momentumgroup

ANNUAL REPORT
2020

Contents

Momentum Group AB's statutory Annual Report for 2020 is presented on pages 25-73. These pages have been reviewed by the Company's auditors in accordance with the Auditor's Report on pages 74-77.

This Annual Report 2020 is in all respects a translation of the Swedish original Annual Report. In the event of any differences between this translation and the Swedish original, the latter shall prevail.

MOMENTUM GROUP ANNUAL GENERAL MEETING 2021

The Annual General Meeting for Momentum Group AB (publ) will take place on 11 May 2021 in Stockholm, Sweden.

The notice to attend the Annual General Meeting is expected to be published on 6 April 2021 through a press release and on the Company's website, and through an advertisement in Post- och Inrikes Tidningar. An announcement of the publication of the notice will be made in Svenska Dagbladet. The notice will contain the proposed agenda and the proposals of the Election Committee and the Board of Directors for resolutions at the Meeting.

An eventful year

As we at Momentum Group reflect on yet another financial year (shortened to nine months ahead of the transition to the calendar year as our financial year), it was a year filled with both challenges and future opportunities. As was the case for all businesses and societies across the world, the COVID-19 pandemic and its effects dominated 2020 for us. We have worked with intensity and focus to maintain our operations and profitability by delivering on our customer promises in a safe manner and by making continuous adjustments to the Group and all our operations to adapt to the "new normal" through central and local initiatives. Where possible, we transitioned to remote working and to digital meetings, seminars and training courses with customers and suppliers. The general demand situation was characterised by restraint and caution in all of our main markets in the Nordic region, although with certain variations between customer segments and countries, with the most significant impact experienced in Norway. Sales gradually stabilised during the year, and the Group's operations experienced a certain level of recovery during the final quarter. In summary, we thus succeeded in maintaining our profitability and generated significantly higher cash flow from the operations in 2020, leading to a strong financial position for the Group. This provides us with favourable conditions for continued profitable growth, both organically and through acquisitions.

In business area Tools, Consumables, Workwear & Protective Equipment, the focus was on the integration of TOOLS and Swedol, while we established a strategic approach focused on acquisition-driven growth in business area Components & Services. Read more about our business areas on pages 4-19.

Our Group structure creates opportunities for the future

Much of the uncertainty concerning the effects of the pandemic remains now at the beginning of 2021. We are therefore continuing to focus on what we can affect in our daily operations in order to achieve increased sales and efficiency – with our decentralised earnings responsibility entailing that local measures are taken where needed. At the same time, our Group structure with two operationally independent business areas is creating new, interesting opportunities for the future.

In conclusion, I would like to extend my sincere thanks to all of our dedicated employees for your many outstanding contributions during this particularly challenging year – and to our customers and business partners for your continued confidence.

Ulf Lilius
President & CEO

2020 in brief

Momentum Group's 2020 financial year was dominated by the COVID-19 pandemic, as was the case for essentially all companies and societies throughout the world – at the same time as the Group completed its largest acquisition to date when Swedol became part of Momentum Group.

DIVIDEND PER SHARE*

SEK 1.50

*As proposed by the Board of Directors.

The Group's operations have continuously adopted measures to ensure employee and customer safety as well as stable sales and earnings development. In parallel, the integration of TOOLS and Swedol commenced according to plan, despite the challenges brought about by the pandemic.

The Annual General Meeting of Momentum Group AB at the end of August also resolved to change the Group's financial year to the calendar year, entailing that the 2020 financial year comprises only nine months (three quarters).

FIRST QUARTER
1 April–30 June

- The acquisition of Swedol was completed, bringing the Group's total annual revenue to approximately SEK 9.5 billion and the number of employees to some 2,700.
- Two operationally independent business areas were established – business area Tools, Consumables, Workwear & Protective Equipment with a focus on integration and synergies and business area Components & Services with a focus on an acquisition-driven growth strategy.

SECOND QUARTER
1 July–30 September

- Continued measures were taken to increase sales and efficiency and to raise margins in all parts of the Group.
- The coordination of TOOLS and Swedol proceeded with a focus on improved purchasing terms, increased sales of proprietary product brands and planning for store coordination. Earnings for the quarter were charged with a restructuring reserve of MSEK 97 pertaining to non-recurring costs within the framework of the coordination work.

THIRD QUARTER
1 October–31 December

- The Group's sales performance gradually improved during the financial year, despite continued uncertainty in the market.
- Comprehensive acquisition activities in the business area Components & Services led to four acquisitions after the end of the financial year, with a total of approximately MSEK 285 in annual revenue.

Total revenue 2020 (9 months)	EBITA 2020 (9 months)	Return on equity (Rolling 12 months)	Earnings per share 2020 (9 months)
MSEK 6,846	**MSEK 484**	**12%**	**SEK 4.55**

REVENUE BY GEOGRAPHIC MARKET

- Sweden **62%**
- Norway **23%**
- Finland **13%**
- Other countries **2%**

REVENUE BY BUSINESS AREA

- Tools, Consumables, Workwear & Protective Equipment **88%**
- Components & Services **12%**

EBITA BY BUSINESS AREA

- Tools, Consumables, Workwear & Protective Equipment **77%**
- Components & Services **23%**

Two strong business areas create opportunities for the future

The Momentum Group comprises two strong and operationally independent business areas – *Tools, Consumables, Workwear & Protective Equipment* and *Components & Services*. With their respective competitive offerings of products and services, high level of expertise and good availability as well as local presence under strong brands, they satisfy the varying needs of professional end-users for industrial consumables, industrial components and related services, primarily in the industrial, construction and public sectors in the Nordic region.

In line with Momentum Group's decentralised business model, the business areas are lead and operated based on their own prerequisites and goals. Respective business area develops their own mission, vision, business concept and strategy – and sets their own targets, ambitions and business plans for their operations. Combined with the Group's shared financial targets and sustainability goals, this forms Momentum Group's common goals for creating long term sustainable profitability and development.

Read more about the vision, targets, business model and focus areas for each business area on pages 4–11 and 12–19, respectively.

The Group has total annual revenue of approximately SEK 9.5 billion and some 2,700 employees.

THE GROUP'S FINANCIAL TARGETS
Momentum Group's Board of Directors has established the following financial targets and dividend policy:

EARNINGS GROWTH. The Momentum Group aims to achieve earnings growth (EBITA) of at least 15 percent annually over a business cycle.

PROFITABILITY. The Momentum Group aims to achieve a return on equity of at least 20 percent, combined with the internal profitability target of P/WC of at least 45 percent, measured as EBITA (P) in relation to utilised working capital (WC).

DIVIDEND POLICY. 30-50 percent of earnings per share annually over a business cycle.

THE GROUP'S SUSTAINABILITY GOALS
Momentum Group's shared sustainability goals are presented on pages 22-23.

OUR BUSINESS AREAS

Tools, Consumables, Workwear & Protective Equipment

» Main concept brands

» Specialist companies

» Read more about the business area on pages 4-11.

Components & Services

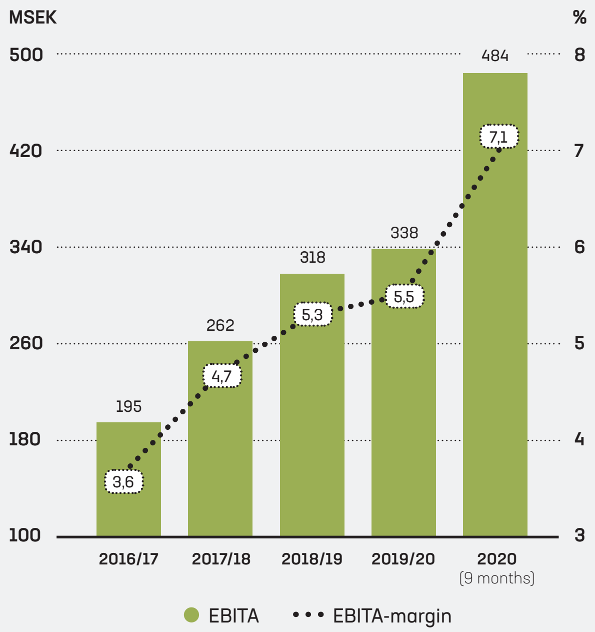
» Industrial components

» Industrial services

» Read more about the business area on pages 12-19.

Development since spin-off and listing in June 2017

INCREASED FOCUS HAS YIELDED RESULTS
The Group's EBITA has increased an average of 30 percent per year (including acquisitions), and the return on equity has increased from 4 percent to 12 percent.



16 ACQUISITIONS WITH A TOTAL OF MORE THAN MSEK 4,600 IN ANNUAL REVENUE AS OF MARCH 2021
Acquisition candidates must be profitable, be leaders in their market niches for professional end users in the Nordic region and have the potential to develop and achieve long-term sustainable profitability and growth.

swedol
ELKA
Reklamproffsen
TOOLS AB Knut Sehlins
mfg
Company Line
TriffiQ FÖRETAGSPROFILERING AB
Profilmakarna
ETAB industriautomation
MEKANO DIN TEKNISKA PARTNER
ÖBERGS sätter industrin i rörelse
TOOLS TOOLS Løvold AS

Electromechanical workshops from
ASSEMBLIN EL

The Swedish MRO business from
BRAMMER

The PPE business in Finland from
LINDSTRÖM GROUP

Momentum Group's focus in the short and medium term

INTEGRATION AND SYNERGIES IN BUSINESS AREA TOOLS, CONSUMABLES, WORKWEAR & PROTECTIVE EQUIPMENT
The acquisition of Swedol in April 2020 has created new opportunities for the future. The combination of TOOLS and Swedol's complementary customer focus and sales channels is contributing to an even stronger and more attractive business partner for our customers, suppliers and employees. The merger is creating the prerequisites for increased efficiency and scalability and together, both businesses will benefit from joint product ranges, procurement channels, more efficient logistics and proprietary product brands as well as the development of an even better service offering and new digital solutions. Consequently, this will lead to a solid platform for continued expansion.

CONTINUED DEVELOPMENT AND IMPROVEMENT INITIATIVES IN ALL OF THE GROUP'S COMPANIES
Momentum Group's decentralised business model is one key to the success of the Group – that businesses and employees, within a given framework, can make fast business decisions, implement adaptive measures and feel individual responsibility as close as possible to the customer. Focus on continuous improvements, increased efficiency and coordination between businesses as well as a high level of cost awareness in all companies contribute to long-term profitability and strengthened positions in the markets where each company operates. This also includes continuously developing, strengthening and complementing the Group's service and product offering.

ACQUISITION-DRIVEN GROWTH STRATEGY IN BUSINESS AREA COMPONENTS & SERVICES
Corporate acquisitions are an important part of Momentum Group's growth strategy for the business area Components & Services over the next few years. The acquisitions may strengthen existing operations or complement the business area with new products and product areas, services, and expertise and specialist segments. Acquisition candidates must be profitable, be leaders in their market niches for professional end users in the Nordic region, have sound customer and supplier relationships and may bring new market niches.

Scalable platform for the future

NUMBER OF EMPLOYEES

2,330

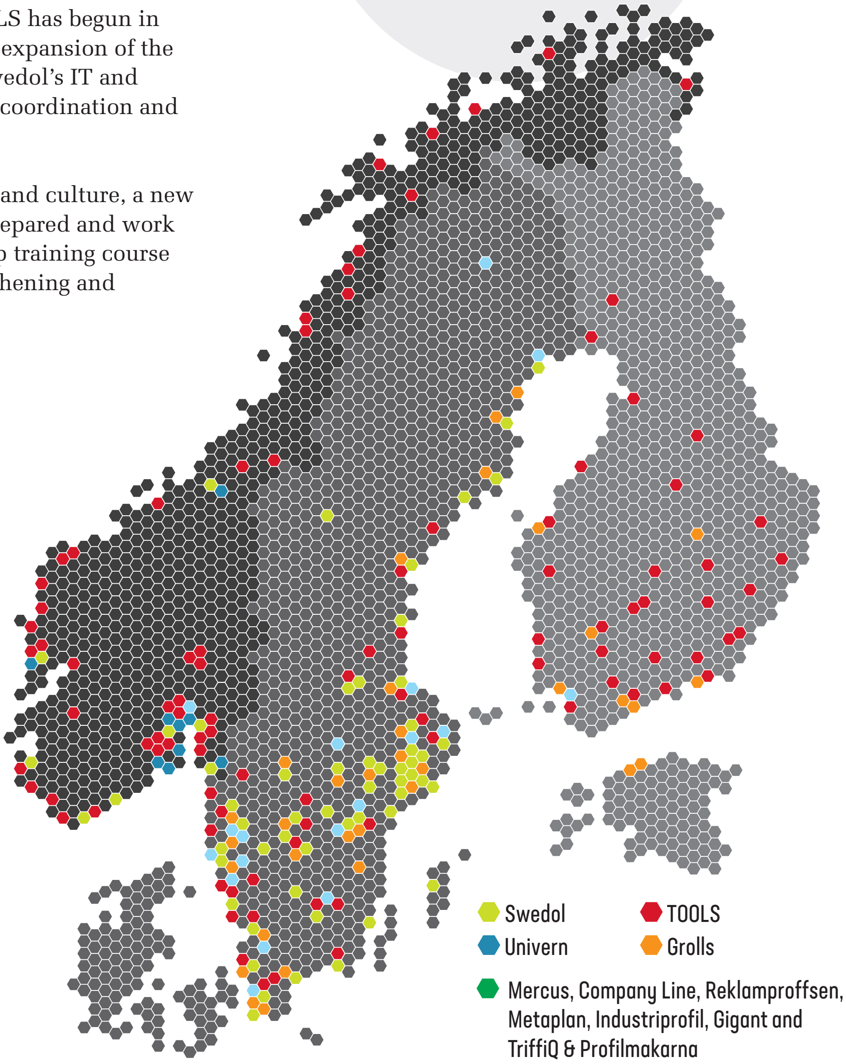
The integration and merger of Swedol and TOOLS has begun in the form of store integrations, completion of the expansion of the logistics centre in Örebro, implementation of Swedol's IT and business systems in TOOLS in Finland, and the coordination and optimisation of the product range.

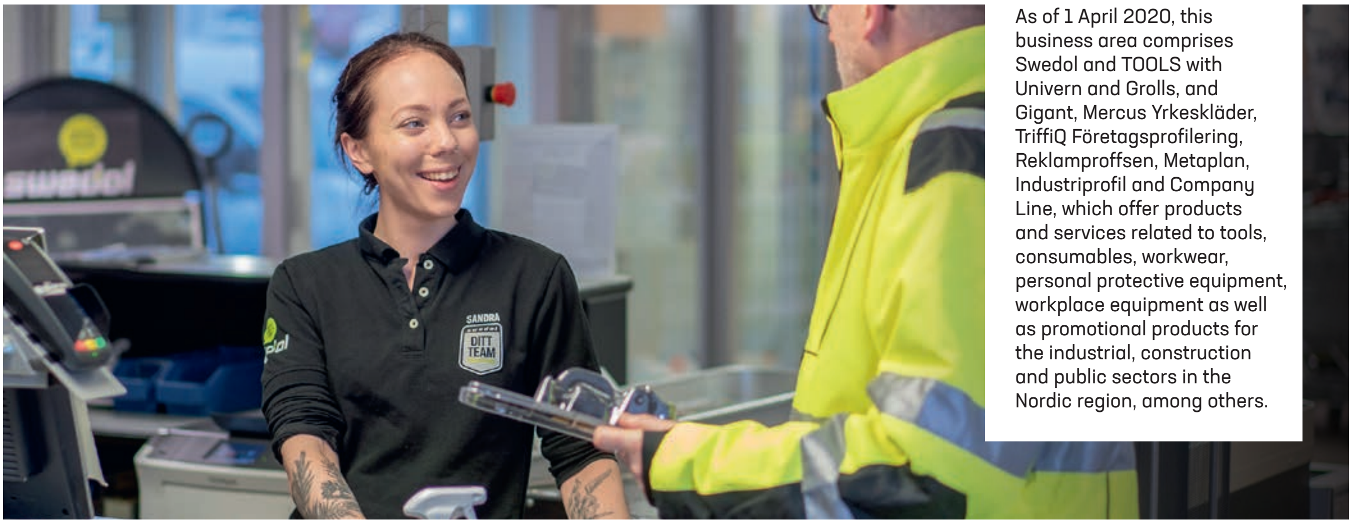
With the aim of developing our shared platform and culture, a new vision and mission for the business area were prepared and work began on developing shared values. A leadership training course has also been introduced with the aim of strengthening and developing leadership within the organisation.

Revenue
2020 (9 months)
MSEK 6,035

EBITA
2020 (9 months)
MSEK 380

EBITA margin
2020 (9 months)
6.3%





As of 1 April 2020, this business area comprises Swedol and TOOLS with Univern and Grolls, and Gigant, Mercus Yrkeskläder, TriffiQ Företagsprofilering, Reklamproffsen, Metaplan, Industriprofil 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.

The year in brief

In addition to managing an uncertain business environment and the COVID-19 pandemic, the focus during the year was on the integration of Swedol and TOOLS. The coordination of the two companies has begun in the form of store integrations, product range adaptation, logistics optimisation and the creation of a shared IT platform.

FIRST QUARTER
1 April–30 June

- Commenced coordination of regional warehouses in TOOLS in Norway. The objective is for 13 regional warehouses in Norway to be reduced to four by the end of 2021.
- Work began on the integration of TOOLS in Finland into the shared business area IT and business systems, which are based on Swedol's Nordic IT platform.
- New Swedol store opened in Huddinge.

SECOND QUARTER
1 July–30 September

- Commenced store integrations between Swedol and TOOLS in Sweden. In 2020, three stores were integrated.
- Initiated work on product range coordination with the aim of reducing the number of items and suppliers.

THIRD QUARTER
1 October–31 December

- New shared Nordic organisation established on 1 October.
- Commenced store integrations between Swedol and TOOLS in Norway.
- Expended floor space and increased automation at the logistics centre in Örebro completed.
- Established a shared vision and mission for the business area and began work on shared values.

	Apr–Dec (9 months)		Jan–Dec (12 months)	
	2020	**2019**	**2020**	**2019**
Revenue, MSEK	6,035	6,524	8,087	8,576
EBITA, MSEK	380	443	471	534
EBITA margin, %	6.3%	6.8%	5.8%	6.2%
EBITA/WC, %			25%	26%

NB: The business area is presented above as of 1 April 2020, with comparative figures as though the acquisition of Swedol had taken place as of 1 January 2019.

An intensive year

2020 was an intensive year to say the least. In March, COVID-19 hit. Overnight, production plants were closed in China and Italy, and our goods supply was reduced in several key categories. During the year, the pandemic forced our sales organisation to take a new approach to continue to reach existing and new customers. Office personnel transitioned to working from home and the possibility of meeting in person was strongly curtailed.

In the midst of the pandemic – and with operations rolling – we have built a company. The merger of Swedol and TOOLS involves stores, cultivating sales, central functions and a major logistical business. On 1 October, we launched a new organisation. We have established a shared mission and vision, we will roll out our new values in spring 2021 and we have a clear plan for our IT projects. We also essentially completed the expansion of our central warehouse in Örebro during the year and commenced the roll-out of our own brands in TOOLS in the autumn.

In terms of sales, we had a favourable end to the year, which meant that the result was better than expected. The loss of sales during the year was a result of the COVID-19 pandemic, especially in with respect to industrial customers, but there had also been an underlying decline in parts of the operations. We have implemented cost-balancing measures to offset the effect on earnings. In addition, we incurred non-recurring costs in 2020 in connection with our efforts to build for the future and simplify structures. These costs were charged to earnings.

We have been through a strange year, to say the least. I can nonetheless state that we delivered on all the goals we set when we commenced this work. We have our fantastic employees to thank for us making it so far! They fight on, find solutions, develop and continue to conduct our business. I am very much looking forward to 2021!

Clein Ullenvik
Business Area Manager

We make businesses work

Our mission, vision and strategic priorities provide guidance for both business planning and the thousands of small decisions made by our employees in all areas of our organisation on a daily basis.

In conjunction with the business area's transition to a new shared organisation on 1 October, we also launched a strategic platform that gives us a shared approach. During 2021, we will continue to develop this further.

OUR MISSION We make businesses work
If we do our job right, our customers have what they need to do their work properly – both as a company and the employees themselves. They have tools and consumables where they need them, when they need them. They have workwear and personal protective equipment that provides them with protection from weather and hazards. Using our expertise, we can help them to develop their business so that it becomes more effective and safer.

This mission is something to build on for the future. We will not be restricted to specific products and services. We have scope to grow by becoming even better at meeting the needs of our customers in their everyday operations.

OUR VISION We are unbeatable
…as a partner to our customers
…as an employer
…as a partner to our suppliers
…as a leader in sustainable development in our industry

Our vision describes what we want to achieve in the long term. We will not be satisfied with being "one of the leaders" in the industry. **We are unbeatable!**

The vision emphasises that if we genuinely want to be unbeatable, we must meet – and exceed! – the expectations of our various stakeholders. If we are the best partner for our customers, this will drive our sales. To make positive contributions to our customers, we need to have committed and skilled employees. To be able to provide our customers with the best offering, we need to have good relationships with the best suppliers. To be able to contribute to a sustainable society – as well as being relevant to our customers and employees – we must take sustainability issues seriously.

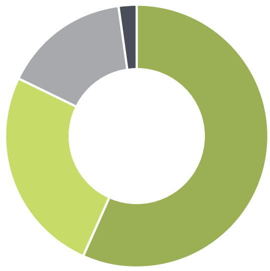
OUR STRATEGY within the business area will be gradually developed and expanded as we pass the initial phase of coordinating Swedol and TOOLS. To ensure that the business area has a shared approach, we have defined a number of common strategic priorities – a shared core that is connected with the existing strategies in TOOLS and Swedol.

Our common strategic priorities all pertain to the overall goal of profitable growth:

- Attractive offering for the customer that puts value before price
- Attractive employer with committed and knowledgeable employees and leaders
- Sustainable operations at all levels
- Digitisation that creates value for the customer and simplifies internal work
- Efficient operations and quality-assured processes

OUR VALUES are central to enabling us to function in unison as an organisation with effective leadership. Shared values for the business area that build on the common strengths of Swedol and TOOLS will be launched in spring 2021.

REVENUE BY GEOGRAPHIC MARKET



- Sweden **58%**
- Norway **25%**
- Finland **15%**
- Other countries **2%**

REVENUE BY CUSTOMER SEGMENT

- Industry & Workshop sector **40%**
- Construction & Civil Engineering sector **24%**
- Public sector **10%**
- Carrier & Transport sector **3%**
- Agriculture & Forestry sector **3%**
- Other sectors **20%**

We are building an integrated business area

Since Swedol became part of Momentum Group on 1 April 2020, we have worked intensively with the coordination of the various operations within the business area.

As a result of this coordination work, we are leveraging the benefits created by the integration of TOOLS and Swedol. We are strengthening our combined offering to customers and increasing our internal efficiency. The synergies created through this coordination work will be an important factor in our ability to achieve an EBITA margin of 10 percent in the business area by 2023.The coordination work focuses on our major concept brands – Swedol, TOOLS, Grolls and Univern – while the independent specialist companies will continue to be operated separately.

A coordination programme with different work streams was established in parallel with the existing line organisations to ensure progress without disrupting everyday operations. Since 1 October 2020, the continued integration process is largely being carried out in the line organisation.

STRATEGY, CULTURE AND LEADERSHIP

Clear leadership and shared approaches are central to enabling us to work effectively and achieve our goals. To provide the business area with a shared approach, we have established a joint strategic platform (see page 6) and a common management system. The work on shared values for the business area is ongoing and a joint leadership programme has been initiated.

ORGANISATION

Since 1 October, the business area has been working in an integrated Nordic organisation, with a sales organisation in our three main markets of Sweden, Norway and Finland, supported by central business area functions for product range and purchasing, concepts and market, logistics, IT and digital development, finance, HR, and business development and sustainability. Management positions have been filled in a structured process with a good balance between employees from Swedol and TOOLS. Wherever there are systematic prerequisites, we have simplified the legal structure within the business area, with the objective of having one operating company per country for Swedol, TOOLS, Grolls and Univern, supplemented with independent specialist companies.

SALES

We have defined how we will work with our various concept brands to have a clear profile in the market (see more on page 8). By coordinating our local presence in terms of stores and sales personnel, we can increase the efficiency of our sales organisation. In many locations in Sweden and Norway where both TOOLS and Swedol are present, we are planning to co-locate in shared stores, and several moves have already been completed.

PRODUCT RANGE AND PURCHASING

Our offering to the customer is central to who we are. Together, we have a broad range and numerous suppliers in the business area. We are working to coordinate this to create the conditions for increased efficiency and profitability. Negotiations with our largest suppliers have already led to improved purchasing terms, and we have established guidelines to ensure that suppliers meet our shared requirements in areas such as sustainability. The roll-out of Swedol's proprietary product brands to TOOLS' customers is a key part of this ongoing work.

LOGISTICS

During the past year, the focus in terms of logistics coordination was to finalise comprehensive ongoing changes in the various companies. In TOOLS Norway, the stock of inventories has been concentrated to Oslo and Stavanger after previously having several regional warehouses. In Swedol, the expansion of the logistics centre in Örebro and the move from the warehouse in Hisings Backa (Gothenburg) are in the final phase. An analysis is under way of the opportunities that exist for further coordination as a result of the merger of TOOLS and Swedol.

IT

Our goal is for the business area to work as an integrated organisation, which means that we also need to have a coordinated system environment to support this. One important element is a shared business system for the business area based on Swedol's existing business system, Jeeves. TOOLS Finland will be first in line in the coordination process and plans to join Jeeves in the first quarter of 2021, followed by the TOOLS companies in Sweden and Norway in 2022–2023. In parallel, we are coordinating everything from infrastructure to web platforms.

Leading position in the Nordic region

The business area meets its customers through four concept brands – Swedol, TOOLS, Grolls and Univern – as well as a number of specialist brands in Sweden in the form of TriffiQ, Mercus, Company Line, Industriprofil and Reklamproffsen.

Sweden

swedol is the main store brand.

TOOLS is the industrial concept – independent stores/sales offices or shared locations with Swedol.

GROLLS is the specialist in clothes and personal protective equipment, operating in independent stores or as a shop-in-shop in Swedol's stores.

Sweden is the business area's largest market and geographic segment. In total, sales for comparable units remained largely unchanged in the April–December period despite the impact of the COVID-19 pandemic. Sales to small and medium-sized companies were relatively stable, while sales to larger industrial customers declined during the year.

The business area is strongly established, with a broad, nationwide store network in Sweden. The business area had a total of 121 stores in Sweden at the end of the year, including 51 Swedol stores, 34 TOOLS stores, 23 Grolls stores and 13 independent specialist stores.

The Swedish market is relatively consolidated, and the business area faces competition in all customer groups. The largest competitors in Sweden are Ahlsell, Würth, Procurator and Derome at the national level, while the business area also faces competition from local hardware stores and clothing retailers.

Revenue
2020 (9 months)
MSEK 3,740

EBITA
2020 (9 months)
MSEK 290

Number of local units
121

Norway

TOOLS is the main store brand. Swedol is being discontinued.

UNIVERN is the specialist in clothes and personal protective equipment, operating in independent stores or as a shop-in-shop in TOOLS' stores.

The business area holds a leading position in the Norwegian market. Sales during the year were negatively impacted by escalating lockdowns as a result of the COVID-19 pandemic and the development in the oil and gas industry. In total, sales declined by 10 percent for comparable units in local currency during the April–December period.

At the end of 2020, the business area had a total of 60 stores in Norway, including 43 TOOLS stores, eight Swedol stores and nine Univern stores. Swedol will cease as a concept brand in Norway in 2021 and will be re-profiled as TOOLS.

The Group's competitors in Norway mainly comprise large, nationwide players such as Würth, Tess, Ahlsell and BIG. In addition, there are numerous strong, local players with broad product ranges that are partly outside the business area's offering.

Revenue
2020 (9 months)
MSEK 1,547

EBITA
2020 (9 months)
MSEK 45

Number of local units
60

Finland

TOOLS is the main store brand.

GROLLS is the specialist in clothes and personal protective equipment, operating in independent stores or as a shop-in-shop in TOOLS' stores.

The business area has a weaker market position in Finland compared with Sweden and Norway, but the growth potential is deemed to be favourable. Sales were negatively impacted by the COVID-19 pandemic and declined by 7 percent for comparable units in local currency during the April–December period.

The business area had a total of 37 stores in Finland at the end of the year, including 28 TOOLS stores, seven Grolls stores and two independent stores within the framework of Metaplan Oy.

The market is relatively consolidated and the competition largely comprises nationwide chains such as Würth, Etra, IKH and Ahlsell as well as local players.

Revenue
2020 (9 months)
MSEK 915

EBITA
2020 (9 months)
MSEK 44

Number of local units
37

Attractive offering

The business area offers customers an attractive product range adapted to the professional users' needs and wishes. The range comprises both proprietary and external brands in order to provide an attractive and competitive product mix. The products are characterised by high quality, value for money and product safety, combined with a good service level and availability.

The business area is one of the Nordic region's leading players in tools and consumables as well as in workwear and personal protective equipment. Through a broad and deep product range, customers are given access to a comprehensive offering. The offering also includes a broad service offering adapted for professional users.

To ensure the best possible offering and meet customer needs, a balanced mix of proprietary products and external brands is required. Proprietary brands enable, for example, improved control of the goods chain and the products' characteristics and quality as well as potentially higher margins, while external brands complement these with market-leading products in key areas.

PROPRIETARY BRANDS

Sales of proprietary brands represent approximately 20 percent of total sales and are primarily found within workwear and personal protective equipment. New products are continuously developed, while existing ones are updated, improved or discontinued. Product development is conducted both internally and in collaboration with suppliers.

PROPRIETARY BRANDS

Björnkläder has a history that dates back to 1905 and is one of the oldest workwear brands in Sweden. Björnkläder offers a complete range of workwear for all customer groups. The clothes are durable, functional and fashionable, with quality as the number one focus. Sustainability is a prioritised area and the majority of models are OEKO-TEX certified.

Gesto offers a broad range of workwear and protective footwear for professional users. The products are characterised by quality and function, combined with value for money, and have a sporty design.

Univern is a Norwegian premium brand that has existed since 1977. The offering includes workwear for extreme outdoor environments, where the garments must be able to withstand wind, water and cold.

Proprietary brands play a key role in more parts of our product range

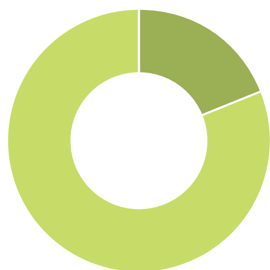
1832: Profile clothing
4Use: Consumables
AmPro*: Tools
Award: Vehicle and workplace lighting
Balance: Work gloves
Gigant: Workplace products
Inno: Chemical products
Nima: Hunting and slaughter products
NuAir*: Compressors
Nytello: Light workwear for service professions
Swedol: Oil and fat products

* Proprietary brand products, for which we have exclusive rights, but do not operate or develop the brands ourselves.

SALES BY PRODUCT AREA

- Personal Protective Equipment – PPE (incl. clothes & shoes) **36%**
- Tools **12%**
- Workplace Equipment **7%**
- Cutting, Grinding & Welding **6%**
- Industrial & Construction Chemicals **6%**
- Fasteners & Fixings **5%**
- Machines (incl. electrical hand tools) **5%**
- Consumables **4%**
- Other product areas **19%**

SALE OF PROPRIETARY BRANDS



- Proprietary brands **19%**
- External brands **81%**

A year of change

One of the business area's targets is to become a more attractive employer, with skilled and committed employees. To achieve this, we worked systematically during the year on a number of issues related to the new shared organisation, leadership and culture as well as skills development, diversity and equality.

The business area's new shared organisation came into force on 1 October 2020. In total, 116 positions were filled during the recruitment process, of which 54 percent were filled with employees from TOOLS, 40 percent from Swedol and 6 percent were external recruitments. Women were appointed to 20 percent of the positions.

LEADERSHIP AND SHARED CULTURE

A requirement for succeeding with the integration of the business area and the development of a shared culture is strong leadership with a shared approach. Accordingly, a number of leadership programmes were initiated during 2020, which were initially launched digitally, with the hope of being able to complete them physically in 2021. In addition, we regularly monitor an engagement index and leadership index in the business area in order to take a systematic approach to improvements and to measure our performance in terms of leadership and engagement compared with other relevant employers in the Nordic region.

Another priority is to create a shared culture. As part of the initial phase of the integration work, a survey was conducted to "check the pulse" of the organisation and how the employees perceived the merger. The survey provided a good basis to be able to follow up on these changes and to understand the existing culture in each company. During the autumn, a project was then carried out to establish shared values and a leadership framework. Employees from throughout the Nordic region, and all functions, were invited to participate and a number of workshops were held. During the spring, these shared values and a shared view of good leadership will be launched.

At the same time, major changes took place within the business area's logistics organisations in 2020, with Swedol's former warehouse in Hisings Backa (Gothenburg) relocating to the central warehouse in Örebro and various measures implemented to enhance the efficiency of the logistics operations in Norway. These changes are being made in consultation with the employees and trade union representatives.

CONTINUOUS SKILLS DEVELOPMENT

A key part of our customer promise involves having service-minded and competent personnel. In 2021, the plan is to create a shared digital learning platform for product training and other courses, where we can monitor participation in and completion of training based on the target group.

Our shared Code of Conduct and Work Environment Policy, which were adopted in autumn 2020, guide the way we act toward each other, our business environment and ourselves as well as how we work to prevent, investigate, correct and follow up on work environment issues. In 2020, an ambitious work environment course was launched, with the aim of creating the conditions to enable us to create a healthy and safe work environment in our everyday operations in a systematic, natural and uniform manner. Within the business area, we follow up on accidents, risk observations and incidents and have established a plan for 2021 for uniform follow-up within the framework of our quality and sustainability agenda.

FOCUS ON DIVERSITY AND EQUALITY

The business area has a number of objectives when it comes to improving diversity and equality. One long-term goal is to be regarded as an organisation that fully supports the principle of equal opportunities. The goals in 2020 included increasing the proportion of women store managers, becoming a more equitable workplace and zero tolerance of offensive behaviour. It is also gratifying to note that the goal of having at least 20 percent women store managers was exceeded in Swedol in Sweden during the year, and we continue to work to achieve a corresponding result throughout the business area.

PANDEMIC DOMINATED THE YEAR

All initiatives were dominated by the ongoing COVID-19 pandemic in society. The business area's crisis management team conducted intensive work starting in March 2020, including internal communication, follow-up of sickness absence in the organisation and continuous adaptation of the operations in accordance with updated advice and recommendations from authorities and industry organisations. The business area's various operations in Sweden, Norway and Finland implemented part-time working to varying degrees during the spring as a response to declining sales. Other measures gradually implemented included thorough instructions for avoiding the spread of infection, such as procedures relating to hand hygiene, no external visits to the office, a maximum number of customers per store, etc.

During 2021, the integration work will continue with a focus on leadership, shared culture and common processes. During the year, another "pulse check" will be taken to measure how the integration work is perceived among the employees.

Sustainability – an important strategic priority

Sustainability throughout the value chain is one of the business area's strategic priorities. Structured and targeted sustainability efforts are a requirement for us to be relevant for our customers and an attractive employer. This makes us more competitive and helps us to become a better functioning company.

During the year, the business area's sustainability work was dominated by the coordination of TOOLS and Swedol. Both companies are certified in accordance with ISO 9001:2015 Quality management systems and ISO 14001:2015 Environmental management systems in Sweden and Norway. In addition, TOOLS Sweden and Norway are certified in accordance with ISO 45001:2018 Occupational health and safety management systems. We created a shared platform for management systems during the autumn and are coordinating our way of working with respect to quality, environment, and occupational health and safety. We are planning to apply for joint certification of the business area for the three ISO standards during 2021.

Thirteen material sustainability issues have been defined for the business area. The material sustainability issues as well as the goals for quality, environment, and occupational health and safety are an integrated part of the business area's business planning.

THE BUSINESS AREA'S MATERIAL SUSTAINABILITY ISSUES

- Customer service
- Profitability and growth
- Attractive employer
- Product responsibility through quality and safety
- Chemicals
- Logistics optimisation
- Helping customers to reduce their environmental impact
- Leadership
- Training and skills development
- Work environment and health
- Diversity and equality
- Working conditions/human rights in the supply chain
- Anti-corruption

The business area adopted a new, shared Code of Conduct that is based on the ten principles of the UN Global Compact and expands on the Group's Code of Conduct. The Code of Conduct contains instructions for how the business area's employees, customers, suppliers, partners and other stakeholders are expected to conduct themselves. The business area also has a whistleblowing function. During 2020, three reports were submitted through the whistleblowing function, of which two were unqualified and one qualified, and all of the reports were addressed.

