which is consistent with the provisions of Recommendation RFR 2 Accounting for Legal Entities of the Swedish Financial Reporting Board. The accounting policies and assessment criteria applied are the same as in the annual report for 2022.

Amounts quoted in the interim report are stated in millions of Swedish kronor (MSEK) unless otherwise indicated. Amounts in parentheses refer to the comparison period.

Discontinued operations

The operations of Momentum Group are reported in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. The distribution of Momentum Group has been reported in accordance with IFRIC 17 Distributions of Non-cash Assets to Owners. The shares in the discontinued operations of Momentum Group were distributed to the shareholders of Alligo with a record date of 25 March 2022 and reported as discontinued operations in accordance with IFRS 5. Discontinued operations are recognised separately from continuing operations in the income statement, with retroactive effect for earlier periods. Momentum Group's earnings up to the point of distribution, and the non-cash gain that the distribution of Momentum Group has generated in accordance with IFRIC 17, are recognised on a line in the income statement. The gain reflects the difference between the market value of Momentum Group's shares (based on the opening price on the first day of trading, 31 March 2022) and the carrying amount of the company on the consolidated balance sheet. The Group also reports a profit/loss after tax from the distributed operations up to the point of distribution. See Note 7 Discontinued operations for further information.

Incentive programme 2022/2025

The subsidy for the call option programme 2022/2025 equivalent to the premium paid for each call option (before tax) is recognised as an accrued expense until the time when the employment condition is met. The subsidy is also charged with social security contributions.

NOTE 2 Operating segments

The Group's operating segments consist of the geographic segments of Sweden, Norway and Finland. The operating segments reflect the operational organisation, as used by Group's corporate management and the Board of Directors to monitor operations. Group-wide includes the Group's management and support functions. The support functions include Investor Relations and Legal. Financial items and taxes are not broken down by operating segment and are instead reported as a whole in Group-wide. Intra-Group pricing between the operating segments takes place on market terms. The accounting policies are the same as for the consolidated financial statements.

	OCT-DEC 2023						
MSEK	Sweden	Norway	Finland[1]	Total segments	Group-wide	Eliminations	Group total
External revenue	1,435	679	424	**2,538**			**2,538**
Internal revenue	82	18	1	**101**		-101	**0**
Revenue	**1,517**	**697**	**425**	**2,639**	**-**	**-101**	**2,538**
Adjusted EBITA	**234**	**57**	**16**	**307**	**1**	**-**	**308**
Items affecting comparability[2]	-6	-5	-5	**-16**	-	-	**-16**
Amortisation of intangible assets in connection with corporate acquisitions	-9	-3	-2	**-14**	-	-	**-14**
Operating profit	**219**	**49**	**9**	**277**	**1**	**-**	**278**
Non-current assets	3,184	812	556	**4,552**	0	-	**4,552**

	OCT-DEC 2022						
MSEK	Sweden	Norway	Finland[1]	Total segments	Group-wide	Eliminations	Group total
External revenue	1,570	725	428	**2,723**	-	-	**2,723**
Internal revenue	75	19	5	**99**	-	-99	**0**
Revenue	**1,645**	**744**	**433**	**2,822**	**-**	**-99**	**2,723**
Adjusted EBITA	**253**	**34**	**17**	**304**	**-6**	**0**	**298**
Items affecting comparability[3]	-8	-6	-1	**-15**	-	-	**-15**
Amortisation of intangible assets in connection with corporate acquisitions	-9	-4	-2	**-15**	-	-	**-15**
Operating profit	**236**	**24**	**14**	**274**	**-6**	**0**	**268**
Non-current assets	3,120	659	433	**4,212**	0	-	**4,212**

NOTE 2 Operating segments cont.

MSEK	JAN-DEC 2023 Sweden	Norway	Finland[1]	Total segments	Group-wide	Eliminations	Group total
External revenue	5,058	2,569	1,708	**9,335**			**9,335**
Internal revenue	299	42	1	**342**		-342	**0**
Revenue	**5,357**	**2,611**	**1,709**	**9,677**	**-**	**-342**	**9,335**
Adjusted EBITA	**612**	**160**	**61**	**833**	**-6**		**827**
Items affecting comparability[2]	-9	-5	-6	**-20**	-	-	**-20**
Amortisation of intangible assets in connection with corporate acquisitions	-40	-11	-8	**-59**	-	-	**-59**
Operating profit	**563**	**144**	**47**	**754**	**-6**	**-**	**748**
Non-current assets	3,184	812	556	**4,552**	0	-	**4,552**

MSEK	JAN-DEC 2022 Sweden	Norway	Finland[1]	Total segments	Group-wide	Eliminations	Group total
External revenue	5,105	2,559	1,547	**9,211**	-	-	**9,211**
Internal revenue	234	32	5	**271**	-	-271	**0**
Revenue	**5,339**	**2,591**	**1,552**	**9,482**	**-**	**-271**	**9,211**
Adjusted EBITA	**610**	**107**	**62**	**779**	**-23**	**-**	**756**
Items affecting comparability[4]	-9	-6	-5	**-20**	-4	-	**-24**
Amortisation of intangible assets in connection with corporate acquisitions	-41	-16	-6	**-63**	-	-	**-63**
Operating profit	**560**	**85**	**51**	**696**	**-27**	**0**	**669**
Non-current assets	3,120	659	433	**4,212**	0	-	**4,212**

1) The Finland operating segment also includes Estonia.

