

INTERIM REPORT – 6 MONTHS

1 April-30 September 2020

SECOND QUARTER (1 July-30 September 2020)

- Revenue amounted to MSEK 2,029 (1,432), 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 2,258), revenue declined by 10 percent.*
- EBITA amounted to MSEK 128 (80), corresponding to an EBITA margin of 6.3 percent (5.6). 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 161), EBITA declined by 20 percent while the EBITA margin amounted to 6.3 percent (7.1).*
- Operating profit amounted to MSEK 14 (75) and the operating margin to 0.7 percent (5.2).
Earnings were affected by provisions for a restructuring reserve totalling MSEK 97 in the accounts for the second quarter of 2020. This reserve pertains to restructuring costs in connection with the integration of TOOLS and Swedol.
- Net profit amounted to MSEK 1 (56) and earnings per share totalled SEK 0.00 (2.00).
- Cash flow from operating activities improved to MSEK 220 (128).
- The COVID-19 pandemic continues to have a negative impact on the Group and the operations implement measures to improve sales and enhance efficiency continuously.

REPORTING PERIOD (1 April-30 September 2020)

- Revenue amounted to MSEK 4,317 (3,008).
Compared with revenue for the corresponding period in the preceding year *including* Swedol (MSEK 4,757), revenue declined by 9 percent.*
- EBITA amounted to MSEK 283 (155), corresponding to an EBITA margin of 6.6 percent (5.2).
Compared with EBITA for the corresponding period in the preceding year *including* Swedol (MSEK 329), EBITA declined by 14 percent while the EBITA margin amounted to 6.6 percent (6.9).*
- Net profit amounted to MSEK 95 (107) and earnings per share totalled SEK 1.85 (3.80).
- The return on working capital (EBITA/WC) for the most recent 12-month period (*including* Swedol) was 26 percent.*
- The equity/assets ratio was 38 percent at the end of the reporting period.

*** 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* are 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

2020 – A YEAR OF CHALLENGES AND OPPORTUNITIES

The first six months of the 2020 financial year for the Momentum Group were characterised by the integration of TOOLS and Swedol as well as the challenges entailed by the ongoing COVID-19 pandemic for us, our employees and our customers.

Sales and earnings performance during the reporting period

The general demand situation over the past quarters was characterised by restraint and caution among customers in all of our main markets in the Nordic region, although with some variations between customer segments and countries. Revenue for the Group declined by a total of approximately 8 percent during the reporting period compared with the preceding year (for comparable entities *including* Swedol), with the negative sales trend due primarily to the pandemic.

Measures already implemented to increase efficiency and raise margins have yielded a stable earnings performance for the business area Components & Services, which exceeded the preceding year's performance with an EBITA margin of over 13 percent. EBITA for the business area Tools, Consumables, Workwear & Protective Equipment decreased by 18 percent during the period compared with the preceding year (*including* Swedol) and the business area is working on initiatives to improve sales and efficiency. Within the framework for the integration of TOOLS and Swedol, the business area's operating profit for the second quarter of 2020 has been charged with a restructuring reserve totalling MSEK 97 pertaining to non-recurring costs for store and product range coordination, etc. This reserve had no effect on the cash flow.

The Group's cash flow from operating activities improved during the period, despite the turbulent operating environment.

New Group structure creates opportunities for the future

We are continuing to focus on what we can affect in our daily operations and the decentralised earnings responsibility entails, for example, that local measures are taken if and where needed. At the same time, the acquisition of Swedol and the new Group structure with two operationally independent business areas is creating new, interesting opportunities for the future.

Stockholm, October 2020

Ulf Liljus
President & CEO

MOMENTUM GROUP IN SUMMARY

	QUARTER			REPORTING PERIOD			FULL-YEAR		
	JUL-SEP 2020	JUL-SEP 2019	Δ	APR-SEP 2020	APR-SEP 2019	Δ	ROLLING 12 MON	2019/20	Δ
Revenue, MSEK	2,029	1,432	42%	4,317	3,008	44%	7,444	6,135	21%
Revenue including Swedol 2019/20 ¹	2,029	2,258	-10%	4,317	4,757	-9%	9,340	9,780	-4%
Operating profit, MSEK	14	75	-81%	148	145	2%	306	303	1%
of which: Items affecting comparability of which: Amortisation of intangible assets incurred in connection with corporate acquisitions	-97	-		-101	-		-115	-14	
EBITA, MSEK	128	80	60%	283	155	83%	466	338	38%
EBITA including Swedol 2019/20 ¹	128	161	-20%	283	329	-14%	635	681	-7%
Profit after financial items, MSEK	2	71	-97%	122	137	-11%	268	283	-5%
Net profit (after taxes), MSEK	1	56	-98%	95	107	-11%	205	217	-6%
Earnings per share, SEK	0.00	2.00	-100%	1.85	3.80	-51%	5.75	7.70	-25%
Operating margin	0.7%	5.2%		3.4%	4.8%		4.1%	4.9%	
EBITA margin	6.3%	5.6%		6.6%	5.2%		6.3%	5.5%	
EBITA margin including Swedol 2019/20 ¹	6.3%	7.1%		6.6%	6.9%		6.8%	7.0%	
Profit margin	0.1%	5.0%		2.8%	4.6%		3.6%	4.6%	
Return on equity							10%	16%	
Return on working capital (EBITA/WC)							29%	28%	
EBITA/WC including Swedol 2019/20 ¹							26%	30%	
Equity per share, SEK							58.15	56.95	2%
Equity/assets ratio				38%	38%		38%	48%	
Number of employees at the end of the period ²				2,513	1,692	49%	2,513	1,651	52%

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 September 2020.

