

INTERIM REPORT – 3 MONTHS

1 April-30 June 2020

- **Revenue** amounted to MSEK 2,288 (1,576), with the change compared with the preceding year primarily attributable to the acquisition of Swedol.
Compared with revenue for the corresponding quarter in the preceding year including Swedol (MSEK 2,499), revenue declined by 8 percent.*
- **EBITA (excluding items affecting comparability of MSEK –4)** amounted to MSEK 155 (75), corresponding to an **EBITA margin** of 6.8 percent (4.8). The change compared with the preceding year is primarily attributable to the acquisition of Swedol.
Compared with EBITA for the corresponding quarter in the preceding year including Swedol (MSEK 168), EBITA declined by 8 percent while the **EBITA margin** increased to 6.8 percent (6.7).*
- **Operating profit** amounted to MSEK 134 (70) and the **operating margin** to 5.9 percent (4.4).
- **Profit after financial items** totalled MSEK 120 (66).
- **Net profit** amounted to MSEK 94 (51) and **earnings per share** totalled SEK 1.85 (1.80).
- **Cash flow from operating activities** improved to MSEK 377 (74).
- The **return on working capital (EBITA/WC)** for the most recent 12-month period (*including Swedol*) was 29 percent.*
- The **equity/assets ratio** was 38 percent at the end of the reporting period.
- **The acquisition of Swedol closed on 1 April 2020.** The merger of TOOLS and Swedol creates an attractive business partner for Nordic customers, with favourable opportunities for improved efficiency and synergy gains.
- **The COVID-19 pandemic** had a negative impact on revenue for the Group's operations during the quarter. At the same time, the measures taken contributed to a relatively stable earnings performance for several of the Group's businesses.
- **Momentum Group's 2020 Annual General Meeting will be held on 31 August 2020.** The notice for the Annual General Meeting will be published on 27 July 2020, including a proposed agenda and the motions presented by the Election Committee and the Board of Directors for resolution.

*** ACQUISITION OF SWEDOL CLOSED AS OF 1 APRIL 2020**

Momentum Group's acquisition of Swedol was completed during spring 2020 and closed on 1 April 2020. Any instances where the comparative figures in this report include Swedol for the period prior to the closing date on 1 April 2020 are specifically noted. The bases for the financial history *including Swedol* is presented in a separate press release dated 24 June 2020 – *Supplementary financial information relating to the 2019/20 financial year for the Momentum Group*.

PRESIDENT'S STATEMENT

A STABLE BEGINNING TO THE FINANCIAL YEAR – DESPITE THE IMPACT OF THE COVID-19 PANDEMIC

The ongoing pandemic continues to affect the global economy and thus is inevitably impacting Momentum Group, our employees and our customers. The general demand situation over the past quarter continued to be characterised by restraint and caution in all of our main markets in the Nordic region, although with certain variations between customer segments and countries, with the most significant impact experienced in Norway. However, the overall effect on the Group's earnings performance so far during the financial year to date has been relatively limited given the challenging circumstances, with each business implementing decentralised measures based on their specific level of activity and market conditions. The Group's ability to deliver on our customer commitments has remained strong, as all units continued to operate with a high delivery capacity. Our focus on the safety of our employees and business partners has been one of our top priorities during the period, and we can note that our operations have experienced relatively few disruptions due to illness. At the start of the quarter, some businesses were impacted by disruptions to product deliveries and temporary shutdowns at customer production facilities. The customer segments in the automotive and oil & gas sectors were hit hardest by declining demand. However, the effect of these disruptions with respect to the product range and demand gradually decreased during the quarter.

In total, the Group's revenue and EBITA decreased by approximately 8 percent during the quarter compared with the preceding year (*including Swedol*). Previously implemented measures intended to improve efficiency combined with the various government grants for part-time working thus resulted in a relatively stable earnings performance for several of the Group's businesses during the quarter.

The cumulative effect of the pandemic on our earnings during the remainder of the financial year is currently difficult to predict and depends entirely on the extent and duration of the decline in demand and the effects of the cost-cutting measures that may continue to be taken, with or without the supportive measures implemented in each country.

STATUS AND GOAL FOR THE COORDINATION OF TOOLS AND SWEDOL

The coordination of TOOLS and Swedol was initiated during the quarter and is proceeding well, despite the challenges involved in meeting in person. We were also able to confirm that our initial goal of an EBITA margin of 10 percent for the merged business area remain, compared with the initial margin of just over 6 percent and given the current business volume. This margin improvement is to come from measures to improve the contribution ratio (with improved purchasing terms and increased sales of products under proprietary brands) and from increased efficiency and reduced costs (through store coordination, more efficient logistics and a joint organisation). Linked to our financial goal to achieve annual earnings growth of 15 percent, our ambition is to reach our goals for the acquisition within a three-year period, subject to the impact that COVID-19 may continue to have on our operations.

NEW GROUP STRUCTURE DURING THE YEAR

Momentum Group's decentralised business model entails that business decisions are to be made close to the customer and the operations. In addition, increased focus also generates results, and in conjunction with the acquisition of Swedol, the conditions have now been created to form a "new" Momentum Group with two strong business areas. Each business area will therefore comprise a separate sub-group with its own dedicated senior management group – with the business area Tools, Consumables, Workwear & Protective Equipment under Business Area Manager Clein Johansson Ullenvik and the business area Components & Services under my own management. This will give the business area Components & Services an opportunity to focus on acquisition-driven growth while maintaining profitability in its areas, and allow the business area Tools, Consumables, Workwear & Protective Equipment to fully focus on the ongoing integration of TOOLS and Swedol in order to generate synergies and create an even stronger and more efficient operations for its customers. These changes are further supported by the Group's intention to form a separate subsidiary Board of Directors for this business area during autumn 2020, which will manage and prepare any integration issues. The Board of Directors and Group management are convinced that having two business areas with operational independence, decentralised business responsibility, increased focus and their own management groups will create favourable conditions for continued value growth for Momentum Group and its shareholders.

Stockholm, July 2020

Ulf Liljus
President & CEO

MOMENTUM GROUP IN SUMMARY

	QUARTER			FULL-YEAR		
	APR-JUN 2020	APR-JUN 2019	Δ	ROLLING 12 MON	2019/20	Δ
Revenue, MSEK	2,288	1,576	45%	6,847	6,135	12%
<i>Revenue including Swedol 2019/20¹</i>	2,288	2,499	-8%	9,569	9,780	-2%
Operating profit, MSEK	134	70	91%	367	303	21%
<i>of which: Items affecting comparability</i>	-4	-		-18	-14	
<i>of which: Amortisation of intangible assets incurred in connection with corporate acquisitions</i>	-17	-5		-33	-21	
EBITA, MSEK	155	75	107%	418	338	24%
<i>EBITA including Swedol 2019/20¹</i>	155	168	-8%	668	681	-2%
Profit after financial items, MSEK	120	66	82%	337	283	19%
Net profit (after taxes), MSEK	94	51	84%	260	217	20%
Earnings per share, SEK	1.85	1.80	3%	7.75	7.70	1%
Operating margin	5.9%	4.4%		5.4%	4.9%	
EBITA margin	6.8%	4.8%		6.1%	5.5%	
<i>EBITA margin including Swedol 2019/20¹</i>	6.8%	6.7%		7.0%	7.0%	
Profit margin	5.2%	4.2%		4.9%	4.6%	
Return on equity				15%	16%	
Return on working capital (EBITA/WC)				29%	28%	
<i>EBITA/WC including Swedol 2019/20¹</i>				29%	30%	
Equity per share, SEK				58.20	56.95	2%
Equity/assets ratio				38%	48%	
Number of employees at the end of the period ²				2,370	1,651	44%

1) Calculated as though the acquisition of Swedol had closed on 1 April 2019.