2) Items affecting comparability relate to costs for the scrapping of Covid materials, costs for organisational changes and efficiency measures in connection with the savings programme implemented, as well as acquisition costs.

3) Items affecting comparability in Sweden and Norway relate to costs for organisational changes in connection with establishing new sales organisations as well as rental costs for the coordination of logistics. Items affecting comparability in Finland relate to rental costs.

4) Items affecting comparability in Sweden and Norway relate to costs for organisational changes in connection with establishing new sales organisations as well as rental costs for the coordination of logistics. Items affecting comparability in Finland relate to severance costs in connection with a change of management and rental costs. In addition, the period has been impacted by items affecting comparability relating to costs ahead of the separate listing of Momentum Group.

NOTE 3 Revenue by category

COUNTRY

MSEK	2023 OCT-DEC	2022 OCT-DEC	2023 JAN-DEC	2022 JAN-DEC
Sweden	1,435	1,570	5,058	5,105
Norway	679	725	2,569	2,559
Finland	424	428	1,708	1,547
Total revenue	**2,538**	**2,723**	**9,335**	**9,211**

PRODUCT BRANDS

MSEK	2023 OCT-DEC	2022 OCT-DEC	2023 JAN-DEC	2022 JAN-DEC
Own brands				
Sweden	365	374	1,210	1,167
Norway	137	125	424	374
Finland	52	51	175	136
Total own brands	**554**	**550**	**1,809**	**1,677**
External brands				
Sweden	1,070	1,196	3,848	3,938
Norway	542	600	2,145	2,185
Finland	372	377	1,533	1,411
Total external brands	**1,984**	**2,173**	**7,526**	**7,534**
Total revenue	**2,538**	**2,723**	**9,335**	**9,211**

NOTE 4 Fair value of financial instruments

The Group has financial instruments where level 3 has been used to determine the fair value. Financial liabilities measured at fair value through profit or loss pertain to additional purchase considerations not yet paid and at the beginning of the period amounted to MSEK 13. Additional purchase considerations in the amount of MSEK 8 were paid during the period January to December 2023. New additional purchase considerations amounted to a total of MSEK 27, of which MSEK 2 derived from the acquisition of Kents Textiltryck i Halmstad Aktiebolag, MSEK 6 from the acquisition of Kitakone Oy and MSEK 19 from the acquisition of Pirilä Group Oy. Additional purchase considerations not yet paid amounted to MSEK 26 at the end of the period. The additional purchase considerations are based on revenue growth and gross profit for the years 2023 and 2024. The additional purchase considerations are valued on an ongoing basis using a probability assessment, where an evaluation is made of whether they will be paid at the agreed amounts. Management has taken into account here the risk for the outcome of future cash flows. As at 31 December 2023, additional purchase considerations not yet paid have been revalued by a net amount of MSEK -6 and recognised in consolidated earnings. The fair value of the Group's financial assets and liabilities is estimated to be the same as their carrying amount. The Group does not use net recognition for any of its material assets or liabilities. There were no transfers between levels or measurement categories during the period.

CHANGES IN CONTINGENT PURCHASE CONSIDERATIONS

LIABILITIES, MSEK	
Opening contingent purchase considerations, 01/01/2023	**13**
Contingent additional purchase considerations added 2023	27
Additional purchase considerations paid 2023	-8
Additional purchase considerations paid 2023 in excess of estimated value	-
Revaluation of contingent additional purchase considerations 2023	-6
Interest expenses from discounting	-1
Translation effect	1
Closing contingent additional purchase considerations, 31/12/2023	**26**
Expected payments	
Expected payments < 12 months	7
Expected payments > 12 months	19

NOTE 5 Business combinations

Business combinations in 2023

Share transfers

Alligo made six corporate acquisitions with closing during 2023. None of these acquisitions is deemed significant enough to require a separate presentation of the acquisition analysis.

