

**Prospectus for admission
to trading of Class B shares
in Momentum Group AB (publ)
on Nasdaq Stockholm**

Important information

Information for investors

This document is a translation of a Swedish prospectus. The prospectus in Swedish (the “**Prospectus**”) and this English translation thereof have been prepared in connection with an application by the Board of Directors of Momentum Group AB (publ) for admission to trading for the Company’s Class B shares on Nasdaq Stockholm (the “**Listing**”). In the event of any inconsistency between this English translation and the Prospectus (in Swedish), the Prospectus (in Swedish) shall prevail. In this Prospectus, “**Momentum Group**”, the “**Momentum Group**”, the “**Company**” or the “**Group**” means, depending on the context, Momentum Group AB (publ), reg. no 559266-0699, the group of which Momentum Group AB (publ) is the parent company, or a subsidiary of the group after the Distribution. “**Alligo**” or the “**Alligo Group**” means Alligo AB (publ), reg. no 559072-1352, the group of which Alligo AB (publ) is the parent company or a subsidiary in the group, prior to the Distribution (unless the context requires otherwise). The “**Distribution**” refers to the proposed distribution of all of Alligo’s shares in Momentum Group to the shareholders of Alligo and the “**Separation**” refers to the separation of Momentum Group AB and its subsidiaries from the Alligo Group.

This Prospectus has been approved by the Swedish Financial Supervisory Authority as the competent authority in accordance with the provisions of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). The Swedish Financial Supervisory Authority approves this Prospectus only insofar as it meets the requirements for completeness, comprehension and consistency set out in the Prospectus Regulation, and this approval should not be considered as any kind of endorsement of the issuer referred to in the Prospectus. This approval should also not be considered as any kind of endorsement of the quality of the securities referred to in the Prospectus and investors should carry out their own assessment of whether it is appropriate to invest in these securities. The Prospectus is governed by Swedish law. Any dispute arising from the content of the Prospectus or associated legal issues shall be settled by Swedish courts, with Stockholm District Court being the court of first instance.

The Prospectus does not contain any offer to subscribe for or otherwise acquire shares or other financial instruments in the Company, whether in Sweden or in any other jurisdiction. No action has been taken or will be taken by the Company to allow an offer to the public in any jurisdiction in connection with the Listing. The Prospectus and other documentation relating to the Listing may not be disclosed, published or distributed in Australia, Hong Kong, Japan, Canada, New Zealand, Switzerland, Singapore, South Africa or the United States or in any other jurisdiction where such action would require registration or other measures in addition to those required by Swedish law or where such action would be contrary to applicable laws or regulations. Momentum Group will not allow or approve any such distribution.

The shares in the Company have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), or the securities laws of any state or other jurisdiction of the United States, and may not be offered, sold or otherwise transferred, directly or indirectly, in or into the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with the securities laws of the relevant state or other jurisdiction of the United States. The shares of the Company have not been recommended, approved or disapproved by any U.S. federal or state securities or regulatory authority. Nor has any such authority passed judgment upon or expressed an opinion as to the accuracy or reliability of the Prospectus. To claim otherwise is a criminal offence in the United States.

The Prospectus is available on Momentum Group’s website, momentum.group, Danske Banks website, danskebank.se/prospekt and will be available on the Swedish Financial Supervisory Authority’s website, fi.se (the information on the websites is not included in the Prospectus). Other information on the Company’s website is not incorporated into this Prospectus and does not form part of this Prospectus, unless such information is incorporated into the Prospectus by reference.

Forward-looking information

The Prospectus contains certain forward-looking statements and opinions. Forward-looking statements are all statements that do not

relate to historical facts and events, and such statements and opinions that pertain to the future and include words such as, for example, “anticipates”, “may”, “will”, “should”, “plans”, “estimates”, “forecasts”, “according to estimate”, “is of the opinion”, “expects”, “believes”, “plans”, “intends”, “assumes” and similar expressions. This applies in particular to statements and opinions in this Prospectus relating to future financial results, objectives, plans and expectations for the business, future growth and profitability and implications for the Company and the general economic and regulatory environment and other circumstances affecting the Company. Forward-looking statements are based on current estimates and assumptions, which have been made to the best of the Company’s knowledge. Such forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results, including the Company’s cash flow, financial situation and results of operations, to differ materially from those expressed or implied by, or described in, such statements, or cause the expectations expressed or implied by, or described in, such statements not to be realised or to prove less favourable compared with the results expressed or implied by, or described in, such statements. Potential investors should therefore not place undue weight on the forward-looking statements contained herein and are strongly advised to read the full Prospectus.

The Company offers no guarantee as to the future accuracy of the statements made herein or as to the actual occurrence of anticipated developments. Furthermore, it should be borne in mind that actual events or outcomes may differ materially from those stated or expressed in such forward-looking statements. All forward-looking statements are based on circumstances as of the date of the Prospectus. Momentum Group is under no obligation (and does not undertake any such obligation) to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law and regulations.

Industry and market information

The Prospectus contains industry and market information relating to the Company’s business and the market in which the Company operates. Such information is based on the Company’s analysis of a variety of sources, including industry publications and reports. Industry publications or reports usually state that the information they contain has been obtained from sources deemed to be reliable, but that the accuracy and completeness of the information cannot be guaranteed. The Company has not independently verified, and therefore cannot guarantee, the accuracy of the industry and market information contained in this Prospectus that has been derived from or is derived from these industry publications or reports. Industry and market information is by its nature prospective, subject to uncertainty and does not necessarily reflect actual market conditions. Such information is based on market research, which in turn is based on sampling and subjective judgements, including judgements about the type of products and transactions that should be included in the relevant market, both by those conducting the surveys and by the respondents. The information from third parties has been reproduced correctly and, as can be seen from the Prospectus, can be verified by comparison with other information published by such sources, no information has been omitted in such a way as to render the information provided incorrect or misleading. The Prospectus contains a description of the risks associated with the Company’s business. The description is not exhaustive and the risks are not the only risks to which the Company and its shareholders may be exposed. Other risks not currently known to the Company, or which the Company currently considers immaterial, could also affect Momentum Group’s business, results and financial position. Such risks could also lead to a significant fall in the price of the Company’s shares and that investors may lose all or part of their investment.

Presentation of financial information

The figures presented in this Prospectus have, in some cases, been rounded and therefore the tables in the Prospectus do not necessarily add up. All financial figures are in Swedish kronor (“**SEK**”) unless otherwise stated. Apart from what is provided herein, no financial information in this Prospectus has been audited or reviewed by the Company’s auditor.

Table of contents

Summary	4
Risk factors	11
Background and reasons	18
Terms and conditions for the Distribution	19
Market overview	20
Business description	26
Selected financial information	44
Operational and financial overview	51
Capitalisation, indebtedness and other financial information	56
Board of Directors, senior management and auditor	58
Corporate governance	62
Shares, share capital and ownership	67
Articles of Association	70
Legal considerations and additional information	71
Certain tax issues in Sweden	75
List of definitions	D-1
Historical financial information	F-1
Addresses	A-1

Time table

Extraordinary General Meeting in Alligo to decide on distribution of shares in Momentum Group:

23 March 2022

Record date in Alligo for the right to receive a distribution of shares in Momentum Group:

25 March 2022

Anticipated first day of trading of Momentum Group's Class B shares:

31 March 2022

Financial calendar

Interim report for the period
1 January–31 March 2022:

27 April 2022

Interim report for the period
1 April–30 June 2022:

14 July 2022

Interim report for the period
1 July–30 September 2022:

27 October 2022

Other information

ISIN code of the Class B shares:

SE0017562523

LEI code:

549300QOHUWQMD9G3757

Ticker name of the Class B shares on Nasdaq Stockholm:

MMGR B

Summary

Introduction and warnings

Introduction and warnings

This summary should be considered as an introduction to the Prospectus. Any decision to invest in the securities should be based on an assessment of the full Prospectus by the investor. The investor could lose all or part of the invested capital.

If an action is brought in court regarding the information contained in the Prospectus, the investor who is the plaintiff in accordance with national law may be required to pay the costs of translating the Prospectus before the legal proceedings begin. Civil liability can only be imposed on persons who produced the summary report, including its translation, but only if the summary report is misleading, inaccurate or inconsistent with the other parts of the Prospectus or if, along with the other parts of the Prospectus, it fails to provide key information to help investors when they are considering an investment in such securities.

About Momentum Group

Momentum Group AB (publ), reg. no 559266-0699, Östermalmsgatan 87 D, SE-114 59 Stockholm, Sweden.
LEI code: 549300QOHUWQMD9G3757.
Ticker name: MMGR B.
ISIN code for the Class B shares: SE0017562523.
ISIN code for the Class A shares: SE0017562515.

Competent authority

The Swedish Financial Supervisory Authority is the competent authority and is responsible for approving the Prospectus.

The office address of the Swedish Financial Supervisory Authority: Brunnsgatan 3, SE-111 38 Stockholm, Sweden.

Postal address: Box 7821, 103 97 Stockholm.

Telephone: +46 (0)8 408 980 00.

Website: fi.se.

The Prospectus was approved by the Swedish Financial Supervisory Authority on 15 March 2022.

Key information on the issuer

Who is the issuer of the securities?

Information on the issuer

The issuer of the securities is Momentum Group AB (publ), reg.no 559266-0699. The Company's Board of Directors has its headquarters in Stockholm, Sweden. The Company is a Swedish public limited liability company governed by the Swedish Companies Act (2005:551) (Sw. *aktiebolagslagen*). The Company's LEI code is 549300QOHUWQMD9G3757.

Main activities of the issuer

Momentum Group operates, develops and acquires successful sustainable companies in the Nordic region through active ownership with decentralised profit and business responsibility. The Group consists of a number of companies which, according to the Company's assessment, together constitute one of the Nordic region's leading suppliers of industrial components, industrial services and other related services in the industrial sector. Momentum Group's strategy is to acquire and develop sustainable businesses focused on trade and services in developable niches and specialist competencies within existing product and service areas, as well as in new areas. The focus is on profitable companies with leading positions that make customers' everyday lives easier, safer and more profitable by offering sustainable products and services with a long lifespan.

Momentum Group is organized in two (2) business areas: Components and Services.

Components business area consists of the subsidiary Momentum Industrial AB, which has operations in Sweden and Norway that focus on the sale of spare parts and related services for industrial customers' production equipment. The business area also includes the specialist companies ETAB Industriautomation Aktiebolag, which focuses on industrial automation solutions, Öbergs i Karlstad AB, which focuses on pneumatic solutions for industrial production, and JNF Momentum Køge A/S, which focuses on components and services for industry in Denmark.

Services business area is comprised of Rörick Elektriska Verkstad Aktiebolag, whose electromechanical workshops offer service and repairs to the processing and manufacturing industries, Mekano AB and Mekano i Sävedalen AB, which focuses on service and components for the process manufacturing and food industries, as well as shipping and the public sector, Aktiebolaget Carl A. Nilssons Elektriska Reparationsverkstad, which is a niche company in sales and service of large submersible pumps, and Intertechna Aktiebolag, which is a solution provider in digitalised maintenance for industrial production.

Who is the issuer of the securities? cont.

The issuer's major shareholders

At the date of this Prospectus, Momentum Group is a wholly owned subsidiary of Alligo. Provided that the shareholders of Alligo, at the Extraordinary General Meeting on 23 March 2022, resolve on the Distribution in accordance with the proposal of the Board of Directors, the shares in Momentum Group will be distributed to the shareholders of Alligo in proportion to each individual shareholder's holding in Alligo. Momentum Group's ownership structure at the time of the Distribution and prior to the Listing will initially reflect the ownership structure of Alligo. The table below shows Momentum Group's shareholders who have a direct or indirect holding in Momentum Group, representing five (5) per cent or more of the number of shares or votes in the Company, assuming that the Distribution is implemented and based on the ownership structure of Alligo as of 8 February 2022.

Shareholders	Class A shares	Class B shares	Per cent of capital	Per cent of votes
Nordstjernan AB	213	27,776,641	55.02	49.99
Tom Hedelius	513,124	–	1.02	9.24
BNP Paribas Sec Services Paris	–	3,355,000	6.65	6.04
Swedbank Robur Fonder ¹⁾	–	3,173,496	6.29	5.71
Handelsbanken Fonder ²⁾	–	2,804,440	5.56	5.05
Other	50,736	12,807,239	25.47	23.97
Total	564,073	49,916,816	100	100

¹⁾ Includes Swedbank Robur Sverigefond, Swedbank Robur Föbundsfond Sverige Plus and Swedbank Robur Sverigefond Mega.

²⁾ Includes Handelsbanken Microcap Norden, Handelsbanken Microcap Sverige, Handelsbanken Norden Index Criteria, Handelsbanken Sverige Index Criteria, Handelsbanken Nordiska Småbolag and Handelsbanken Svenska Småbolag.

Board of Directors and senior management

The Company's Board of Directors consists of Johan Sjö (Chairman), Anders Claeson, Ylva Ersvik, Stefan Hedelius and Gunilla Spongh. The Company's senior management consists of Ulf Lilius, President and CEO, and Niklas Enmark, Executive Vice President and CFO.

Auditor

The Company's auditor is KPMG AB with Helena Arvidsson Älgne as auditor in charge. KPMG AB has been the Company's auditor since 2020. Helena Arvidsson Älgne is an authorised public accountant and a member of FAR (the trade association for authorised accounting consultants, auditors and advisors in Sweden). KPMG has been Alligo's auditor throughout the period covered by the historical financial information in this Prospectus. KPMG AB's office address is Vasagatan 16, 101 27 Stockholm.

Key financial information for the issuer

Key financial information in summary The selected financial information below for the financial years 2021, 2020 (9 months), 2019/2020 and 2018/2019 has been taken from the Company's audited combined financial statements for the financial years 1 January 2021–31 December 2021, 1 April 2020–31 December 2020, 1 April 2019–31 March 2020 and 1 April 2018–31 March 2019. The combined financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS) and have been audited by the Company's independent auditors, KPMG AB.