2) Adjusted for employees furloughed due to the COVID-19 pandemic as of 30 June 2020.

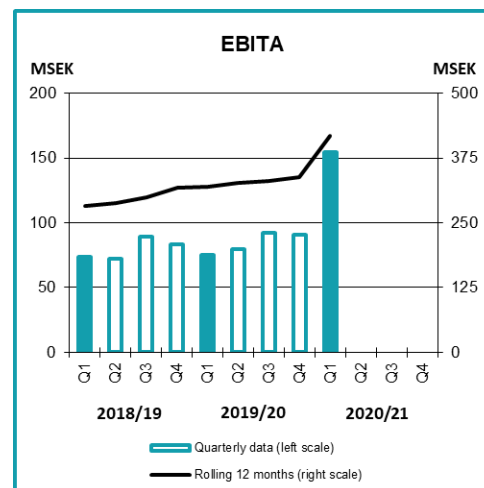
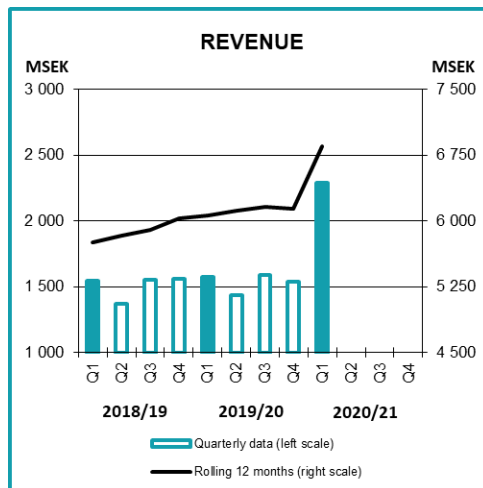
REVENUE AND PROFIT

First quarter (1 April-30 June 2020)

Revenue for the first quarter of the financial year amounted to MSEK 2,288 (1,576), with the change compared with the preceding year primarily attributable to the acquisition of Swedol. Compared with revenue for the corresponding quarter in the preceding year *including* Swedol (MSEK 2,499), revenue declined by 8 percent. Revenue for comparable units (*including* Swedol), measured in local currency and adjusted for the number of trading days, decreased by approximately 8 percent compared with the corresponding quarter in the preceding year, while exchange-rate translation effects had an impact of MSEK -66 on comparable units (*including* Swedol). The quarter contained one trading day more than the corresponding quarter in the preceding financial year. Other acquisitions (*excluding* Swedol) contributed approximately 0.5 percent to total change in revenue.

Operating profit for the quarter amounted to MSEK 134 (70), with the change compared with the preceding year primarily attributable to the acquisition of Swedol. Operating profit for the quarter includes items affecting comparability totalling MSEK -4 pertaining to costs for advisors and other costs arising from the acquisition and integration of Swedol. EBITA (excluding the items affecting comparability and amortisation of intangible assets incurred in connection with corporate acquisitions) amounted to MSEK 155 (75). Compared with EBITA for the corresponding quarter in the preceding year *including* Swedol (MSEK 168), EBITA thus declined by 8 percent and the EBITA margin amounted to 6.8 percent (6.7). Operating profit was charged with depreciation of MSEK -14 (-4) on tangible non-current assets and amortisation of MSEK -27 (-9) on intangible non-current assets. Exchange-rate translation effects had a net impact of MSEK 0 (0) on operating profit.

Profit after financial items totalled MSEK 120 (66) and net profit amounted to MSEK 94 (51), which corresponds to earnings per share of SEK 1.85 (1.80) for the quarter.



OPERATIONS

From 1 April 2020, the Momentum Group comprises two business areas: business area Tools, Consumables, Workwear & Protective Equipment and business area Components & Services. Group-wide includes the Group’s management, finance function and support functions (including internal communications, investor relations and legal affairs).

MARKET AND THE IMPACT OF THE COVID-19 PANDEMIC

The beginning of the 2020/21 financial year was characterised by a significantly restrained and cautious attitude in Momentum Group’s main markets, primarily due to the uncertainty concerning the COVID-19 pandemic. Since the stringent measures from both society at large and individual companies started taking effect toward the end of March, all operations in the Group have experienced a negative effect on overall demand. However, sales of certain product groups, mainly personal protective equipment, and to various customer segments, such as construction & civil engineering and the public sector, have been more positive, while demand in the automotive and oil & gas sectors has been weaker. Performances have also varied between countries. The overall impact on demand in Sweden has been relatively limited, although with major variations between customer segments. At the same time, the Norwegian and Finnish markets have generally performed more negatively, probably due to the stricter lockdowns in these countries and to weaker demand in the oil & gas sector.

In total, the COVID-19 pandemic is deemed to be the main reason for the Momentum Group’s (including Swedol) negative sales performance of approximately 8 percent for the quarter. At the same time, various government grants for part-time working and the implementation of other cost-saving measures are deemed to have reduced the Group’s cost base by approximately MSEK 100 during the quarter for comparable units (including Swedol), of which personnel costs have decreased by approximately MSEK 75. Approximately half of these are deemed to be temporary effects based on various types of government grants and other support measures.

While demand gradually stabilised in certain areas of the Group during the quarter, future sales, particularly to the Group’s major, export-oriented customers, will largely be impacted by developments in the global markets. Accordingly, it is not possible to predict with any certainty how the pandemic will affect Momentum Group in the coming quarters today, since this depends on the extent and duration of the decline in demand and the effects of the cost-cutting measures taken. The measures taken by the Group during the past quarter, for example with increased vigilance for changes in the customer structure and increased focus on liquidity, will continue for the time being. However, the current situation has not induced any changes in material bases of judgement compared with the ones applied in the Annual Report for 2019/20.

Sales performance

	QUARTER APR-JUN 2020 ¹
Change in revenue for:	
Comparable units in local currency	-7.8%
Currency effects	-2.6%
Number of trading days	1.5%
Other units ²	0.5%
Total change	-8.4%

1) Swedol is included in “Comparable units” as though the acquisition had closed on 1 April 2019.

2) Other acquisitions in 2019/20 (excluding Swedol, which is included in “Comparable units”).

BUSINESS AREA TOOLS, CONSUMABLES, WORKWEAR & PROTECTIVE EQUIPMENT

As of 1 April 2020, this business area comprises Swedol and TOOLS with Univern and Grolls, and Gigant, Mercus Yrkeskläder, TriffiQ Företagsprofilering, Reklamproffsen and Company Line, which offer products and services related to tools, consumables, workwear, personal protective equipment, workplace equipment as well as promotional products for the industrial, construction and public sectors and private market in the Nordic region, among others.

Note: The business area is presented below as of 1 April 2020, with comparative figures as though the acquisition of Swedol and other changes in the business area's structure had taken place as of 1 April 2019. EBITA is presented excluding any items affecting comparability. For information about the outcome for each business area (operating segment) for the preceding year *excluding* Swedol, refer to the table in Note 2.

	QUARTER		FULL-YEAR	
	APR-JUN 2020	APR-JUN 2019	ROLLING 12 MON	2019/20
REVENUE, MSEK				
Sweden	1,262	1,247	4,837	4,822
Norway	482	621	2,363	2,502
Finland	315	344	1,284	1,313
Other countries	19	20	76	77
Eliminations	-56	-19	-133	-96
Total BA	2,022	2,213	8,427	8,618
EBITA, MSEK				
Sweden	95	104	373	382
Norway	5	16	75	86
Finland	23	17	72	66
Other countries	0	1	-1	0
Total BA	123	138	519	534
EBITA MARGIN, %				
Sweden	7.5%	8.3%	7.7%	7.9%
Norway	1.0%	2.6%	3.2%	3.4%
Finland	7.3%	4.9%	5.6%	5.0%
Other countries	0.0%	5.0%	-1.3%	0.0%
Total BA	6.1%	6.2%	6.2%	6.2%
OTHER INFORMATION				
Return on working capital (EBITA/WC), %			26%	26%

All operations in the business area **Tools, Consumables, Workwear & Protective Equipment** were impacted negatively by the COVID-19 pandemic during the first quarter of the financial year, with weaker demand and periodic production shutdowns by a number of customers in various customer segments in the Nordic region. To a certain extent, this was offset by increased sales of certain product groups, primarily in the area of personal protective equipment. In total, revenue for comparable units in the business area decreased by approximately 9 percent¹ during the quarter, although with major variations between countries. Combined with previously implemented cost-saving measures, employee furloughs carried out due to the pandemic along with price increases resulted in an overall stable earnings performance for the business area during the quarter, despite a decline in revenue, higher purchase prices and negative exchange-rate effects.