- On 6 December 2022, Alligo signed an agreement to acquire 70 per cent of the shares in Profilföretaget Z-Profil AB, which has operations in Umeå and Skellefteå. The acquisition strengthens Alligo's position in corporate branded clothing and product media in Sweden. Z-Profil generates annual revenue of approximately MSEK 40 and has 13 employees. Closing took place on 2 January 2023.
- On 22 December 2022, Alligo signed an agreement to acquire 70 per cent of the shares in corporate branding companies Kents Textiltryck i Halmstad AB and Olympus Profile i Uddevalla AB. The companies generate annual revenue of just over MSEK 40, have 15 and 13 employees respectively and sell workwear, corporate branded clothing and product media. Closing took place on 2 January 2023.
- On 3 April, Alligo acquired 100 per cent of the shares in Finnish company Kitakone Oy, which runs a store in Jyväskylä selling tools, fittings and chemicals to the construction and vehicle service and repair markets. Kitakone generates annual revenue of approximately MEUR 3 and has eight employees. Closing took place in conjunction with the acquisition.
- On 24 May, Alligo signed an agreement to acquire 70 per cent of the shares in corporate branding company Topline AB, which sells workwear, corporate branded clothing and product media. Topline has operations in Borås and Gothenburg and is also established in Kalmar through its subsidiary Topline Kalmar AB. Together the two companies generate annual revenue of just over MSEK 60 and have 16 employees. Closing took place on 1 June.
- On 7 June, Alligo acquired 100 per cent of the shares in Finnish company Tampereen Pirkka-Hitsi Oy, which runs two stores – one in Pirkkala and one in Varkaus – and specialises in the sale and servicing of welding machines. Pirkka-Hitsi generates annual revenue of approximately MEUR 5.0 and has 13 employees. Closing took place in conjunction with the acquisition.

During the period, the acquired companies have contributed MSEK 212 to the Group's revenue and MSEK 20 to the Group's EBITA. Calculated as if closing had taken place on 1 January 2023, the acquired companies have contributed MSEK 266 to the Group's revenue and MSEK 24 to the Group's EBITA. The total purchase consideration for the acquisitions amounted to MSEK 171, of which MSEK 27 comprised additional purchase considerations. Acquisition costs of approximately MSEK 4 were recognised as other operating expenses in 2023.

Additional purchase considerations paid

Additional purchase considerations of approximately MSEK 8 were paid during the period in relation to the acquisitions of Kents Textiltryck i Halmstad Aktiebolag, Liukkosen Pultti Oy, Magnusson Agentur AB and Imatran Pultti Oy. The outcome for the additional purchase considerations is in line with previously made assessments.

Acquisition analyses

Some of the surplus value in the final acquisition analyses has been allocated to customer relations, while the unallocated surplus value has been assigned to goodwill. Goodwill relates to unidentifiable intangible assets and synergies within procurement, logistics, IT and administration, for example, that are expected to arise as a result of the acquisition. Goodwill has an indefinable useful life and is not amortised but is tested for impairment annually or where there are indications of a decline in value. The estimated value of customer relations is amortised over an estimated life of 10 years.

SHARE TRANSFERS MSEK	Carrying amount	Fair value adjustment	Fair value
ACQUIRED ASSETS			
Intangible non-current assets		48	48
Right-of-use assets		25	25
Other non-current assets	4	2	6
Inventories	47	-11	36
Other current assets	75		75
TOTAL ASSETS	**126**	**64**	**190**
ACQUIRED PROVISIONS AND LIABILITIES			
Non-current liabilities	1		1
Lease liabilities		25	25
Deferred tax liability	2	10	12
Current operating liabilities	55		55
TOTAL PROVISIONS AND LIABILITIES	**58**	**35**	**93**
NET OF ASSETS AND LIABILITIES (identified)	**68**	**29**	**97**
Goodwill			88
Non-controlling interests			-14
Purchase consideration			**171**
Of which additional purchase consideration			-27
Additional purchase consideration paid			8
Cash and cash equivalents in acquired companies			-26
EFFECT ON GROUP CASH AND CASH EQUIVALENTS			**126**

NOTE 5 Business combinations cont.

