B&B TOOLS

PRESS RELEASE

Publication of Momentum Group's Financial Report 2016/17

In connection with the resolution of the Board of Directors of B&B TOOLS AB (publ) to propose that an Extraordinary General Meeting of Shareholders in B&B TOOLS on 14 June 2017 resolve to distribute the shares in the subsidiary Momentum Group AB to the shareholders of B&B TOOLS, as announced through a press release on 22 May 2017, Momentum Group has prepared a separate Financial Report for the 2016/17 financial year. The Financial Report has been prepared on a voluntary basis and is being published to provide the shareholders with supplementary financial information.

The historical information has been prepared as combined financial statements for the reporting unit comprising Momentum Group AB and the units included in Momentum Group according to the current structure. These financial statements are Momentum Group's first financial statements prepared in accordance with IFRS and IFRS 1 *First-time Adoption of International Financial Reporting Standards* has thus been applied. For more information regarding the basis for preparation and accounting policies applied, refer to the notes in the Financial Report.

Attachment: Momentum Group's Financial Report 2016/17.

Capital Markets Day on 7 June 2017

As part of the process ahead the planned distribution of Momentum Group to the shareholders of B&B TOOLS, investors, analysts and the media are invited to a Capital Markets Day on Wednesday, 7 June 2017, in Stockholm. The main aim of the day is to present Momentum Group ahead of the separate listing of the company on Nasdaq Stockholm as well as the operations remaining in B&B TOOLS after the Group's split*. The presentation will be held in Swedish.

* In connection with the split of the Group, B&B TOOLS intends to change its name to Bergman & Beving.

TIME:	Wednesday, 7 June 2017, 8:30 a.m. to 12:00 noon.
LOCATION:	GT30 Meetings (*Conference room:* Bond), Grev Turegatan 30, Stockholm.
REGISTRATION:	Please register via e-mail to mats.karlqvist@bbtools.com or by telephone at +46 10 454 77 00 not later 12:00 noon on 2 June 2017.

The Capital Markets Day can also be followed online. A webcast and presentation materials will be available on B&B TOOLS' website after the event. Link to webcast: https://bbtools.creo.se/170601 .

Stockholm, 23 May 2017

B&B TOOLS AB (publ)

For further information, please contact:
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This information was submitted for publication on 23 May 2017 at 10:35 a.m. CET.

PROPOSAL REGARDING THE DISTRIBUTION AND SEPARATE LISTING OF MOMENTUM GROUP AB (PUBL)
In view of the resolution of the Board of Directors of B&B TOOLS AB (publ) on 22 May 2017 to propose that an Extraordinary General Meeting of Shareholders resolve to distribute the shares in the subsidiary Momentum Group AB to the shareholders through a so-called Lex Asea procedure, this report has been prepared on a voluntary basis to provide the shareholders with financial information. The historical financial information has been prepared as combined financial statements for the reporting unit comprising Momentum Group AB and the units included in Momentum Group according to the current structure. These financial statements are Momentum Group AB's first financial statements prepared in accordance with IFRS and IFRS 1 *First-time Adoption of International Financial Reporting Standards* has thus been applied. For more information regarding the basis for the preparation of these financial statements and accounting policies applied, refer to the notes on pages 14-30 below.

FINANCIAL REPORT 2016/17

1 April 2016-31 March 2017

Financial year 2016/17 (1 April 2016-31 March 2017)

- **Revenue** increased by 5 percent to MSEK 5,411 (5,176).
- **Operating profit** amounted to MSEK 65 (193), including costs of MSEK –94 for a restructuring reserve and MSEK –34 for the preparations for the separate listing of Momentum Group. **Adjusted operating profit (*excluding* these items affecting comparability)** totalled MSEK 193 (193), corresponding to an **adjusted operating margin** of 3.6 percent (3.7).
- **The return on working capital (P/WC)** was 21 percent (19).
- **The return on equity** was 4 percent (14). The return on equity was impacted by items affecting comparability for the year amounting to MSEK –128.
- **Net profit** amounted to MSEK 42 (139).
- **Earnings per share** totalled SEK 1.50 (4.95).
- The **operational net loan liability** amounted to MSEK 263 (117) and the **equity/assets ratio** at the end of the financial year was 39 percent (35).

Fourth quarter (1 January-31 March 2017)

- **Revenue** increased by 12 percent to MSEK 1,400 (1,251).
- **An operating loss** of MSEK –70 (profit: 44) was reported, including costs of MSEK –94 for a restructuring reserve and MSEK –24 for the preparations for the separate listing of Momentum Group. **Adjusted operating profit (*excluding* these items affecting comparability)** totalled MSEK 48 (44), corresponding to an **adjusted operating margin** of 3.4 percent (3.5).
- **The costs for the restructuring reserve** of MSEK –94 pertained primarily to previously approved and announced structural measures in TOOLS.
- **The preparations for the separate listing of Momentum Group on Nasdaq Stockholm proceeded according to plan.** Other items affecting comparability during the quarter amounting to MSEK –24 pertained to costs associated with this work.
- **A net loss** of MSEK –56 (profit: 31) was reported.

After the end of the financial year

- On 22 May 2017, the Board of Directors of B&B TOOLS AB (publ) resolved to **propose that an Extraordinary General Meeting of Shareholders resolve to distribute the shares in Momentum Group AB** to the shareholders.

Momentum Group AB (publ)
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Momentum Group in summary

	QUARTER 3 MONTHS ENDING 31 MAR			FULL-YEAR 12 MONTHS ENDING 31 MAR		
	2017	**2016**	***Change***	**2017**	**2016**	***Change***
Revenue, MSEK	1,400	1,251	*12%*	5,411	5,176	*5%*
Operating profit/loss, MSEK	-70	44	*-259%*	65	193	*-66%*
of which, items affecting comparability	*-118*	*–*		*-128*	*–*	
Adjusted operating profit	48	44	*9%*	193	193	*0%*
Profit/loss after financial items, MSEK	-73	42	*-274%*	54	182	*-70%*
Net profit/loss (after taxes), MSEK	-56	31	*-281%*	42	139	*-70%*
Earnings per share, SEK	-1.95	1.10	*-277%*	1.50	4.95	*-70%*
Operating margin	-5.0%	3.5%		1.2%	3.7%	
Adjusted operating margin	3.4%	3.5%		3.6%	3.7%	
Profit margin	-5.2%	3.4%		1.0%	3.5%	
Return on equity				4%	14%	
Equity per share, SEK				35.65	33.20	*7%*
Equity/assets ratio				39%	35%	
Adjusted equity/assets ratio				40%	43%	
Number of employees at the end of the period				1,620	1,573	*3%*

PRESIDENT’S STATEMENT

As we summarise the 2016/17 financial year, we look back at a year of change and restructuring in the Group, which has created the right conditions for continued development. Momentum Group has strengthened its decentralised business model and established an even clearer customer focus, which we are convinced will ensure the success of our subsidiaries. It feels gratifying to highlight good examples, such as Momentum Industrial and Mercus Yrkeskläder, which reported strong operating profit and margins for the year thanks to their clear customer focus and offerings. TOOLS continued to adapt its store network, strengthen its digital sales channels and improve its product range coordination as well as completing the establishment of its own central warehouse. As a result of the restructuring reserve of MSEK –94, which was charged to net profit for 2016/17, we can now accelerate these robust measures. This will ultimately contribute to long term increased margins, particularly for TOOLS, starting in 2017/18 and going forward.

Our work to create the conditions to split B&B TOOLS into two separate, listed companies proceeded according to plan. This work included numerous measures in our operations focused on separating the Group’s joint functions, mainly pertaining to warehouses, logistics, IT and finance, which were divided between the B&B TOOLS Group’s two operating segments. The purpose of the split and separate listing of the Momentum Group operating segment is to increase the Group’s earnings growth through a clearer focus on the development of leading market channels in profitable niches. In light of this, the Board of Directors of B&B TOOLS AB (publ) resolved on 22 May 2017 to propose that an Extraordinary General Meeting of Shareholders on 14 June 2017 resolve to distribute the shares in Momentum Group AB to the shareholders. Provided that the resolutions and other preparations proceed as planned, the first day of trading in Momentum Group’s Class B share on Nasdaq Stockholm will preliminarily take place on 21 June 2017.

The numerous measures we have implemented in recent years have radically improved our basic prerequisites for growth, profitability and development. With a strong financial position and low indebtedness, we were able to complete two attractive corporate acquisitions during the year, namely Astrup Industrivarer and Arboga Machine Tool. These acquisitions have strengthened our focus and the planned split of the B&B TOOLS Group will also create new business and acquisition opportunities.

In conclusion, I would like to take this opportunity to extend my sincere thanks to all of our dedicated employees for your many outstanding efforts during the year. I would also like to thank our customers and business partners for continuing to believe in us. I look forward to an exciting new financial year for Momentum Group in 2017/18 as an independent listed company.

Stockholm, May 2017

Ulf Lilius
President & CEO

PROFIT AND REVENUE

Fourth quarter (1 January-31 March 2017)

Revenue for the fourth quarter rose by 12 percent to MSEK 1,400 (1,251). Exchange-rate translation effects had an impact of MSEK +31 on revenue. Revenue for comparable units, measured in local currency and adjusted for the number of trading days, was unchanged during the quarter.

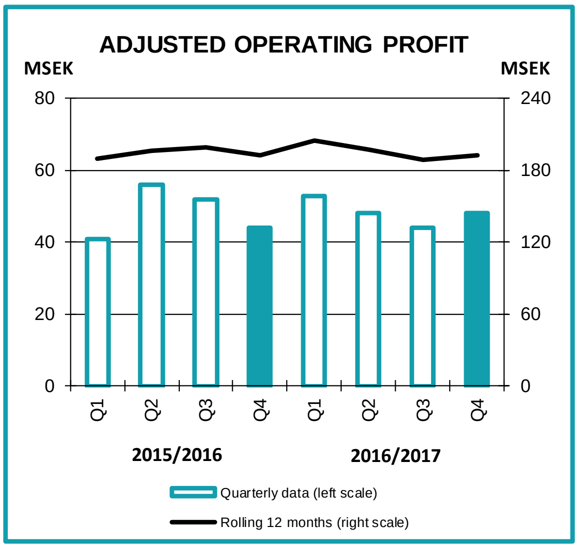
An operating loss of MSEK −70 (profit: 44) was reported for the quarter. Adjusted for items affecting comparability, operating profit totalled MSEK 48 (44). Items affecting comparability amounted to approximately MSEK −118 for the quarter and pertained to the restructuring reserve of MSEK −94 charged to earnings for 2016/17, which mainly related to the previously announced structural measures in TOOLS and will enable these measures to be accelerated, as well as costs of approximately MSEK −24 associated with the preparations for the potential spin-off of Momentum Group from the B&B TOOLS Group and separate listing on Nasdaq Stockholm. Exchange-rate translation effects had a net impact of MSEK 0 (0) on operating profit. The adjusted operating margin (excluding items affecting comparability) was 3.4 percent (3.5). An operating loss after financial items of MSEK −73 (profit: 42) was reported and the net loss for the quarter amounted to MSEK −56 (profit: 31).

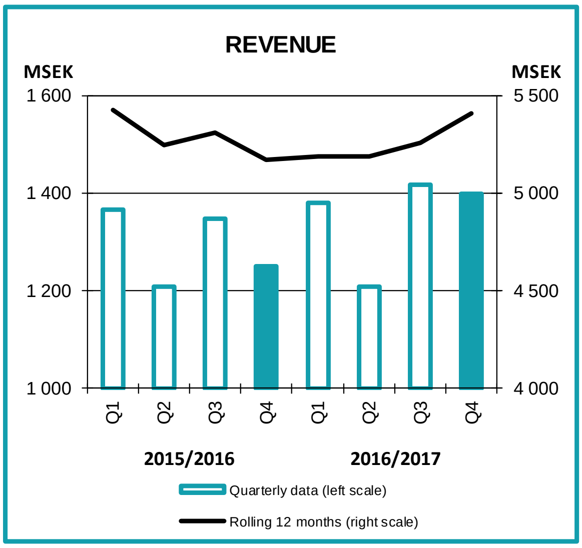
Financial year 2016/17 (1 April 2016-31 March 2017)

Revenue for the full financial year increased by 5 percent to MSEK 5,411 (5,176). Exchange-rate translation effects had a positive impact of MSEK 39 on revenue. Revenue for comparable units, measured in local currency and adjusted for the number of trading days, was essentially unchanged during the year.

Operating profit for the financial year amounted to MSEK 65 (193). Adjusted operating profit (excluding items affecting comparability) totalled MSEK 193 (193). Items affecting comparability amounted to approximately MSEK −128 for the year and pertained to the restructuring reserve of MSEK −94 charged to earnings for 2016/17, which is described above, as well as costs of approximately MSEK −34 for the financial year associated with the preparations for the potential spin-off of Momentum Group from the B&B TOOLS Group and separate listing on Nasdaq Stockholm. Operating profit was charged with depreciation and impairment losses of MSEK −15 (−15) on tangible non-current assets and amortisation and impairment losses of MSEK −7 (−1) on intangible non-current assets. Exchange-rate translation effects had a net impact of MSEK 0 (−1) on operating profit. The adjusted operating margin (excluding items affecting comparability) was 3.6 percent (3.7).

Profit after financial items amounted to MSEK 54 (182) and net financial items to MSEK −11 (−11). Net profit totalled MSEK 42 (139), corresponding to earnings per share of SEK 1.50 (4.95).





OPERATIONS

Momentum Group comprises two business areas – Tools & Consumables and Components & Services. Group-wide includes the Group's management, finance function, support functions (including internal communications, investor relations and legal affairs) and logistics operations in Sweden.