The entire business area will now be able take advantage of previously established work methods relating to sustainability within TOOLS and Swedol. Swedol remains a member of amfori BSCI, a global corporate initiative that works to promote responsible supply chains. Through its membership, the business area has access to an industry-wide network of companies that cooperates to facilitate the follow-up and development of social and environmental issues in the supply chain in accordance with amfori BSCI's Code of Conduct. This means, for example, that we can look at other companies' assessments from supplier visits, which will lead to greater control and transparency in the supply chain. Moving forward, all of the business area's suppliers will take part in this work when it comes to production in high-risk countries.

During the year, we completed the process of eco-labelling our products. This information is available to our customers. We supply safety data sheets as well as Declarations of Conformity (DoC) for PPE products in order to provide greater knowledge about our products and to enable the customer to make sustainable and safe choices. We comply with laws and requirements and have published details about our duty of information in accordance with REACH for many years. We are now updating the same information in the European Chemicals Agency's SCIP database.

THE GLOBAL GOALS
For Sustainable Development

Swedol has signed the UN Global Compact's ten principles for human rights, labour, environment and working conditions, and the business area works in accordance with these. Through our strategic target work and structured sustainability efforts, we also aim to contribute to the UN Sustainable Development Goals (SDGs). Based on our impact, we have determined that we have particular responsibility for contributing to achieving the following SDGs 2030:

The market's best partner for industry

NUMBER OF EMPLOYEES*

510

* Including acquisitions until March 2021.

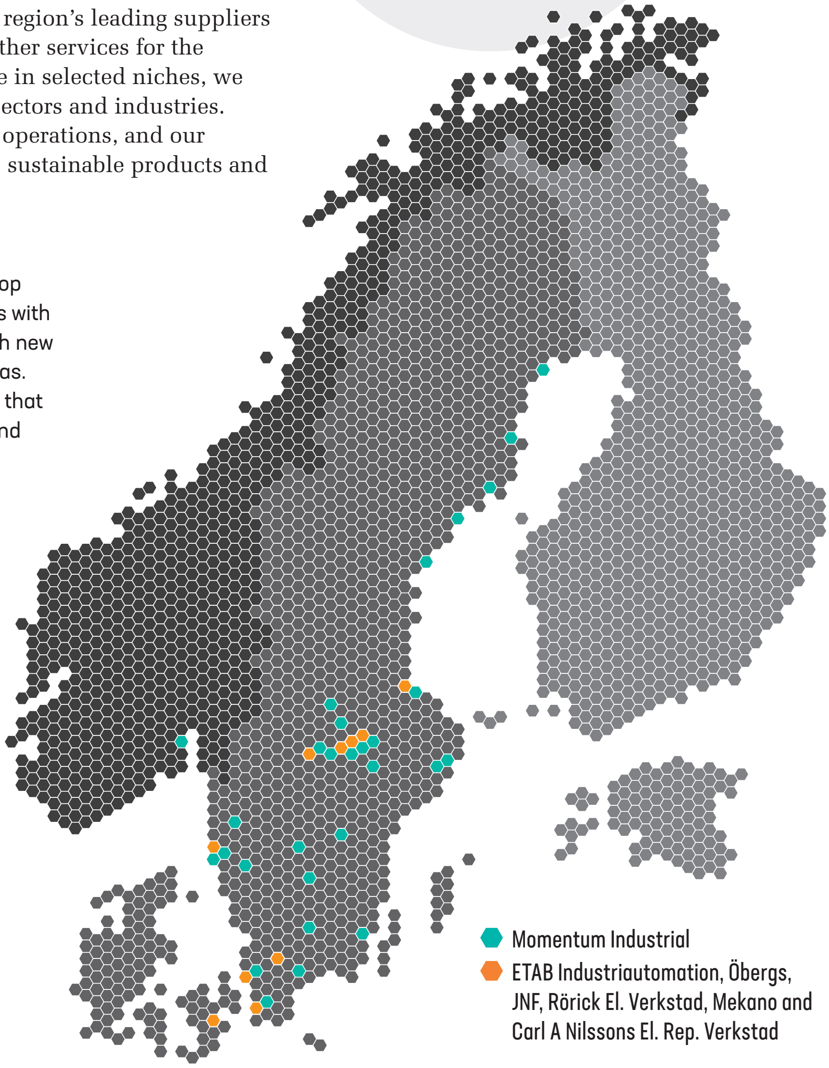
The business area Components & Services comprises a number of successful companies that collectively form one of the Nordic region's leading suppliers of industrial components, industrial services and other services for the industrial sector. With specialist technical expertise in selected niches, we are the best partner for industrial customers in all sectors and industries. Sustainability comprises a natural part of the daily operations, and our mission and vision are based on offering customers sustainable products and services with long service lives.

The strategy of the business area is to acquire and develop companies that focus on trade and services within niches with development potential and specialist expertise – both with new business areas and in existing product and customer areas. The focus is on profitable companies in leading positions that make the customers' everyday operations easier, safer and more profitable.

Revenue
2020 (9 months)
MSEK 837

EBITA
2020 (9 months)
MSEK 111

EBITA margin
2020 (9 months)
13.3%



THE BUSINESS AREA HAS TWO MAIN FOCUS AREAS TODAY

Industrial components

The leading group of companies in the Nordic region for the sale of industrial components and solutions for original equipment manufacturers (OEMs) as well as repairs and maintenance – with expertise in industry improvements.

Industrial services

The leading group of companies for industrial services in Sweden – with a competitive offering in maintenance, repair and refurbishment.*

» Read more about the companies in the business area on page 16.

* The business area's offering in industrial services also includes four service workshops integrated with Momentum Industrial.

The year in brief

As was the case for all of Momentum Group's operations, the business area was dominated by the effects of the COVID-19 pandemic on customer demand and developments during 2020.

The various operations have gradually adopted measures to ensure employee and customer safety as well as stable sales and earnings development for the future.

FIRST QUARTER
1 April–30 June

- Adjustment of the operations to continue delivering on our customer promise by maintaining good availability of products and services in new, safe ways – including digital customer meetings and training initiatives.
- Stable earnings trend as a result of measures taken to increase cost efficiency, despite lower revenue.

SECOND QUARTER
1 July–30 September

- A focus on earnings growth along with reduced funds tied up in working capital, despite continued restraint in the industrial sector.
- Training initiatives for employees in conjunction with reduced opportunities for customer meetings and part-time working.

THIRD QUARTER
1 October–31 December

- Demand from industrial customers recovered gradually during the financial year.
- Comprehensive acquisition activities during the quarter led to four acquisitions after the end of the financial year, with total annual revenue of approximately MSEK 285 – Mekano, Öbergs in Karlstad and three electromechanical workshops from Assemblin El. The aim of these acquisitions is to strengthen the market position as one of the leading suppliers of industrial components, industrial services and other services for the industrial sector in the Nordic region.

	Apr–Dec (9 months)		Jan–Dec (12 months)	
	2020	**2019**	**2020**	**2019**
Revenue, MSEK	837	928	1,163	1,254
EBITA, MSEK	111	109	156	154
EBITA margin, %	13.3%	11.7%	13.4%	12.3%
EBITA/WC, %			63%	59%

Focus on acquisition-driven growth

The business area's operations performed well during the 2020 financial year, despite the turbulent business environment. Thanks to the committed employees and successful corporate cultures of our various companies, we ended 2020 with better underlying profitability and improved cash flow for the entire business area, despite an overall decline in sales of nearly MSEK 100 during the nine-month financial year, compared with the corresponding period in 2019. The organisation displayed a strong entrepreneurial spirit and ability to deliver, despite difficult and stressful conditions for many employees. I would therefore like to extend my warm thanks to all of our colleagues for their incredible contributions in 2020!

During the year, the business area's operations – led by our largest company, Momentum Industrial – once again displayed a healthy ability to adapt to changing market conditions and to take decisive action when and where required. The general demand from industrial customers was restrained, but with major variations between the different customer segments and product areas. However, by maintaining good availability of products and services in new, safe ways, we were able to continue consistently delivering on our customer promises, and our sales gradually recovered during the year. In parallel with this, the business area implemented a number of measures to safeguard the health and safety of its employees, customers and other stakeholders – always in accordance with current advice and recommendations.

With the new Group structure in place, the business area now has favourable opportunities for acquisition-driven growth while maintaining profitability in our various areas. It was therefore highly gratifying to announce four new acquisitions after the end of the financial year in early February 2021. These acquisitions contribute to the continued development of the business area – with more than 140 dedicated and skilled employees. I want to extend a warm welcome to you all! We will continue to evaluate attractive acquisition opportunities that would further strengthen our market position and profitability. I look forward to an exciting new year in 2021!

Ulf Lilius
Business Area Manager

Mission, vision, business concept and strategies

MISSION – "United for a sustainable industry"
The operations in the business area must, together with their customers, partners and other stakeholders, contribute to creating a sustainable industry in the Nordic region from a social, environmental and economic perspective. A sustainable industry produces goods and offers services without destroying the livelihood and development opportunities of future generations. A well-functioning and sustainable industry generates several positive social and environmental effects and supports economic growth and development. Increased resource efficiency, safer and healthier work environments, and cleaner and more environmentally friendly technologies and industrial processes are all important industry adaptations when it comes to facilitating sustainable development.

VISION – "The best choice for customers"
Our various companies focus on understanding customer requirements and – based on the situation and special needs involved – offering an optimum solution for the customer. The companies also aim to be the best at what they do, a reflection that they are premium suppliers with a high level of expertise that differentiate themselves from other suppliers through various customer value advantages. Remaining "the best choice for customers" and a leading player in tomorrow's market requires a long-term, profitable business. This in turn requires that we offer popular and competitive products and services, sustainable values and expertise, and have the capability and resources for continuous development.

BUSINESS CONCEPT – "We aim to make our customers' everyday operations easier, safer and more profitable – by offering sustainable products and services"
It is crucial that the Group's customers have high profitability within their operations. Our various companies sell quality products and related services that create customer value throughout their entire service life. By doing so, we make industrial customers' everyday operations easier, safer, more sustainable and more profitable.

We acquire and develop companies in the Nordic region that focus on trade and services within developable niches. The focus is on profitable companies in leading market positions.

BUSINESS GOAL – "Growth with maintained profitability"
Overall, the business area exceeds Momentum Group's internal profitability target of P/WC of more than 45 percent, and our various companies prioritise growth while maintaining profitability in accordance with the Group's model of prioritisation. As such, corporate acquisitions comprise an important part of the growth strategy for the business area over the next few years. The acquisitions may strengthen existing operations or complement the business area with new products and product areas, services, and expertise and specialist segments. Acquisition candidates must be profitable, be leaders in their market niches for professional end users in the Nordic region, have sound customer and supplier relationships and may bring new market niches.

In addition to the overall business goal of growth with maintained profitability, each company in the business area has its own earnings and profitability targets as well as tangible environmental and social targets.

STRATEGIES – "Value rather than price as a competitive advantage"
To continue to exceed the Group's internal profitability target of P/WC of more than 45 percent, all units in the business area must offer their customers an optimal total economy (minimum total cost) through their solutions backed by in-depth customer insight and good availability, high-quality products and services, and a high level of expertise (customer value advantage). To be able to offer this to customers while also maintaining their own profitability, the businesses must work on the basis of maximum efficiency and cost awareness – and continuously strengthen their competence and experience so that the companies can operate more efficiently than its competitors (cost advantage).

COMPETITIVE ADVANTAGE	
CUSTOMER VALUE ADVANTAGE	**COST ADVANTAGE**
Ability to **create and charge** for **higher customer value** than the competition. • In-depth customer insight • Product & service quality • Breadth and depth of offering • Availability • Best customer service in the market • Superior customer relations • Value-based offering	Ability to deliver **at a lower cost** than the competition. **Economies of scale:** • Logistics • IT **Process efficiency:** • Sales • Offering development

SUSTAINABILITY – "Corporate social responsibility – a prerequisite for long-term profitability"
The mission and vision of the business area are based on offering customers sustainable products and services, and comprise a natural part of the daily operations – and it is entirely natural that the business area acts responsibly toward the companies' stakeholders. Consequently, we always assume environmental, social and financial/ethical responsibility to ensure the sustainability of our company. Read more about the business area's sustainability work on pages 18–19.

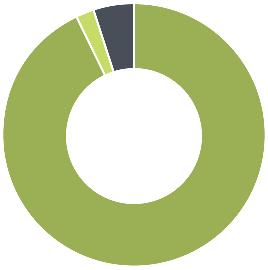
The market for industrial components and services

The operations in the business area are active in the market for industrial components and related services in Sweden, Norway and Denmark.

The operations in the business area are active in the market for industrial components and related services in Sweden, Norway and Denmark. Industrial components mainly comprise spare parts for customers' production equipment, including bearings, seals, transmission and automation. Related services include logistics solutions, inventory optimisation, more efficient maintenance planning and repair services. The market is fragmented and the rate of change is high, with increasing specialisation in all areas.

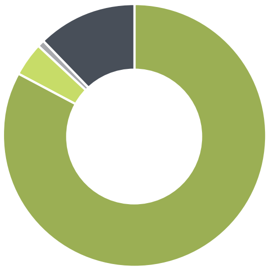
The total market for products and services related to industrial components for maintenance, repair and operations (MRO) and industrial services in our geographical markets is valued at approximately SEK 8 billion and the market potential is assessed to be healthy for all segments. Market growth is closely related to overall industrial production, the ongoing automatisation and the number of employees in the industrial sector. The competitive advantages for the business area's various companies include availability in the form of a broad, deep and efficient supply, close collaborations with strong partners and manufacturers as well as a local presence combined with specialist expertise in the selected service and product areas. The business area's customers operate within all industrial segments.

REVENUE BY GEOGRAPHIC MARKET



- Sweden **93%**
- Norway **2%**
- Other countries **5%**

REVENUE BY CUSTOMER SEGMENT



- Industry & Workshop sector **83%**
- Construction & Civil Engineering sector **4%**
- Public sector **1%**
- Other sectors **12%**

REVENUE BY PRODUCT AREA

- Bearings **32%**
- Transmission **18%**
- Automation **13%**
- Technical seals **11%**
- Tools **4%**
- Other product areas **13%**
- Services **9%**

Market-leading suppliers of industrial components and industrial services

Industrial components

The leading group of companies in the Nordic region for the sale of industrial components and solutions for original equipment manufacturers (OEMs) as well as repairs and maintenance – with expertise in industry improvements.

MOMENTUM INDUSTRIAL is one of Sweden's leading resellers of industrial components for the industrial sector, with a local stock of inventories and sales in over 30 locations in Sweden as well as via a subsidiary in Norway. Momentum Industrial's offering includes local access to products, services, consulting, customised product training programmes, permit controls and monitoring, logistics solutions and on-call services. The company's customers primarily operate in the process and manufacturing industry, including paper and pulp, sawmill, automotive, food, mining and workshops. Momentum Industrial generates annual revenue of approximately MSEK 1,100 and has some 310 employees.

ETAB INDUSTRIAUTOMATION is a market-leading industrial automation company and provides high-quality products and services in hydraulics, linear technology and pneumatics to industrial companies in Sweden. The company has long-standing partnerships with leading manufacturers and offers assembly, design and maintenance service. ETAB generates annual revenue of approximately MSEK 50 and has some ten employees.

ÖBERGS in Karlstad is a market-leading specialist company in pneumatic solutions for industrial production in such areas as the pulp and paper industry and the automotive industry in Sweden. The company provides high-quality products and services in pneumatics, process valves and measuring devices as well as offering assembly, advisory services, training and service. Öbergs generates annual revenue of approximately MSEK 50 and has some ten employees.

Öbergs is part of the Momentum Group since February 2021.

JNF in Køge offers industrial components and services in areas such as transmission, hydraulics and pumps as well as industrial consumables (such as tools, fasteners and personal protective equipment) to professional end users in the industrial, civil engineering and public sectors in Denmark. JNF generates annual revenue of approximately MSEK 40 and has some 15 employees.

Industrial services

The leading group of companies for industrial services in Sweden – with a competitive offering in maintenance, repair and refurbishment.*

RÖRICK ELEKTRISKA VERKSTAD comprises a number of electromechanical workshops in Sweden that offer service, repairs and reconstruction of all types of electromechanical equipment such as electric engines, generators, transformers and pumps to customers in such areas as the process and manufacturing industry. Rörick El. Verkstad also includes spindle service operations that were acquired from SKF in November 2020 and the three electromechanical service workshops (which have their origin in NEA workshops – Närkes Elektriska) that were acquired from Assemblin El in February 2021. Following the acquisitions in 2020-2021, the company currently has its own workshops in Köping, Västerås, Gävle, Örebro and Gothenburg. In total (including acquisitions), Rörick El. Verkstad currently generates annual revenue of approximately MSEK 150 and has some 75 employees.

CARL A NILSSONS EL REP VERKSTAD offers service, repairs and new sales of electric engines, generators, transmission products, compressors and pumps. The company collaborates with some of Europe's leading companies in each product area to guarantee the best service and quality possible. Carl A Nilssons has a workshop in Helsingborg and generates annual revenue of approximately MSEK 30 with some ten employees.

MEKANO is one of Sweden's leading suppliers of high-quality products and services with a focus on service and cost savings for industrial customers in areas such as the process industry, manufacturing industry and food industry as well as in maritime and the public sector. The company has its own units in Helsingborg, Malmö, Perstorp and Gothenburg, with customers primarily based in western and southern Sweden. Mekano generates annual revenue of approximately MSEK 145 and has some 85 employees.

Mekano is part of the Momentum Group since February 2021.

* The business area's offering in industrial services also includes four service workshops integrated in Momentum Industrial.

The employees are the key to success

The business area comprises a number of successful businesses that are run as independent units in accordance with Momentum Group's philosophy of decentralised business responsibility. Within this framework, each company establishes its own targets and work methods to contribute to future sustainable development, for which the employees constitute the most important success factor.

The overall goal is to be considered an attractive workplace in order to be able to recruit, develop and retain employees. While employees are expected to satisfy the requirements of their professional roles, they should also receive active support in order to continuously improve their competence and develop their areas of responsibility, and thus strengthen their performance. Managers in the business area have undergone leadership training in setting goals, giving feedback, and recognising and improving responsibility, performance, attitude and competence. A variety of experiences and backgrounds among employees promotes a multi-faceted work environment that encourages development.

Our various companies regularly conduct employee surveys designed to find out what employees think of their respective companies as an employer, work climate and leadership. Surveys performed in the past have shown a predominantly positive view of the businesses and a large proportion of the employees stated they would recommend the Group companies as an employer to their friends and acquaintances. The surveys also identify a number of development areas within each company, and various initiatives are continually implemented with respect to, for example, work environment issues and leadership development.

FOCUS AREAS WITHIN HUMAN RESOURCES IN 2020

Crisis management in the wake of the COVID-19 pandemic

The business area activated its crisis management team and various crisis plans due to the COVID-19 pandemic in March 2020. The crisis management team, with representatives from all of the operations' various functions, has worked intensively during the year to plan, implement and follow up on different measures to ensure the health and safety of its employees, customers and other stakeholders, continued high availability of products and services, and to protect the companies' strong brands. The operations have also implemented and continuously updated procedures and initiatives in accordance with the advice, recommendations and requirements of the authorities.

As a result of reduced activity following a total ban on visits at many customer sites, increased insecurity and the negative impact on sales due to the measures adopted by customers and society at large, a number of the business area's companies implemented part-time working for employees to various degrees during spring 2020. The employees affected have been offered training and other skills development activities when possible. Since October 2020, no employees have been put on part-time work as the conditions for the future have stabilised somewhat, despite the global rate of infection remaining grave.

Other focus areas

Aside from the pandemic, which dominated the entire year, the business area's operations continued their systematic work related to employees in accordance with their respective operational plans. This includes initiatives for a safe and secure work environment and as an attractive employer, various training courses and other activities for leadership and skills development, and measures to promote increased diversity and equality, many of which were carried out digitally. Together with partners such as SKF, a number of webinars and digital training courses for customers and employees were carried out during the year, yielding considerable interest and favourable outcomes.

United for a sustainable industry

Sustainability is a key element of the business area's DNA. Sustainability based on social, environmental and economic responsibility is the core of our mission, vision and business concept as well as being the starting point for how we control and monitor our operations.

SUSTAINABLE OPERATIONAL CONTROL

The UN SDGs, the Global Compact and Momentum Group's Code of Conduct form the basis for the business area's sustainability work. A Sustainability Policy has been implemented, along with numerous other policies. A clear target process is also in place – where the goals from management level are broken down into individual action plans through regional, local and department-specific operational plans. In these plans, financial goals are supplemented with social and environmental goals as well as specific goals for Momentum Industrial related to documented customer value, so-called "industry improvements."

A number of the business area's companies are certified in accordance with ISO 14001:2015 Quality management systems and ISO 9001:2015 Environmental management systems. Momentum Industrial also follows ISO 26001:2010 Social responsibility.

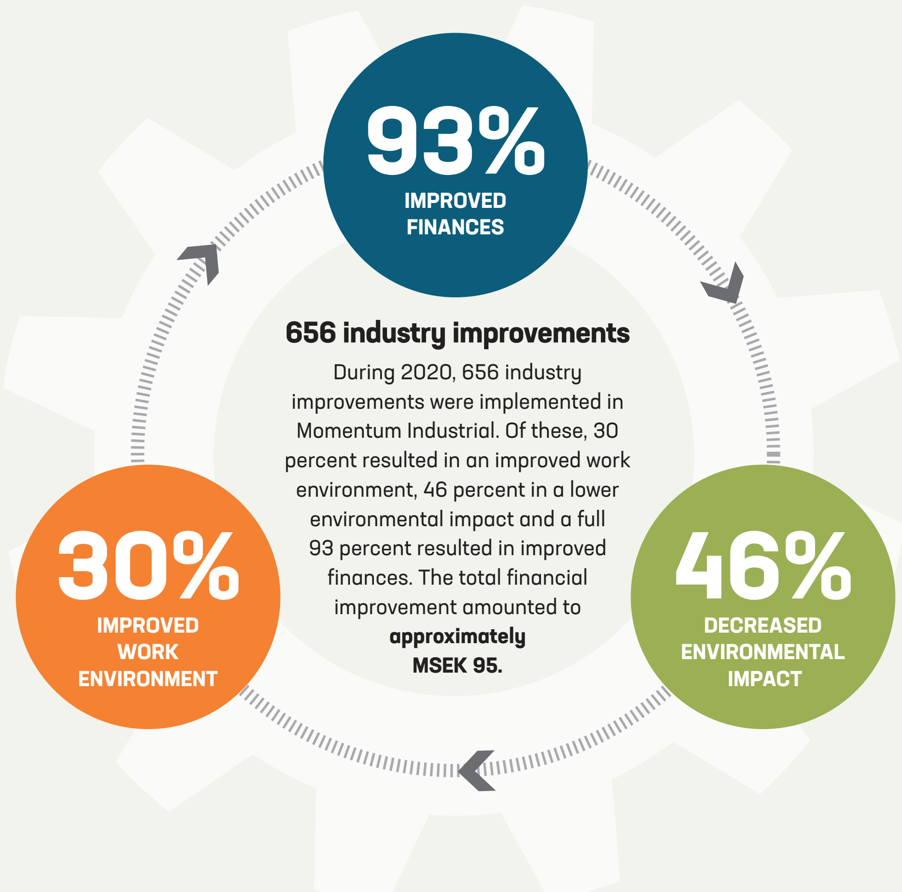
A RESPONSIBLE VALUE CHAIN

The business area's shared mission **– United for a sustainable industry –** explains our mission. Our purpose is to contribute to a sustainable industry together with our stakeholders, with a focus on people, environment and finances. A safer and healthier work environment, maximised life cycles, more environmentally friendly industrial processes and good business ethics are examples for key parameters to enable a sustainable industry.

Sustainable customer relationships

The business area's overall customer offering comprises sustainable products and services, guided by a belief in value rather than price, quality rather than quantity, a high level of business ethics and the best choice for customers. Using this as our compass, we want to help our customers' employees, environment and finances to grow and flourish over time. A central tool in this work is the industry improvements that Momentum Industrial offers, which demonstrate the value that our products and services provide for the customer from a work environment, environmental and financial perspective. These industry improvements are carried out together with the customer and are signed off by the customer with the aim of securing a shared view of the value that our sustainable solutions provide for the customer.

During 2020, we also held skills-enhancing webinars for more than 1,000 customers. Development projects were implemented together with partners such as SKF, with the aim of further strengthening the mutual value we give to the customer. Partnered with Enersize, Momentum Industrial has also developed a new service in the form of leakage reduction of compressed air, which in turn lead to energy savings and CO2 emission reduction.



A sustainable workplace

Within the business area's various companies, proactive and systematic work is carried out to strengthen our employer brand throughout the employee cycle – from recruitment to termination of employment and everything in between. The focus areas for this work include health and safety, leadership, competence development, equal treatment, and communication and, in 2020, we have refined all parts of our HR process.

We are convinced that training and competence development are crucial to employee satisfaction. On this basis, we offer a solid training package for our employees and managers. In the wake of the ongoing COVID-19 pandemic, an additional training initiative was implemented for employees put on part-time work, and several health-promoting initiatives were arranged within the organisations. During the autumn, an equal treatment project was started within Momentum Industrial, which is targeted at all employees and managers and aims to survey the status of equal treatment based on the seven grounds of discrimination stipulated in Swedish law.

In 2020, physical meetings were replaced by digital meetings, which had a positive effect on the business area's internal climate footprint. A new Company Car Policy was also implemented to further reduce our internal fossil carbon emissions. A chemicals project was carried out in the workshops and in all warehouses to ensure a healthy and safe environment for our employees and to minimise the number of chemicals in the workshops and on the warehouse shelves.

The business area's operations work actively to ensure a responsible approach and sustainable products throughout our supply chain, but the main focus is on the suppliers that account for the largest purchase volumes, as less than 3 percent of Momentum Industrial's suppliers represent approximately 80 percent of the purchase volumes. Of these approximately 30 suppliers, Momentum Industrial is already engaged in active partnerships with half of them based on shared goals and action plans.

A sustainable supply chain

In order to quality assure our contribution to a sustainable industry, we work actively with sustainability in our supply chain. Our Supplier Code of Conduct is based on the UN Global Compact and serves as the hub in our supplier process – from potential new suppliers to the monitoring of existing suppliers. The aim behind all of this work is to protect human rights, promote fair employment terms and ensure healthy and safe work conditions, responsible handling of environmental issues and sustainable business ethics in our supply chain.

During 2020, supplier assessments and audits were conducted in accordance with our annual plan, and our development-focused supplier dialogues related to sustainable products and services continued.

LOOKING AHEAD

In 2021, all of us in the business area are looking forward to continuing our development work by assuming further responsibility within our value chain.

Our greatest potential to contribute to sustainable development lies in ensuring a sustainable supply chain downstream and sustainable customer choices and solutions upstream. Satisfied employees are a requirement for succeeding in this work. Our efforts to build a more sustainable and attractive workplace will remain a focus area in 2021, as will our efforts to reduce our own negative environmental impact. The key to all relationships is good communication and information exchanges. As such, we plan to carry out refined stakeholder dialogues with our employees, customers and suppliers in 2021 – all with the aim of following our mission – **United for a sustainable industry!**

THE GLOBAL GOALS
For Sustainable Development

8 DECENT WORK AND ECONOMIC GROWTH

Our aim in this area is to provide a sustainable workplace and promote sustainable workplaces in our value chain. Health, safety, diversity and human rights are priority areas.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Our aim in this area is to promote a sustainable industry internally and together with our suppliers and customers. Our industry improvements are an important tool in this work.

13 CLIMATE ACTION

Our aim in this area is to assume responsibility for and minimise our negative impact on the climate, within our organisation and in our value chain. The focus is on a reduction of fossil carbon emissions from company vehicles, goods transports and our products.

Sustainable development for long-term profitability

Sustainable development refers to development that meets today's needs without jeopardising the opportunities for future generations. Working on sustainable development thus means that Momentum Group also takes responsibility for how its operations attain their earnings objectives. This responsibility spans the entire value chain from supplier to customer.

Momentum Group aims to be a company that conducts its business as a responsible member of society, promotes health and safety, respects human rights, and takes responsibility for improving the environment with the aim of achieving sustainable development. Simply put, sustainability is a prerequisite for long-term profitability. Achieving this goal will require, for example, intelligent product choices (with long life cycles and a lower environmental impact than other alternatives), responsibility for the working conditions in the supply chain, dedicated employees who enjoy working for their employer and efficient transports. Sustainability creates business benefits in the form of more loyal customers, more satisfied employees, stronger relationships with suppliers and better products.

ABOUT THE 2020 SUSTAINABILITY REPORT

Momentum Group has prepared the Company's Sustainability Report for the 2020 financial year, which covers the Parent Company, Momentum Group AB (publ), corporate registration number 559072-1352, and all of its operational subsidiaries. In preparing the Sustainability Report, guidance has been taken from existing practices and guidelines for fulfilling the requirements of the Swedish Annual Accounts Act with respect to sustainability reporting. No standard for sustainability reporting has been applied in full. No material changes in the application of principles for reporting, or its scope, have occurred compared with the previous year's Sustainability Report. In signing the 2020 Annual Report, the Board of Directors of Momentum Group AB also approved the Sustainability Report.

PURPOSE OF THE SUSTAINABILITY REPORT

The Group's Sustainability Report is intended to document the sustainability initiatives that have long been pursued in the various operations in the Group, and is built on Momentum Group's continual dialogue with its various stakeholders concerning which sustainability issues are the most essential for the Group. Group-wide policies with guidelines for the work of the operations in areas such as the environment and quality were introduced in 2003, and a joint Code of Conduct has been in force since 2005. The guidelines in these policies constitute the minimum requirements that all businesses and employees are to meet.

THE GROUP'S BUSINESS MODEL AND CONTROL OF AND RESPONSIBILITY FOR MANAGEMENT OF SUSTAINABILITY-RELATED RISKS

The Sustainability Report is an account of how the Momentum Group's various subsidiaries work to achieve sustainable growth and development. Momentum Group AB's Board of Directors has overall responsibility for annually establishing Group-wide policies for such areas as the environment and work environment, ethical guidelines, quality and corporate social responsibility. Based on these, the different units of the Group develop customised goals and action plans. Sustainability initiatives are led by Group management, business area management and other members of senior management, with support from the sustainability, quality and HR managers in the Group.

All reported performance measures are a compilation of values reported from the subsidiaries. In several areas, the various business areas and companies have their own targets and performance measures to monitor, in addition to those presented below for the Group as a whole. Read more about sustainability goals, focus areas and work in progress within each business area on pages 11 and 18–19. Sustainability issues are thus an integral part of Momentum Group's operations and business model, as reported on pages 2–19, which are impacted by the Group's risks and opportunities, as reported on page 43. Material sustainability-related risks and the Group's handling of these risks are presented below. The auditor's opinion regarding the statutory Sustainability Report can be found on page 77.

MATERIAL SUSTAINABILITY-RELATED RISKS AND RISK MANAGEMENT

In their sustainability reporting, companies are legally required to inform about the consequences of their operations in four areas: Environment, Social conditions and personnel, Respect for human rights, and Counteracting corruption. Momentum Group has chosen to divide its sustainability report based on three different sustainability perspectives, which together comprise information about what is deemed to constitute the Group's most material sustainability issues and contain reporting in the four statutory areas.

Based on Momentum Group's business model and the Group's continual dialogue with its various stakeholders (pages 11,18–19 and 21) regarding which sustainability issues are most material for the Group, the following areas of focus and risk have been identified as being of the greatest significance for both Momentum Group as a whole and its stakeholders.

Environmental responsibility
Environmental impact from the Group's products and services and from freight and passenger transports.
Statutory area for sustainability reporting: Environment.
Example of risks: Purchase and sale of lower-quality products, with shorter life cycles and/or that contain environmentally hazardous substances; environmental performance in the vehicle fleet and transport companies; use of environmentally hazardous packing material in packaging and transport; and deficient coordination in in-bound and out-bound deliveries from central warehouses.

Financial and ethical responsibility
Ensuring corporate responsibility that respects human rights and counteracts corruption.
Statutory area for sustainability reporting: Respect for human rights and Counteracting corruption.
Example of risks: Deviations from the Group's Code of Conduct, which entails violations of human rights in the operations of the Group or its suppliers; participation in cartels or other prohibited collaborations with competitors, customers or suppliers that limit or distort competition; and offering or receiving bribes or other forms of undue compensation for the purpose of inducing someone to act in contravention of prescribed obligations.

Social responsibility
As a responsible employer, to offer a wholesome work environment and good health and safety, respect human rights and counteract discrimination and harassment in the operations.
Statutory area for sustainability reporting: Social conditions and personnel.
Example of risks: Work environment risks (that could constitute a danger to the lives and health of employees); all types of discrimination, harassment, assault or threats at the Group's workplaces; and other conditions that do not promote a secure, comfortable work environment for employees.

Momentum Group's preventative efforts, policies and guidelines as well as targets and outcomes for 2020 in the respective areas, are reported on the following pages.

MOMENTUM GROUP'S STAKEHOLDER MODEL – "FOUR SATISFIED GROUPS"

Momentum Group's sustainability initiatives are based on a continual dialogue with its principal stakeholders. Together with them, a number of objectives have been formulated with the aim of further strengthening the relationships, and at the same time making the stakeholders even more satisfied with the positive results that the companies in the Momentum Group contribute to.

SATISFIED CUSTOMERS

Objective: Work in the best interests of new and existing customers by continuously developing and offering products and services that meet customer expectations in terms of function, quality, safety, environmental impact and supply reliability. A conscientious focus on service and maintenance extends the useful lives of the products and thereby reduces the customers' total costs. Follow-ups are performed on a regular basis through customer surveys.
Comments: Strengthening customers' profitability is always the main focus of Momentum Group's various businesses. The results of the Group companies' annual customer surveys form the basis for the businesses' work related to service level and availability, product range and service development, and training/skills development.

SATISFIED EMPLOYEES

Objective: Work in the best interests of new and existing employees by offering a healthy physical and psychosocial work environment, opportunities for skills and performance development, and offering attractive and competitive terms and conditions. The companies in the Group conduct regular employee surveys.
Comments: The ongoing skills and performance development of the Group's employees occurs at the business area and company level through various types of targeted training programmes in such areas as successful sales and performance development.

SATISFIED BUSINESS PARTNERS

Objective: Develop strong offerings for the Group's market channels. Achieve competitive purchasing terms based on the Group's strong market position, and secure efficient purchasing and sales processes for the purpose of creating close and long-term partnerships. Act professionally, honestly and ethically in all of these pursuits, based on the Group's Code of Conduct.
Comments: Momentum Group's relationships with its suppliers include everything from risk mitigation (focusing, for example, on working conditions, work environment and environmental impact) to collaborating in order to have a positive impact on the supplier's overall development – based on daily contact and the Group's Code of Conduct. The percentage of suppliers that hold quality and environmental certification is gradually increasing.

SATISFIED OWNERS

Objective: Create shareholder value by focusing on growth and stable, long-term profitability, minimise major business risks through active and effective corporate governance, and provide accurate and relevant information to the stock market.
Comments: The split of the former B&B TOOLS Group into two listed companies – Bergman & Beving and Momentum Group – in June 2017 proved to create an intensified focus on the operations and improved opportunities for development based on the companies' own conditions for increased shareholder value over time. For Momentum Group, this means an even clearer focus on developing leading market channels in profitable niches in continued proximity to customers as well as adapting its offerings, logistics and sales channels (both local and digital). So far, this increased focus in Momentum Group has yielded positive results.

Environmental responsibility

Momentum Group's environmental impact primarily comprises the products and services offered as well as the use of resources during transports. In accordance with the Group's Environmental Policy, impact on the environment is to be minimised as far as is technically possible, reasonable from a business economics perspective and environmentally justified. Many of the Group's businesses are certified in accordance with ISO 9001 Quality management systems and 14001 Environmental management systems as well as ISO 45001 Occupational health and safety management systems.

Momentum Group's offering is designed and regularly updated on the basis of customers' needs. The process of designing their offering allows the businesses to identify manufacturers and suppliers with products and services that meet the requirements for health and safety, the lowest possible environmental impact (compared with the alternatives available), quality and total cost, and share Momentum Group's views on long-term partnership and close collaboration. The life cycles of customers' machinery and production facilities are extended with regular service and maintenance through the Group's service workshops.