CORPORATE ACQUISITIONS CONDUCTED

Acquisitions – from the 2015/2016 financial year onwards	Closing	Revenue[1]	Number of employees[1]
Tønsberg Maskinforretning AS, NO	April 2016	MNOK 20	10
Astrup Industrivarer AS, NO	November 2016	MNOK 240	50
TriffiQ Företagsprofilering AB, SE	September 2017	MSEK 70	18
AB Knut Sehlins Industrivaruhus, SE	October 2017	MSEK 40	14
Reklamproffsen Skandinavien AB, SE	March 2018	MSEK 35	12
Profilmakarna i Södertälje AB, SE	April 2018	MSEK 25	8
MFG Components Oy[3], FI	October 2018	MEUR 1	3
TOOLS Løvold AS, NO	January 2019	MNOK 95	28
Lindström Group's PPE business[3], FI	April 2019	MEUR 6	5
Company Line Förvaltning AB, SE	June 2019	MSEK 75	25
AMJ Papper AB, SE	March 2020	MSEK 15	6
Swedol AB[4], SE/NO/FI	April 2020	MSEK 3,650	1,046
Imatran Pultti Oy, FI	April 2021	MEUR 5	11
RAF Romerike Arbeidstøy AS, NO	October 2021	MNOK 16	4
Liukkosen Pultti Oy, FI	February 2022	MEUR 4.5	12
Lunna AS, NO	March 2022	MNOK 82	26
H E Seglem AS[3], NO	June 2022	MNOK 40	8
Magnusson Agentur AB, SE	July 2022	MSEK 27	6
LVH AS, NO	August 2022	MNOK 13	4
Profeel Sweden AB[5], SE	November 2022	MNOK 70	18
Z-profil AB[2], SE	Jan 2023	MSEK 40	13
Kents Textiltryck i Halmstad Aktiebolag[2], SE	Jan 2023	MSEK 40	15
Olympus Profile i Uddevalla AB[2], SE	Jan 2023	MSEK 40	13
Kitakone Oy, FI	April 2023	MEUR 3	8
Topline AB[2], SE	June 2023	MSEK 60	16
Pirilä Group Oy (Tampereen Pirkka-Hitsi Oy), FI	June 2023	MEUR 5	13

Acquisitions – after the end of the period			
-	-	-	-

1) Refers to full-year information at the time of acquisition.
2) Alligo acquired 70 per cent of the shares in each company.
3) The acquisition was carried out as a conveyance of assets and liabilities.
4) Following the closure of the public offering to the shareholders of Swedol AB, Alligo's holding amounted to approximately 99 per cent of the shares. The compulsory redemption of the remaining shares outstanding in Swedol was called for and preferential rights to the shares were granted by the arbitration board in the compulsory redemption dispute proceedings in early July 2020. Alligo subsequently owns 100 per cent of the shares and votes in Swedol.
5) Alligo acquired 75 per cent of the shares.

NOTE 6 Pledged assets and contingent liabilities

Group, MSEK	31/12/2023	31/12/2022
Pledged assets	3	3
Contingent liabilities	10	11

Parent Company, MSEK	31/12/2023	31/12/2022
Pledged assets	-	-
Contingent liabilities	-	-

NOTE 7 Discontinued operations

Alligo's subsidiary Momentum Group AB (Components & Services business area) was classified during the fourth quarter of 2021 as discontinued operations and since then has been recognised in accordance with the applicable accounting policies of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. The distribution of the business was completed during the first quarter of 2022, when Momentum Group was distributed to the shareholders and listed on Nasdaq Stockholm on 31 March 2022. Momentum Group's net assets prior to distribution were MSEK 486. Remeasurement to fair value on distribution, corresponding to the market value of MSEK 4,038 of Momentum Group on listing, resulted in an impact on earnings of MSEK 3,553.

Momentum Group is recognised as discontinued operations in the consolidated statement of comprehensive income. The comparison periods have been restated according to the same principles. The profit/loss of Momentum Group has been excluded from the individual rows of the consolidated income statement and the net profit/loss is instead reported as "Profit/loss for the period, discontinued operations". Information on the income statement, balance sheet and cash flows for discontinued operations is presented below.

Information on the income statement, balance sheet and cash flows for discontinued operations is presented below.

INCOME STATEMENT

Group, MSEK	2023 OCT-DEC	2022 OCT-DEC	2023 JAN-DEC	2022 JAN-DEC
Revenue	-	-	-	399
Other operating income	-	-	-	2
Total operating income	**-**	**-**	**-**	**401**
Cost of goods sold	-	-	-	-211
Personnel costs	-	-	-	-101
Depreciation, amortisation, impairment losses and reversal of impairment losses	-	-	-	-15
Other operating expenses	-	-	-	-37
Total operating expenses	**-**	**-**	**-**	**-364**
Operating profit	**-**	**-**	**-**	**37**
Net financial items	**-**	**-**	**-**	**-1**
Profit/loss after financial items	**-**	**-**	**-**	**36**
Taxes	-	-	-	-8
Profit/loss for the period, Components & Services	**-**	**-**	**-**	**28**
Reclassification of translation differences from other comprehensive income	-	-	-	1
Impact on earnings of the distribution of Momentum Group	-	-	-	3,552
Profit/loss for the period, discontinued operations	**-**	**-**	**-**	**3,581**

NOTE 7 Discontinued operations cont.