REVENUE AND PROFIT

Second quarter (1 July-30 September 2020)

Revenue amounted to MSEK 2,029 (1,432), 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 2,258), revenue declined by 10 percent. Revenue for comparable units (*including* Swedol), measured in local currency and adjusted for the number of trading days, decreased by 7.5 percent compared with the corresponding quarter in the preceding year. The quarter contained the same number of trading days as the corresponding quarter in the preceding financial year.

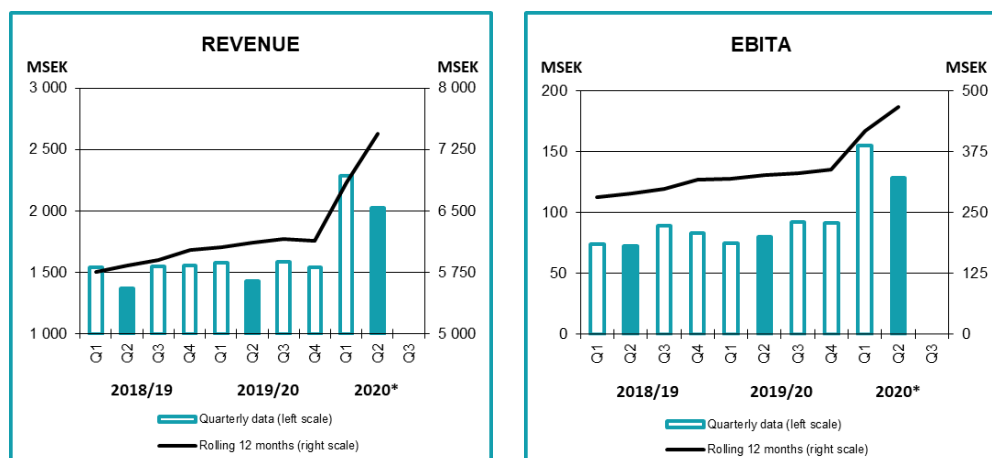
Operating profit amounted to MSEK 14 (75), with the change compared with the preceding year primarily attributable to the acquisition of Swedol and provisions for a restructuring reserve. This reserve consists of items affecting comparability totalling MSEK -97 pertaining to costs for restructuring in connection with the integration of TOOLS and Swedol. EBITA (excluding the items affecting comparability and amortisation of intangible assets incurred in connection with corporate acquisitions) amounted to MSEK 128 (80). Compared with EBITA for the corresponding quarter in the preceding year *including* Swedol (MSEK 161), EBITA thus declined by 20 percent and the EBITA margin amounted to 6.3 percent (7.1). Exchange-rate translation effects had a net impact of MSEK -1 (1) on operating profit.

Reporting period (1 April-30 September 2020)

Revenue amounted to MSEK 4,317 (3,008), with the change compared with the preceding year primarily attributable to the acquisition of Swedol. Compared with revenue for the corresponding period in the preceding year *including* Swedol (MSEK 4,757), revenue declined by 9 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 period in the preceding year. Exchange-rate translation effects had an impact of MSEK -126 on comparable units (*including* Swedol). The reporting period contained one trading day more than the corresponding period in the preceding financial year.

Operating profit amounted to MSEK 148 (145), with the change compared with the preceding year primarily attributable to the acquisition of Swedol and provisions for a restructuring reserve. Operating profit for the period includes items affecting comparability totalling MSEK -101 pertaining to costs for restructuring in connection with the integration of TOOLS and Swedol, as well as for advisors and other costs arising from the acquisition of Swedol. EBITA (excluding the items affecting comparability and amortisation of intangible assets incurred in connection with corporate acquisitions) amounted to MSEK 283 (155). Compared with EBITA for the corresponding period in the preceding year *including* Swedol (MSEK 329), EBITA thus declined by 14 percent and the EBITA margin amounted to 6.6 percent (6.9). Operating profit was charged with depreciation of MSEK -29 (-8) on tangible non-current assets and amortisation of MSEK -54 (-18) on intangible non-current assets. Exchange-rate translation effects had a net impact of MSEK -1 (1) on operating profit.

Profit after financial items totalled MSEK 122 (137) and net profit amounted to MSEK 95 (107), which corresponds to earnings per share of SEK 1.85 (3.80) for the reporting period.



* Since Momentum Group is changing its financial year to the calendar year, the current 2020 financial year will be shortened to nine months and cover the 1 April to 31 December 2020 period.

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 first six months of the 2020 financial year were 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. The downturn has been the most tangible among larger customers in the industrial sector, while small and medium-sized customers have demonstrated greater tolerance to the slowdown. At the same time, sales of certain product groups, mainly personal protective equipment, 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 as well as the shipbuilding industry.

