

The Offer is not being made, and this press release may not be distributed, directly or indirectly, in or into, nor will any tender of shares be accepted from or on behalf of holders in, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa, Switzerland or the United States of America, or any other jurisdiction in which the making of the Offer, the distribution of this press release or the acceptance of any tender of shares would contravene applicable laws or regulations or require further offer documents, filings or other measures in addition to those required under Swedish law.

PRESS RELEASE



Momentum Group announces a recommended public offer to the shareholders of Swedol

Momentum Group AB (publ) ("Momentum Group") announces its intention to acquire Swedol AB (publ) ("Swedol") through a public offer to the shareholders of Swedol, where the shareholders of Swedol are offered to convey all their Class A and B shares in Swedol to Momentum Group (the "Offer").

A merger of TOOLS and Swedol through Momentum Group's acquisition of Swedol

The combination of Momentum Group's TOOLS business and Swedol forms an attractive business partner for Nordic customers. The merger creates an even stronger and more efficient business with a competitive offering within tools, consumables, workwear and protective equipment. TOOLS and Swedol are two highly complementary businesses with favourable opportunities to increase both revenue and profits.

A combination of two highly complementary businesses

The proposed transaction has a clear industrial rationale as both companies' operations within tools, consumables, workwear and protective equipment complement each other well in regards to customer base, sales channels, markets, services and products. The combination of Momentum Group's TOOLS business and Swedol creates an attractive business partner for Nordic customers, for smaller as well as larger companies within the industrial and construction sectors but also for other sectors such as the public sector, automotive, agricultural and transport industry.

Complementary customer focus

- TOOLS is focused and positioned towards large companies within the industrial sector, oil & gas and public sector
- Swedol is focused and positioned towards small and medium-sized customers within construction and civil engineering, industry and workshops, carrier and transport as well as agriculture and forestry sector

Complementary sales channels

- The majority of TOOLS' revenue is derived from direct sales to end customer
- The majority of Swedol's revenue is derived from in-store sales

Complementary delivery channels

- TOOLS has a strong product and service offering that is primarily delivered directly to end customers
- Swedol has an attractive concept offering for retail customers delivered in stores

Favourable opportunities to increase both revenue and profits

Following the transaction, Swedol's operations will be part of Momentum Group's business area Tools & Consumables. Swedol's current CEO Clein Johansson Ullenvik will in conjunction with the acquisition become the head of the business area. The combined strengths of the two companies will lead to scalability and enable synergies through:

- Improved procurement with aggregated purchasing volumes
- Balance between purchase of proprietary brands and third-party brands where Swedol's proprietary product brands are intended to be used in a wider distribution to strengthen the total offering and TOOLS' and Swedol's margins
- More efficient cultivation of the Nordic markets within the companies' customer segments
- More efficient logistics regarding end-customer delivery and in-store stock refills
- Improved resources to invest in the future, e.g. in digitalisation and new logistics solutions

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The combined business area Tools & Consumables will initially have a total revenue of approximately SEK 8.5 billion and an EBITA margin of approximately 6.5 percent. Momentum Group assesses that the proposed transaction has the potential to, over time, result in an EBITA margin of approximately 10 percent for the business area, all else being equal.