ASSETS AND LIABILITIES

MSEK	31/12/2023	31/12/2022
ASSETS		
Intangible non-current assets	-	-
Right-of-use assets	-	-
Tangible non-current assets	-	-
Other non-current receivables	-	-
Deferred tax assets	-	-
Total non-current assets	**-**	**-**
Inventories	-	-
Accounts receivable	-	-
Other current receivables	-	-
Cash and cash equivalents	-	-
Total current assets	**-**	**-**
TOTAL ASSETS HELD FOR DISTRIBUTION	**-**	**-**
LIABILITIES		
Non-current interest-bearing liabilities	-	-
Non-current lease liabilities	-	-
Other non-current liabilities and provisions	-	-
Total non-current liabilities	**-**	**-**
Current interest-bearing liabilities	-	-
Current lease liabilities	-	-
Accounts payable	-	-
Other current liabilities	-	-
Total current liabilities	**-**	**-**
TOTAL LIABILITIES HELD FOR DISTRIBUTION	**-**	**-**
NET ASSETS HELD FOR DISTRIBUTION	**-**	**-**

CASH FLOW STATEMENT

Group, MSEK	2023 OCT-DEC	2022 OCT-DEC	2023 JAN-DEC	2022 JAN-DEC
Cash flow from operating activities	-	-	-	8
Cash flow from investing activities	-	-	-	0
Cash flow from financing activities	-	-	-	-1
Cash flow for the period from discontinued operations	**-**	**-**	**-**	**7**

SIGNATURES

The Board of Directors and the Chief Executive Officer deem that the interim report gives a true and fair view of the business, financial position and performance of the company and of the Group and describes the significant risks and uncertainties faced by the company and the constituent companies of the Group.

Stockholm, 16 February 2024

Alligo AB (publ)

Göran Näsholm
Chair of the Board

Johan Sjö
Board member

Pontus Boman
Board member

Stefan Hedelius
Board member

Cecilia Marlow
Board member

Christina Åqvist
Board member

Johanna Främberg
Board member
Employee representative

Clein Johansson Ullenvik
Group President and CEO

This interim report has not been reviewed by the company's auditors.

The information in this report is such that Alligo AB (publ) is obliged to publish under the EU Market Abuse Regulation. The information was submitted for publication through the agency of the Chief Executive Officer on 16 February 2024 at 08:00 CET.

KEY PERFORMANCE INDICATORS (KPIs)

Group	2023 OCT-DEC	2022 OCT-DEC	2023 JAN-DEC	2022 JAN-DEC
IFRS KEY PERFORMANCE INDICATORS				
Earnings per share				
Continuing operations, before and after dilution, SEK	3.76	3.82	9.76	9.51
Discontinued operations, before and after dilution[1], SEK	-	-	-	0.55
Impact on earnings of the distribution of Momentum Group, before and after dilution, SEK	-	-	-	70.38
ALTERNATIVE KEY PERFORMANCE INDICATORS				
Income statement-based KPIs				
Revenue, MSEK	2,538	2,723	9,335	9,211
Gross profit, MSEK	1,102	1,127	3,868	3,728
Operating profit, MSEK	278	268	748	669
Items affecting comparability, MSEK	-16	-15	-20	-24
Amortisation of intangible assets in connection with corporate acquisitions, MSEK	-14	-15	-59	-63
Adjusted EBITA, MSEK	308	298	827	756
Depreciation/amortisation of tangible and other intangible non-current assets, MSEK[2]	-30	-27	-111	-105
Adjusted EBITDA excl. IFRS 16, MSEK	331	321	914	845
Profit after financial items, MSEK	244	246	634	612
Gross margin, %	43.4	41.4	41.4	40.5
Operating margin, %	11.0	9.8	8.0	7.3
Adjusted EBITA margin, %	12.1	10.9	8.9	8.2
Profit margin, %	9.6	9.0	6.8	6.6
Profitability KPIs				
Return on working capital (adjusted EBITA/WC), %			32	34
Return on capital employed, %			12	11
Return on equity[1, 3], %			14	16
Financial position KPIs				
Net financial liabilities, MSEK	2,640	2,547	2,640	2,547
Net operational liabilities, MSEK	1,449	1,534	1,449	1,534
Ratio of net operational liabilities to adjusted EBITDA			1.6	1.8
Equity[4], MSEK	3,613	3,408	3,613	3,408
Equity/assets ratio, %	41	41	41	41
Other KPIs				
No. of employees at the end of the period	2,443	2,371	2,443	2,371
Share price at the end of the period, SEK	124	79	124	79

1) Adjusted for the impact on earnings of the distribution of Momentum Group AB.
2) Total depreciation/amortisation of tangible and intangible non-current assets, excluding amortisation of intangible assets in connection with corporate acquisitions and the effects of IFRS 16.
3) Refers to the Group total (continuing operations and discontinued operations).
4) Refers to equity attributable to the Parent Company's shareholders.