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 reporting period. Meanwhile, different government measures, in combination with the Group's own cost-saving measures, continue to reduce the cost base. Personnel costs during the period decreased by approximately MSEK 115 for comparable entities (including Swedol), of which government support was significantly lower in the second quarter than in the preceding quarter. At the end of the reporting period, the Group only had a few employees left in government supported programs but continues to implement its own adaptations in the units to meet fluctuating demand.

While demand has gradually stabilised in certain areas of the Group during the course of the financial year, future sales, particularly to the Group's larger, 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. Measures taken by the Group during the past months, such as increased vigilance for changes in customer structure and a heightened focus on liquidity, will continue. However, the current situation has not led to any changes in material bases of judgement compared with those applied in the Annual Report for 2019/20.

Sales performance

	QUARTER	REPORTING PERIOD
	JUL-SEP 2020 ¹	APR-SEP 2020 ¹
Change in revenue for:		
Comparable units in local currency	-7.5%	-7.9%
Currency effects	-2.8%	-2.4%
Number of trading days	0.0%	0.7%
Other units ²	0.1%	0.3%
Total change	-10.2%	-9.3%

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 in the Nordic region, among others.

Comments from Clein Johansson Ullenvik, Business Area Manager:

The integration of TOOLS and Swedol is continuing according to plan and we established a new joint organisation for the business area on 1 October 2020. During the past six months, we have also further analysed the potential synergies in the coordination and how we can realise them. Within the scope of this work, we on the Board of Directors and in the management team of the business area have begun carrying out the plan for the store and product range coordination during the second quarter, as well as the reduction of the number of regional logistics centres in Norway. This will contribute to achieving the synergy effects within the business area in the best manner. As a result of this, the business area's earnings for the second quarter of 2020 have been charged with a restructuring reserve totalling MSEK 97. The measures taken will gradually contribute to increased margins and lower costs going forward.

In parallel with this, intensive work is ongoing in the business area to reverse the negative trend of declining revenue. Aside from the challenges in the business environment that we and all others in the market are experiencing right now, we are not satisfied with our own performance and need to strengthen our market position. Our small and medium-sized customers have shown relatively healthy tolerance to the market slowdown in this context, as well as to the uncertain operating environment resulting from the COVID-19 pandemic. Instead the initiatives need to be directed towards the larger customers within, for example, the industrial sector, where the market conditions are more challenging and competition is tough. The trend we have seen during the past quarters seems to be continuing and we are now working with several measures to steer the business area's revenue performance in the right direction. By achieving growth while we streamline operations and utilise synergies from the merger, we have favourable conditions for reaching our EBITA margin target of 10 percent within a three-year period, subject to the impact that COVID-19 may continue to have on our operations.

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		REPORTING PERIOD		FULL-YEAR	
	JUL-SEP 2020	JUL-SEP 2019	APR-SEP 2020	APR-SEP 2019	ROLLING 12 MON	2019/20
REVENUE, MSEK						
Sweden	1,048	1,068	2,315	2,320	4,836	4,841
Norway	496	609	978	1,230	2,250	2,502
Finland	288	317	603	661	1,255	1,313
Other countries	7	6	14	13	30	29
Eliminations	-58	-22	-117	-44	-182	-109
Total BA	1,781	1,978	3,793	4,180	8,189	8,576
EBITA, MSEK						
Sweden	63	82	157	186	353	382
Norway	17	25	22	41	67	86
Finland	14	21	37	38	65	66
Other countries	0	-1	0	0	0	0
Total BA	94	127	216	265	485	534
EBITA MARGIN, %						
Sweden	6.0%	7.7%	6.8%	8.0%	7.3%	7.9%
Norway	3.4%	4.1%	2.2%	3.3%	3.0%	3.4%
Finland	4.9%	6.6%	6.1%	5.7%	5.2%	5.0%
Other countries	0.0%	-16.7%	0.0%	0.0%	0.0%	0.0%
Total BA	5.3%	6.4%	5.7%	6.3%	5.9%	6.2%
OTHER INFORMATION						
Return on working capital (EBITA/WC), %					25%	26%

Demand in the business area **Tools, Consumables, Workwear & Protective Equipment** continued to be negatively impacted by the COVID-19 pandemic during the second quarter of the financial year. 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 7 percent¹ during the quarter, although with major variations between countries. The

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

earnings performance for the business area was negatively affected by reduced sales, increased purchase prices and negative currency effects. Measures are being taken continuously to increase margins and efficiency. At the end of the quarter, the business area only had a few employees left on part-time working schemes.

Within the framework for the integration of TOOLS and Swedol, operating profit for the business area during the quarter was charged with a restructuring reserve of MSEK 97 relating to identified non-recurring costs for store and product range coordination as well as the reduction of the number of regional logistics centres in Norway. The goal is to achieve synergy effects with this coordination in the best possible manner.

Revenue for the operations in **Sweden** decreased a total of approximately 2 percent² during the quarter compared with the preceding year. It was primarily sales to larger 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. The earnings performance was affected negatively by the decreased revenue, and various cost-savings measures are continuing. The specialist companies within Workwear & Profile Materials contributed positively to the earnings performance during the quarter.