Revenue for the operations in **Sweden** decreased a total of approximately 1 percent¹ during the quarter compared with the preceding year. It was primarily sales to major industrial companies that were negatively impacted by the prevailing cautious approach, while sales to small and medium-sized customers were stable during the quarter, partly due to extra sales initiatives. At the same time, sales of products under proprietary brands remained positive. A number of new agreements concerning personal protective equipment, including agreements signed by the companies specialising in workwear and promotional products, had a positive impact on sales.

Revenue for the operations in **Norway** decreased by approximately 13 percent¹ during the quarter. The stringent measures implemented by the Norwegian authorities, with much of society shut down to reduce the spread of COVID-19, had a negative impact on overall demand, not least in the oil & gas sector. This had a negative impact on sales to both retail and processing customers during the quarter, which was also reflected in earnings for the Norwegian operations. Earnings were also negatively impacted by the exchange rate for the Norwegian krona. Price increases have been implemented and cost-saving measures remain in place, including measures taken within the logistics functions.

¹ Comparable units (*including* Swedol), measured in local currency and adjusted for the number of trading days this year compared with the preceding year.

Revenue for the operations in **Finland** declined by approximately 9 percent² during the quarter. Demand was negatively impacted by the country's extensive lockdown, which had a major effect on the relatively export-dependent Finnish industry, including the pulp and paper industry and shipbuilding industry.

Coordination of TOOLS and Swedol initiated

The coordination of TOOLS and Swedol began in full force during the quarter, which creates favourable conditions for increased efficiency and economies of scale. The goal is for the business area's EBITA margin to increase to approximately 10 percent over time, compared with the initial combined margin of just over 6 percent. Approximately 50 percent of this increase is expected to come from measures to improve the contribution ratio, mainly in the form of improved purchasing terms and increased sales of products under proprietary brands, and the remaining 50 percent from increased efficiency and reduced costs, primarily through a joint organisation, store coordination and more efficient logistics functions.

During the spring, the business area mainly initiated work to achieve improved purchase terms, increased sales of proprietary brands and planning for store coordination in each country. Among other measures, a decision was made to coordinate TOOLS' and Swedol's stores in a total of 20 locations across Sweden, with the coordination of stores in six locations so far scheduled for autumn 2020 and early 2021. In Norway, Swedol stores will be coordinated with TOOLS in some ten locations. The business area also aims for its sales of proprietary brands to account for approximately 25 percent of sales, compared with the current figure of 20 percent. In parallel, a new organisation was established and the appointment of managers and other employees has begun, with the intention of having the business area's new, joint organisation up and running as of 1 October 2020.

Business area Components & Services

This business area comprises Momentum Industrial with the subsidiaries Rörick Elektriska Verkstad, ETAB Industriautomation and Carl A Nilssons Elektriska Reparationsverkstad, which offer spare parts, services and repairs to customers in the industrial sector in the Nordic region.

	QUARTER		FULL-YEAR	
	APR-JUN 2020	APR-JUN 2019	ROLLING 12 MON	2019/20
REVENUE, MSEK				
Total BA	274	298	1,183	1,207
EBITA, MSEK				
Total BA	34	33	155	154
EBITA MARGIN, %				
Total BA	12.4%	11.1%	13.1%	12.8%
OTHER INFORMATION				
Return on working capital (EBITA/WC), %			64%	63%

Sales in the business area **Components & Services** were impacted negatively by the COVID-19 pandemic during the first quarter of the financial year, which was reflected by a general sense of restraint and major industrial customers implementing a number of cost-cutting measures in their operations. Revenue for comparable units in the business area decreased by approximately 13 percent² during the quarter, while acquired units contributed by approximately 3 percent to the change in revenue.

Sales for **Momentum Industrial** declined during the quarter, particularly in the automotive industry and wholesale trade, while demand in the mining sector remained stable. Many industrial customers also continued to carry out maintenance work during the quarter despite production shutdowns, particularly in the automotive sector. The combination of previously implemented measures to increase cost-efficiency and the employee furloughs carried out due to the pandemic contributed to a stable earnings performance during the quarter.

Momentum Industrial's subsidiaries **Rörick Elektriska Verkstad**, which specialises in service and repairs, and **ETAB Industriautomation**, which specialises in pneumatics and hydraulics, displayed a stable performance during the quarter.

Group-wide³ and eliminations

EBITA for "Group-wide and eliminations" amounted to MSEK -2 (-3) for the reporting period and items affecting comparability to MSEK -2 (-). Items affecting comparability pertain to costs for advisors and other costs arising from the acquisition of Swedol. Accordingly, an operating loss of MSEK -4 (-3) was reported.

The Parent Company's revenue for the period amounted to MSEK 7 (7) and the loss after financial items totalled MSEK -5 (1). The results for the period include no Group contributions.

² Comparable units (including Swedol), measured in local currency and adjusted for the number of trading days this year compared with the preceding year.

³ The comparative year for "Group-wide" has been restated to reflect the transfer of the Group's logistics function in Sweden to the business area Tools, Consumables, Workwear & Protective Equipment for accounting purposes.

EMPLOYEES

At the end of the reporting period, the number of employees in the Group amounted to 2,370, compared with 1,651 at the beginning of the year. In conjunction with the acquisition of Swedol on 1 April 2020, 1,046 employees joined the Group. The number of employees at the end of the period has been adjusted for employees furloughed due to the COVID-19 pandemic as of 30 June 2020.

CORPORATE ACQUISITIONS

To date, Momentum Group has conducted one corporate acquisition with closing during the 2020/21 financial year.

ACQUISITION OF SWEDOL

On 11 November 2019, Momentum Group announced a recommended public offer to the shareholders of Swedol AB (publ). On 23 March 2020, the Board of Directors of Momentum Group resolved to complete the offer following scrutiny for compatibility with competition law by the national competition authorities in Sweden, Norway and Finland and the offer being accepted by shareholders representing approximately 98 percent of the shares in Swedol. Closing on the shares in Swedol took place on 1 April 2020. After an extended acceptance period for shares outstanding to 17 April 2020, Momentum Group held approximately 98.8 percent of the shares and approximately 99.0 percent of the votes in Swedol. The last day for trading in Swedol's Class B shares on Nasdaq Stockholm was 20 April 2020 and Momentum Group has called for a compulsory redemption of the remaining shares outstanding in Swedol. The arbitration board in the dispute resolution proceeding granted preferential rights to the outstanding shares in early July 2020, after which Momentum Group now holds 100 percent of the shares and votes in Swedol.

The combination of TOOLS and Swedol creates an attractive business partner for Nordic customers – including both smaller and larger companies in the industrial and construction sectors as well as other sectors, such as the public sector – in the areas of tools, workwear, personal protective equipment and consumables. The acquisition creates the prerequisites for increased efficiency and economies of scale, which will also be of benefit to the customers of both companies and lead to increased competition within the sector. Together, both businesses will benefit from common product ranges, procurement channels, more efficient logistics and Swedol's proprietary product brands as well as the development of an even better service offering and new digital solutions. This will lead to a solid platform for continued expansion. Hence, the coordination between Swedol's and TOOLS' operations will create value for customers, suppliers, employees and owners.