DEFINITIONS AND PURPOSE OF KPIs

Alligo reports key performance indicators in order to describe the underlying profitability of the business and improve comparability. The Group applies ESMA's guidelines on alternative key performance indicators.

Gross margin
Ratio of gross profit, i.e. revenue minus cost of goods sold, to revenue.

» Used to measure product profitability.

Operating profit
Profit before financial items and tax

» Used to present the Group's earnings before interest and taxes.

Items affecting comparability
Items affecting comparability include revenue and expenses that do not arise regularly in the operating activities.

» Excluding items affecting comparability increases the comparability of results between periods.

Adjusted EBITA[1]
Operating profit adjusted for items affecting comparability before amortisation and impairment of intangible assets.

» Used to present the Group's earnings generated from operating activities.

Adjusted EBITDA[1]
Operating profit adjusted for items affecting comparability before depreciation and write-down of tangible non-current assets and amortisation and impairment of goodwill and other intangible non-current assets incurred in connection with corporate acquisitions and equivalent transactions, excluding effects on operating profit of reporting in accordance with IFRS 16.

» This key performance indicator is used to calculate the debt ratio, excluding the effects of IFRS 16.

Operating margin
Operating profit (EBIT) relative to revenue.

» Used to measure the Group's earnings generated before interest and tax and provides an understanding of the earnings performance over time. Specifies the percentage of revenue remaining to cover interest payments and tax and to provide profit after the Group's expenses have been paid.

Adjusted EBITA margin[1]
Adjusted EBITA as a percentage of revenue.

» Used to measure the Group's earnings generated from operating activities and provides an understanding of the earnings performance over time. The adjusted EBITA margin based on revenue from both external and internal customers is presented per business area (operating segment).

Profit margin
Profit after financial items as a percentage of revenue.

» Used to assess the Group's earnings generated before tax and presents the share of revenue that the Group may retain in earnings before tax.

Return on working capital (adjusted EBITA/WC)
Adjusted EBITA for the most recent 12-month period divided by average working capital measured as total working capital (accounts receivable and inventories less accounts payable) at the end of each month for the most recent 12-month period and the opening balance at the start of the period divided by 13.

» The Group's internal profitability target, which encourages high adjusted EBITA and low tied-up capital. Used to analyse profitability in the Group and its various operations.

Return on capital employed
Operating profit plus financial income for the most recent 12-month period divided by average capital employed measured as the balance sheet total less non-interest-bearing liabilities and provisions at the end of the most recent four quarters and the opening balance at the start of the period divided by five.

» Presented to show the Group's return on its externally financed capital and equity, meaning independent of its financing.

Return on equity
Net profit for the most recent 12-month period divided by average equity measured as total equity attributable to parent company shareholders at the end of the most recent four quarters and the opening balance at the start of the period divided by five.

» Used to measure the return generated on the capital invested by the shareholders.

Net financial liabilities
Net financial liabilities measured as non-current interest-bearing liabilities and current interest-bearing liabilities, less cash and cash equivalents at the end of the period.

» Used to monitor the debt trend and analyse the Group's total indebtedness including lease liabilities.

Net operational liabilities
Net operational liabilities measured as non-current interest-bearing liabilities and current interest-bearing liabilities, excluding lease liabilities and net provisions for pensions, less cash and cash equivalents at the end of the period.

» Used to monitor the debt trend and analyse the Group's total indebtedness excluding lease liabilities and net provisions for pensions.

Ratio of net operational liabilities to adjusted EBITDA[1]
Net operational liabilities divided by adjusted EBITDA for a rolling 12-month period.

» This key performance indicator shows the multiple of the adjusted EBITDA result for the most recent 12-month period that would be needed in order to settle net operational liabilities. As a debt ratio, the indicator shows the Group's resilience and interest rate sensitivity.

Equity/assets ratio
Equity attributable to parent company shareholders as a percentage of the balance sheet total at the end of the period.

» Used to analyse the financial risk in the Group and show how much of the Group's assets are financed by equity.

Change in revenue from like-for-like sales
Revenue from like-for-like sales refers to sales in local currency from stores that were part of the Group during the current period and the entire corresponding period in the preceding year.

» Used to analyse the underlying sales growth driven by changes in volume, the product and service offering, and the price for similar products and services across different periods, excluding growth driven by newly opened stores.

Organic growth
Organic growth refers to sales in local currency from stores that were part of the Group during the current period and the entire corresponding period in the preceding year, as well as sales from new stores opened during the year.

» Used to analyse the underlying sales growth driven by changes in volume, the product and service offering, and the price for similar products and services across different periods, including growth driven by newly opened stores.

Other units
Other units refers to acquired or divested units during the corresponding period.

1) As of Q1 2023, Alligo has added the word 'Adjusted' to the name of the KPI for clarity. The calculation of the KPI remains unchanged.