Revenue for the operations in **Norway** decreased by approximately 9 percent² during the quarter. The COVID-19 pandemic continued to have a negative impact on the overall demand, not least within the oil & gas sector. This had a negative impact on sales to both retail and direct sales 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.

Revenue for the operations in **Finland** declined by approximately 6 percent² during the quarter. Demand was negatively impacted by the reduced demand in the relatively export-dependent Finnish industrial sector, including the pulp and paper industry and shipbuilding industry. The operations continuously take customised cost-savings measures.

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.

Comments from Ulf Lilius, Business Area Manager:

Operations in the business area performed well during the past quarter despite the turbulent operating environment, and we are continuing along the established path with a focus on earnings growth in combination with reduced funds tied up in working capital. Demand from industrial customers remained lower, but gradually recovered during the quarter. With the new Group structure in place, business area Components & Services also has favourable opportunities for acquisition-driven growth while maintaining profitability in our different areas. We are continuing to evaluate attractive acquisition opportunities that would further strengthen our market position and profitability.

	QUARTER		REPORTING PERIOD		FULL-YEAR	
	JUL-SEP 2020	JUL-SEP 2019	APR-SEP 2020	APR-SEP 2019	ROLLING 12 MON	2019/20
REVENUE, MSEK						
Total BA	256	295	541	605	1,190	1,254
EBITA, MSEK						
Total BA	37	37	71	70	155	154
EBITA MARGIN, %						
Total BA	14.5%	12.5%	13.1%	11.6%	13.0%	12.3%
OTHER INFORMATION						
Return on working capital (EBITA/WC), %					62%	59%

Sales in the business area **Components & Services** continued to be impacted negatively by the COVID-19 pandemic during the second quarter of the financial year, which was distinguished 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. Short-time working schemes in the business area had a minor positive effect on earnings and were concluded entirely by 1 October 2020.

Sales for **Momentum Industrial** remained restrained during the quarter, particularly in the automotive industry, while demand in the mining sector was stable. Many industrial customers continue to carry out maintenance work, which contributes to continued good business opportunities. The previously implemented measures to increase cost efficiency contributed to stable earnings performance during the quarter in line with the previous year, despite the relatively strong downturn in sales.

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

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. In order to further strengthen the market position in service and maintenance for Swedish industry, Rörick signed an agreement to acquire SKF's spindle service operations in Sweden at the end of September 2020. This adds approximately MSEK 10 in revenue to the business.

Group-wide³ and eliminations

EBITA for "Group-wide and eliminations" amounted to MSEK -4 (-6) 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 -6 (-6) was reported.

The Parent Company's revenue for the period amounted to MSEK 15 (14) and the loss after financial items totalled MSEK -8 (4). The results for the period include no Group contributions.

EMPLOYEES

At the end of the reporting period, the number of employees in the Group amounted to 2,513, 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 September 2020.

CORPORATE ACQUISITIONS

To date, Momentum Group has conducted two corporate acquisitions with closing during the 2020 financial year.

Acquisition of Swedol

Momentum Group's public offer to shareholders in Swedol AB (publ) in November 2019 was completed in spring 2020 and closing took place on 1 April 2020. The combination of TOOLS and Swedol creates an attractive business partner for Nordic customers 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.

Acquisition of SKF's spindle service operations in Sweden.

At the end of September 2020, the subsidiary Rörick Elektriska Verkstad AB signed an agreement to acquire SKF's spindle service operations in Sweden in order to further strengthen the market position in service and maintenance for Swedish industry. At the time of acquisition, the acquired operations generated annual revenue of approximately MSEK 10 with favourable profitability. The acquisition will be conducted as a conveyance of assets and liabilities and closing is expected to take place mid-November 2020.

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 10 percent (18) and the return on working capital (EBITA/WC) to 29 percent (27) for the most recent 12-month period. The return on capital employed for the corresponding period was 9 percent (16).

Cash flow from operating activities before changes in working capital for the reporting period totalled MSEK 459 (244). During the period, inventories decreased by MSEK 112 and operating receivables by MSEK 94. Operating liabilities decreased by MSEK 68. Accordingly, cash flow from operating activities for the period amounted to MSEK 597 (202).

Cash flow for the reporting period was also impacted in a net amount of MSEK -101 (-10) pertaining to investments in and divestments of non-current assets, and a net amount of MSEK -1,744 (-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.

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.

At the end of the reporting period, the Group's financial net loan liability amounted to MSEK 2,693, compared with MSEK 708 at the beginning of the financial year. The change is primarily related to the acquisition of Swedol regarding the payment of a cash settlement, refinancing of interest-bearing financial liabilities and additional financial lease liabilities. At the end of the period, the Group's operational net loan liability amounted to MSEK 1,646 (349). Cash and cash equivalents, including unutilised granted credit facilities, totalled MSEK 1,134. The equity/assets ratio at the end of the period was 38 percent.

Equity per share, both before and after dilution, totalled SEK 58.15 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. The distribution by class of share on 30 September 2020 was as follows:

CLASS OF SHARE	AS OF 30 SEPTEMBER 2020
Class A shares	1,062,436
Class B shares	49,843,753
Total number of shares before repurchasing	50,906,189
Less : Repurchased Class B shares	-500,000
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 September 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 September 2020 was SEK 139.00 and the issued call options on the shares repurchased by the Company resulted in a dilution effect of approximately 0.1 percent for the second quarter of 2020. The issued call options did not entail any dilution effect for the reporting period.