Refer to Note 4 for a preliminary acquisition analysis regarding the acquisition of Swedol and a summary of acquisitions completed since the 2015/16 financial year.

PROFITABILITY, CASH FLOW AND FINANCIAL POSITION

The Group's profitability, measured as the return on equity, amounted to 15 percent (18) and the return on working capital (EBITA/WC) to 29 percent (26) for the most recent 12-month period. The return on capital employed for the corresponding period was 13 percent (17).

Cash flow from operating activities before changes in working capital for the reporting period totalled MSEK 248 (126). During the period, inventories decreased by MSEK 98 and operating receivables by MSEK 149. Operating liabilities decreased by MSEK 118. Accordingly, cash flow from operating activities for the period amounted to MSEK 377 (74).

Cash flow for the reporting period was also impacted in a net amount of MSEK -55 (-6) pertaining to investments in and divestments of non-current assets, and a net amount of MSEK -1,693 (-58) pertaining to acquisitions of subsidiaries and other business units and sale of financial non-current assets. Investments in non-current assets during the reporting period mainly pertained to the expansion and efficiency enhancements carried out at the Group's warehouse and logistics facility in Örebro, which was part of the acquisition of Swedol.

The Group's financial net loan liability at the end of the reporting period amounted to MSEK 2,747, compared with MSEK 708 at the beginning of the financial year. The increase is primarily pertaining to the acquisition of Swedol with the cash consideration paid, refinancing of interest-bearing financial liabilities and financial lease liabilities added. At the end of the period, the Group's operational net loan liability amounted to MSEK 1,658 (314). Cash and cash equivalents, including unutilised granted credit facilities, totalled MSEK 1,075. The equity/assets ratio at the end of the period was 38 percent.

Equity per share, both before and after dilution, totalled SEK 58.20 at the end of the reporting period, compared with SEK 56.95 at the beginning of the financial year.

SHARE STRUCTURE AND REPURCHASE OF OWN SHARES

At the end of the reporting period, the share capital totalled MSEK 102. In April 2020, in connection with the acquisition of Swedol, the Board of Momentum Group decided to carry out a directed issue of 6,897 Class B shares to the shareholders of Swedol who had accepted the public offer during the extended

acceptance period until 17 April 2020. The acquisition of Swedol closed on 1 April 2020. The distribution by class of share on 30 June 2020 was as follows:

CLASS OF SHARE	AS OF 30 JUNE 2020
Class A shares	1,062,436
Class B shares	49,843,753
Total number of shares before repurchasing	50,906,189
<i>Less : Repurchased Class B shares</i>	<i>-500,000</i>
Total number of shares after repurchasing	50,406,189

As of 31 March 2020, Momentum Group's holding of Class B treasury shares totalled 500,000. There were no changes to the holding of treasury shares during the reporting period. Accordingly, the number of Class B shares held in treasury as of 30 June 2020 amounted to 500,000, corresponding to 1.0 percent of the total number of shares and 0.8 percent of the total number of votes.

The shares held in treasury cover the Company's obligations in the call option programmes issued to senior management in December 2017 and September 2018, respectively. The redemption price for the 250,000 call options issued in connection with the 2017 share-based incentive programme is SEK 121.60 per share. Each call option in this programme entitles the holder to acquire one repurchased Class B share during the redemption periods of 12-25 February and 12-25 May 2021, respectively. The redemption price for the 250,000 call options issued in connection with the 2018 share-based incentive programme is SEK 137.30 per share. Each call option in this programme entitles the holder to acquire one repurchased Class B share during the redemption periods of 14-28 February and 16-30 May 2022, respectively.

The share price on 30 June 2020 was SEK 119.40 and the issued call options thus did not result in any dilution effect during the reporting period.

There have been no changes in the holding of treasury shares after the end of the reporting period.

The Board has decided to propose that the Annual General Meeting on 31 August 2020 resolve to renew the authorisation to repurchase own shares in accordance with the information below.

TRANSACTIONS WITH RELATED PARTIES

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

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 Momentum Group as well as a number of external factors where the Group's ability to influence the course of events is limited. The most important external risk factors for Momentum Group are the economic and market situation as well as the development in the number of employees in the industrial and construction sectors combined with structural changes and the competitive situation. The risks and uncertainties impacting the Group are the same as in earlier periods, although uncertainty over future developments in the market and demand is deemed to have increased on account of the ongoing COVID-19 pandemic. For more information about the Group's risks and uncertainties, refer to page 42 of Momentum Group's Annual Report for 2019/20. The Parent Company is impacted indirectly by the above risks and uncertainties through its function in the Group.

MOTIONS TO THE ANNUAL GENERAL MEETING ON 31 AUGUST 2020

Momentum Group AB's Annual General Meeting will be held on Monday, 31 August 2020, at 4:00 p.m. CEST at IVA's Conference Centre, Grev Turegatan 16, Stockholm, Sweden. The notice for the Annual General Meeting will be published on 27 July 2020.

Due to current uncertainty in the operating environment caused by the COVID-19 pandemic, the Board of Directors of Momentum Group AB proposes that no dividend be paid for 2019/20 (previous year: SEK 3.20 per share).

The Board has also decided to propose that the Annual General Meeting resolve to renew the authorisation to repurchase own shares. In brief, this motion entails that the Annual General Meeting would authorise the Board, during the period until the next Annual General Meeting, to repurchase a maximum number of own shares through Nasdaq Stockholm so that the Company's holding of treasury shares would at no time exceed 10 percent of the total number of shares in the Company. This authorisation would enable the Board to use repurchased shares to pay for acquisitions or to sell the shares in a manner other than through Nasdaq Stockholm in order to finance acquisitions and to fulfil the Company's obligations in connection with its share-based incentive programmes for senior management in the Momentum Group.

The Board has also decided to propose that the Annual General Meeting resolve on an authorisation for a new share issue of up to 10 percent of the number of shares as a means of payment for acquisitions. In brief, this motion entails that the Annual General Meeting would authorise the Board, on one or more occasions during the period until the next Annual General Meeting, to decide to increase the Company's share capital through a new issue of shares up to a maximum of 10 percent of the number of shares. The new issue of shares may be performed with or without deviation from the shareholders' preferential rights and with or without provisions regarding non-cash issues or right of offset. The purpose of the authorisation and the grounds for the deviation from the shareholders' preferential rights are to improve the Company's opportunities to conduct or finance corporate acquisitions.

In view of the fact that Nordstjernen AB is Momentum Group's Parent Company as of 1 April 2020 and has the calendar year as its financial year, the Board of Directors proposes that the Annual General Meeting also resolves to change the Company's financial year to encompass the calendar year.

EVENTS AFTER THE END OF THE REPORTING PERIOD

Compulsory redemption of shares outstanding in Swedol.

The arbitration board in the dispute resolution proceeding concerning the shares outstanding in Swedol granted Momentum Group preferential rights to the outstanding shares in early July 2020, after which Momentum Group now holds 100 percent of the shares and votes in Swedol.

No other significant events affecting the Group have occurred since the end of the reporting period.

Stockholm, 16 July 2020

Ulf Lilius

President & CEO

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

Contact information

Ulf Lilius, President & CEO, Tel: +46 10 454 54 70

Mats Karlqvist, Head of Investor Relations, Tel: +46 70 660 31 32

Dates for forthcoming financial information*

The Annual Report for the 2019/20 financial year was published on 2 July 2020 and is available on the Company's website.

Momentum Group AB's 2020 Annual General Meeting will be held on 31 August 2020, at 4:00 p.m. CEST at IVA's Conference Centre, Grev Turegatan 16, Stockholm, Sweden.