DERIVATION OF ALTERNATIVE KPIs

Alligo uses certain financial key performance indicators in its analysis of the business and its performance that are not calculated in accordance with IFRS. The company believes that these alternative key performance indicators provide valuable information for the company's Board of Directors, owners and investors, as they enable a more accurate assessment of current trends and Alligo's performance when combined with other key performance indicators calculated in accordance with IFRS. As not all listed companies calculate these financial key performance indicators in the same way, there is no guarantee that the information is comparable with other companies' key performance indicators of the same name. Hence, these financial key performance indicators must not be viewed as a replacement for those measures calculated in accordance with IFRS.

GROSS PROFIT **MSEK**	**2023** **OCT-DEC**	**2022** **OCT-DEC**	**2023** **JAN-DEC**	**2022** **JAN-DEC**
Revenue	2,538	2,723	9,335	9,211
Cost of goods sold	-1,436	-1,596	-5,467	-5,483
Gross profit	**1,102**	**1,127**	**3,868**	**3,728**

ADJUSTED EBITA **MSEK**	**2023** **OCT-DEC**	**2022** **OCT-DEC**	**2023** **JAN-DEC**	**2022** **JAN-DEC**
Operating profit	278	268	748	669
Items affecting comparability				
Restructuring costs	-	15[1]	-	19[1,2]
Organisational changes[3]	5	-	9	-
Scrapping of stocks[4]	11	-	11	-
Split and listing expenses	-	-	-	5
Amortisation and impairment of intangible assets in connection with corporate acquisitions	14	15	59	63
Adjusted EBITA	**308**	**298**	**827**	**756**
Operating profit excl. IFRS 16	271	264	724	653
Amortisation and impairment of other intangible non-current assets	9	9	35	35
Depreciation and write-downs of tangible non-current assets	21	18	76	70
Adjusted EBITDA	**331**	**321**	**914**	**845**

1) Costs for organisational changes in connection with establishing new sales organisations as well as rental costs for the coordination of logistics.
2) Severance costs in connection with a change of management.
3) Costs for organisational changes and efficiency measures in connection with the savings programme implemented, as well as acquisition costs.
4) Scrapping of Covid materials.

WORKING CAPITAL **MSEK**	**2023** **OCT-DEC**	**2022** **OCT-DEC**	**2023** **JAN-DEC**	**2022** **JAN-DEC**
Average operating assets				
Average inventories	2,353	2,068	2,353	2,068
Average accounts receivable	1,207	1,164	1,207	1,164
Total average operating assets	**3,561**	**3,231**	**3,561**	**3,231**
Average operating liabilities				
Average accounts payable	-968	-1,015	-968	-1,015
Total average operating liabilities	**-968**	**-1,015**	**-968**	**-1,015**
Average working capital	**2,593**	**2,216**	**2,593**	**2,216**
Adjusted EBITA			827	756
Return on working capital (adjusted EBITA/WC), %			**32**	**34**

CAPITAL EMPLOYED **MSEK**	**2023** **OCT-DEC**	**2022** **OCT-DEC**	**2023** **JAN-DEC**	**2022** **JAN-DEC**
Average balance sheet total	8,513	8,054	8,513	8,054
Average non-interest-bearing liabilities and provisions				
Average non-interest-bearing non-current liabilities	-448	-400	-448	-400
Average non-interest-bearing current liabilities	-1,670	-1,665	-1,670	-1,665
Total average non-interest-bearing liabilities and provisions	**-2,118**	**-2,065**	**-2,118**	**-2,065**
Average capital employed	**6,395**	**5,989**	**6,395**	**5,989**
Operating profit			748	669
Financial income			13	4
Total operating profit + financial income			**761**	**673**
Return on capital employed, %			**12**	**11**

RETURN ON EQUITY MSEK	2023 JAN-DEC	2022 JAN-DEC
Average equity[5]	3,469	3,236
Profit/loss for the period[5]	491	508
Return on equity, %	**14**	**16**

NET FINANCIAL LIABILITIES MSEK	2023 JAN-DEC	2022 JAN-DEC
Non-current interest-bearing liabilities	2,624	2,410
Current interest-bearing liabilities	398	352
Cash and cash equivalents	-382	-215
Net financial liabilities	**2,640**	**2,547**

NET OPERATIONAL LIABILITIES MSEK	2023 JAN-DEC	2022 JAN-DEC
Net financial liabilities	2,640	2,547
Financial lease liabilities	-1,191	-1,013
Net provisions for pensions	0	0
Net operational liabilities	**1,449**	**1,534**
Adjusted EBITDA rolling 12 months	914	845
Ratio of net operational liabilities to adjusted EBITDA	**1.6**	**1.8**

EQUITY/ASSETS RATIO MSEK	2023 OCT-DEC	2022 OCT-DEC	2023 JAN-DEC	2022 JAN-DEC
Balance sheet total (closing balance)	8,787	8,364	8,787	8,364
Equity[5]	3,613	3,408	3,613	3,408
Equity/assets ratio, %	**41**	**41**	**41**	**41**

5) Refers to equity or profit attributable to the parent company's shareholders.