Combined income statement

SEK million	2021	2020 (9 months)	2019/2020	2018/2019
Revenue	1,491	837	1254	1196
Operating profit	155	91	130	111
Profit for the year attributable to parent company shareholders	116	69	98	84
Operating margin ¹⁾ , %	10.4	10.9	10.4	9.3
Earnings per share, SEK (undiluted)	2.30	1.35	1.95	1.65

¹⁾ Alternative performance measure. Information not audited by Momentum Group's auditors.

Combined balance sheet

SEK million	31 Dec 2021	31 Dec 2020	31 Mar 2020	31 Mar 2019
Total assets	984	734	696	612
Total equity	475	343	264	143
Net financial liability ²⁾	62	2	162	112

²⁾ Alternative performance measure. Information not audited by Momentum Group's auditors.

Condensed combined cash flow statement

SEK million	2021	2020 (9 months)	2019/2020	2018/2019
Cash flow from operating activities	169	166	136	102
Cash flow from investment activities	-125	-7	-17	-41
Cash flow from financing activities	-119	-45	-117	-47
Cash flow for the period	-75	114	2	14

Specific key risks for the issuer

Significant risk factors specific to the issuer

The Group's financial results tend to fluctuate based on the general economic climate and other macro-economic conditions beyond the Group's control

The Momentum Group's customers are mainly industrial companies, mainly in Sweden and to some extent in Norway and Denmark. The results of the constituent companies are thus affected by conditions in the Nordic economies, where demand for the Group's products and services may be lower in a recession. Demand for Momentum Group's products and services is particularly dependent on the consumption of products and services within industrial components for MRO (Maintenance, Repair & Operations) in the Nordic region. A prolonged period of low growth or economic downturn may reduce demand for Momentum Group's products and services. Furthermore, the Company has difficulties in compensating for a temporary decline in revenue in the short term based on semi-fixed costs. Any of these developments, if they occur, could have a material adverse effect on Momentum Group's business, cash flow, earnings and financial position.

The Group operates in competitive markets

The Group operates in markets that are exposed to competition. Competition exists in terms of geographic market and in terms of customer groups and product segments. Customers are increasingly seeking to limit the number of suppliers and work more closely with them to jointly develop the value chain, focus on value-added product and service offerings, and thereby reduce the total cost of purchasing, inventory, administration and capital tied up. Competition at the reseller level consists of local operators, e-commerce based resellers as well as from international players. There is a risk that new entrants with financial strength may grow in strength, which could have a negative impact on the Group's business through loss of market share or through increased pricing pressure and reduced profitability, thereby also having a negative impact on its cash flow, earnings and financial position.

Specific key risks for the issuer, cont.

Significant risk factors specific to the issuer, cont.

Momentum Group depends on efficient logistics with high availability

Momentum Group's operations are dependent on external suppliers fulfilling their agreements, for example regarding volume, quality and delivery time. Incorrect, delayed or non-deliveries may mean that Momentum Group is unable to deliver requested and/or sold products. This could result in reduced sales of the Group's products, reduced customer satisfaction and potentially increased costs. Furthermore, the Company may be adversely affected if the Momentum Group's suppliers suffer financial, legal or operational problems, such as price increases or inability to deliver products with the agreed quality. These factors may result in reduced sales of the Momentum Group's products or affect the ability to purchase the necessary products in time and at the right price to deliver them to customers.

Furthermore, interruptions in delivery may occur due to lack of availability of raw materials, labour disputes (involving employees or consultants of Momentum Group or its partners) or weather conditions affecting products or transportation, transport disruptions or other factors beyond Momentum Group's control. Prolonged or short disruptions in the Group's supply chain could result in a deterioration of its reputation, a need to maintain higher inventory levels while the Group substitutes similar products, higher product costs and, ultimately, a reduction in revenue and profitability. Disruption to the rapid access of the Group's products from key suppliers would lead to a reduction in revenue and profitability.

Momentum Group is dependent on its suppliers and that they maintain high quality

There is a risk that the Group may not be able to identify and develop relationships with qualified suppliers who can meet its standards of quality and price and the Group's need to access products and supplies in a timely and efficient manner. Momentum Group may need to replace suppliers if products do not meet the Group's standards in terms of quality, price or safety. Momentum Group's results and inventory levels may be affected if a supplier unwilling or unable to meet the Group's requirements cannot be replaced promptly by a supplier offering similar products. Momentum Group is also partly dependent on certain suppliers' brands. It is not uncommon for foreign manufacturers to use several distributors in a local market. It is therefore important for distributors to work closely with manufacturers who have established brands. The loss of, or significant reduction in the availability of, products from Momentum Group's suppliers, or the loss of a key supplier, could have a material negative impact on the Group's business, financial position, earnings and cash flows.

The Group's ability to distribute its products may be significantly affected in the event of damage to or operational problems at Momentum Group's logistics centre

Momentum Group's largest subsidiary (in terms of revenue and number of employees), Momentum Industrial AB, uses a logistics centre in Alingsås (Sweden) for part of its flows of goods. A fire, problems with IT systems or other technology used in the logistics centre, or any other form of significant disruption, could cause problems for Momentum Industrial AB to deliver products to its customers in accordance with the delivery terms, which could in turn result in lost income or increased costs for the Momentum Group in the event of substitute alternatives. The extent of the damage that may occur depends primarily on the extent and duration of the damage and operational problems.

Momentum Group may experience difficulties in completing acquisitions

Acquisitions are an important part of Momentum Group's growth strategy. However, there is a risk that Momentum Group will not be able to identify suitable acquisition targets or complete acquisitions on favourable terms due to, for example, competition from other acquirers or a lack of financing. Furthermore, successful integration of acquisitions into the Group's existing business may fail and desired financial targets may not be achieved. In addition, Momentum Group's ability to acquire companies may be limited due to the concentration of ownership in a specific market and Momentum Group's relative market position. This could lead to a reduction or slow-down in Momentum Group's growth and the Company not achieving its financial or strategic objectives.

Cyber security

Momentum Group must maintain a well-functioning IT infrastructure to ensure business continuity and improve efficiency. For example, breaches of cyber security may lead to unforeseen and unauthorised intrusions into the Group's internal IT environments, into the supply and distribution chain and/or into the Momentum Group's connected products. Momentum Group is primarily exposed to malware attacks and ransomware, but cyber-related risks can also arise from loss of information due to inadequate or incorrect internal processes, disruptions or technical failures, human error or natural disasters. These risks may also exist at the Group's suppliers, distributors and other external parties with whom the Group interacts. Cyber-related threats pose a significant risk to the Momentum Group, as they could lead to business interruption, loss of critical data, loss of revenue and reputational damage, which would negatively impact Momentum Group's results.

Specific key risks for the issuer, cont.

Significant risk factors specific to the issuer, cont.	<p>Momentum Group is in a phase of expansion and growth, which entails future capital requirements</p> <p>In the event that the Momentum Group is unable to generate sufficient revenues or positive cash flows in the future to fund the Group's expansion plans, the Momentum Group will be dependent on raising capital by other means in order to continue funding the phase. There is a risk that difficulties may arise in obtaining that external financing due to the fact that necessary capital is unavailable or can only be obtained on unfavourable terms for the Group. If the Company is not provided with liquidity, Momentum Group will have to reduce its planned expansion, which could result in previous investments and efforts for the expansion not being fully utilised and future planned revenue streams being less than the Company had planned for.</p> <p>Momentum Group is subject to risks related to goodwill</p> <p>Momentum Group is an acquisition-intensive group, which has resulted in a significant portion of Momentum Group's recognised assets consisting of goodwill. As of 31 December 2021, Momentum Group recognised goodwill amounting to SEK 236 million, corresponding to approximately 24 per cent of the Group's total balance sheet. There is a risk that the Group's accounting for goodwill in connection with acquisitions may be misstated. No amortisation of goodwill is made. Instead, impairment is made where necessary. If acquired businesses do not develop according to plan, this may result in the need to write down goodwill. Impairment tests of goodwill are performed at least once a year. Any impairment may have a material adverse effect on the Company's balance sheet, income statement and overall value.</p>
---	--

Key information about the securities

The main characteristics of the securities

Securities that are subject to admission to trading	Class B shares in Momentum Group AB (publ), reg. no 559266-0699. The ISIN code for the Class B shares is SE0017562523. The shares are denominated in SEK.
Total number of shares in the Company	This Prospectus concerns admission to trading for Class B shares in Momentum Group AB (publ) on Nasdaq Stockholm. As of the date of the Prospectus, there are a total of 50,480,889 shares, whereof 564,073 Class A shares and 49,916,816 Class B shares, in Momentum Group. The share capital amounts to SEK 25,240,444.50. The shares are denominated in SEK and each share has a quotient value of SEK 0.5. All shares issued are fully paid.
Rights attached to the securities	<p>Voting rights</p> <p>Each Class A share confers a right to ten (10) votes and each Class B share confers a right to one (1) vote at the Momentum Group's General Meeting of Shareholders.</p> <p>Preferential rights to new shares</p> <p>If the Company issues new shares, warrants or convertible bonds by way of a cash or set-off issue, shareholders will have preferential rights to subscribe for such securities in proportion to the number of shares they already own (primary preferential rights). Shares that are not subscribed for with primary preferential rights shall be offered to all shareholders for subscription (subsidiary preferential rights). If the shares offered are not sufficient for the subscription made with subsidiary preferential rights, the shares shall be distributed among the subscribers in proportion to the number of shares they previously held and, to the extent that this cannot be done, by drawing lots. If the Company decides to issue only Class A shares or Class B shares by means of a cash or set-off issue, all shareholders, regardless of whether their shares are Class A shares or Class B shares, shall have preferential rights to subscribe for new shares in proportion to the number of shares they previously held. Momentum Group's Articles of Association do not restrict the possibility to decide on a cash issue or a set-off issue with derogation from the shareholders' preferential rights.</p> <p>The above does not restrict the possibility to decide on a cash or set-off issue with a deviation from shareholders' preferential rights.</p> <p>In the event of an increase in the share capital through a bonus issue, new shares of each class shall be issued in proportion to the number of shares of the same class already in existence. Old shares of a certain class shall carry preferential rights to new shares of the same class. The aforesaid will not restrict the possibility of issuing shares of a new class through a bonus issue after the requisite changes have been made in the Articles of Association.</p> <p>Right to dividends and balance in the event of liquidation</p> <p>All shares confer the same right to dividends and to the Company's assets and any surplus in the event of liquidation.</p>

The main characteristics of the securities, cont.

Rights attached to the securities, cont.	<p>Transferability of shares</p> <p>The shares are freely transferable. The Articles of Association do not contain any provisions restricting the right to freely transfer the shares.</p> <p>Conversion clause</p> <p>At the request of the owner of a Class A share, Class A shares may be converted into Class B shares. A request for conversion must be made in writing to the Board of Directors of the Company. The number of shares to be converted must be specified. The Company's Board of Directors is required to consider matters relating to the conversion into Class B shares of the Class A shares, whose owners have made the request, within four (4) months of receipt of such a request.</p>
Dividend and dividend policy	<p>Momentum Group aims to distribute at least 30 per cent of earnings per share per year over a business cycle.</p>

Where will the securities be traded?

Admission to trading	<p>Momentum Group's Board of Directors has applied for admission to trading for the Company's Class B shares on Nasdaq Stockholm. Nasdaq Stockholm's Listing Committee informed on 25 February 2022 that Momentum Group meets the applicable requirements for listing on Nasdaq Stockholm. Nasdaq Stockholm will approve an application for admission to trading of the Company's Class B shares subject to certain customary conditions, including that the Company submits such an application and that the distribution requirement for the Company's shares is met. The anticipated first day of trading is 31 March 2022.</p>
-----------------------------	--

What are the key risks specific to the securities?

Significant risk factors specific to the securities	<p>Risks related to the Listing and the liquidity and price development of the shares</p> <p>Securities trading is always associated with risk and risk-taking and there has been no regular trading in Momentum Group's shares prior to the Distribution of Alligo's shares in Momentum Group. The Company cannot assess in advance the extent to which the interest in investing in the shares will lead to the development and maintenance of active and liquid trading in the Company's shares. If active and liquid trading cannot be maintained, there may be difficulties in disposing of the shares. The pricing of the Company's share is also subject to factors beyond Momentum Group's control, including capital market expectations and developments and economic and political developments in general. Renewed outbreaks of Covid-19 may affect the global capital markets, which entails a risk that Momentum Group's share price, after the planned Listing on Nasdaq Stockholm, will follow the general market trend regardless of whether Momentum Group performs in line with or better than market expectations.</p> <p>Before making an investment in Momentum Group's shares, a careful analysis should be carried out of the Company, its business and market conditions and general information about the industry. An investment in shares should never be seen as a quick way to generate returns, but rather as an investment made with disposable capital for the long term. The price of the shares may be subject to fluctuations as a result of a change in the capital market's perception of the shares or similar securities, due to various circumstances and events such as changes in applicable legislation and other regulations affecting the Company's results, business performance and financial position. The stock market may also occasionally display significant fluctuations of price and volume that are not necessarily related to the Company's business or prospects. In addition, the Company's results and prospects may from time to time be lower than the expectations of the capital markets, analysts or investors. Any one or more of these factors may result in a fall in the share price.</p> <p>Future offers of shares or other securities</p> <p>Momentum Group may in the future issue shares or other securities to finance its operations or make acquisitions or other investments. A future issue of shares or other securities such as subscription warrants, convertibles or bonds may adversely affect the share price and the distributable funds available. Furthermore, a new issue may lead to a dilution of the economic and voting rights of existing shareholders who do not exercise their right to subscribe for shares in the issue or if the Company carries out a directed share issue without pre-emptive rights for existing shareholders.</p> <p>Distribution of dividend</p> <p>In determining the dividend, the Company shall take into account a number of factors, including the Company's future performance, investment needs and other factors that the Board of Directors of the Company considers to be important. The decision on dividends is ultimately taken by the General Meeting of Shareholders. There are many risks that may adversely affect the Company's business and thus lead to the Company not achieving a result that generates distributable funds and thus allows for dividends.</p>
--	--

Key information on the offer of securities to the public

Under what conditions and according to what timetable can I invest in this security?