Interim Report (6 months) – 1 April-30 September 2020 will be published on 23 October 2020.

Interim Report (9 months) – 1 April-31 December 2020 will be published on 11 February 2021.

Financial Report 2020/21 – 1 April 2020-31 March 2021 will be published on 12 May 2021.

* Due to the Board's motion to change Momentum Group's financial year to the calendar year in conjunction with the Company's Annual General Meeting on 31 August 2020, the above reporting dates may be adapted should such a resolution be passed.

Visit www.momentum.group to subscribe for reports and press releases.

The information in this report is such that Momentum Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. This information was submitted for publication, through the agency of the contact persons set out above, at 8:00 a.m. CEST on 16 July 2020.

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

Momentum Group AB (publ)

Mail address: PO Box 5900, SE-102 40 Stockholm, Sweden

Visit: Östermalmsgatan 87 D, Stockholm

Tel: +46 10 454 54 70

Org No: 559072-1352 Reg office: Stockholm, Sweden

www.momentum.group

GROUP SUMMARY

INCOME STATEMENT

MSEK	QUARTER		FULL-YEAR
	APR-JUN 2020	APR-JUN 2019	2019/20
Revenue	2,288	1,576	6,135
Other operating income	4	1	4
Total operating income	2,292	1,577	6,139
Cost of goods sold	-1,382	-995	-3,864
Personnel costs	-426	-313	-1,189
Depreciation, amortisation, impairment losses and reversal of impairment losses	-138	-68	-264
Other operating expenses	-212	-131	-519
Total operating expenses	-2,158	-1,507	-5,836
Operating profit	134	70	303
Financial income	2	0	1
Financial expenses	-16	-4	-21
Net financial items	-14	-4	-20
Profit after financial items	120	66	283
Taxes	-26	-15	-66
Net profit	94	51	217
Of which, attributable to:			
Parent Company shareholders	92	50	214
Non-controlling interest	2	1	3
Earnings per share, SEK			
– before dilution	1.85	1.80	7.70
– after dilution	1.85	1.80	7.70

STATEMENT OF COMPREHENSIVE INCOME

MSEK	QUARTER		FULL-YEAR
	APR-JUN 2020	APR-JUN 2019	2019/20
Net profit	94	51	217
OTHER COMPREHENSIVE INCOME FOR THE PERIOD			
Components that will not be reclassified to net profit			
Remeasurement of defined-benefit pension plans	-1	-1	-3
Tax attributable to components that will not be reclassified	0	0	1
	-1	-1	-2
Components that will be reclassified to net profit			
Translation differences	-15	9	-27
Fair value changes for the year in cash-flow hedges	-15	0	2
Tax attributable to components that will be reclassified	3	0	0
	-27	9	-25
Other comprehensive income for the period	-28	8	-27
Total comprehensive income for the period	66	59	190
Of which, attributable to:			
Parent Company shareholders	64	58	187
Non-controlling interest	2	1	3

BALANCE SHEET

MSEK	30 JUN 2020	30 JUN 2019	31 MAR 2020
ASSETS			
Non-current assets			
Intangible non-current assets	2,779	684	660
Tangible non-current assets	509	66	61
Right-of-use assets	1,048	558	491
Financial investments	1	2	2
Deferred tax assets	30	23	18
Total non-current assets	4,367	1,333	1,232
Current assets			
Inventories	1,898	1,020	985
Accounts receivable	1,160	1,046	964
Current receivables - non-cash issue	-	-	1,487
Other current receivables	183	111	115
Cash and cash equivalents	29	16	1,157
Total current assets	3,270	2,193	4,708
TOTAL ASSETS	7,637	3,526	5,940
EQUITY AND LIABILITIES			
Equity			
Equity attributable to Parent Company shareholders	2,934	1,337	2,869
Non-controlling interest	16	22	19
Total equity	2,950	1,359	2,888
Non-current liabilities			
Non-current interest-bearing liabilities	1,567	139	1,125
Non-current lease liabilities	682	371	305
Provisions for pensions	34	30	31
Other non-current liabilities and provisions	362	78	61
Total non-current liabilities	2,645	618	1,522
Current liabilities			
Current interest-bearing liabilities	120	191	198
Current lease liabilities	373	207	206
Accounts payable	878	797	764
Other current liabilities	671	354	362
Total current liabilities	2,042	1,549	1,530
TOTAL LIABILITIES	4,687	2,167	3,052
TOTAL EQUITY AND LIABILITIES	7,637	3,526	5,940
Financial net loan liability	2,747	922	708
Operational net loan liability	1,658	314	166

STATEMENT OF CHANGES IN EQUITY

MSEK	Equity attributable to Parent Company shareholders				Non-controlling interest	Total equity
	Share capital	Reserves	Retained earnings, including net profit	Total		
Closing equity, 31 March 2019	57	10	1,236	1,303	14	1,317
Change in accounting policy ¹			-8	-8		-8
Net profit			50	50	1	51
Other comprehensive income		9	-1	8		8
Acquisitions of partly owned subsidiaries				-	8	8
Dividends paid in partly owned subsidiaries				-	-1	-1
Option liability, acquisitions ²			-16	-16		-16
Closing equity, 30 June 2019	57	19	1,261	1,337	22	1,359
Net profit			164	164	2	166
Other comprehensive income		-34	-1	-35		-35
Dividend			-89	-89		-89
Non-cash issue ³	45		1,442	1,487		1,487
Acquisitions of partly owned subsidiaries				-	1	1
Changes in share of partly owned subsidiaries			5	5	-5	0
Dividends paid in partly owned subsidiaries				-	-1	-1
Option liability, acquisitions ²			-1	-1		-1
Change in value of option liability ⁴			1	1		1
Closing equity, 31 March 2020	102	-15	2,782	2,869	19	2,888
Net profit			92	92	2	94
Other comprehensive income		-27	-1	-28		-28
Non-cash issue ⁵	0		0	0		0
Changes in share of partly owned subsidiaries			2	2	-5	-3
Change in value of option liability ⁴			-1	-1		-1
Closing equity, 30 June 2020	102	-42	2,874	2,934	16	2,950

1) Transition to IFRS 16. Refer to accounting policies in Momentum Group's Annual Report for 2019/20.

2) Refers to the value of call/put options in relation to non-controlling interests in the acquired subsidiaries ETAB Industriautomation AB and Company Line Förvaltning AB, which entail that: a) Momentum Group is entitled to purchase the remaining shares from the shareholders (call option), and b) the shareholders are entitled to sell their shares to Momentum Group (put option). The call options expire during the 2021/22 financial year and can thereafter be extended for a period of one year at a time. The put options can be exercised until the 2020/21 financial year. The price of the options is dependent on certain results being achieved in the respective company.

3) A new issue of a total of 22,633,876 Class B shares pertaining to the public offer to shareholders in Swedol AB (publ). Capital contributed in kind consisting of the shares in Swedol was conveyed to the Group on 1 April 2020 and recognised on 31 March 2020 as a current receivable pertaining to the non-cash issue.

4) Pertains to a change in the value of the call/put options in relation to non-controlling interests carried out in conjunction with the acquisitions of partly owned subsidiaries.

5) A new issue of a total of 6,897 Class B shares pertaining to the public offer to shareholders in Swedol AB (publ).