As a whole, Momentum Group's main markets displayed a stable trend during the financial year. Approximately 60 percent of the operations target the industrial sector, where the market remained cautious, while growth in the construction sector, which accounts for approximately 15 percent of the Group's business volume, was favourable. The remaining sales, including sales to the public sector and municipalities, had a positive development. The industrial market in Sweden was stable. A certain recovery was noted in Norway, with an improvement in the domestic construction sector and a stabilization in the market for oil and offshore. A certain level of improvement was noted among major industrial customers in Finland, which is expected to have a favourable impact on the Group's operations going forward.

For Momentum Group, the year was characterised by restructuring and change ahead of the planned separate listing of the Group, including the establishment of internal functions for purchasing, warehousing and logistics within TOOLS and Gigant. Costs associated with measures to improve long-term profitability, primarily in TOOLS Sweden, and the implementation of a new business system in TOOLS Norway were charged to net profit. Earnings were also charged with the costs for a restructuring reserve of MSEK –94, which mainly pertained to the previously announced structural measures in TOOLS and will allow these measures to be accelerated. Of this restructuring reserve, MSEK 64 is attributable to the Tools & Consumables business area, MSEK 8 to the Components & Services business area and the remaining MSEK 22 to Group-wide.

Momentum Group

	QUARTER		FULL-YEAR	
MSEK	**JAN-MAR 2017**	**JAN-MAR 2016**	**2016/17**	**2015/16**
Revenue	**1,400**	1,251	**5,411**	5,176
Operating profit/loss	**-70**	44	**65**	193
of which, items affecting comparability	***-118***	–	***-128***	–
Adjusted operating profit	**48**	44	**193**	193
Operating margin	***-5.0%***	*3.5%*	***1.2%***	*3.7%*
Adjusted operating margin	***3.4%***	*3.5%*	***3.6%***	*3.7%*

Business area Tools & Consumables

This business area comprises TOOLS Sweden, TOOLS Norway, TOOLS Finland and Mercus Yrkeskläder, which offer products and services related to tools and industrial consumables for the industrial and construction sectors in the Nordic region.

	QUARTER		FULL-YEAR	
MSEK	**JAN-MAR 2017**	**JAN-MAR 2016**	**2016/17**	**2015/16**
Revenue	**1,107**	957	**4,269**	4,029
Operating profit/loss	**-45**	12	**12**	72
of which, items affecting comparability	***-64***	–	***-64***	–
Adjusted operating profit	**19**	12	**76**	72
Operating margin	***-4.1%***	*1.3%*	***0.3%***	*1.8%*
Adjusted operating margin	***1.7%***	*1.3%*	***1.8%***	*1.8%*

Revenue in the *Tools & Consumables* business area increased by 1 percent[1] during the financial year. In addition, acquisitions contributed approximately 2 percent to revenue growth.

Revenue for *TOOLS Sweden* for the year was largely unchanged[1] compared with the preceding year. Although the operations have reported a profit for a number of years, the profit level has been too low to support a sustainable development. Hence, TOOLS has been implementing a change programme aimed at increasing profitability since autumn 2016. The aim is to increase the local customer focus in each market and strengthen the unit's position as a leading occupational health and safety (OHS) supplier. Among other initiatives, these measures include a focus on a smaller number of selected product areas, measures to enhance the efficiency of the operations and the winding up of a number of less profitable units, combined with investments in competitive digital sales channels. These efforts had a positive impact on earnings in the later part of the year. Thanks to the aforementioned restructuring reserve, the

[1] Comparable units, measured in local currency and adjusted for the number of trading days this year compared with the preceding year.

Group will now be able to accelerate this work and achieve earnings effects earlier than previously anticipated.

Revenue for *TOOLS Norway* decreased by 1 percent[2] during the year. The acquisitions of Astrup Industrivarer and Tønsberg Maskinforretning, which were already parts of the TOOLS chain, marked important development stages. Earnings improved during the year, with TOOLS Norway impacted positively by the trend in the domestic construction sector and the stabilization in the oil and offshore sector. Costs for implementing a new business system were charged to earnings during the year.

TOOLS Finland increased its revenue by 5 percent[2] during the year and continued to deliver a favourable sales trend in terms of large customers. The unit's reduction in costs, systematic work with major industrial customers and focus on the core range had a positive impact on the earnings trend.

Revenue for *Mercus Yrkeskläder* increased by 7 percent[2] during the year, with continued favourable demand from customers in the construction sector at all stores and good profitability.

Business area Components & Services

This business area comprises Momentum Industrial and Gigant, which offer spare parts and service as well as workplace equipment for customers in the industrial sector in the Nordic region.

	QUARTER		FULL-YEAR	
MSEK	**JAN-MAR 2017**	**JAN-MAR 2016**	**2016/17**	**2015/16**
Revenue	**356**	344	**1,359**	1,358
Operating profit	**25**	33	**113**	120
of which, items affecting comparability	***-8***	–	***-8***	–
Adjusted operating profit	**33**	33	**121**	120
Operating margin	***7.0%***	*9.6%*	***8.3%***	*8.8%*
Adjusted operating margin	***9.3%***	*9.6%*	***8.9%***	*8.8%*

Revenue in the *Components & Services* business area decreased by 3 percent[2] during the financial year. Demand from the automotive and pulp industries increased during the fourth quarter, and in the comparison revenue for the preceding year was impacted positively by a number of individual transactions.

While *Momentum Industrial's* revenue decreased by 3 percent[2] during the year, which was deemed to reflect the underlying demand in the industrial market, particularly in Sweden, its earnings trend remained favourable. The recent years' investments in service and repairs continued to have a positive impact, with favourable profitability and growth, which was strengthened by the acquisition of Arboga Machine Tool during the fourth quarter.

Gigant's total revenue decreased by 4 percent[2] during the year. Measures to improve long-term profitability continued, with a focus on direct sales to the industrial and construction sectors. Restructuring measures within Gigant had a negative impact of MSEK –8 on earnings and were included in the aforementioned reserve.

Group-wide and eliminations

An operating loss of MSEK –60 (profit: 1) was reported for "Group-wide and eliminations" for the financial year, of which items affecting comparability accounted for MSEK –56 MSEK (–). The items affecting comparability for the year for "Group-wide" include approximately MSEK –22 of the total restructuring reserve of MSEK –94, which was charged to earnings for 2016/17 and mainly pertained to the previously approved and announced structural measures in TOOLS. The remainder of approximately MSEK –34 pertains to costs for the preparations for the potential spin-off of Momentum Group from the B&B TOOLS Group and separate listing on Nasdaq Stockholm. These costs pertain, for example, to measures carried out in the operations focused on separating the Group's joint functions, mainly within logistics, IT and finance, which were divided between the B&B TOOLS Group's two operating segments.

The Parent Company's revenue amounted to MSEK 0 (0) and the loss after financial items totalled MSEK –1 (0). These results include Group contributions, intra-Group dividends and similar items totalling MSEK 1 (0).

EMPLOYEES

At the end of the financial year, the number of employees in the Group amounted to 1,620, compared with 1,573 at the beginning of the year. The change is primarily attributable to acquisitions and the establishment of in-house functions for logistics and a central warehouse.

[2] Comparable units, measured in local currency and adjusted for the number of trading days this year compared with the preceding year.

CORPORATE ACQUISITIONS

Formation of Momentum Group

As part of the restructuring of the future Group, Momentum Group AB acquired 12 operating companies (directly and indirectly) from B&B TOOLS Invest AB in 2016/17. These internal acquisitions were primarily financed through a shareholders' contribution paid to Momentum Group AB by B&B TOOLS Invest AB. At the time of the acquisition, the companies in question were wholly owned subsidiaries of B&B TOOLS Invest AB, which in turn is a wholly owned subsidiary of B&B TOOLS AB and thus, together with Momentum Group AB, are under the common control of B&B TOOLS AB.

Refer to Note 6 for information on other corporate acquisitions conducted during the year.

PROFITABILITY, CASH FLOW AND FINANCIAL POSITION

The Group's profitability, measured as the return on working capital (P/WC), amounted to 21 percent (19) for financial year. The return on capital employed was 4 percent (12) and the return on equity was 4 percent (14). The change was mainly due to the items affecting comparability as described above. The return on adjusted capital employed totalled 16 percent (15), with adjustments for items affecting comparability and consideration for the Group's opportunities to apply net accounting to the balance with B&B TOOLS' internal bank, which are described below.

Cash flow from operating activities before changes in working capital for the financial year amounted to MSEK 148 (158). Funds tied up in working capital decreased by MSEK 29 (269). The preceding year was impacted by increased accounts payable as a result of changes to the payment terms of certain major suppliers. Inventories decreased by MSEK 6 during the year, while operating receivables increased by MSEK 95. Operating liabilities rose by MSEK 118. Accordingly, cash flow from operating activities for the period amounted to MSEK 177 (427).

Cash flow for the year was also impacted in a net amount of MSEK –67 (–22) pertaining to investments in and divestments of non-current assets, and a net amount of MSEK –121 (–6) pertaining to the acquisition of subsidiaries and other business units.

The Group's operational net loan liability at the end of the financial year amounted to MSEK 263 (117). The equity/assets ratio at the end of the financial year was 39 percent, compared with 35 percent at the beginning of the year.

Of the Group's cash and cash equivalents of MSEK 69 (525) at 31 March 2017, MSEK 56 (520) pertained to Momentum Group's balance in the internal bank operated by B&B TOOLS. At the same time, the Group was financed by current (committed credit facilities) and non-current interest-bearing loans totalling MSEK 332 (642) through the internal bank. Ahead of the potential separate listing of Momentum Group, the Group has actively eliminated its financial balances with B&B TOOLS' internal bank. Due to the Group's contractual relationship with the internal bank, it is unable to apply net accounting to the balance at this time. However, the opportunity to do so will be created by other means in conjunction with the Group's restructuring into an independent company with its own cash pool. Consequently, the Company's assessment is that if the Group had been able to apply net accounting to the balance with B&B TOOLS' internal bank, Momentum Group's balance-sheet total at 31 March 2017 would have been reduced by MSEK 56 (520), to a total of MSEK 2,495 (2,174). Accordingly, the Group's adjusted equity/assets ratio would have totalled 40 percent (43).

Equity per share before and after dilution totalled SEK 35.65 at the end of the financial year, compared with SEK 33.20 at the beginning of the year.

The Swedish tax rate, which also applies to the Parent Company, was 22 percent during the financial year. The Group's normalised tax rate, with its current geographic mix, is approximately 23 percent.

SHARE STRUCTURE AND REPURCHASE OF OWN SHARES

At the end of the financial year, share capital totalled MSEK 57. The distribution by class of share is as follows:

CLASS OF SHARE	AS OF 31 MARCH 2017
Class A shares	1,063,780
Class B shares	27,201,636
Total number of shares before repurchasing	**28,265,416**
Less: Repurchased Class B shares	–
Total number of shares after repurchasing	**28,265,416**

Momentum Group AB was formed on 8 August 2016 with a registered share capital of SEK 50,000 distributed between 500 shares with a quotient value of SEK 100 per share. On 31 March 2017, a 1/50 share split was carried out, adding another 24,500 shares. On the same date, 31 March 2017, a new share issue was carried out, whereby the number of shares increased by 1,038,780 Class A shares and 27,201,636 Class B shares. In conjunction with the new share issue, the share capital increased by SEK 56,480,832 to SEK 56,530,832. Registration of the increase in the number of shares took place after the balance-sheet date.

As of 31 March 2017, Momentum Group held no treasury shares. There have been no changes in the holding of treasury shares after the end of the financial year.

TRANSACTIONS WITH RELATED PARTIES

Refer to Note 7 for information on transactions with related parties.

RISKS AND UNCERTAINTIES

Refer to Note 8 for information on risks and uncertainties.

ACCOUNTING POLICIES

Refer to Notes 1-4 for information on basis for the preparation of this report and accounting policies.

CALCULATION OF PERFORMANCE MEASURES AND DEFINITIONS

Refer to Note 9 for information on the calculation of financial performance measures and definitions.

EVENTS AFTER THE END OF THE FINANCIAL YEAR

Refer to Note 10 for information on events after the end of the financial year.

Stockholm, 23 May 2017

Ulf Lilius
President & CEO

This report has not been subject to special review by the Company’s auditors.

Contact information

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Dates for forthcoming financial information

Interim Report (3 months) – 1 April-30 June 2017 will be presented on 20 July 2017.
Interim Report (6 months) – 1 April-30 September 2017 will be presented on 27 October 2017.
Interim Report (9 months) – 1 April-31 December 2017 will be presented on 9 February 2018.
Financial Report 2017/18 – 1 April 2017-31 March 2018 will be presented on 8 May 2018.

Visit www.momentum.group to order reports and press releases.

The information in this report was submitted for publication on 23 May 2017 at 10:30 a.m. CET.