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

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.

EVENTS AFTER THE END OF THE REPORTING PERIOD

Change of financial year to encompass the calendar year during 2020.

In view of the fact that Nordstjernan AB is Momentum Group's Parent Company as of 1 April 2020 and has the calendar year as its financial year, on 31 August 2020 the Annual General Meeting in Momentum Group AB resolved, in accordance with the proposal from the Board, to change the Company's financial year to encompass the calendar year. The current financial year will thus be shortened to nine months and cover the 1 April to 31 December 2020 period.

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

AFFIRMATION

The Board of Directors and the President & CEO affirm that this Interim Report provides a true and fair overview of the operations, position and earnings of the Parent Company and the Group, and that it describes the material risks and uncertainties to which the Parent Company and the companies within the Group are exposed.

Stockholm, 23 October 2020

Johan Sjö
Chairman

Johan Eklund
Director

Stefan Hedelius
Director

Göran Näsholm
Director

Gunilla Spongh
Director

Christina Åqvist
Director

Pernilla Andersson
Director - Employee representative

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

Presentation of Interim Report (6 months) – Conference call today, Friday, 23 October 2020 at 11:00 a.m. Refer to www.momentum.group for information about telephone numbers and the link to the webcast.

Financial Report 2020 (9 months) – 1 April-31 December 2020* will be published on 18 February 2021.

Annual Report for the 2020 financial year (9 months)* will be published in early April 2021.

Interim Report (3 months) – 1 January-31 March 2021 will be published on 29 April 2021.

Momentum Group AB's 2021 Annual General Meeting will be held on 11 May 2021, at 4:00 p.m. CEST at IVA's Conference Centre, Grev Turegatan 16, Stockholm, Sweden.

* Since Momentum Group is changing its financial year to the calendar year, the current 2020 financial year will be shortened to nine months and cover the 1 April to 31 December 2020 period.

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 and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, at 8:00 a.m. CEST on 23 October 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		REPORTING PERIOD		FULL-YEAR 2019/20
	JUL-SEP 2020	JUL-SEP 2019	APR-SEP 2020	APR-SEP 2019	
Revenue	2,029	1,432	4,317	3,008	6,135
Other operating income	7	1	11	2	4
Total operating income	2,036	1,433	4,328	3,010	6,139
Cost of goods sold	-1,276	-899	-2,658	-1,894	-3,864
Personnel costs	-380	-270	-806	-583	-1,189
Depreciation, amortisation, impairment losses and reversal of impairment losses	-182	-65	-320	-133	-264
Other operating expenses	-184	-124	-396	-255	-519
Total operating expenses	-2,022	-1,358	-4,180	-2,865	-5,836
Operating profit	14	75	148	145	303
Financial income	1	0	3	0	1
Financial expenses	-13	-4	-29	-8	-21
Net financial items	-12	-4	-26	-8	-20
Profit after financial items	2	71	122	137	283
Taxes	-1	-15	-27	-30	-66
Net profit	1	56	95	107	217
Of which, attributable to:					
Parent Company shareholders	1	55	93	105	214
Non-controlling interest	0	1	2	2	3
Earnings per share, SEK					
– before dilution	0.00	2.00	1.85	3.80	7.70
– after dilution	0.00	2.00	1.85	3.80	7.70

STATEMENT OF COMPREHENSIVE INCOME

MSEK	QUARTER		REPORTING PERIOD		FULL-YEAR 2019/20
	JUL-SEP 2020	JUL-SEP 2019	APR-SEP 2020	APR-SEP 2019	
Net profit	1	56	95	107	217
OTHER COMPREHENSIVE INCOME FOR THE PERIOD					
Components that will not be reclassified to net profit					
Remeasurement of defined-benefit pension plans	-3	-4	-4	-5	-3
Tax attributable to components that will not be reclassified	1	1	1	1	1
	-2	-3	-3	-4	-2
Components that will be reclassified to net profit					
Translation differences	1	2	-14	11	-27
Fair value changes for the year in cash-flow hedges	-3	0	-18	0	2
Tax attributable to components that will be reclassified	1	0	4	0	0
	-1	2	-28	11	-25
Other comprehensive income for the period	-3	-1	-31	7	-27
Total comprehensive income for the period	-2	55	64	114	190
Of which, attributable to:					
Parent Company shareholders	-2	54	62	112	187
Non-controlling interest	0	1	2	2	3