CASH-FLOW STATEMENT

MSEK	QUARTER		FULL-YEAR 2019/20
	APR-JUN 2020	APR-JUN 2019	
Operating activities			
Operating activities before changes in working capital	248	126	487
Changes in working capital	129	-52	18
Cash flow from operating activities	377	74	505
Investing activities			
Acquisition of intangible & tangible non-current assets	-55	-6	-18
Sale of intangible & tangible non-current assets	0	0	0
Acquisition of subsidiaries & other business units	-1,694	-58	-66
Sale of financial non-current assets	1	-	-
Cash flow from investing activities	-1,748	-64	-84
Cash flow before financing	-1,371	10	421
Financing activities			
Financing activities	245	-2	729
Cash flow for the period	-1,126	8	1,150
Cash and cash equivalents at the beginning of the period	1,157	8	8
Exchange-rate differences in cash and cash equivalents	-2	0	-1
Cash and cash equivalents at the end of the period	29	16	1,157

KEY PER-SHARE DATA

SEK	QUARTER		FULL-YEAR
	APR-JUN 2020	APR-JUN 2019	2019/20
Earnings before dilution	1.85	1.80	7.70
Earnings after dilution	1.85	1.80	7.70
Equity, at the end of the period	58.20	48.00	56.95
Equity after dilution, at the end of the period	58.20	48.00	56.95
NUMBER OF SHARES OUTSTANDING IN THOUSANDS			
Number of shares outstanding before dilution	50,406	27,765	50,399
Weighted number of shares outstanding before dilution	50,406	27,765	27,765
Weighted number of shares outstanding after dilution	50,406	27,765	27,765

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 any 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.

Momentum Group held 500,000 Class B shares as of 30 June 2020 and has issued 500,000 call options for repurchased shares. Since the average share price is lower than the redemption prices of SEK 121.60 per call option ("2017 share-based incentive programme") and SEK 137.30 per call option ("2018 share-based incentive programme"), respectively, no dilution effect existed as of 30 June 2020. Refer also to page 7.

PARENT COMPANY IN SUMMARY**INCOME STATEMENT**

MSEK	QUARTER		FULL-YEAR
	APR-JUN 2020	APR-JUN 2019	2019/20
Revenue	7	7	29
Other operating income	2	2	2
Total operating income	9	9	31
Operating expenses	-12	-13	-41
Operating profit/loss	-3	-4	-10
Financial income and expenses	-2	5	16
Profit/loss after financial items	-5	1	6
Appropriations	-	-	-3
Profit before taxes	-5	1	3
Taxes	1	0	-1
Net profit	-4	1	2

There are no items in the Parent Company recognised as other comprehensive income. Accordingly, total comprehensive income corresponds to net profit for the period.

BALANCE SHEET

MSEK	30 JUN 2020	30 JUN 2019	31 MAR 2020
ASSETS			
Intangible non-current assets	0	0	0
Tangible non-current assets	0	0	0
Financial non-current assets	4,023	846	829
Current receivables	230	351	1,644
Cash and cash equivalents	2	0	1,153
Total assets	4,255	1,197	3,626
EQUITY, PROVISIONS AND LIABILITIES			
Equity	2,063	668	2,067
Untaxed reserves	-	63	-
Provisions	-	-	-
Non-current liabilities	1,567	138	1,125
Current liabilities	625	328	434
Total equity, provisions and liabilities	4,255	1,197	3,626

The change in financial non-current assets during the reporting period primarily pertains to the acquisition of Swedol by MSEK 2,738 and an increase in long-term receivables from Group companies by MSEK 456 mainly related to the refinancing of interest-bearing liabilities in Swedol, which were replaced by new credit facilities in Momentum Group AB.

The change in current receivables and cash and cash equivalents is primarily attributable to the recognition of the non-cash issue on 31 March 2020 as a current receivable and to the payment of the cash portion of the acquisition of Swedol.

NOTES

NOTE 1 ACCOUNTING POLICIES

The Interim Report for the Group was prepared in accordance with IFRS and by applying IAS 34 *Interim Financial Reporting*, the Swedish Annual Accounts Act and the Swedish Securities Market Act. In addition to the financial statements and associated notes, disclosures in accordance with IAS 34.16A are also presented in other sections of the report. The Interim Report for the Parent Company was prepared in accordance with the Swedish Annual Accounts Act and the Swedish Securities Market Act, which conforms to the provisions detailed in RFR 2 *Accounting for Legal Entities*. The same accounting policies and bases of judgement as in Momentum Group's Annual Report for 2019/20 have been applied.

During the reporting period, the Group received government grants for part-time working. The grants received are deemed to meet the definition of government grants under IAS 20. The grants are recognised in the income statement as a reduction of personnel costs. The grants are systematically recognised in the

income statement over the same periods of time as the costs that the grants are intended to compensate for and when the Group is deemed to meet the conditions and fulfil the obligations pertaining to the grants.

As of 1 April 2020, the Group has a new business area structure (operating segments). The change primarily impacted the Group's logistics function in Sweden, which was consolidated as part of the business area Tools, Consumables, Workwear & Protective Equipment as of 1 April 2020, after previously being part of Group-wide. The comparative year was restated accordingly.

IASB has issued additions to standards that will take effect for the Group on or after 1 April 2020. These additions are deemed not to be material for the consolidated financial statement.

NOTE 2 OPERATING SEGMENTS AND DISCLOSURES ON INCOME

The Group's operating segments comprise the business areas Tools, Consumables, Workwear & Protective Equipment and Components & Services. 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.

As of 1 April 2020, **Tools, Consumables, Workwear & Protective Equipment** comprises Swedol and TOOLS with Univern and Grolls, and Gigant, Mercus Yrkeskläder, Triffiq Företagsprofilering, Reklamproffsen Skandinavien and Company Line, which offer products and services related to tools, consumables, workwear, personal protective equipment, workplace equipment as well as promotional products for the industrial, construction and public sectors and private market in the Nordic region, among others.

Components & Services comprises Momentum Industrial and its subsidiaries, which offer spare parts, service and repairs for customers in the industrial sector in the Nordic region.

Group-wide includes the Group's management, finance function and support functions. The support functions include internal communications, investor relations and legal affairs.

Financial items and taxes are not distributed by operating segment but 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. The revenue presented below for the geographic markets is based on the domicile of the customers (compared with the information presented by geographic market for Tools, Consumables, Workwear & Protective Equipment on page 5, which is based on the geographic domicile of each legal entity).

MSEK	Tools, Consumables, Workwear & Protective Equipment	APR-JUN 2020 (3 MON)				Group total
		Components & Services	Group-wide	Eliminations		
Revenue						
From external customers by geographic area						
Sweden	1,176	264	-	-	-	1,440
Norway	478	5	-	-	-	483
Finland	305	0	-	-	-	305
Other countries	58	2	-	-	-	60
From other segments	5	3	8	-16		-
Total	2,022	274	8	-16		2,288
Operating profit						
EBITA	123	34	-2	0		155
Items affecting comparability	-2	-	-2	-		-4
Amortisation of intangible assets incurred in connection with corporate acquisitions	-16	-1	-	-		-17
Total	105	33	-4	0		134

MSEK	Tools, Consumables, Workwear & Protective Equipment	APR-JUN 2019 (3 MON)				Group total
		Components & Services	Group-wide	Eliminations		
Revenue						
From external customers by geographic area						
Sweden	508	276	-	-		784
Norway	472	12	-	-		484
Finland	265	1	-	-		266
Other countries	40	2	-	-		42
From other segments	5	7	7	-19		-
Total	1,290	298	7	-19		1,576
Operating profit						
EBITA	45	33	-3	0		75
Items affecting comparability	-	-	-	-		-
Amortisation of intangible assets incurred in connection with corporate acquisitions	-4	-1	-	-		-5
Total	41	32	-3	0		70

Revenue by operating segment and quarter

MSEK	2020/21				2019/20			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Tools, Consumables, Workwear & Protective Equipment				2,022	1,235	1,287	1,161	1,290
Components & Services				274	313	312	284	298
Group-wide				8	7	8	7	7
Eliminations				-16	-16	-19	-20	-19
Momentum Group				2,288	1,539	1,588	1,432	1,576

EBITA by operating segment and quarter

MSEK	2020/21				2019/20			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Tools, Consumables, Workwear & Protective Equipment				123	49	51	46	45
Components & Services				34	44	40	37	33
Group-wide				-2	-2	-1	-3	-3
Eliminations				0	0	2	0	0
Momentum Group				155	91	92	80	75

NOTE 3 FINANCIAL INSTRUMENTS

Momentum Group measures financial instruments at fair value or amortised 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. The fair value of all of the Group's financial

assets is estimated to correspond with their carrying amount. Liabilities measured at fair value comprise options issued in connection with the acquisition of equity instruments in partly owned subsidiaries, which are measured using discounted cash flow and are thus included in level 3 according to IFRS 13.