Terms and conditions of the Offering

The Prospectus does not constitute an offer. If the shareholders of Alligo resolve at the Extraordinary General Meeting on 23 March 2022 to distribute, in accordance with the proposal of the Board of Directors of Alligo, all of Alligo's shares in Momentum Group to the shareholders of Alligo, the shareholders of Alligo will receive one (1) Class A share in Momentum Group for each Class A share in Alligo held on the record date and one (1) Class B share in Momentum Group for each Class B share in Alligo held on the record date.

Nasdaq Stockholm's listing committee informed on 25 February 2022 that Momentum Group meets Nasdaq Stockholm's listing requirements. Nasdaq Stockholm will approve an application of admission of the Company's Class B shares to trading provided that certain customary conditions are fulfilled, among them that the Company submits said application and that the dispersion requirement is met. The first day of trading is expected to be 31 March 2022.

Costs

The Company's total costs for the Listing and Separation are estimated to be approximately SEK 13 million. Such costs are mainly related to costs for financial advice, auditors, legal advice, etc. Of the total estimated cost of approximately SEK 13 million, approximately SEK 6 million has been charged to Momentum Group's results for the financial year 2021.

Why is this prospectus being prepared?

Background and motive

In April 2021, Alligo's Board of Directors (then Momentum Group) instructed the management to investigate the possibilities and conditions for a possible separation of the Group into two separate listed companies with the aim of creating increased shareholder value in both the short and long term through increased focus on the respective areas. The Alligo Group today consists of two strong and operationally independent business areas, Alligo and Components & Services, each with their own focus areas and dedicated managements. In September 2021, the Board of Directors decided to proceed with preparations for a separate listing of the Components & Services business on Nasdaq Stockholm under the name Momentum Group and announced the intention to change the name from Momentum Group to Alligo. The name changes were implemented in December 2021 following a decision by the Extraordinary General Meeting of the respective companies.

A separation of the Group through a separate listing of Momentum Group is considered a logical step in order to leverage the strategic and operational opportunities within the Group's businesses, while at the same time capitalising on the opportunities for long-term profitable growth within Momentum Group, both organically and acquisition-driven, thereby contributing to increased shareholder value. Furthermore, a separation is considered to facilitate a review of the respective activities while allowing shareholders to adjust their holdings in each company according to their own wishes.

Interests and conflicts of interest

Danske Bank is acting as financial advisor to Momentum Group in connection with the Listing. Danske Bank will receive a pre-agreed fee for services rendered in connection with the Listing. Otherwise, Danske Bank has no financial or other interests in the Listing. Danske Bank (and companies associated with Danske Bank) has provided, and may in the future provide, various banking-, financial, investment, commercial and other services to Momentum Group for which Danske Bank received, or may receive, compensation.

Risk factors

An investment in securities is always associated with risk. Prior to any investment decision, it is important to carefully analyse the risk factors deemed to be of importance for the Group and the future development of the securities. The risk factors that are deemed to be of significance for the Group are described below. These risks include risks relating to circumstances in the Group's industry, market and business, as well as risks relating to legal and regulatory matters, financial and tax risks and risks associated with the Company's securities and the Listing, some of which are beyond the Group's control. The assessment of the materiality of each risk factor is based on the likelihood of its occurrence and the expected scope of their adverse effects. In accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council (the "Prospectus Regulation"), the risk factors set out below are limited to those risks that are specific to the Company and/or the securities and that are material to making an informed investment decision.

The following account is based on information available as of the date of this Prospectus. The risk factors that are currently considered most significant are presented first in each category, while the risk factors are then presented in no particular order of importance. The extent of the negative impact that the occurrence of the risk may have is assessed using a qualitative scale with the designations moderate, negative and material impact, respectively. The likelihood of the risk occurring is assessed on a low, medium and high scale. The risks and uncertainties listed below may have a significant negative impact on the Group's operations, financial position and/or results. They may also reduce the value of the Company's securities, which could result in shareholders in the Company losing all or part of their invested capital.

Risks related to Momentum Group's industry and market

The Group's financial results tend to fluctuate based on the general economic climate and other macroeconomic conditions beyond the Group's control

The Momentum Group's customers are mainly industrial companies, mainly in Sweden and to some extent in Norway and Denmark. The results of the constituent companies are thus affected by conditions in the Nordic economies, where demand for the Group's products and services may be lower in a recession. Demand for Momentum Group's products and services is particularly dependent on the consumption of products and services within industrial components for MRO (Maintenance, Repair & Operations) in the Nordic region. A prolonged period of low growth or economic downturn may reduce demand for Momentum Group's products and services. Furthermore, the Company has difficulties in compensating for a temporary decline in revenue in the short term based on semi-fixed costs. The level of activity in end-markets depends on a variety of factors beyond Momentum Group's control, including, but not limited to, local, regional and general economic conditions, which in turn may be influenced by global economic conditions, political actions in the countries where Momentum Group operates, particularly in Sweden, Norway and Denmark, and demand in the manufacturing and production industries, demographic trends and investments. Adverse changes in any or all of these or other factors, could have a significant impact on the demand for the products offered by the companies within the Group, particularly in the form of reduced volumes.

Any of these developments, if they occur, could have a material negative impact on Momentum Group's business,

cash flow, earnings and financial position. The Company considers the probability of the risks occurring to be medium.

Furthermore, since spring 2020, the ongoing Covid-19 pandemic has affected the entire world economy and thus also the Momentum Group and its customers, suppliers and employees (refer also to "Momentum Group is subject to risks related to the outbreak of Covid-19" below).

The Group's ability to offer digital sales channels and solutions

Rapid technological developments and new technological advances may change the competitive situation in the Group's market. The Momentum Group's future competitive opportunities are influenced by its ability to offer customers both digital sales channels and digital solutions for efficient transaction management. This requires the Group to develop solutions that meet the needs of customers and partners in the future, which the Company assesses are moving towards a higher degree of integrated ordering. These solutions in turn require continuous investment in efficient transaction and integration platforms, systems to manage a large amount of product information and competitive digital commerce solutions. Increased e-commerce may also increase the risk of price competition for certain goods and the risk of new entrants. There is a risk that the Group will not be successful in developing or delivering new business offerings, or that costly investments, restructuring and/or price reductions will be necessary to adapt the business to a new competitive situation.

The occurrence of one or more of the above risks may have a negative impact on Momentum Group's business, cash flow, earnings and financial position. The Company considers the probability of the risks occurring to be medium.

The Group operates in competitive markets

The Group operates in markets that are exposed to competition. Competition exists in terms of geographic market and in terms of customer groups and product segments. Customers are increasingly seeking to limit the number of suppliers and work more closely with them to jointly develop the value chain, focus on value-added product and service offerings, and thereby reduce the total cost of purchasing, inventory, administration and capital tied up. Competition at the reseller level consists of local operators, e-commerce based resellers and international players. There is a risk that new entrants with financial strength may grow in strength, which could have a negative impact on the Group's business through loss of market share or through increased pricing pressure and reduced profitability, thereby also having a negative impact on its cash flow, earnings and financial position. The Company considers the probability of the risks occurring to be medium.

Environmental, social and governance (ESG) constraints

Customers, suppliers, employees and society at large are increasingly demanding sustainability and circular thinking in all business activities. This places increasing demands on Momentum Group companies to regard sustainability as a natural part of their daily operations and to develop and offer products and services that meet these high standards. There is also a growing investor focus on ESG issues and the prevalence of ESG-based investment restrictions has increased significantly in recent years. Organisations providing ESG information to investors have developed rating processes to evaluate companies' approach to ESG issues. Such ratings are used by some investors in their investment and voting decisions. Inability to meet higher demands from customers, suppliers or employees, or unfavourable ESG ratings or extensions of ESG restrictions, may result in shareholders choosing to divest their ownership in Momentum Group or not to invest at all, as well as the Group's reputation being called into question and the Group being forced, in whole or in part, to change its operations, with increased costs as a result.

The Company considers the probability of the above risks occurring to be low and that the risks, if they were to occur, would have a moderate negative impact on Momentum Group's business, growth and earnings.

Risks related to Momentum Group's operations

Momentum Group depends on efficient logistics with high availability

Momentum Group's operations are dependent on external suppliers fulfilling their agreements, for example regarding volume, quality and delivery time. Incorrect, delayed or non-deliveries may mean that Momentum Group is unable to deliver requested and/or sold products. This could result in reduced sales of the Group's products, reduced customer satisfaction and potentially increased costs. Furthermore, the Company may be adversely affected if the Momentum Group's suppliers suffer financial, legal or operational problems, such as price increases or inability to

deliver products with the agreed quality. These factors may result in reduced sales of the Momentum Group's products or affect the Momentum Group's ability to purchase the necessary products in time and at the right price to deliver them to customers. If Momentum Group is forced to purchase products from other suppliers due to these factors, this may cause increased costs in terms of, for example, increased quality controls. The Group also relies to some extent on strong brands from world-leading suppliers, meaning that products from these suppliers may be difficult to replace with a similar product from other suppliers (refer also to "*Momentum Group is dependent on its suppliers and that they maintain high quality*" below).

Furthermore, interruptions in delivery may occur due to lack of availability of raw materials, labour disputes (involving employees or consultants of Momentum Group or its partners) or weather conditions affecting products or transportation, transport disruptions or other factors beyond Momentum Group's control. Epidemics or pandemics, such as the ongoing Covid-19 outbreak, may also affect the Group's logistics (refer also to "*Momentum Group is subject to risks related to the outbreak of Covid-19*" below). Prolonged or short disruptions in the Group's supply chain could result in a deterioration of its reputation, a need to maintain higher inventory levels while the Group substitutes similar products, higher product costs and, ultimately, a reduction in revenue and profitability. Disruption to the rapid access of the Group's products from key suppliers would lead to a reduction in revenue and profitability.

The occurrence of one or more of the above risks may have a material negative impact on Momentum Group's business, cash flow, earnings and financial position. The Company considers the probability of the risks occurring to be medium.

Momentum Group is dependent on its suppliers and that they maintain high quality

The Group purchases the products sold to customers from a variety of suppliers. The Group's ability to offer its customers a wide range of products depends on the Group's ability to secure sufficient product supply at attractive prices from manufacturers and other suppliers. There is a risk that the Group may not be able to identify and develop relationships with qualified suppliers who can meet its standards of quality and price and the Group's need to access products and supplies in a timely and efficient manner. Momentum Group may need to replace suppliers if products do not meet the Group's standards in terms of quality, price or safety. Momentum Group's results and inventory levels may be affected if a supplier unwilling or unable to meet the Group's requirements cannot be replaced promptly by a supplier offering similar products. The loss of, or significant reduction in the availability of, products from Momentum Group's suppliers, or the loss of a key supplier, could have a material adverse effect on the Group's business, financial position, earnings and cash flows.

Momentum Group is also partly dependent on certain suppliers' brands. It is not uncommon for foreign manu-

facturers to use several distributors in a local market. It is therefore important for distributors to work closely with manufacturers who have established brands. If Momentum Group were to fail to establish, defend and develop partnerships and business relationships with suppliers controlling brands in demand, this would have a negative impact on the Group's business and earnings. The Momentum Group has agreements with all its significant suppliers, however some of these are not written agreement but instead based on oral understandings. In regard to the written agreements, these agreements can generally be terminated by either party and are non-exclusive.

The suppliers are therefore important for Momentum Group's ability to establish and maintain its position in the market. The Group has contracts with the main suppliers to ensure the high quality of the goods purchased. There is a risk that one or more of these suppliers may not intend to continue to cooperate with the Group or that the Group's suppliers may not be able to meet the Group's requirements. This would have a negative impact on Momentum Group's development and sales in the long term. There is also a risk that suppliers choose to end their cooperation with Momentum Group or that suppliers choose to start selling the products they supply to the Group themselves.

The Company considers the probability of the above risks occurring to be low and that the risks, if they were to occur, would have a material negative impact on Momentum Group's business, growth and profits.

The Group's ability to distribute its products may be significantly affected in the event of damage to or operational problems at Momentum Group's logistics centre

Momentum Group's largest subsidiary (in terms of revenue and number of employees), Momentum Industrial AB, uses a logistics centre in Alingsås (Sweden) for part of its flows of goods. A fire, problems with IT systems or other technology used in the logistics centre, or any other form of significant disruption, could cause problems for Momentum Industrial AB to deliver products to its customers in accordance with the delivery terms, which could in turn result in lost revenue or increased costs for the Momentum Group in the event of substitute alternatives. The extent of the damage that may occur depends primarily on the extent and duration of the damage and operational problems.

The Company considers that the risks, if they occur, would have a material negative impact on Momentum Group's business, financial position, earnings and cash flows. The Company considers the probability of the risks occurring to be medium.

Momentum Group's decentralised structure exposes the Group to local problems that the Group may fail to identify and address in a timely manner

Momentum Group applies a decentralised organisational model, which means that the subsidiaries in the Momentum Group are to a large extent responsible for and run their operations independently within the framework of Momentum Group's overall strategy, objectives and governance documents. The Group relies on the skills and expertise

of its employees in local markets. Although the Company considers decentralisation to be an important element of its business model and a key factor in the implementation of Momentum Group's strategy, decentralisation results in significant influence and decision-making by regional and local staff. The Group's management directs, controls and monitors the activities of its subsidiaries primarily through the CEO or another member of Momentum Group's senior management being the Chairman of the Board in each subsidiary. In addition, the companies are monitored and measured against set targets. There is also an established internal control process with regular follow-up.

The Company considers that the probability of risks related to the Group's decentralisation occurring is low and that the risks, if they occur, would have a possible moderate negative impact on Momentum Group's operations.

Momentum Group may experience difficulties in completing acquisitions

Acquisitions are an important part of Momentum Group's growth strategy. Momentum Group seeks to continuously acquire businesses that are expected to complement or strengthen the Momentum Group's existing operations. However, there is a risk that Momentum Group will not be able to identify suitable acquisition targets or complete acquisitions on favourable terms due to, for example, competition from other acquirers or a lack of financing. Furthermore, successful integration of acquisitions into the Group's existing business may fail and desired financial targets may not be achieved. This could lead to a reduction or slow-down in Momentum Group's growth and the Company not achieving its financial or strategic objectives.