Summary of the Offer

- Momentum Group offers the shareholders in Swedol to choose between a cash consideration and a share consideration. A cash consideration of SEK 46.50 is offered for each Class A and B share in Swedol, or alternatively a share consideration of 0.40 new Class B share in Momentum Group for each Class A and B share in Swedol.¹
- The cash consideration represents a premium of 34.7 percent compared to the volume-weighted average trading price for the Class B share in Swedol 30 trading days before the announcement of the offer and a premium of 39.0 percent compared to the closing price for the Class B share in Swedol on 8 November 2019. The share consideration represents a premium of 21.2 percent based on the volume-weighted average trading price for the Class B share in Swedol 30 trading days before the announcement of the offer and the closing price of Momentum Group's Class B shares on 8 November and a premium of 25.1 percent based on the closing prices of Swedol's and Momentum Group's Class B shares on 8 November 2019.
- Swedol's largest shareholder, Nordstjernan AB ("Nordstjernan"), representing approximately 67.0 percent of the shares and approximately 72.4 percent of the votes, has undertaken to accept the Offer and choose the share consideration. If Momentum Group completes the Offer, Nordstjernan's shareholding in Momentum Group will represent approximately 43.2–52.7 percent of the shares and approximately 43.7–51.8 percent of the votes (depending on the proportion of other shareholders in Swedol choosing the share consideration).²
- Altogether, the Independent Bid Committee in Swedol³ considers the Offer to be fair and unanimously recommends Swedol's shareholders to accept the cash consideration, which is also supported by a fairness opinion from Pareto Securities. Regarding the share consideration, shareholders are encouraged to follow Momentum Group's share price development during the acceptance period and to form their own opinion of whether it is more attractive than the cash consideration or not, given amongst other things the different tax effects of the different alternatives. The Independent Bid Committee has a positive view on the value creation potential in the combined Group but has not taken part of any detailed integration plans or risk analyses and can therefore not comment on the future value potential of Momentum Group's share.
- Nordstjernan, who represents approximately 22.9 percent of the votes², and Tom Hedelius, who represents approximately 13.2 percent of the votes² in Momentum Group, have undertaken to, at an Extraordinary General Meeting, vote in favour of authorising the Board of Directors to resolve upon a new issue of the number of Class B shares in Momentum Group which Momentum Group shall pay as consideration in the Offer.⁴
- A prospectus relating to the Offer is estimated to be published on or about 9 December 2019. The acceptance period is estimated to start on 17 December 2019 and end on or about 25 February 2020.

Background and motives for the Offer

Momentum Group's acquisition of Swedol is an industrially logical transaction which creates a competitive and financially strong player in the Nordic market for tools, workwear, personal protective equipment and consumables. Swedol's operations will be coordinated with Momentum Group's TOOLS business within the Group's business area Tools & Consumables and the companies'

¹ Should Swedol or Momentum Group, prior to the settlement of the Offer, distribute dividends or in any other way distribute or transfer value to its shareholders, for which the record date is prior to settlement of the Offer, the consideration will be reduced, or relating to the share consideration, increased accordingly.

² Calculated based on the number of shares and votes in Momentum Group excluding Momentum Group's repurchased Class B shares.

³ Since Nordstjernan has undertaken to accept the Offer, the Chairman of the Board of Directors Lars Lindgren, who previously was employed by Nordstjernan, and the Board member Peter Hofvenstam, currently employed by Nordstjernan, have decided not to participate in Swedol's Board of Directors' handling of or decisions regarding the Offer. Therefore, Swedol's Board of Directors has decided to appoint an independent Board committee (the "Independent Bid Committee"), consisting of the Board members Christina Åqvist (Chairman of the Independent Bid Committee), Leif Reinholdsson and Staffan Andersson, to handle issues relating to the Offer, which normally would have been handled by Board as a whole.

⁴ According to the exemption from the mandatory bid obligation, granted by the Swedish Securities Council to Nordstjernan, votes casted by Nordstjernan during the Extraordinary General Meeting shall not be included to achieve two-thirds majority of both the votes casted and the shares represented at the Meeting.

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operations complement each other well regarding customer segments, sales channels, markets, services and products. Swedol will continue to be an attractive multi-specialist within products and solutions for predominantly smaller to medium-sized customers in the Nordics and TOOLS will continue its journey towards becoming the best business partner within direct sales of tools and consumables to customers in the industrials sector in the Nordic region. As a result of the acquisition, an even more attractive and competitive business partner is created for both companies' customers in the industrial and construction sectors as well as the public sector, automotive, agriculture and transport sector with the market's best and most comprehensive product and service offering.

The acquisition creates prerequisites for increased efficiency and scalability 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 digital solutions. Consequently, this will lead to a solid platform for continued expansion. Hence, the coordination between Swedol's and TOOLS' operations creates value for customers, suppliers, employees and owners.

Momentum Group is eager to retain competence from both TOOLS and Swedol in the new organisation. In order to realise the desirable synergies, the coordination of the companies' operations could result in some organisational and operational changes, but no decisions have been made yet. In connection to the completion of the Offer, Momentum Group anticipates the effects of the transaction to be limited for the employees of Swedol, both regarding the terms of employment and the locations where Swedol operates.