FIVE REASONS TO INVEST IN ALLIGO

1 MARKET GROWTH AND RESILIENT CUSTOMER SEGMENTS

Alligo's markets consist of corporate customers in Sweden, Norway and Finland. The different markets provide stable growth and complement each other well. Customers are a balanced mix of small and medium-sized enterprises, large companies and public-sector agencies. Together, the different industry segments provide excellent opportunities for continued organic growth and good resilience in weaker economic times.

2 SCALABLE PLATFORM A FOUNDATION FOR CONTINUED GROWTH

Alligo has built an integrated organisation that can scale up and grow, both organically and through acquisitions. The cost structure is adaptable and functions such as IT, logistics, procurement, sales and finance are coordinated and streamlined. The Group is continuously working to improve its operational efficiency and develop the organisation using digital solutions.

3 OWN BRANDS INCREASE COMPETITIVENESS AND PROFITABILITY

Own brands enable greater control of the product development process, which Alligo uses to offer a product range that is tailored to our defined industry segments. The extensive development of own brands and services means customers can be offered a unique and competitive product range, with increased profitability for Alligo.

4 SUSTAINABLE ENTERPRISE

Sustainability is an integral part of the business – from strategy to working methods and helping customers make sustainable choices – and increases competitiveness as well as reducing risk. Alligo carries out targeted work together with stakeholders with the aim of becoming a leader in sustainability in the industry. The long-term goal is to establish a genuinely sustainable business.

5 LEADER IN THE CONSOLIDATION PROCESS ON THE NORDIC MARKETS

The markets in the Nordic countries are undergoing a consolidation process, which can benefit relatively large groups such as Alligo. Alligo is actively involved in the consolidation process and has leading positions in Sweden and Norway. There are good opportunities for sustainable, profitable growth and Alligo will continue to invest and strengthen its position, both organically and through acquisitions, on all markets where the Group operates.

Q4
2023

STRATEGIC DIRECTION

MISSION – WE MAKE BUSINESSES WORK

If we do our job right, our customers will have what they need to do their job right – both as companies and as employees. They have tools and consumables where they need them, when they need them. They have workwear and personal protective equipment that protects them against the weather and against hazards. With our expertise, we can help customers to develop their business and make it safer and more efficient.

VISION – WE ARE UNBEATABLE...

...as a partner to our customers
...as an employer for our employees
...as a partner to our suppliers
...as a leader in sustainable development in our industry

Our vision describes what we want to achieve in the longer term. We must not be satisfied with being one of the leaders in the industry, we must be unbeatable. To achieve this, we must meet – and exceed – the expectations of our stakeholders

STRATEGIC OBJECTIVES

To strengthen Alligo's strategic position, we work on the basis of four strategic objectives, which have been identified as being particularly important in order for us to achieve our vision and generate profitable growth:

We provide our customers with what they need in a friendly way	We are the workplace where the best people want to work and we help them grow	We have our industry's most efficient operations and reliable processes	We are known as the leader in sustainable development in our industry

INTEGRATED SUSTAINABILITY WORK

By working with sustainability as an integrated part of our strategy, we aim to become the unrivalled leader in sustainable development in our sector.

ALLIGO'S MATERIAL SUSTAINABILITY ISSUES AND THE SUSTAINABLE DEVELOPMENT GOALS TO WHICH THEY ARE LINKED:

8 DECENT WORK AND ECONOMIC GROWTH

Decent work and economic growth

- Customer satisfaction
- Diversity and equality
- Work environment and health
- Skills development
- Working conditions and human rights in the supply chain

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Responsible consumption and production

- Product quality and safety
- Environmental impact and chemicals
- Transparent sustainability communication and help customers to make sustainable choices
- Anti-corruption

13 CLIMATE ACTION

Climate action

- Climate impact

INFORMATION FOR SHAREHOLDERS

FINANCIAL CALENDAR

Annual Report 2023	9 April 2024
Interim Report Q1 Jan-Mar 2024	25 April 2024
Annual General Meeting 2024	23 May 2024
Interim Report Q2 Jan-Jun 2024	17 July 2024
Interim Report Q3 Jan-Sep 2024	24 October 2024

WWW.ALLIGO.COM

Financial reports, press releases, share information and other relevant company information can be found on the Group's website. You will also find a subscription service here where you can subscribe to press releases and financial reports.

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