When acquiring companies, there is also a risk that the acquired companies do not meet Momentum Group's expectations or that the sales do not develop in the way that would justify the purchase consideration at the time of acquisition.

Acquisitions may further expose Momentum Group to unknown liabilities. In addition to all the assets, the obligations of the acquired company are usually taken over in the context of an acquisition. Although the business of the acquired company is reviewed prior to the acquisition and the necessary guarantees are sought in the acquisition agreements entered into, there is a risk that not all potential liabilities or obligations have been identified prior to the acquisition or that the seller lacks the financial capacity to indemnify Momentum Group in the event of a breach of a guarantee. In the event that Momentum Group has not been able to obtain the necessary contractual protection for such obligations or commitments, the extent of the adverse effects will depend on a number of factors, including the size of the acquisition and the nature of the breach of the commitment.

In addition, Momentum Group's ability to acquire companies may be limited due to the concentration of ownership in a specific market and Momentum Group's relative market position. Any such unforeseen risks, obligations, liabilities, losses or problems, if they materialize, could have a material negative impact on Momentum Group's business,

Risk factors

earnings and financial position. The Company considers the probability of the risks above occurring to be medium.

Momentum Group's organisation is limited and dependent on a small number of key people

The parent company Momentum Group is a relatively small organisation in terms of the number of employees, which is highly dependent on the knowledge, experience and commitment of its key personnel. The key people have extensive knowledge of Momentum Group's business, strategy, subsidiaries and suppliers. If Momentum Group does not succeed in retaining key personnel or recruiting qualified personnel in the future, there are risks regarding Momentum Group's long-term development opportunities.

Momentum Group considers that the probability of the risk occurring is low, but if the risks were to occur, it would have a material negative impact on Momentum Group's business.

Momentum Group is subject to risks related to the outbreak of Covid-19

2020 was characterised by a very cautious and wait-and-see attitude in Momentum Group's main markets, mainly driven by the uncertainty surrounding the Covid-19 pandemic. Since the effects of the pandemic, with strong measures taken by both society in general and by individual companies, impacted from the latter part of March 2020, all the Group's businesses recorded a negative impact on general demand. Demand recovered in 2021 compared to the 2020 financial year, with positive changes in an increasing number of customer segments. Due to globally increased demand, shortages of materials and resources in some of the Group's product areas, as well as disruptions in transportation, have had a slight dampening effect on sales.

Overall, the pandemic is considered to be the main reason for the negative sales development during the financial year 1 April–31 December 2020 compared to the corresponding period last year (1 April–31 December 2019). Developments in 2021, with a relatively strong recovery in demand, are also linked to the pandemic. Thanks to the progress of vaccination against Covid-19, the Company assesses that the uncertainty has been reduced. However, there is a risk of renewed outbreaks of Covid-19, which could again have a negative impact on overall demand. Furthermore, the Covid-19 outbreak and the subsequent pandemic and societal response have impacted Momentum Group's operations in that it has made access to customer facilities more difficult and has affected the delivery times and availability of certain products offered by the Company. The Company assesses that the Covid-19 pandemic may continue to affect delivery times and availability, especially in the event of renewed outbreaks of Covid-19, as renewed outbreaks may result in unavailability of staff at suppliers. Outbreaks of Covid-19 among Momentum Group personnel may also have a negative impact on the Company's operations. Furthermore, there is a risk that the Covid-19 outbreak will affect the availability of capital and the capital markets, which may affect Momentum Group's ability to obtain financing or impact the cost of required financing going forward.

The Covid-19 pandemic is constantly changing and it is difficult to predict its final negative impact on the Momentum Group. The Company considers that the likelihood of the risks associated with Covid-19 occurring is medium and, if the risks were to occur, they could have a material negative impact on Momentum Group's business, financial position and growth.

Cyber security

Momentum Group must maintain a well-functioning IT infrastructure to ensure business continuity and improve efficiency. For example, breaches of cyber security may lead to unforeseen and unauthorised intrusions into the Group's internal IT environments, into the supply and distribution chain and/or into the Momentum Group's connected products. Information about products, contracts, sales prices and costs constitutes sensitive information that could be subject to cyber threats. Momentum Group is primarily exposed to malware attacks and ransomware, but cyber-related risks can also arise from loss of information due to inadequate or incorrect internal processes, disruptions or technical failures, human error or natural disasters. These risks may also exist at the Group's suppliers, distributors and other external parties with whom the Group interacts. Cyber-related threats pose a significant risk to the Momentum Group, as they could lead to business interruption, loss of critical data, loss of revenue and reputational damage, which would negatively impact Momentum Group's results.

In order to prevent risks related to IT and cyber security, new IT/IS policies have been designed, defined and implemented and investments are continuously made in the Group's IT environment. However, there is a risk that the measures taken by the Group are not sufficient, which may mean that the Group in turn experiences difficulties in identifying and fixing problems and maintaining and developing an increasingly complex IT environment in line with a generally increasing threat from cyber-attacks.

If the risks were to occur, this would have a material negative impact on Momentum Group's business, financial position, earnings and cash flows. The Company considers the probability of the risks above occurring to be medium.

Tax-related risks

Momentum Group is subject to tax-related risks

New tax rules for the corporate sector came into force on 1 January 2019. The amended legislation reduces the corporate tax rate to 20.6 per cent in two stages until 2021. The legislation also includes amended interest deduction limitation rules which, in addition to the rules on limited deductibility of interest expenses within associated enterprises, also limit the deductibility of a company's net interest expenses to 30 per cent of the company's taxable EBITDA. The portion of interest expenses that are in principle deductible but cannot be deducted because they exceed the EBITDA rule, may be carried forward to the following year, but for no longer than six (6) years. A simplification rule has been introduced to reduce the administrative burden, allowing companies within associated enterprises to deduct up to SEK 5 million of net interest expenses with-

out having to apply the EBITDA rule. In applying the new rules on the limitation of interest deductions, the concept of interest has also been given a broader meaning. The changes in tax rules may mean increased taxation for the corporate sector. There is a risk that Momentum Group's net interest expense in 2022 or thereafter will exceed 30 per cent of taxable EBITDA and that Momentum Group's tax expense may therefore increase as a result of the new rules. If realised, this risk could have a moderate negative impact on the Group's earnings and financial position. The Company considers the probability of the risks described above occurring to be low.

Some of the Group's subsidiaries operate in jurisdictions outside Sweden and are therefore subject to foreign tax legislation. There is a risk that Momentum Group's, and its subsidiaries', understanding and interpretation of tax laws, treaties and other regulations, including in relation to income, sales and indirect taxes, as well as VAT, deferred tax liabilities and assets and other taxes, may not be correct in all respects. The Group's tax expense, deferred tax liabilities and assets and effective tax rate may be adversely affected by changes in applicable laws and regulations, including the risk of retrospective application. There is also a risk that the tax authorities in the relevant jurisdictions may make assessments and decisions that differ from the Group's subsidiaries' understanding and interpretation of the above-mentioned laws, tax treaties and other provisions, which may require the Group's subsidiaries to pay significant additional taxes, including penalties and interest, which may have a material impact on Momentum Group's earnings.

Financial risks

Momentum Group is in a phase of expansion and growth, which entails future capital requirements

In the event that the Momentum Group is unable to generate sufficient revenues or positive cash flows in the future to fund the Group's expansion plans, the Momentum Group will be dependent on raising capital by other means in order to continue funding the phase. There is a risk that difficulties may arise in obtaining that external financing due to the fact that necessary capital is unavailable or can only be obtained on unfavourable terms for the Group. The acquisition of necessary capital may be affected by a range of factors such as macroeconomic factors, changes in the willingness to invest and non-performance or negative performance of the Group's business. If Momentum Group chooses to raise additional financing through the issue of shares or share-related instruments, shareholders who do not participate in that issue may suffer dilution. In the case of debt financing, if such is available to the Company, conditions may be imposed that restrict the Company's freedom of action in various respects. If the Company is not provided with liquidity, Momentum Group will have to reduce its planned expansion, which could result in previous investments and efforts for the expansion not being fully utilised and future planned revenue streams being less than the Company had planned for.

The Company considers the probability of the above

risks occurring to be low and that the risks, if they were to occur, would have a negative impact on Momentum Group's business, growth and earnings.

Momentum Group depends on cash flows from its subsidiaries

The parent company's main assets consist of direct and indirect shareholdings in subsidiaries. Momentum Group's ability to make required payments of interest on its liabilities, as well as its ability to pay dividends, is affected by the ability of its subsidiaries to transfer available cash to Momentum Group. The transfer of funds to Momentum Group from its subsidiaries (in the form of dividends, inter-company loans or otherwise) may be restricted or prohibited by legal and contractual requirements applicable to the respective subsidiary and its Board members. Limitations or restrictions on the transfer of funds between companies within the Group may become more restrictive in the event that the Group experiences liquidity problems or a deterioration in its financial position.

The Company considers that the risks, if they occur, would have a negative impact on Momentum Group's business, cash flows, earnings and financial position. The Company considers the probability of the risks described above occurring to be low.

Customer credit risk

Credit risk is defined as the risk that Momentum Group's opposite parties are unable to meet their obligations to the Group. The utilisation of credit levels is reviewed on an ongoing basis and credit risk is managed at Group level, with the exception of outstanding accounts receivables, where the review and analysis of credit risk for each new customer is done by the respective Group company.

The Group's products are sold to customers in industries that typically experience fluctuations in demand due to economic conditions, seasonality and consumer demand, as well as other factors beyond the Group's control. Momentum Group may experience a loss of revenue if a significant number of customers are unable to pay due amounts in a timely manner, which could have a negative impact on the Group's business, cash flow, earnings and financial position.

If the ability of Momentum Group's customers to pay declines to a greater extent than expected, it would have a negative impact on Momentum Group's liquidity, earnings and financial position. Momentum Group considers the probability of the risks occurring to be low.

Momentum Group is subject to risks related to goodwill

Momentum Group is an acquisition-intensive group, which has resulted in a significant portion of Momentum Group's recognised assets consisting of goodwill. The difference between the purchase consideration and the fair value of the identifiable assets and liabilities of the acquired business is recognised as goodwill. As of 31 December 2021, Momentum Group recognised goodwill amounting to SEK 236 million, corresponding to approximately 24 per cent of the Group's total balance sheet. There is a risk that the Group's accounting for goodwill in connection with

Risk factors

acquisitions may be misstated. No amortisation of goodwill is made. Instead, impairment is made where necessary. If acquired businesses do not develop according to plan, this may result in the need to write down goodwill. The valuation is dependent on stable performance and positive future returns. Impairment tests of goodwill are performed at least once a year. Any impairment may have a material negative impact on the Company's balance sheet, income statement and overall value. Momentum Group considers the probability of the risk being realised, in whole or in part, to be medium.

Momentum Group is subject to currency risks

Momentum Group's sales income is normally denominated in the local currency of the countries in which the Group operates. However, part of Momentum Group's purchase costs are in currencies other than Momentum Group's reporting currency SEK. Approximately 14 per cent of the Group's purchases are in a currency other than SEK as of the date of the Prospectus. The Group's main customer markets are in the Nordic region, with sales in SEK, NOK, DKK and EUR. Purchases made outside the Nordic region are mainly paid in EUR.

For Momentum Group, currency risk arises within the subsidiaries partly as a result of future payment flows in foreign currencies, so-called transaction exposure. Transaction exposure consists of future contracted and forecasted receipts and payments in foreign currencies for the subsidiaries, which in the case of the Group, mainly relate to purchases and sales of goods. Currency risk also arises from the fact that part of the Group's equity consists of net assets of foreign subsidiaries and that the Group's earnings consist of the earnings of foreign subsidiaries, so-called conversion exposure. The Group's earnings are affected by the conversion of the income statements of foreign subsidiaries, where the conversion occurs at the average rate for the financial year. In the event that the local currency of the foreign subsidiary changes in relation to SEK, the Group's reported revenue and earnings translated into SEK will change.

A change in the exchange rate of foreign currencies may have a negative impact on the Company's operating income and cash flow. The Company considers the probability of the risks described above occurring to be low.

Interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the Group's net interest income. The speed of the impact of a change in interest rates depends on the fixed-rate period of the loan and the hedging instruments used. Fluctuations in market interest rates may cause the Company's financial income and expenses, as well as the value of its financial instruments, to fluctuate.

As a result of the split between Alligo and Momentum Group, there is a risk that the Company's interest expenses will increase. As the Momentum Group will become a smaller group after the split, there is also a risk that the Group's interest margins will increase. Increases in interest rates that significantly affect Momentum Group's interest or financing costs may have a negative impact on the Group's

earnings and financial position. The Company considers the probability of the risks above occurring to be medium.

Risks related to the Listing and the Company's shares

Risks related to the Listing and the liquidity and price development of the shares

Securities trading is always associated with risk and risk-taking and there has been no regular trading in Momentum Group's shares prior to the Distribution of Alligo's shares in Momentum Group. The Company cannot assess in advance the extent to which the interest in investing in the shares will lead to the development and maintenance of active and liquid trading in the Company's shares. If active and liquid trading cannot be maintained, there may be difficulties in disposing of the shares. The pricing of the Company's share is also subject to factors beyond Momentum Group's control, including capital market expectations and developments and economic and political developments in general. Renewed outbreaks of Covid-19 may affect the global capital markets, which entails a risk that Momentum Group's share price, after the planned listing on Nasdaq Stockholm, will follow the general market trend regardless of whether Momentum Group performs in line with or better than market expectations.

Before making an investment in Momentum Group's shares, a careful analysis should be carried out of the Company, its business and market conditions and general information about the industry. An investment in shares should never be seen as a quick way to generate returns, but rather as an investment made with disposable capital for the long term. The price of the shares may be subject to fluctuations as a result of a change in the capital market's perception of the shares or similar securities, due to various circumstances and events such as changes in applicable legislation and other regulations affecting the Company's results, business performance and financial position. The stock market may also occasionally display significant fluctuations of price and volume that are not necessarily related to the Company's business or prospects. In addition, the Company's results and prospects may from time to time be lower than the expectations of the capital markets, analysts or investors. Any one or more of these factors may result in a fall in the share price.