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BUSINESS AREAS

REVENUE BY BUSINESS AREA

	QUARTER		FULL-YEAR	
MSEK	JAN-MAR 2017	JAN-MAR 2016	2016/17	2015/16
Tools & Consumables	**1,107**	957	**4,269**	4,029
Components & Services	**356**	344	**1,359**	1,358
Group-wide	**0**	1	**0**	2
Eliminations	**-63**	-51	**-217**	-213
Momentum Group	**1,400**	**1,251**	**5,411**	**5,176**

REVENUE BY QUARTER

	2016/17				2015/16			
MSEK	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Tools & Consumables	1,107	1,122	955	1,085	957	1,049	942	1,081
Components & Services	356	355	299	349	344	359	315	340
Group-wide	0	0	0	0	1	0	1	0
Eliminations	-63	-58	-44	-52	-51	-59	-49	-54
Momentum Group	**1,400**	**1,419**	**1,210**	**1,382**	**1,251**	**1,349**	**1,209**	**1,367**

OPERATING PROFIT/LOSS BY BUSINESS AREA

	QUARTER		FULL-YEAR	
MSEK	JAN-MAR 2017	JAN-MAR 2016	2016/17	2015/16
Tools & Consumables	**-45**	12	**12**	72
Components & Services	**25**	33	**113**	120
Group-wide	**-47**	0	**-58**	0
Eliminations	**-3**	-1	**-2**	1
Momentum Group	**-70**	**44**	**65**	**193**

OPERATING PROFIT/LOSS BY QUARTER

	2016/17				2015/16			
MSEK	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Tools & Consumables	-45	13	20	24	12	18	28	14
Components & Services	25	30	29	29	33	32	29	26
Group-wide	-47	-11	0	0	0	0	0	0
Eliminations	-3	2	-1	0	-1	2	-1	1
Momentum Group	**-70**	**34**	**48**	**53**	**44**	**52**	**56**	**41**

ADJUSTED OPERATING PROFIT/LOSS BY BUSINESS AREA

	QUARTER		FULL-YEAR	
MSEK	JAN-MAR 2017	JAN-MAR 2016	2016/17	2015/16
Tools & Consumables	**19**	12	**76**	72
Components & Services	**33**	33	**121**	120
Group-wide	**-2**	0	**-2**	0
Eliminations	**-2**	-1	**-2**	1
Momentum Group	**48**	**44**	**193**	**193**

GROUP SUMMARY

COMBINED INCOME STATEMENT

	QUARTER		FULL-YEAR		
MSEK	**JAN-MAR 2017**	**JAN-MAR 2016**	**2016/17**	**2015/16**	**2014/15**
Revenue	**1,400**	1,251	**5,411**	5,176	5,351
Shares of profit in associated companies	**-2**	0	**-2**	0	0
Other operating income	**3**	2	**8**	6	6
Total operating income	**1,401**	**1,253**	**5,417**	**5,182**	**5,357**
Cost of goods sold	**-908**	-783	**-3,460**	-3,285	-3,414
Personnel costs	**-294**	-256	**-1,061**	-999	-1,004
Depreciation, amortisation, impairment losses and reversal of impairment losses	**-8**	-4	**-22**	-16	-17
Other operating expenses	**-261**	-166	**-809**	-689	-724
Total operating expenses	**-1,471**	**-1,209**	**-5,352**	**-4,989**	**-5,159**
Operating profit/loss	**-70**	**44**	**65**	**193**	**198**
Financial income	**0**	1	**2**	3	4
Financial expenses	**-3**	-3	**-13**	-14	-21
Net financial items	**-3**	**-2**	**-11**	**-11**	**-17**
Profit/loss after financial items	**-73**	**42**	**54**	**182**	**181**
Taxes	**17**	-11	**-12**	-43	-41
Net profit/loss	**-56**	**31**	**42**	**139**	**140**
Of which, attributable to:					
Parent Company shareholders	**-56**	31	**42**	139	140
Earnings per share, SEK					
– before dilution	**-1.95**	1.10	**1.50**	4.95	4.95
– after dilution	**-1.95**	1.10	**1.50**	4.95	4.95

COMBINED STATEMENT OF COMPREHENSIVE INCOME

	QUARTER		FULL-YEAR		
MSEK	**JAN-MAR 2017**	**JAN-MAR 2016**	**2016/17**	**2015/16**	**2014/15**
Net profit/loss	**-56**	31	**42**	139	140
OTHER COMPREHENSIVE INCOME FOR THE PERIOD					
Components that will not be reclassified to net profit					
Remeasurement of defined-benefit pension plans	**2**	-2	**0**	3	-8
Tax attributable to components that will not be reclassified	**0**	0	**0**	-1	2
	2	**-2**	**0**	**2**	**-6**
Components that will be reclassified to net profit					
Translation differences	**-6**	7	**26**	-33	7
Fair value changes for the year in cash-flow hedges	**0**	0	**0**	0	0
Tax attributable to components that will be reclassified	**0**	0	**0**	0	0
	-6	**7**	**26**	**-33**	**7**
Other comprehensive income for the period	**-4**	**5**	**26**	**-31**	**1**
Total comprehensive income for the period	**-60**	**36**	**68**	**108**	**141**
Of which, attributable to:					
Parent Company shareholders	**-60**	36	**68**	108	141

COMBINED BALANCE SHEET

MSEK	31 MAR 2017	31 MAR 2016	31 MAR 2015
ASSETS			
Non-current assets			
Intangible non-current assets	**533**	428	416
Tangible non-current assets	**64**	50	55
Shares in associated companies	**9**	11	11
Financial investments	**5**	3	3
Deferred tax assets	**27**	16	19
Total non-current assets	**638**	**508**	**504**
Current assets			
Inventories	**823**	785	846
Accounts receivable	**912**	743	863
Other current receivables	**109**	133	142
Cash and cash equivalents	**69**	525	372
Total current assets	**1,913**	2,186	2,223
TOTAL ASSETS	**2,551**	**2,694**	**2,727**
EQUITY AND LIABILITIES			
Equity	**1,007**	939	980
Non-current liabilities			
Non-current interest-bearing liabilities	**150**	639	746
Provisions for pensions	**24**	19	23
Other non-current liabilities and provisions	**41**	5	4
Total non-current liabilities	**215**	**663**	**773**
Current liabilities			
Current interest-bearing liabilities	**182**	3	8
Accounts payable	**782**	666	551
Other current liabilities	**365**	423	415
Total current liabilities	**1,329**	**1,092**	**974**
TOTAL LIABILITIES	**1,544**	**1,755**	**1,747**
TOTAL EQUITY AND LIABILITIES	**2,551**	**2,694**	**2,727**
Operational net loan liability	**263**	117	382

COMBINED STATEMENT OF CHANGES IN EQUITY

MSEK	Share capital	Reserves	Retained earnings, including net profit	Total equity
Closing equity, 31 March 2015	**–**	**-21**	**1,001**	**980**
Net profit			139	**139**
Other comprehensive income		-33	2	**-31**
Dividend			-39	**-39**
Transactions with owner concerning Group contributions and tax			-104	**-104**
Other transactions with owner[1, 2, 4]			-6	**-6**
Closing equity, 31 March 2016	**–**	**-54**	**993**	**939**
Net profit			42	**42**
New share issue[5]	57			**57**
Other comprehensive income		26	0	**26**
Dividend			-10	**-10**
Other transactions with owner[1, 2, 3]			-47	**-47**
Closing equity, 31 March 2017	**57**	**-28**	**978**	**1,007**

1) Momentum Group essentially comprises the Momentum Group operating segment in the B&B TOOLS Group. However, some of the units that historically comprised part of the operating segment will not be included in the future Momentum Group. Net income that is included in the combined income statement but does not impact Momentum Group's total assets is recognised as a transaction with the owner. For 2016/2017 and 2015/2016, net income from units not included in the future Momentum Group amounted to MSEK 5 and MSEK 1, respectively. Refer also to Note 5 Merged units.

2) For 2015/2016 and 2016/2017, the B&B TOOLS Group has holdings in companies that will be included in the future Momentum Group. Net income that is not included in the combined income statement but impacts Momentum Group's total assets is recognised as a transaction with the owner. For 2016/2017 and 2015/2016, net income from companies in units not included in the combined income statement amounted to MSEK 0 and MSEK –4, respectively. Refer also to Note 5 Merged units.

3) On 25 September 2016, Momentum Group AB acquired 12 operating companies (directly and indirectly) from B&B TOOLS Invest AB. These internal acquisitions amounting to MSEK 615 were financed through a shareholders' contribution of MSEK 573 paid to Momentum Group AB by B&B TOOLS Invest AB and the remaining MSEK 42 through a loan raised via B&B TOOLS AB's internal bank. Since no net assets arose in the combined financial statements, the decrease in capital resulting from the raised loan is recognised as a transaction with the owner.

4) Other transactions with the owner that impacted equity amounted to MSEK –1 for 2015/2016.

5) Refer to the section "Share structure and repurchase of own shares" on page 6.

COMBINED CASH-FLOW STATEMENT

MSEK	QUARTER JAN-MAR 2017	JAN-MAR 2016	FULL-YEAR 2016/17	2015/16	2014/15
Operating activities					
Operating activities before changes in working capital	**8**	33	**148**	158	173
Changes in working capital	**-21**	66	**29**	269	47
Cash flow from operating activities	**-13**	**99**	**177**	**427**	**220**
Investing activities					
Acquisition of intangible and tangible non-current assets	**-27**	-8	**-67**	-24	-18
Proceeds from sale of intangible and tangible non-current assets	**0**	2	**0**	2	1
Acquisition of subsidiaries and other business units	**-6**	0	**-121**	-11	-4
Proceeds from sale of subsidiaries and other business units	**0**	2	**–**	5	0
Acquisition of financial non-current assets	**–**	–	**–**	–	-2
Sale of financial non-current assets	**–**	–	–	–	52
Cash flow from investing activities	**-33**	**-4**	**-188**	**-28**	**29**
Cash flow before financing	**-46**	**95**	**-11**	**399**	**249**
Financing activities					
Financing activities	**-298**	-33	**-448**	-233	-175
Cash flow for the period	**-344**	**62**	**-459**	**166**	**74**
Cash and cash equivalents at the beginning of the period	**418**	460	**525**	372	296
Exchange-rate differences in cash and cash equivalents	**-5**	3	**3**	-13	2
Cash and cash equivalents at the end of the period	**69**	**525**	**69**	**525**	**372**

Momentum Group measures financial instruments at fair value or cost in the balance sheet depending on their classification. In addition to items in the financial net debt, financial instruments also include accounts receivable and accounts payable. According to IFRS 7, financial instruments measured at fair value in the balance sheet are included in level 2 of the fair value hierarchy. The carrying amounts for financial assets and liabilities correspond to fair value in all material respects.

OPERATING SEGMENTS

The Group's operating segments comprise the Tools & Consumables and Components & Services business areas. The operating segments are consolidations of the operational organisation, as used by Group management and the Board of Directors to monitor operations. Group management, comprising the CEO and CFO, are the Group's chief operating decision makers.

Tools & Consumables comprises resellers of consumables to the industrial, construction and public sectors in the Nordic region within TOOLS and Mercus Yrkeskläder. **Components & Services** comprises resellers of industrial components, workplace equipment, service and maintenance to the industrial sector in the Nordic region within Momentum Industrial and Gigant Arbetsplats. **Group-wide** includes the Group's management, finance function, support functions and logistics operations in Sweden. The support functions include internal communications, investor relations and legal affairs. Financial income and expenses are not distributed by operating segment but rather are recognised in their entirety in Group-wide.

Intra-Group pricing between the operating segments occurs on market terms. The accounting policies are the same as those applied in the consolidated financial statements.

MSEK	2016/17 Tools & Consumables	Components & Services	Group-wide	Eliminations	Group total
Revenue					
From external customers	4,261	1,150	–	–	**5,411**
From other segments	8	209	0	-217	**-**
Total	**4,269**	**1,359**	**0**	**-217**	**5,411**
Adjusted operating profit/loss	76	121	-2	-2	**193**
Items affecting comparability	***-64***	***-8***	***-56***	**–**	***-128***
Operating profit/loss	**12**	**113**	**-58**	**-2**	**65**
Net financial items	–	–	-11	–	**-11**
Profit/loss after net financial items	**12**	**113**	**-69**	**-2**	**54**

MSEK	Tools & Consumables	Components & Services	Group-wide	Eliminations	Group total
			2015/16		
Revenue					
From external customers	4,023	1,153	-	-	**5,176**
From other segments	6	205	2	-213	**-**
Total	**4,029**	**1,358**	**2**	**-213**	**5,176**
Adjusted operating profit	72	120	0	1	**193**
Items affecting comparability	-	-	-	-	-
Operating profit	**72**	**120**	**0**	**1**	**193**
Net financial items	-	-	-11	-	**-11**
Profit/loss after net financial items	**72**	**120**	**-11**	**1**	**182**

MSEK	Tools & Consumables	Components & Services	Group-wide	Eliminations	Group total
			2014/15		
Revenue					
From external customers	4,212	1,139	–	–	**5,351**
From other segments	7	219	4	-230	**–**
Total	**4,219**	**1,358**	**4**	**-230**	**5,351**
Adjusted operating profit	75	121	2	0	**198**
Items affecting comparability	–	–	-	–	–
Operating profit	**75**	**121**	**2**	**0**	**198**
Net financial items	–	–	-17	–	**-17**
Profit/loss after net financial items	**75**	**121**	**-15**	**0**	**181**

KEY PER-SHARE DATA

	QUARTER		FULL-YEAR	
SEK	**JAN-MAR 2017**	**JAN-MAR 2016**	**2016/17**	**2015/16**
Earnings before dilution	**-1.95**	1,10	**1.50**	4.95
Earnings after dilution	**-1.95**	1,10	**1.50**	4.95
Equity, at the end of the period			**35.65**	33.20
Equity after dilution, at the end of the period			**35.65**	33.20
NUMBER OF SHARES OUTSTANDING IN THOUSANDS				
Number of shares outstanding before dilution	**28,265**	28,265	**28,265**	28,265
Weighted number of shares outstanding before dilution	**28,265**	28,265	**28,265**	28,265
Weighted number of shares outstanding after dilution	**28,265**	28,265	**28,265**	28,265

Weighted number of shares and dilution
Average number of shares outstanding before or after dilution. Shares held by Momentum Group at any given time are not included in the number of shares outstanding. Dilution effects arise due to potential call options issued by the Company that can be settled using shares in share-based incentive programmes. In such cases, the call options have a dilution effect when the average share price during the period is higher than the redemption price of the call options. As of 31 March 2017, Momentum Group held no treasury shares and had not issued any call options pertaining to treasury shares.