Ensuring that the right item is in the right place, at the right time and in the right amount is part of the foundation of Momentum Group's business. The Group's logistics operations are closely linked to its sustainability work. Optimising inventory processing enables a reduction in consumption, better availability for the customer and less lifting and handling for everyone involved. The Group's businesses continuously work to optimise the balance between in-bound and out-bound deliveries so that the right quantity is purchased. This reduces the need for transports and the consumption of cartons and other consumable materials.

With a total of approximately 2,700 employees in a large number of locations in the Nordic region in 2020, Momentum Group also has a direct environmental impact in its choice of company cars and their carbon emissions as well as — where possible — conducting remote meetings through screen sharing for the purpose of reducing the environmental impact in connection with travel. Travels have also decreased in 2020 due to the COVID-19 pandemic.

ENVIRONMENT

Examples of policies and guidelines: Environmental Policy, Code of Conduct, Guidelines for Company Cars.

Goals and performance measures for 2020: The Group aims to achieve an annual reduction of carbon emissions from company cars in accordance with the established Company Car Policy.

Outcome for 2020: For the Group's company cars in Sweden, the average carbon emissions per kilometre driven decreased by approximately 10 percent during the year compared with the Group's policy.

Social responsibility

Momentum Group's goal is to be seen as an attractive employer by all current, potential and former employees. This means that all managers and employees must maintain a professional attitude toward all human resources activities and work in accordance with clear guidelines. Continuous skills development for employees is vital to the future development of Momentum Group.

The Group's subsidiaries conduct regular employee surveys designed to find out what employees think of their respective companies as an employer, the work climate and leadership. Surveys performed in the past have shown a predominantly positive view of the businesses in terms of their development and as employers, and a large proportion of employees stated they would recommend the Group companies as employers to their friends. However, the surveys also continually identify a number of development areas in various parts of the Group, and several measures have been implemented in the past few years in areas such as leadership development. In order to further improve the work environment, training for managers in both formal and practical areas is continually offered, with the aim of ensuring that the Group's businesses offer a safe and healthy work environment.

While employees are expected to satisfy the requirements of their professional roles, they should also receive active support in order to continuously improve their competence, develop their areas of responsibility and attitudes, and thus strengthen their performance. Managers in the Group have undergone leadership training in setting goals, giving feedback, and recognising and improving responsibility, performance, attitude and competence.

A variety of experiences and backgrounds among employees promotes an equitable work environment that encourages development.

SOCIAL RESPONSIBILITY AND PERSONNEL

Examples of policies and guidelines: Work Environment Policy, Equal Opportunity Policy, Code of Conduct.

Goals and performance measures for 2020: The Group endeavours to conduct annual performance reviews with all employees regarding such factors as work environment, work situations, discrimination (if any), equality, health and safety, and so on.

Outcome for 2020: During the year, some 90 percent of the employees in the business area Components & Services had documented performance reviews with their immediate supervisors.

NB: Due to the coordination and implementation of a completely new shared organisation, no measurement could be made in the business area Tools, Consumables, Workwear & Protective Equipment for 2020.

Financial and ethical responsibility

Momentum Group's Code of Conduct pertains to all businesses and employees in the Group and underlines the importance of always behaving in an ethically correct manner and respecting human rights.

The Code of Conduct also imposes requirements on suppliers. These requirements include a written affirmation that they act within the framework of the laws of their respective countries, counteract corruption and otherwise comply with the intentions of the Code of Conduct, for example, by offering their employees a safe and healthy work environment and not permitting child labour in production. The Group does not tolerate corruption, bribes or other disloyal practices that may limit competition, and all such events are to be reported to Momentum Group's management. If appropriate, a report to the competition authorities is prepared. No reports of practices that limit competition were submitted to Group management during the 2020 financial year. Momentum Group supports and respects the protection of human rights, and works to ensure that its operations are not complicit in the violation of human rights.

A number of businesses in the Group also perform on-site supplier inspections with manufacturers on a regular basis, focusing on quality, environment, labour laws, work environment and business ethics. This work strengthens the collaboration between Momentum Group and its suppliers.

Momentum Group has a whistleblowing function that includes a web-based system where every employee has the opportunity to report, openly or anonymously, all types of irregularities that may have serious consequences for the Group. The whistleblowing function can also be accessed externally on the Group's website. No violations of the Code of Conduct were reported to Group management during the 2020 financial year.

The entire Momentum Group Code of Conduct can be found on the Group's website.

BUSINESS ETHICS AND FINANCIAL RESPONSIBILITY

Examples of policies and guidelines: Code of Conduct, self-evaluation tools for suppliers, Quality Policy.

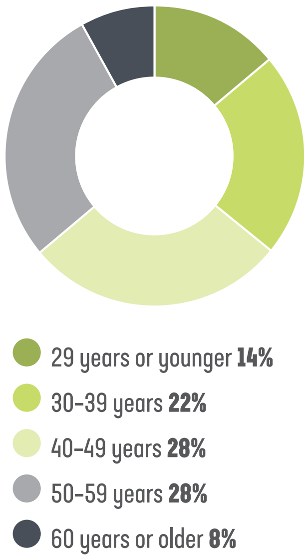
Goals and performance measures for 2020: The goal of the Group is that the majority of the purchase volume is to come from suppliers who have signed and apply Momentum Group's Code of Conduct (or a similar document).

Outcome for 2020: More than 70 percent of the Group's total purchase volume for the year of just over MSEK 5,000 came from suppliers who have confirmed that they apply Momentum Group's Code of Conduct (or a similar document) in writing.

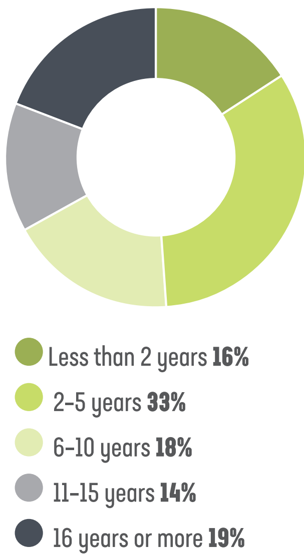
Employees	2020 (9 months)	2019/20
Average no. of employees	2,564	1,700
Percentage women	27%	21%
Percentage men	73%	79%

Equality in regard to gender distribution represents a key issue for Momentum Group, since more men than women traditionally work in technology trading with consumables and components for the manufacturing industry. Consequently, the Group's business areas are working actively in many different ways to promote greater equality over time in terms of gender distribution at all levels of the organisations.

DISTRIBUTION BY AGE



LENGTH OF EMPLOYMENT



ANNUAL REPORT 2020

Administration Report with Corporate Governance Report

1 April–31 December 2020 (9 months)

The Board of Directors and President & CEO of Momentum Group AB (publ), Corporate Registration Number 559072-1352, hereby submit the Annual Report and consolidated financial statements for the 1 April–31 December 2020 financial year (9 months). The following Corporate Governance Report, income statements, balance sheets, statements of comprehensive income, statements of changes in equity, cash-flow statements and notes constitute an integrated part of the Annual Report and have been reviewed by the Company's auditors. The statutory Sustainability Report in accordance with the Swedish Annual Accounts Act can be found on pages 20–23.

SHORTENED FINANCIAL YEAR 2020 (9 MONTHS) AND COMPARATIVE FIGURES 2019/20 (12 MONTHS)

In August 2020, the Annual General Meeting of Momentum Group AB (publ) resolved to change its financial year to the calendar year as of 1 January 2021. Accordingly, the 2020 financial year was shortened to nine months and covers the 1 April–31 December 2020 period (9 months). All information for the 2020 financial year includes the outcome for the 1 April–31 December 2020 period (9 months) while all the comparative figures in parentheses for the 2019/20 financial year are for the 1 April 2019–31 March 2020 period (12 months) unless otherwise specified.

THE 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. All information for the 2020 financial year thus includes Swedol, while the comparative figures for the 2019/20 financial year do not.

PROFIT AND REVENUE

Profit

Operating profit amounted to MSEK 333 (303). Operating profit includes items affecting comparability totalling MSEK –101 (–14), mainly pertaining to restructuring costs in connection with the integration of TOOLS and Swedol in the business area Tools, Consumables, Workwear & Protective Equipment. Operating profit was also charged with depreciation of MSEK –42 (–17) on tangible non-current assets and amortisation of MSEK –87 (–35) on intangible non-current assets. Exchange-rate translation effects had a net impact of MSEK –2 (0) on operating profit. The operating margin was 4.9 percent (4.9).

EBITA (operating profit excluding items affecting comparability and amortisation of intangible assets arising in connection with corporate acquisitions) amounted to MSEK 484 (338). The EBITA margin was 7.1 percent (5.5).

Profit after financial items amounted to MSEK 294 (283) and net financial items to MSEK –39 (–20). The profit margin was 4.3 percent (4.6).

Net profit amounted to MSEK 229 (217). This corresponds to earnings per share of SEK 4.55 (7.70).

Revenue

Revenue amounted to MSEK 6,846 (6,135). Exchange-rate translation effects had an effect of MSEK –196 on revenue and the acquisitions included in the financial statements after 1 April 2020 (including Swedol) had a positive effect of MSEK +2,809 on revenue during the financial year.

MARKET AND THE IMPACT OF THE COVID-19 PANDEMIC

The 2020 financial year was characterised by a significantly restrained and cautious attitude in Momentum Group's main markets, primarily due to the uncertainty concerning the COVID-19 pandemic. After the stringent measures from both society at large and individual companies started taking effect toward the end of March 2020, all operations in the Group experienced a negative effect on overall demand. The downturn was the most tangible among larger customers in the industrial sector, while small and medium-sized customers demonstrated greater tolerance to the slowdown. At the same time, sales of certain product groups, mainly personal protective equipment, were more positive, while demand in the automotive and oil & gas sectors was weaker. Performance also varied between different countries. The overall impact on demand in Sweden was relatively limited, although with major variations between customer segments. At the same time, the Norwegian and Finnish markets 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 pandemic is deemed to be the main reason for the Momentum Group's negative sales performance for the financial year (1 April–31 December 2020) compared with the corresponding period in the preceding year (1 April–31 December 2019). Meanwhile, different government measures, in combination with the Group's own cost-saving measures, reduced the cost base during the year. The Group had no employees left in government support programmes at the end of the financial year, but continues to regularly implement its own adaptations in the operations to meet fluctuating demand.

BUSINESS AREA TOOLS, CONSUMABLES, WORKWEAR & PROTECTIVE EQUIPMENT

During the financial year, the business area comprised 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.

Revenue for the business area amounted to MSEK 6,035 and operating profit to MSEK 234, corresponding to an operating margin of 3.9 percent. Operating profit includes items affecting comparability totalling MSEK –99 pertaining to restructuring costs in connection with the integration of TOOLS and Swedol as well as amortisation on intangible assets arising in connection with the acquisition amounting to MSEK –47. Excluding these items affecting comparability and amortisation on intangible assets, EBITA for the business area thus amounted to MSEK 380, corresponding to an EBITA margin of 6.3 percent.

Demand in the business area was negatively impacted by the COVID-19 pandemic during the financial year. In total, revenue for comparable units in the business area decreased, although with major variations between countries and quarters, with Sweden recording increased sales toward the end of the year. The 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 sales, margins and efficiency.

The 2020 financial year was also intense, with a focus on the merger of Swedol and TOOLS. Integration proceeded according to plan, with many important projects during the year. A number of store integrations between Swedol and TOOLS were carried out in Sweden and Norway, with a positive response from customers, and the coordination and optimisation of the product range began. Apart from managing the challenges related to the ongoing pandemic, targeted improvement initiatives are consequently ongoing to create a scalable platform for the future and to strengthen the market position.

For the operations in Sweden, it was primarily sales to larger industrial companies that were negatively impacted by the prevailing cautious approach in the market, while sales to small and medium-sized customers were more stable, partly due to extra sales initiatives. The new integrated operations in Swedol-TOOLS also signed a number of new customer agreements that will contribute to future sales growth. The earnings performance was affected negatively by restrained demand in some customer segments and various cost-saving measures are continuing. The specialist companies within Workwear & Profile Materials contributed positively to the earnings performance.

Revenue for the operations in Norway decreased during the year and the pandemic had a negative impact on overall demand, not least within the oil & gas sector. This had a negative impact on sales to both retail and direct sales customers. This decrease in sales was reflected in earnings for the Norwegian operations, as was the negative impact of the exchange rate for the Norwegian krona. Price increases have been implemented and cost-saving measures continue, including measures taken within the logistics functions.

Revenue for the operations in Finland decreased due to lower demand in the relatively export-dependent Finnish industrial sector, including the pulp & paper and shipbuilding industries. The operations are continuously implementing customised cost-saving measures with the aim of reversing the negative earnings trend.

BUSINESS AREA COMPONENTS & SERVICES

During the financial year, the business area comprised Momentum Industrial, ETAB Industriautomation, Rörick Elektriska Verkstad, Carl A Nilssons Elektriska Reparationsverkstad and JNF Køge, which offer spare parts, service and repairs for customers in the industrial sector in the Nordic region.

Revenue for the business area amounted to MSEK 837 and operating profit to MSEK 108, corresponding to an operating margin of 12.9 percent. These results do not include any items affecting comparability. Amortisation of intangible assets arising in connection with corporate acquisitions amounted to MSEK –3. Excluding this amortisation on intangible assets, EBITA for the business area amounted to MSEK 111, corresponding to an EBITA margin of 13.3 percent.

The operations in the business area performed well during the financial year despite the turbulent operating environment, and continued along the established path with a focus on earnings growth in combination with reduced funds tied up in working capital. Sales in the business area were impacted negatively by the COVID-19 pandemic during the financial year, which was reflected by a general sense of restraint and major industrial customers continuously implementing cost-cutting measures in their operations. Demand gradually recovered during the year and the adopted measures contributed to a continued stable earnings performance, favourable profitability and strong cash flows. With the new Group structure in place, the business area also has favourable opportunities for acquisition-driven growth while maintaining profitability in their various areas.

For Momentum Industrial, demand in the mining sector and the pulp & paper industry was relatively stable, while sales to the automotive industry in particular were restrained. For many industrial customers, maintenance work contributed to favourable business opportunities. The previously implemented measures to increase cost efficiency contributed to a stable earnings performance during the entire financial year, despite the downturn in sales.

Rörick Elektriska Verkstad, which specialises in service and repairs, and ETAB Industriautomation, which specialises in pneumatics and hydraulics, displayed a stable performance during the year and contributed positively to the business area's earnings performance. Rörick's acquisition of SKF's spindle service operations in Sweden closed in mid-November 2020, contributing approximately MSEK 10 in annual revenue.

GROUP-WIDE AND ELIMINATIONS

EBITA for "Group-wide and eliminations" amounted to MSEK –7 (–7) and items affecting comparability to MSEK –2 (–14). Items affecting comparability pertain to costs for advisors and other costs arising from the acquisition of Swedol. Accordingly, an operating loss of MSEK –9 (–21) was reported.

PARENT COMPANY

The Parent Company's revenue for the financial year amounted to MSEK 22 (29) and the loss after financial items totalled MSEK –13 (6). The results include no Group contributions (–).

The Parent Company's balance sheet total amounted to MSEK 4,440 (3,626), with equity accounting for 46 percent (57) of total assets. At year-end, cash and cash equivalents amounted to MSEK 357 (1,153) and external interest-bearing liabilities to MSEK 1,668 (1,323).

CORPORATE ACQUISITIONS

Momentum Group conducted two corporate acquisitions with closing during the 2020 financial year.

Acquisition of Swedol

Momentum Group's public offer to the 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 was carried out as a conveyance of assets and liabilities and closing took place in mid-November 2020.

Refer to Note 31 Acquisition of businesses on pages 71–72 for information about the acquisitions carried out during the 2020 financial year.

PROFITABILITY

The Group's profitability, measured as the return on equity, amounted to 12 percent (17) and the return on working capital (EBITA/WC) to 32 percent (27) for the rolling 12-month period that ended on 31 December 2020 (31 December 2019). The return on capital employed for the corresponding period was 10 percent (15).

CASH FLOW AND FINANCIAL POSITION

Cash flow from operating activities before changes in working capital for the financial year totalled MSEK 763 (487). During the year, inventories decreased by MSEK 167 and operating receivables by MSEK 113. Operating liabilities rose by MSEK 43. Cash flow from operating activities for the financial year thus amounted to MSEK 1,086 (505).

Cash flow for the financial year was also impacted in a net amount of MSEK –149 (–18) pertaining to investments in and divestments of non-current assets, and a net amount of MSEK –1,748 (–66) pertaining to acquisitions of subsidiaries and other business units and sale of financial non-current assets. Investments in non-current assets 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.

At the end of the financial year, the Group's financial net loan liability amounted to MSEK 2,331, 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 lease liabilities. At the end of the year, the Group's operational net loan liability amounted to MSEK 1,293 (166). Cash and cash equivalents, including unutilised granted credit facilities, totalled MSEK 1,425. Maturity periods and fixed-interest periods for interest-bearing liabilities are presented in Note 24 Financial risks and risk management on pages 63–65. The equity/assets ratio at the end of the financial year was 39 percent.

Equity per share, both before and after dilution, totalled SEK 60.25 at the end of the financial year, compared with SEK 56.95 at the beginning of the year.

The Swedish tax rate, which also applies to the Parent Company, was 21.4 percent during the financial year. The Group's average tax rate, with the current geographic mix, is approximately 21.3 percent.

EMPLOYEES

At the end of the financial year, the number of employees in the Group amounted to 2,670, compared with 1,651 at the beginning of the year. The change compared with the preceding year is primarily attributable to the acquisition of Swedol. The average number of employees during the year was 2,564 (1,700).

SUSTAINABILITY REPORT

Momentum Group regards sustainability issues and corporate social responsibility as a prerequisite for the Group's long-term profitability and an integral part of the daily work. Momentum Group's sustainability work continued in 2020 and is presented in the Sustainability Report on pages 20–23. The auditor's opinion regarding the statutory sustainability report can be found on page 77.

ENVIRONMENTAL IMPACT

During the financial year, the Group conducted operations subject to permit and/or reporting requirements in five of its Swedish subsidiaries, mainly related to the handling of and trading in certain chemical products and managing electronic waste. No Group companies are involved in any environmentally related disputes.

RESEARCH AND DEVELOPMENT

Momentum Group does not conduct any research and development, but with the aim of strengthening and developing the Group's position as one of the leading suppliers of industrial consumables and components to the industrial and construction sectors in the Nordic region, resources are mainly invested in the continued development of concepts and service solutions for its customers and partners and the further development of the Group's proprietary product brands. Activities implemented during 2020 included continued development of various service concepts and customer solutions, a continued focus on digitisation of transaction management and information sharing both externally with customers and internally, development of logistics and e-commerce solutions for end customers, and training for end users.

FINANCIAL AND BUSINESS RISKS

Efficient and systematic risk assessment of financial and business risks is important for the Momentum Group. The Group's Financial Policy establishes guidelines and goals for managing financial risks in the Group and regulates the distribution of responsibility between the Board of Directors of Momentum Group AB, the President & CEO and the CFO as well as the boards, presidents and financial officers of the business areas and subsidiaries. All foreign-currency management and granting of credit to customers are handled within the framework of the established policy. For a detailed account of financial and business risks and the Group's management thereof, refer to page 43 and Note 24 Financial risks and risk management on pages 63–65.

FUTURE DEVELOPMENT

The Group intends to continue along the path it has established, with a focus on earnings growth, reduced funds tied up in working capital and corporate acquisitions in order to increase profitability. The Group's goal is for its earnings growth over a business cycle to amount to at least 15 percent annually, combined with favourable profitability. For parts of the Group, the lower demand due to the COVID-19 pandemic gradually recovered somewhat during the 2020 financial year, with a relatively strong end to the year. Future sales, particularly to the Group's major, export-oriented customers, will largely be impacted by developments in the global markets. Accordingly, it is not currently possible to predict with any certainty how the pandemic will affect Momentum Group in the coming quarters of 2021, since this depends on the extent and duration of the decline in demand and the effects of the cost-cutting measures taken. All operations in the Group are carefully monitoring developments and taking suitable measures depending on how the market and the situation develops. General measures taken by the Group during the past months, such as increased vigilance when it comes to changes in customer structure and a heightened focus on liquidity, will continue.

Another focus area in the short and medium term concerns efforts to realise synergies and strengthen the customer offering by continuing the coordination of TOOLS and Swedol in the business area Tools, Consumables, Workwear & Protective Equipment with undiminished energy. Alongside of this, the Group is continuing to strive to strengthen the business area Components & Services over the next few years through an acquisition-driven growth strategy. The acquisitions may strengthen existing operations or complement the business area with new products and product areas, services and expertise as well as specialist segments.

DIVIDEND 2021

The Board of Directors proposes a dividend of SEK 1.50 per share, corresponding to a pay-out ratio of 33 percent of earnings per share for the 2020 financial year.

The Board of Directors has assessed the Company's and the Group's financial position and the Company's and the Group's ability to meet their short and long-term obligations. A total of MSEK 75.6 is required for the proposed dividend payment (taking into account the 500,000 Class B shares Momentum Group AB holds in treasury), which means that, all other things being equal, the Group's equity/assets ratio as of 31 December 2020 would decrease by approximately 1 percentage point. After payment of the proposed dividend and taking into consideration the prevailing market conditions, the Company's and the Group's equity/assets ratio is still deemed to meet the demands placed on the operations conducted by the Group. The Board's assessment is that the proposed dividend is well balanced taking into account the demands placed on the size of the Company's and the Group's equity and liquidity due to the type of business conducted, its scope and relative risks. The proposed dividend is also in line with the Company's dividend policy, which states that 30–50 percent of earnings per share are to be distributed over a business cycle.

Proposed appropriation of profit

The Board's and the President & CEO's proposed appropriation of profit is presented on page 73.

EVENTS AFTER THE END OF THE FINANCIAL YEAR

Acquisition of electromechanical workshops from Assemblin El

With the aim of further strengthening the Group's market position in service and maintenance for Swedish industry, an agreement was signed to acquire three electromechanical service workshops from Assemblin El AB in early February 2021. The acquired workshops, which have their origin in NEA workshops (Närkes Elektriska), generate annual revenue of approximately MSEK 90 with favourable profitability and have some 45 employees. The acquisition will be conducted as a conveyance of assets and liabilities with closing scheduled to take place in early April 2021.

Acquisition of Mekano – further strengthening the position in industrial services in Sweden

Momentum Group also signed an agreement in early February 2021 to acquire 70 percent of the shares of Mekano AB and 100 percent of the shares of Mekano i Sävedalen AB, further strengthening the Group's market position in service and maintenance for Swedish industry. Mekano is one of Sweden's leading suppliers of products and services for the industrial services market, and the two Mekano companies generate combined annual revenue of approximately MSEK 145 with favourable profitability and have some 85 employees. Closing took place in February 2021.

Acquisition of Öbergs in Karlstad
In early February 2021, Momentum Group acquired 100 percent of the shares in Öbergs i Karlstad AB ("Öbergs"). The acquisition of Öbergs, a market-leading specialist company in pneumatics in Sweden, further strengthens the Group's position as a leading supplier of industrial components and related services to Swedish industry. Öbergs generates annual revenue of approximately MSEK 50 with favourable profitability and has 12 employees. Closing took place in conjunction with the acquisition.

Redemption of call options 2017/21 and number of repurchased own shares
During the redemption period of 18-25 February 2021, 14,000 call options 2017/21 within the framework of the 2017 share-related incentive programme were redeemed to acquire an equivalent number of repurchased shares, and Momentum Group's holding of Class B treasury shares as of 24 March 2021 thus amounted to 486,000. In addition, during the redemption period in February 2021, 155,500 call options 2017/21 were repurchased by Momentum Group at the established market price. As of 24 March 2021, there were thus 64,500 call options 2017/21 outstanding.

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

Corporate Governance Report 2020

THE SWEDISH CORPORATE GOVERNANCE CODE AND MOMENTUM GROUP'S CORPORATE GOVERNANCE REPORT
Momentum Group applies the Swedish Corporate Governance Code (the "Code"). The Code is part of the self-regulation system of Swedish trade and industry, and is based on the "comply or explain" principle. This means that a company that applies the Code may deviate from individual rules, but is required to provide an explanation for each deviation.

This Corporate Governance Report for the 2020 financial year was prepared in accordance with the recommendations of the Code. Momentum Group deviates from one of the recommendations of the Code: the auditors' review of the Company's six-month or nine-month interim reports. This deviation from the Code is reported in further detail in the relevant section below. The Corporate Governance Report constitutes a part of the formal annual accounts and has been reviewed by the Company's auditors.

DISTRIBUTION OF RESPONSIBILITY AND ARTICLES OF ASSOCIATION
The purpose of the Company's corporate governance structure is to establish a clear distribution of roles and responsibilities between the owners, Board of Directors, Board committees and executive management. Momentum Group AB primarily applies the Swedish Companies Act and the rules that apply since the Company's Class B share is listed on Nasdaq Stockholm ("Stockholm Stock Exchange") as well as best practice in the stock market. The Code is part of the regulations of the Stockholm Stock Exchange. In the course of its operations, Momentum Group also complies with the regulations stipulated in the Company's Articles of Association.

According to the Articles of Association, the registered name of the Company is Momentum Group AB. The Company is a public limited liability company and as of 2021 the financial year is from 1 January to 31 December. The appointment of directors and amendments to the Articles of Association occur in accordance with the Swedish Companies Act. The Articles of Association are available in full on the Company's website.

CORPORATE GOVERNANCE STRUCTURE WITHIN MOMENTUM GROUP

The General Meeting of Shareholders is the Company's highest decision-making body. The Board of Directors and its Chairman as well as the auditors, where applicable, are appointed by the Annual General Meeting.

The Election Committee drafts motions to the Annual General Meeting regarding the composition of the Board of Directors.

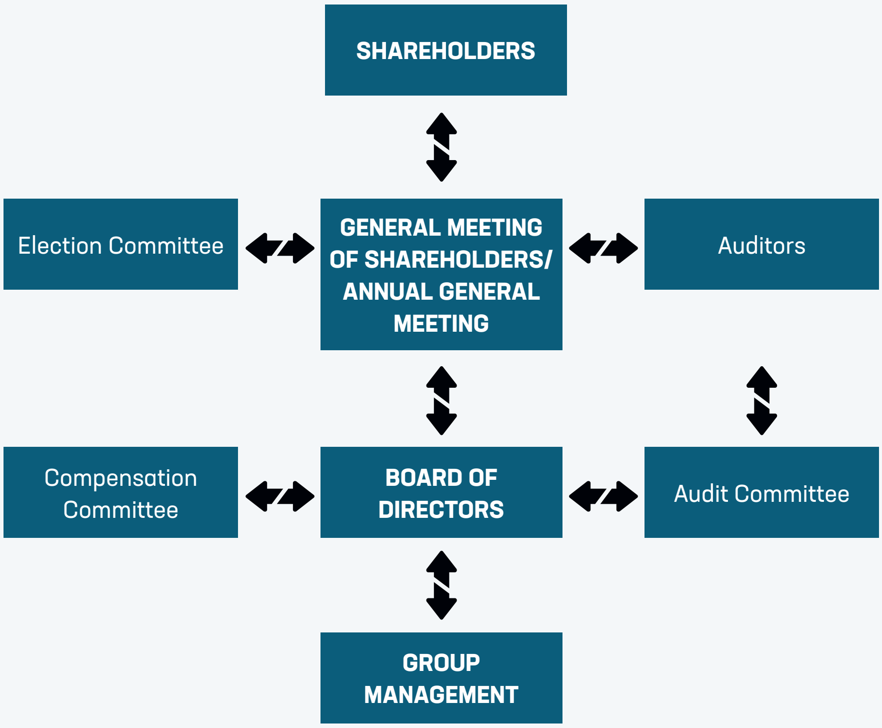
By order of the Annual General Meeting, it is the duty of the appointed **auditors** to examine the financial statements and the administration of the Board of Directors and the President & CEO during the financial year.

The Board of Directors is ultimately responsible for the Company's organisation and administration. It is also the duty of the Board to ensure that all shareholders' interests in Momentum Group are provided for. The Board of Directors appoints the President & CEO and the Executive Vice Presidents.

The Audit Committee examines the procedures for risk management, governance, control and financial reporting.

The Compensation Committee prepares motions concerning remuneration levels for the President & CEO as well as general incentive programmes – subject to the approval of the Board – and decides on remuneration levels for other senior management.

The President & CEO and other members of **Group management** are responsible for the day-to-day management of Momentum Group.



SHARE STRUCTURE, SHAREHOLDERS AND REPURCHASE OF OWN SHARES

The share capital amounts to approximately MSEK 102. The distribution by class of share on 31 December 2020 was as follows:

Class of share	As of 31 December 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**

All shares carry equal rights to Momentum Group AB's assets and earnings. The Company's Class A shares entitle the holder to ten votes each and Class B shares to one vote each. The Articles of Association contain no limitations concerning how many votes each shareholder may cast at the General Meeting of Shareholders. For repurchased shares held in treasury, all rights are waived until such time as the shares are reissued. The Board is authorised, during the period until the next Annual General Meeting, to decide to increase the Company's share capital through a new issue of shares up to a maximum of 10 percent of the number of shares in the Company as a means of payment for acquisitions.

According to Chapter 6, Section 2a of the Swedish Annual Accounts Act, listed companies are required to submit information concerning certain circumstances that may affect opportunities to take over the Company through a public takeover bid for the shares in the Company. The Company's lenders are entitled to cancel approved committed credit facilities if the Company's shares are delisted from Nasdaq Stockholm or in connection with public takeover bids if the bidder secures a shareholding of more than 50 percent of the number of shares in the Company or controls at least 50 percent of the votes in the Company. Otherwise the Company has not entered into any significant agreements with suppliers or employees that would be affected, change, expire or stipulate the payment of financial remuneration should control of the Company change as a result of a public takeover bid for the shares in the Company.

As of 31 December 2020, Nordstjernan AB held 54.5 percent of the shares and 53.3 percent of the total number of votes in the Company. No other shareholders had direct or indirect shareholdings in the Company representing more than one-tenth of the total number of votes. As of 31 December 2020, Momentum Group AB had approximately 4,600 shareholders.

Further information regarding Momentum Group's shares and ownership structure on 31 December 2020 is presented in the section on Momentum Group's share on pages 80–82.

Repurchase of own shares and incentive programmes

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 financial year. Accordingly, the number of Class B shares held in treasury as of 31 December 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 quotient value of this holding amounted to SEK 1,000,000 as of 31 December 2020. 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 119.30 per share[1]. Each call option in this programme entitles the holder to acquire one repurchased Class B share during the redemption periods of 18–25 February and 12–25 May 2021, respectively. The number of call options outstanding from the 2017/21 programme at 31 December 2020 amounted to 234,000. During the redemption period in February 2021, 14,000 call options 2017/21 were redeemed to acquire an equivalent number of repurchased shares, and the holding of Class B shares as of 24 March 2021 thus amounted to 486,000. In addition, during the redemption period in February 2021, 155,500 call options 2017/21 within the framework of the 2017 programme were repurchased by Momentum Group at the established market price. As of 24 March 2021, there were thus 64,500 call options 2017/21 outstanding.

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. As of 24 March 2021, there were 240,000 call options 2018/22 outstanding.

1) The original redemption price per call option for the 2017 share-based incentive programme of SEK 121.60 was recalculated by Nordea Bank in February 2021 in accordance with the terms of the incentive programme due to paid and adopted dividends between 2018 and 2021.

The share price on 31 December 2020 was SEK 142.00 and the call options outstanding on the shares repurchased by the Company resulted in a marginal dilution effect for the final quarter of 2020. The issued call options did not entail any dilution effect for the 2020 financial year. When fully exercised, the call options outstanding as of 24 March 2021 would increase the number of Class B shares outstanding by 304,500, corresponding to 0.6 percent of the total number of shares and 0.5 percent of the total number of votes.

GENERAL MEETING OF SHAREHOLDERS

The General Meeting of Shareholders is the Company's highest decision-making body where shareholders exercise their voting rights. At the Annual General Meeting, decisions are made concerning the Annual Report, dividends, the election of the directors and auditors, directors' and auditors' fees, and other matters in accordance with the Swedish Companies Act and the Articles of Association.

The Company does not apply any special arrangements with respect to the function of the General Meeting of Shareholders due to the provisions of the Articles of Association or due to any shareholders' agreement known to the Company.

Annual General Meeting on 31 August 2020

The Annual General Meeting of Momentum Group AB was held on 31 August 2020 in Stockholm. The notice for the Annual General Meeting and the supporting documentation for the Meeting were published in accordance with the Company's Articles of Association. The Meeting was held in Swedish and, based on the composition of the shareholder base, interpreters to other languages were deemed unnecessary. The notice for the Meeting and other materials were available in Swedish and English.

A total of 62 shareholders participated in the Meeting, representing a combined total of 74.6 percent of the votes in the Company. Three of the regular directors and the Company's auditors attended the Meeting. Among other decisions, the Meeting resolved to change the financial year to the calendar year, on authorisations for repurchases of own shares and new share issues in conjunction with acquisitions, on instructions for the Election Committee and to discharge the Company's directors and President & CEO from liability for their administration of the Company during the 2019/20 financial year. The Company's President & CEO, Ulf Lilius, presented the Group's operations and earnings for the 2019/20 financial year and commented on the Group's performance in the first quarter of the 2020 financial year. Directors Stefan Hedelius, Göran Näsholm, Johan Sjö and Gunilla Spongh were re-elected, and Johan Eklund and Christina Åqvist were elected as new directors. Johan Sjö was re-elected Chairman of the Board. Former Director Charlotte Hansson had declined re-election.

The minutes from the Annual General Meeting were made available at Momentum Group's offices and on the Company's website two weeks after the Meeting. The minutes are available in Swedish and English.

ELECTION COMMITTEE

The Annual General Meeting in August 2020 resolved on the instructions for the appointment of an Election Committee in Momentum Group as well as its duties, which apply until further notice. In accordance with these instructions, an Election Committee was appointed ahead of the 2021 Annual General Meeting comprising Peter Hofvenstam (nominated by Nordstjernan) as Chairman, Stefan Hedelius (nominated by Tom Hedelius), Marianne Flink (nominated by Swedbank Robur Funds) and Lilian Fossum Biner (nominated by Handelsbanken Funds). The Election Committee is to prepare motions regarding the Chairman of the Annual General Meeting, the number of directors, the election of directors and auditors as well as the fees to be paid to each director and the auditors.

The Election Committee's complete motions regarding the Board of Directors and auditors will be presented in the notice for the 2021 Annual General Meeting and on the Company's website. The Election Committee will present and motivate its motions regarding the Board of Directors and auditors on the Company's website in conjunction with the publication of the notice for the Meeting and at the Annual General Meeting itself. No separate remuneration was paid for work on the Election Committee during the year.

THE BOARD OF DIRECTORS 2020

In accordance with Momentum Group's Articles of Association, the Board of Directors is to comprise not fewer than five and not more than eight directors.

Directors

Momentum Group AB's Board of Directors comprises six directors appointed by the Annual General Meeting on 31 August 2020: Johan Sjö (Chairman), Johan Eklund, Stefan Hedelius, Göran Näsholm, Gunilla Spongh and Christina Åqvist. A detailed presentation of these directors, including information on other assignments and work experience, is available on pages 78–79 and on the Company's website. All directors are independent in relation to the Company and senior management. Two directors are dependent in relation to the Company's major shareholders. Accordingly, the Board of Directors meets the requirement that at least two of the directors who are independent in relation to the Company also be independent in relation to major shareholders. The Board of Directors also includes an employee representative, Pernilla Andersson.

According to the resolution of the Annual General Meeting, each director elected by the Annual General Meeting receives a fee of SEK 280,000. The Chairman of the Board receives a fee of SEK 610,000. In addition, a special directors' fee is paid to directors who are also members of a separate subsidiary board of directors – SEK 300,000 to the Chairman of the Board and SEK 150,000 to other directors (two individuals). A special fee of SEK 50,000 per person is also paid to each member of the Compensation Committee (two individuals) and a fee of SEK 90,000 to the Chairman of the Audit Committee. Accordingly, the total fees in accordance with the resolution of the Annual General Meeting amount to SEK 2,800,000. For the shortened 2020 financial year (9 months), each fee has been adjusted to comprise nine-twelfths of the amount determined.