Comment from Ulf Lilius, President & CEO of Momentum Group:

"We are impressed by the development of Swedol and have followed the company since its acquisition of Grolls. Swedol has a product portfolio that complements our existing product offering within TOOLS well and is a business-driven organisation with committed employees. Together TOOLS and Swedol create new possibilities which will give our existing customers an even better offering and we will be able to reach out to new customers through Swedol's stores."

Comment from Johan Sjö, Chairman of the Board of Directors of Momentum Group:

"I would like describe the acquisition as a merger between two very good organisations. Both companies complement each other very well and it is undoubtedly an industrially logical transaction. Together we will create a competitive and financially strong actor in the Nordic market which has also very interesting synergies. I am therefore convinced that the proposed transaction will create value for both existing and new customers, suppliers and shareholders in both Swedol and Momentum Group"

Comment from Tom Hedelius, one of the main shareholders of Momentum Group:

"Momentum Group's acquisition of Swedol contributes to creating an even stronger actor within tools and consumables in the Nordic market and has all prerequisites to be a good deal for both Momentum Group and Momentum Group's shareholders. Therefore, I support the proposed transaction."

Comment from Clein Johansson Ullenvik, Swedol's President & CEO:

"Swedol and TOOLS complement each other well with regards to products, services and customer focus. I think it will be very interesting to continue to develop both businesses together to further strengthen our customer offering. Together, Swedol and TOOLS will be able to build an attractive and competitive Nordic actor to serve the professional user's needs."

Comment from Peter Hofvenstam, CEO of Nordstjernan:

"We consider Momentum Group's offer to be attractive. Nordstjernan believes in the sector and we have, through our investments in Swedol and Momentum Group, a good understanding of the industry. The combination creates a strong and competitive corporate group. We look forward to contribute to the continued development of the new Group."

Recommendation from Swedol's Independent Bid Committee

Altogether, the Independent Bid Committee in Swedol considers the Offer to be fair and unanimously recommends Swedol's shareholders to accept the cash consideration, which is also supported by a fairness opinion from Pareto Securities. Regarding the share consideration, shareholders are encouraged to follow Momentum Group's share price development during the acceptance period and to form their own opinion of whether it is more attractive than the cash consideration or not, given amongst other things the different tax effects of the different alternatives. Based on Momentum Group's closing price on 8 November 2019, the premium for the

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cash consideration is significantly higher, but if the share price of Momentum Group increases during the acceptance period the share consideration can be equally or even more attractive. The Independent Bid Committee has a positive view on the value creation potential in the combined Group but has not taken part of any detailed integration plans or risk analyses and can therefore not comment on the future value potential of Momentum Group's share. It can also be noted that to fully realise the synergies, a pre-condition is typically that all shares in a company are acquired. Momentum Group has reserved the right to complete the Offer even if Momentum Group does not become the owner of shares representing more than 90 percent of the total number of shares and votes in Swedol, which could mean that Momentum Group will complete the Offer without the possibility to acquire all shares. Since all shareholders have the right to choose the cash consideration, which the Independent Bid Committee considers attractive, the Independent Bid Committee supports the Offer as a whole.

Swedol in brief

Swedol offers high-quality products and services for the professional user's needs and requests. The company is a multi-specialist that combines breadth and depth within selected specialist segments with focus on the five key customer segments construction and civil engineering, industry and workshops, carrier and transport, agriculture and forestry, as well as the public sector.

Swedol's offering includes tools, consumables, workwear and protective equipment and associated services sold through an omni-channel concept where stores, websites and field sales combine to create a comprehensive and personal experience.

Swedol serves its customers through the four concept brands Swedol, Grolls, Univern and Nima through e-commerce and store networks in Sweden, Norway, Finland and Estonia.

The Momentum Group after the acquisition

Following the acquisition, Swedol's operations will be part of Momentum Group's business area Tools & Consumables. Swedol's current CEO Clein Johansson Ullenvik will become the head of the business area. Momentum Group's other business area, Components & Services, has a high-quality product and service offering within spare parts, service and repairs for industrial customers and is not affected directly by the acquisition of Swedol.

The combined sales for the 12-month period ending on 30 September 2019 amounted to approximately SEK 9.6 billion (Momentum Group: SEK 6.1 billion; Swedol: SEK 3.5 billion) and the combined average number of full-time employees amounted to approximately 2,800 during the 12-month period ending on 30 September 2019.