MSEK	30 JUN 2020	30 JUN 2019	31 MAR 2020
Financial assets measured at fair value			
Financial investments	0	1	1
Derivative hedging instruments	2	0	4
Financial assets measured at amortised cost			
Long-term receivables	1	1	1
Accounts receivable	1,160	1,046	964
Cash and cash equivalents	29	16	1,157
Total financial assets	1,192	1,064	2,127
Financial liabilities measured at fair value			
Option liability	25	47	35
Derivative hedging instruments	3	0	0
Liability for purchase consideration (compulsory redemption)	46	-	-
Financial liabilities measured at amortised cost			
Interest-bearing liabilities	2,742	908	1,834
Accounts payable	878	797	764
Total financial liabilities	3,694	1,752	2,633

NOTE 4 ACQUISITIONS**Acquisition of Swedol, which closed on 1 April 2020**

On 11 November 2019, Momentum Group announced a recommended public offer to the shareholders of Swedol AB (publ). On 23 March 2020, the Board of Directors of Momentum Group resolved to complete the offer following scrutiny for compatibility with competition law by the national competition authorities in Sweden, Norway and Finland and the offer being accepted by shareholders representing approximately 98 percent of the shares in Swedol. Closing on the shares in Swedol took place on 1 April 2020. The last day for trading in Swedol's Class B shares on Nasdaq Stockholm was 20 April 2020 and Momentum Group has called for a compulsory redemption of the remaining shares outstanding in Swedol. The arbitration board in the dispute resolution proceeding granted preferential rights to the outstanding shares in early July 2020, after which Momentum Group now holds 100 percent of the shares and votes in Swedol.

The total purchase consideration for the acquisition amounted to MSEK 2,724 (excluding acquisition costs), of which the non-cash issue's share was MSEK 1,487 and the remaining share was a cash settlement. The fair value of the 22,640,773 Class B shares in Momentum Group issued as part of the purchase consideration is based on the listed share price for Momentum Group's Class B shares on 1 April 2020 of SEK 65.70 per share. Acquisition costs totalling MSEK 14 were recognised as other operating expenses for the 2019/20 financial year and MSEK 2 for the reporting period 1 April-30 June 2020.

In accordance with the preliminary acquisition analysis presented below, MSEK 1,119 of the purchase consideration was allocated to goodwill, MSEK 550 to brands and MSEK 430 to customer

relations. The allocation to brands and customer relations was based on the discounted value of future cash flows attributable to each class of assets, where an assessment was conducted that included margin, tied-up capital and turnover rate of the customer base. The value of goodwill was based on the expectation that the Momentum Group's position in the markets in question will strengthen and the other synergies in areas such as purchasing, store coordination and logistics that the Group expects to realise through the acquisition.

If the acquisition had been completed on 1 April 2019, a preliminary consolidated income statement at 31 March 2020 for the Momentum Group, including Swedol, would have shown total revenue of MSEK 9,780 and net profit after tax of MSEK 425 for the 2019/20 financial year. These amounts have been calculated based on the Swedol Group's earnings, adjusted for additional depreciation and amortisation that would have arisen if the adjustment to fair value for tangible and intangible non-current assets had been applied from 1 April 2019, together with attributable tax effects. There are no material differences in accounting policies between Momentum Group and the acquired business since Swedol applied IFRS in its historical financial statements.

During the reporting period 1 April-30 June 2020, the acquisition of Swedol contributed MSEK 926 to the Group's revenue and MSEK 87 to the Group's EBITA.

According to the preliminary acquisition analysis, the assets and liabilities included in the acquisition of Swedol AB amounted to the following:

MSEK	FAIR VALUE RECOGNISED IN THE GROUP
ACQUIRED ASSETS	
Brands	550
Customer relations	430
Other intangible non-current assets	52
Buildings and land	220
Other tangible non-current assets	191
Right-of-use assets	622
Deferred tax assets	10
Inventories	1,018
Other receivables	433
Cash and cash equivalents	25
Total assets	3,551
ACQUIRED PROVISIONS AND LIABILITIES	
Interest-bearing liabilities - credit institutions	527
Interest-bearing liabilities - leases	621
Deferred tax liability	317
Other current liabilities	481
Total provisions and liabilities	1,946
NET OF IDENTIFIED ASSETS AND LIABILITIES	1,605
Goodwill	1,119
Non-controlling interests	0
PURCHASE CONSIDERATION	2,724
Less: New share issue	-1,487
Less: Purchase consideration related to compulsory redemption	-46
Additional: Net debt in Swedol	503
EFFECT ON THE GROUP'S CASH AND CASH EQUIVALENTS	1,694

Corporate acquisitions carried out since the 2015/16 financial year:

ACQUISITION	TIME (possession taken)	REVENUE ¹	NO. OF EMPLOYEES ¹	BUSINESS AREA
AB Carl A. Nilssons El. Rep.verkstad, SE	September 2015	MSEK 20	13	Components & Services
Tønsberg Maskinforretning AS, NO	April 2016	MNOK 20	10	Tools & Consumables
Astrup Industrivarer AS, NO	November 2016	MNOK 240	50	Tools & Consumables
Arboga Machine Tool AB, SE	March 2017	MSEK 10	5	Components & Services
TriffiQ Företagsprofilering AB ² , SE	September 2017	MSEK 70	18	Tools & Consumables
AB Knut Sehllins Industrivaruhus, SE	October 2017	MSEK 40	14	Tools & Consumables
Elka Produkter AB ² , SE	October 2017	- ³	10	Tools & Consumables
Reklamproffsen Skandinavien AB ² , SE	March 2018	MSEK 35	12	Tools & Consumables
Profilmakarna i Södertälje AB, SE	April 2018	MSEK 25	8	Tools & Consumables
MRO business from Brammer ⁴ , SE	May 2018	MSEK 140	33	Components & Services
MFG Components Oy ⁴ , FI	October 2018	MEUR 1	3	Tools & Consumables
TOOLS Løvdal AS, NO	January 2019	MNOK 95	28	Tools & Consumables
PPE business from Lindström Group ⁴ , FI	April 2019	MEUR 6	5	Tools & Consumables
ETAB Industriautomation AB ² , SE	June 2019	MSEK 45	9	Components & Services
Company Line Förvaltning AB ² , SE	June 2019	MSEK 75	25	Tools & Consumables
AMJ Papper AB, SE	March 2020	MSEK 15	6	Tools & Consumables
Swedol AB ⁵ , SE / NO / FI	April 2020	MSEK 3,650	1,046	Tools & Consumables

1) Refers to information for the full year on the date of acquisition.

2) Momentum Group initially acquired 70 percent of the shares in each company. Momentum Group currently owns 89 percent of the shares in TriffiQ Företagsprofilering AB and 100 percent of the shares in Reklamproffsen Skandinavien AB.

3) The current operations of Elka Produkter AB were established in autumn 2017. Accordingly, there is no full-year information available regarding comparable revenue.

4) The acquisition was carried out as a conveyance of assets and liabilities.

5) After the completion of the public offer to the shareholders in Swedol AB, Momentum Group's holding amounted to approximately 99 percent of the shares. Compulsory redemption of the remaining shares in Swedol has been called for, and preferential rights to the shares was granted by the arbitration board in the dispute resolution proceeding in early July 2020. Momentum Group subsequently holds 100 percent of the shares and votes in Swedol.