Refer to the table below for a summary of the members of the Board elected by the Annual General Meeting, their participation in committees, attendance at Board meetings, dependency and fees.

Chairman of the Board

The Chairman of the Board is responsible for ensuring that the work of the Board is well organised and conducted efficiently and that the Board performs its duties. In particular, the Chairman is responsible for organising and leading the work of the Board in a manner that creates the best possible conditions for the Board to conduct its work. It is the Chairman's task to ensure that a new director receives the required introductory training and any other training deemed appropriate by the Chairman and the director, to ensure that the Board continuously updates and deepens its knowledge about the Company, to ensure that the Board holds meetings as required and receives sufficient information and supporting data for its work, to propose an agenda for Board meetings in consultation with the President & CEO, to ensure that the decisions of the Board are carried out and to ensure that the work of the Board is evaluated annually. The Chairman is responsible for all contact with the owners regarding ownership matters and for conveying feedback from the owners to the Board.

Duties of the Board

The Board of Directors is ultimately responsible for the Company's organisation and administration of the Company's affairs in the interests of the Company and of all shareholders in accordance with the laws, regulations and agreements that the Company is obligated to follow. Based on its analysis of the Company's operating environment, the Board is also responsible for deciding on strategic matters.

Each year, the Board adopts written rules of procedure that regulate the work of the Board and its internal distribution of responsibility, including its committees and the distribution of responsibilities with internal business area boards, the procedure for resolutions within the Board, the agendas of Board meetings and the duties of the Chairman as well as instructions for financial reporting. The Board has also issued instructions to the President & CEO, which grant the authority to make decisions regarding investments, corporate acquisitions and sales as well as financing issues. The Board has also adopted a number of policies for the Group's operations, including a Financial Policy, Environmental Policy and Code of Conduct.

The Board of Directors oversees the work of the President & CEO through

BOARD COMPOSITION, ATTENDANCE, DEPENDENCY CONDITIONS AND FEES FOR 2020

			No. of meetings attended			Dependent in relation to [1]		
Regular directors	Year of election	Position	Board of Directors	Audit Committee	Compensation Committee	Momentum Group	Major shareholders	Fee[2], SEK
No. of meetings			10	5	1			
Johan Sjö	2019	Chairman Compensation Committee Chairman	10	5	1	No	Yes	720,000 [4]
Johan Eklund	2020	Director	5 [3]	3 [3]		No	Yes	210,000
Stefan Hedelius	2016	Director	10	5	1	No	No	247,500 [4]
Göran Näsholm	2019	Director	10	5		No	No	322,500 [4]
Gunilla Spongh	2016	Director Audit Committee Chairman	10	5		No	No	277,500 [4]
Christina Åqvist	2020	Director	5 [3]	3 [3]		No	No	322,500 [4]

1) According to the definitions in the Swedish Corporate Governance Code.
2) For the shortened 2020 financial year (9 months), each fee has been adjusted to comprise nine-twelfths of the amount determined by the 2020 Annual General Meeting.
3) Elected as Board member at the Annual General Meeting on 31 August 2020.
4) Of which, SEK 225,000 (Johan Sjö) and SEK 112,500 (Göran Näsholm and Christina Åqvist, respectively) pertains to a special directors' fee for work on a separate subsidiary board, SEK 37,500 per person pertains to work on the Compensation Committee (Johan Sjö and Stefan Hedelius) and SEK 67,500 pertains to fees to the Chairman of the Audit Committee (Gunilla Spongh).

continuous monitoring of the operations during the year and is responsible for ensuring that the organisation and management as well as the guidelines for administration of the Company are appropriate and that the Company has adequate internal control and effective systems in place for monitoring and controlling the Company's operations and compliance with legislation and regulations applicable to the Company's operations.

The Board is also responsible for establishing, developing and monitoring the Company's goals and strategies, decisions regarding acquisitions and divestments of businesses, major investments, repurchases of own shares, and appointment and remuneration of Group management. The Board and the President & CEO present the annual accounts to the Annual General Meeting.

The Board of Directors is also responsible for preparing an annual Corporate Governance Report, including a review of the measures taken by the Board to follow up the internal control in connection with financial reporting and the effectiveness of the reporting to the Board. The Corporate Governance Report is reviewed by the Company's auditors. Each year, in conjunction with this, the Board is to assess and express an opinion as to whether the Company should have a special review function (internal audit). The reasons for this decision are to be stated in the Corporate Governance Report.

The work of the Board is evaluated annually under the supervision of the Chairman of the Board. The Election Committee is informed of the results of this evaluation. The Board evaluates the work of the President & CEO on an ongoing basis. This issue is also specifically addressed each year at a Board meeting, without the presence of any member of Group management. The Board also evaluates and comments on any significant assignments, if any, performed by the President & CEO outside the Company.

Each director is to independently assess the matters to be addressed by the Board and request the information deemed necessary to make well-founded decisions. Each director is to continuously acquire any knowledge about the Company's operations, organisation, markets and so forth required for the assignment.

Work of the Board

The work of the Board of Directors follows an annual plan. In addition to the statutory meeting, which is held in conjunction with the Annual General Meeting, the Board of Directors normally convenes on five occasions each year (scheduled meetings) in connection with the publication of the Interim Reports and holds an annual strategy meeting. Extraordinary meetings are convened when necessary. Each meeting follows an agenda, which is distributed to the directors prior to each Board meeting along with supporting documentation. The decisions of the Board are made after discussions led by the Chairman of the Board. The task of the committees appointed by the Board is to draft motions for resolutions by the Board (see below).

The agenda for the statutory meeting of the Board includes the adoption of the rules of procedure for the Board of Directors, decisions regarding signatory powers and the approval of the minutes. The items addressed at the scheduled meeting in February include the year-end financial statements, the proposed appropriation of profit and the Financial Report. In conjunction with this meeting, the Company's auditors report to the Audit Committee on their observations and assessments based on the audit performed. Each scheduled meeting also includes a number of fixed agenda items, including reports on the current financial outcome of the Company's operations.

The Board of Directors held ten Board meetings during the 2020 financial year, including a statutory meeting, a strategy meeting and four meetings per capsulam. The Board's work during the year focused on issues pertaining to the acquisition and integration of Swedol and other corporate acquisitions, measures taken to address the COVID-19 pandemic and follow-up of the ongoing operations, earnings and profitability trends, the Group's organisation and strategic development, and the Group's financial position. Refer to the table on page 32 for information regarding attendance at Board and committee meetings.

The President & CEO presents reports at the Board meetings. The Group's CFO, Business Area Managers and other employees in the Group participate in Board meetings to report on specific issues or whenever deemed appropriate. Mats Karlqvist, Head of Investor Relations at Momentum Group AB, serves as the secretary to the Board.

Compensation Committee

The Compensation Committee appointed by the Board prepares the motion regarding guidelines for determining remuneration and other terms of employment for senior management. Motions for new guidelines are to be prepared at least every fourth year and be submitted by the Board for resolution by the Annual General Meeting. The guidelines shall be in force until new guidelines are adopted by the General Meeting of Shareholders. The Compensation Committee shall also monitor and evaluate the programme for variable remuneration of senior executives, the application of the guidelines for the remuneration of senior executives, as well as the current remuneration structures and compensation levels in the Company. The Board prepares an annual remuneration report on the application of the Company's remuneration guidelines.

Remuneration of the President & CEO shall be decided by the Board of Directors after being prepared and recommended by the Compensation Committee, within the scope of established remuneration principles. Remuneration of other senior executives shall be decided by the Compensation Committee, within the scope of established remuneration principles and after consulting with the President & CEO. The Compensation Committee informs the Board of its decisions.

The Compensation Committee consists of Chairman of the Board Johan Sjö (Chairman of the Compensation Committee) and Director Stefan Hedelius. President & CEO Ulf Lilius presents reports to the Committee. The President & CEO does not report on his own remuneration. The Compensation Committee convened on one occasion during the 2020 financial year, during which minutes were taken. During the year, SEK 37,500[5] was paid to each Committee member for work on the Compensation Committee.

Audit Committee

The Board has appointed an Audit Committee, which – without influencing the responsibilities and

5) For the shortened 2020 financial year (9 months), the fee has been adjusted to comprise nine-twelfths of the amount determined.

duties of the Board in any other respect – is responsible for monitoring the Company's financial reporting, monitoring the efficiency of the Company's internal control and risk management with respect to its financial reporting, remaining informed about the audit of the Annual Report and consolidated financial statements, reviewing and monitoring the impartiality and independence of the auditors and whether the auditors have provided the Company with services other than auditing services, and assisting in the preparation of motions regarding the election of auditors for resolution by the General Meeting of Shareholders.

The Audit Committee includes all regular directors and the committee meetings were held in conjunction with the scheduled Board meetings. In conjunction with the adoption of the annual accounts, the Audit Committee meets with and receives a report from the Company's external auditors. At the same time, the Committee also meets with the auditors without the presence of the President & CEO or other members of Group management. The Chairman of the Audit Committee is Gunilla Spongh. The Chairman possesses accounting and audit expertise. The Audit Committee convened on five occasions during the 2020 financial year, during which minutes were taken.

During the year, SEK 67,500[5] was paid to the Chairman of the Committee.

PRESIDENT & CEO AND GROUP MANAGEMENT

Ulf Lilius took office as President & CEO of Momentum Group on 14 June 2017 (in conjunction with a resolution by an Extraordinary General Meeting in the then Parent Company B&B TOOLS AB to spin off and distribute the shares of Momentum Group to its shareholders). Ulf Lilius has been employed by the Group since 2004 and served as President & CEO of the B&B TOOLS Group between 2012 and 2017. His previous positions include President, Marketing and Sales Director and Executive Vice President of Momentum Industrial (2002–2010) and various positions at SKF Multitec (1996–2002).

The President & CEO manages the operations in accordance with the Swedish Companies Act and the framework established by the Board. With respect to the authority of the President & CEO to make decisions regarding investments, corporate acquisitions, corporate sales and financing issues, the rules approved by the Board of Directors apply. In consultation with the Chairman of the Board, the President & CEO prepares the necessary information and supporting data for Board meetings, reports on various matters and explains the motivation for motions presented for resolution.

The President & CEO leads the work of Group management and makes decisions in consultation with the other members of management. In 2020, Momentum Group's management also included Executive Vice President & CFO Niklas Enmark. Remuneration to Group management for the 2020 financial year and a description of the Company's incentive programmes are presented in Note 5 Employees and personnel costs on pages 51–54. For more detailed information about Group management, refer to page 79.

AUDITORS

According to the Articles of Association, a registered accounting firm (or, alternatively, one or two authorised public accountants) is to be elected as auditor. KPMG was elected as the Company's auditor at the 2020 Annual General Meeting for the period until the end of the 2021 Annual General Meeting. The Auditor in Charge is Helena Arvidsson Älgne. KPMG performs the audit of Momentum Group AB and most of its subsidiaries. The Company's auditors follow an audit plan, which includes feedback from the Board and the Audit Committee, and reports its findings to the company management teams, Group management and the Board and Audit Committee of Momentum Group AB during the course of the audit and in conjunction with the adoption of the annual accounts. The Company's auditor also participates in the Annual General Meeting, presenting and commenting on the audit work. The independence of the external auditors is regulated through special instructions established by the Board, which state the areas which may be addressed by the external auditors in addition to the normal audit work. KPMG continuously assesses its independence in relation to the Company and provides the Board with written assurance of the auditing firm's independence in relation to Momentum Group each year. The total fee for KPMG's services in addition to the audit assignment amounted to MSEK 0 (1) during the 2020 financial year.

ETHICAL GUIDELINES

Momentum Group strives to conduct its business with high requirements imposed on integrity and ethics. The Board of Directors adopts a Code of Conduct for the Group's operations on an annual basis, which also includes ethical guidelines. Momentum Group's Code of Conduct is available in its entirety on the Company's website.

GUIDELINES FOR DETERMINING REMUNERATION AND OTHER TERMS OF EMPLOYMENT FOR SENIOR MANAGEMENT

The Board aims to ensure that the remuneration system in place for the President & CEO and other members of the Group's senior management is competitive and in line with market conditions. The guidelines for determining remuneration and other terms of employment for senior management that applied for the 2020 financial year, which were adopted by the Annual General Meeting on 31 August 2020, are presented in Note 5 Employees and personnel costs on pages 53–54. The Board does not intend to propose any changes to the guidelines proposed by the Annual General Meeting for the 2021 financial year.

INTERNAL CONTROL OF FINANCIAL REPORTING

According to the Swedish Companies Act and the Swedish Corporate Governance Code, the Board of Directors is responsible for the Company's internal control. This responsibility includes an annual evaluation of the financial reporting received by the Board of Directors and specifying requirements for its content and presentation so as to ensure the quality of the reporting. These requirements stipulate that the financial reporting must be suited to its purpose, with the application of the accounting rules in force and other requirements that apply to listed companies. The following description is limited to the internal control of Momentum Group with respect to financial reporting.

5) For the shortened 2020 financial year (9 months), the fee has been adjusted to comprise nine-twelfths of the amount determined.

The basis of the internal control of the Company's financial reporting comprises the control environment, including the organisation, decision paths, lines of authority and responsibilities documented and communicated in various control documents, such as control documents established by the Board, policies and Group-wide guidelines and manuals.

Momentum Group bases and organises its operations on decentralised accountability for profitability, with its business and operating areas taking the form of companies. Accordingly, central control documents include formal work plans for internal Board work and instructions for the division of responsibility between each board and the CEOs.

The Group's most important financial control documents are gathered on its Intranet and include a comprehensive Financial Policy, a reporting manual, a manual for the Group's internal bank, a description of accounting policies and expanded instructions preceding every closing of the books. These financial rules and regulations are updated regularly and training programmes are offered during the financial year to ensure the uniform implementation and application of the rules and regulations. On a more general level, all operations in the Momentum Group are to be conducted in accordance with the Group's Code of Conduct.

Momentum Group has established control structures to manage the risks that the Board of Directors and corporate management consider to be significant to the Company's internal control with respect to financial reporting. Examples include transaction-related controls, such as regulations concerning attestation and investments, as well as clear payment procedures and analytical controls performed by the Group's controller organisation. Controllers at all levels in the Group play a key role in terms of integrity, competence and the ability to create an environment that is conducive to achieving transparency and true and fair financial reporting.

The monthly earnings follow-up conducted via the internal reporting system is an important overall control activity. The earnings follow-up includes reconciliations with previously set goals and the most recent forecast as well as follow-up of adopted key financial ratios. This follow-up of earnings also functions as an important complement to the controls and reconciliations performed in the actual financial processes.

Follow-ups to assure the quality of the Group's internal control are performed within the Group in various ways. The central finance function works proactively through its participation in various projects aimed at developing internal control. The function also continuously conducts audits to assess the efficiency of internal controls in various parts of the Group and follows up the implementation of the Group's policies and guidelines.

Momentum Group strives to achieve an open corporate climate and high business ethics. The success of the Group is based on a number of ethical guidelines, which are described in the Code of Conduct. The Group's internal and external stakeholders play a key role in helping to identify any deviations from established values and ethical guidelines. To make it easier to identify such deviations, Momentum Group has introduced a whistleblowing system. The whistleblowing system allows any suspicions of misconduct to be reported anonymously. It is an important tool for reducing risks and fostering high business ethics and thereby maintaining customer and public confidence in the Group's operations.

Internal audit

The Board has decided not to establish a special internal audit function. This decision was made based on the size and operations of the Group as well as the existing internal control processes as described above. When necessary, the Audit Committee commissions external advisors to assist on projects relating to internal control.

Auditors' review of the six-month or nine-month report

Neither Momentum Group's six-month report nor its nine-month report for the 2020 financial year were reviewed by the Company's external auditors, which is a deviation from the rules of the Code. After consulting with the Company's external auditors and other parties, the Board of Directors has so far determined that the additional expense that would be incurred by the Company for an expanded review of the six-month report or nine-month report by the Company's auditors is not warranted.

NON-COMPLIANCE

The Company has not breached the rulebook of the stock exchange on which its shares are listed for trading or the best practice in the stock market.

Income statement

Amounts in MSEK	Note	2020 (9 months)	2019/20
Revenue	3	6,846	6,135
Other operating income	4	15	4
Total operating income		**6,861**	**6,139**
Cost of goods sold		-4,177	-3,864
Personnel costs	5	-1,271	-1,189
Depreciation, amortisation, impairment losses and reversal of impairment losses		-459	-264
Other operating expenses	6, 12	-621	-519
Total operating expenses		**-6,528**	**-5,836**
Operating profit	3	**333**	**303**
Financial income		3	1
Financial expenses		-42	-21
Net financial items	7	**-39**	**-20**
Profit after financial items		**294**	**283**
Taxes	9	-65	-66
Net profit		**229**	**217**
Attributable to:			
Parent Company shareholders		228	214
Non-controlling interests		1	3
Earnings per share (SEK)	18	4.55	7.70

Statement of comprehensive income

Amounts in MSEK	Note	2020 (9 months)	2019/20
Net profit		**229**	**217**
Other comprehensive income			
Components that will not be reclassified to net profit			
Remeasurement of defined-benefit pension plans		-2	-3
Tax attributable to components that will not be reclassified	9	0	1
Total		**-2**	**-2**
Components that will be reclassified to net profit			
Translation differences		-37	-27
Fair value changes for the year in cash-flow hedges		-13	2
Fair value changes in cash-flow hedges transferred to net profit		-14	0
Tax attributable to components that were or can be reclassified to net profit	9	6	0
Total		**-58**	**-25**
Other comprehensive income for the year		**-60**	**-27**
Comprehensive income for the year		**169**	**190**
Attributable to:			
Parent Company shareholders		168	187
Non-controlling interests		1	3

Balance sheet

Amounts in MSEK	Note	31 Dec 2020	31 Mar 2020
ASSETS			
Non-current assets			
Intangible non-current assets	10	2,784	660
Tangible non-current assets	11	506	61
Right-of-use assets	12	952	491
Financial investments		1	1
Other long-term receivables	16	0	1
Deferred tax assets	9	70	18
Total non-current assets		**4,313**	**1,232**
Current assets			
Inventories	14	1,761	985
Tax assets		0	12
Accounts receivable	24	1,141	964
Prepaid expenses and accrued income	15	163	73
Other receivables	16	59	1,517
Cash and cash equivalents		375	1,157
Total current assets		**3,499**	**4,708**
Total assets		**7,812**	**5,940**
EQUITY AND LIABILITIES			
Equity	17		
Share capital		102	102
Other contributed capital		–	–
Reserves		-73	-15
Retained earnings, including net profit		3,008	2,782
Equity attributable to Parent Company shareholders		**3,037**	**2,869**
Non-controlling interests		**14**	**19**
Total equity		**3,051**	**2,888**
Non-current liabilities			
Non-current interest-bearing liabilities	24	1,544	1,125
Non-current lease liabilities	24	641	305
Non-current non-interest-bearing liabilities	20	17	35
Provisions for pensions	19	34	31
Other provisions	20	1	0
Deferred tax liabilities	9	360	26
Total non-current liabilities		**2,597**	**1,522**
Current liabilities			
Current interest-bearing liabilities	24	124	198
Current lease liabilities	24	363	206
Accounts payable		1,022	764
Tax liabilities		36	19
Other liabilities	21	183	94
Accrued expenses and deferred income	22	436	249
Total current liabilities		**2,164**	**1,530**
Total liabilities		**4,761**	**3,052**
Total equity and liabilities		**7,812**	**5,940**

Statement of changes in equity

	Equity attributable to Parent Company shareholders					
Amounts in MSEK	Share capital	Reserves	Retained earnings, including net profit	**Total**	Non-controlling interests	**Total equity**
Closing equity, 31 March 2019	**57**	**10**	**1,236**	**1,303**	**14**	**1,317**
Change in accounting policy [1]			-8	**-8**		**-8**
Net profit			214	**214**	3	**217**
Other comprehensive income		-25	-2	**-27**		**-27**
Dividend			-89	**-89**		**-89**
Non-cash issue [2]	45		1,442	**1,487**		**1,487**
Acquisitions of partly owned subsidiaries				**–**	9	**9**
Changes in ownership share in partly owned subsidiaries			5	**5**	-5	**0**
Dividends paid in partly owned subsidiaries				**–**	-2	**-2**
Option liability, acquisitions [3]			-17	**-17**		**-17**
Change in value of option liability [4]			1	**1**		**1**
Closing equity, 31 March 2020	**102**	**-15**	**2,782**	**2,869**	**19**	**2,888**
Net profit			228	**228**	1	**229**
Other comprehensive income		-58	-2	**-60**		**-60**
Non-cash issue [5]	0		0	**0**		**0**
Changes in ownership share in partly owned subsidiaries			1	**1**	-8	**-7**
Contributions in partly owned subsidiaries				**–**	2	**2**
Change in value of option liability [4]			-1	**-1**		**-1**
Closing equity, 31 December 2020	**102**	**-73**	**3,008**	**3,037**	**14**	**3,051**

1) Transition to IFRS 16. Refer to the accounting policies in Note 1.
2) A new share issue of a total of 22,633,876 Class B shares pertaining to the public offer to the shareholders in Swedol AB (publ). Capital contributed in kind was transferred to the Group on 1 April 2020 and recognised on 31 March 2020 as a current receivable pertaining to the non-cash issue.
3) Refers to the value of call/put options in relation to the 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 2022 financial year and can thereafter be extended for a period of one year at a time. The put options can be exercised during the 2021 financial year. The price of the options is dependent on certain results being achieved in the respective company.
4) Pertains to a change in the value of the call/put options in relation to non-controlling interests issued in conjunction with acquisitions of partly owned subsidiaries.
5) A new share issue of a total of 6,897 Class B shares pertaining to the public offer to the shareholders in Swedol AB (publ).

Cash-flow statement

Amounts in MSEK	Note	2020 (9 months)	2019/20
Operating activities			
Profit after financial items		294	283
Adjustments for non-cash items	30	527	258
Income taxes paid		-58	-54
Cash flow from operating activities before changes in working capital		**763**	**487**
Cash flow from changes in working capital			
Change in inventories		167	15
Change in operating receivables		113	70
Change in operating liabilities		43	-67
Changes in working capital		**323**	**18**
Cash flow from operating activities		**1,086**	**505**
Investing activities			
Purchase of tangible non-current assets		-125	-16
Proceeds from sale of tangible non-current assets		0	0
Acquisition of intangible non-current assets		-24	-2
Acquisition of subsidiaries/operating segments, net effect on liquidity	30	-1,749	-66
Proceeds from sale of financial non-current assets		1	0
Cash flow from investing activities		**-1,897**	**-84**
Cash flow before financing		**-811**	**421**
Financing activities			
Dividend paid to Parent Company shareholders		–	-89
Dividend paid to non-controlling interests		–	-2
Additional acquisition of shares in already partly owned subsidiaries		-26	–
Acquisition of non-controlling interests		–	-11
Shareholders' contributions received in partly owned subsidiaries		2	–
Borrowings		555	1,157
Repayment of loans		-500	-326
Cash flow from financing activities		**31**	**729**
Cash flow for the year		**-780**	**1,150**
Cash and cash equivalents at the beginning of the year		1,157	8
Exchange-rate differences in cash and cash equivalents		-2	-1
Cash and cash equivalents at year-end	31	**375**	**1,157**

Income statement

Amounts in MSEK	Note	**2020** (9 months)	**2019/20**
Revenue	3	22	29
Other operating income	4	2	2
Total operating income		**24**	**31**
Personnel costs	5	-20	-28
Depreciation, amortisation, impairment losses and reversal of impairment losses		0	0
Other operating expenses	6, 12	-13	-13
Total operating expenses		**-33**	**-41**
Operating loss		**-9**	**-10**
Profit from financial items:			
Profit from participations in Group companies	7	–	–
Profit from other securities and receivables recognised as non-current assets	7	21	25
Other interest income and similar profit/loss items	7	0	0
Interest expenses and similar profit/loss items	7	-25	-9
Net financial items		**-4**	**16**
Profit/loss after financial items		**-13**	**6**
Appropriations	8	–	-3
Profit/loss before tax		**-13**	**3**
Taxes	9	3	-1
Net profit/loss		**-10**	**2**

Statement of comprehensive income

Amounts in MSEK	**2020** (9 months)	**2019/20**
Net profit/loss	**-10**	**2**
Other comprehensive income		
Components that will not be reclassified to net profit	–	–
Components that will be reclassified to net profit	–	–
Other comprehensive income for the year	–	–
Comprehensive income for the year	**-10**	**2**

Balance sheet

Amounts in MSEK	Note	31 Dec 2020	31 Mar 2020
ASSETS			
Non-current assets			
Intangible non-current assets	11	0	0
Financial non-current assets			
Participations in Group companies	28	1,991	50
Receivables from Group companies	13	1,913	779
Deferred tax assets	9	3	–
Total financial non-current assets		3,907	829
Total non-current assets		**3,907**	**829**
Current assets			
Current receivables			
Receivables from Group companies		139	109
Tax assets		30	24
Other receivables	16	2	1,503
Prepaid expenses and accrued income		5	8
Total current receivables		176	1,644
Cash and bank		357	1,153
Total current assets		**533**	**2,797**
Total assets		**4,440**	**3,626**
EQUITY, PROVISIONS AND LIABILITIES			
Equity	17		
Restricted equity			
Share capital		102	102
Non-restricted equity			
Share premium reserve		1,442	1,442
Retained earnings		523	521
Net profit/loss		-10	2
Total equity		**2,057**	**2,067**
Untaxed reserves	30	**-**	**-**
Non-current liabilities			
Liabilities to credit institutions	24	1,544	1,125
Liabilities to Group companies		–	–
Total non-current liabilities		**1,544**	**1,125**
Current liabilities			
Liabilities to credit institutions	24	124	198
Accounts payable		1	3
Liabilities to Group companies		705	222
Tax liabilities		–	–
Other liabilities		2	1
Accrued expenses and deferred income	22	7	10
Total current liabilities		**839**	**434**
Total equity, provisions and liabilities		**4,440**	**3,626**

Statement of changes in equity

Amounts in MSEK	Restricted equity Share capital	Non-restricted equity Holding of treasury shares	Share premium reserve	Retained earnings	Net profit	Total equity
Closing equity, 31 March 2019	**57**	**-49**	–	**579**	**80**	**667**
Reversal of earnings				80	-80	**0**
Net profit					2	**2**
Other comprehensive income						**-**
Non-cash issue[1]	45		1,442			**1,487**
Dividend				-89		**-89**
Closing equity, 31 March 2020	**102**	**-49**	**1,442**	**570**	**2**	**2,067**
Reversal of earnings				2	-2	**0**
Net loss					-10	**-10**
Other comprehensive income						**-**
Non-cash issue[2]	0		0			**0**
Closing equity, 31 December 2020	**102**	**-49**	**1,442**	**572**	**-10**	**2,057**

1) A new share issue of a total of 22,633,876 Class B shares pertaining to the public offer to the shareholders in Swedol AB (publ).
Capital contributed in kind was transferred to the Group on 1 April 2020 and recognised on 31 March 2020 as a current receivable pertaining to the non-cash issue.
2) A new share issue of a total of 6,897 Class B shares pertaining to the public offer to the shareholders in Swedol AB (publ).

Cash-flow statement

Amounts in MSEK	Note	**2020** (9 months)	**2019/20**
Operating activities			
Profit/loss after financial items		-13	6
Adjustments for non-cash items	30	3	-6
Income taxes paid		-6	-14
Cash flow from operating activities before changes in working capital		**-16**	**-14**
Cash flow from changes in working capital			
Change in current receivables and liabilities to Group companies		519	42
Change in operating receivables		14	-15
Change in operating liabilities		-4	5
Changes in working capital		**529**	**32**
Cash flow from operating activities		**513**	**18**
Investing activities			
Acquisition of intangible non-current assets		0	–
Acquisition of subsidiaries		-1,237	–
Divestment of subsidiaries1		2,724	–
Contributions in subsidiaries		-1,941	–
Cash flow from investing activities		**-454**	**0**
Cash flow before financing		**59**	**18**
Financing activities			
Dividend		–	-89
Repurchase of own shares		–	–
Premium received for issued share options		–	–
Change in long-term receivables and liabilities to Group companies		-1,142	53
Group contributions paid and received		-66	127
Borrowings		555	1,157
Repayment of loans		-202	-113
Cash flow from financing activities		**-855**	**1,135**
Cash flow for the year		**-796**	**1,153**
Cash and cash equivalents at the beginning of the year		1,153	–
Exchange-rate differences in cash and cash equivalents		–	–
Cash and cash equivalents at year-end	30	**357**	**1,153**

1) Intra-Group conveyances.

The Group's risks and opportunities

Like all businesses, the Momentum Group's operations entail risks and opportunities. The purpose of risk management in the Group is to balance opportunities and risks in a conscious and controlled manner.

The Group is convinced that a decentralised approach creates an entrepreneurial spirit, whereby risk is always a natural component in the decision-making process. To ensure support and a unified approach to how the businesses should deal with risks and opportunities, the work involved in identifying and responding to the most material risks is integrated into the Group's strategic and operative planning process at all operational levels in the organisation. Continuous work is carried out to develop the risk management process and implement measures to prevent and minimise risks in all of the main risk areas presented below.

Momentum Group describes its main risks from three perspectives: *strategic risks* associated with the industry/market in which the Group operates, *operational risks* related to how the Group conducts its business and *financial risks* linked to the types of financial transactions in which the Group is involved.

STRATEGIC RISKS ASSOCIATED WITH MARKET AND INDUSTRY

Market development/economic situation

The Momentum Group's customers mainly comprise industrial, construction and service companies in Sweden, Norway and Finland as well as the public sector in Sweden and Norway. Accordingly, the industrial economy in the Nordic region impacts the Group's development, mainly with respect to changes in the number of employees, productivity and the level of investment willingness in industry. Moreover, demand in each individual country is impacted by investments in infrastructure programmes, such as expansions and maintenance of motorways and railways, and by various initiatives in publicly financed operations, such as the armed forces.

The ongoing COVID-19 pandemic has affected the entire global economy since spring 2020, including the Momentum Group and its customers, suppliers and employees. The pandemic has had a negative impact on demand for the Group, and Momentum Group's various operations have continually implemented measures to ensure the health and safety of its employees, customers and other stakeholders and the continued high availability of products and services, and to protect the companies' strong brands in the market and society at large. Refer to pages 25-26 for information about the market and the effect of the COVID-19 pandemic during 2020.

Competitive situation

As the structural transformation and consolidation of the industry progresses, the competitive situation also changes for the companies in the Momentum Group. Customers are increasingly striving to limit their number of suppliers and instead initiate closer collaboration with these suppliers in order to jointly develop the value chain, focus on a value-added offering of products and services and thereby reduce the total cost (for purchasing, stocking, administration and tied-up capital). Competition among resellers has increased due to the entry of new, often web-based resellers and certain international players into the Swedish market in recent years, especially in the building material and private markets. This trend indicates continued consolidation among resellers, a development in which Momentum Group is playing an active role – not least through the acquisition of the Swedol reseller chain in spring 2020.

Sustainable and circular approach

Customers, suppliers, employees and society at large are making greater demands on a sustainable and circular approach in all business operations. This entails increasing demands on companies in Momentum Group to view sustainability as a natural part of daily operations and to develop and offer products and services that meet these high expectations. A description of Momentum Group's sustainability-related risks and its sustainability activities is available in the Group's 2020 Sustainability Report on pages 20–23.

Increased digitisation

The importance of being able to offer customers both digital sales channels and digital solutions for efficient transaction management is growing. This is placing greater demands on the companies in the Momentum Group to develop solutions that meet the current and future needs of customers and business partners, which require a high degree of single order entry. These solutions, in turn, require continuous investments in efficient transaction and integration platforms, systems for managing large quantities of product information and attractive e-commerce solutions.

OPERATIONAL RISKS

Dependence on external suppliers

Momentum Group is dependent on external product suppliers fulfilling agreements with respect to, for example, volumes, quality and delivery times. Incorrect or delayed deliveries, or non-deliveries, could result in the companies in the Group failing to deliver popular and/or ordered products on time. In addition, the companies are also dependent to a degree on certain global brands from world-leading suppliers, with which collaborations and business relationships must continuously be established, defended and developed in order to serve the Group's customers in the best manner possible.

Critical IT systems

Momentum Group's operations are dependent on the Company's consistent access to IT-based tools and systems, which can be vulnerable to damage and disruptions caused by, for example, computer viruses, power cuts, fires, IT attacks, operational disruptions and similar events. Disruptions to critical IT systems could cause problems when it comes to delivering products and services to customers within the agreed time frame.

Operational problems at the Group's logistics centres

The Group has three major logistics centres, one in Alingsås (Sweden), another in Örebro (Sweden) and a third in Kotka (Finland), and a number of smaller regional logistics centres in Norway. A fire, problems with IT systems or other technology used by the logistics centres, or any other form of major disruption at these units could create problems for the companies concerned in Momentum Group when it comes to delivering products to their customers.

Credit and counterparty risks

Momentum Group is exposed to normal credit and counterparty risks in its customer relationships. None of the Group's customers accounts for a significant portion of the Group's revenue.

Corporate acquisitions

Acquisitions are a crucial component of Momentum Group's growth strategy. The risks involved in acquisitions include the risk that the Group will not successfully achieve the anticipated gains associated with an acquisition and the risk that unknown contingent liabilities will not be identified during due diligence.

The integration of TOOLS and Swedol

There is a risk that the acquisition of Swedol and the integration of TOOLS and Swedol could lead to less focus on sales and development in business area Tools, Consumables, Workwear & Protective Equipment than the competition during a transition phase, as the coordination requires resources or in case the new organisation does not work as planned. The planned changes in and coordination of IT systems can also lead to disruptions in the operations and that planned synergies in the integration work are delayed or do not materialise.

FINANCIAL RISKS

Exchange-rate fluctuations

A minor portion of Momentum Group's purchases are made in foreign currency, while sales are normally conducted in local currency in the countries in which the Group conducts its operations. For a description of the Group's exposure to various currencies and the financial instruments used to minimise the risks, refer to the section *Foreign-exchange rates* in Note 24 Financial risks and risk management.

Interest-rate fluctuations

For a description of the manner in which Momentum Group is exposed to interest-rate fluctuations in relation to external borrowing and lending and the way this is managed to minimise risks, refer to the section *Interest-rate risks* in Note 24 Financial risks and risk management.

Financing risk

Financing risk refers to the risk that meeting Momentum Group's requirements for external capital could become more difficult or more expensive. For a description of the Group's financing and the manner in which the financing risk is managed, refer to the section *Liquidity and refinancing risks* in Note 24 Financial risks and risk management.

Notes

NOTES TABLE OF CONTENTS

Note 1 Summary of key accounting policies

COMPLIANCE WITH STANDARDS AND LEGISLATION

The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretive statements from the IFRS Interpretations Committee as approved by the EU. Recommendation RFR 1 Supplementary Accounting Rules for Groups issued by the Swedish Financial Reporting Board has also been applied. The Parent Company applies the same accounting policies as the Group, except in the cases stated below under "Parent Company accounting policies."

The Parent Company financial statements and consolidated financial statements were approved for publication by the Board of Directors and President & CEO on 24 March 2021. The income statements and balance sheets of the Parent Company and the Group are subject to approval by the Annual General Meeting to be held on 11 May 2021.

VALUATION BASIS APPLIED WHEN PREPARING THE FINANCIAL STATEMENTS

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

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

Preparing the financial statements in accordance with IFRS requires that management makes judgements and estimates and makes assumptions that affect the application of the accounting policies and the carrying amounts of assets, liabilities, income and expenses. The actual outcome may differ from these estimates and judgements. The estimates and assumptions are reviewed on a regular basis. Changes in estimates are recognised in the period when the change is made if the change affects this period only, or in the period when the change is made and in future periods if the change affects the current period as well as future periods. Judgements made by management when applying IFRS that have a significant effect on the financial statements and estimates made which can lead to substantial adjustments in the following year's financial statements are described in more detail in Note 2.

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

Non-current assets and disposal groups held for sale are recognised at the lower of their recognised carrying amount at the time of classification and their fair value after a deduction for selling expenses. Offsetting of receivables and liabilities and of income and costs occurs only when required or when expressly permitted in an accounting recommendation.

The stated accounting policies for the Group have been applied consistently for all periods presented in the consolidated financial statements, unless specifically stated otherwise. The Group's accounting policies have been applied consistently in the reporting and consolidating of the Parent Company and subsidiaries.

NEW AND AMENDED ACCOUNTING POLICIES

IASB has issued additions to standards that took effect on 1 April 2020. These additions were not deemed material for the consolidated financial statement.