The merger is expected to result in substantial advantages for customers through a widened and deepened offering complemented by Swedol's proprietary brands, including considerable shareholder value through favourable opportunities to increase both profits and revenue in both the short and long term. Together, the companies can create the market's best and most comprehensive customer offering of products, services and digital solutions, whilst also benefiting from common product ranges, procurement channels, more efficient logistics and Swedol's proprietary product brands. This creates a solid platform for continued expansion for the Momentum Group.

Preliminary combined financial information

The preliminary combined financial information presented in this press release and in the table below is for illustrative purposes only. The preliminary combined financial information has not been prepared in accordance with IFRS and is not financial pro forma information, and has not been audited or otherwise reviewed by the companies' auditors. Differences in accounting policies or definitions of non-IFRS measures have not been taken into account. Financial information for Momentum Group and Swedol has been based on unaudited financial figures for the most recent 12-month period ending on 30 September 2019. The preliminary financial information is based on hypothetical estimates and should not be viewed as pro forma financial information.

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Preliminary combined key figures for the most recent 12 months ending on 30 September 2019⁵

MSEK	Momentum Group	Swedol	Combined
Revenue	6,120	3,533	9,653
EBITA ⁶	327	365	692
Operating profit ⁶	309	354	663
Earnings per share ⁶	8.25	-	8.76
Equity per share	46.80	-	75.72
Cash flow from operating activities	424	189	613
Financial net loan liability ⁷	935	1,148	2,721
Equity attributable to Parent Company shareholders	1,300	1,333	4,207
Operating margin	5.0%	10.0%	6.8%
Equity / assets ratio ⁸	38%	42%	47%
Financial net loan liability / equity	0.72	0.86	0.65

The Offer

Momentum Group offers the shareholders in Swedol to choose between a cash consideration and a share consideration. The Class B shares in Swedol are listed on Nasdaq Stockholm, Mid Cap. The Class A shares are unlisted.

Cash consideration

- SEK 46.50 is received for each Class A and B share in Swedol.
- The cash consideration represents a premium of 34.7 percent compared to the volume-weighted average trading price for the Class B share in Swedol 30 trading days before the announcement of the offer and a premium of 39.0 percent compared to the closing price for the Class B share in Swedol on 8 November 2019.

Share consideration

- 0.40 new Class B share in Momentum Group is received for each Class A and B share in Swedol.
- The share consideration represents a premium of 21.2 percent based on the volume-weighted average trading price for the Class B share in Swedol 30 trading days before the announcement of the offer and the closing price of Momentum Group's Class B shares on 8 November and a premium of 25.1 percent based on the closing prices of Swedol's and Momentum Group's Class B shares on 8 November 2019.

Should Swedol or Momentum Group, prior to the settlement of the Offer, distribute dividends or in any other way distribute or transfer value to its shareholders, for which the record date is prior to settlement of the Offer, the consideration will be reduced, or relating to the share consideration, increased accordingly.

Conditions for completion of the Offer

The completion of the Offer is conditional on:

1. that Momentum Group becomes the owner of shares representing more than 90 percent of the total number of shares and votes in Swedol, on a fully diluted basis;
2. that, with respect to the Offer and the acquisition of Swedol, all necessary regulatory, governmental or similar clearances, approvals and decisions, including approval from competition authorities, have been obtained for Nordstjernan (in regard to the approval from competition authorities) and Momentum Group, in each case on terms which, in Nordstjernan's

⁵ Based on the fact that Nordstjernan has undertaken to accept the Offer and to choose the share consideration and the assumption that shareholders in Swedol representing half of the remaining shares choose the share consideration and shareholders representing the remaining shares in Swedol choose the cash consideration, i.e. shareholders representing 83.5 percent of the shares in Swedol choose the share consideration (corresponding to MSEK 2,907) and shareholders representing 16.5 percent of the shares in Swedol choose the cash consideration (corresponding to MSEK 638).

⁶ No adjustments have been made to the above figures for the application of IFRS16 for periods when IFRS16 was not implemented. Also, any impacts on earnings from depreciation of acquisition values are not taken into account.

⁷ Financial net loan liability is calculated as non-current interest-bearing liabilities and current interest bearings liabilities less cash and cash equivalents at the end of the period.