PERFORMANCE MEASURES – DEFINITIONS & CALCULATIONS

Momentum Group uses certain financial performance measures in its analysis of the operations and their performance that are not defined in accordance with IFRS. Momentum Group believes that these alternative performance measures provide valuable information for the company's Board of Directors, owners and investors, since they enable a more accurate assessment of current trends and the company's performance when combined with other performance measures calculated in accordance with IFRS. Since not all listed companies calculate these financial

performance measures in the same way, there is no guarantee that the information is comparable with other companies' performance measures of the same name. Hence, these financial performance measures must not be viewed as a replacement for those measures calculated in accordance with IFRS. Insofar as the performance measures are used and commented on by business area (operating segment), the derivation of the performance measures is also presented at this level.

	30 JUN 2020 ¹	12 MONTHS ENDING		
		31 MAR 2020	31 MAR 2019	31 MAR 2018
IFRS PERFORMANCE MEASURES				
Net profit, MSEK	260	217	231	182
Earnings per share, SEK	7.75	7.70	8.20	6.45
ALTERNATIVE PERFORMANCE MEASURES				
Performance measures related to the income statement				
Revenue, MSEK	6,847	6,135	6,024	5,616
Operating profit, MSEK	367	303	302	240
of which: Items affecting comparability	-18	-14	-	-12
of which: Amortisation of intangible assets incurred in connection with corporate acquisitions	-33	-21	-16	-10
EBITA, MSEK	418	338	318	262
of which: Depreciation and amortisation of tangible and other intangible non-current assets ²	-47	-31	-31	-27
Profit after financial items, MSEK	337	283	296	235
Operating margin, %	5.4%	4.9%	5.0%	4.3%
EBITA margin, %	6.1%	5.5%	5.3%	4.7%
Profit margin, %	4.9%	4.6%	4.9%	4.2%
Performance measures related to profitability				
Return on working capital (EBITA/WC), %	29%	28%	27%	25%
Return on capital employed, %	13%	14%	19%	17%
Return on equity, %	15%	16%	19%	17%
Performance measures related to financial position				
Financial net loan liability (closing balance), MSEK	2,747	708	293	322
Operational net loan liability (closing balance), MSEK	1,658	166	266	295
Equity (closing balance) ³ , MSEK	2,934	2,869	1,303	1,155
Equity/assets ratio, %	38%	48%	45%	42%
Other performance measures				
Number of employees at the end of the period ⁴	2,370	1,651	1,684	1,647
Share price at the end of the period, SEK	119.40	67.50	93.40	100.00

1) These performance measures include the acquisition of Swedol as of 1 April 2020.

2) Total depreciation/amortisation of tangible and intangible non-current assets, excluding amortisation of intangible assets arising in connection with corporate acquisitions and IFRS 16 effects.

3) Refers to equity attributable to Parent Company shareholders.

4) Adjusted for employees furloughed due to the COVID-19 pandemic as of 30 June 2020.

DEFINITIONS OF PERFORMANCE MEASURES

Revenue

Own invoicing, commission-based revenue from commission sales and side revenue.

Operating profit

Profit before financial items and tax.

Items affecting comparability

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

EBITA

Operating profit adjusted for items affecting comparability and before any impairment of goodwill and amortisation and impairment of other intangible assets arising in connection with corporate acquisitions and equivalent transactions.

Operating margin, %

Operating profit relative to revenue.

EBITA margin, %

EBITA as a percentage of revenue.

Profit margin, %

Profit after financial items as a percentage of revenue.

Return on working capital (EBITA/WC), %

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

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 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.

Financial net loan liability (closing balance)

Financial 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 (closing balance)

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

Equity/assets ratio, %

Equity attributable to Parent Company shareholders as a percentage of the balance-sheet total at the end of the period.

Earnings per share, SEK

Net profit attributable to the Parent Company shareholders divided by the weighted number of shares. IFRS performance measure.

Change in revenue for comparable units

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. **Note:** Any instances where comparable units include Swedol for periods prior to the closing date of 1 April 2020 are specifically noted.

DERIVATION OF ALTERNATIVE PERFORMANCE MEASURES

MSEK	12 MONTHS ENDING			
	30 JUN 2020	31 MAR 2020	31 MAR 2019	31 MAR 2018
EBITA				
Operating profit	367	303	302	240
<i>Items affecting comparability</i>				
Acquisition related expenses	16	14	-	-
Integration expenses for the acquisition of Swedol	2	-	-	-
Split and listing expenses	-	-	-	12
Amortisation of intangible assets incurred in connection with corporate acquisitions	33	21	16	10
EBITA	418	338	318	262

MSEK	12 MONTHS ENDING			
	30 JUN 2020	31 MAR 2020	31 MAR 2019	31 MAR 2018
WORKING CAPITAL				
<i>Average operating assets</i>				
Average inventories	1,236	1,021	975	884
Average accounts receivable	1,003	966	956	895
Total average operating assets	2,239	1,987	1,931	1,779
<i>Average operating liabilities</i>				
Average accounts payable	-788	-759	-736	-732
Total average operating liabilities	-788	-759	-736	-732
Average working capital	1,451	1,228	1,195	1,047
EBITA	418	338	318	262
Return on working capital (EBITA/WC), %	29%	28%	27%	25%

MSEK	12 MONTHS ENDING			
	30 JUN 2020	31 MAR 2020	31 MAR 2019	31 MAR 2018
CAPITAL EMPLOYED				
Average balance-sheet total	4,263	3,318	2,813	2,619
<i>Average non-interest-bearing liabilities and provisions</i>				
Average non-interest-bearing non-current liabilities	-129	-72	-74	-57
Average non-interest-bearing current liabilities	-1,213	-1,147	-1,150	-1,149
Total average non-interest-bearing liabilities and provisions	-1,342	-1,219	-1,224	-1,206
Average capital employed	2,921	2,099	1,589	1,413
Operating profit	367	303	302	240
Financial income	3	1	1	2
Total operating profit + financial income	370	304	303	242
Return on capital employed, %	13%	14%	19%	17%

MSEK	12 MONTHS ENDING			
	30 JUN 2020	31 MAR 2020	31 MAR 2019	31 MAR 2018
RETURN ON EQUITY				
Average equity*	1,660	1,333	1,220	1,070
Net profit*	256	214	229	181
Return on equity, %	15%	16%	19%	17%

* Refers to equity and earnings attributable to Parent Company shareholders.

MSEK	12 MONTHS ENDING			
	30 JUN 2020	31 MAR 2020	31 MAR 2019	31 MAR 2018
FINANCIAL NET LOAN LIABILITY (CLOSING BALANCE)				
Non-current interest-bearing liabilities	2,283	1,461	164	130
Current interest-bearing liabilities	493	404	137	202
Cash and cash equivalents	-29	-1,157	-8	-10
Financial net loan liability (closing balance)	2,747	708	293	322

MSEK	12 MONTHS ENDING			
	30 JUN 2020	31 MAR 2020	31 MAR 2019	31 MAR 2018
OPERATIONAL NET LOAN LIABILITY (CLOSING BALANCE)				
Financial net loan liability	2,747	708	293	322
Financial lease liabilities	-1,055	-511	-	-
Net provisions for pensions	-34	-31	-27	-27
Operational net loan liability (closing balance)	1,658	166	266	295

MSEK	12 MONTHS ENDING			
	30 JUN 2020	31 MAR 2020	31 MAR 2019	31 MAR 2018
EQUITY / ASSETS RATIO				
Balance-sheet total (closing balance)	7,637	5,940	2,914	2,734
Equity (closing balance)*	2,934	2,869	1,303	1,155
Equity/assets ratio, %	38%	48%	45%	42%

* Refers to equity attributable to Parent Company shareholders.