Owners with significant influence

After the Distribution, Nordstjernan AB will hold approximately 55.02 per cent of the shares and approximately 49.99 per cent of the votes in Momentum Group. Nordstjernan AB is therefore able to exercise a significant influence over the Company. Such a concentration of ownership may be to the detriment of shareholders whose interests differ from those of the majority shareholders.

If Nordstjernan AB decides to divest its holding, or if the market should perceive that such a divestment may be imminent, it may have a negative impact on the share price. Nordstjernan AB's interests may differ materially from, or compete with, the interests of the Company or other shareholders and Nordstjernan AB may exercise influence over

the Company in a manner that is not in the interests of the other shareholders.

Future offers of shares or other securities

Momentum Group may in the future issue shares or other securities to finance its operations or make acquisitions or other investments. A future issue of shares or other securities such as subscription warrants, convertibles or bonds may adversely affect the share price and the distributable funds available. Furthermore, a new issue may lead to a dilution of the economic and voting rights of existing shareholders who do not exercise their right to subscribe for shares in the issue or if the Company carries out a directed share issue without pre-emptive rights for existing shareholders.

Distribution of dividend

In determining the dividend, the Company shall take into account a number of factors, including the Company's future performance, investment needs and other factors that the Board of Directors of the Company considers to be important. The decision on dividends is ultimately taken by the General Meeting of Shareholders. There are many risks (see above) that may adversely affect the Company's business and thus lead to the Company not achieving a result that generates distributable funds and thus allows for dividends.

Background and reasons

In April 2021, the Board of Directors of Alligo (then Momentum Group) instructed the management to investigate the possibilities and conditions for a possible separation of the Group into two separate listed companies with the aim of creating increased shareholder value in both the short and long term through increased focus on the respective areas. The Alligo Group today consists of two strong and operationally independent business areas, Alligo and Components & Services, each with their own focus areas and dedicated managements, where the Components & Services business area has initiated acquisition-driven growth through a number of acquisitions in industrial components and industrial services with the intention of strengthening the customer offering and market positions with continued good profitability.

In September 2021, the Board of Directors decided to proceed with preparations for a separate listing of the Components & Services business area on Nasdaq Stockholm under the name Momentum Group and announced the intention to change the registered name from Momentum Group to Alligo. The name changes were implemented in December 2021 following a decision by the Extraordinary General Meeting of the respective companies.

Momentum Group (business area Components & Services) operates, develops and acquires successful sustainable companies in the Nordic region through active ownership with decentralised profit and business responsibility. The group consists of a number of companies which, according to the Company's assessment, together constitute one of the Nordic region's leading suppliers of industrial components, industrial services and other related services in the industrial sector. What the businesses have in common is that they will help make customers' operations easier, safer and more profitable by offering sustainable, long-life products and services with a strong local presence close to customers. Momentum Group has a clear growth strategy with the ambition to grow through both acquisitions and development of existing businesses.

Momentum Group is considered to have a good financial position in terms of cash flow and balance sheet. The Board of Directors of Alligo and Momentum Group therefore consider that Momentum Group is ready to take the step to become an independent listed company. If the shareholders of Alligo resolve at the Extraordinary General Meeting on 23 March 2022 to distribute, in accordance with the proposal of the Board of Directors of Alligo, all of Alligo's shares in Momentum Group to the shareholders of Alligo, the shareholders of Alligo will receive one (1) Class A share in Momentum Group for each Class A share in Alligo held on the record date and one (1) Class B share in Momentum Group for each Class B share in Alligo held on the record date.

A separation of the group through a separate listing of Momentum Group is considered a logical step in order to leverage the strategic and operational opportunities within the group's businesses, while at the same time capitalising on the opportunities for long-term profitable growth within Momentum Group, both organically and acquisition-driven, thereby contributing to increased shareholder value. Furthermore, a separation is considered to facilitate a review of the respective activities while allowing shareholders to adjust their holdings in each company according to their own wishes.

Stockholm 15 March 2022

Alligo AB (publ)
Board of Directors

Momentum Group AB (publ)
Board of Directors

Momentum Group's Board of Directors is responsible for the contents of the Prospectus and as far as the Board of Directors is aware, the information provided in the Prospectus is consistent with the facts and no information that would be likely to affect its meaning has been omitted.

Stockholm, 15 March 2022

Momentum Group AB (publ)
Board of Directors

Terms and conditions for the Distribution

Background

Alligo's Board of Directors announced on 25 February 2022 that the Board has decided to propose to the shareholders of Alligo at an Extraordinary General Meeting on 23 March 2022 to resolve to distribute by way of dividend all of Alligo's shares in Momentum Group to the shareholders of Alligo. If the shareholders of Alligo resolve at the Extraordinary General Meeting on 23 March 2022 to distribute, in accordance with the proposal of the Board of Directors of Alligo, all of Alligo's shares in Momentum Group to the shareholders of Alligo, the shareholders of Alligo will receive one (1) Class A share in Momentum Group for each Class A share held on the record date 25 March 2022 and one (1) Class B share in Momentum Group for each Class B share held on the record date 25 March 2022.

Distribution ratio

The proposed distribution ratio is 1:1. One (1) Class A share in Momentum Group will be received for each Class A share in Alligo and one (1) Class B share in Momentum Group will be received for each Class B share in Alligo. Provided that at the Extraordinary General Meeting on 23 March 2022, Alligo's shareholders resolve in accordance with the proposal of Alligo's Board of Directors, to distribute all of Alligo's shares in Momentum Group to the shareholders of Alligo, a total of 564,073 Class A shares and 49,916,816 Class B shares will be distributed. Alligo owns 425,300 Class B shares in Alligo, which will not be entitled to shares in Momentum Group in the Distribution. For further information, refer to the section "*Shares, share capital and ownership*".

Record date

The proposed record date at Euroclear for determining who is entitled to receive shares in Momentum Group is 25 March 2022. Accordingly, provided that at the Extraordinary General Meeting on 23 March 2022, Alligo's shareholders resolve in accordance with the proposal of Alligo's Board of Directors, any person who is registered as a shareholder of Alligo on 25 March 2022 will receive shares in Momentum Group in the Distribution. The last day of trading in Alligo's shares, including the right to distribution of shares in Momentum Group, is 23 March 2022. The shares in Alligo will be traded excluding the right to distribution of shares in Momentum Group from 24 March 2022.

Acquisition of shares in Momentum Group

Provided that at the Extraordinary General Meeting on 23 March 2022, Alligo's shareholders resolve in accordance with the proposal of Alligo's Board of Directors, to distribute all of Alligo's shares in Momentum Group to the shareholders of Alligo, those who, on the record date, are registered in Alligo's register of shareholders maintained by Euroclear, will receive shares in Momentum Group without action. .

Directly registered holdings

Shares in Momentum Group will be available in the VP accounts of eligible shareholders on or about 29 March 2022. Euroclear will then send a VP-notification indicating the number of shares registered in the recipient's VP account. Persons otherwise entitled to dividends are requested to follow the instructions, if any, separately communicated by Euroclear in connection with the record date.

Nominee-registered holdings

Shareholders whose holdings in Alligo are nominee-registered with a bank or other nominee will not receive a statement from Euroclear. Instead, notification will be made in accordance with the respective nominee's procedures.

The Listing

Momentum Group's Board of Directors has applied for admission to trading for the Company's Class B shares on Nasdaq Stockholm. Nasdaq Stockholm's Listing Committee informed on 25 February 2022 that Momentum Group meets the applicable requirements for listing on Nasdaq Stockholm. Nasdaq Stockholm will approve an application for admission to trading of the Company's Class B shares subject to certain customary conditions, including that the Company submits such an application and that the distribution requirement for the Company's shares is met. The anticipated first day of trading is 31 March 2022.

The Company's ticker name on Nasdaq Stockholm will be MMGR B. The ISIN code for Momentum Group's Class B shares is SE0017562523. Momentum Group does not intend to apply for admission to trading of Momentum Group shares on any stock exchange or marketplace other than Nasdaq Stockholm. Furthermore, Momentum Group does not intend to register shares under the U.S. Securities Act or other foreign equivalent, or take any other action that could subject Momentum Group to the periodic reporting requirements of the U.S. Securities and Exchange Commission.

Right to dividend

The shares in Momentum Group will be entitled to dividend for the first time on the record date for dividends occurring closest after the Distribution is implemented and for all subsequent periods, provided that a dividend is declared. Payment of any dividend will be arranged by Euroclear or, for nominee-registered holdings, in accordance with the respective nominee's procedures. Refer also to "*Financial targets and dividend policy*" in the section "Business description".

Market overview

This section contains market and industry information relating to Momentum Group's business and markets, such as market information, market sizes, market shares, market environment, market development, growth rates, market trends and the competitive situation in the markets and the segments in which the Company operates. Some of the information contained in this section has been sourced from third parties and generally available industry publications and reports. Unless otherwise stated, the information in this section is based on the Company's own analyses and assessments. The information from third parties has been reproduced correctly and, as far as Momentum Group is aware and can verify by comparison with other information published by such sources, no information has been omitted in such a way as to render the information provided incorrect or misleading. However, the Company has not independently verified them and cannot guarantee their accuracy and completeness. Forecasts and forward-looking statements in this section are not guarantees of future performance and actual events and circumstances could differ materially from current expectations. Additional factors, which should be taken into account when assessing the usefulness of the market and competition information, are also described elsewhere in the Prospectus, including those set out in the section "Risk Factors".

Introduction

Momentum Group operates in the Nordic market for industrial components, industrial services and related services, mainly in Sweden and to some extent in Norway and Denmark. The Company's offering in industrial components includes mainly spare parts for customers' production equipment within the areas of storage, sealing, transmission and automation. Industrial services include service, repair and maintenance of production equipment.

Related services include logistics solutions, warehouse optimisation, maintenance planning and training. Momentum Group estimates that its addressable market for industrial components, industrial services and related services in Sweden, Norway, Denmark and Finland amounts to at least SEK 25 billion.¹⁾ Based on Momentum Group's revenue in the various main markets in 2021, the Company therefore estimates that it has a market share of the total addressable market of approximately five (5) per cent. The Company's largest market is Sweden, where the Company is estimated to have a market share of approximately ten (10) per cent, while the market share in remaining Nordic markets is currently less than one (1) per cent based on

the Company's revenue in 2021. Momentum Group believes that the market potential is good in all of the above stated addressable geographic markets.

Overview of market players

The players in the market for industrial components, industrial services and related services are mainly manufacturers, resellers of products and services and end-customers. The market is fragmented, as there is generally a large number of product manufacturers, resellers and end-customers of varying sizes. According to the Company, the pace of change in the market is expected to be high, with an increasing degree of specialisation at all stages, where end-customers often do not have the possibility to purchase directly from all manufacturers in the market in a cost-effective manner. Similarly, the Company believes that manufacturers generally do not have a strategy to address all end-customers in the market, as they find it difficult to reach the fragmented customer base in a cost-effective way. Resellers of products and services therefore act as a natural link between manufacturers and end-customers. Resellers offer end-customers cost-effective access to

Market value chain



Source: Company information

¹⁾ The Company's assessment is based on Momentum Group's own analysis of the market based on internal and external market reports and analysis of other market participants.

a wide range of products, services, maintenance, repair, advice and product training, while offering manufacturers cost-effective access to end-customers in the market.

End-customers

The end-customers in the industrial components market are mainly active in the industrial sector and consist primarily of professional players, mostly consisting of small and medium-sized local companies, as well as a number of larger companies operating in a global market, where production takes place in the Nordic countries. The customers are active in various industrial segments such as the pulp and paper industry, steel industry, mining and minerals industry, food industry, automotive industry and marine industry. Examples of product categories sold to customers in the industrial sector include machinery, spare parts and components for customers' production. The customer base can therefore be considered as fragmented with a high degree of varying needs.

The end-customers in the market for industrial services and related services are the same as for industrial components, not least because services are often an integral part of the offer to the end-customer. Municipal water companies and power supply companies are also important customer groups.

Resellers of products and services

Resellers of products and services consist mainly of small local specialists and a handful of larger pan-Nordic players. Resellers are a cost-effective link between manufacturers and end-customers in the market. Most resellers specialise in one or more different product segments, as customers to a large extent demand a relatively wide and deep product range with many items to choose from within each product segment. Customers often also ask for advice and service related to the products. Many of the larger and more specialised resellers therefore offer end-customers advice

on product choice and provide service of the customers' existing products. A significant proportion of the end-customers in the market are relatively small and for many of the large end-customers, the purchase of industrial components is handled locally rather than by central purchasing organisations. Receiving goods and handling deliveries of goods from a large number of different manufacturers are often time-consuming and involves additional costs for the customers. Momentum Group also experiences that customers to a larger extent takes other ancillary costs, such as the cost of production disruptions when delivering the wrong product or at the wrong time, into account. The use of resellers who offers access to a wide and deep product range, combined with fast and reliable delivery as well as advice on product choice, can thus reduce the total cost of ownership for the end-customers.

Manufacturers and suppliers

Manufacturers and suppliers produce goods or have goods produced from raw materials and components that are sold locally in domestic markets or via exports in the global market. Manufacturers and suppliers often have neither the capacity nor the objective to address the fragmented customer base through direct sales, hence they often also sell products to resellers in order to address a larger part of the market in a more cost-effective way.

The competitive situation

The overall market for products and services within industrial components for MRO (Maintenance, Repair & Operations), OEM (Original Equipment Manufacturer) and industrial services is fragmented, particularly in the more developed regions.¹⁾ The market consists mainly of many small local players and a handful of larger players. In addition, given the fragmented nature of the customer base and the need for differentiated solutions, the Company believes that there is currently no player that can offer a similar

Selection of players in the nordic market for industrial components and related services



Selection of market players offering industrial components and related services in parts of the Group's offering and in different geographic markets.