⁸ Equity attributable to Parent Company shareholders calculated as a percentage of the balance sheet total at the end of the period.

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- and Momentum Group's opinion, are acceptable (to that extent any conditions affect Nordstjernan and Momentum Group, respectively);
3. that an Extraordinary General Meeting of Shareholders in Momentum Group resolves on an authorisation for the Board of Directors to resolve on new issue of the number of Class B shares in Momentum Group which Momentum Group shall pay as consideration in the Offer and that the resolution by the General Meeting is supported by shareholders representing at least two-thirds of the votes cast as well as the shares represented at the Meeting, wherein Momentum Group shall disregard from the shares and votes held and casted by Nordstjernan;
 4. that the acquisition being rendered wholly or partially impossible or significantly impeded as a result of legislation, decision of court, decision of public authority or any similar circumstance;
 5. there being no circumstances, except from such Momentum Group had knowledge of at the time of announcement of the Offer, have occurred that can have a material adverse effect, or could reasonably be expected to have a material adverse effect, on Swedol's sales, profit, liquidity, solidity, equity or assets;
 6. that no information made public by Swedol being materially inaccurate, misleading or incomplete and Swedol having made public all information which shall have been made public by Swedol;
 7. that Swedol does not take any measures which are likely to impair the prerequisites for making or completing the Offer; and
 8. that the payment for the financing of the Offer is made in accordance with Momentum Group's agreement with Danske Bank A/S, Denmark, Swedish Branch and Svenska Handelsbanken AB (publ) (see section "Financing of the Offer" below).

Momentum Group reserves the right to withdraw the Offer in the event it becomes clear that any of the above conditions is not satisfied or cannot be satisfied. However, with regard to condition 2-8, the Offer may only be withdrawn provided that the non-satisfaction of such condition is of material importance to Momentum Group's acquisition of Swedol.

Acceptance level in the Offer

The completion of the Offer is conditional upon, inter alia, the Offer being accepted to such extent that Momentum Group becomes the owner of shares representing more than 90 percent of the total number of shares and votes in Swedol, on a fully diluted basis. Momentum Group reserves the right to waive this condition and to complete the Offer at a lower level of acceptance.

Undertakings by shareholders in Swedol

Nordstjernan, whose holding in Swedol represents approximately 67.0 percent of the shares and approximately 72.4 percent of the votes in the company, has undertaken to accept the Offer and choose the share consideration. Nordstjernan's undertaking is conditional upon that (i) Nordstjernan is granted necessary approvals from relevant competition authorities (see "Approval from competition authorities" below), (ii) the exemption from the mandatory bid obligation, granted by the Swedish Securities Council to Nordstjernan, will not be changed despite potential appeals (see "Statements from the Swedish Securities Council" below), and (iii) the Extraordinary General Meeting in Momentum Group resolves to authorise the Board of Directors to resolve on new issue of the number of Class B shares in Momentum Group which Momentum Group shall pay as consideration in the Offer, and that the resolution is supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the meeting, wherein Momentum Group shall disregard from the shares and votes held and casted by Nordstjernan. Nordstjernan's undertaking also includes that Nordstjernan will not accept a potential competing offer, regardless if such offer would be higher than the consideration in the Offer.

Financing of the Offer

The Offer will be financed by a combination of cash and newly issued Class B shares in Momentum Group. The Offer is conditioned on an Extraordinary General Meeting in Momentum Group resolving to authorise the Board of Directors to resolve upon a new issue of the number of Class B shares in Momentum Group which Momentum Group shall pay as consideration in the Offer, and that the resolution is supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the Meeting, wherein Momentum Group shall disregard the shares and votes held and casted by Nordstjernan.

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Nordstjernan, who represents approximately 22.9 percent of the votes⁹, and Tom Hedelius, who represents approximately 13.2 percent of the votes⁹ in Momentum Group, have undertaken to vote in favour of authorising the Board of Directors to issue new shares. However, according to the exemption from the mandatory bid obligation, granted by the Swedish Securities Council to Nordstjernan, votes casted by Nordstjernan during the Extraordinary General Meeting shall not be included to achieve two-thirds majority of both the votes casted and the shares represented at the Meeting (see "Statements from the Swedish Securities Council" below).