New IFRSs that have not yet been applied

No other new or amended IFRS or IFRIC interpretations that have been published by the IASB but have not yet been adopted by the EU are deemed to be relevant for the Group's financial statements.

SEGMENT REPORTING

An operating segment is a part of the Group that conducts operations that can generate revenue and incur costs, and for which independent financial information is available. The earnings of an operating segment are also monitored by the Company's chief operating decision-makers to enable them to be assessed and to allow resources to be allocated to the operating segment. Refer to Note 3 for a more detailed description of the Group's division and a presentation of operating segments.

Note 1 cont.

CLASSIFICATION OF CURRENT AND NON-CURRENT ITEMS

Non-current assets essentially consist of amounts that are expected to be recovered or paid more than 12 months from the balance-sheet date, while current assets essentially consist of amounts that are expected to be recovered or paid within 12 months from the balance-sheet date. Non-current liabilities essentially consist of amounts which the Group, as of the end of the reporting period, has an unconditional right to pay more than 12 months after the end of the reporting period. If Momentum Group does not have such a right as of the end of the reporting period – or if the liability is held for trading or expected to be settled within the normal business cycle – the liability amount is recognised as a current liability.

PRINCIPLES OF CONSOLIDATION

Subsidiaries

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

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

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

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

Associated companies

Associated companies are companies over which the Group has a significant, but not controlling influence in terms of operational and financial control, usually through a holding of between 20 and 50 percent of the total number of votes. From the time at which significant influence is achieved, shares in associated companies are recognised in the consolidated financial statements using the equity method. According to the equity method, the carrying amount of the shares in associated companies recognised in the Group should correspond to the Group's share of the equity in the associated companies and consolidated goodwill and any other residual value for the consolidated surplus or deficit value.

The Group has no holdings in companies that would be classified as associated companies.

Transactions eliminated in consolidation

Intra-group receivables and liabilities, income or expenses, and unrealised gains or losses arising in intra-Group transactions between Group companies are eliminated in their entirety when preparing the consolidated financial statements. Unrealised gains that arise in transactions with associated companies are eliminated to an extent corresponding to the Group's participating interest in the Company. Unrealised losses are eliminated in the same manner as unrealised gains, but only insofar as no impairment requirement exists.

FOREIGN CURRENCY

Transactions in foreign currency

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

Financial statements of foreign entities

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

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

INCOME

The Group's primary income comprises the sale of goods. Some sales of services also occur. Income is recognised in an amount that reflects the consideration to which the Company expects to be entitled for transferring products and/or services to a customer when control has been transferred to the customer.

Sale of goods

Income includes the fair value of the amount that has been, or will be, received for goods sold in the Group's operating activities. Income is recognised net, less discounts, such as volume-related discounts.

Service assignments

Part of the Group's income comes from service assignments. Most of this income is related to assignments carried out over short periods of time, such as service and repairs. Income is normally recognised when the service is performed. Income from service assignments that is recognised over time is primarily attributable to workshop-related services that are mainly based on costs incurred, compared with total expected costs for each identified performance obligation.

Government grants

Income related to grants from the EU, central governments or local governments is recognised in net profit when the Group becomes entitled to the grants by fulfilling the terms and obligations associated with the subsidies.

During the financial year, the Group received government grants for part-time working. The grants received are deemed to meet the definition of government grants under IAS 20, and the grants have been recognised in the income sheet under personnel costs as a cost reduction. Other grants from the EU, central or local governments are recognised as other operating income.

LEASES

When a contract is entered into, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Lease components are separated from non-lease components for leases for buildings (such as warehouse and store facilities). For leases related to other classes of assets (such as vehicles and other assets), lease components and any non-lease components are recognised as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease. The right-of-use assets is initially measured at cost, which comprises the lease liability's initial value plus the lease payments made at or before the commencement date and any initial direct costs. The right-of-use asset is depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life of the asset or the end of the lease term, which for the Group is normally the end of the lease term. In cases when the cost of the right-of-use asset reflects that the Group will exercise an option to purchase the underlying asset, the asset is depreciated at the end of its useful life.

Note 1 cont.

The lease liability – which is divided into non-current and current parts – is initially measured at the present value of remaining lease payments during the estimated lease term. When determining the lease term, the extension option is only included when it is reasonably certain that the option will be exercised. Periods after an option to terminate are only included in the lease term when it is reasonably certain that the termination option will not be exercised.

Lease payments are discounted using the Group's incremental borrowing rate, which reflects the Group's credit risk. The incremental borrowing rate is an interest rate that reflects the term of each lease. The following lease payments are included in the measurement of a lease liability:
- fixed payments, less any lease incentives received in conjunction with signing the lease,
- variable lease payments depending on an index or a rate, initially measured using the index or rate on the commencement date,
- amounts expected to be payable by the lessee under residual value guarantees,
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease if the lease term reflects the lessee exercising the option to terminate the lease.

Variable lease payments not based on an index or a rate (including property tax) are not included in the measurement of the lease liability, but recognised in the consolidated statement of comprehensive income in the period in which they occur.

Subsequent measurement of the lease liability is carried out by reducing the carrying amount to reflect the lease payments made and increasing the carrying amount to reflect the interest on the lease liability using the effective interest rate method.

The lease liability and corresponding right-of-use asset will be remeasured when
- the lease term changes or the assessment of an option to purchase changes. The lease liability is then remeasured by discounting the revised lease payments using a revised discount rate,
- the lease payments are revised due to changes in an index or a rate or when the amounts expected to be payable under a residual value guarantee change. The lease liability is then remeasured by discounting the revised lease payments using an unchanged discount rate (unless the changes in the lease payments are the result of a revised variable rate, in which case a revised discount rate is used), or
- the lease is modified, and the modification is not recognised as a separate lease. The lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

No right-of-use asset or lease liability is recognised for leases with a term of 12 months or less, or where the underlying asset is of low-value, less than SEK 50 thousand. Lease payments for these leases are recognised on a straight-line basis over the term of the lease.

FINANCIAL INCOME AND EXPENSES

Financial income and expenses consist of interest income on bank funds and receivables, and of interest-bearing securities, interest expenses on loans, dividend income, exchange-rate differences and unrealised and realised gains/losses on financial investments.

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

Exchange gains and losses are recognised in a net amount.

FINANCIAL INSTRUMENTS

Financial instruments that are measured and recognised in the Group in accordance with the rules of IFRS 9 Financial instruments and are recognised as assets in the balance sheet include cash and cash equivalents, accounts receivable, financial investments and derivatives. Liabilities include accounts payable, loan liabilities, liabilities related to call and put options issued on equity instruments in partly owned subsidiaries and derivatives.

Recognition and derecognition from the balance sheet

A financial asset or financial liability is recognised in the balance sheet when the Group becomes a party under the contractual terms of the instrument in question. A financial asset, or a portion of a financial asset, is derecognised from the balance sheet when the contractual rights are realised, fall due or the Group loses control over them.

A financial liability, or a portion of a financial liability, is derecognised from the balance sheet when the obligation in the contract is fulfilled or ceases to apply in some other way. Financial assets and financial liabilities are offset and recognised as a net amount in the balance sheet only when there is a legal right to offset the amounts and when there is an intention to settle the items in a net amount or to realise the asset and settle the liability simultaneously. Acquisitions and disposals of financial assets are recognised on the transaction date, which is the date when the Group undertakes to acquire or dispose of assets.

Classification and measurement

The Group classifies its financial instruments into one of the following categories: financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial assets or liabilities at amortised cost. A financial instrument's classification determines the subsequent measurement of the instrument after the initial recognition. The classification of financial assets is based on the Company's business model for holding the financial assets and the asset's contractual cash flow characteristics. The Group's holdings of financial instruments are classified as follows:

Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss include financial assets held for trading. A financial asset is classified in this category if it was principally acquired for the purpose of being sold within the near future. Derivatives are always classified as held for trading insofar as they do not comprise hedged instruments.

Financial assets measured at amortised cost

Financial assets measured at amortised cost comprise holdings of receivables and other debt instruments for which the objective of the Group's business model is only to receive the principal amount and any interest and which generate cash flows that are solely payments of principal and interest on the principal amount outstanding. This category includes cash and cash equivalents, accounts receivable and any other receivables. These assets are included in current assets with the exception of items with maturity dates more than 12 months after the balance-sheet date, which are classified as non-current assets. The assets are recognised less expected credit losses. Any impairment requirement for the receivables is determined based on individual testing, taking into consideration earlier experience of customer losses on similar receivables.

Financial assets measured at fair value through other comprehensive income

The category "Financial assets measured at fair value through other comprehensive income" includes holdings of equity instruments for which a choice has been made to recognise the instruments in this category as well as holdings of debt instruments that meet the same cash flow requirements as financial assets measured at amortised cost but where the business model entails that the instruments are also realised through sales. These assets are included in non-current assets if management does not intend to dispose of them within 12 months of the balance-sheet date.

The Group has no financial assets in this category.

Financial liabilities measured at amortised cost

Loans and other financial liabilities, such as accounts payable, are included in this category. Financial liabilities arising in connection with acquisitions in respect of issued call options and put options on equity instruments in partly owned subsidiaries, which grant Momentum Group the right to acquire the remaining shares from the shareholders (call option) and shareholders the right to sell the remaining shares (put option), are also included in this category. Recognition is initially at fair value after deductions for transaction costs. Borrowing is then recognised at amortised cost and any differences between the loan amount (net after transaction costs) and the repayable amount are recognised in net profit distributed over the term of the loan and by applying the effective interest method. Remeasurements related to call and put options issued on equity instruments in partly owned subsidiaries are recognised in equity since the final settlement is recognised as a transaction with non-controlling interests.

Borrowing is classified as a current liability if the Company does not hold an unconditional right to defer payment for a minimum of 12 months after the balance-sheet date.

Financial liabilities measured at fair value

Liabilities measured at fair value comprise hedging instruments for which the fair value is based on observable market data and are therefore included in level 2 according to IFRS 13 and contingent purchase considerations that are measured using discounted cash flow and are thus included in level 3.

Derivatives and hedge accounting

Derivative instruments are initially measured at fair value. After the acquisition date, derivative instruments held for hedging purposes, meaning foreign-exchange forward contracts, are measured at fair value.

The Group identifies certain derivatives as a hedge of a highly probable forecast transaction in foreign currency (cash-flow hedging). The effective portion of changes in the fair value of derivative instruments identified as cash-flow hedges are recognised in other comprehensive

Note 1 cont.

income and the accumulated changes in value are recognised in a separate component under equity (the hedging reserve). Any gains or losses attributable to the ineffective portion are recognised immediately in profit or loss. Accumulated amounts in equity are reversed to net profit in the periods in which the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). If the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventories), or a non-financial liability, the hedging reserve is dissolved in other comprehensive income and included in the initial carrying amount of the asset or liability.

TANGIBLE NON-CURRENT ASSETS

Owned assets

Tangible non-current assets are recognised as assets in the balance sheet if it is probable that future financial benefits will accrue to the Group and the cost of the asset can be calculated in a reliable manner. Tangible non-current assets are recognised in the Group at cost, less accumulated depreciation and any impairment losses. The cost includes the purchase price and costs directly attributable to the asset to bring it to location and make it usable for the purpose intended with its procurement. Examples of directly attributable costs included in cost are expenses for shipping and handling, installation, legal ratification, consulting services and legal services. Tangible non-current assets that consist of parts with different useful lives are treated as separate components of tangible non-current assets.

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

Additional expenditures

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

Depreciation policies

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

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

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

An assessment of the depreciation methods applied and the residual value and useful life of assets is carried out at each year-end.

INTANGIBLE ASSETS

Goodwill

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

Other intangible assets

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

Additional expenditures

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

Depreciation policies

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

Estimated useful lives:	
Customer relations	3–10 years
Software, IT investments	3–10 years

An assessment of the amortisation methods and useful lives applied is carried out at each year-end.

INVENTORIES

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

IMPAIRMENT LOSSES IN TANGIBLE AND INTANGIBLE ASSETS

The carrying amount of the Group's tangible and intangible assets is tested on at least each balance-sheet date to determine whether there are any indications of an impairment requirement. If there is any indication of impairment, the recoverable amount of the asset is calculated. The recoverable amount of goodwill, other intangible assets with an indefinable useful life such as acquired brands and intangible assets not yet ready for use is calculated at least annually.

Where it is not possible to allocate essentially independent cash flows to an individual asset, net assets are grouped at the lowest level at which essentially independent cash flows can be determined (cash-generating unit). An impairment loss is recognised when an asset's or a cash-generating unit's carrying amount exceeds the recoverable amount. An impairment loss is recognised as a cost in net profit. When impairment losses are identified for a cash-generating unit, the impairment loss is primarily allocated to goodwill. Proportional impairment charges are then made against other non-current assets included in the unit.

Calculation of recoverable amount

The recoverable amount is the higher of fair value less selling expenses and value in use. For the purpose of calculating the value in use, future cash flows are discounted using a discount factor that reflects risk-free interest and the risk associated with the specific asset. For an asset that does not generate cash flows and is essentially independent of other assets, the recoverable amount is calculated for the cash-generating unit to which the asset belongs.

Reversal of impairment losses

Impairment losses on goodwill are not reversed. Impairment losses on other assets are reversed if there has been a change in the assumptions on which the calculation of the recoverable amount was based. An impairment loss is reversed only to the extent that the carrying amount of the asset after the reversal does not exceed the carrying amount of the asset if no impairment loss had been charged, taking into account the amortisation that would then have been made.

EQUITY

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

Repurchase of own shares

The holding of treasury shares and other equity instruments is recognised as a decrease of equity. Purchases of such instruments are recognised as a deduction in equity. Proceeds from any sale of equity instruments are recognised as increases in equity. Any transaction costs are recognised directly in equity.

Note 1 cont.

EARNINGS PER SHARE

The calculation of earnings per share is based on consolidated net profit attributable to the Parent Company shareholders and on the weighted average number of shares outstanding during the year. When calculating earnings per share on a fully diluted basis, the average number of shares outstanding is adjusted by taking into account the theoretical dilution of the number of shares outstanding, which during reported periods is attributable to call options on repurchased shares issued to employees. For the calculation of individual components, refer to Note 18.

EMPLOYEE BENEFITS

Defined-contribution pension plans

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

Defined-benefit pension plans

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

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

In 2020, Alecta's surplus in the form of its collective solvency margin was 148 percent (148). The collective consolidation level consists of the market value of Alecta's assets as a percentage of insurance undertakings calculated in accordance with Alecta's actuarial basic data, which do not comply with IAS 19. Alecta's surplus can be distributed to the policy holders and/or the insured. When the benefits under a plan are improved, the proportion of the increase in benefits pertaining to the employees' service during prior periods is recognised as an expense in net profit. The carrying amount for pensions and similar commitments in the balance sheet corresponds to the present value of the commitments at year-end, less the fair value of the plan assets. Interest expense/income net on the defined-benefit commitment/asset is recognised in net profit under net financial items. Net interest is based on the interest rate arising on the discounting of the net obligation, meaning the interest on the obligation, plan assets and interest on the effect of any asset limitations. Other components are recognised in operating profit.

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

Benefits in the case of termination

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

PROVISIONS

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

Guarantees

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

Restructuring

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

Onerous contracts

A provision for onerous contracts is recognised when the benefits that the Group expects to receive from a contract are lower than the inevitable costs to fulfil the obligations in accordance with the contract. Contracts covered by IFRS 16 have been recognised as an impairment of a right-of-use asset.

TAXES

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

CONTINGENT LIABILITIES

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

CASH-FLOW STATEMENT

Receipts and disbursements have been divided into the following categories: operating activities, investing activities and financing activities. The indirect method is applied for flows from operating activities. The changes in operating assets and operating liabilities for the year have been adjusted for effects of changes in exchange rates. Acquisitions and disposals are recognised in investing activities. The assets and liabilities held by the entities acquired and sold on the date of acquisition are not included in the analysis of changes in working capital, nor in the changes of balance-sheet items recognised in investing and financing activities. Cash and cash equivalents include cash and bank flows, as well as current investments whose conversion to bank funds may occur at an amount that is usually known in advance. Cash and cash equivalents include current investments with a term of less than three months.

Note 1 cont.

PARENT COMPANY ACCOUNTING POLICIES

The Parent Company has prepared its annual accounts in accordance with the Swedish Annual Accounts Act (1995:1554) and recommendation RFR 2 Accounting for Legal Entities issued by the Swedish Financial Reporting Board. The Swedish Financial Reporting Board's statements concerning listed companies have also been applied. RFR 2 stipulates that the Parent Company, in the annual accounts for the legal entity, shall apply all IFRS and statements adopted by the EU to the greatest extent possible within the framework of the Swedish Annual Accounts Act, the Swedish Pension Obligations Vesting Act and with due consideration given to the relationship between accounting and taxation. The recommendation states which exceptions/additions should be made from/to IFRS. Combined, this results in differences between the Group's and the Parent Company's accounting policies in the areas indicated below.

Changes in accounting policies

Unless otherwise stated below, the same changes as detailed above for the Group applied to the Parent Company's accounting policies during the financial year.

Subsidiaries

Participations in subsidiaries are recognised in the Parent Company in accordance with the cost method. This means that transaction fees are included in the carrying amount for holdings in subsidiaries. In the consolidated financial statements, transaction fees are recognised directly in earnings when incurred. Contingent considerations are valued on the basis of the probability that a consideration will be paid. Any changes to provisions/receivables are added to/deducted from the cost. In the consolidated financial statements, contingent considerations are measured at fair value, with changes in value in profit or loss.

Tangible non-current assets

Leased assets

The Parent Company does not apply IFRS 16, in accordance with the exemption in RFR 2. As a lessee, lease payments are recognised as a cost on a straight-line basis over the lease term. Consequently, right-of-use assets and lease liabilities are not recognised in the balance sheet.

Employee benefits

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

Taxes

In the Parent Company, untaxed reserves are recognised including deferred tax liabilities. However, in the consolidated financial statements, untaxed reserves are divided into deferred tax liabilities and equity. In the Parent Company, no part of the appropriations are distributed to deferred tax expense in profit or loss.

Financial instruments

The Parent Company has decided not to apply IFRS 9 to financial instruments. However, some of the principles in IFRS 9 are still applicable – such as impairment, recognition/derecognition, criteria for the application of hedge accounting and the effective interest method for interest income and expense.

In the Parent Company, financial non-current assets are measured at cost less any impairment, while financial current assets are measured at the lower of cost or net realisable value. For financial assets recognised at amortised cost, the impairment requirements under IFRS 9 are applied.

In accordance with the exemptions granted in RFR 2, the Parent Company has elected not to apply the provisions of IFRS 9 regarding financial guarantee contracts on behalf of subsidiaries. The Parent Company recognises financial guarantee contracts as a provision in the balance sheet when the Company has an obligation for which payment probably is required to settle the obligation.

Group contributions and shareholders' contributions

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

Note 2 Key estimates and judgements

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

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

IMPAIRMENT TESTING OF GOODWILL AND OTHER NON-CURRENT ASSETS

In accordance with IFRS, goodwill and certain brands are not amortised. Instead, annual tests for indications of impairment are performed. Other intangible and tangible non-current assets are amortised and depreciated, respectively, over the period the asset is deemed to generate income. All intangible and tangible non-current assets are subject to annual testing for indications of impairment. Impairment tests are based on a review of forecasted future cash flows. The assumptions used when conducting impairment testing are described in Note 10.

INVENTORY OBSOLESCENCE

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

TAXES

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

Note 3 Segment reporting and specification of income from contracts with customers

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 President & CEO and CFO, are the Group's chief operating decision makers.

During the financial year, **Tools, Consumables, Workwear & Protective Equipment** comprised Swedol and TOOLS with Univern and Grolls as well as 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. During the financial year, **Components & Services** comprised Momentum Industrial, ETAB Industriautomation, Rörick Elektriska Verkstad, Carl A Nilssons Elektriska Reparationsverkstad and JNF Køge, 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.

Intra-Group pricing between the segments occurs on market terms. No single customer in the Group accounts for more than 3 percent of the Group's revenue. Revenue presented for the geographic markets is based on the domicile of the customers.

The items affecting comparability in the business area Tools, Consumables, Workwear & Protective Equipment pertain primarily to restructuring costs in connection with the integration of TOOLS and Swedol. Items affecting comparability amounting to MSEK -2 (-14) recognised in Group-wide pertain to costs for advisors and other costs arising from the acquisition of Swedol.

	2020 (9 months)					**2019/20**				
Revenue	Tools, Consumables, Workwear & Protective Equipment	Components & Services	Group-wide	Eliminations	**Group total**	Tools, Consumables, Workwear & Protective Equipment	Components & Services	Group-wide	Eliminations	**Group total**
From external customers per geographic area										
Sweden	3,488	774	–	–	**4,262**	1,908	1,148	–	–	**3,056**
Norway	1,534	15	–	–	**1,549**	1,894	24	–	–	**1,918**
Finland	873	1	–	–	**874**	996	2	–	–	**998**
Other countries	122	39	–	–	**161**	108	55	–	–	**163**
From other segments	18	8	22	-48	**-**	25	25	29	-79	**-**
Total	**6,035**	**837**	**22**	**-48**	**6,846**	**4,931**	**1,254**	**29**	**-79**	**6,135**
EBITA	**380**	**111**	**-7**	**0**	**484**	**191**	**154**	**-9**	**2**	**338**
Items affecting comparability	-99	–	-2	–	**-101**	–	–	-14	–	**-14**
Amortisation of intangible assets in connection with corporate acquisitions	-47	-3	–	–	**-50**	-17	-4	–	–	**-21**
Operating profit/loss	**234**	**108**	**-9**	**0**	**333**	**174**	**150**	**-23**	**2**	**303**
Net financial items	–	–	-39	–	**-39**	–	–	-20	–	**-20**
Profit/loss after net financial items	**234**	**108**	**-48**	**0**	**294**	**174**	**150**	**-43**	**2**	**283**
Goodwill	1,440	163	–	–	**1,603**	391	162	–	–	**553**
Other assets	5,975	586	2,409	-2,761	**6,209**	2,462	553	3,558	-1,186	**5,387**
Total assets	**7,415**	**749**	**2,409**	**-2,761**	**7,812**	**2,853**	**715**	**3,558**	**-1,186**	**5,940**
Liabilities	4,786	410	2,340	-2,761	**4,775**	2,217	452	1,588	-1,186	**3,071**
Other disclosures										
Investments	145	4	0	–	**149**	15	3	0	–	**18**
Depreciation and amortisation	-431	-28	0	–	**-459**	-228	-34	-2	–	**-264**

The columns "Group-wide" and "Eliminations" pertaining to assets comprise eliminations of intra-segment receivables and internal gains on inventories of MSEK 2,761, intra-segment receivables of MSEK 2,053 and undistributed assets of MSEK 356.

The columns "Group-wide" and "Eliminations" pertaining to liabilities comprise eliminations of intra-segment liabilities of MSEK 2,761, intra-segment liabilities of MSEK 705 and undistributed liabilities of MSEK 1,635.

The columns "Group-wide" and "Eliminations" pertaining to assets comprise eliminations of intra-segment receivables and internal gains on inventories of MSEK 1,186, intra-segment receivables of MSEK 887 and undistributed assets of MSEK 2,671 primarily for the non-cash issue and reserved liquidity relating to the acquisition of Swedol.

The columns "Group-wide" and "Eliminations" pertaining to liabilities comprise eliminations of intra-segment liabilities of MSEK 1,186, intra-segment liabilities of MSEK 221 and undistributed liabilities of MSEK 1,367.

REVENUE BY CLASS OF INCOME

	Group		**Parent Company**	
	2020 (9 months)	**2019/20**	**2020** (9 months)	**2019/20**
Revenue				
Sale of goods	6,642	5,963	–	–
Service assignments	168	143	22	29
Commissions, bonuses and other income	36	29	–	–
Total	**6,846**	**6,135**	**22**	**29**

Income in the Parent Company pertains to intra-Group services totalling MSEK 22 (29).

INFORMATION CONCERNING NON-CURRENT ASSETS BY GEOGRAPHIC AREA

The Group primarily conducts operations in Sweden, Norway and Finland. Intangible and tangible non-current assets presented for the geographic markets are based on the geographic location of the operations.

Non-current assets	**31 Dec 2020**	**31 Mar 2020**
Sweden	2,666	441
Norway	313	85
Finland	309	193
Other countries	2	2
Group total	**3,290**	**721**

Note 4 Other operating income

	Group		Parent Company	
	2020 (9 months)	**2019/20**	**2020** (9 months)	**2019/20**
Exchange-rate gains on operating receivables/liabilities	0	0	–	–
Grants from EU, central and local government	8	3	–	–
Insurance indemnification	2	1	–	–
Contingent purchase consideration, acquisitions	4	–	–	–
Other	1	0	2	2
Total	**15**	**4**	**2**	**2**

Other operating income in the Parent Company pertains to internally invoiced expenses of MSEK 2 (2).

Note 5 Employees and personnel costs

	2020 (9 months)			**2019/20**		
Average no. of employees by country	Men	Women	**Total**	Men	Women	**Total**
Sweden, Parent Company	5	3	**8**	5	3	**8**
Sweden, subsidiaries	1,150	470	**1,620**	730	212	**942**
Norway	450	131	**581**	371	83	**454**
Finland	253	70	**323**	233	45	**278**
Denmark	13	4	**17**	11	4	**15**
Other countries	5	10	**15**	1	2	**3**
Group total	**1,876**	**688**	**2,564**	**1,351**	**349**	**1,700**

Percentage women	**2020** (9 months)	**2019/20**
Parent Company		
Board of Directors	40	40
Group management	0	0
Group		
Boards of directors	25	23
Other senior management	23	21

The category “Other senior management” includes individuals in management groups of Group companies.

Costs for employee benefits and directors’ fees	**2020** (9 months)	**2019/20**
Parent Company		
Salaries and other remuneration	13	18
Pension costs, defined-benefit plans	0	0
Pension costs, defined-contribution plans	3	4
Social security contributions	4	6
Subsidiaries		
Salaries and other remuneration	970	915
Pension costs, defined-benefit plans	0	1
Pension costs, defined-contribution plans	84	83
Social security contributions	234	193
Group total	**1,308**	**1,220**

The row pertaining to salaries and other remuneration in subsidiaries includes government grants of MSEK 34 (–) received for part-time working.

	2020 (9 months)		**2019/20**	
Salaries and other remuneration distributed between Board of Directors/senior management and other employees	Board of Directors and President	Other employees	Board of Directors and President	Other employees
Parent Company total	10	3	11	7
(of which, bonuses, etc.)	*2*	*0*	*2*	*0*
Subsidiaries total	19	951	15	900
(of which, bonuses, etc.)	*0*	*15*	*1*	*7*
Group total	**29**	**954**	**26**	**907**

The category “Board of Directors and President” in the table above includes the directors, presidents and executive vice presidents in the Group as well as the other members of senior management in each business area.

Note 5 cont.

SALARIES AND OTHER REMUNERATION TO THE BOARD OF DIRECTORS AND GROUP MANAGEMENT OF MOMENTUM GROUP

Board of Directors

Fees to the Chairman of the Board and other directors have been paid in accordance with the resolution of the Annual General Meeting in August 2020 according to the table below. Special remuneration was paid for committee work in 2020, with members of the Compensation Committee receiving SEK 50 thousand each (two people) and the Chairman of the Audit Committee receiving SEK 90 thousand. Due to the shortened financial year, all remuneration has been adjusted to comprise nine-twelfths of the amount decided by the Annual General Meeting.

Group management

Salaries and remuneration to the Group's management for the 2020 financial year have been paid in accordance with the guidelines for remuneration adopted by the Annual General Meeting in August 2020.

President & CEO

Ulf Lilius has been President & CEO of Momentum Group AB since June 2017. Remuneration to the President & CEO of Momentum Group AB comprises fixed salary, variable salary, participation in the 2017/21 and 2018/22 call option programmes (see below for a more detailed description), other benefits and pension. For the Company's President & CEO, variable salary can amount to a maximum of 40 percent of fixed salary, based on the Group's earnings. In addition, a premium of 20 percent of the variable salary can be paid as a consideration for the variable portion being used to acquire shares in Momentum Group AB. On 31 December 2020, the President & CEO held 50,000 call options, 15,000 of which within the framework of the call option programme 2017/21 and 35,000 within the framework of the call option programme 2018/22.

From the age of 65, the President & CEO is covered by a defined-contribution pension, the size of which depends on the outcome of the pension insurance policies taken out. In the event of termination of employment at the initiative of the Company, the period of notice is 12 months. Severance pay is also payable in a maximum amount of 12 months' salary.

Other senior executives

In this note, other members of senior management refers to Group management excluding the President & CEO.

In addition to Ulf Lilius, Group management comprises Niklas Enmark, Executive Vice President & CFO. For the Company's Executive Vice President, variable salary can amount to a maximum of 40 percent of fixed salary, based on the Group's earnings. In addition, a premium of 20 percent of the variable salary can be paid as a consideration for the variable portion being used to acquire shares in Momentum Group AB. On 31 December 2020, the Executive Vice President held 45,000 call options, 15,000 of which within the framework of the call option programme 2017/21 and 30,000 within the framework of the call option programme 2018/22.

From the age of 65, the Executive Vice President is covered by a defined-contribution pension, whose size depends on the outcome of the pension insurance policies taken out. In the event of termination of employment at the initiative of the Company, the period of notice is 12 months. Severance pay is also payable in a maximum amount of 12 months' salary.

LONG-TERM INCENTIVE (LTI) PROGRAMME

In 2017, the Board of Momentum Group AB decided to offer a long-term incentive programme to Executive Vice President & CFO Niklas Enmark involving an annual cash-based gross remuneration amount of SEK 400 thousand over a three-year period. Payment of the cash-based gross remuneration amount was conditional on an initial investment in Momentum Group shares by the Executive Vice President of approximately MSEK 2.5 and on his continued employment by the Company. Gross compensation for the 2019/20 financial year amounted to SEK 400 thousand, which was expensed in 2019/20 and paid in May 2020. This programme concluded during the 2019/20 financial year and no remuneration within the framework of this programme was therefore paid in the 2020 financial year.

REMUNERATION AND OTHER BENEFITS TO THE BOARD OF THE PARENT COMPANY AND GROUP MANAGEMENT 2020 (9 MONTHS)

SEK thousand	Director's fee/Fixed salary	Variable salary	Other benefits	Pension costs	**Total**	Call options outstanding, no.
Board of Directors						
Johan Sjö, Chairman [1) 3)]	720	–	–	–	**720**	–
Göran Näsholm, Director [3)]	323	–	–	–	**323**	–
Stefan Hedelius, Director [1)]	248	–	–	–	**248**	–
Gunilla Spongh, Director [2)]	278	–	–	–	**278**	–
Christina Åqvist, Director [3)]	323	–	–	–	**323**	–
Johan Eklund, Director	210	–	–	–	**210**	–
Total	**2,102**	**–**	**–**	**–**	**2,102**	**–**
Group management						
Ulf Lilius, President & CEO	3,788	1,500	59	1,075	**6,422**	50,000
Niklas Enmark, Executive Vice President & CFO	2,253	750	71	575	**3,649**	45,000
Total	**6,041**	**2,250**	**130**	**1,650**	**10,071**	**95,000**

1) Member of the Compensation Committee.
2) Audit Committee Chairman.
3) A special fee for subsidiary Board members. The cost of this is charged to the subsidiary and is not listed for the Parent Company. The fee amounted to SEK 225,000 for Johan Sjö and SEK 112,500 each for Göran Näsholm and Christina Åqvist.

REMUNERATION AND OTHER BENEFITS TO THE BOARD OF THE PARENT COMPANY AND GROUP MANAGEMENT 2019/20

SEK thousand	Director's fee/Fixed salary	Variable salary and LTI	Other benefits	Pension costs	**Total**	Call options outstanding, no.
Board of Directors						
Johan Sjö, Chairman [1]	660	–	–	–	**660**	–
Göran Näsholm, Director	280	–	–	–	**280**	–
Charlotte Hansson, Director	280	–	–	–	**280**	–
Stefan Hedelius, Director [1)]	330	–	–	–	**330**	–
Gunilla Spongh, Director [2)]	340	–	–	–	**340**	–
Total	**1,890**	**–**	**–**	**–**	**1,890**	**–**
Group management						
Ulf Lilius, President & CEO	4,688	604	80	1,381	**6,753**	50,000
Niklas Enmark, Executive Vice President & CFO	2,729	746	96	767	**4,338**	45,000
Total	**7,417**	**1,350**	**176**	**2,148**	**11,091**	**95,000**

1) Member of the Compensation Committee.
2) Audit Committee Chairman.

Note 5 cont.

CALL OPTION PROGRAMME 2018/22

In August 2018, the Annual General Meeting of Momentum Group AB resolved to offer 50 key individuals in senior positions the opportunity to acquire a maximum of 250,000 call options on repurchased Class B shares on market terms. The programme was fully subscribed. The call options have been conveyed at a price of SEK 10.20 per call option, equivalent to the market value of the options according to a valuation performed by Nordea Bank. The redemption price for the call options is SEK 137.30 per share and the redemption periods were set at 14–28 February and 16–30 May 2022, respectively. The programme was secured in its entirety by share repurchases.

The offering was linked to a subsidy corresponding to the call premium paid, which meant that an amount of SEK 10.20 per acquired call option was to be paid to the holder. The subsidy was paid by the holder's employer in September 2020 based on the condition that all originally acquired call options in this programme remained and that the individual still was an employee of the Group.

CALL OPTION PROGRAMME 2017/21

In November 2017, an Extraordinary General Meeting of Shareholders in Momentum Group AB resolved to offer 40 key individuals in senior positions the opportunity to acquire a maximum of 250,000 call options on repurchased Class B shares on market terms. The programme was fully subscribed. The call options have been conveyed at a price of SEK 9.60 per call option, equivalent to the market value of the options according to a valuation performed by Nordea Bank. The original redemption price per call option for the 2017 share-based incentive programme of SEK 121.60 has been recalculated by Nordea Bank in accordance with the terms of the incentive programme due to paid and adopted dividends between 2018 and 2021, and thus amounts to SEK 119.30. Each call option in this programme entitles the holder to acquire one repurchased Class B share during the redemption periods of 18–25 February and 12–25 May 2021, respectively. The programme was secured in its entirety by share repurchases.

The offering was linked to a subsidy corresponding to the call premium paid, which meant that an amount of SEK 9.60 per acquired call option would be paid to the holder. The subsidy was paid by the holder's employer in December 2019 based on the condition that all originally acquired call options in this programme remained and that the individual still was an employee of the Group.

CALL OPTIONS ISSUED AND OUTSTANDING AS OF 31 DECEMBER 2020

	Date of issue	Redemption period	Redemption price, SEK	No. of options issued	No. of options outstanding	Settlement method
Group						
Call option programme 2018/22	September 2018	14–28 February 2022 and 16–30 May 2022	137.30	250,000	240,000	Physical delivery
Call option programme 2017/21	December 2017	18–25 February 2021 and 12–25 May 2021	119.30	250,000	234,000	Physical delivery
Parent Company						
Call option programme 2018/22	September 2018	14–28 February 2022 and 16–30 May 2022	137.30	96,500	96,500	Physical delivery
Call option programme 2017/21	December 2017	18–25 February 2021 and 12–25 May 2021	119.30	48,500	48,500	Physical delivery

GUIDELINES FOR DETERMINING REMUNERATION AND OTHER TERMS OF EMPLOYMENT FOR SENIOR MANAGEMENT

These guidelines were prepared in accordance with the new rules in the Swedish Companies Act, including the preparation of guidelines for remuneration of senior management introduced on 10 June 2019. The guidelines are to be applied for remuneration agreed after the 2020 Annual General Meeting and to subsequent amendments to remuneration already agreed. The guidelines do not apply to remuneration resolved by the General Meeting of Shareholders. As regards employment relationships governed by other rules than Sweden's, that refer to pension benefits and other benefits, appropriate adjustments may take place to comply with mandatory rules or established local standards, and to satisfy, as far as possible, the overarching purpose of these guidelines. Items stipulated for the Company also apply where applicable for the Group.

The guidelines' promotion of the Company's business strategy, long-term interests and sustainability

The successful implementation of the Company's business strategy and protection of the Company's long-term interests, including its sustainability, requires that Momentum Group can recruit and retain qualified employees. This requires that the Company can offer competitive total remuneration, which is made possible through these guidelines. Total remuneration is to be in line with market conditions and competitive and be linked to responsibility and authority.