PARENT COMPANY SUMMARY

INCOME STATEMENT

MSEK	QUARTER JAN-MAR 2017	ACCUMULATED 8 AUG 2016-31 MAR 2017
Revenue	0	0
Other operating income	0	0
Total operating income	**0**	**0**
Operating expenses	-7	-8
Operating profit/loss	**-7**	**-8**
Financial income and expenses	7	7
Profit/loss after financial items	**0**	**-1**
Appropriations	1	1
Profit before taxes	**1**	**0**
Taxes	0	0
Net profit	**1**	**0**

STATEMENT OF COMPREHENSIVE INCOME

MSEK	QUARTER JAN-MAR 2017	ACCUMULATED 8 AUG 2016-31 MAR 2017
Net profit	1	0
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		
Components that will not be reclassified to net profit		
	–	–
Components that will be reclassified to net profit		
	–	–
Other comprehensive income for the period	–	–
Total comprehensive income for the period	1	0

BALANCE SHEET

MSEK	31 MAR 2017
ASSETS	
Intangible non-current assets	0
Tangible non-current assets	–
Financial non-current assets	810
Current receivables	93
Cash and cash equivalents	–
Total assets	**903**
EQUITY, PROVISIONS AND LIABILITIES	
Equity	630
Untaxed reserves	–
Provisions	–
Non-current liabilities	150
Current liabilities	123
Total equity, provisions and liabilities	**903**

NOTES

NOTE 1 – REPORTING UNIT

Momentum Group AB (the Parent Company) and its subsidiaries form Momentum Group. The companies in Momentum Group are leading suppliers of industrial consumables and components – as well as competitive service and maintenance – to professional end users in the Nordic region.

Momentum Group AB, Corporate Registration Number 559072-1352, is a registered limited liability company with its registered office in Stockholm, Sweden. Address of the head office: Momentum Group AB (publ), PO Box 5900, SE-102 40 Stockholm, Sweden. Website: www.momentum.group.

NOTE 2 – SUMMARY OF KEY ACCOUNTING POLICIES

GENERAL

In view of the resolution of the Board of Directors of B&B TOOLS AB on 22 May 2017 to propose that an Extraordinary General Meeting of Shareholders resolve to distribute the shares in Momentum Group AB to the shareholders through a so-called Lex Asea procedure, this report has been prepared on a voluntary basis to provide the shareholders with financial information.

Momentum Group AB (the "Company") was registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on 8 August 2016 and was dormant until September 2016. On 25 September 2016, Momentum Group AB acquired 12 operating companies (directly and indirectly) from B&B TOOLS Invest AB. These internal acquisitions were primarily financed through a shareholders' contribution paid to Momentum Group AB by B&B TOOLS Invest AB. At the time of the acquisition, the companies in question were wholly owned subsidiaries of B&B TOOLS Invest AB, which in turn is a wholly owned subsidiary of B&B TOOLS AB and thus, together with the Company, are under the common control of B&B TOOLS AB. The companies have historically been affiliated with different areas of the B&B TOOLS Group but, in operational terms, have been part of the Momentum Group operating segment.

In addition to the aforementioned share transactions, certain Momentum Group operations that were previously conducted in joint companies together with other operations remaining in the B&B TOOLS Group have been transferred to existing or newly formed legal entities included in Momentum Group. The scope of the operations conducted in joint companies is limited and, in many cases, the split has only entailed a change of employer for certain personnel. As part of the final stages of the restructuring of Momentum Group, the logistics and warehousing operations within B&B TOOLS Business Infrastructure AB were transferred to Momentum Group Services AB through a conveyance of assets and liabilities in March 2017. This marked the completion of the restructuring to create the new Momentum Group.

BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

Since the operations have not historically formed a group according the IFRS definition, there are no consolidated financial statements for the periods prior to the aforementioned structuring of Momentum Group. Accordingly, the historical information has been prepared as combined financial statements for the reporting unit comprising Momentum Group AB and the units included in Momentum Group according to the current structure. Refer to Note 5 for a specification of the units included in the combined financial statements.

Since IFRS does not provide specific guidance on how combined financial statements are to be prepared, Momentum Group has defined the following principles for the preparation of the financial statements. The combined financial statements are based on historical carrying amounts, as recognised in B&B TOOLS AB's consolidated financial statements (predecessors accounting). Adjustments have been made to eliminate transactions between the companies included in the combined financial statements.

These financial statements are Momentum Group AB's first financial statements prepared in accordance with IFRS and IFRS 1 *First-time Adoption of International Financial Reporting Standards* has thus been applied. In accordance with IFRS 1, a subsidiary that begins applying IFRS later than its Parent Company may choose to measure its assets and liabilities at the carrying amounts to be recognised in the Parent Company accounts based on the Parent Company's transition to IFRS. Momentum Group has utilised this option, which means that the Group values pertain to Momentum Group units that are used in the B&B TOOLS AB Group's accounts are also used in Momentum Group AB's financial statements.

In addition to the principles used for determining which assets, liabilities, income, expenses and cash flows are to be included in the combined financial statements, the following additions were made in the preparation of the combined financial statements.

Intra-Group transactions

All receivables and liabilities to B&B TOOLS AB and its subsidiaries are presented as external receivables and liabilities. Transactions with these companies are considered transactions with related parties. Refer to Note 7.

Allocation of expenses

In preparing the combined financial statements, it is prerequisite that allocations are correctly identified and that a rational basis exists for said allocations. The allocations must also be verifiable and it must be possible to measure them reliably. The B&B TOOLS Group has applied an internal cost allocation, which means that costs pertaining to logistics, IT, finance centres, HR and other Group-wide functions are allocated and charged to the individual reporting unit. How the costs are to be charged is determined based on various indexes for distribution, which vary depending on the type of costs. This means that related costs pertaining to Momentum Group's operations have been included in the combined financial statements.

Financial expenses and capital structure

Momentum Group has determined that the various companies' actual historical financing within the B&B TOOLS Group is the most verifiable and reliable principle to apply. This means that financial items in the income statement are based on the interest-bearing assets and liabilities that have been reported historically. The income statement and balance sheet thus also correspond. Accordingly, Momentum Group has used net debt as well as the associated financial income and expense from the historical financial statements of the units included in the combined financial statements. Receivables and liabilities as well as interest income and interest expense vis-a-vis B&B TOOLS' units are presented as external items in the combined financial statements. Accordingly, the historical capital structure and net financial items in these financial statements do not reflect the debt/equity ratio and financing situation expected on the listing date.

Taxes
Taxes recognised in the combined financial statements are based on the recognised current and deferred tax of the units included. Tax attributable to Group contributions paid to units within the remaining B&B TOOLS Group that are not included in Momentum Group are recognised as a transaction with the owner under equity.

Earnings per share
In these combined financial statements, the calculation of earnings per share is based on net profit in Momentum Group attributable to the Parent Company shareholders divided by the average number of shares outstanding. Momentum Group AB was registered with the Swedish Companies Registration Office on 8 August 2016 and thus did not have share capital for the entire historical financial periods. Taking into account the fact that the number of shares has risen to 28,265,416 in accordance with a resolution by the Extraordinary General Meeting of Shareholders on 31 March 2017 and subsequent registration with the Swedish Companies Registration Office in April 2017, Momentum Group has chosen to use this number for all periods presented.

COMPLIANCE OF ACCOUNTING POLICIES WITH STANDARDS AND LEGISLATION
This condensed consolidated Financial Report has been prepared in accordance with IAS 34 *Interim Financial Reporting* and the applicable provisions of the Swedish Annual Accounts Act. The Financial Report for the Parent Company has been prepared in accordance with Chapter 9 of the Swedish Annual Accounts Act, *Interim Reporting*. The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretive statements from the IFRS Interpretations Committee as approved by the EU. Recommendation RFR 1 *Supplementary Accounting Rules for Groups* issued by the Swedish Financial Reporting Board has also been applied. The Parent Company's accounting policies are described in more detail in Note 4 "Parent Company accounting policies" below.

BASIS APPLIED WHEN PREPARING THE FINANCIAL STATEMENTS
The Parent Company's functional currency is Swedish kronor (SEK), which also constitutes the reporting currency for the Group. This means that the financial statements are presented in SEK. All amounts, unless specifically stated otherwise, are rounded to the nearest million.

Assets and liabilities are recognised at historical cost, except for certain financial assets and liabilities measured at fair value. Financial assets and liabilities measured at fair value consist of derivative instruments and financial assets available for sale.

Preparing the financial statements in accordance with IFRS requires that management makes judgements and estimates and makes assumptions that affect the application of the accounting policies and the carrying amounts of assets, liabilities, income and expenses. The actual outcome may differ from these estimates and judgements. The estimates and assumptions are reviewed on a regular basis. Changes in estimates are recognised in the period when the change is made if the change affects this period only, or in the period when the change is made and in future periods if the change affects the current period as well as future periods. Judgements made by management when applying IFRS that have a significant effect on the financial statements and estimates made which can lead to substantial adjustments in the following year's financial statements are described in more detail in Note 3.

Events after the balance-sheet date refer to both favourable and unfavourable events that occur between the balance-sheet date and the date at the beginning of the following financial year when the financial statements are signed by the members of the Board of Directors and the President & CEO. Information is provided in the Annual Report about any significant events after the balance-sheet date that were not accounted for when the financial statements were adopted. Such events that confirm the circumstances prevailing at the balance-sheet date are taken into account at the time of adoption of the financial statements.

Non-current assets and disposal groups held for sale are recognised at the lower of their carrying amount at the time of classification and their fair value after a deduction for selling expenses. Offsetting of receivables and liabilities and of income and costs occurs only when required or when expressly permitted in an accounting recommendation. The stated accounting policies for the Group have been applied consistently for all periods presented in the consolidated financial statements, unless specifically stated otherwise. The Group's accounting policies have been applied consistently in the reporting and consolidating of the Parent Company and subsidiaries.

NEW OR AMENDED IFRS THAT WILL BE APPLIED IN COMING PERIODS
A number of new and amended IFRS have not yet come into effect and have not been applied in advance in the preparation of these financial statements. Listed below are the IFRS that may have an impact on the consolidated financial statements. In addition to the IFRS described below, it is not anticipated that other new or amended standards approved by the IASB as of 31 March 2017 will have a material impact on the consolidated financial statements.

IFRS 9 Financial instruments
IFRS 9 *Financial Instruments*, which will take effect on 1 January 2018 and has been approved by the EU, covers the recognition of financial assets and liabilities and replaces IAS 39 *Financial instruments: Recognition and Measurement*. The standard contains rules for the classification and measurement of financial assets and liabilities, impairment of financial instruments, and hedge accounting. A difference compared with IAS 39 is that the impairment of financial assets through a provision for expected credit losses is to be carried out at the time of initial recognition of financial assets that are recognised at amortised cost and at fair value in other comprehensive income, and certain additional assets and receivables. Financial assets include accounts receivable and cash and cash equivalents. Momentum Group's accounts receivable generally relate to customers with a good payment capacity, which is taken into account in the provision for expected credit losses. The option to apply hedge accounting is facilitated in general under IFRS 9. Since Momentum Group already applies hedge accounting under the current rules of IAS 39, the introduction of IFRS 9 is not expected to have any impact in this regard. Nor is the classification of financial instruments in accordance with IFRS 9 expected to impact the financial instruments.

IFRS 15 Revenue from Contracts with Customers
From 1 April 2018, IFRS 15 *Revenue from Contracts with Customers* replaces the existing IFRS related to revenue recognition, such as IAS 18 *Revenue*, IAS 11 *Construction Contracts* and IFRC 13 *Customer Loyalty Programmes*. Momentum Group does not plan to apply IFRS 15 in advance. IFRS 15 is based on revenue being recognised once control of the goods or services has been transferred to the customer, which differs from the existing basis of the transfer of risks and benefits. IFRS 15 introduces new ways of determining how revenue is recognised, which affects the mindset for all types of revenue. Momentum Group is in the process of evaluating the effects of IFRS 15. Momentum Group has analysed a selection of standard contracts from its various operating areas and so far this assessment has not identified any material impact on Momentum Group's financial statements. However, it is noted that IFRS 15 contains expanded disclosure requirements in respect of revenue, which will expand the contents of the explanatory notes.

IFRS 16 Leases
From 1 January 2019, IFRS 16 *Leases* will replace the existing IFRS related to how leases are recognised, such as IAS 17 *Leases* and IFRIC 4 *Determining Whether an Arrangement Contains a Lease*. Momentum Group has not yet decided whether IFRS 16 will be applied in advance from 2018/2019, at the same time as IFRS 9 and IFRS 15 result in changes in recognition, or if its application will apply from 2019/2020.

IFRS 16 mainly affects the lessee and the principal effect is that leases which are currently reported as operational leases will be recognised for in a manner similar to the current recognition of financial leases. This means that even for operational leases, assets and liabilities must be recognised, along with the recognition of costs for depreciation, amortisation and interest - unlike today when no recognition of leased assets and related debts is required, and where leasing fees are accrued linearly as a lease expense. As an operational lessee, Momentum Group will be affected by the introduction of IFRS 16. Monetary calculations of the effect of IFRS 16 and the choice of transitional methods have not yet been concluded.

SEGMENT REPORTING
An operating segment is a part of the Group that conducts operations that can generate revenue and incur costs, and for which independent financial information is available. The earnings of an operating segment are also monitored by the company's chief operating decision-maker to enable them to be assessed and to allow resources to be allocated to the operating segment.

During the 2016/2017 financial year, the Group's operating segments comprised the Tools & Consumables and Components & Services business areas. The operating segments are consolidations of the operational organisation, as used by Group management and the Board of Directors to monitor operations. Group management, comprising the CEO and CFO, are the Group's chief operating decision makers.

Tools & Consumables comprises resellers of consumables to the industrial, construction and public sectors in the Nordic region within TOOLS and Mercus Yrkeskläder. Components & Services comprises resellers of industrial components, workplace equipment, service and maintenance to the industrial sector in the Nordic region within Momentum Industrial and Gigant Arbetsplats. Group-wide includes the Group's management, finance function, support functions and logistics operations. The support functions include internal communications, investor relations and legal affairs.

CLASSIFICATION, ETC.
Non-current assets and non-current liabilities in the Group and the Parent Company essentially consist only of amounts that are expected to be recovered or paid later than 12 months from the balance-sheet date. Current assets and current liabilities in the Group and the Parent Company essentially consist only of amounts that are expected to be recovered or paid within 12 months from the balance-sheet date.