For the cash consideration, Momentum Group has received binding undertakings for acquisition financing of MSEK 1,300 from Danske Bank A/S, Denmark, Sweden Branch and Svenska Handelsbanken AB (publ) with financing terms customary for public offers in the Swedish market. The acquisition financing together with existing liquidity and credit facilities covers the cash part of the Offer which, given that Nordstjernan has undertaken to accept the share consideration, will amount to no more than MSEK 1,277.

Due diligence

When preparing the Offer, Momentum Group and Swedol have conducted limited, customary confirmatory due diligence reviews of certain business, financial and legal information relating to Swedol and Momentum Group, respectively. During the due diligence reviews, no other information that had not previously been disclosed and which would constitute insider information in Momentum Group or Swedol was shared.

Rights under incentive programmes

Swedol has currently no share or share related incentive programmes. However, Nordstjernan has, on market terms, issued call options for Class B shares in Swedol to certain senior executives in Swedol. The Offer does not encompass these call options as they are not issued by Swedol, and therefore not covered by Momentum Group's obligations according to the Nasdaq Stockholm Takeover Rules. Should Momentum Group complete the Offer, Nordstjernan will give the option holders reasonable treatment and redeem the call options in accordance with the terms for the options. The number of shares in Swedol the call options refer to, are covered by Nordstjernan's undertaking to accept the Offer (see "Undertakings by shareholders in Swedol" above).

Momentum Group's shareholding in Swedol

Momentum Group does not hold or control any shares in Swedol or any other financial instruments, which result in a financial exposure equivalent to a shareholding in Swedol.

Approval from competition authorities

At the time of the announcement of the Offer, Nordstjernan is the largest shareholder in both Momentum Group and Swedol. Nordstjernan's shareholding in Momentum Group represents approximately 14.8 percent of the total number of shares and approximately 22.9 percent of the total number of votes in Momentum Group. Nordstjernan's shareholding in Swedol represents approximately 67.0 percent of the total number of shares and approximately 72.4 percent of the total number of votes in Swedol.

Nordstjernan's existing shareholding in Momentum Group and Swedol entails that Nordstjernan – given that Nordstjernan has undertaken to accept the Offer and choose the share consideration – will achieve a shareholding in Momentum Group entailing that Nordstjernan, from a competition law perspective, acquires control of Momentum Group. As a result, it is Nordstjernan – and not Momentum Group – that is covered by applicable laws and regulations on so-called acquisition control. Hence, it is Nordstjernan – and not Momentum Group – that is obliged to report the Offer to the relevant competition authorities.

Momentum Group's acquisition of Swedol is conditioned on that Nordstjernan is granted approvals from relevant competition authorities. Nordstjernan has confirmed that Nordstjernan will notify the acquisition to the relevant competition authorities as soon as possible. In case Nordstjernan does not receive approvals from the relevant competition authorities during the initial acceptance period, Momentum Group will extend the acceptance period and postpone the time for the payment of consideration under the Offer.

⁹ Calculated based on the number of votes in Momentum Group excluding Momentum Group's repurchased Class B shares.

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Statements from the Swedish Securities Council (Sw. Aktiemarknadsnämnden)

In AMN 2019:41, the Swedish Securities Council has stated that it is in accordance with the Takeover Rules and good practice on the stock market that:

- Momentum Group establish as a condition for the completion of the Offer that Nordstjernan obtains all necessary approvals from competition authorities in connection with the Offer, in each case on terms which, in Nordstjernan's and Momentum Group's opinion, are acceptable (to that extent any conditions affect Nordstjernan and Momentum Group, respectively);
- the exemption clause in item II.7 of the Takeover Rules can be interpreted as giving Momentum Group the right to extend the acceptance period up to a maximum of nine months, even in case where Momentum Group set, as a condition for the completion of the Offer, that Nordstjernan obtains all necessary approvals from the competition authorities in connection with the Offer; and
- provided that the irrevocable with Nordstjernan states that the shares in Swedol, which the undertaking refer to, under no circumstances may be acquired by Momentum Group for cash consideration, the requirement of financial resources for the completion of the Offer only refer to the remaining shares in Swedol.

The statement from the Swedish Securities Council (AMN 2019:41) is available at www.aktiemarknadsnamnden.se.