Forms of remuneration, etc.

Remuneration is to be in line with market conditions and comprise the following components: fixed salary, possible variable salary according to a separate agreement, pension and other benefits. A General Meeting of Shareholders may in addition – and independent of these guidelines – resolve on, for example, share and share price-based remuneration.

Fixed salary

The fixed salary shall consist of a fixed cash salary and be reviewed on an annual basis. The fixed salary shall be competitive and reflect the requirements placed on the role in terms of qualifications, responsibility, complexity and the manner in which it contributes to achieving the business targets. The fixed salary shall also reflect the performance of the senior executive and thus be individual and differentiated.

Variable salary

In addition to fixed salary, the President & CEO and other senior management may periodically, according to a separate agreement, receive variable salary for fulfilling agreed criteria. Any variable salary may consist of an annual cash salary, and be equivalent to not more than 50 percent of the fixed annual salary.

A fundamental balance must exist between fixed and variable salary to avoid unhealthy risk taking. The fixed salary is to account for a sufficient portion of the senior executive's total remuneration to allow the variable portion to be reduced to zero. The variable salary shall be linked to one or more predetermined and measurable criteria determined by the Board of Directors and that may be financial, such as the Group's and/or the business area's earnings growth, profitability and cash flow, or non-financial, such as sustainability, customer satisfaction and quality. The targets link the senior executive's remuneration to the Company's earnings, and thus promote the implementation of the Company's business strategy, long-term value creation and competitiveness. The terms and bases of calculation of variable salary shall be determined for each financial year. Fulfilment of the criteria for payment of variable salary must be measurable over a period of one financial year. Variable salary is regulated the year after qualification.

»

Note 5 cont.

The degree to which the criteria were met is assessed when the measurement period for fulfilling the criteria for the payment of variable salary ends. The Board of Directors is responsible for determining variable cash payments to the President & CEO. Variable cash payments to other senior executives are determined by the Compensation Committee. As regards financial targets, the assessment is based on the Company's latest published financial information.

The terms for variable salary should be designed so that the Board, in the event of exceptional financial conditions, is able to limit or refrain from making variable salaries should such action be deemed reasonable. In drawing up variable remuneration for the Company management, the Board must consider including provisions that (i) impose conditions on the payment of a portion of such remuneration requiring that the achievements on which the payment was based is shown to be sustainable over time, and (ii) enable the Company to reclaim such remuneration paid on the basis of information that is later shown to be manifestly erroneous.

Further variable cash payments may be paid in extraordinary circumstances, assuming that such extraordinary arrangements are of limited duration and are only introduced at an individual level either to recruit or retain senior executives, or as remuneration for extraordinary work duties beyond the individual's ordinary work duties. Such remuneration may not exceed an amount corresponding to 20 percent of the fixed annual salary and not be paid more than once per year and per individual. A decision on such remuneration shall be made by the Board of Directors based on a proposal from the Compensation Committee.

Pension

The President & CEO and other senior executives are covered by a defined-contribution pension, whose size depends on the outcome of the pension insurance policies taken out. Premiums for the defined-contribution pension must not exceed 40 percent of the fixed annual salary.

Other benefits

Other benefits, including company car, travel concessions, extra healthcare insurance and occupational health services, shall be in line with market conditions and only constitute a limited share of total remuneration. Premiums and other costs pursuant to such benefits shall amount to not more than 10 percent of the fixed annual salary in total.

Conditions in the case of termination

All senior executives must observe a period of notice of up to 6 months if notice is given by the employee. If employment is terminated by the Company, the period of notice applied is up to 12 months. If employment is terminated by the Company, senior executives may be entitled, in addition to salary and other employment benefits during the period of notice, to severance pay corresponding to up 12 months fixed salary. Severance pay is not offset against other income. No severance pay is to be paid if notice is given by the employee.

In addition to severance pay, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid when the former executive is not entitled to severance pay. Remuneration shall be based on the fixed salary paid on the date of termination and shall amount to not more than 60 percent of the fixed salary on the date of termination, subject to mandatory collective agreement provisions, and be paid for the period covered by the non-compete undertaking, which shall amount to not more than 12 months after the end of employment.

Salary and terms of employment

In the preparation of the Board's proposal for these remuneration guidelines, salary and employment conditions for employees of the Company have been taken into account by including information on the employees' total remuneration, the components of the remuneration and increase and growth rate over time, in the Compensation Committee's and the Board's basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

Preparation and decision-making process

The Board of Directors has established a Compensation Committee. The Committee's duties include preparing principles for remuneration of senior executives and the Board's decision on proposals for guidelines for remuneration of senior executives. The Board shall prepare a proposal for new guidelines at least every fourth year and submit it to the Annual General Meeting. The guidelines shall be in force until new guidelines are adopted by the General Meeting of Shareholders. The Compensation Committee shall also monitor and evaluate the programme for variable remuneration of senior executives, the application of the guidelines for the remuneration of senior executives, as well as the current remuneration structures and compensation levels in the Company.

Remuneration of the President & CEO shall be decided by the Board of Directors after being prepared and recommended by the Compensation Committee, within the scope of established remuneration principles. Remuneration of other senior executives shall be decided by the Compensation Committee, within the scope of established remuneration principles and after consulting with the President & CEO. The President & CEO and other senior executives do not participate in the Board's or Compensation Committee's processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Share-based incentive programmes resolved by the General Meeting of Shareholders

The Board of Directors shall each year assess the need for a share-based incentive programme and when necessary present proposals for a decision to the Annual General Meeting. A decision on any share and share price-based incentive programme addressed to senior executives shall be made by a General Meeting of Shareholders and contribute to long-term value growth. Senior executives may be offered an equivalent incentive to that which would have been paid under a share or share-based incentive programmes, if such a programme is impracticable in the country where a senior executive is tax resident, or if in the Company's view such participation cannot take place at a reasonable administrative cost or economic contribution. The cost and investment for the Company and incentive and financial outcome for such senior executives shall under such circumstances essentially correspond to the share or share price-based incentive programme.

Derogation from the guidelines

The Board may resolve to derogate from the guidelines, either in full or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. As stated above, the Compensation Committee's duties include the preparation of the Board's decision on remuneration issues, which also refers to decisions on derogation from the guidelines. If the Board resolves to derogate from the guidelines, the decision shall be reported at the next Annual General Meeting.

Information on approved remuneration not yet due for payment

In addition to the obligation to pay ongoing employee benefits such as salaries, pensions and other benefits, no previously approved remuneration exists to any senior executives that is not yet due for payment.

Guidelines resolved by the Annual General Meeting of Momentum Group AB held on 31 August 2020. These guidelines have been applied to all agreements entered into with the President & CEO and individuals in senior positions during 2020.

Note 6 Fees to auditors

	Group		Parent Company	
	2020 (9 months)	**2019/20**	**2020** (9 months)	**2019/20**
KPMG				
Audit assignment	4	3	1	1
Tax advisory services	0	0	–	–
Other assignments	0	1	0	1
Total fees to KPMG	**4**	**4**	**1**	**2**
Other auditors				
Audit assignment	0	0	–	–
Tax advisory services	–	–	–	–
Other assignments	0	0	–	–
Total fees to other auditors	**0**	**0**	**-**	**-**
Total fees to auditors	**4**	**4**	**1**	**2**

Audit assignment refers to statutory auditing of the Annual Report and accounting as well as the administration of the Board of Directors and the President & CEO, and auditing and other reviews carried out in accordance with the law, agreements or contracts. This includes other work assignments that are incumbent upon the Company's auditors as well as advisory services or other assistance occasioned through the findings of such reviews or the performance of such other work assignments. Other assignments comprise advisory services concerning accounting issues.

Note 7 Financial income and expenses

Group	**2020** (9 months)	**2019/20**
Other financial income	3	1
Financial income	**3**	**1**
Interest expenses on liabilities to credit institutions	-24	-5
Interest expenses on leases	-12	-11
Net interest expenses on defined-benefit pensions	-1	-1
Other financial expenses	-5	-4
Financial expenses	**-42**	**-21**
Net financial items	**-39**	**-20**

Parent Company	**2020** (9 months)	**2019/20**
Profit from participations in Group companies	–	-
Interest income, Group companies	21	25
Interest income, other	0	0
Interest income and similar profit/loss items	**21**	**25**
Interest expenses on liabilities to credit institutions	–22	-5
Interest expenses, other	0	-1
Other financial expenses	–3	-3
Interest expenses and similar profit/loss items	**–25**	**-9**
Profit from financial items	**–4**	**16**

Note 8 Appropriations

Parent Company	**2020** (9 months)	**2019/20**
Group contributions received	–	-
Group contributions paid	–	-66
Tax allocation reserve, change for the year	–	63
Total	**-**	**-3**

Note 9 Taxes

TAXES RECOGNISED IN PROFIT OR LOSS	Group 2020 (9 months)	Group 2019/20	Parent Company 2020 (9 months)	Parent Company 2019/20
Tax expense for the period	-96	-68	–	-1
Adjustment of taxes attributable to earlier years	0	0	–	0
Deferred tax	31	2	3	–
Total recognised tax expense	**-65**	**-66**	**3**	**-1**

RECONCILIATION OF EFFECTIVE TAXES

The relationship between taxes at the average tax rate and recognised taxes for the Group is illustrated in the following table:

	Group 2020 (9 months)	%	Group 2019/20	%	Parent Company 2020 (9 months)	%	Parent Company 2019/20	%
Profit before tax	294		283		-13		3	
Taxes at an average tax rate	-63	21.3	-62	22.0	3	21.4	-1	21.4
Tax effect of:								
Changed tax rate	0		0		–		–	
Taxes attributable to earlier years	0		0		–		–	
Non-deductible expenses	-1	0.4	-4	1.3	0	0.0	0	0.0
Non-taxable income	0		0		–		–	
Unutilised loss carryforwards	-1	0.4	0		–		–	
Other items	0		0		–		–	
Total tax	**-65**	**22.1**	**-66**	**23.3**	**3**	**21.4**	**-1**	**21.4**

TAXES RECOGNISED IN THE STATEMENT OF COMPREHENSIVE INCOME

Group	2020 (9 months)	2019/20
Deferred tax on defined-benefit pension plans	0	1
Deferred tax on hedging instruments	6	0
Total	**6**	**1**

DEFERRED TAX RECOGNISED IN THE BALANCE SHEET

Deferred tax assets and liabilities in the balance sheet are attributable as follows:

	31 Dec 2020			31 Mar 2020		
Group	Receivables	Liabilities	Net	Receivables	Liabilities	Net
Intangible assets	1	-225	**-224**	0	-12	**-12**
Buildings and land	–	-12	**-12**	–	-1	**-1**
Machinery and equipment	6	–	**6**	4	–	**4**
Leased assets	11	–	**11**	2	–	**2**
Hedging instruments	3	-1	**-**	–	–	**-**
Inventories	30	–	**30**	4	–	**4**
Accounts receivable	4	–	**4**	2	–	**2**
Untaxed reserves	–	-120	**-120**	–	-13	**-13**
Pension provisions	4	–	**4**	4	–	**4**
Other provisions	1	–	**1**	1	–	**1**
Loss carryforwards	9	–	**9**	1	–	**1**
Other	1	-2	**-1**	0	0	**0**
Total	**70**	**-360**	**-290**	**18**	**-26**	**-8**

The deferred tax asset in the Parent Company of MSEK 3 (–) pertains in its entirety to loss carryforwards.

A reconciliation of deferred net receivables (net liability) from the beginning of the year until year-end is shown in the table below:

Group	31 Dec 2020	31 Mar 2020
Opening balance at the beginning of the year, net	**-8**	**-9**
Taxes charged against net profit	31	2
Taxes on items recognised in consolidated comprehensive income	6	1
Taxes on business combinations	-320	-3
Transition to IFRS 16	–	2
Translation differences	1	-1
Closing balance at year-end, net	**-290**	**-8**

Note 10 Intangible non-current assets

Group	2020 (9 months)						2019/20					
	Acquired intangible assets				Internally developed		Acquired intangible assets				Internally developed	
	Goodwill	Customer relations	Brands	Other	Software	**Total**	Goodwill	Customer relations	Brands	Other	Software	**Total**
Accumulated cost												
At the beginning of the year	553	109	4	86	5	**757**	522	95	4	90	5	**716**
Investments				24		**24**				2		**2**
Acquisition of subsidiaries	1,067	460	630	52		**2,209**	26	19				**45**
Sales and disposals				-13		**-13**						**0**
Reclassifications						**-**						**-**
Translation differences	-17	-1	0	-1		**-19**	5	-5		-6		**-6**
At year-end	**1,603**	**568**	**634**	**148**	**5**	**2,958**	**553**	**109**	**4**	**86**	**5**	**757**
Accumulated amortisation												
At the beginning of the year	–	-48	-4	-44	-1	**-97**	–	-30	-4	-32	-1	**-67**
Amortisation for the year		-50		-36	-1	**-87**		-21		-14	0	**-35**
Sales and disposals				10		**10**						**0**
Translation differences		0	0	0		**0**		3		2		**5**
At year-end	**-**	**-98**	**-4**	**-70**	**-2**	**-174**	**-**	**-48**	**-4**	**-44**	**-1**	**-97**
Impairment losses on cost												
At the beginning of the year						**-**						**-**
Impairment losses for the year						**-**						**-**
At year-end	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**	**-**	**-**
Carrying amount at the beginning of the year	**553**	**61**	**0**	**42**	**5**	**660**	**522**	**65**	**0**	**58**	**5**	**649**
Carrying amount at year-end	**1,603**	**470**	**630**	**78**	**3**	**2,784**	**553**	**61**	**0**	**42**	**4**	**660**

Parent Company	2020 (9 months) Licences	2019/20 Licences
Accumulated cost		
At the beginning of the year	0	0
Investments	–	0
At year-end	**0**	**0**
Accumulated amortisation		
At the beginning of the year	0	0
Amortisation for the year	0	0
At year-end	**0**	**0**
Carrying amount at the beginning of the year	**0**	**0**
Carrying amount at year-end	**0**	**0**

IMPAIRMENT TESTING OF GOODWILL

The recognised value of goodwill was tested prior to the balance-sheet date on 31 December 2020 using the balance sheet on 30 September 2020 as a base. The Group's total reported goodwill value of MSEK 1,603 (553) has been allocated by operating segment according to the table below:

Goodwill	31 Dec 2020	31 Mar 2020
Tools, Consumables, Workwear & Protective Equipment	1,440	391
Components & Services	163	162
Total goodwill	**1,603**	**553**

Momentum Group has historically conducted a large number of acquisitions. Consolidated goodwill is allocated to the cash-generating units, which correspond with the Group's operating segments. Goodwill values are tested at the operating segment level. The basis of this testing and the assessment of future cash flows is based on the target scenario for each operating segment for the forthcoming financial year, with forecasts of earnings and cash flows for subsequent years.

The recoverable amount was calculated on the basis of value in use and is based on the assessment of cash flows for the coming five-year period. Assumptions have been made concerning future revenue, contribution ratios, cost level, working capital requirements and investment requirements. Key assumptions are based on the underlying conditions of the individual operations, market conditions and the action plans in place in each operating area. In addition, shared assumptions are also used with respect to inflation and salary trends for the countries where the Group conducts its main operations. Assumptions are also made with respect to future foreign-exchange rates that impact the price of the Group's purchases and sales. There is a strong correlation between the shared assumptions and external sources of information and previous experiences. For cash flows beyond the five-year period, growth has been assumed to amount to approximately 2 percent annually.

Cash flows have been discounted by a weighted capital cost for borrowed capital and equity, and are presented in the table below for each cash-generating unit. The discount rate is applied to an asset base, excluding right-of-use assets, with lease payments included in the cash flow of each cash-generating unit. The discount rate is thus comparable with that used in the preceding year. The testing of goodwill values did not indicate any impairment requirement.

Discount rate, before tax	31 Dec 2020	31 Mar 2020
Tools, Consumables, Workwear & Protective Equipment	11.0%	11.0%
Components & Services	10.5%	11.0%

No reasonable changes in key assumptions would result in an impairment requirement.

Note 11 Tangible non-current assets

Group	2020 (9 months) Buildings and land	Leasehold improve-ments	Machinery and equipment	Construction in progress	Total	2019/20 Buildings and land	Leasehold improve-ments	Machinery and equipment	Construction in progress	Total
Accumulated cost										
At the beginning of the year	37	47	237	4	**325**	35	46	235	0	**316**
Investments	5	11	20	89	**125**		3	8	5	**16**
Acquisition of subsidiaries	168	21	148	27	**364**			0		**0**
Sales and disposals		-1	-16		**-17**			-1		**-1**
Reclassifications		2	-2		**0**			1	-1	**0**
Translation differences	-2		-6		**-8**	2	-2	-6		**-6**
At year-end	**208**	**80**	**381**	**120**	**789**	**37**	**47**	**237**	**4**	**325**
Accumulated amortisation										
At the beginning of the year	-30	-30	-204		**-264**	-28	-28	-197		**-253**
Amortisation for the year	-4	-7	-31		**-42**	0	-4	-13		**-17**
Sales and disposals		1	16		**17**			1		**1**
Translation differences	1	0	5		**6**	-2	2	5		**5**
At year-end	**-33**	**-36**	**-214**		**-283**	**-30**	**-30**	**-204**		**-264**
Carrying amount at the beginning of the year	**7**	**17**	**33**	**4**	**61**	**7**	**18**	**38**	**0**	**63**
Carrying amount at year-end	**175**	**44**	**167**	**120**	**506**	**7**	**17**	**33**	**4**	**61**

Note 12 Leases

The Group's lease portfolio primarily comprises leases related to warehouse and store facilities as well as vehicles. The average term of leases for premises is 3-5 years. Longer terms mainly pertain to leases for warehouse and logistics facilities. Extension options are mainly taken into account for those leases with an ordinary term of less than three years, unless specific circumstances indicate with reasonable certainty that the option to extend will be exercised.

Other right-of-use assets in the table below refer mainly to machinery and equipment used in the Group's warehouse and logistics operations. The lease term for vehicles and other assets essentially corresponds to the non-cancellable period of the lease.

Right-of-use assets	Premises	Vehicles	Other	**Total**
Opening carrying amount as of 1 April 2019	**472**	**61**	**10**	**543**
Acquisitions	65	29	2	96
Extensions and remeasurements	84	-1	1	84
Depreciation during the year	-171	-37	-4	-212
Translation differences	-19	-1	0	-20
Closing balance as of 31 March 2020	**431**	**51**	**9**	**491**
Acquisitions	621	39	13	**673**
Extensions and remeasurements	121	0	1	**122**
Depreciation during the year	-290	-34	-6	**-330**
Translation differences	-3	-1	0	**-4**
Closing balance as of 31 December 2020	**880**	**55**	**17**	**952**

Cash flow

The total cash flow for leases amounted to MSEK -320 (-229) during the financial year. This amount includes amounts recognised as lease liabilities, and amounts paid for variable lease payments, short-term leases and low-value leases.

Lease liabilities

A maturity analysis of lease liabilities is presented in Note 24 Financial risks and risk management.

Amounts recognised in profit or loss

Profit or loss shows the following amounts relating to leases:

	2020 (9 months)	**2019/20**
Depreciation of right-of-use assets	-330	-212
Interest on lease liabilities	-12	-11
Variable lease payments not included in the measurement of the lease liability	-7	-2
Income from sub-leasing of right-of-use assets	3	3
Cost of short-term leases	-2	-1
Cost of low-value leases, not short-term leases of low value	-7	-5

Non-cancellable lease payments amount to:	**Parent Company** **2020** (9 months)	**2019/20**
Leases in which the Group/the Company is the lessee		
Within 1 year	1	1
Between 1 and 5 years	1	2
Later than 5 years	–	–
Total	**2**	**3**
Expensed operating lease payments amount to:		
Minimum lease payments	1	2
Total leasing costs	**1**	**2**

Note 13 Receivables from Group companies

Parent Company	**31 Dec 2020**	**31 Mar 2020**
Carrying amount at the beginning of the year	**779**	**827**
Additional assets	1,222	–
Deducted assets	-88	-48
Total	**1,913**	**779**

Note 14 Inventories

Group	31 Dec 2020	31 Mar 2020
Finished goods and goods for resale	1,761	985
Total	**1,761**	**985**

Cost of goods sold includes net change in the Group's obsolescence reserve and impairment losses during the year of MSEK -55 (+12). Net change includes realisation of earlier impairment losses

Note 15 Prepaid expenses and accrued income

Group	31 Dec 2020	31 Mar 2020
Prepaid expenses		
Rents	1	3
Insurance premiums	2	1
Licences	11	3
Computer costs	4	6
Bank and financial expenses	4	7
Other prepaid expenses	17	6
Accrued income		
Delivery of goods	9	7
Commission and bonus income	113	36
Other accrued income	2	4
Total	**163**	**73**

Note 16 Long-term receivables and other receivables

	Group	
Long-term receivables classified as non-current assets	**31 Dec 2020**	**31 Mar 2020**
Pension funds	0	0
Long-term receivables	0	1
Total	**0**	**1**

	Group		Parent Company	
Other receivables classified as current assets	**31 Dec 2020**	**31 Mar 2020**	**31 Dec 2020**	**31 Mar 2020**
Non-cash consideration	–	1,487	–	1,487
VAT receivable	6	4	2	2
Tax account	13	8	0	0
Advance payments	32	11	–	–
Derivative hedging instruments	0	4	–	–
Other receivables[1]	8	3	0	14
Total	**59**	**1,517**	**2**	**1,503**

1) Other receivables in the Parent Company primarily pertained to transaction charges related to the acquisition of Swedol which are included in the carrying amount of holdings in subsidiaries, but expensed in the Group in accordance with IFRS 3.

Note 17 Equity

CLASSES OF SHARES

As of 31 December 2020, the share capital amounted to MSEK 102. The distribution by class of shares is presented in the table below. All shares have a quotient value of SEK 2.00. All shares entitle their holders to the same rights to the Company's remaining net assets. For shares held in treasury, all rights are rescinded until these shares have been reissued.

Class of share	31 Dec 2020	31 Mar 2020
Class A shares	1,062,436	1,062,436
Class B shares	49,843,753	49,836,856
Total number of shares before repurchasing	**50,906,189**	**50,899,292**
Less: Repurchased Class B shares	-500,000	-500,000
Total number of shares after repurchasing	**50,406,189**	**50,399,292**

The table below shows the changes for the year in the number of shares by class of shares.

Class A shares	**2020** (9 months)	2019/20
Number of Class A shares at the beginning of the year	1,062,436	1,062,436
Number of Class A shares at year-end	**1,062,436**	**1,062,436**
Class B shares		
Number of Class B shares at the beginning of the year	49,836,856	27,202,980
Non-cash issue[1]	6,897	22,633,876
Number of Class B shares at year-end	**49,843,753**	**49,836,856**

1) As a result of the acquisition of Swedol, the Board of Directors of Momentum Group resolved on a directed issue to the shareholders of Swedol comprising 22,633,876 Class B shares at the end of March 2020 and 6,897 Class B shares in April 2020.

According to Momentum Group AB's Articles of Association, holders of Class A shares are entitled to request that such shares be converted to Class B shares. The total number of votes in the Company decreases as a result of any conversion to Class B shares. The Company's Class A shares entitle the holder to ten votes each and the Company's Class B shares entitle the holder to one vote each.

Repurchased own shares included in the equity item retained earnings, including net profit

Repurchased shares include the acquisition cost of treasury shares held by the Parent Company, its subsidiaries and associated companies. As of 31 December 2020, the Group held 500,000 own shares (500,000) in treasury.

Call option programme 2017/21

Following a resolution at an Extraordinary General Meeting of Shareholders in November 2017, 40 key individuals in senior positions were offered the opportunity to acquire a maximum of 250,000 call options on repurchased Class B shares. The programme was fully subscribed. If fully exercised, the number of outstanding Class B shares will increase by 250,000, corresponding to 0.5 percent of the total number of shares and 0.4 percent of the total number of votes. The call options have been conveyed at a price of SEK 9.60 per call option, equivalent to the market value of the options according to a valuation performed by Nordea Bank. The redemption price for the call options is SEK 119.30 per share and the redemption periods were set at 18–25 February and 12–25 May 2021, respectively. The original redemption price per call option for the 2017 share-based incentive programme was SEK 121.60, but has been recalculated by Nordea Bank in accordance with the terms of the incentive programme due to paid and adopted dividends between 2018 and 2021.

Call option programme 2018/22

Following a resolution at the Annual General Meeting of Shareholders in August 2018, 50 key individuals in senior positions were offered the opportunity to acquire a maximum of 250,000 call options on repurchased Class B shares. The programme was fully subscribed. If fully exercised, the number of outstanding Class B shares will increase by 250,000, corresponding to 0.5 percent of the total number of shares and 0.4 percent of the total number of votes. The call options have been conveyed at a price of SEK 10.20 per call option, equivalent to the market value of the options according to a valuation performed by Nordea Bank. The redemption price for the call options is SEK 137.30 per share and the redemption periods were set at 14–28 February and 16–30 May 2022, respectively.

Note 17 cont.

Translation reserve

The translation reserve includes all exchange-rate differences arising on the translation of financial statements from foreign businesses that have prepared their financial statements in a currency other than the currency in which the consolidated financial statements are presented. The Group presents its financial statements in SEK.

Group	31 Dec 2020	31 Mar 2020
Translation reserve		
Opening translation reserve	-17	10
Change related to acquired businesses	-8	–
Translation effect for the year	-37	-27
Closing translation reserve	**-62**	**-17**

Hedging reserve

The hedging reserve covers the change in value of the foreign-exchange forward contracts hedged. At the end of the year, the value of the hedging reserve amounted to MSEK -11 (2).

Group	31 Dec 2020	31 Mar 2020
Hedging reserve		
Opening hedging reserve	2	0
Change related to acquired businesses	8	–
Fair value changes for the year in cash-flow hedges	-13	2
Tax attributable to hedges for the year	3	0
Fair value changes in cash-flow hedges transferred to net profit	-14	0
Tax attributable to hedges transferred to net profit	3	0
Closing hedging reserve	**-11**	**2**

PARENT COMPANY

Restricted funds

Restricted funds may not be reduced through dividends.

Non-restricted equity

Retained earnings

Comprises earnings generated in previous years after any dividends are paid. Together with net profit, less holdings of treasury shares, comprises total non-restricted equity, meaning the amount available to be distributed to the shareholders. As of the balance-sheet date, total equity in Momentum Group AB amounted to MSEK 2,057, of which MSEK 102 was restricted equity.

Dividend

The Board of Directors of Momentum Group AB proposes a dividend of SEK 1.50 per share, corresponding to a pay-out ratio of 33 percent of earnings per share for the financial year. Taking into account the Class B shares repurchased by the Company, the proposed dividend corresponds to a total of approximately MSEK 76. The proposed dividend is in line with the Company's dividend policy, which states that 30–50 percent of earnings per share are to be distributed over a business cycle.

MSEK	31 Dec 2020	31 Mar 2020
SEK 1.50 (0) per share	76	–

Proposed appropriation of profit (SEK)	
The following funds are at the disposal of the General Meeting of Shareholders:	1,955,732,749
The Board of Directors proposes that the shareholders receive a dividend of SEK 1.50 per share	75,609,284
That the remaining profit be brought forward	1,880,123,466
Total	**1,955,732,749**

Note 18 Earnings per share

	Before dilution		After dilution	
	2020 (9 months)	**2019/20**	**2020** (9 months)	**2019/20**
Earnings per share, SEK	4.55	7.70	4.55	7.70

The calculation of the numerators and denominators used in the above calculations of earnings per share is specified below.

EARNINGS PER SHARE BEFORE DILUTION

The calculation of earnings per share before dilution for the 2020 financial year was based on net profit attributable to the ordinary shareholders in the Parent Company amounting to MSEK 228 (214) and a weighted average number of shares outstanding during the financial year amounting to 50,406,189 (27,765,416). The two components have been calculated in the following manner:

Net profit attributable to Parent Company shareholders, before dilution

	2020 (9 months)	**2019/20**
Net profit attributable to Parent Company shareholders	228	214
Profit attributable to Parent Company shareholders, before dilution	**228**	**214**

Weighted average number of shares outstanding, before dilution

Stated in thousands of shares	**2020** (9 months)	**2019/20**
Total number of shares at financial year-end	50,906	50,899
Effect of holding of treasury shares	-500	-500
Effect of non-cash issue	–	-22,634
Number of shares for calculation of earnings per share	**50,406**	**27,765**

EARNINGS PER SHARE AFTER DILUTION

The calculation of earnings per share after dilution for the 2020 financial year was based on net profit attributable to the ordinary shareholders in the Parent Company amounting to MSEK 228 (214) and a weighted average number of shares outstanding during the financial year amounting to 50,408,189 (27,765,416). The two components have been calculated in the following manner:

Net profit attributable to Parent Company shareholders, after dilution

	2020 (9 months)	**2019/20**
Net profit attributable to Parent Company shareholders	228	214
Profit attributable to Parent Company shareholders, after dilution	**228**	**214**

Weighted average number of shares outstanding, after dilution

Stated in thousands of shares	**2020** (9 months)	**2019/20**
Total number of shares at financial year-end	50,906	50,899
Effect of holding of treasury shares	-500	-500
Effect of non-cash issue	–	-22,634
Effect of share-option programmes[1]	2	–
Number of shares for calculation of earnings per share	**50,408**	**27,765**

1) As of 31 December 2020, Momentum Group AB had two outstanding call option programmes. The share price on 31 December 2020 was SEK 142.00 and the issued call options on the shares repurchased by the Company resulted in a dilution effect of approximately 2,000 shares. These call option programmes are described in greater detail in Note 5.

Note 19 Provisions for pensions

During the year, Momentum Group had defined-benefit pension plans in Sweden. Defined-contribution pension plans are also used in Sweden. Group subsidiaries in other countries primarily have defined-contribution pension plans.

DEFINED-CONTRIBUTION PENSION PLANS

These plans mainly cover retirement pensions and family pensions. Premiums are paid on an ongoing basis during the year by each Group company to separate legal entities, such as insurance companies. The premium level is based on salary. The pension cost for the period is included in profit or loss.

DEFINED-BENEFIT PENSION PLANS

These plans mainly cover retirement pensions. Vesting is based on the number of years of service. For each year of service, the employee earns an increased right to pension, which is recognised as benefits earned during the year and as an increase in pension obligations. Unfunded and funded pension plans are used in Sweden. The defined-benefit plans are exposed to actuarial risks, such as length of life, currency, interest-rate and investment risks.

OBLIGATIONS FOR EMPLOYEE BENEFITS, DEFINED-BENEFIT PLANS

The following provisions for pension obligations have been made in the balance sheet:

Group	31 Dec 2020	31 Mar 2020
Pension obligations unfunded plans, present value	34	31
Pension obligations funded plans, present value	1	2
Plan assets, fair value	-1	-2
Net pension obligations	**34**	**31**

The Group has a number of defined-benefit pension plans that are all managed individually. Funded plans are recognised on a net basis in the balance sheet. Accordingly, obligations are recognised in the balance sheet in the following net amounts:

	31 Dec 2020	31 Mar 2020
Plan assets for pension obligations	0	0
Provisions for pensions and similar obligations	34	31
Net liabilities according to the balance sheet	**34**	**31**
Of which, credit insured through PRI Pensionsgaranti	14	14

Performance of pension obligations and plan assets

Pension obligations, plan assets and provisions for pension obligations for the defined-benefit pension plans have developed as follows:

Pension obligations unfunded plans	31 Dec 2020	31 Mar 2020
Opening balance	31	27
Benefits earned during the year	0	1
Interest expense	1	1
Benefits paid	0	-1
Remeasurement recognised in other comprehensive income	2	3
Translation differences	–	–
Pension obligations unfunded plans, present value	**34**	**31**

Pension obligations funded plans	31 Dec 2020	31 Mar 2020
Opening balance	2	4
Benefits paid	-1	0
Redemption of pension obligations	0	-2
Translation differences	–	–
Pension obligations funded plans, present value	**1**	**2**

Present value of pension obligations specified by category (%)	31 Dec 2020	31 Mar 2020
Active	10	11
Paid-up policy holders	64	64
Pensioners	26	25
Total	**100**	**100**

Plan assets	31 Dec 2020	31 Mar 2020
Opening balance	2	4
Funds paid to employees	-1	0
Redemption of pension obligations	0	-2
Translation differences	–	–
Plan assets, fair value	**1**	**2**

Plan assets comprise funds paid to and managed by insurance companies and are distributed between the following classes of assets:

Plan assets	31 Dec 2020	31 Mar 2020
Cash and cash equivalents	1	1
Equity instruments	0	0
Debt instruments	0	1
Properties	0	0
Other assets	0	0
Plan assets, fair value	**1**	**2**

All plan assets are managed by an insurance company and are included in the insurance company's asset portfolio. The assets are thus not considered to be traded on an active market from the Group's perspective. Estimated pension payments over the next ten-year period are calculated at approximately MSEK 1 and the liquidity risk is thus clearly limited with respect to the correlation between plan assets and obligations.

Net change in defined-benefit obligations during the year	31 Dec 2020	31 Mar 2020
Opening balance	31	27
Pension costs incl. interest expense on defined-benefit plans	1	2
Benefits paid	-1	-1
Funds paid to employees	1	0
Remeasurement recognised in other comprehensive income	2	3
Redemption of pension obligations	0	0
Translation differences	–	–
Closing balance	**34**	**31**

Pension costs

Costs recognised in net profit	2020 (9 months)	2019/20
Pensions earned during the period	0	1
Net interest expense	1	1
Pension costs, defined-benefit plans	**1**	**2**
Pension costs, defined-contribution plans	87	87
Pension costs in net profit	**88**	**89**

Pension costs are distributed in profit or loss between Personnel costs and Net financial items, with the latter comprising the net amount of interest on the obligations and interest on the plan assets.

	Sweden	
Actuarial assumptions	**2020** (9 months)	**2019/20**
Discount rate at the end of the year, %	1.5	2.25
Expected salary increase, %	2.75	2.75
Expected inflation, % [1]	1.5	1.75
Expected remaining period of service, years	12.5	11.7

1) Inflation assumption is equivalent to pension indexation.

Note 19 cont.

Length of life assumptions

Length of life assumptions are based on published statistics and mortality figures. Remaining lengths of lives are presented in the table below.

	Sweden
Length of life assumptions at 65 years of age – retired members:	
Men	21.7
Women	24.2
Length of life assumptions at 65 years of age for members who are 40 years of age	
Men	23.4
Women	25.2

Sensitivity analysis

The calculation of recognised expenses and provisions for defined-benefit pension plans, where the amount of the future remuneration is unknown and payment will occur far in the future, relies on assumptions and judgements.

The most significant assumptions and judgements are discount rate, future salary increases, inflation and expected length of life. The principles for determining the discount rate are described in Note 1 Summary of key accounting policies.

Inflation assumptions are based on a combined assessment of such factors as the inflation targets of central banks, implicit market expectations and long-term analyst forecasts. Expected salary increases are based on a combined assessment of the Company's own history, market expectations and forecasts from market surveys. Length of life assumptions are based on mortality tables, where DUS14 has been applied since 31 March 2016. The most important parameter is the discount rate, which can be seen in the following table illustrating how the total pension liability would be affected by various changes in the respective parameters.

Changes in pension obligations due to changed assumptions*	Increase in liabilities	Decrease in liabilities
Discount rate, – 0.50% / + 0.50%	3	3
Salary increases, + 0.50% / – 0.50%	0	0
Inflation, + 0.50% / – 0.50%	3	3
Length of life, + 1 year / – 1 year	1	1

* The above sensitivity analysis is based on a change in one assumption while the others remain constant.

Financing

As of 31 December 2020, the average weighted term of the total pension obligation was 21.1 years (20.6), of which unfunded PRI pensions in Sweden had an average weighted term of 21.4 years (21.3).

The Group estimates that MSEK 1 will be paid in 2021 to funded and unfunded defined-benefit plans recognised as defined-benefit plans, and MSEK 45 will be paid in 2021 to the defined-benefit plans recognised as defined-contribution plans. The latter pertains exclusively to ITP2 in Swedish companies.