BALANCE SHEET

MSEK	30 SEP 2020	30 SEP 2019	31 MAR 2020
ASSETS			
Non-current assets			
Intangible non-current assets	2,767	678	660
Tangible non-current assets	526	65	61
Right-of-use assets	964	548	491
Financial investments	1	2	2
Deferred tax assets	49	23	18
Total non-current assets	4,307	1,316	1,232
Current assets			
Inventories	1,823	1,026	985
Accounts receivable	1,187	976	964
Current receivables - non-cash issue	-	-	1,487
Other current receivables	213	114	115
Cash and cash equivalents	88	27	1,157
Total current assets	3,311	2,143	4,708
TOTAL ASSETS	7,618	3,459	5,940
EQUITY AND LIABILITIES			
Equity			
Equity attributable to Parent Company shareholders	2,931	1,300	2,869
Non-controlling interest	13	22	19
Total equity	2,944	1,322	2,888
Non-current liabilities			
Non-current interest-bearing liabilities	1,614	183	1,125
Non-current lease liabilities	647	345	305
Provisions for pensions	35	33	31
Other non-current liabilities and provisions	352	79	61
Total non-current liabilities	2,648	640	1,522
Current liabilities			
Current interest-bearing liabilities	120	193	198
Current lease liabilities	365	208	206
Accounts payable	966	746	764
Other current liabilities	575	350	362
Total current liabilities	2,026	1,497	1,530
TOTAL LIABILITIES	4,674	2,137	3,052
TOTAL EQUITY AND LIABILITIES	7,618	3,459	5,940
Financial net loan liability	2,693	935	708
Operational net loan liability	1,646	349	166

STATEMENT OF COMPREHENSIVE INCOME

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			105	105	2	107
Other comprehensive income		11	-4	7		7
Dividend			-89	-89		-89
Acquisitions of partly owned subsidiaries			-	-	8	8
Dividends paid in partly owned subsidiaries			-	-	-2	-2
Option liability, acquisitions ²			-16	-16		-16
Change in value of option liability ³			-2	-2		-2
Closing equity, 30 September 2019	57	21	1,222	1,300	22	1,322
Net profit			109	109	1	110
Other comprehensive income		-36	2	-34		-34
Non-cash issue ⁴	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
Option liability, acquisitions ²			-1	-1		-1
Change in value of option liability ³			3	3		3
Closing equity, 31 March 2020	102	-15	2,782	2,869	19	2,888
Net profit			93	93	2	95
Other comprehensive income		-28	-3	-31		-31
Non-cash issue ⁵	0		0	0		0
Changes in share of partly owned subsidiaries			1	1	-8	-7
Change in value of option liability ³			-1	-1		-1
Closing equity, 30 September 2020	102	-43	2,872	2,931	13	2,944

- 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) 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.
- 4) 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.
- 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		REPORTING PERIOD		FULL-YEAR 2019/20
	JUL-SEP 2020	JUL-SEP 2019	APR-SEP 2020	APR-SEP 2019	
Operating activities					
Operating activities before changes in working capital	211	118	459	244	487
Changes in working capital	9	10	138	-42	18
Cash flow from operating activities	220	128	597	202	505
Investing activities					
Acquisition of intangible & tangible non-current assets	-46	-4	-101	-10	-18
Sale of intangible & tangible non-current assets	0	0	0	0	0
Acquisition of subsidiaries & other business units	-51	-	-1,745	-58	-66
Sale of financial non-current assets	0	-	1	-	-
Cash flow from investing activities	-97	-4	-1,845	-68	-84
Cash flow before financing	123	124	-1,248	134	421
Financing activities					
Financing activities	-65	-113	180	-115	729
Cash flow for the period	58	11	-1,068	19	1,150
Cash and cash equivalents at the beginning of the period	29	16	1,157	8	8
Exchange-rate differences in cash and cash equivalents	1	0	-1	0	-1
Cash and cash equivalents at the end of the period	88	27	88	27	1,157

KEY PER-SHARE DATA

SEK	QUARTER		REPORTING PERIOD		FULL-YEAR 2019/20
	JUL-SEP 2020	JUL-SEP 2019	APR-SEP 2020	APR-SEP 2019	
Earnings before dilution	0.00	2.00	1.85	3.80	7.70
Earnings after dilution	0.00	2.00	1.85	3.80	7.70
Equity, at the end of the period			58.15	46.80	56.95
Equity after dilution, at the end of the period			58.15	46.80	56.95
NUMBER OF SHARES OUTSTANDING IN THOUSANDS					
Number of shares outstanding before dilution	50,406	27,765	50,406	27,765	50,399
Weighted number of shares outstanding before dilution	50,406	27,765	50,406	27,765	27,765
Weighted number of shares outstanding after dilution	50,445	27,765	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 September 2020 and has issued 500,000 call options for repurchased shares. For the second quarter of 2020, the average share price exceeded 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"), which entailed a dilution effect of approximately 0.1 percent as of 30 September 2020. The issued call options did not entail any dilution effect for the reporting period. The share price on 30 September 2020 was SEK 139.00. Refer also to page 8.

PARENT COMPANY IN SUMMARY

INCOME STATEMENT

MSEK	QUARTER		REPORTING PERIOD		FULL-YEAR 2019/20
	JUL-SEP 2020	JUL-SEP 2019	APR-SEP 2020	APR-SEP 2019	
Revenue	8	7	15	14	29
Other operating income	0	0	2	2	2
Total operating income	8	7	17	16	31
Operating expenses	-11	-9	-23	-22	-41
Operating profit/loss	-3	-2	-6	-6	-10
Financial income and expenses	0	5	-2	10	16
Profit/loss after financial items	-3	3	-8	4	6
Appropriations	-	-	-	-	-3
Profit/loss before taxes	-3	3	-8	4	3
Taxes	1	-1	2	-1	-1
Net profit/loss	-2	2	-6	3	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 SEP 2020	30 SEP 2019	31 MAR 2020
ASSETS			
Intangible non-current assets	0	0	0
Tangible non-current assets	0	0	0
Financial non-current assets	3,971	848	829
Current receivables	214	340	1,644
Cash and cash equivalents	65	-	1,153
Total assets	4,250	1,188	3,626
EQUITY, PROVISIONS AND LIABILITIES			
Equity	2,061	581	2,067
Untaxed reserves	-	63	-
Provisions	-	-	-
Non-current liabilities	1,614	182	1,125
Current liabilities	575	362	434
Total equity, provisions and liabilities	4,250	1,188	3,626