Granting of exemption for Nordstjernan to make a public offer on the shares in Momentum Group
Nordstjernan's existing shareholdings in Momentum Group and Swedol entail that Nordstjernan – given that Nordstjernan has undertaken to accept the Offer and choose the share consideration – will achieve a shareholding in Momentum Group representing at least three tenths of the voting rights for the total number of shares in Momentum Group. According to Chapter 3, paragraph 1 Stock Market (Takeover Bids) Act (Sw. *Lag (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden*) Nordstjernan would be obligated to make a public offer for all shares in Momentum Group within four weeks thereafter (so-called mandatory bid). Nordstjernan has applied for and been granted an exemption from such mandatory bid obligation by the Swedish Securities Council. The granting of the exemption by the Swedish Securities Council is conditional upon (i) Momentum Group informing its shareholders of the share capital and voting shares, respectively, in Momentum Group that Nordstjernan may receive through the Offer and (ii) the General Meeting of Shareholders in Momentum Group resolves to authorise the Board of Directors to resolve on new issue of the number of Class B shares in Momentum Group which Momentum Group shall pay as consideration in the Offer, is supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the Meeting, wherein Momentum Group shall disregard from the shares and votes held and casted by Nordstjernan.

If Momentum Group completes the Offer, Nordstjernan's shareholding in Momentum Group will represent 43.2–52.7 percent of the shares and 43.7–51.8 percent of the votes (depending on the proportion of other shareholders in Swedol choosing the share consideration).¹⁰

The Swedish Securities Council's full statement (AMN 2019:42) is available at www.aktiemarknadsnamnden.se.

Extraordinary General Meeting of Shareholders in Momentum Group

The Board of Directors of Momentum Group has decided to convene an Extraordinary General Meeting to resolve on authorising the Board of Directors of Momentum Group to resolve upon a new issue of the number of Class B shares in Momentum Group which Momentum Group shall pay as consideration for the acquisition of shares in Swedol. The Extraordinary General Meeting will be held on 17 December 2019. The notice for the Extraordinary General Meeting will be published in a separate press release.

Nordstjernan, who represents approximately 22.9 percent of the votes¹⁰, and Tom Hedelius, who represents approximately 13.2 percent of the votes¹⁰ in Momentum Group, have undertaken to vote in favour of authorising the Board of Directors to issue new shares. However, according to the exemption from the mandatory bid obligation, granted by the Swedish Securities Council to Nordstjernan, votes casted by Nordstjernan during the Extraordinary General Meeting shall not be

¹⁰ Calculated based on the number of shares and votes in Momentum Group excluding Momentum Group's repurchased Class B shares.

The Offer is not being made, and this press release may not be distributed, directly or indirectly, in or into, nor will any tender of shares be accepted from or on behalf of holders in, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa, Switzerland or the United States of America, or any other jurisdiction in which the making of the Offer, the distribution of this press release or the acceptance of any tender of shares would contravene applicable laws or regulations or require further offer documents, filings or other measures in addition to those required under Swedish law.

included to achieve two-thirds majority of both the votes casted and the shares represented at the Meeting (see "Statements from the Swedish Securities Council" above).

Compulsory acquisition and delisting

As soon as possible after Momentum Group has acquired shares representing more than 90 percent of the total number of shares and votes in Swedol, Momentum Group intends to commence compulsory acquisition proceedings under the Swedish Companies Act (Sw. *aktiebolagslagen* (2005:551)) to acquire all the remaining shares in Swedol. In connection therewith, Momentum Group intends to promote delisting of Swedol's shares from Nasdaq Stockholm.

Applicable law and disputes

The Offer, as well as any agreements entered into between Momentum Group and the shareholders in Swedol as a result of the Offer, shall be governed and construed in accordance with Swedish law. Any dispute regarding the Offer, or which arises in connection therewith, shall be settled exclusively by Swedish courts, wherein the City Court of Stockholm (Sw. *Stockholms tingsrätt*) shall be the court of first instance.