Note 20 Non-current non-interest-bearing liabilities and other provisions

Group	**31 Dec 2020**	**31 Mar 2020**
Non-current non-interest-bearing liabilities		
Option liability, acquisitions	17	35
Total	**17**	**35**
Specification		
Carrying amount at the beginning of the period	35	31
Acquisition of partly owned subsidiary	–	17
Remeasurement pertaining to the change in ownership share in partly owned subsidiary	-19	-12
Other unrealised changes in value	1	-1
Carrying amount at the end of the period	**17**	**35**
Provisions classified as non-current liabilities		
Guarantee commitments	0	0
Other	1	0
Total	**1**	**0**
Specification		
Carrying amount at the beginning of the period	0	16
Provisions made during the period	1	0
Amount utilised during the period	0	0
Change in accounting policy [1]	–	-16
Translation differences	0	0
Carrying amount at the end of the period	**1**	**0**

1) Provision for restructuring relates entirely to unutilised premises. In conjunction with the transition to IFRS 16, the provision was recognised as a reduction in the value of the right-of-use asset.

Note 21 Other liabilities

Group	**31 Dec 2020**	**31 Mar 2020**
Employee withholding taxes	38	20
VAT liability	99	72
Derivative hedging instruments	14	0
Advance payments from customers	16	1
Other operating liabilities	16	1
Total	**183**	**94**

Note 22 Accrued expenses and deferred income

	Group		Parent Company	
	31 Dec 2020	31 Mar 2020	31 Dec 2020	31 Mar 2020
Accrued expenses				
Salaries and remuneration to employees	222	138	5	5
Social security contributions	90	66	2	2
Bonuses, refunds to customers/suppliers	29	9	–	–
Operating and premises costs including tax	21	1	–	–
Auditors' fees	3	2	0	0
Other consulting fees	4	3	–	3
Car and travel expenses	4	1	–	–
Temporarily contracted employees	6	2	–	–
Shipping costs	13	5	–	–
IT and computer costs	4	4	–	–
Other accrued expenses	36	16	0	–
Deferred income				
Marketing income	2	1	–	–
Other deferred income	2	1	–	–
Total	**436**	**249**	**7**	**10**

Note 23 Pledged assets and contingent liabilities

	Group		Parent Company	
	31 Dec 2020	31 Mar 2020	31 Dec 2020	31 Mar 2020
Pledged assets				
In the form of pledged assets for own liabilities and provisions				
Corporate mortgages	–	–	–	–
Total pledged assets	–	**-**	–	**-**
Contingent liabilities				
Guarantees for subsidiaries [1]	–	–	14	14
Guarantees, other	17	2	–	–
Total contingent liabilities	**17**	**2**	**14**	**14**

1) Parent Company guarantees essentially pertain to PRI obligations.
The Parent Company Momentum Group AB has entered into an agreement guaranteeing the fulfilment of the subsidiary Momentum Group Services AB's rental agreement with an external party for the Group's warehouse and logistics property in Alingsås. The annual rental cost amounts to approximately MSEK 11 and the agreement expires at the end of 2027.

Note 24 Financial risks and risk management

Momentum Group's operations entail exposure to a number of financial risks. Changes, particularly in foreign-exchange rates and interest-rate levels, affect the Group's earnings and cash flows, but financing risks also arise and are managed within the framework of the Group's adopted policies.

FINANCIAL OPERATIONS

The goal of the Group's financial operations is to ensure high efficiency in the areas of investments, liquidity flows, borrowing, foreign-currency management and granting of credit. The Board of Directors determines the Group's Financial Policy each year, which includes guidelines, goals and frameworks for treasury management and for managing the financial risks in the Group. The Financial Policy defines and identifies the financial risks that can arise, and regulates the distribution of responsibility between the Board of Directors, the CEO, the CFO, the internal bank function as well as the subsidiaries' CEOs and CFOs.

The Group's central financial operations comprise securing the Group's long-term supply of liquidity for investments and working capital in an efficient manner. The Parent Company has its own internal bank function tasked with coordinating the Group's financial activities and ensuring that systems are available for efficient cash management for the Group companies. The Parent Company manages the Group's external borrowing. All foreign-currency management and granting of credit to customers are handled within the framework of the established policies.

CAPITAL MANAGEMENT

The Company's goal regarding the financial position is that it should enable the Group to have favourable availability of liquidity, that the cost of borrowed capital should be kept at market rate, that the return on cash and cash equivalents should be satisfactory and that the risk in investments and exposures should be kept low. A prerequisite for this is that the Group has a long-term favourable financial position and meets the financial commitments included in the loan agreements, etc.

FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

The Group uses financial derivative instruments to manage foreign-exchange risks that arise during its operations. Derivative instruments held for hedging comprise foreign-exchange forward contracts. These derivative instruments are hedged, which means that the instruments are recognised in the balance sheet at fair value and that any changes in the values of these instruments are recognised in other comprehensive income in equity until their underlying cash flows are reflected in profit or loss.

FOREIGN-EXCHANGE RISKS

For Momentum Group, foreign-exchange risk arises in the subsidiaries as a result of future payment flows in foreign currencies, referred to as a transaction exposure, and through portions of the Group's equity comprising net assets in foreign subsidiaries and the Group's profit compromising profit from foreign subsidiaries, referred to as a translation exposure.

Note 24 cont.

Transaction exposure

Transaction exposure comprises future contracted and forecasted receipts and disbursements in foreign currencies for subsidiaries, which, in the Group's case, mainly involves purchases and sales of goods. The total transaction exposure for key currencies is shown in the table below.

Annual net flow by currency (countervalue in MSEK)

Currency	2020 (9 months)	2019/20
NOK	316	174
EUR	-97	-204
USD	-292	-18
GBP	-4	-8

The Group has its primary customer markets in Sweden, Norway and Finland, with sales in SEK, NOK and EUR, respectively. The purchasing that takes place outside the Nordic regions is mainly paid in USD and EUR.

The effects of exchange-rate changes are reduced on the basis of purchases and sales in the same currency, currency clauses and foreign-exchange forward contracts. Risk exposure is limited by the Group's sales largely comprising products that are sold at a fixed price in the local currency according to a price list valid over a period of approximately six months.

Group companies hedge parts of their future currency outflows in foreign currency using foreign-exchange forward contracts, in accordance with the Group's Financial Policy. Most of the hedging of exchange-rate changes is conducted for the time period deemed necessary to allow sales prices to be adjusted to the new foreign-exchange rates. A smaller proportion of foreign-exchange forward contracts have terms of six to 12 months and are based on forecasts. Correspondingly, foreign-exchange forward hedging takes place for sales in foreign currencies when the costs are in local currency. The nominal amounts of outstanding foreign-exchange forward contracts are presented in the table below:

Foreign-exchange forward contracts	31 Dec 2020		31 Mar 2020	
	Nominal value	Average rate	Nominal value	Average rate
NOK/SEK	12	0.97	17	1.05
USD/SEK[1]	192	8.21	2	9.39
EUR/SEK[1]	36	10.29	61	10.60
GBP/SEK[1]	2	11.50	3	12.22

1) Foreign-exchange forward contracts for purchase of currency.

Translation exposure of earnings

The Group's earnings are affected by the translation of the income statements of foreign subsidiaries, for which translation is carried out at the average exchange rate for the financial year. In cases when the local currency of the foreign subsidiary changes in relation to SEK, the Group's recognised revenue and earnings that were translated to SEK also change. The Group's translation exposure in revenue and operating profit are presented in the tables below.

Revenue	2020 (9 months)	2019/20
Outcome translated to average rate for the preceding year	7,042	6,136
Currency translation		
NOK	-178	-30
EUR	-18	28
DKK	0	1
Total currency translation	**-196**	**-1**
Outcome	**6,846**	**6,135**

Operating profit	2020 (9 months)	2019/20
Outcome translated to average rate for the preceding year	335	303
Currency translation		
NOK	-1	-1
EUR	-1	1
DKK	0	0
Total currency translation	**-2**	**0**
Outcome	**333**	**303**

The Group has net exposures in several foreign currencies. The table below shows the effect on the Group's revenue and operating profit if the rates for the exposure currencies were to change by 5 percent.

Change in rate for underlying exposure currencies +/- 5%	2020 (9 months)	2019/20
Effect		
– Revenue	+/- 126	+/- 150
– Operating profit	+/- 3	+/- 4

The following rates were applied in the year-end accounts:

	Average rate		Balance-sheet rate	
Currency	2020 (9 months)	2019/20	31 Dec 2020	31 Mar 2020
NOK	0.964	1.059	0.955	0.942
EUR	10.431	10.662	10.038	11.019
USD	9.060	9.592	8.189	9.951
DKK	1.400	1.429	1.349	1.476

Translation exposure of equity

The value of the net assets of foreign subsidiaries is translated to SEK at year-end at the exchange rate in effect on the balance-sheet date. The exchange-rate difference between the years is recognised against equity through other comprehensive income. Translation exposure for foreign subsidiaries' net assets is at present only hedged to a limited extent through external borrowing in another currency than SEK.

Net assets in foreign subsidiaries by currency (MSEK)

Currency	31 Dec 2020	31 Mar 2020
NOK	431	327
EUR	438	344
DKK	13	14

INTEREST-RATE RISKS

Interest-rate risk refers to the risk that changes in the market interest rate will have a negative impact on the Group's net interest income. The speed at which an interest-rate change has an effect depends on the length of the period of fixed interest on the loans and the type of hedging instruments used. Both the market interest rate and the Group's earnings are expected to follow the general economic cycle. Hence, the Group's Financial Policy stipulates that the period of fixed interest is normally to be short-term, with at least 50 percent of the loans having a fixed-interest period of less than one year. In order to further manage the risk of higher market interest rates in the future, Momentum Group's Financial Policy also stipulates that different forms of interest derivatives may be used to limit interest-rate risk. As of 31 December 2020, the Group does not hold any interest derivative instruments.

The debt portfolio comprises a committed credit facility, revolving credit facilities with fixed-interest periods of three months and bank loans. The average period of fixed interest for the whole debt portfolio is 3 months. The bank loans raised in March 2020 pertained exclusively to the acquisition of Swedol, which closed in April 2020. As of 1 April 2019, the Group also recognises interest-bearing liabilities relating to leases in conjunction with the transition to IFRS 16. The primary variable interest rates are STIBOR and EURIBOR. Liabilities to credit institutions per underlying currency are presented in the table below. Given the same average loan liability during the year and the same fixed-interest periods, a change in the market interest rate of 1 percentage point would result in a change in interest expense of approximately MSEK 16 per year.

Liabilities to credit institutions per currency, 31 Dec 2020	SEK	EUR	Total
Committed credit facility	–	–	**-**
Revolving credit facility	470	80	**550**
Bank loans	1,118	–	**1,118**

Liabilities to credit institutions per currency, 31 Mar 2020	SEK	EUR	Total
Committed credit facility	78	–	**78**
Revolving credit facility	–	88	**88**
Bank loans	1,157	–	**1,157**

Note 24 cont.

LIQUIDITY AND REFINANCING RISKS

Liquidity and refinancing risk pertains to the risk that the Group is unable to fulfil its payment obligations due to insufficient liquidity and that the possibility of financing is limited when loans are due for rescheduling. The Group's Financial Policy stipulates that borrowing and trading in financial instruments may only be conducted with one of the large Nordic commercial banks. Current investments of any surplus liquidity are made with terms of one to six months at current market interest rates. The counterparty for deposits is always one of the large Nordic commercial banks. At the end of the financial year, the Parent Company had access to a committed credit facility of MSEK 400, of which MSEK 400 was unutilised. The credit facility is renewed on an annual basis and was extended to February 2022 after the balance-sheet date. In addition to this committed credit facility, the Group has a revolving credit facility totalling MSEK 1,200, of which MSEK 650 was unutilised. The current revolving credit facility was raised in April 2020 in conjunction with the acquisition of Swedol and has a term of three years, with the option to extend for two years.

The financing is linked to financial covenants that the Group is obligated to fulfil every quarter. The primary covenants by which Momentum Group is measured are the interest coverage ratio and the equity/assets ratio. There are specific definitions for each component. As of 31 December 2020, the financial covenants were fulfilled.

The Group's financing risk is also dependent on the possibility of refinancing loans as they mature. The Group's financial liabilities at year-end amounted to MSEK 3,725 and the maturity structure of the loan liabilities is presented in the table below. A table showing the Group's financial assets and liabilities is presented in Note 26 Financial assets and liabilities.

	31 Dec 2020		Matures		
Maturity structure financial liabilities (undiscounted cash flows)	Carrying amount	Future payment amount	Within 1 year	After 1 year within 5 years	After 5 years
Interest-bearing financial liabilities to credit institutions	1,668	1,765	145	1,088	532
Interest-bearing lease liabilities	1,004	1,053	367	635	51
Accounts payable and other non-interest-bearing financial liabilities	1,039	1,039	1,029	10	–
Derivative hedging instruments	14	14	14	–	–
Financial liabilities	**3,725**	**3,871**	**1,555**	**1,733**	**583**

	31 Mar 2020		Matures		
Maturity structure financial liabilities (undiscounted cash flows)	Carrying amount	Future payment amount	Within 1 year	After 1 year within 5 years	After 5 years
Interest-bearing financial liabilities to credit institutions	1,323	1,414	219	618	577
Interest-bearing lease liabilities	511	557	211	311	35
Accounts payable and other non-interest-bearing financial liabilities	799	800	764	36	–
Derivative hedging instruments	0	0	0	–	–
Financial liabilities	**2,633**	**2,771**	**1,194**	**965**	**612**

The Parent Company manages the Group's external borrowing. The above maturity structure pertaining to interest-bearing financial liabilities corresponds to the actual maturity structure for the Parent Company.

Credit risks

In its commercial and financial transactions, the Group is exposed to credit risks in relation to Momentum Group's counterparties. Credit risk or counterparty risk pertains to the risk of loss if the counterparty does not fulfil its obligations. The Group is exposed to credit risk through its financial transactions, i.e. through the investment of surplus liquidity and implementation of foreign-exchange forward contracts and in connection with accounts receivable and advance payments to suppliers in the commercial operations. The Financial Policy stipulates that only the major Nordic commercial banks are suitable for the investment of surplus liquidity and foreign-exchange forward contract subscriptions.

In order to capitalise on the operational business's knowledge of customers and suppliers, the credit risk assessments are managed in the commercial transactions by each company. The credit risk is spread over a wide range of customers and is a good reflection of the Group's trading where the total revenue is built up of many business transactions and a favourable risk spread of sales across varying industries and companies. No individual customer accounts for more than 3 percent of the total credit exposure over a one-year period. To minimise the risk of credit losses, the Group companies apply credit policies that limit outstanding amounts and credit periods for individual customers. The size of each customer's credit is assessed individually. A credit check is made for all new customers. The intention is that credit limits will reflect the customer's payment capacity. Historically, Momentum Group's credit losses have been low. The credit quality of the accounts receivable that have neither matured for payment nor been impaired is deemed favourable.

Reserves for doubtful accounts receivable and maturity structure are presented in the table below.

Accounts receivable	**31 Dec 2020**	**31 Mar 2020**
Accounts receivable	**1,177**	979
Accumulated reserve for doubtful accounts receivable	-36	-15
Accounts receivable, net	**1,141**	**964**

Specification of change in reserve for doubtful accounts receivable	**31 Dec 2020**	**31 Mar 2020**
Carrying amount at the beginning of the period	-15	-12
Changes pertaining to acquired businesses	-10	0
Change related to confirmed credit losses	6	3
Change related to expected credit losses	-17	-7
Translation differences	0	1
Carrying amount at the end of the period	**-36**	**-15**

Maturity analysis:		
– not past due	1,031	898
– receivables past due by 1–30 days	95	62
– receivables past due by 31–60 days	10	7
– receivables past due by 61–90 days	4	4
– receivables past due by > 90 days	37	8
Total receivables	**1,177**	**979**

PARENT COMPANY

Momentum Group's operations entail exposure to a number of financial risks. Changes, particularly in foreign-exchange rates and interest-rate levels, affect the Group's earnings and cash flows, but financing risks also arise and are managed within the framework of the Group's adopted policies. Momentum Group AB manages the Group's external borrowing. Accordingly, the Parent Company is exposed to the same refinancing and interest-rate risk as the Group. The Parent Company is also impacted indirectly by the other risks described above through its function in the Group. See above for a more detailed description.

Note 25 Specification of interest-bearing net loan liabilities by asset and liability

Group	31 Dec 2020			31 Mar 2020		
	Interest-bearing	Non-interest bearing	**Total**	Interest-bearing	Non-interest bearing	**Total**
ASSETS						
Intangible non-current assets	–	2,784	**2,784**	–	660	**660**
Tangible non-current assets	–	506	**506**	–	61	**61**
Right-of-use assets	–	952	**952**	–	491	**491**
Financial non-current assets	1	–	**1**	2	–	**2**
Deferred tax assets	–	70	**70**	–	18	**18**
Total non-current assets	**1**	**4,312**	**4,313**	**2**	**1,230**	**1,232**
Current assets						
Inventories	–	1,761	**1,761**	–	985	**985**
Tax assets	–	0	**0**	–	12	**12**
Accounts receivable	–	1,141	**1,141**	–	964	**964**
Prepaid expenses and accrued income	–	163	**163**	–	73	**73**
Other receivables	–	59	**59**	–	1,517	**1,517**
Cash and bank	375	–	**375**	1,157	–	**1,157**
Total current assets	**375**	**3,124**	**3,499**	**1,157**	**3,551**	**4,708**
Total assets	**376**	**7,436**	**7,812**	**1,159**	**4,781**	**5,940**
LIABILITIES						
Non-current liabilities						
Non-current interest-bearing liabilities	2,185	–	**2,185**	1,430	–	**1,430**
Non-current non-interest-bearing liabilities	–	17	**17**	–	35	**35**
Provisions for pensions	34	–	**34**	31	–	**31**
Other provisions	–	1	**1**	–	0	**0**
Deferred tax liabilities	–	360	**360**	–	26	**26**
Total non-current liabilities	**2,219**	**378**	**2,597**	**1,461**	**61**	**1,522**
Current liabilities						
Current interest-bearing liabilities	487	–	**487**	404	–	**404**
Accounts payable	–	1,022	**1,022**	–	764	**764**
Tax liabilities	–	36	**36**	–	19	**19**
Other liabilities	–	183	**183**	–	94	**94**
Accrued expenses and deferred income	–	436	**436**	–	249	**249**
Total current liabilities	**487**	**1,677**	**2,164**	**404**	**1,126**	**1,530**
Total liabilities	**2,706**	**2,055**	**4,761**	**1,865**	**1,187**	**3,052**
Interest-bearing net liabilities	**-2,330**			**-706**		

Note 26 Financial assets and liabilities

Group	31 Dec 2020	31 Mar 2020
FINANCIAL ASSETS		
Financial assets measured at fair value		
Financial investments	1	1
Derivative hedging instruments	0	4
Financial assets measured at amortised cost		
Long-term receivables	0	1
Accounts receivable	1,141	964
Cash and cash equivalents	375	1,157
Total financial assets	**1,517**	**2,127**
FINANCIAL LIABILITIES		
Financial liabilities measured at fair value		
Derivative hedging instruments	14	0
Contingent purchase considerations	–	5
Financial liabilities measured at amortised cost		
Option liability	17	35
Interest-bearing liabilities	2,672	1,834
Accounts payable	1,022	764
Total financial liabilities	**3,725**	**2,638**

The carrying amount of all of the Group's financial assets is deemed to be a reasonable approximation of their fair value. Liabilities measured at fair value comprise hedging instruments for which the fair value is based on observable market data and are therefore included in level 2 according to IFRS 13 and contingent purchase considerations that are measured using discounted cash flow and are thus included in level 3.

A reconciliation between the opening and closing balances for level 3 financial instruments is presented in the table below.

Group	31 Dec 2020	31 Mar 2020
Contingent purchase considerations		
Value at the beginning of the year	5	–
Cost, acquisitions	–	5
Change related to cash-settled contingent purchase considerations	-5	–
Value at year-end	**-**	**5**

Parent Company	31 Dec 2020	31 Mar 2020
FINANCIAL ASSETS		
Financial assets measured at amortised cost		
Receivables from Group companies	2,052	888
Cash and cash equivalents	357	1,153
Total financial assets	**2,409**	**2,041**
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost		
Liabilities to credit institutions	1,668	1,323
Liabilities to Group companies	705	222
Accounts payable	1	3
Total financial liabilities	**2,374**	**1,548**

The carrying amount of all of the Parent Company's financial assets is deemed to be a reasonable approximation of their fair value.

Note 27 Expected recovery periods for assets, provisions and liabilities

Group Amounts expected to be recovered	Within 12 months	After 12 months	**Total**
ASSETS			
Intangible non-current assets[1]	98	2,686	**2,784**
Tangible non-current assets[1]	58	448	**506**
Right-of-use assets[1]	345	607	**952**
Financial non-current assets			
Financial investments	0	1	**1**
Other long-term receivables	0	0	**0**
Deferred tax assets	27	43	**70**
Total non-current assets	**528**	**3,785**	**4,313**
Current assets			
Inventories	1,761		**1,761**
Tax assets	0		**0**
Accounts receivable	1,141		**1,141**
Prepaid expenses and accrued income	163		**163**
Other receivables	59		**59**
Cash and bank	375		**375**
Total current assets	**3,499**		**3,499**
Total assets	**4,027**	**3,785**	**7,812**

Group Amounts expected to be paid	Within 12 months	After 12 months	After 5 years	**Total**
LIABILITIES				
Non-current liabilities				
Non-current interest-bearing liabilities	0	1,046	498	**1,544**
Non-current lease liabilities	0	594	47	**641**
Non-current non-interest-bearing liabilities	0	17	–	**17**
Provisions for pensions	1	2	31	**34**
Other provisions	0	1	0	**1**
Deferred tax liabilities	22	136	202	**360**
Total non-current liabilities	**23**	**1,796**	**778**	**2,597**
Current liabilities				
Current interest-bearing liabilities	124			**124**
Current lease liabilities	363			**363**
Accounts payable	1,022			**1,022**
Tax liabilities	36			**36**
Other liabilities	183			**183**
Accrued expenses and deferred income	436			**436**
Total current liabilities	**2,164**			**2,164**
Total liabilities	**2,187**	**1,796**	**778**	**4,761**

1) Expected annual depreciation and amortisation are recognised in the amounts expected to be recovered within 12 months.

Note 28 Group companies

SPECIFICATION OF THE PARENT COMPANY'S DIRECT HOLDINGS OF PARTICIPATIONS IN SUBSIDIARIES

					Carrying amount in the Group	
	Corp. Reg. No.	Reg. office	No. of participations	Holding %	31 Dec 2020	31 Mar 2020
Alligo Holding AB	559072-1378	Stockholm	500	100	1,948	50
Momentum Group Komponenter & Tjänster AB	559266-0699	Stockholm	25,000	100	43	–
Total					**1,991**	**50**
Accumulated cost						
At the beginning of the year					50	50
Contributions					1,941	–
Acquisitions					0	–
Carrying amount at year-end					**1,991**	**50**

SPECIFICATION OF THE PARENT COMPANY'S INDIRECT HOLDINGS OF PARTICIPATIONS IN SUBSIDIARIES

		Holding %	
	Reg. office, country	31 Dec 2020	31 Mar 2020
Momentum Group Services AB	Sweden	100	100
Gigant AB	Sweden	100	100
Gigant Sverige AB	Sweden	100	100
TOOLS Sverige AB	Sweden	100	100
Momentum Industrial AB	Sweden	100	100
Rörick Elektriska Verkstad AB	Sweden	100	100
Mercus Yrkeskläder AB	Sweden	100	100
AB Carl A. Nilssons Elektriska Reparationsverkstad	Sweden	100	100
TriffiQ Företagsprofilering AB [3]	Sweden	100	89
Knut Sehlins Industrivaruhus AB	Sweden	100	100
Elka Produkter AB	Sweden	70	70
Reklamproffsen Skandinavien AB	Sweden	100	70
Profilmakarna i Södertälje AB [2]	Sweden	100	89
Company Line Förvaltning AB [1]	Sweden	70	70
Company Line AB [1,4]	Sweden	70	70
Company Line Workwear AB [1,4]	Sweden	70	70
Company Line i Kiruna AB [1,4]	Sweden	70	70
Souvenirer i Norr AB [1,4]	Sweden	70	70
Company Line i Stockholm AB [1,4]	Sweden	70	70
AMJ Papper AB [1,4]	Sweden	70	70
ETAB Industriautomation AB [1]	Sweden	70	70

1) The company was acquired in 2019/20.
2) The company is wholly owned by TriffiQ Företagsprofilering AB.
3) During the financial year, Alligo Holding AB, the subsidiary of Momentum Group AB, acquired a further 11 percent of the shares in the already partly owned subsidiary TriffiQ Företagsprofilering AB. The price paid for the shares was in accordance with the option arrangement entered into in conjunction with the initial acquisition of 70 percent of the shares in TriffiQ Företagsprofilering AB.
4) The company is wholly owned by Company Line Förvaltning AB.

		Holding %	
	Reg. office, country	31 Dec 2020	31 Mar 2020
Brider AB	Sweden	100	100
Momentum Group Komponenter & Tjänster Holding AB [7]	Sweden	100	–
Swedol AB [6]	Sweden	100	–
Swedol Förvaltning AB [6]	Sweden	100	–
Promera Yrkeskläder AB [6]	Sweden	100	–
IP Hjelte AB [6]	Sweden	100	–
Arne Blom Marknads AB [6]	Sweden	100	–
TOOLS AS	Norway	100	100
Gigant AS	Norway	100	100
Swedol AS [6]	Norway	100	–
Univern Solutions AS [6]	Norway	98	–
Gigant Työpisteet OY	Finland	100	100
TOOLS Holding FI Oy [5]	Finland	–	100
TOOLS Finland Oy	Finland	100	100
TOOLS Fastigheter Holding Oy	Finland	100	100
TOOLS Fastigheter Oy [5]	Finland	–	100
Grolls Oy	Finland	100	–
Metaplan Oy	Finland	100	–
JNF Momentum Køge A/S	Denmark	100	100

5) Intra-Group merger carried out in 2020.
6) Companies acquired in conjunction with the acquisition of the Swedol Group.
7) Company formed in 2020.

Note 29 Related parties

No transactions having an impact on the Group's position or earnings occurred between Momentum Group and its related parties during the financial year.

Refer to Note 5 Employees and personnel costs for information on personnel costs.

Note 30 Cash-flow statement

	Group		Parent Company	
Cash and cash equivalents	**31 Dec 2020**	**31 Mar 2020**	**31 Dec 2020**	**31 Mar 2020**
The following subcomponents are included in cash and cash equivalents:				
Cash and bank	375	1,157	357	1,153
Total according to the balance sheet	375	1,157	357	1,153
Total according to the cash-flow statement	**375**	**1,157**	357	1,153

	Group		Parent Company	
Interest paid	**2020** (9 months)	**2019/20**	**2020** (9 months)	**2019/20**
Interest received	3	1	21	25
Interest paid	-39	-27	-22	-15
Total	**-36**	**-26**	**-1**	**10**

	Group		Parent Company	
Adjustments for non-cash items	**2020** (9 months)	**2019/20**	**2020** (9 months)	**2019/20**
Depreciation and amortisation	459	264	0	0
Change in reserve for non-recurring costs	60	-2	–	–
Change in other provisions	1	0	–	–
Change in pension obligations	1	2	–	–
Adjustment for interest paid/received	3	-6	3	-6
Other	3	0	0	0
Total	**527**	**258**	**3**	**-6**

	Group	
Acquisition of subsidiaries and other business units [1]	**2020** (9 months)	**2019/20**
Acquired assets:		
Intangible non-current assets	2,209	45
Right-of-use assets	622	9
Other non-current assets	373	0
Inventories	1,025	39
Other current assets incl. cash and cash equivalents	457	28
Total assets	**4,686**	**121**
Acquired non-controlling interests, provisions and liabilities:		
Deferred tax liability	-329	-3
Interest-bearing liabilities – credit institutions	-527	0
Lease liabilities	-621	-9
Current operating liabilities	-481	-26
Non-controlling interests	0	-9
Total non-controlling interests, provisions and liabilities	**-1,958**	**-47**
Purchase consideration	**-2,728**	**-74**
Less: New share issue	1,487	–
Less/additional: Net cash in acquired business [2]	-503	4
Less: Additional purchase consideration	–	4
Additional: Additional purchase consideration paid	-5	–
Effect on cash and cash equivalents	**-1,749**	**-66**

1) Refer to Note 31 Acquisition of businesses.
2) Net of cash and cash equivalents and interest-bearing liabilities in the acquired businesses.

RECONCILIATION OF LIABILITIES DERIVING FROM FINANCING ACTIVITIES

			Changes that do not impact cash flow				
Group	**31 Mar 2020**	Cash flows	Liabilities in acquired companies [1]	Redemption of liabilities in acquired companies [1]	Translation differences	New and remeasured leases	**31 Dec 2020**
Committed credit facility	**78**	-78	–	–	0	–	**0**
Revolving loan	**88**	470	–	–	-8	–	**550**
Bank loans	**1,157**	-39	–	–	–	–	**1,118**
Lease liabilities	**511**	-297	619	–	-4	175	**1,004**
Other credits	**-**	0	503	-503	–	–	**-**
Total	**1,834**	**56**	**1,122**	**-503**	**-12**	**175**	**2,672**

1) Cash flow from acquisitions of subsidiaries includes the net of cash and cash equi*valents* and interest-bearing liabilities in the row Cash flow from *acquisition of subsidiaries.*

Group	31 Mar 2019	Transition to IFRS 16	Cash flows	Changes that do not impact cash flow: Liabilities in acquired companies[1]	Redemption of liabilities in acquired companies[1]	Translation differences	New and remeasured leases	31 Mar 2020
Committed credit facility	**137**	–	–59	–	–	0	–	**78**
Revolving loan	**137**	–	–54	–	–	5	–	**88**
Bank loans	**-**	–	1,157	–	–	–	–	**1,157**
Lease liabilities	**-**	563	–212	9	–	–20	171	**511**
Other credits	**0**	–	0	1	–1	–	–	**-**
Total	**274**	**563**	**832**	**10**	**–1**	**–15**	**171**	**1,834**

1) Cash flow from acquisitions of subsidiaries includes the net of cash and cash equivalents and interest-bearing liabilities in the row Cash flow from *acquisition of subsidiaries.*

Parent Company	31 Mar 2020	Cash flows	Translation differences that do not impact cash flow	31 Dec 2020
Committed credit facility	**78**	–78	0	**0**
Revolving loan	**88**	470	–8	**550**
Bank loans	**1,157**	–39	–	**1,118**
Total	**1,323**	**353**	**–8**	**1,668**

Parent Company	31 Mar 2019	Cash flows	Translation differences that do not impact cash flow	31 Mar 2020
Committed credit facility	**137**	–59	0	**78**
Revolving loan	**137**	–54	5	**88**
Bank loans	**-**	1,157	–	**1,157**
Total	**274**	**1,044**	**5**	**1,323**

Note 31 Acquisition of businesses

FINANCIAL YEAR 2020 (9 months)

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 2020 financial year.

In accordance with the final acquisition analysis presented below, MSEK 1,066 of the purchase consideration was allocated to goodwill, MSEK 630 to brands and MSEK 460 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 2020 financial year (1 April to 31 December 2020), the acquisition of Swedol contributed MSEK 2,789 to the Group's revenue and MSEK 284 to the Group's EBITA.

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

ACQUISITION OF SWEDOL	Fair value recognised in the Group
Acquired assets	
Brands	630
Customer relations	460
Other intangible non-current assets	52
Buildings and land	168
Other tangible non-current assets	195
Right-of-use assets	622
Deferred tax assets	9
Inventories	1,023
Other receivables	432
Cash and cash equivalents	25
Total assets	**3,616**
Acquired provisions and liabilities	
Interest-bearing liabilities – credit institutions	527
Interest-bearing liabilities – leases	621
Deferred tax liability	329
Other current liabilities	481
Total provisions and liabilities	**1,958**
Net of identified assets and liabilities	**1,658**
Goodwill[1]	1,066
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**

1) No part of recognised goodwill is expected to be tax deductible.

Other corporate acquisitions during the financial year

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 its 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 was carried out as a conveyance of assets and liabilities and closing took place in mid-November 2020.

Note 31 cont.

In addition to the acquisition of Swedol AB and SKF's spindle service operations in Sweden, cash flow from acquisitions of businesses was also affected by the payment of an additional purchase consideration pertaining to the acquisition of Lindström Group's PPE business, which closed in April 2019. The payment of the additional purchase consideration corresponded entirely with the amount of the liability, which is why the settlement during the financial year did not have any impact on earnings.

OTHER CORPORATE ACQUISITIONS DURING THE 2020 FINANCIAL YEAR (9 months)	Fair value recognised in the Group
Acquired assets	
Inventories	1
Other current assets	2
Total assets	**3**
Acquired provisions and liabilities	**–**
Total provisions and liabilities	**–**
Net of identified assets and liabilities	**3**
Goodwill	1
Purchase consideration	**4**
Additional: Additional purchase consideration paid	5
Effect on the Group's cash and cash equivalents	**9**

FINANCIAL YEAR 2019/20

Momentum Group concluded three corporate acquisitions with closing during the 2019/20 financial year. The acquired businesses, including an additional acquisition by one of the subsidiaries, generate total annual revenue of approximately MSEK 200. None of these acquisitions is deemed significant enough to require a separate presentation of the acquisition analysis. The total purchase consideration for the acquisitions was MSEK 74.

In March 2019, the subsidiary TOOLS Finland Oy acquired Lindström Group's Personal Protective Equipment (PPE) business in Finland. At the acquisition date, the acquired business generated annual revenue of approximately MEUR 6 with favourable profitability and had five employees. The acquisition was carried out as a conveyance of assets and liabilities. Closing took place in early April 2019.

The subsidiary Momentum Industrial acquired 70 percent of the shares in ETAB Industriautomation AB in early May 2019. At the acquisition date, ETAB generated annual revenue of approximately MSEK 45 and had nine employees. Closing took place in early June 2019.

Momentum Group acquired 70 percent of the shares in Company Line Förvaltning AB in late June 2019. At the acquisition date, Company Line generated annual revenue of approximately MSEK 75 and had 25 employees. Closing took place in conjunction with the acquisition. In March 2020, Company Line Förvaltning AB acquired 100 percent of the shares in AMJ Papper AB. At the acquisition date, AMJ generated annual revenue of approximately MSEK 15 and had six employees. Closing took place in conjunction with the acquisition.

According to the final acquisition analysis, the assets and liabilities included in the acquisitions carried out during 2019/20 amounted to the following:

CORPORATE ACQUISITIONS DURING THE 2019/20 FINANCIAL YEAR	Fair value recognised in the Group
Acquired assets	
Intangible non-current assets	19
Right-of-use assets	9
Other non-current assets	0
Inventories	39
Other current assets	28
Total assets	**95**
Acquired provisions and liabilities	
Lease liabilities	-9
Deferred tax liability	-3
Current operating liabilities	-26
Total provisions and liabilities	**-38**
Net of identified assets and liabilities	**57**
Goodwill	26
Non-controlling interests[1]	-9
Purchase consideration	**74**
Less/additional: Net cash in acquired business [2]	-4
Less: Additional purchase consideration	-4
Effect on the Group's cash and cash equivalents	**66**

1) Non-controlling interest is calculated as the proportional share of the identified net assets.
2) Net of cash and cash equivalents and interest-bearing liabilities in the acquired businesses.

Note 32 Events after the balance-sheet date

Acquisition of electromechanical workshops from Assemblin El.
With the aim of further strengthening the Group's market position in service and maintenance for Swedish industry, an agreement was signed to acquire three electromechanical service workshops from Assemblin El AB in early February 2021. The acquired workshops, which have their origin in NEA workshops (Närkes Elektriska), generate annual revenue of approximately MSEK 90 with favourable profitability and have some 45 employees. The acquisition will be conducted as a conveyance of assets and liabilities with closing scheduled to take place in early April 2021.

Acquisition of Mekano – further strengthening the position in industrial services in Sweden.
Momentum Group also signed an agreement in early February 2021 to acquire 70 percent of the shares of Mekano AB and 100 percent of the shares of Mekano i Sävedalen AB, further strengthening the Group's market position in service and maintenance for Swedish industry. Mekano is one of Sweden's leading suppliers of products and services for the industrial services market, and the two Mekano companies generate combined annual revenue of approximately MSEK 145 with favourable profitability and have some 85 employees. Closing took place in February 2021.

Acquisition of Öbergs in Karlstad.
In early February 2021, Momentum Group acquired 100 percent of the shares in Öbergs i Karlstad AB ("Öbergs"). The acquisition of Öbergs, a market-leading specialist company in pneumatics in Sweden, further strengthens the Group's position as a leading supplier of industrial components and related services to Swedish industry. Öbergs generates annual revenue of approximately MSEK 50 with favourable profitability and has 12 employees. Closing took place in conjunction with the acquisition.