The change in financial non-current assets during the first quarter primarily pertained to the acquisition of Swedol in the amount of MSEK 2,738 and an increase in long-term receivables from Group companies in the amount of MSEK 456 mainly related to the refinancing of interest-bearing liabilities in Swedol, which were replaced by new credit facilities in Momentum Group AB. During the second quarter, Swedol AB was conveyed at the carrying amount to Alligo Holding AB, which is the parent company of the sub-group Business Area Tools, Consumables, Workwear & Protective Equipment. In conjunction with the transaction, Alligo Holding AB received shareholder contributions and raised internal financing, and the transaction did consequently not entail any changes to the financial non-current assets reported by the Parent Company.

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 is consolidated as part of the business area Tools, Consumables, Workwear & Protective Equipment as of 1 April 2020, after previously being part of Group-wide. Establishing the new Group structure during the second quarter of 2020 also entailed certain small changes in how the Group's operating segments are consolidated, primarily regarding a subsidiary in Denmark, which now belongs to the business area Components & Services. The comparative year and the first quarter of 2020 have been 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-SEP 2020 (6 MON)				Group total
		Components & Services	Group-wide	Eliminations		
Revenue						
From external customers by geographic area						
Sweden	2,156	500	-	-		2,656
Norway	970	11	-	-		981
Finland	577	0	-	-		577
Other countries	78	25	-	-		103
From other segments	12	5	14	-31		-
Total	3,793	541	14	-31		4,317
Operating profit						
EBITA	216	71	-4	0		283
Items affecting comparability	-99	-	-2	-		-101
Amortisation of intangible assets incurred in connection with corporate acquisitions	-32	-2	-	-		-34
Total	85	69	-6	0		148

MSEK	Tools, Consumables, Workwear & Protective Equipment	APR-SEP 2019 (6 MON)				Group total
		Components & Services	Group-wide	Eliminations		
Revenue						
From external customers by geographic area						
Sweden	924	549	-	-		1,473
Norway	931	13	-	-		944
Finland	508	1	-	-		509
Other countries	55	27	-	-		82
From other segments	13	15	14	-42		-
Total	2,431	605	14	-42		3,008
Operating profit						
EBITA	91	70	-6	0		155
Items affecting comparability	-	-	-	-		-
Amortisation of intangible assets incurred in connection with corporate acquisitions	-8	-2	-	-		-10
Total	83	68	-6	0		145

Revenue by operating segment and quarter

MSEK	2020*				2019/20		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Tools, Consumables, Workwear & Protective Equipment		1,781	2,012	1,223	1,277	1,152	1,279
Components & Services		256	285	326	323	295	310
Group-wide		7	7	7	8	7	7
Eliminations		-15	-16	-17	-20	-22	-20
Momentum Group		2,029	2,288	1,539	1,588	1,432	1,576

EBITA by operating segment and quarter

MSEK	2020*				2019/20		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Tools, Consumables, Workwear & Protective Equipment		94	122	48	52	46	45
Components & Services		37	34	45	39	37	33
Group-wide		-3	-1	-2	-1	-3	-3
Eliminations		0	0	0	2	0	0
Momentum Group		128	155	91	92	80	75

* Since Momentum Group is changing its financial year to the calendar year, the current 2020 financial year will be shortened to nine months and cover the 1 April to 31 December 2020 period.

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 SEP 2020	30 SEP 2019	31 MAR 2020
Financial assets measured at fair value			
Financial investments	0	1	1
Derivative hedging instruments	1	0	4
Financial assets measured at amortised cost			
Long-term receivables	1	1	1
Accounts receivable	1,187	976	964
Cash and cash equivalents	88	27	1,157
Total financial assets	1,277	1,005	2,127
Financial liabilities measured at fair value			
Option liability	17	49	35
Derivative hedging instruments	6	0	0
Financial liabilities measured at amortised cost			
Interest-bearing liabilities	2,746	929	1,834
Accounts payable	966	746	764
Total financial liabilities	3,735	1,724	2,633

NOTE 4 ACQUISITIONS

The 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 September 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 September 2020, the acquisition of Swedol contributed MSEK 1,722 to the Group's revenue and MSEK 158 to the Group's EBITA.

According to the preliminary acquisition analysis, the assets and liabilities included in the acquisition of Swedol AB amount 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
Additional: Net debt in Swedol	503
EFFECT ON THE GROUP'S CASH AND CASH EQUIVALENTS	1,740

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 Sehlin's 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 Løvold 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
After the end of the reporting period				
SKF's spindle service operations ⁴ , SE	November 2020	MSEK 10	5	Components & Services

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 now owns 100 percent of the shares in TriffiQ Företagsprofilering AB and 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.