PRINCIPLES OF CONSOLIDATION

Subsidiaries
Subsidiaries are entities over which Momentum Group AB has a controlling influence. A controlling influence exists if the Parent Company has power over the investee, is exposed to or has rights to variable returns from its involvement and has the ability to use its power over the investee to affect the amount of the investor's returns. When assessing whether or not a controlling influence exists, consideration is given to potential voting shares and whether any de facto control exists.

Subsidiaries are recognised in accordance with the purchase method of accounting. This method entails that the acquisition of a subsidiary is viewed as a transaction through which the Group indirectly acquires the assets of the subsidiary and assumes its liabilities. The acquisition analysis determines the fair value, on the date of acquisition, of the identifiable assets, assumed debts and any non-controlling interests. Transaction fees, except for transaction fees attributable to issues of equity instruments or debt instruments, that arise are recognised directly in net profit. In the case of business acquisitions where the transferred remuneration, any non-controlling interests and the fair value of previously held participations (step acquisitions) exceed the fair value of the acquired assets and assumed liabilities that are to be recognised separately, the difference is recognised as goodwill. Should the difference be negative, which is known as a bargain purchase, it is recognised directly in net profit.

Contingent considerations are measured at fair value on the date of acquisition. If the contingent consideration is classified as an equity instrument, no remeasurement is performed and the adjustment is made to equity. Other contingent considerations are remeasured for each financial statement and the difference is recognised in net profit. If the acquisition does not pertain to 100 percent of the subsidiary, it is deemed a non-controlling interest. There are two methods for recognising non-controlling interests: (i) by recognising the non-controlling interest's share of the proportional net assets or (ii) by recognising the non-controlling interest at fair value, meaning that the non-controlling interest is part of goodwill. Which of these two alternatives is to be applied for the recognition of non-controlling interests can be determined on a case-by-case basis.

For step acquisitions, goodwill is determined on the date on which controlling influence arises. Previous holdings are measured at fair value and the change in value is recognised in net profit. For divestments that lead to a loss of controlling influence but where a holding remains, the holding is measured at fair value and the change in value is recognised in net profit. The financial statements of subsidiaries are consolidated from the date of acquisition until the date when the controlling influence ceases.

Associated companies
Associated companies are companies over which the Group has a significant, but not controlling influence in terms of operational and financial control, usually through a holding of between 20 and 50 percent of the total number of votes. From the time at which significant influence is achieved, shares in associated companies are recognised in the consolidated financial statements using the equity method.

According to the equity method, the carrying amount of the shares in associated companies recognised in the Group should correspond to the Group's share of the equity in the associated companies and consolidated goodwill and any other residual value for the consolidated surplus or deficit value. In the consolidated income statement, the Group's share of the associated company's profit, adjusted for any depreciation, amortisation, impairment losses or reversals of acquired surplus or deficit values, is recognised as "Shares of profit in associated companies."

Dividends received from associated companies reduce the carrying amount of the investment. The Group's portion of other comprehensive income in associated companies is recognised on a separate line in the Group's other comprehensive income. Any differences at the time of the acquisition between the cost of the holding and the holding company's portion of the net fair value of the associated company's identifiable assets and liabilities are recognised in accordance with the same principles as in the acquisition of a subsidiary.

Transaction fees, except for transaction fees attributable to issues of equity instruments or debt instruments, that arise are included in cost. When the Group's portion of the recognised losses in the associated company exceeds the carrying amount of the shares in the Group, the value of these shares is reduced to zero. Settlement of losses also occurs for long-term financial transactions without collateral, which, in financial terms, are part of the holding company's net investment in the associated company. Continued losses are not recognised, provided that the Group has not issued guarantees to cover losses arising in the associated company. The equity method is applied until the time at which the significant influence is terminated.

Transactions eliminated in consolidation
Intra-group receivables and liabilities, income or expenses, and unrealised gains or losses arising in intra-Group transactions between Group companies are eliminated in their entirety when preparing the consolidated financial statements.

Unrealised gains that arise in transactions with associated companies are eliminated to an extent corresponding to the Group's participating interest in the company. Unrealised losses are eliminated in the same manner as unrealised gains, but only insofar as no impairment requirement exists.

FOREIGN CURRENCY

Transactions in foreign currency
Transactions in foreign currency are translated to the functional currency using the exchange rate prevailing on the transaction date. The functional currency is the currency of the primary economic environments in which the companies conduct their operations. Monetary assets and liabilities in foreign currency are translated to the functional currency at the exchange rate prevailing on the balance-sheet date. Exchange-rate differences that arise during translation are recognised in net profit. Non-monetary assets and liabilities recognised at historical cost are translated at the exchange rate prevailing on the transaction date.

Financial statements of foreign entities
Assets and liabilities in foreign entities, including goodwill and other consolidated surplus values and deficits, are translated from the foreign entity's functional currency to the Group's reporting currency, SEK, at the exchange rate prevailing on the balance-sheet date. Income and expenses in foreign entities are translated to SEK at the average exchange rate, which constitutes an approximation of the foreign-exchange rates prevailing at each transaction date.

Translation differences arising as a result of the translation of a foreign subsidiary's net assets are recognised directly in other comprehensive income and are accumulated in a separate equity component, referred to as the translation reserve. When a foreign entity is divested, the accumulated translation differences attributable to the entity are realised, by which they are reclassified from the translation reserve in equity to net profit.

INCOME

The Group's primary income comprises the sale of goods. Some sales of services also occur.

Sale of goods
Income from the sale of goods is recognised in net profit when the material risks and benefits associated with ownership of the goods have been transferred to the buyer, typically in connection with delivery. Income is recognised if it is probable that the financial benefits will accrue to the Group. Income is recognised net, less discounts, such as volume-related discounts.

Service assignments
Income from service assignments is normally recognised when the service is performed. Income from service assignments is recognised in accordance with the principles of the percentage-of-completion method. The degree of completion is normally determined based on the relationship between accrued expenditure on the balance-sheet date and the estimated total expenditure. Probable losses are recognised immediately in consolidated earnings.

OPERATING EXPENSES AND FINANCIAL INCOME AND EXPENSES

Operational leases
Costs related to operational leases are recognised in net profit on a straight-line basis over the term of the lease. Benefits received in connection with the signing of a contract are recognised in net profit as a straight-line reduction in leasing fees over the course of the lease. Variable fees are expensed in the periods in which they arise.

Financial leases
Minimum leasing fees are allocated to interest expense and repayment of the outstanding liability. The interest expense is allocated over the leasing period in such a way that each accounting period is charged with an amount

corresponding to a fixed interest rate for the liability reported for each period. Variable fees are expensed in the periods in which they arise.

Financial income and expenses
Financial income and expenses consist of interest income on bank funds and receivables, and of interest-bearing securities, interest expenses on loans, dividend income, exchange-rate differences and unrealised and realised gains on financial investments. Refer also to the section below under Financial assets available for sale.

Interest income on receivables and interest expenses on liabilities are calculated using the effective interest method. The effective interest rate is the rate that discounts the estimated future receipts and disbursements during the financial instrument's expected term to the recognised net value of the financial receivable or the liability. Interest expense includes the accrued amount of issuance costs and similar direct transaction costs in connection with borrowing. Dividend income is recognized when the right to receive payment has been determined. Exchange gains and losses are recognised in a net amount.

FINANCIAL INSTRUMENTS
Financial instruments are measured and recognised in the Group in accordance with the rules of IAS 39. Financial instruments recognised as assets in the balance sheet include cash and cash equivalents, accounts receivable, financial investments and derivatives. Liabilities include accounts payable, loan liabilities and derivatives.

Recognition in and derecognition from the balance sheet
A financial asset or financial liability is recognised in the balance sheet when the Group becomes a party under the contractual terms of the instrument in question. A financial asset, or a portion of a financial asset, is derecognised from the balance sheet when the contractual rights are realised, fall due or the Group loses control over them. A financial liability, or a portion of a financial liability, is derecognised from the balance sheet when the obligation in the contract is fulfilled or ceases to apply in some other way.

Financial assets and financial liabilities are offset and recognised as a net amount in the balance sheet only when there is a legal right to offset the amounts and when there is an intention to settle the items in a net amount or to realise the asset and settle the liability simultaneously. Acquisitions and disposals of financial assets are recognised on the transaction date, which is the date when the Group undertakes to acquire or dispose of assets.

Classification and measurement
All financial instruments that are not derivatives are initially recognised at cost, corresponding to the fair value of the instrument plus transaction costs, with the exception of those items classified as financial assets measured at fair value in profit or loss, which are measured at fair value, excluding transaction costs. A financial instrument's classification determines how it is measured after the initial reporting occasion. The Group classifies its financial instruments based on the purpose for which the instrument was acquired. Management determines the classification on the initial reporting occasion.

The Group's holdings of financial instruments are classified as follows:

Financial assets available for sale
The category Financial assets available for sale includes financial assets that are not classified in any other category, or financial assets that the Company initially opted to classify in this category. Shares and participations among financial non-current assets not recognised as subsidiaries, associated companies or joint ventures are recognised in this category. According to the main rule, these assets are measured at fair value after the acquisition date, with changes in value recognised in other comprehensive income and the accumulated changes in value recognised as a separate component under equity, although this does not include changes in value due to impairment losses or interest on receivable instruments and dividend income, or exchange-rate differences on monetary items which are recognised in net profit. If the asset is sold, the accumulated gain/loss that was previously recognised in other comprehensive income is recognised in net profit. Holdings that are not listed, and whose fair value cannot be calculated in a reliable manner, are recognised at cost, but with a possible adjustment if an impairment charge is warranted.

Loan receivables and accounts receivable
Long-term receivables among non-current assets and accounts receivable and other receivables among current assets are non-derivative financial assets with fixed payments, or payments that can be determined and that are not listed on an active market. After the acquisition date, such assets are recognised at amortised cost using the effective interest method, less any provisions for loss of value. Accounts receivable are recognised at the amount expected to be received, meaning after deductions for doubtful accounts receivable. Any impairment requirement for the receivables is determined based on individual testing, taking into consideration earlier experience of customer losses on similar receivables.

Financial liabilities
Loans and other financial liabilities, such as accounts payable, are included in this category. Financial liabilities are initially measured at fair value after deductions for transaction costs. Borrowing is then recognised at amortised cost and any differences between the loan amount (net after transaction costs) and the repayable amount are recognised in net profit distributed over the term of the loan and by applying the effective interest method. Borrowing is classified as a current liability if the company does not hold an unconditional right to defer payment for a minimum of 12 months after the balance-sheet date.

Other categories
The Group has not initially classified any assets or liabilities as financial assets or liabilities measured at fair value in profit or loss, and does not have any financial assets or liabilities held for trading. Nor did the Group have any financial held-to-maturity investments during the financial year.

Derivatives and hedge accounting
Derivative instruments are initially measured at fair value. After the acquisition date, derivative instruments held for hedging purposes, meaning foreign-exchange forward contracts, are measured at fair value. To fulfil the requirements for hedge accounting according to IAS 39, there must be a clear link to the hedged item, the hedge must effectively protect the hedged item, hedging documentation must have been drawn up and the effectiveness must be measurable. After the initial recognition, derivative instruments are measured at fair value and the method of recognising a change in value depends on the character of the hedged item.

The Group identifies certain derivatives as a hedge of a highly probable forecast transaction in foreign currency (cash-flow hedging). The effective portion of changes in the fair value of derivative instruments identified as cash-flow hedges are recognised in other comprehensive income and the accumulated changes in value are recognised in a separate component under equity (the hedging reserve). Any gains or losses attributable to the ineffective portion are recognised immediately in profit or loss. Accumulated amounts in equity are reversed to net profit in the periods in which the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). If the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventories), or a non-financial liability, the hedging reserve is dissolved in other comprehensive income and included in the initial carrying amount of the asset or liability.

TANGIBLE NON-CURRENT ASSETS

Owned assets

Tangible non-current assets are recognised as assets in the balance sheet if it is probable that future financial benefits will accrue to the Group and the cost of the asset can be calculated in a reliable manner. Tangible non-current assets are recognised in the Group at cost, less accumulated depreciation and any impairment losses.

The cost includes the purchase price and costs directly attributable to the asset to bring it to location and make it usable for the purpose intended with its procurement. Examples of directly attributable costs included in the cost are expenses for shipping and handling, installation, legal ratification, consulting services and legal services. Tangible non-current assets that consist of parts with different useful lives are treated as separate components of tangible non-current assets.

The carrying amount of a tangible non-current asset is derecognised from the balance sheet upon disposal or sale, or when no future financial benefits are expected to be derived from the use or disposal/sale of the asset. Gains or losses that arise upon the sale or disposal of an asset are defined as the difference between the selling price and the carrying amount of the asset, less direct selling expenses. Gains and losses are recognised as other operating income/expenses.

Leased assets

Leases are classified in the consolidated financial statements as either financial or operational leases. Leases where essentially all of the financial risks and benefits associated with ownership have been transferred to the lessee are classified as financial leases. Where this is not the case, the lease is an operational lease. Assets that are leased in accordance with financial leases are recognised as non-current assets in the balance sheet and are initially measured at the lower of the leased asset's fair value and the present value of the minimum leasing fees at the time the contract is entered into.

Obligations to pay future leasing fees are recognised as non-current and current liabilities. The leased assets are depreciated over the useful life of the asset in question, while the leasing fees are recognised as interest and amortisation of the liabilities. Assets that are leased in accordance with operational leases are generally not recognised as an asset in the balance sheet. Nor do operational leases result in a liability.

Additional expenditures

Additional expenditures are added to the cost only to the extent that it is probable that the future financial benefits associated with the asset will accrue to the Group and the cost can be calculated in a reliable manner. All other additional expenditures are recognised as an expense in the period in which they arise.

Depreciation policies

Assets are depreciated on a straight-line basis over their estimated useful lives. Land is not depreciated. The Group applies component depreciation, which means that depreciation is based on the estimated useful life of individual components.