Redemption of call options 2017/21 and number of repurchased own shares.
During the redemption period of 18-25 February 2021, 14,000 call options 2017/21 within the framework of the 2017 share-related incentive programme were redeemed to acquire an equivalent number of repurchased shares, and Momentum Group's holding of Class B treasury shares as of 24 March 2021 thus amounted to 486,000. In addition, during the redemption period in February 2021, 155,500 call options 2017/21 were repurchased by Momentum Group at the established market price. As of 24 March 2021, there were thus 64,500 call options 2017/21 outstanding.

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

Note 33 Parent Company disclosures

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

Momentum Group AB, Corporate Registration Number 559072-1352, is a registered limited liability company with its registered office in Stockholm, Sweden.

Address of the head office:
Momentum Group AB (publ)
P.O. Box 5900
SE-102 40 Stockholm, Sweden
www.momentum.group

Proposed appropriation of profit

According to the consolidated balance sheet, retained earnings including net profit amounted to MSEK 3,008 at 31 December 2020, of which MSEK 228 comprised net profit.

The following amounts are at the disposal of the Annual General Meeting of the Parent Company Momentum Group AB:

Retained earnings	SEK 1,966,247 thousand
Net loss	SEK –10,514 thousand
	SEK 1,955,733 thousand

The Board of Directors and the President & CEO propose that the available funds be allocated as follows:

Dividend to shareholders, SEK 1.50 per share	SEK 75,609 thousand[1]
To be brought forward	SEK 1,880,124 thousand
	SEK 1,955,733 thousand

1) Calculated based on the number of shares outstanding as of 24 March 2021, with due consideration for the 486,000 Class B shares repurchased by the Company.

According to the Board's assessment, the proposed dividend is justifiable in relation to the demands placed on the Group's equity due to the Group's operations, scope and risks, as well as in relation to the Group's consolidation requirements, liquidity and position in other respects.

The income statements and balance sheets of the Group and the Parent Company are subject to adoption by the Annual General Meeting to be held on 11 May 2021.

BOARD'S ASSURANCE

The Board of Directors and the President & CEO regard this Annual Report to be prepared in accordance with generally accepted accounting policies and the consolidated financial statements in accordance with IFRS as adopted by the EU, and deem them to provide a true and fair view of the Company's and the Group's position and earnings. The Administration Report for the Parent Company and the Group gives a true and fair overview of the developmentof the Company's and the Group's operations, position and earnings and describes the material risks and uncertainties faced by the Parent Company and the companies included in the Group. The earnings and position in general of the Parent Company and the Group are presented in the income statements, balance sheets, cash-flow statements and notes included in this Annual Report.

Stockholm, 24 March 2021

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

Our Auditor's Report was submitted on 25 March 2021
KPMG AB

Helena Arvidsson Älgne
Authorised Public Accountant
Auditor in Charge

Johanna Hagström Jerkeryd
Authorised Public Accountant

Translation from the Swedish original.

Auditor's report

To the General Meeting of Shareholders of Momentum Group AB (publ), corp. id 559072-1352

Report on the annual accounts and consolidated accounts

OPINIONS

We have audited the annual accounts and consolidated accounts of Momentum Group AB (publ) for the financial year 1 April 2020—31 December 2020, except for the Corporate Governance Report on pages 29-35 and the Sustainability Report on pages 20-23. The annual accounts and consolidated accounts of the Company are included on pages 25-73 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the Parent Company as of 31 December 2020 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of 31 December 2020 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the Corporate Governance Report on pages 29-35 and the Sustainability Report on pages 20-23. The statutory Administration Report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the General Meeting of Shareholders adopts the income statement and balance sheet for the Parent Company and the statement of comprehensive income and balance sheet for the Group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the Parent Company's Audit Committee in accordance with the Audit Regulation (537/2014) Article 11.

BASIS FOR OPINIONS

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

KEY AUDIT MATTERS

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Valuation of acquired intangible assets

Refer to Note 10 and accounting policies on page 47 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

The book value of acquired intangible assets, consisting of goodwill, trademarks, customer relationships etc., amount to MSEK 2,784 as of 31 December 2020, representing approximately 36 percent of total assets. Momentum Group's acquisition of Swedol AB resulted in an increase of goodwill, trademarks and customer relationships of MSEK 2,156.

Goodwill and intangible assets with an indefinite useful life should be subject to impairment testing at least annually. Other intangible assets are tested when impairment indicators are identified. Impairment tests are complex and include significant levels of judgements. The calculation of the assets' recoverable amount is based on forecasts and discounted future cash flow projections, which are established with reference to factors such as estimated discount rates, revenue- and profit forecasts and predicted long-term growth that may be influenced by management's assessments.

Response in the audit

We have obtained and assessed the Group's impairment tests to ensure they have been carried out in accordance with the technique stipulated in IFRS. Furthermore, we have evaluated management's future cash flow forecasts and the underlying assumptions, which includes the long-term growth rate and the assumed discount rate, by obtaining and evaluating the Group's written documentation and plans. We have also considered previous years' forecasts in relation to the actual outcome. An important part of our work has also been to evaluate how changes to the assumptions may impact the valuation. The evaluation has been carried out by obtaining and assessing the Group's sensitivity analysis. We have also analysed the disclosures in the Annual Report and considered whether they accurately reflect the assumptions that Group management apply in their valuation and whether they, in all material respects, are in line with the disclosures required by IFRS.

Acquisition of Swedol
Refer to Note 31 and accounting policies on page 45 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter
Momentum Group AB's public offer to the shareholders in Swedol AB (publ) in November 2019 was finalised during spring 2020 and the takeover date was 1 April 2020. Swedol AB is the parent company of a group (the "Swedol Group") with annual sales of approximately of MSEK 3,622. Swedol conducts operations in Sweden, Norway and Finland and has some 1,100 employees.

The total purchase price for the acquisition of Swedol was approximately MSEK 2,724, including approximately MSEK 1,237 in cash through a new credit facility and approximately MSEK 1,487 through non-cash issues. In the prepared acquisition analysis, MSEK 1,066 has been allocated as goodwill, MSEK 630 as trademarks and MSEK 460 as customer relationships. It is important that the acquisition analysis is carefully prepared.

The acquisition of Swedol is material for Momentum Group AB and results in a significant increase of the operations. It is critical for the entities within the Swedol Group to be consolidated in line with Momentum Group's principles. Because of the size and complexity of the transaction we consider the acquisition to be a key audit matter in the 2020 audit.

Response in the audit
We have studied the documentation related to the acquisition of Swedol. The documentation includes acquisition analysis and calculation of the various parts of the purchase price.

No significant deviations have been noted regarding the documentation and accounting of the transaction.

The Swedol Group is fully consolidated from 1 April 2020 and per the annual accounts we have received feedback from significant entities as a basis for the Group audit. No significant deviations has been found in the consolidation.

We have also analysed the disclosures in the Annual Report and considered whether they accurately reflect the documentation and whether they, in all material respects, are in line with the disclosures required by IFRS.

OTHER INFORMATION THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

This document also contains other information than the annual accounts and consolidated accounts which is found on pages 1-19 and 78-85. The other information also comprises the remuneration report which we obtained prior to the date of this Auditor's Report. The Board of Directors and the President & CEO are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.
If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE PRESIDENT & CEO

The Board of Directors and the President & CEO are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the President & CEO are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the President & CEO are responsible for the assessment of the Company's and the Group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the President & CEO intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the Company's financial reporting process.

AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the Company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the President & CEO.
- Conclude on the appropriateness of the Board of Directors' and the President & CEO's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures that have been taken to eliminate the threats or related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the Auditor's Report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

OPINIONS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the President & CEO of Momentum Group AB (publ) for the financial year 1 April 2020—31 December 2020 and the proposed appropriations of the Company's profit or loss.

We recommend to the General Meeting of Shareholders that the profit be appropriated in accordance with the proposal in the statutory Administration Report and that the members of the Board of Directors and the President & CEO be discharged from liability for the financial year.

BASIS FOR OPINIONS

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE PRESIDENT & CEO

The Board of Directors is responsible for the proposal for appropriations of the Company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the Company's and the Group's type of operations, size and risks place on the size of the Parent Company's and the Group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the Company's organization and the administration of the Company's affairs. This includes among other things continuous assessment of the Company's and the Group's financial situation and ensuring that the Company's organization is designed so that the accounting, management of assets and the Company's financial affairs otherwise are controlled in a reassuring manner.

The President & CEO shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the Company's accounting in accordance with law and handle the management of assets in a reassuring manner.

AUDITOR'S RESPONSIBILITY

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the President & CEO in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the Company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the Company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the Company, or that the proposed appropriations of the Company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgement and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the Company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgement with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the Company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the Company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

THE AUDITOR'S EXAMINATION OF THE CORPORATE GOVERNANCE REPORT

The Board of Directors is responsible for that the Corporate Governance Report on pages 29-35 has been prepared in accordance with the Annual Accounts Act.

Our examination of the Corporate Governance Report is conducted in accordance with FAR´s auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the Corporate Governance Report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A Corporate Governance Report has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

THE AUDITOR'S OPINION REGARDING THE STATUTORY SUSTAINABILITY REPORT

The Board of Directors is responsible for the Sustainability Report on pages 20-23, and that it is prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR:s auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory Sustainability Report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory Sustainability Report has been prepared.

KPMG AB, P O Box 382, 101 27, Stockholm, Sweden was appointed auditor of Momentum Group AB (publ) by the General Meeting of Shareholders on 31 August 2020. KPMG AB or auditors operating at KPMG AB have been the Company's auditor since 2016.

Stockholm, 25 March 2021

KPMG AB	KPMG AB
Helena Arvidsson Älgne	**Johanna Hagström Jerkeryd**
Authorised Public Accountant	Authorised Public Accountant
Auditor in Charge	

Board of Directors

JOHAN SJÖ
Chairman of the Board since 2019.
Born: 1967.
Education: M.Sc. Econ.
Investment Director and responsible for the sector Distribution & Trade within Nordstjernan

Other board assignments: Chairman of AddLife AB, Addtech AB, OptiGroup AB and Prosero Security Group. Director of Camfil AB and M2 Asset Management AB.
Work experience: President & CEO of the Addtech Group and senior positions in the Bergman & Beving Group. Senior positions at Alfred Berg/ABN Amro.
Dependency conditions: Independent in relation to the Company and senior management. Dependent in relation to the Company's major shareholders.
Shares owned: 27,400 Class B shares (own holding).

JOHAN EKLUND
Director since 2020.
Born: 1991.
Education: M.Sc. Econ.
Investment Manager at Nordstjernan.

Work experience: Analyst at Morgan Stanley.
Dependency conditions: Independent in relation to the Company and senior management. Dependent in relation to the Company's major shareholders.
Shares owned: –

GÖRAN NÄSHOLM
Director since 2019.
Born: 1955.
Education: M.Sc. in Mechanical Engineering & M.Sc. Econ.

Other board assignments: Chairman of Malef Holding AB. Director of Nordisk Betongteknik AB and Pegroco Invest AB.
Work experience: President & CEO of Ahlsell AB. Senior positions in the Ahlsell Group, President of Jirva AB, Purchasing Director at Calor Celsius AB and senior positions in the Alfa Laval Group.
Dependency conditions: Independent in relation to the Company and senior management. Independent in relation to the Company's major shareholders.
Shares owned: 30,000 Class B shares (own holding).

STEFAN HEDELIUS
Director since 2016.
Born: 1969.
Education: University studies in economics, various international executive education programmes.
CEO of Human Care Group AB.

Other board assignments: Director of AddLife AB.
Work experience: CEO of NOTE AB. Vice President Brand and Marketing at Scandinavian Airlines (SAS) and senior positions in the Ericsson Group, including Vice President Marketing and Communications, Head of Strategy and Marketing, and Vice President Ericsson Austria.
Dependency conditions: Independent in relation to the Company and senior management. Independent in relation to the Company's major shareholders.
Shares owned: 1,500 Class B shares (own holding).

GUNILLA SPONGH
Director since 2016.
Born: 1966.
Education: M.Sc. Eng. and Industrial Economics.

Other board assignments: Director of AQ Group AB, Byggmax Group AB, Consivo Group AB, Lernia AB, Pierce Group AB, Swedish Stirling AB and Systemair AB.
Work experience: CFO of Preem AB. International Business Director and CFO of Mekonomen Group. Senior positions at Cashguard, Enea and Electrolux.
Dependency conditions: Independent in relation to the Company and senior management. Independent in relation to the Company's major shareholders.
Shares owned: 1,550 Class B shares (own holding).

CHRISTINA ÅQVIST
Director since 2020.
Born: 1978.
Education: LL.B.
Partner at Indequity.

Other board assignments: Chairman of Svenska Skrotaktiebolaget.
Work experience: President & CEO of Distrelec Group AG, Head of Retail & Greenfield Expansion at B&B TOOLS, consultant at Boston Consulting Group and corporate lawyer at Advokatfirman Vinge.
Dependency conditions: Independent in relation to the Company and senior management. Independent in relation to the Company's major shareholders.
Shares owned: –

Note: Information on the Board of Directors' holdings of shares pertains to circumstances as of 24 March 2021.

Group management

PERNILLA ANDERSSON
Director since 2020.
Employee representative.
Born: 1969.
Senior Operative Purchaser, Gigant AB.
Shares owned: –

ULF LILIUS
President & CEO
Employee of the Group since 2002.
Born: 1972.
Education: B.Sc. Econ.

Work experience: President & CEO of B&B TOOLS AB. President & CEO of Momentum Industrial. Senior positions at Momentum Industrial and SKF.
Shares owned: 2,688 Class A shares and 203,323 Class B shares (with family).
Call options: 35,000.

NIKLAS ENMARK
Executive Vice President & CFO
Employee of the Group since 2017.
Born: 1972.
Education: M.Sc. Econ.

Work experience: CFO of Axel Johnson International AB. Executive Vice President & CFO of Lagercrantz Group AB. Investment Manager at Investor Growth Capital.
Shares owned: 37,302 Class B shares (own holding).
Call options: 32,000.

AUDITORS KPMG AB

HELENA ARVIDSSON ÄLGNE
Authorised Public Accountant. Stockholm, born 1962.
Helena Arvidsson Älgne has been Auditor in Charge for Momentum Group AB since 2020.

JOHANNA HAGSTRÖM JERKERYD
Authorised Public Accountant. Stockholm, born 1984.
Johanna Hagström Jerkeryd has been cosignatory auditor for Momentum Group AB since 2019.

KMPG have been auditors for Momentum Group AB since 2016.

Note: Information on Group management's holdings of shares and call options pertains to circumstances as of 24 March 2021.

The Momentum Group share

Momentum Group's Class B shares were listed on Nasdaq Stockholm on 21 June 2017. For the period from 1 April to 31 December 2020, the total trading volume amounted to MSEK 605 and the share price increased by 110 percent. At the end of the financial year, Momentum Group had a market capitalisation of MSEK 7,229. Since the listing in 2017 until 31 December 2020, the share price has risen 102 percent.

MARKET LISTING

On 14 June 2017, an Extraordinary General Meeting of Shareholders in what was then the Parent Company B&B TOOLS AB approved the spin-off and separate listing of Momentum Group AB. Momentum Group's Class B shares were introduced on Nasdaq Stockholm's Mid Cap list on 21 June 2017. The share is traded under the ticker MMGR-B.

PERFORMANCE OF THE MOMENTUM GROUP SHARE DURING 2020

During the shortened financial year from 1 April to 31 December 2020 (9 months), the market price of the Momentum Group share increased by 110 percent to SEK 142.00, which was the final price paid on 31 December 2020. During the same period, OMX Stockholm rose by 38 percent. The highest and lowest prices paid during the period were SEK 148.60 (closing price on 9 October 2020) and SEK 65.00 (closing price on 3 April 2020), respectively.

Since the listing on Nasdaq Stockholm on 21 June 2017 until 31 December 2020, the Momentum Group's share price has risen by 102 percent. During the same period, OMX Stockholm rose by 29 percent.

As of 31 December 2020, Momentum Group's total market capitalisation amounted to MSEK 7,229. During the year, approximately 5.9 million Momentum Group shares were traded, at a total value of MSEK 605. Calculated on the total number of Class B shares outstanding during the year, this corresponds to a turnover rate of 12 percent. Broken down by trading day, an average of approximately 31,200 Momentum Group shares were traded each day, at an average value of some MSEK 3.2.

Nordstjernan's mandatory public offer to the shareholders of Momentum Group AB

Momentum Group's principal owner Nordstjernan AB announced on 28 October 2020 that they had acquired an additional Class B share in Momentum Group for SEK 120, leading to a mandatory public offer, according to the Stock Market (Takeover Bids) Act (2006:451) and the Swedish Securities Council's statements AMN 2019:42 and AMN 2020:14. On 5 November 2020, Nordstjernan therefore submitted a public offer to acquire all of the remaining shares in Momentum Group for a purchase consideration of SEK 120 per share. In a statement published on 13 November 2020, the independent bid committee of Momentum Group's Board of Directors unanimously recommended the Momentum Group shareholders not to accept the public offer.

At the end of the acceptance period on 4 December 2020, Nordstjernan's public offer to the shareholders had been accepted by shareholders representing a total of 2,728 Class A shares and 1,327,140 Class B shares, corresponding to approximately 2.6 percent of all shares and approximately 2.2 percent of the total number of votes in Momentum Group.

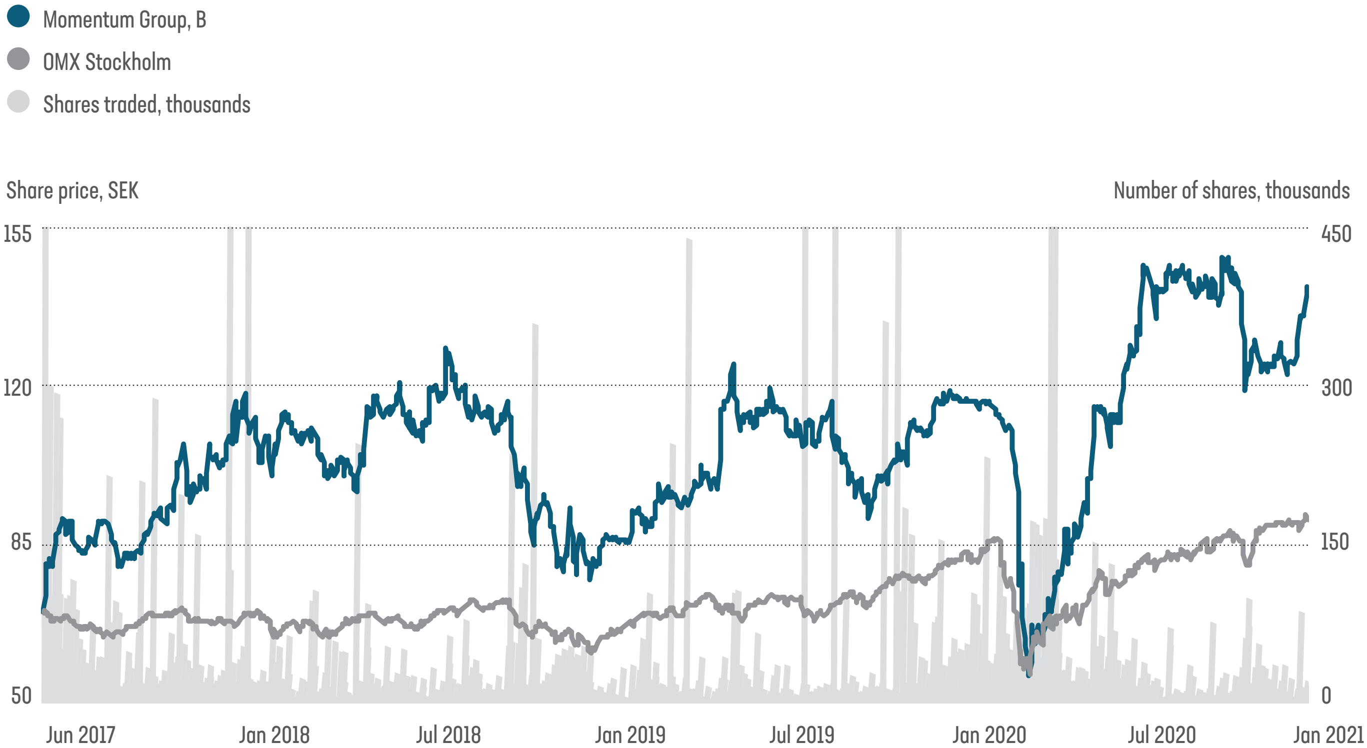
SHARE CAPITAL

As of 31 December 2020, the share capital amounted to MSEK 102. The total number of shares was 50,906,189, of which 1,062,436 were Class A shares and 49,843,753 were Class B shares. The quotient value is SEK 2.00 per share. Each Class A share entitles the holder to ten votes and each Class B share to one vote. All shares carry equal rights to the Company's assets, earn-

THE MOMENTUM GROUP SHARE	2020 (9 months)	2019/20	2018/19	2017/18
Share price at the end of the financial year, SEK	142.00	67.50	93.40	100.00
Market capitalisation at the end of the financial year, MSEK	7,229	3,430	2,640	2,827
Dividend, SEK	1.50[1]	–	3.20	2.60
Shares outstanding, thousands	50,906	50,899	28,265	28,265
Number of shares at the end of the financial year	4,592	4,910	5,109	5,599
Highest share price during the financial year, SEK	148.60	125.00	128.60	118.60
Lowest share price during the financial year, SEK	65.00	56.30	77.20	70.25
Dividend yield[2], %	1.1[1]	–	3.4	2.6

1) As proposed by the Board of Directors.
2) Dividend divided by the share price at the end of the financial year.

SHARE PRICE DEVELOPMENT 21 JUNE 2017–31 DECEMBER 2020



ings and dividends. Only the Class B share is listed on the Stockholm Stock Exchange. A conversion provision in the Articles of Association allows for conversion of Class A shares into Class B shares.

Non-cash issue to the shareholders in Swedol AB

As a result of the public offer to the shareholders of Swedol AB (publ) during the 2019/20 financial year, Momentum Group carried out two directed new share issues totalling 22,640,773 Class B shares to the shareholders of Swedol at the end of March and the beginning of April 2020. The acquisition of Swedol closed on 1 April 2020.

REPURCHASE OF OWN SHARES

Momentum Group's holding of Class B treasury shares as of 31 December 2020 amounted to 500,000, equivalent to 1.0 percent of the total number of shares and 0.8 percent of the total number of votes. After a deduction for the shares repurchased by the Company, the number of shares outstanding as of 31 December 2020 totalled a net amount of 50,406,189. Of the repurchased shares, all 500,000 Class B shares were intended to cover the Company's obligations to the holders of Momentum Group call options for repurchased Class B shares.

For further information regarding the terms of the share-based incentive programmes, refer to Note 5 on page 53.

DIVIDEND

Momentum Group's dividend policy states that 30–50 percent of earnings per share are to be distributed over a business cycle. The dividend proposed by the Board of Directors for the shortened 2020 financial year (9 months) amounts to SEK 1.50 per share, corresponding to a total of MSEK 75.6. The pay-out ratio is 33 percent of earnings per share.

SHAREHOLDER STRUCTURE

As of 31 December 2020, Momentum Group AB had 4,592 shareholders. Institutional investors, such as mutual funds, insurance companies and pension funds in Sweden and abroad, owned approximately 91 percent of the total number of shares. The proportion of foreign ownership was approximately 13 percent of the total number of shares.

The table below shows the ownership structure on 31 December 2020.

ADDITIONAL INFORMATION

Momentum Group's website is regularly updated with information concerning the share price, ownership changes and more.

»

The Momentum Group share cont.

CLASSES OF SHARES AS OF 31 DECEMBER 2020[1]	No. of shares	Proportion of capital	Proportion of votes
Class A shares	1,062,436	2.1%	17.7%
Class B shares	49,343,753	97.9%	82.3%
	50,406,189	**100.0%**	**100.0%**
Additional: Repurchased Class B shares	500,000		
Total number of shares outstanding	**50,906,189**		

1) Source: Euroclear Sweden.

AS OF 31 DECEMBER 2020, MOMENTUM GROUP'S TOTAL MARKET CAPITALISATION AMOUNTED TO

MSEK 7,229

OWNERSHIP STRUCTURE AS OF 31 DECEMBER 2020[1]	Owners		Shares	
Size class, no. of shares	**Number**	**% of total**	**Number**	**% of total**
1–500	3,550	77.3%	433,829	0.9%
501–1,000	432	9.4%	344,630	0.7%
1,001–5,000	416	9.1%	922,538	1.8%
5,001–10,000	66	1.4%	506,817	1.0%
10,001–50,000	75	1.6%	1,639,561	3.2%
50,001–100,000	12	0.3%	916,135	1.8%
100,001–	41	0.9%	46,142,679	90.6%
Total	**4,592**	**100.0%**	**50,906,189**	**100.0%**

1) Source: Euroclear Sweden.

During the year, approximately 5.9 million Momentum Group shares were traded, at a total value of MSEK 605.

MAJOR SHAREHOLDERS AS OF 31 DECEMBER 2020[1]	Number Class A shares	Number Class B shares	% of Capital	% of Votes
Nordstjernan AB	498,576	27,228,278	55.0%	53.7%
Tom Hedelius	493,124	0	1.0%	8.2%
Swedbank Robur Funds		2,971,496	5.9%	5.0%
Kempen Capital Management		2,645,822	5.2%	4.4%
Handelsbanken Funds		2,486,674	4.9%	4.1%
UBS Securities LLC		1,149,912	2.3%	1.9%
Carnegie Funds		1,138,965	2.3%	1.9%
Fidelity Funds		807,376	1.6%	1.3%
Länsförsäkringar Fund Management		800,682	1.6%	1.3%
Sandrew Aktiebolag		800,000	1.6%	1.3%
BNY Mellon NA		491,055	1.0%	0.8%
Jefferies LLC.		426,313	0.8%	0.7%
Third AP Fund		418,233	0.8%	0.7%
SEB Investment Management		414,713	0.8%	0.7%
Other	70,736	7,564,234	15.2%	14.0%
	1,062,436	**49,343,753**	**100.0%**	**100.0%**
Additional: Repurchased Class B shares		500,000		
Total	**1,062,436**	**49,843,753**	**100.0%**	**100.0%**

1) Source: Euroclear Sweden.

SHARE CAPITAL DEVELOPMENT

The following table shows the historical development of share capital since the foundation of Momentum Group.

Date	Event	Change in number of shares: Class A shares	Change in number of shares: Class B shares	Total number of shares: Class A shares	Total number of shares: Class B shares	Change in share capital, SEK	Total share capital, SEK
8 Aug 2016	New formation	500[1]		500[1]		50,000	50,000
31 Mar 2017	Split 1/50	24,500[1]	–	25,000[1]	–	0	50,000
31 Mar 2017	Introduction of separate share classes	–	–	25,000	–		
31 Mar 2017	New share issue	1,038,780	27,201,636	1,063,780	27,201,636	56,480,832	56,530,832
2 Aug 2017	Conversion of Class A shares	-1,344	+ 1,344	1,062,436	27,202,980	0	56,530,832
27 Mar 2020	Directed issue to shareholders in Swedol AB	–	22,633,876	1,062,436	49,836,856	45,267,752	101,798,584
24 Apr 2020	Directed issue to shareholders in Swedol AB	–	6,897	1,062,436	49,843,753	13,794	101,812,378

1) Prior to the introduction of separate share classes, Momentum Group AB had only one share class. For formatting purposes, these shares are presented in the column for Class A shares.

Multi-year review

MSEK, unless otherwise indicated	2020 (9 months)	2019/20	2018/19	2017/18	2016/17[1]	2015/16[1]	2014/15[1]
Revenue	6,846	6,135	6,024	5,616	5,411	5,176	5,351
Operating profit	333	303	302	240	65	193	198
EBITA	484	338	318	262	195	193	198
Financial income and expenses	-39	-20	-6	-5	-11	-11	-17
Profit after financial items	294	283	296	235	54	182	181
Net profit	229	217	231	182	42	139	140
Of which, attributable to:							
Parent Company shareholders	228	214	229	181	42	139	140
Non-controlling interests	1	3	2	1	–	–	–
Intangible non-current assets	2,784	660	649	627	533	428	416
Tangible non-current assets	506	61	63	61	64	50	55
Right-of-use assets	952	491	–	–	–	–	–
Financial non-current assets	71	20	22	26	41	30	33
Inventories	1,761	985	986	927	823	785	846
Current receivables	1,363	2,566	1,186	1,083	1,021	876	1,005
Cash and cash equivalents	375	1,157	8	10	69	525	372
Total assets	**7,812**	**5,940**	**2,914**	**2,734**	**2,551**	**2,694**	**2,727**
Equity attributable to Parent Company shareholders	3,037	2,869	1,303	1,155	1,007	939	980
Non-controlling interests	14	19	14	15	–	–	–
Interest-bearing liabilities and provisions	2,706	1,865	301	332	356	661	777
Non-interest-bearing liabilities and provisions	2,055	1,187	1,296	1,232	1,188	1,094	970
Total equity and liabilities	**7,812**	**5,940**	**2,914**	**2,734**	**2,551**	**2,694**	**2,727**
Operating margin, %	4.9%	4.9%	5.0%	4.3%	1.2%	3.7%	3.7%
EBITA margin, %	7.1%	5.5%	5.3%	4.7%	3.6%	3.7%	3.7%
Profit margin, %	4.3%	4.6%	4.9%	4.2%	1.0%	3.5%	3.4%
Return on working capital (EBITA/WC), %	32%[2]	28%	27%	25%	21%	19%	17%
Return on capital employed, %	10%[2]	14%	19%	17%	4%	12%	11%
Return on equity, %	12%[2]	16%	19%	17%	4%	14%	13%
Financial net loan liability	2,331	708	293	322	287	136	405
Operational net loan liability	1,293	166	266	295	263	117	382
Equity/assets ratio, %	39%	48%	45%	42%	39%	35%	36%
Earnings per share, SEK	4.55	7.70	8.20	6.45	1.50	4.95	4.95
Equity per share, SEK	60.25	56.95	46.70	40.95	35.65	33.20	34.65
Share price at the end of the period, SEK	142.00	67.50	93.40	100.00	–	–	–
Cash flow from operating activities	1,086	505	230	92	177	427	220
Cash flow from investing activities	-1,897	-84	-101	-99	-188	-28	29
Cash flow from financing activities	31	729	-131	-52	-448	-233	-175
Cash flow for the year	-780	1,150	-2	-59	-459	166	74
No. of employees at the end of the period	2,670	1,651	1,684	1,647	1,660	1,573	1,618
Average no. of employees	2,564	1,700	1,671	1,654	1,576	1,602	1,633

1) The comparative years have been prepared as combined financial statements. For accounting policies concerning combined financial statements, refer to Momentum Group's Financial Report for 2016/17.
2) Calculated as rolling 12 months at 31 December 2020.

Calculations of performance measures

Momentum Group uses certain financial performance measures in its analysis of the operations and their performance that are not calculated in accordance with IFRS. The Company 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.

CHANGE IN REVENUE, %

Comparable units refer to sales in local currency from units that were part of the Group during the current period and the entire corresponding period in the preceding year. Trading days refer to the effect on sales in local currency depending on the difference in the number of trading days compared with the comparative period. Other units refer to acquired or divested units during the corresponding period. **NB:** Any instances where comparable units include Swedol for periods prior to the closing date of 1 April 2020 are specifically noted.

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

	9 months		
%	**Apr-Dec 2020[1]**	**Apr-Dec 2019**	**2019/20**
Change in revenue for:			
Comparable units in local currency	-6.6	-1.3	-1.7
Currency effects	-2.4	0.4	0.0
Number of trading days	1.1	-0.2	0.0
Other units[2]	0.3	3.9	3.5
Total change, %	**-7.6**	**2.8**	**1.8**

1) Swedol is included in "Comparable units" as though the acquisition had closed on 1 April 2019.
2) Other acquisitions in 2019/20 (excluding the acquisition Swedol, which is included in "Comparable units").

EBITA

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

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

	9 months		12 months ending	
MSEK	**Apr-Dec 2020**	**Apr-Dec 2019**	**31 Dec 2020**	**31 Mar 2020**
EBITA				
Operating profit	333	223	413	303
Items affecting comparability				
Restructuring costs	97	–	97	–
Acquisition-related costs	2	9	7	14
Integration costs related to the acquisition of Swedol	2	–	2	–
Split and listing expenses	–	–	–	–
Amortisation of intangible assets in connection with corporate acquisitions	50	15	56	21
EBITA	**484**	**247**	**575**	**338**

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.

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

	12 months ending	
MSEK	**31 Dec 2020**	**31 Mar 2020**
Working capital		
Average operating assets		
Average inventories	1,602	1,021
Average accounts receivable	1,076	966
Total average operating assets	**2,678**	**1,987**
Average operating liabilities		
Average accounts payable	-886	-759
Total average operating liabilities	**-886**	**-759**
Average working capital	**1,792**	**1,228**
EBITA	575	338
Return on working capital (EBITA/WC), %	**32%**	**28%**

RETURN ON CAPITAL EMPLOYED, %

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

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

	12 months ending	
MSEK	**31 Dec 2020**	**31 Mar 2020**
Average balance-sheet total	**5,952**	**3,318**
Average non-interest-bearing liabilities and provisions		
Average non-interest-bearing non-current liabilities	-244	-72
Average non-interest-bearing current liabilities	-1,407	-1,147
Total average non-interest-bearing liabilities and provisions	**-1,651**	**-1,219**
Average capital employed	**4,301**	**2,099**
Operating profit	413	303
Financial income	4	1
Total operating profit + financial income	**417**	**304**
Return on capital employed, %	**10%**	**14%**

RETURN ON EQUITY, %

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

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

	12 months ending	
MSEK	**31 Dec 2020**	**31 Mar 2020**
Return on equity		
Average equity	2,326	1,333
Net profit	282	214
Return on equity, %	**12%**	**16%**

FINANCIAL NET LOAN LIABILITY

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.

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

MSEK	31 Dec 2020	31 Mar 2020
Financial net loan liability (closing balance)		
Non-current interest-bearing liabilities	2,219	1,461
Current interest-bearing liabilities	487	404
Cash and cash equivalents	-375	-1,157
Financial net loan liability (closing balance)	**2,331**	**708**

OPERATIONAL NET LOAN LIABILITY

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

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

MSEK	31 Dec 2020	31 March 2020
Operational net loan liability (closing balance)		
Financial net loan liability	2,331	708
Financial lease liabilities	-1,004	-511
Net provisions for pensions	-34	-31
Operational net loan liability (closing balance)	**1,293**	**166**

EQUITY/ASSETS RATIO, %

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

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

MSEK	31 Dec 2020	31 March 2020
Equity/assets ratio		
Balance-sheet total (closing balance)	7,812	5,940
Equity (closing balance)	3,037	2,869
Equity/assets ratio, %	**39%**	**48%**

Definitions

EBITA MARGIN, %

EBITA as a percentage of revenue.

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

EQUITY PER SHARE, SEK

Equity attributable to Parent Company shareholders divided by the number of shares at the end of the period.

Measures how much equity pertains to each share and is presented to simplify investors' analyses and decisions.

ITEMS AFFECTING COMPARABILITY

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

REVENUE

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

Used to present the Group's sales to external customers. Revenue from both external and internal customers is recognised per business area (operating segment).

EARNINGS PER SHARE, SEK

Net profit for the period attributable to the Parent Company shareholders divided by the weighted number of shares.

IFRS performance measure, refer to Note 18.

OPERATING MARGIN, %

Operating profit relative to revenue.

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

OPERATING PROFIT

Profit before financial items and tax.

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

PROFIT MARGIN, %

Profit after financial items as a percentage of revenue.

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

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.

AMOUNTS

The amounts stated in the notes refer to MSEK (SEK million) unless otherwise stated.

PRODUCTION: MOMENTUM GROUP IN COLLABORATION WITH BYN KOMMUNIKATIONSBYRÅ
PHOTOS: JANN LIPKA ET AL
TRANSLATION: THE BUGLI COMPANY
PRINT: NORRKÖPINGS TRYCKERI

momentumgroup

Momentum Group AB (publ)
Address: P.O. Box 5900, SE-102 40 Stockholm, Sweden.
Telephone: +46 10 454 54 70
E-mail: info@momentum.group
Corp. Reg. No. 559072-1352

www.momentum.group