Nasdaq Stockholm's Takeover Rules ("Takeover Rules") and the Swedish Securities Council's rulings regarding interpretation and application of the Takeover Rules, including, where applicable, the Swedish Securities Council's interpretation and application of the formerly applicable Rules on Public Offers for the Acquisition of Shares issued by the Swedish Industry and Commerce Stock Exchange Committee (Sw. *Näringslivets Börskommitté*), are applicable to the Offer. Furthermore, Momentum Group has, in accordance with the Swedish Act on Public Takeovers on the Stock Market (Sw. *lag (2006:451) om offentliga uppköpserbudanden på aktiemarknaden*), on 8 November 2019 contractually undertaken towards Nasdaq Stockholm to fully comply with said rules and statements and to submit to any sanctions that can be imposed by Nasdaq Stockholm in event of breach of the Takeover Rules. On 11 November 2019, Momentum Group informed the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) about the Offer and the abovementioned undertakings towards Nasdaq Stockholm.

Indicative time plan

9 December 2019	Publication of the prospectus
17 December 2019 – 25 February 2020	Acceptance period for the Offer
17 December 2019	Extraordinary General Meeting in Momentum Group

Momentum Group reserves the right to extend the acceptance period for the Offer and will, to the extent that is required and permitted, do so to allow the acceptance period to accommodate the necessary decision-making processes with relevant authorities.

Advisors

Momentum Group has appointed Handelsbanken Capital Markets as financial advisor and Delphi as legal advisor.

Stockholm, 11 November 2019

Momentum Group AB (publ)

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This information is such information that Momentum Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 8:00 a.m. CET on 11 November 2019.

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

The Offer is not being made, and this press release may not be distributed, directly or indirectly, in or into, nor will any tender of shares be accepted from or on behalf of holders in, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa, Switzerland or the United States of America, or any other jurisdiction in which the making of the Offer, the distribution of this press release or the acceptance of any tender of shares would contravene applicable laws or regulations or require further offer documents, filings or other measures in addition to those required under Swedish law.

Momentum Group is a leading reseller of industrial consumables and components, service and maintenance to professional end users in the industrial and construction sectors in the Nordic region. The Group has annual revenue of approximately SEK 6 billion and approximately 1,700 employees. Momentum Group AB (publ) has been listed on Nasdaq Stockholm since June 2017. Read more at www.momentum.group.

IMPORTANT INFORMATION

The Offer is not being made to persons whose participation in the Offer requires that any additional offer document or prospectus is prepared or registration effected or that any other measures are taken in addition to those required under Swedish law.

This press release and any documentation relating to the Offer are not being distributed and must not be mailed or otherwise distributed or sent in or into any country in which the distribution or offering would require any such additional measures to be taken or would be in conflict with any law or regulation in such country. Momentum Group will not allow or approve any such distribution. Any purported acceptance of the Offer resulting directly or indirectly from a violation of these restrictions may be disregarded.

The Offer is not being made, directly or indirectly, in or into Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa, Switzerland or the United States of America by use of mail or any other means or instrumentality (including, without limitation, facsimile transmission, electronic mail, telex, telephone and the Internet) and the Offer cannot be accepted by any such use, means, instrumentality or facility of, or from within, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa, Switzerland or the United States of America. Accordingly, this press release and any documentation relating to the Offer are not being and should not be mailed or otherwise distributed, forwarded or sent into Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa, Switzerland or the United States of America.

Momentum Group will not deliver any consideration from the Offer into Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa, Switzerland or the United States of America.

This press release is not being, and must not be, sent to shareholders with registered addresses in Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa, Switzerland or the United States of America. Banks, brokers, dealers and other nominees holding shares for persons in Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa, Switzerland or the United States of America must not forward this press release or any other document received in connection with the Offer to such persons.

This press release has been published in Swedish and English. In the event of any discrepancy in content between the language versions, the Swedish version shall prevail.

Forward-looking information and statements

Statements in this press release relating to future status or circumstances, including statements regarding future performance, growth and other trend projections and the other benefits of the Offer, are forward-looking statements. These statements may generally, but not always, be identified by the use of words such as “expects”, “intends”, “anticipates”, “believes”, or similar expressions. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There can be no assurance that actual results will not differ materially from those expressed or implied by these forward-looking statements due to many factors, many of which are outside the control of Momentum Group.

Any such forward-looking statements speak only as of the date on which they are made and Momentum Group has no obligation (and undertakes no such obligation) to update or revise any of them, whether as a result of new information, future events or otherwise, except for in accordance with applicable laws and regulations.

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