Estimated useful lives:

Buildings, property used in operations	5–100 years
Land improvements	20 years
Leasehold improvements	3–15 years
Machinery	3–10 years
Equipment	3–5 years

Property used in operations consists of a number of components with varying useful lives. The main classification is buildings and land. The land component is not depreciated since its useful life is considered to be unlimited. Buildings, however, consist of a number of components for which the useful life varies. The useful lives of these components have been deemed to vary between five and 100 years.

An assessment of the depreciation methods applied and the residual value and useful life of assets is carried out on an annual basis.

INTANGIBLE ASSETS

Goodwill

Goodwill represents the difference between the consideration transferred for a corporate acquisition and the fair value of the acquired assets and assumed debt. Goodwill is measured at cost, less any accumulated impairment losses. Goodwill is distributed to cash-generating units and is not amortised continuously. Instead, impairment testing is conducted on an annual basis. For corporate acquisitions for which the consideration transferred is less than the fair value of the acquired assets and assumed debt, known as a bargain purchase, the difference is recognised directly in net profit.

Other intangible assets

Other intangible assets acquired by the Group are recognised at cost less accumulated amortisation and impairment losses and comprise customer relations and capitalised IT expenditure for development and purchases of software. Accrued expenses for internally generated goodwill and internally generated brands are recognised in net profit when the cost is incurred.

Additional expenditures
Additional expenditures for capitalised intangible assets are recognised as an asset in the balance sheet only to the extent that they increase the future financial benefits of the specific asset to which they are attributable. All other expenditures are expensed as incurred.

Depreciation policies
Amortisation is recognised in net profit on a straight-line basis over the estimated useful life of the intangible asset, unless the useful life is indefinable. Goodwill and intangible assets with an indefinable useful life, such as certain brands, are tested on an annual basis for any indications of an impairment requirement, or as soon as there are indications that the asset in question has declined in value. Intangible assets that are subject to amortisation are amortised from the date on which they are available for use.

Estimated useful lives:

Brands, supplier contracts, customer relations	3–10 years
Software, IT investments	3–5 years

An assessment of the amortisation methods and useful lives applied is carried out on an annual basis.

INVENTORIES
Inventories are measured at the lower of cost and net realisable value. The cost of inventories is primarily calculated using a method based on a weighted average and includes expenditures arising during the acquisition of the inventory assets and transportation thereof to their current location and state or alternatively by applying the “first-in, first-out” (FIFO) method. Net realisable value is the estimated selling price in the operating activities, after deduction of the estimated costs for completion and for accomplishing a sale.

IMPAIRMENT LOSSES
The carrying amount of the Group’s assets is tested on at least each balance-sheet date to determine whether there are any indications of an impairment requirement. IAS 36 is applied for impairment testing of assets other than financial assets, which are tested in accordance with IAS 39, inventories, plan assets used for financing remuneration to employees and deferred tax assets. If there is any indication of impairment, the recoverable amount of the asset is calculated. The carrying amount of exempted assets in accordance with the above is tested in compliance with each standard.

The recoverable amount of goodwill, other intangible assets with an indefinable useful life and intangible assets not yet ready for use is calculated at least annually. Where it is not possible to allocate essentially independent cash flows to an individual asset, net assets are grouped at the lowest level at which essentially independent cash flows can be determined (cash-generating unit). An impairment loss is recognised when an asset’s or a cash-generating unit’s carrying amount exceeds the recoverable amount.

An impairment loss is recognised as a cost in net profit. When impairment losses are identified for a cash-generating unit, the impairment loss is primarily allocated to goodwill. Proportional impairment charges are then made against other non-current assets included in the unit.

Calculation of recoverable amount
The recoverable amount of assets belonging to the categories of loan receivables and accounts receivable recognised at amortised cost is calculated as the present value of future cash flows discounted using the effective interest rate prevailing when the asset was initially recognised. Assets with short remaining terms are not discounted. The recoverable amount of other assets is the higher of fair value less selling expenses and value in use. For the purpose of calculating the value in use, future cash flows are discounted using a discount factor that reflects risk-free interest and the risk associated with the specific asset.

For an asset that does not generate cash flows and is essentially independent of other assets, the recoverable amount is calculated for the cash-generating unit to which the asset belongs.

Reversal of impairment losses
Impairment losses on loan receivables and accounts receivable recognised at amortised cost are reversed if a later increase in the recoverable amount can objectively be attributed to an event that occurred after the impairment loss was charged. Impairment losses on goodwill are not reversed. Impairment losses on other assets are reversed if there has been a change in the assumptions on which the calculation of the recoverable amount was based. An impairment loss is reversed only to the extent that the carrying amount of the asset after the reversal does not exceed the carrying amount of the asset if no impairment loss had been charged, taking into account the amortisation that would then have been made.

EQUITY
The Group’s equity can be divided into share capital, other contributed capital, reserves, retained earnings including net profit and non-controlling interest.

Dividends
Dividends are recognised as a liability after the Annual General Meeting has approved the dividend.

EMPLOYEE BENEFITS

Defined-contribution pension plans
Obligations pertaining to fees for defined-contribution pension plans are recognised as an expense in net profit at the rate they are accrued as the employees perform services for the company during a specific period.

Defined-benefit pension plans
The Group’s net obligations pertaining to defined-benefit pension plans are calculated separately for each plan in the form of an estimate of the future remuneration that the employee has earned as a result of his/her employment in both the current and prior periods. These calculations are performed by a qualified actuary using the projected unit credit method. The obligations are measured at the present value of expected future payments, with due consideration for future salary increases.

The discount rate used is the interest rate on the balance-sheet date for an investment grade corporate bond or housing bonds with a term equivalent to the Group’s pension obligations. When there is no functioning market for such bonds, the market rate for government bonds with an equivalent term is used. In the case of funded plans, the fair value of the plan assets reduces the calculated value. When the calculation leads to an asset for the Group, the carrying amount of the asset is limited to the lowest of the surplus on the plan and the asset limitation calculated utilising the discount rate. The asset limitation comprises the present value of the future financial benefits in the form of lower future contributions or cash repayment. Any minimum funding requirements are taken into consideration when calculating the present value of future repayments or payments. Obligations for retirement pensions to salaried employees in Sweden in accordance with the ITP plan are handled mainly within the so-called FPG/PRI system. However, obligations for family pensions are secured by insurance with Alecta. These obligations are also defined-benefit obligations, although the Group has not had access to the information necessary to recognise these obligations as a defined-benefit plan. Therefore, these pensions secured by insurance with Alecta are recognised as defined-contribution plans.

As of 31 December 2016, Alecta's surplus in the form of its collective solvency margin was 149 percent (2015: 153 percent, 2014: 143 percent). The collective consolidation level consists of the market value of Alecta's assets as a percentage of insurance undertakings calculated in accordance with Alecta's actuarial basic data, which do not comply with IAS 19. Alecta's surplus can be distributed to the policy holders and/or the insured. When the benefits under a plan are improved, the proportion of the increase in benefits pertaining to the employees' service during prior periods is recognised as an expense in net profit. The carrying amount for pensions and similar commitments in the balance sheet corresponds to the present value of the commitments at year-end, less the fair value of the plan assets. Interest expense/income net on the defined-benefit commitment/asset is recognised in net profit under net financial items. Net interest income is based on the interest rate arising on the discounting of the net obligation, meaning the interest on the obligation, plan assets and the interest on the effect of any asset limitations. Other components are recognised in profit or loss.

Remeasurement effects comprise actuarial gains and losses, the difference between actual returns on plan assets and the total included in net interest income, and any changes to the effects of asset limitations (excluding interest included in net financial items). Remeasurement effects are recognised in other comprehensive income. The special payroll tax comprises a portion of the actuarial assumptions and, accordingly, is recognised as a portion of the net obligation/net asset. Yield tax is recognised continuously in profit or loss for the period to which the tax pertains and thus is not included in the liability calculation. For funded plans, the tax is charged to the return on plan assets and is recognised in other comprehensive income. For unfunded or partly unfunded plans, tax is charged to net profit.

Benefits in the case of termination
In connection with the termination of employment, a provision is recognised only in cases when the company is obligated either to terminate an employee's or a group of employees' employment before the normal point in time, or when benefits are given as an offer to encourage voluntary employment termination. In the latter case, a liability and expense are recognised if it is probable that the offer will be accepted and the number of employees who will accept the offer can be reliably estimated.

PROVISIONS

A provision is recognised in the balance sheet when the Group has a current legal or informal obligation resulting from a transpired event and when it is probable that an outflow of financial resources will be required to settle the obligation, and an accurate assessment of the amount can be made. When the effect of the timing of the payment is significant, provisions are calculated based on a discount of the expected future cash flow at an interest rate before taxes that reflects current market assessments of the time value of money and, where applicable, the risks associated with the liability.

Guarantees
A provision for guarantees is recognised when the underlying products or services are sold. The provision is based on historical data on guarantees and a total assessment of the possible outcomes in relation to the probabilities associated therewith.

Restructuring
A provision for restructuring is recognised when the Group has adopted a comprehensive and formal restructuring plan, and the restructuring has either begun or been publicly announced. No provisions are set aside for future operating expenses.

Onerous contracts
A provision for onerous contracts is recognised when the benefits that the Group expects to receive from a contract are lower than the inevitable costs to fulfil the obligations in accordance with the contract.

TAXES

Income taxes consist of current taxes and deferred taxes. Income taxes are recognised in net profit, except when the underlying transaction is recognised in other comprehensive income or in equity, in which case the associated tax effect is also recognised in other comprehensive income or in equity. Current taxes are taxes to be paid or refunded relating to the current year, with the application of the tax rates resolved, or in practice resolved, as of the balance-sheet date. Current taxes also include adjustments of current taxes attributable to earlier periods. Deferred taxes are calculated in accordance with the balance-sheet method based on temporary differences between the carrying amount of assets and liabilities and the value of assets and liabilities for tax purposes.

Temporary differences arising from the recognition of consolidated goodwill are not taken into account. Nor are temporary differences attributable to participations in subsidiaries and associated companies that are not expected to be reversed within the foreseeable future. The measurement of deferred taxes is based on how the carrying amount of assets or liabilities is expected to be realised or settled. Deferred taxes are calculated using the tax rates and tax rules resolved, or in practice resolved, as of the balance-sheet date. Deferred tax assets pertaining to deductible temporary differences and loss carryforwards are recognised only to the extent that it is probable that it will be possible to utilise them. The value of deferred tax assets is reduced when it is no longer deemed probable that it will be possible to utilise them.

CONTINGENT LIABILITIES
A contingent liability is recognised when there is a possible undertaking arising from events that have occurred and the existence of which are confirmed only by the occurrence of one or more future uncertain events, or when an undertaking is not recognised as a liability or provision because it is unlikely that an outflow of resources will be required.

CASH-FLOW STATEMENT
Receipts and disbursements have been divided into the following categories: operating activities, investing activities and financing activities. The indirect method is applied for flows from operating activities. The changes in operating assets and operating liabilities for the year have been adjusted for effects of changes in exchange rates.

Acquisitions and disposals are recognised in investing activities. The assets and liabilities held by the entities acquired and sold on the date of acquisition are not included in the analysis of changes in working capital, nor in the changes of balance-sheet items recognised in investing and financing activities. Cash and cash equivalents include cash and bank flows, as well as current investments whose conversion to bank funds may occur at an amount that is usually known in advance. Cash and cash equivalents include current investments with a term of less than three months.

NOTE 3 – KEY ESTIMATES AND JUDGEMENTS

Estimates and judgements have been made based on the information available at the time this report was submitted. These estimates and judgements may be subject to change at a later date, for example, due to changes in factors in the operating environment.

Below is an account of the most significant judgements, which is subject to a risk that future events and new information may change the basis for current estimates and judgements applied.

IMPAIRMENT TESTING OF GOODWILL AND OTHER NON-CURRENT ASSETS
In accordance with IFRS, goodwill and certain brands are not amortised. Instead, annual tests for indications of impairment are performed. Other intangible and tangible non-current assets are amortised and depreciated, respectively, over the period the asset is deemed to generate income. All intangible and tangible non-current assets are subject to annual testing for indications of impairment. Impairment tests are based on a review of forecast future cash flows.

Momentum Group has historically conducted a large number of acquisitions. Consolidated goodwill is allocated to the cash-generating units, which correspond with the Group's operating segments. Goodwill values are tested at the operating segment level. The basis of this testing and the assessment of future cash flows is the target scenario for each operating segment for the forthcoming financial year, with forecasts of earnings and cash flows for subsequent years. The recoverable amount was calculated on the basis of value in use and is based on the assessment of cash flows for the coming three-year period. Assumptions have been made concerning future revenue, gross margins, cost level, working capital requirements and investment requirements. Key assumptions are based on the underlying conditions of the individual operations, market conditions and the action plans in place to achieve the overall earnings targets. In addition, shared assumptions are also used with respect to inflation and salary trends for the countries where the Group conducts its main operations. Assumptions are also made with respect to future foreign-exchange rates that impact the price of the Group's purchases and sales. There is a strong correlation between the shared assumptions and external source of information and previous experience. For cash flows beyond the three-year period, growth has been assumed to amount to 2 percent annually. Cash flows have been discounted by a weighted capital cost for borrowed capital and equity, and are presented in the table below for each cash-generating unit. The testing of goodwill values did not indicate any impairment requirement.

Discount rate, before tax	*31 Mar 2017*	*31 Mar 2016*	*31 Mar 2015*
Tools & Consumables	11.5%	10.0%	8.0%
Components & Services	11.0%	10.0%	8.0%

INVENTORY OBSOLESCENCE
Since Momentum Group conducts trading operations, inventories constitute a large asset item in the consolidated balance sheet. The Group measures inventories at the lower of cost and net realisable value. The cost of inventories is primarily calculated using a method based on a weighted average and includes expenditures arising during the acquisition of the inventory assets and transportation thereof to their current location and state or by applying the "first-in, first-out" (FIFO) method. When calculating net realisable value, articles with redundancy and a low turnover rate, discontinued and damaged articles, and handling costs and other selling expenses are taken into consideration. If general demand for the Group's product range changes significantly and assumptions of the net realisable value of articles differ from the actual outcome, earnings in the financial statements may be affected.