	12 MONTHS ENDING			
	30 SEP 2020 ¹	31 MAR 2020	31 MAR 2019	31 MAR 2018
IFRS PERFORMANCE MEASURES				
Net profit, MSEK	205	217	231	182
Earnings per share, SEK	5.75	7.70	8.20	6.45
ALTERNATIVE PERFORMANCE MEASURES				
Performance measures related to the income statement				
Revenue, MSEK	7,444	6,135	6,024	5,616
Operating profit, MSEK	306	303	302	240
of which: Items affecting comparability	-115	-14	-	-12
of which: Amortisation of intangible assets incurred in connection with corporate acquisitions	-45	-21	-16	-10
EBITA, MSEK	466	338	318	262
of which: Depreciation and amortisation of tangible and other intangible non-current assets ²	-64	-31	-31	-27
Profit after financial items, MSEK	268	283	296	235
Operating margin, %	4.1%	4.9%	5.0%	4.3%
EBITA margin, %	6.3%	5.5%	5.3%	4.7%
Profit margin, %	3.6%	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, %	9%	14%	19%	17%
Return on equity, %	10%	16%	19%	17%
Performance measures related to financial position				
Financial net loan liability (closing balance), MSEK	2,693	708	293	322
Operational net loan liability (closing balance), MSEK	1,646	166	266	295
Equity (closing balance) ³ , MSEK	2,931	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	2,513	1,651	1,684	1,647
Share price at the end of the period, SEK	139.00	67.50	93.40	100.00

- 1) These performance measures include the acquisition of Swedol as of 1 April 2020. Refer to the summary on page 2 for key figures calculated as though the acquisition of Swedol had closed on 1 April 2019.
- 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 September 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 SEP 2020	31 MAR 2020	31 MAR 2019	31 MAR 2018
EBITA				
Operating profit	306	303	302	240
<i>Items affecting comparability</i>				
Restructuring expenses	97	-	-	-
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	45	21	16	10
EBITA	466	338	318	262

MSEK	12 MONTHS ENDING			
	30 SEP 2020	31 MAR 2020	31 MAR 2019	31 MAR 2018
WORKING CAPITAL				
<i>Average operating assets</i>				
Average inventories	1,428	1,021	975	884
Average accounts receivable	1,023	966	956	895
Total average operating assets	2,451	1,987	1,931	1,779
<i>Average operating liabilities</i>				
Average accounts payable	-823	-759	-736	-732
Total average operating liabilities	-823	-759	-736	-732
Average working capital	1,628	1,228	1,195	1,047
EBITA	466	338	318	262
Return on working capital (EBITA/WC), %	29%	28%	27%	25%

MSEK	12 MONTHS ENDING			
	30 SEP 2020	31 MAR 2020	31 MAR 2019	31 MAR 2018
CAPITAL EMPLOYED				
Average balance-sheet total	5,081	3,318	2,813	2,619
<i>Average non-interest-bearing liabilities and provisions</i>				
Average non-interest-bearing non-current liabilities	-184	-72	-74	-57
Average non-interest-bearing current liabilities	-1,291	-1,147	-1,150	-1,149
Total average non-interest-bearing liabilities and provisions	-1,475	-1,219	-1,224	-1,206
Average capital employed	3,606	2,099	1,589	1,413
Operating profit	306	303	302	240
Financial income	4	1	1	2
Total operating profit + financial income	310	304	303	242
Return on capital employed, %	9%	14%	19%	17%

MSEK	12 MONTHS ENDING			
	30 SEP 2020	31 MAR 2020	31 MAR 2019	31 MAR 2018
RETURN ON EQUITY				
Average equity*	1,978	1,333	1,220	1,070
Net profit*	202	214	229	181
Return on equity, %	10%	16%	19%	17%

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

MSEK	12 MONTHS ENDING			
	30 SEP 2020	31 MAR 2020	31 MAR 2019	31 MAR 2018
FINANCIAL NET LOAN LIABILITY (CLOSING BALANCE)				
Non-current interest-bearing liabilities	2,296	1,461	164	130
Current interest-bearing liabilities	485	404	137	202
Cash and cash equivalents	-88	-1,157	-8	-10
Financial net loan liability (closing balance)	2,693	708	293	322

MSEK	12 MONTHS ENDING			
	30 SEP 2020	31 MAR 2020	31 MAR 2019	31 MAR 2018
OPERATIONAL NET LOAN LIABILITY (CLOSING BALANCE)				
Financial net loan liability	2,693	708	293	322
Financial lease liabilities	-1,012	-511	-	-
Net provisions for pensions	-35	-31	-27	-27
Operational net loan liability (closing balance)	1,646	166	266	295

MSEK	12 MONTHS ENDING			
	30 SEP 2020	31 MAR 2020	31 MAR 2019	31 MAR 2018
EQUITY / ASSETS RATIO				
Balance-sheet total (closing balance)	7,618	5,940	2,914	2,734
Equity (closing balance)*	2,931	2,869	1,303	1,155
Equity/assets ratio, %	38%	48%	45%	42%

* Refers to equity attributable to Parent Company shareholders.