Source: Company information

¹⁾ Mordor Intelligence – Maintenance, Repair and Operations (MRO) Industry – Growth, Trends, Forecasts (2020–2025).

Market overview

comprehensive service or product offering in the same geographies in which it operates. As a result, many players often have a certain focus and therefore only partially compete with the Company's business, for example within certain product or service categories in certain geographic areas.

Competition in acquisitions

Part of Momentum Group's business concept is to acquire and operate small and medium-sized companies in the Nordic region, which are intended to be integrated into the organisation and operate as part of the Company. Momentum Group believes that the market is undergoing consolidation as customers increasingly seek to limit the number of product manufacturers and resellers and instead work more closely with selected resellers to jointly develop the value chain and reduce the total cost of purchasing, inventory, administration and capital commitment.

Competition for potential acquisition candidates of interest to Momentum Group comes from industrial groups, private equity firms and other acquisition companies. Momentum Group believes that competition for potential acquisition candidates differs from time to time, across geographies and verticals, company size, etc., but the Company believes that there is a good supply of attractive companies to acquire and that smaller companies view Momentum Group as an attractive acquirer and partner.

Market drivers

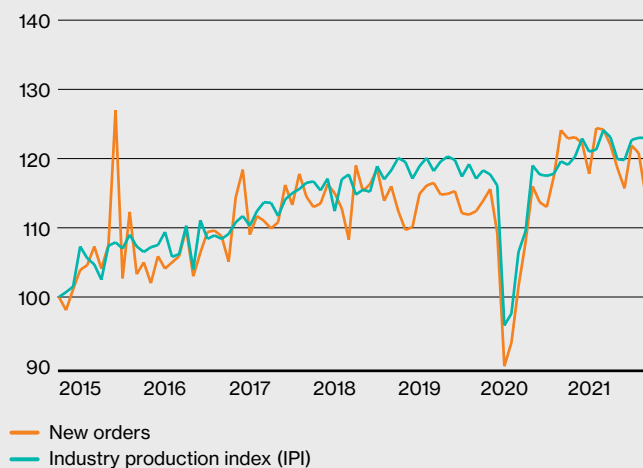
Demand for the Group's offering within industrial components, industrial services and related services is primarily driven by growth in end-customer markets. Growth is thus closely correlated to the development of overall industrial production and the degree of automation in industry. The Company also believes that other market trends such as enhanced partnerships with suppliers, higher demand for local presence and availability from end-customers, the strong global market position of many of the Group's end-customers, and an increased focus on sustainability will all contribute to further long-term growth in the Nordic market.

Historical Industrial Production Index (IPI) and new orders

Demand for industrial components in the industry is primarily driven by industrial production and industrial order intake, as higher industrial production leads to a higher demand for products for repair and maintenance, service and related services. Based on statistics from Statistics Sweden, Swedish industrial production has grown with a cumulative annual growth ranging from approximately 2.2 to 7.9 per cent since 2015, except in 2020 during the Covid-19 pandemic. Overall, Swedish industrial production increased by more than 20 per cent between January 2015 and December 2021. In Sweden, cumulative industrial production grew by 2.6 per cent in 2016 and 4.7 per cent in 2017. Growth remained strong in 2018, increasing by

Sweden: Industrial production and new orders

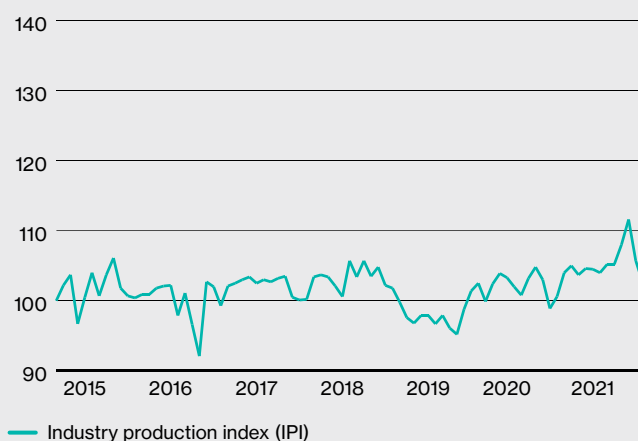
(index=2015)



Source: SCB – Orders in industry, Statistics database, 2022.
SCB – Industrial production index, Statistics database, 2022.

Norway: Industrial production

(index=2015)



Source: Statistics Norway – Index of production, 2022.

around 3.1 per cent compared to previous year, but showed a slightly weaker growth rate in 2019 of around 2.2 per cent. As a result of the Covid-19 pandemic, industrial production in Sweden fell by around 5.2 per cent in 2020, but has since then recovered to previous levels and exhibited a strong growth of around 7.9 per cent in 2021.¹⁾ In Norway, the cumulative industrial production increased by about 4.1 per cent in 2020 compared to the previous year, when Norway's industrial production fell by about 5.0 per cent, according to Statistics Norway. In 2021, the cumulative Norwegian industrial production continued to grow with around 3.1 per cent compared to 2020.²⁾ The first notable decline in 2016 was mainly due to a decrease in both industrial production and new orders from companies related to the oil and gas sector.³⁾ The second notable decline in 2019 was partly caused by reduced oil and gas production due to technical and maintenance issues at some facilities.⁴⁾ According to Statistics Finland, Finland's cumulative growth in industrial production since 2015 has been between 1.6 and 4.2 per cent, except in 2020 during the Covid-19 pandemic. The cumulative industrial production decreased by about 3.2 per cent in 2020 compared to the previous year due to the Covid-19 pandemic. In 2021, the cumulative Finnish industrial production increased with around 4.1 per cent compared to the previous year. The cumulative new orders decreased by about 12.2 per cent in 2020 compared to the previous year, before recovering to similar levels as before the pandemic.⁶⁾ In Denmark, cumulative industrial

production has increased by between 2.8 and 8.9 per cent since 2015, except in 2020, when production fell by 3.7 per cent due to the Covid-19 pandemic. In 2021, the cumulative Danish industrial production increased with around 8.9 per cent compared to the previous year.⁷⁾

Prospects for Nordic industrial production

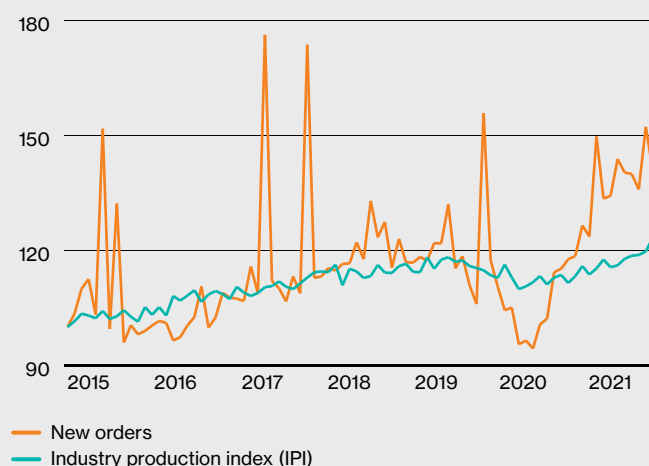
Nordic industry has enjoyed a strong recovery since the onset of the Covid-19 pandemic and is expected to continue to grow as society as a whole moves towards a more normalised market condition. In 2022 and 2023, Swedish industrial production is expected to continue to grow by 3.5 and 2.5 per cent respectively.⁸⁾ FocusEconomics estimates that industrial production in Norway will grow by 3.4 per cent in 2022 and 2.4 per cent in 2023.⁹⁾ The global economy has been a strong contributor to the growth of Finnish exports, with the result that Finnish industrial production is expected to grow by 2.0 per cent in both 2022 and 2023.¹⁰⁾ Denmark is expected to have a continued relatively strong growth of 3.5 per cent in 2022.¹¹⁾

Automation and digitalisation

The Company believes that automation is an important driver of demand in the market for industrial components, industrial services and related services. Automation means that more and more production is carried out by machines, enabling new and more efficient business models and increased profitability. Swedish industrial companies have

Finland: Industrial production and new orders

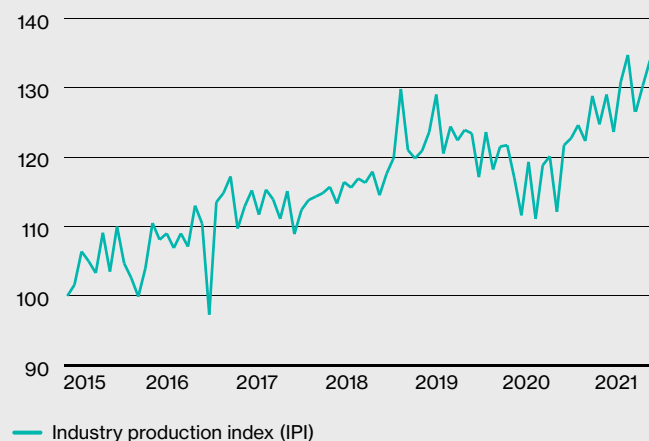
(index=2015)



Source: Statistics Finland – New orders in manufacturing, 2022.
Statistics Finland – Volume index of industrial output, 2022.

Denmark: Industrial production

(index=2015)



Source: Statistics Denmark – Industrial production index, 2022.

¹⁾ SCB – Orders in industry, Statistics database, 2022.
SCB – Industrial production index, Statistics database, 2022.

²⁾ Statistics Norway – Index of production, 2022.

³⁾ Norsk Industri – Konjunkturrapport, 2017.

⁴⁾ The Norwegian Petroleum (NPD), September 2019.

⁵⁾ The Norwegian Petroleum (NPD), February 2019.

⁶⁾ Statistics Finland – New orders in manufacturing, 2022.
Statistics Finland – Volume index of industrial output, 2022.

⁷⁾ Statistics Denmark – Industrial production index, 2022.

⁸⁾ Konjunkturinstitutet – Konjunkturläget, December 2021.

⁹⁾ FocusEconomics – Norway Industrial Production, 2021.

¹⁰⁾ Nordea – Economic Outlook, September 2021.

¹¹⁾ FocusEconomics – Denmark Industrial Production, 2021.

Market overview

historically been at the forefront in the Nordic region as well as in Europe in this area. For example, in a European context, Sweden is the leader with the most industrial robots per 10,000 employees after the Industry 4.0 nation Germany¹⁾, while Finland is at the top of the list for the use of sensors in products and production.²⁾ According to the International Federation of Robotics, the global number of industrial robots has shown strong growth since 2009, with an annual growth rate of about 10.3 per cent per year. Despite the strong historical growth, the number of industrial robots installed per year is expected to increase by between six (6) per cent and 13 per cent per year until 2024.³⁾ ISG Research has also identified that the Covid-19 pandemic has further accelerated investments directed towards automation. Traditional industrial companies have understood the importance of investing in and using automated processes, where there is a constant risk of being out-competed by competitors if they fail to implement these technologies in time. This has resulted in the majority of Nordic companies increasing their investments in automation as a result of the Covid-19 pandemic.⁴⁾

Increased automation in the industry has in turn increased the demand for digitalisation as a means for machines to communicate, but also for monitoring production processes and for optimisation. Although there has been a strong focus on automation and digitalisation in the Nordic industrial sector over the past two decades, technological development is expected to continue at a high pace, where automation and digitalisation will play a decisive role in the future development of profitability and competitiveness in Nordic industry.⁵⁾

Enhanced cooperation with manufacturers

The Company believes that manufacturers see several advantages in deepening its cooperation with reliable resellers. A collaborative approach allows brand owners to focus on their core competencies in areas such as design, product development and brand management, while relying on partners for local market knowledge, and to manage parts of the sales process, logistics and after-sales services. Collaboration has thus become an established strategic approach for manufacturers to leverage the core competencies and expertise of other actors who have more specific knowledge and experience of end-customers' needs, production and logistics processes.⁶⁾ Furthermore, the Company believes that the market is increasingly demanding optimised and efficient processes, which enable higher delivery precision and quality. Reduced production deviations and fewer products assembled incorrectly are further factors contributing to manufacturers seeing increased value in an enhanced cooperation with reliable resellers.

Enhanced cooperation is an important component for manufacturers, as it gives them a better knowledge of end-customers' needs and behaviours, competitive situ-

ation, etc., which provides them with valuable insights for future development of products and offers.

Availability and local presence for customers

The Company believes that good availability of products and services and an efficient logistics network, with fast delivery and high delivery reliability, are fundamental factors that contribute to customer satisfaction and thus the customer's choice of reseller. High delivery precision, where the right product is delivered to the right place at the right time, reduces disruptions in the customer's production processes. These processes are often business critical and where downtime can cause significant additional costs for the customer. Business Sweden's surveys show that customers increasingly demand tailor-made, innovative products and just-in-time delivery in close dialogue with the supplier,⁷⁾ which means that local presence has become increasingly important in modern society.⁸⁾ Local presence means proximity in the form of local sales outlets and sales organisations, but also local customer processing, service, repair, maintenance and an efficient logistics network with fast delivery. In the Company's view, the importance of local presence is due to the generally fragmented customer base in the market. The Company also believes that there are significant local differences between the businesses that make up the customer base, both in terms of size and industry, and that customers have very different needs. The Company believes that physical proximity to the customer creates a higher customer awareness and the possibility to adapt the offer based on the customer's needs, as well as increased flexibility, where the reseller can quickly respond to and solve unexpected situations. Local presence enables the establishment of close customer relationships, generates knowledge of customer needs and contributes to long-term relationships with customers. According to Kearney, local presence continues to be of major importance globally, where a clear shift in consumer preferences in particular has been identified, making it increasingly important for companies to implement a local strategy.⁹⁾

Strong market positions

The Company's customers are mainly in the Nordic market which, according to the Nordic Council of Ministers, has achieved comparative advantages in the industry over time.¹⁰⁾ The Nordic manufacturing industry has a reputation of being one of the most efficient in the world and, according to a study by McKinsey & Company, now outperforms Germany on certain key indicators such as profitability, resilience and growth.¹¹⁾ Despite having only 1.6 per cent of the world's forest area, the Nordic countries account for 13 per cent of the world's wood pulp production, 15 per cent of sawn timber exports and 18 per cent of exported paper products.¹²⁾ The Company therefore considers that its strategic geographic presence in the Nordic countries

¹⁾ International Federation of Robotics (IFR) – World Robotics Report, 2020.