TAXES
Changes in tax legislation in the countries where Momentum Group conducts business may change the amount of recognised tax liabilities and tax assets. Interpretations of current tax legislation may also affect the recognised tax liability/tax asset. Assessments are carried out to determine both current and deferred tax liabilities/assets. The actual result may differ from these judgements, partly due to changes in business climate or changed tax legislation.

PENSION OBLIGATIONS
In determining Momentum Group's pension obligations under defined-benefit pension plans, certain assumptions have been made with respect to discount rates, inflation, salary increases, long-term returns on plan assets, mortality rates, retirement rates and other factors that may be of importance. These actuarial assumptions are reviewed on an annual basis and are changed when appropriate. Should these actuarial assumptions differ significantly from the actual future outcome, the Group's actuarial gains or losses will change, which may impact other comprehensive income.

NOTE 4 – PARENT COMPANY ACCOUNTING POLICIES

The Parent Company applies the Swedish Annual Accounts Act (1955:1554) and has applied RFR 2 *Accounting for Legal Entities* issued by the Swedish Financial Reporting Board in advance, taking into consideration that following the potential listing on Nasdaq Stockholm, the Company will be encompassed by the prevailing regulation. RFR 2 stipulates that the Parent Company, in the annual accounts for the legal entity, is to apply all IFRS and statements adopted by the EU to the greatest extent possible within the framework of the Swedish Annual Accounts Act and with due consideration given to the relationship between accounting and taxation. The recommendation states the exceptions from and additions to be made to IFRS.

BASIS APPLIED WHEN PREPARING THE FINANCIAL STATEMENTS
The Parent Company's functional currency is Swedish kronor (SEK), which also constitutes the reporting currency for the Parent Company and the Group. This means that the financial statements are presented in SEK. Assets, provisions and liabilities have been measured at historical cost, unless otherwise specified below.

Estimates and judgements
Preparing the financial statements in accordance with the Swedish Annual Accounts Act and RFR 2 requires that management makes judgements and estimates and makes assumptions that affect the application of the accounting policies and the carrying amounts of assets, liabilities, income and expenses. The actual outcome may differ from these estimates and judgements. The estimates and assumptions are reviewed on a regular basis. Changes in estimates are recognised in the period when the change is made if the change affects this period only, or in the period when the change is made and in future periods if the change affects the current period as well as future periods.

Events after the balance-sheet date
Events after the balance-sheet date refer to both favourable and unfavourable events that occur between the balance-sheet date and the date at the beginning of the following financial year when the financial statements are signed by the members of the Board of Directors and the President & CEO. Information is provided in the Annual Report about any significant events after the balance-sheet date that were not accounted for when the financial statements were adopted. Such events that confirm the circumstances prevailing at the balance-sheet date are taken into account at the time of adoption of the financial statements.

Offsetting
Offsetting of receivables and liabilities and of income and costs occurs only when required or when expressly permitted in an accounting recommendation.

CLASSIFICATION
Non-current assets and non-current liabilities essentially consist only of amounts that are expected to be recovered or paid later than 12 months from the balance-sheet date. Current assets and current liabilities essentially consist only of amounts that are expected to be recovered or paid within 12 months from the balance-sheet date.

The financial statements are presented in millions of SEK (MSEK) unless otherwise stated.

INTANGIBLE NON-CURRENT ASSETS
Licences
Acquired licenses are recognised at cost less accumulated amortisation and impairment losses.

Amortisation
Assets are amortised on a straight-line basis over their estimated useful lives. Amortisation is recognised as a cost in profit or loss.

TANGIBLE NON-CURRENT ASSETS
Leased assets
All leases are recognised as operational leases.

SUBSIDIARIES
Participations in Group companies are recognised in accordance with the cost method, which means that transaction fees are included in the carrying amount of holdings in subsidiaries. Contingent considerations are valued on the basis of the probability that a consideration will be paid. Any changes in liabilities for contingent considerations are added to or reduce the cost. Dividends received are recognised as income in profit or loss.

FOREIGN CURRENCY
Items in foreign currency
Monetary items in foreign currency are translated at the exchange rate in effect on the balance-sheet date. Non-monetary items are not translated but rather are recognised at the rate in effect on the acquisition date.

Exchange-rate differences that arise upon settlement or translation of monetary items are recognised in profit or loss in the financial year in which they arise.

ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES
Accounts receivable and other receivables that comprise current assets are measured individually at the amount expected to be received.

OPERATIONAL LEASES
Costs related to operational leases are recognised in net profit on a straight-line basis over the term of the lease. Benefits received in connection with the signing of a contract are recognised in net profit as a straight-line reduction in leasing fees over the course of the lease. Variable fees are expensed in the periods in which they arise.

EMPLOYEE BENEFITS
Defined-contribution pension plans
Obligations pertaining to fees for defined-contribution pension plans are recognised as an expense in net profit at the rate they are accrued as the employees perform services for the company during a specific period.

Defined-benefit pension plans
Other bases for the calculation of defined-benefit pension plans are used in the Parent Company than those set out in IAS 19. The Parent Company complies with the provisions of the Swedish Pension Obligations Vesting Act and the directives of the Swedish Financial Supervisory Authority, since this is a condition for tax deductibility. The most important differences compared with the rules in IAS 19 are how the discount interest rate is determined, that the calculation of the defined-benefit obligation takes place based on the current salary level without assumption of future salary increases, and that all actuarial gains and losses are recognised in net profit as they arise.

Benefits in the case of termination
In connection with the termination of employment, a provision is recognised only in cases when the Company is obligated either to terminate an employee's or a group of employees' employment before the normal point in time, or when benefits are given as an offer to encourage voluntary employment termination. In the latter case, a liability and expense are recognised if it is probable that the offer will be accepted and the number of employees who will accept the offer can be reliably estimated.

TAXES
Income taxes consist of current taxes and deferred taxes. Income taxes are recognised in net profit, except when the underlying transaction is recognised in other comprehensive income or in equity, in which case the associated tax effect is also recognised in other comprehensive income or in equity. Current taxes are taxes to be paid or refunded relating to the current year, with the application of the tax rates resolved, or in practice resolved, as of the balance-sheet date. Current taxes also include adjustments of current taxes attributable to earlier periods. Deferred taxes are calculated in accordance with the balance-sheet method based on temporary differences between the carrying amount of assets and liabilities and the value of assets and liabilities for tax purposes. Temporary differences arising from the recognition of consolidated goodwill are not taken into account. Nor are temporary differences attributable to participations in subsidiaries and associated companies that are not expected to be reversed within the foreseeable future taken into account. The measurement of deferred taxes is based on how the carrying amount of assets or liabilities is expected to be realised or settled. Deferred taxes are calculated using the tax rates and tax rules resolved, or in practice resolved, as of the balance-sheet date. Deferred tax assets pertaining to deductible temporary differences and loss carryforwards are recognised only to the extent that it is probable that it will be possible to utilise them. The value of deferred tax assets is reduced when it is no longer deemed probable that it will be possible to utilise them.

Untaxed reserves are recognised including deferred tax liabilities and, correspondingly, appropriations are not distributed to deferred tax expense in profit or loss.

PROVISIONS
A provision is recognised in the balance sheet when the Company has a current legal or informal obligation resulting from a transpired event and when it is probable that an outflow of financial resources will be required to settle the obligation, and an accurate assessment of the amount can be made. When the effect of the timing of the payment is significant, provisions are calculated based on a discount of the expected future cash flow at an interest rate before taxes that reflects current market assessments of the time value of money and, where applicable, the risks associated with the liability.

Guarantees
A provision for guarantees is recognised when the underlying products or services are sold. The provision is based on historical data on guarantees and a total assessment of the possible outcomes in relation to the probabilities associated therewith.

Restructuring
A provision for restructuring is recognised when the Company has adopted a comprehensive and formal restructuring plan, and the restructuring has either begun or been publicly announced. No provisions are set aside for future operating expenses.

Onerous contracts
A provision for onerous contracts is recognised when the benefits that the Company expects to receive from a contract are lower than the inevitable costs to fulfil the obligations in accordance with the contract.

CONTINGENT LIABILITIES
A contingent liability is recognised when there is a possible undertaking arising from events that have occurred and the existence of which are confirmed only by the occurrence of one or more future uncertain events, or when an undertaking is not recognised as a liability or provision because it is unlikely that an outflow of resources will be required.

FINANCIAL GUARANTEE AGREEMENTS
In accordance with RFR 2, the Parent Company has elected not to apply the provisions in IAS 39 concerning financial guarantee agreements on behalf of subsidiaries.

GROUP CONTRIBUTIONS AND SHAREHOLDERS' CONTRIBUTIONS
Shareholders' contributions are recognised directly in equity of the recipient and capitalised in shares and participations of the donor. Group contributions, both received and paid, are recognised in profit or loss as appropriations.

NOTE 5 – MERGED UNITS

Company	2016/17	2015/16	2014/15	Reg. office, country	Holding
Momentum Group AB [1)]	x			Sweden	100%
Momentum Group Holding AB [1)]	x			Sweden	100%
Momentum Group Services AB [1)]	x			Sweden	100%
TOOLS Sverige AB	x	x	x	Sweden	100%
Momentum Industrial AB	x	x	x	Sweden	100%
Rörick Elektriska Verkstad AB	x	x	x	Sweden	100%
Gigant AB [5)]	x	x	x	Sweden	100%
Gigant Sverige AB	x	x	x	Sweden	100%
Gigant Produktion AB	x	x	x	Sweden	100%
Mercus Yrkeskläder AB	x	x	x	Sweden	100%
AB Carl A. Nilssons Elektriska Reparationsverkstad [2)]	x	x		Sweden	100%
Arboga Machine Tool AB [4)]	x			Sweden	100%
TOOLS Sverige Holding AB [3)]			x	Sweden	100%
B&B TOOLS Artikel AB [3)]			x	Sweden	100%
TOOLS AS	x	x	x	Norway	100%
Tønsberg Maskinforretning AS [4)]	x			Norway	100%
Astrup Industrivarer AS [4)]	x			Norway	100%
Gigant AS [1)]	x			Norway	100%
TOOLS Finland Oy	x	x	x	Finland	100%
Gigant Työpisteet OY	x	x	x	Finland	100%
B&B TOOLS Holding FI Oy	x	x	x	Finland	100%
B&B TOOLS Fastigheter Holding Oy	x	x	x	Finland	100%
B&B TOOLS Fastigheter Oy [5)]	x	x	x	Finland	100%
JNF Momentum Køge A/S [5)]	x	x	x	Denmark	100%

1) Company formed in 2016/2017.
2) Company acquired in 2015/2016.
3) Intra-Group merger carried out in 2015/2016.
4) Company acquired in 2016/2017.
5) For 2014/2015 and 2015/2016, the B&B TOOLS Group held part of the company that is not included in the combined financial statements.

Other parts of companies included in the combined financial statements.

Company	2016/17	2015/16	2014/15	Reg. office, country
part of Grunda Sverige AB	x	x	x	Sweden
part of Grunda AB		x	x	Sweden
part of ESSVE Produkter AB			x	Sweden
part of ESSVE Sverige AB			x	Sweden
part of Luna International AB		x	x	Sweden
part of Luna Norge AS	x	x	x	Norway
part of ESSVE Norge AS			x	Norway
part of B&B Products Oy	x	x	x	Finland
part of B&B TOOLS (Shanghai) Co. Ltd	x	x	x	China

NOTE 6 – ACQUISITION OF BUSINESSES

2016/2017

In mid-March 2016, an agreement was entered into to acquire all shares in Tønsberg Maskinforretning AS ("TM"). TM is a reseller of industrial components and consumables to the industrial and construction sectors in southern Norway. TM generates annual revenue of approximately MNOK 20 and had ten employees at the time of the acquisition. Closing took place on 4 April 2016.

In mid-October 2016, an agreement was entered into to acquire all shares in Astrup Industrivarer AS ("Astrup"). The acquisition is part of the efforts to strengthen TOOLS' position as a leading supplier to Norwegian industry. Astrup, which was already part of the TOOLS chain, generates annual revenue of approximately MNOK 240 and has some 50 employees. Closing took place on 30 November 2016.

In late February 2017, an agreement was entered into to acquire all shares in Arboga Machine Tool AB ("AMT"). With a workshop in Arboga, Sweden, AMT is a service company offering sales and repairs of ball screws and machine guarding systems as well as spindle repairs. AMT generates annual revenue of approximately MSEK 10 and has five employees. Closing took place on 1 March 2017.

The acquired companies' net assets on the date of acquisition are presented in the table below.

Acquisition of subsidiaries and other business units	Astrup	Other	Total
Acquired assets:			
Intangible non-current assets	60	6	**66**
Other non-current assets	2	1	**3**
Inventories	41	6	**47**
Other current assets	43	4	**47**
Total assets	**146**	**17**	**163**
Acquired provisions and liabilities:			
Deferred tax liability	-8	-1	**-9**
Current operating liabilities	-29	-4	**-33**
Total provisions and liabilities	**-37**	**-5**	**-42**
Purchase consideration	-110	-14	**-124**
Purchase consideration paid	**-110**	**-14**	**-124**
Less: Cash and cash equivalents in acquired businesses	1	2	**3**
Effect on cash and cash equivalents	**-109**	**-12**	**-121**

2015/2016

In early July 2015, an agreement was entered into to acquire all shares in Carl A Nilsson AB ("CAN"). CAN is a comprehensive service company specialising in electromechanical services and sales for the industrial sector in southern Sweden. CAN generates annual revenue of approximately MSEK 20 and had 13 employees at the time of the acquisition. Closing took place on 1 September 2015.

A minor acquisition of assets and liabilities also took place in Norway during the financial year. The acquired companies' net assets on the date of acquisition are presented in the table below.

2014/2015

A minor acquisition of assets and liabilities took place in Sweden during the 2014/2015 financial year. The net assets of the acquired business are presented in the table below.

Acquisition of subsidiaries and other business units	2015/2016	2014/2015
Acquired assets:		
Intangible non-current assets	6	3
Inventories	5	1
Total assets	**11**	**4**
Acquired provisions and liabilities:		
Current operating liabilities	-3	0
Total provisions and liabilities	**-3**	**0**
Purchase consideration	-11	-4
Purchase consideration paid	**-11**	**-4**
Less: Cash and cash equivalents in acquired businesses	-	-
Effect on cash and cash equivalents	**-11**	**-4**

NOTE 7 – TRANSACTIONS WITH RELATED PARTIES

MSEK			
Income statement	**2016/2017**	**2015/2016**	**2014/2015**
Revenue	10	7	9
Cost of goods sold	-963	-992	-1,062
Other operating expenses [1]	-241	-209	-220
Financial income	1	1	2
Financial expenses	-12	-13	-20
Balance sheet	**31 MAR 2017**	**31 MAR 2016**	**31 MAR 2015**
Assets			
Accounts receivable	17	4	8
Prepaid expenses and accrued income	17	14	15
Other receivables [2]	-	17	39
Cash and cash equivalents [3]	56	520	368
Total assets, related parties	**90**	**555**	**430**
Liabilities			
Non-current interest-bearing liabilities [4]	150	639	746
Current interest-bearing liabilities [5]	182	3	8
Accounts payable	287	234	153
Other liabilities [2]	-	152	116
Accrued expenses and deferred income	1	-	2
Total liabilities, related parties	**620**	**1,028**	**1,025**

1) Primarily comprises expenses pertaining to the use of logistics, administrative and IT-related services. Also includes corporate fee expenses from B&B TOOLS that have been invoiced to the Momentum Group companies.
2) Other receivables and Other liabilities pertain to received and paid unregulated Group contributions to the B&B TOOLS Group.
3) Comprises the Momentum Group companies' share of B&B TOOLS AB's cash pool.
4) Non-current interest-bearing liabilities comprise loans via B&B TOOLS AB's internal bank.
5) Current interest-bearing liabilities comprise the credit via B&B TOOLS AB's cash pool utilised by the companies in Momentum Group and loans via B&B TOOLS AB's internal bank.

NOTE 8 – RISKS AND UNCERTAINTIES

Momentum Group's earnings, financial position and strategic position are impacted by a number of internal factors that are within the control of the Group as well as a number of external factors where the Group's ability to influence the course of events is limited. An efficient and systematic risk assessment of financial and business risks is thus important for the Group. The purpose of risk management in Momentum Group is to balance opportunities and risks in a conscious and controlled manner. The Group is convinced that a decentralised approach creates an entrepreneurial spirit, whereby risk is always a natural component in the decision-making process. To ensure support and a unified approach to how the businesses should deal with risks and opportunities, the work involved in identifying and responding to the most material risks is integrated into Momentum Group' strategic and operative planning process. Work related to developing the Group's risk management is carried out continuously.

The most important external risk factors for Momentum Group are the economic and market situation and the number of employees among the Group's customers in the industrial and construction sectors combined with structural changes and the competitive situation. Momentum Group's operations also entail exposure to a number of financial risks. Changes, particularly in foreign-exchange rates and interest-rate levels, affect the Group's earnings and position. Financing risks also arise and are managed within the framework of the adopted policies. Momentum Group's Financial Policy establishes guidelines and goals for managing financial risks in the Group and regulates the distribution of responsibility between the Board of Directors of Momentum Group AB, the President & CEO and the CFO as well as the presidents and financial officers of the subsidiaries. All foreign-currency management and granting of credit to customers are handled within the framework of the established policy. The Parent Company is impacted indirectly by the above risks and uncertainties through its function in the Group.

NOTE 9 – PERFORMANCE MEASURES

Certain performance measures presented below are calculated in accordance with IFRS and others are so-called alternative performance measures that the Company considers to be important in forming an understanding of its operations. The reason for using each alternative performance measure is presented below along with its definition. The derivation of the alternative performance measures is also presented in the tables. Insofar as the performance measures are use and commented on by business area (operating segment), the derivation of the performance measures is also presented at this level.

	2016/17	2015/16	2014/15
IFRS PERFORMANCE MEASURES			
Net profit, MSEK	**42**	139	140
Earnings per share, SEK	**1.5**	4.95	4.95
ALTERNATIVE PERFORMANCE MEASURES			
Performance measures related to the income statement			
Revenue, MSEK	**5,411**	5,176	5,351
Operating profit, MSEK	**65**	193	198
Adjusted operating profit, MSEK	**193**	193	198
Profit after financial items, MSEK	**54**	182	181
Operating margin, %	**1.2%**	3.7%	3.7%
Adjusted operating margin, %	**3.6%**	3.7%	3.7%
Profit margin, %	**1.0%**	3.5%	3.4%
Performance measures related to profitability			
Return on working capital (P/WC), %	**21%**	19%	17%
Return on capital employed, %	**4%**	12%	11%
Return on adjusted capital employed, %	**16%**	15%	14%
Return on equity, %	**4%**	14%	13%
Performance measures related to financial position			
Operational net loan liability (closing balance), MSEK	**263**	117	382
Equity, MSEK	**1,007**	939	980
Equity/assets ratio, %	**39%**	35%	36%
Adjusted equity/assets ratio, %	**40%**	43%	42%
Other performance measures			
Number of employees at the end of the period	**1,620**	1,573	1,618

DEFINITION OF PERFORMANCE MEASURES

Performance measure	Definition	Reason
Revenue	Own invoicing, commission-based revenue from commission sales and side revenue.	Revenue is presented to clarify the Group's sales to external customers. Revenue per operating segment is presented based on revenue from both external and internal customers.
~~Operating~~ profit/loss	Profit before financial items and tax.	Operating profit is presented to clarify the Company's earnings generated by its operating activities.
Adjusted operating profit	Operating profit adjusted for items affecting comparability.	Adjusted operating profit is presented to clarify the Company's earnings generated by its operating activities, adjusted for items affecting comparability in order to retain comparability between periods.
Operating margin, %	Operating profit relative to revenue.	The operating margin is presented to measure the Company's earnings generated by its operating activities and to provide an understanding of the value created over time. The operating margin per operating segment is presented based on revenue from both external and internal customers.
Adjusted operating margin, %	Adjusted operating profit as a percentage of revenue.	Refer to the explanation under the description of *"Adjusted operating profit".*
Profit margin, %	Profit after financial items as a percentage of revenue.	The profit margin is presented to assess the Company's earnings relative to its revenue and measures the amount of revenue the Company can retain in terms of profit before tax.
Return on working capital (P/WC), %	Adjusted operating profit 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.	Return on working capital serves as Momentum Group's internal profitability target, measured as operating profit (P) relative to utilised working capital (WC), and encourages high operating profit and low tied-up capital, which – combined with the Group's growth target – enables a positive cash flow and provides the conditions for profitable growth.
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.	Return on capital employed is presented to show the Company's return on its externally financed capital and equity, meaning independent of its financing.
Return on adjusted capital employed, %	Adjusted operating profit plus financial income for the most recent 12-month period divided by average adjusted capital employed measures as the balance-sheet total less non-interest-bearing liabilities and provisions as well as cash vis-a-vis B&B TOOLS AB at the end of the most recent four quarters and the opening balance at the start of the period divided by five.	Return on adjusted capital employed is presented to show the Company's return on its externally financed capital and equity, meaning independent of its financing, adjusted for cash vis-a-vis B&B TOOLS AB.
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.	Return on equity is used to show the return that is generated on the capital invested in the Company by the shareholders.
Operational net loan liability (closing balance)	Operational net loan liability measured as non-current interest-bearing liabilities and current interest-bearing liabilities less cash and cash equivalents at the end of the period.	Operational net loan liability is presented to clarify the capital made available by lenders, adjusted for cash and cash equivalents at the end of the financial period.

Equity/assets ratio, %	Equity attributable to Parent Company shareholders as a percentage of the balance-sheet total at the end of the period.	The equity/assets ratio is presented to clarify how much of the Group's share of the balance-sheet total has been financed with equity.
Adjusted equity/assets ratio, %	Equity attributable to Parent Company shareholders as a percentage of the balance-sheet total less cash vis-a-vis B&B TOOLS AB at the end of the period.	The adjusted equity/assets ratio is presented to clarify how much of the Group's share of the balance-sheet total, adjusted for cash vis-a-vis B&B TOOLS AB, has been financed with equity.
Earnings per share, SEK	Net profit attributable to the Parent Company shareholders divided by the weighted number of shares.	IFRS performance measure.

DERIVATION OF ALTERNATIVE PERFORMANCE MEASURES

MSEK	2016/17	2015/16	2014/15
ADJUSTED OPERATING PROFIT			
Operating profit	**65**	193	198
Items affecting comparability			
Restructuring expenses	**94**	–	–
Split and listing expenses	**34**	–	–
Adjusted operating profit	**193**	193	198
Per segment: Tools & Consumables			
Operating profit	**12**	72	72
Items affecting comparability (pertain to restructuring expenses)	**64**	–	–
Adjusted operating profit – Tools & Consumables	***76***	*72*	*75*
Per segment: Components & Services			
Operating profit	**113**	120	121
Items affecting comparability (pertain to restructuring expenses)	**8**	–	–
Adjusted operating profit – Components & Services	***121***	*120*	*121*
Group-wide, including eliminations			
Operating profit/loss	**-60**	1	2
Items affecting comparability (pertain to restructuring, split and listing expenses)	**56**	–	–
Adjusted operating profit/loss – Group-wide, including eliminations	***-4***	*1*	*2*

MSEK	2016/17	2015/16	2014/15
WORKING CAPITAL			
Average operating assets			
Average inventories	**823**	814	882
Average accounts receivable	**821**	780	832
Total average operating assets	***1,644***	*1,594*	*1,714*
Average operating liabilities			
Average accounts payable	**-709**	-583	-538
Total average operating liabilities	***-709***	*-583*	*-538*
Average working capital	**935**	1,011	1,176
Adjusted operating profit	**193**	193	198
Return on working capital (P/WC), %	**21%**	19%	17%

MSEK	2016/17	2015/16	2014/15
CAPITAL EMPLOYED			
Average balance-sheet total	**2,719**	2,651	2,761
Average non-interest-bearing liabilities and provisions			
Average non-interest-bearing non-current liabilities	**-14**	-4	-3
Average non-interest-bearing current liabilities	**-1,073**	-948	-904
Total average non-interest-bearing liabilities and provisions	***-1,087***	*-952*	*-907*
Average capital employed	**1,632**	1,699	1,854
Operating profit	**65**	193	198
Financial income	**2**	3	4
Total operating profit + financial income	***67***	*196*	*202*
Return on capital employed, %	**4%**	12%	11%

MSEK	2016/17	2015/16	2014/15
ADJUSTED CAPITAL EMPLOYED			
Average capital employed	**1,632**	1,699	1,854
Average cash vis-a-vis B&B TOOLS AB	**-380**	-420	-373
Average adjusted capital employed	**1,252**	1,279	1,481
Adjusted operating profit	**193**	193	198
Financial income	**2**	3	4
Total adjusted operating profit + financial income	***195***	*196*	*202*
Return on adjusted capital employed, %	**16%**	15%	14%

MSEK	2016/17	2015/16	2014/15
RETURN ON EQUITY			
Average equity	**1,008**	984	1,050
Net profit	**42**	139	140
Return on equity, %	**4%**	14%	13%

MSEK	2016/17	2015/16	2014/15
OPERATIONAL NET LOAN LIABILITY (CLOSING BALANCE)			
Non-current interest-bearing liabilities	**150**	639	746
Current interest-bearing liabilities	**182**	3	8
Cash and cash equivalents	**-69**	-525	-372
Operational net loan liability (closing balance)	**263**	117	382

MSEK	2016/17	2015/16	2014/15
BALANCE-SHEET TOTAL			
Balance-sheet total (closing balance)	**2,551**	2,694	2,727
Cash vis-a-vis B&B TOOLS AB (closing balance)	**-56**	-520	-368
Adjusted balance-sheet total	**2,495**	2,174	2,359
Equity (closing balance)	**1,007**	939	980
Equity/assets ratio, %	**39%**	35%	36%
Adjusted equity/assets ratio, %	**40%**	43%	42%

Change in revenue

Comparable units refer to sales in local currency from units that were part of the Group during the current period and the entire corresponding period in the preceding year. Trading days refer to sales in local currency depending on the difference in the number of trading days compared with the comparative period. Other units refer to the acquisition or divestment of units during the corresponding period.

	QUARTER		FULL-YEAR	
	JAN-MAR 2017	JAN-MAR 2016	2016/17	2015/16
Change in revenue for:				
Comparable units in local currency	**0.1%**	-3.1%	**-0.5%**	-2.2%
Currency effects	**2.3%**	-2.4%	**0.7%**	-1.6%
Number of trading days	**5.6%**	-2.1%	**2.6%**	0.2%
Other units	**4.1%**	0.6%	**1.7%**	0.3%
Total change	**12.1%**	**-7.0%**	**4.5%**	**-3.3%**

NOTE 10 – EVENTS AFTER THE BALANCE-SHEET DATE

Proposal regarding the distribution and separate listing of Momentum Group AB to the shareholders in B&B TOOLS AB

The Board of Directors of B&B TOOLS AB resolved on 22 May 2017 to propose that an Extraordinary General Meeting of Shareholders of B&B TOOLS AB (publ) on 14 June 2017 resolve to distribute the shares in the subsidiary Momentum Group AB to the shareholders through a so-called Lex Asea procedure. The notice of the Extraordinary General Meeting of Shareholders in B&B TOOLS AB and the full proposal were published on 22 May 2017.

No other significant events affecting the Group have occurred since the end of the financial year.

This document is in all respects a translation of the Swedish original Financial Report. In the event of any differences between this translation and the Swedish original, the latter shall prevail.