²⁾ Norden – Digitalisation and automation in the Nordic manufacturing sector, 2015.

³⁾ International Federation of Robotics (IFR) – World Robotics Report, 2020.

⁴⁾ ISG research – Intelligent Automation – Solutions and Services – Nordics, 2020.

⁵⁾ Norden – Digitalisation and automation in the Nordic manufacturing sector, 2015.

⁶⁾ E2Open – Outsourcing Manufacturing: A 20/20 view.

⁷⁾ Business Sweden – Ändrad spelplan för industrin.

⁸⁾ Kearney – Competing in an Age of Multi-Localism, 2018.

⁹⁾ Kearney – Competing in an Age of Multi-Localism, 2018.

¹⁰⁾ Nordic Council of Ministers – Services and goods exports from the Nordics, 2016.

¹¹⁾ McKinsey & Company – The ascent of Nordic companies in the global machinery market, 2021.

¹²⁾ SNS Nordic Forest Research – Statistics show: The Nordic region is a world player in the supply of forest products, 2021.

is to the Company's advantage and one of the main drivers for continued strong demand for its products. For example, Sweden has a prominent position in the automotive, forestry and paper industries and is also an exporter of minerals¹⁾, as well as industrial machinery. Finland also has a strong position as an exporter in the forestry and paper industry as well as in the production of industrial machinery. Furthermore, Denmark is a major exporter in the pharmaceutical industry with several multinational companies. Norway is the most prominent nation in the oil industry.²⁾

High competence in the Nordic workforce³⁾ and a high level of automation, as well as further investments in digitalisation and automation, provide good conditions for continued high demand for the Company's products and growth in the Nordic market relative to other competing regions, which brings an advantage for Momentum Group.⁴⁾ According to the Company's own assessment, customer demand for the Company's products is expected to remain high as a result of future investments in the industry. For example, investments of around SEK 1,100 billion are planned in Northern Sweden as a part of the initiative to make Sweden a leading exporter of fossil-free steel and batteries for electric motors as well as within the production of renewable energy.⁵⁾

Overall, the Company believes that its markets and customers are well developed and competitive in their respective niche market, also from a broader international perspective, and it believes that the market position of the Nordic countries will persist.

Sustainability and the circular economy

It is the Company's assessment that sustainability issues have lately become increasingly important in customers' choice of reseller, as nations have introduced regulations and targets that have contributed to increased environmental awareness, with a growing proportion of the public actively seeking to reduce their carbon footprint. Expectations and requirements from external stakeholders have increased for companies in the industrial sector to take action to make operational processes more sustainable.⁶⁾ In the industrial sector, for example, companies have acted by starting to electrify processes with the intention of reducing carbon emissions and applying AI (Artificial Intelligence) and digitalisation to further optimise operational processes.⁷⁾ As sustainability-related issues have become increasingly important, companies have started to act outside their own operations and engage with suppliers' sustainability efforts to ensure high sustainability standards throughout the value chain.⁸⁾ The Company therefore sees a great need and an increasing demand for sustainable solutions among market players. Momentum Group's geographic markets have come a long way in terms of sustainability work in relation to the UN's Sustainable Development Goals,⁹⁾ which means that high requirements are placed on the Nordic operations to act sustainably and to pursue sustainability-related issues.

Other factors influencing the customer's choice of reseller

In addition to the factors influencing demand in the industrial components market, Momentum Group believes that there are a number of overarching factors influencing the customer's choice of reseller. The Company believes that these factors can be summarised as availability in the form of breadth and depth of the product range, efficient supply and local presence, combined with specialist expertise and advice in selected service and product areas. These are competitive advantages which, according to the Company, often favour the larger and more established players in the market.

Breadth and depth of the product range

The breadth and depth of the product range means having a carefully selected range of quality products in all product segments. The breadth and depth of the product range increases customer choice and reduces the need to go to multiple product manufacturers and resellers. In general, this saves time, simplifies the customer's purchasing process, and results in a lower total cost for the end-customer. Large resellers tend to benefit from economies of scale in purchasing, warehousing, logistics and sales and are thus able to maintain a more comprehensive product range compared to smaller players.

Value-added services

Another factor influencing the customer's choice of reseller is the reseller's ability to offer customers customised solutions, combining a broad and deep product offering with service, maintenance, repairs, replacement products, advice, training and specialist expertise in selected service and product areas. Resellers offer customers help with product selection, advice on products and servicing of customers' existing products. Other value-added services include 24/7 service, condition monitoring and surveillance, inventory optimisation and advice on predictive maintenance at customers' sites. These types of customised solutions help customers increase their efficiency and profitability. As products become more complex and specialised, Momentum Group also sees an increased tendency for customers to turn to resellers with specialist skills in specific areas for advice on products. In addition, Momentum Group feels that there is an increased awareness among customers to take ancillary costs of supplier contacts, ordering, freight handling and opportunity costs that arise if there is a "wrong" solution or "flaw in the solution" delivered, etc., into account in the total cost of ownership. The increasing cost awareness of customers tends, in the Company's view, to favour the larger established resellers in the market, who can offer customised solutions and services that create added value for the customer.

¹⁾ Norden – Mining in the Nordic countries, 2015.

²⁾ Nordic Council of Ministers – Services and goods exports from the Nordics, 2016.

³⁾ Nordic Council of Ministers – Nordic countries in global value chains, 2017.

⁴⁾ Norden – Digitalisation and automation in the Nordic manufacturing sector, 2015.

⁵⁾ Exportkreditnämnden – 1100 gröna miljarder ska investeras i Norrland, 2021.

⁶⁾ McKinsey – The ESG premium: New perspectives on value and performance, 2020.

⁷⁾ McKinsey – Reimagining industrial operations, 2020.

⁸⁾ BCG – Your supply chain needs a sustainability strategy, 2020.

⁹⁾ European Sustainable Development Report, 2020.

Business description

Overview

The Momentum Group consists of, according to the Company's assessment, some of the Nordic region's leading suppliers of industrial components, industrial services and related services to the industrial sector. The Group acquires and develops sustainable businesses focused on trade and services in developable niches and specialist competencies – within existing product and service areas, as well as in new areas.

The Group consists of a number of successful companies which, according to the Company's assessment, together constitute one of the Nordic region's leading suppliers of industrial components, industrial services and related services to the industrial sector. With specialist technical expertise in selected niches, the Company's vision is to be the best partner to industrial customers. Sustainability is a natural part of the daily business.

Momentum Group acquires and develops sustainable businesses focused on trade and services in developable niches and specialist competencies within existing product and service areas, as well as in new areas. The focus is on profitable companies with leading positions that make customers' everyday lives easier, safer and more profitable by offering sustainable products and services with a long lifespan.

The Group's focus areas are:

- Business development through decentralised responsibility and employee development.
- Business development through active ownership.
- Growth through acquisition of sustainable companies.

Momentum Group has a decentralised organisation where business decisions are made close to customers and suppliers. Within the framework of the Group's vision, business concept, strategic objectives and governance documents, the operational activities are conducted independently within the subsidiaries with their own responsibility for results and profitability. This creates great flexibility to adapt offers based on customer needs. It also means that employees are given and take on a great deal of responsibility with good opportunities to develop. Momentum Group's combined size supports its subsidiaries and employees with the capabilities of the larger company, i.e. experience, knowledge, contacts, access to networks and financial resources. There is also continuous cooperation and exchange of experience between the subsidiaries to establish best practices.

The combination of decentralised responsibility, a desire to improve ("Better than yesterday") and simplicity is fundamental to the Group's approach to business development through active ownership. Momentum Group's offer is based on customised products and services within the scope of each subsidiary's activities, combined with local presence, high availability and fast and reliable deliveries. Momentum Group has established a strong local presence

in its main markets and strives to achieve local market leadership in the places where it operates. Momentum Group believes that its local presence is a competitive advantage over other players in the market and that it helps to create long-term relationships with customers and a good knowledge of their needs.

To achieve growth through the acquisition of sustainable companies, Momentum Group applies a proven model to identify, implement and successfully integrate new companies into the Group. The Group focuses on acquiring companies with well-developed customer and/or supplier relationships, who are leaders in their market niches and are or have the potential to achieve long-term sustainable profitability and growth in line with the Group's objectives.

Momentum Group is organised in two (2) business areas: Components and Services.

Components business area consists of the subsidiary Momentum Industrial AB, which has operations in Sweden and Norway with a focus on the sale of spare parts and related services for industrial customers' production equipment. The business area also includes the specialist companies ETAB Industriautomation Aktiebolag, which focuses on industrial automation solutions, Öbergs i Karlstad AB, which focuses on pneumatic solutions for industrial production, and JNF Momentum Køge A/S, which focuses on components and services for the industry in Denmark.

Services business area is comprised of Rörick Elektriska Verkstad Aktiebolag, whose electromechanical workshops offer service and repairs to the processing and manufacturing industries, Mekano AB and Mekano i Sävedalen AB, which focuses on service and components for the process manufacturing and food industries, as well as shipping and the public sector, Aktiebolaget Carl A. Nilssons Elektriska Reparationsverkstad, which is a niche company in sales and service of large submersible pumps, and Intertekna Aktiebolag, which is a solution provider in digitalised maintenance for industrial production.

Momentum Group had a revenue of SEK 1,491 million and EBITA of SEK 171 million in the financial year 2021, corresponding to an EBITA margin of 11.5 per cent.¹⁾ Operating profit (including items affecting comparability) amounted to SEK 155 million, corresponding to an operating margin of 10.4 per cent. The Group had 484 employees at the end of the financial year 2021.

¹⁾ For definition of EBITA and EBITA margin, refer to "Definitions of alternative performance measures" in the section "Selected financial information".

Two business areas

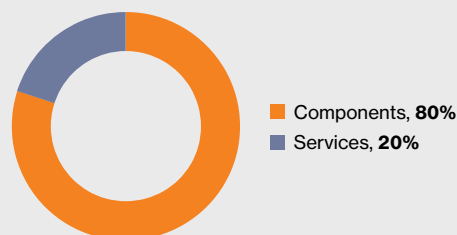
Components

Group of companies in industrial components, services and solutions for industry, with expertise in industrial improvement consisting of companies with leading specialist positions in their respective market niches.

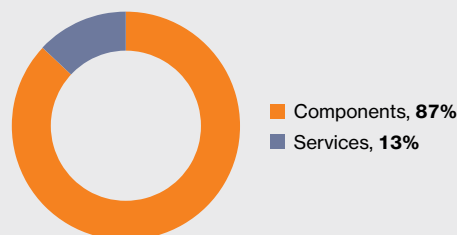
Services

Group of companies in industrial services in Sweden, offering through its services longer life and efficiency of installed machines and carries out new installations. In addition, solutions are offered for digitalised maintenance.

Revenue 2021



EBITA 2021

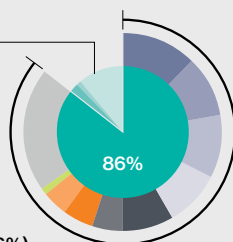


Customer segment and product/service areas

Revenue by customer segment 2021

Total (inner circle)

- Industrial sector, 86%
- Construction sector, 2%
- Public sector, 1%
- Other sectors, 11%



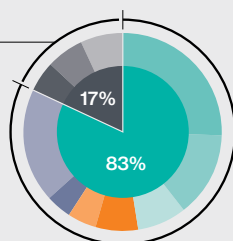
Allocation of industrial sector (86%)

- Paper and pulp, 12%
- Automotive, 10%
- Manufacturing, 10%
- Mine, 9%
- Steel and metal, 9%
- Electricity, heating, plumbing, 6%
- Food, 5%
- Saw and tree, 4%
- Oil and gas, 1%
- Other industrial segments, 20%

Revenue by product/service area 2021

Services, 17%

- Repair, 5%
- Renovation, 6%
- Related services (e.g. training and installation) 6%

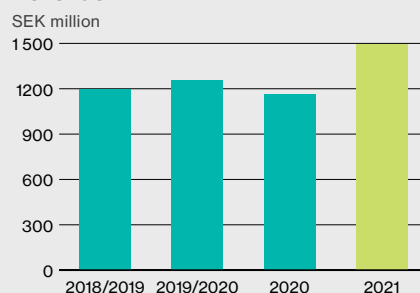


Components, 83%

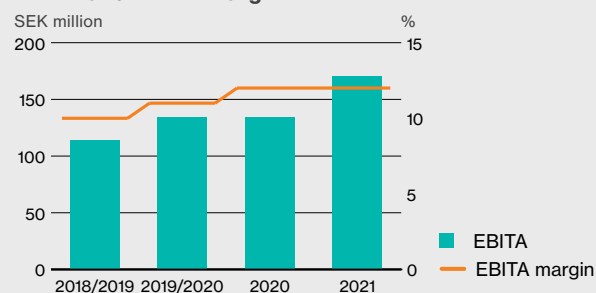
- Bearings, 26%
- Transmission, 14%
- Technical seals, 8%
- Hydraulics and pneumatics, 7%
- Pumps and electric motors, 5%
- Industrial supplies, 4%
- Other component categories, 19%

Financial development

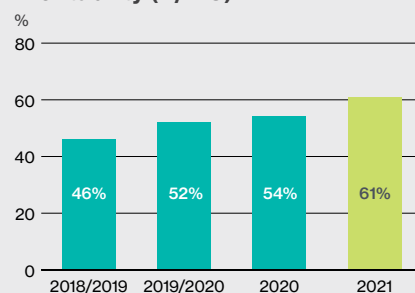
Revenue



EBITA and EBITA margin



Profitability (R/WC)



History

2004

Momentum Industrial acquired – focus on industrial components

In the spring of 2004, Momentum Industrial was acquired, which was already one of the largest resellers of industrial components and related services to Swedish industry. The acquisition was part of the effort to provide Nordic industry with profitable solutions, including related to industrial components. A few years earlier, in 1998, the Danish company JNF had been acquired with partly the same focus.

2008–2017

Increased focus on electromechanical service

The investment in electromechanical services for Swedish industry began with the acquisition of Rörick Elektriska Verkstad in 2008. In 2015, Carl A. Nilsson El. Rep. Verkstad was acquired, followed by Arboga Machine Tool in 2017, with the latter being integrated.

2016

Momentum Group is formed

The then Momentum Group was formed in April 2016, when B&B TOOLS introduced a new organisation with two operating segments, in order to create even better conditions for increased growth and profitability.

2017

Momentum Group is spun off and listed

In June 2017, the then Momentum Group was listed on Nasdaq Stockholm.

2018

Momentum Industrial strengthen its position in Sweden

Momentum Industrial acquired Brammer Sweden's MRO business through a business transfer.

2019

ETAB Industriautomation is acquired

Through the acquisition of ETAB Industriautomation, the position in industrial hydraulic solutions was further strengthened.

2020

The Components & Services business area is created within the then Momentum Group

Through the acquisition of the listed Swedol, the then Momentum Group had grown to almost SEK 10 billion in revenue with 2,700 employees. To further promote growth and profitability, the two business areas Alligo and Components & Services were created and the legal structure is being prepared for a future split of the group.

2020

Covid-19 and Rörick grows through acquisitions

At the beginning of the year, the Covid-19 pandemic hits the world and is the main reason for the Group's declining revenue.

In 2020, a service business was acquired from SKF, followed by the acquisition of Assemblin El's workshops (formerly NEA workshops) in 2021.

2021

Acquisition of four independent companies

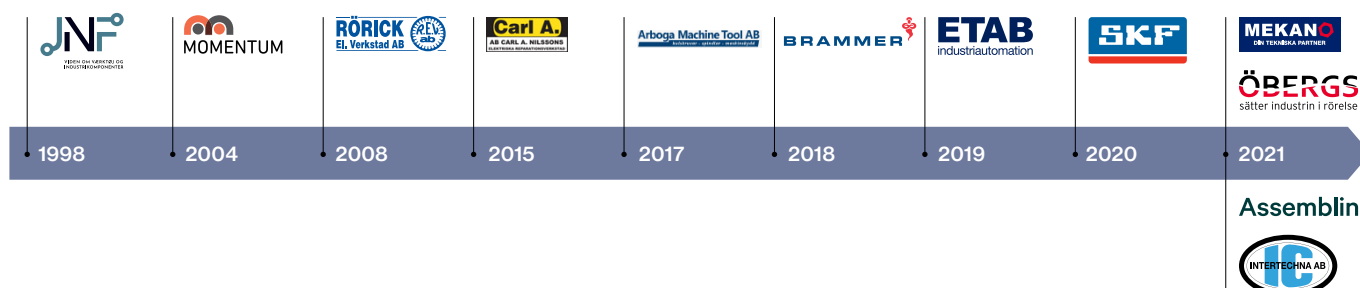
In 2021, Mekano, Mekano i Sävedalen and Intertekna were acquired within technical service, while the acquisition of Öbergs i Karlstad strengthens the position in pneumatic solutions.

2021

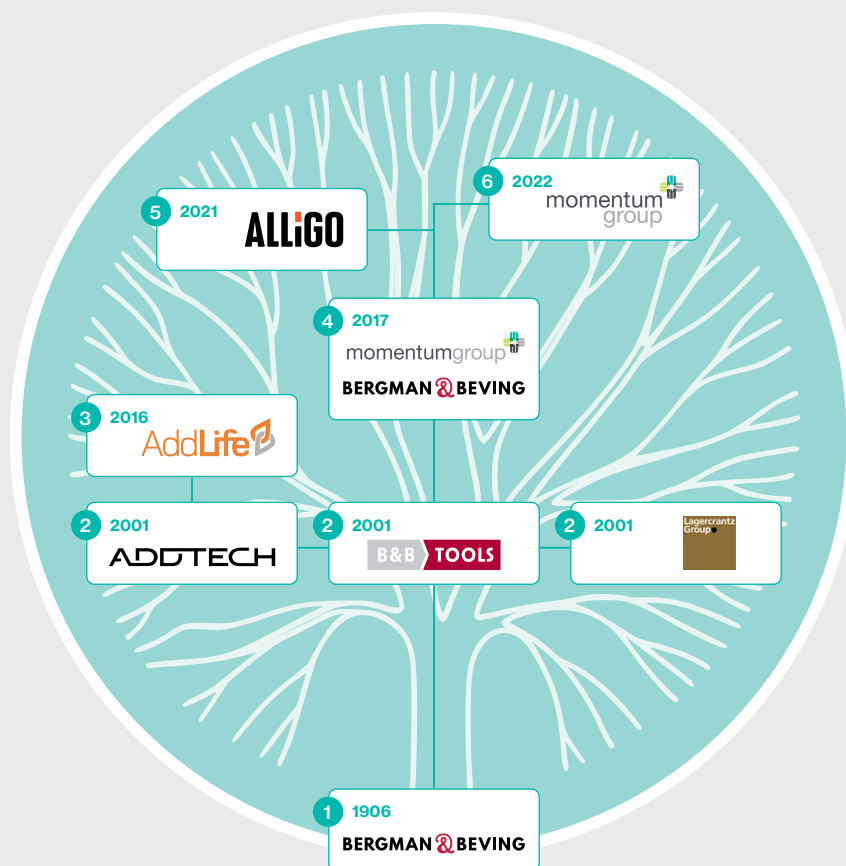
The Components & Services business area becomes Momentum Group

In December 2021, the then parent company Momentum Group changed its name to Alligo while the parent company of the Components & Services business area changed its name to Momentum Group.

A well-established model for successfully implementing and integrating acquisitions



Momentum Group has its origins in Bergman & Beving, with a history spanning more than a century



1 Bergman & Beving (founded 1906)

The technical trading company Bergman & Beving was founded by Arvid Bergman and Fritz Beving.

2 Addtech, B&B TOOLS and Lagercrantz Group (spin-off 2001)

Spin-off of Addtech and Lagercrantz Group from Bergman & Beving. Bergman & Beving adopts the name B&B TOOLS.

3 Addlife (spin-off 2016)

Spin-off of Addlife from Addtech.

4 Momentum Group and Bergman & Beving (spin-off 2017)

Spin-off of Momentum Group from B&B TOOLS. B&B TOOLS adopts the name Bergman & Beving.

5 Alligo “old” Momentum Group (2021)

Offers products and services in tools, supplies, workwear, personal protective equipment, workplace equipment and product media.

6 “New” Momentum Group (spin-off 2022)

The former Components & Services business area, which the Company believes consists of some of the Nordic region's leading suppliers of industrial components, industrial services and related services to the industrial sector, will be spun off under the name Momentum Group.

Mission, vision, business concept, targets and strategies

Mission

Together for a sustainable industry

The Group's businesses, together with its customers, partners and other stakeholders, will contribute to creating a sustainable industry in the Nordic region from a social, environmental and economic perspective. A sustainable industry produces goods and services without destroying the ability of future generations to live and develop. A well-functioning and sustainable industry generates several positive social and environmental impacts and promotes economic growth and development. Adapting the industry to make it more sustainable – with more efficient use of resources, safer and healthier working environments, more clean and environmentally friendly technologies and industrial processes are all important ways to facilitate sustainable development.

Vision

The customer's best sustainable choice

The Group's various companies focus on understanding customer needs in order to offer the best solution for the customer, based on their situation and needs. The companies also focus on being the best by being premium suppliers with high competence and differentiating themselves from other suppliers with different customer value propositions. Continuing to be the "customer's best sustainable choice" and a leading player in tomorrow's market requires a long-term sustainable and profitable business. This is based on the Group's businesses offering sought-after and competitive products and services, representing sustainable values, having a high level of competence and the ability and resources for continuous development.

Business concept

We will make the everyday lives of our customers easier, safer and more profitable – by offering sustainable products and services

For the Group's customers, it is important to maintain good profitability in its operations. Momentum Group's various companies sell quality products and related services that create value for the customer throughout the life of the product or service. This simplifies the everyday life of industrial customers and at the same time contributes to safer and more sustainable operations and increased profitability for the customer.

The Group acquires and develops companies in the Nordic region with a focus on trade and services in developable niches. The focus is on profitable companies with leading market positions.

Sustainability

Responsible business – a prerequisite for long-term profitability

Sustainability is an integral part of the Group's daily operations and by acting responsibly together with its stakeholders, the businesses contribute to a sustainable industry with a focus on people, the environment and the economy.

The Group's stakeholder model is based on customer satisfaction. Satisfied customers increase the chances that other stakeholders will be satisfied.



For more information on Momentum Group's sustainability work, refer to the section "Sustainability".

Targets

Momentum Group has a number of Group-wide business objectives with its operations, consisting of both financial and sustainability targets. In addition to the overall business objectives, each business works on its own performance and profitability targets, as well as on specific objectives in environmental and social areas.

In line with the decentralised governance model, objectives are monitored internally per performance unit and specific action plans are established for each unit and at individual level.

Financial targets and dividend policy

Momentum Group's Board of Directors has established the following financial targets and dividend policy for the Group:

Earnings growth Momentum Group aims to achieve, over a business cycle, earnings growth (EBITA) of at least 15 per cent per year.

Profitability Momentum Group aims to achieve a return of at least 45 per cent in R/WC, measured as EBITA (R) in relation to working capital employed (WC).

Dividend policy Momentum Group aims to distribute at least 30 per cent of earnings per share per year over a business cycle.

The financial targets represent forward-looking information. The financial targets are based on a number of estimates and assumptions related to, e.g. the development of Momentum Group's industry, business, results and financial position, and are subject to risks and uncertainties (refer to the sections "Risk Factors" and "Important Information – Forward-looking information" for more information).

Sustainability targets

As a group, the Group has chosen to focus on three (3) of the UN Global Goals, where the Company believes it has the greatest opportunity to contribute and influence (refer to the heading "Sustainability" below for more information).

Sustainable workplace The Group strives to ensure that all its employees shall have annual appraisals on issues such as the working environment, work situation, any discrimination, gender equality, health and safety.

Sustainable industry The Group's objective is to increase the proportion of purchases from suppliers who have signed and applies Momentum Group's Code of Conduct (or equivalent).

Minimising climate impact The Group aims to achieve an annual reduction in carbon dioxide emissions from company cars per kilometre driven in accordance with the established company car policy. The target is also to increase the proportion of energy that the Group purchases from fossil-free or climate-neutral electricity.



The Group's target is that all its employees shall have annual appraisals on issues such as the working environment, work situation, any discrimination, gender equality, health and safety.

Strategy

Value before price as a competitive advantage

In order to continue to exceed the long-term internal profitability target of R/WC>45¹⁾ per cent and to realise the Group’s mission, vision and business concept, all businesses must be able to offer their customers the best possible total economy (lowest total cost) through their solutions, using deep customer insight and good accessibility, high quality products and services and high competence (customer value advantage). In order to offer this to

customers and at the same time be profitable themselves, the businesses need to work as efficiently and cost-consciously as possible, and to continuously grow their skills and experience to work more efficiently than their competitors (cost advantage).

The strategy enables the Group to build and strengthen its capabilities, which in turn leads to goal achievement and continued competitive advantages.

<p>Customer value advantage</p> <hr/> <p>Ability to create and charge for higher customer value than competitors</p> <ul style="list-style-type: none"> • Deep customer insight • Product and service quality • Breadth and depth of offer • Good availability • Superior customer service • Superior customer relations • Value-based offer (total cost) <p>Cost advantage</p> <hr/> <p>Ability to deliver at lower cost than competitors</p> <table border="0" style="width: 100%;"> <tr> <td style="vertical-align: top;"> <p>Economies of scale</p> <ul style="list-style-type: none"> • Logistics • Procurement • IT </td> <td style="vertical-align: top;"> <p>Process efficiency</p> <ul style="list-style-type: none"> • Sales • Offer development • Support processes </td> </tr> </table>	<p>Economies of scale</p> <ul style="list-style-type: none"> • Logistics • Procurement • IT 	<p>Process efficiency</p> <ul style="list-style-type: none"> • Sales • Offer development • Support processes 	<p>Abilities and competitive advantages</p> <hr/> <p>Momentum Group believes that the Group has a number of abilities (strengths) and competitive advantages that contribute to implementing strategies and meeting financial targets.</p> <ol style="list-style-type: none"> 1 Creating value for customers with a sustainable customer offering. 2 Strong local market positions in industrial components, industrial services and related services. 3 Decentralised responsibility with local business leadership and decisions close to the customers and suppliers. 4 Strong local companies combined with the advantage of being part of a group.
<p>Economies of scale</p> <ul style="list-style-type: none"> • Logistics • Procurement • IT 	<p>Process efficiency</p> <ul style="list-style-type: none"> • Sales • Offer development • Support processes 		



Momentum Group works together with the Company's customers to understand their needs and develop customized sustainable solutions, since it provides best profitability for the customer, creates higher customer satisfaction and contributes to long-term customer relationships.

¹⁾ EBITA (R) in relation to working capital employed (WC).

Creating value for customers with a sustainable customer offering

Momentum Group focuses on increasing profitability and creating added value for its customers. The Group's subsidiaries work with customers to understand their needs and develop customised sustainable solutions, as this provides the best return on investment for the customer, creates higher customer satisfaction and contributes to long-term customer relationships. The solutions are based on the companies' broad and deep range of sustainable products, professional service and specialist advice, accessibility and strong local presence.

● Product range with breadth and depth

Momentum Group's vision is to be "the customer's best sustainable choice" and always focus on the customer's profitability. This means that the Group's companies take their point of departure in the customer's needs in order to offer the best and most cost-effective solution for the customer, through a broad and deep product offering combined with value-creating services. This reduces the need for customers to deal with several different suppliers and resellers, which saves time, facilitates for the customer and reducing the customer's administrative costs. In addition, each company's products meet customers' high expectations in terms of function, quality, safety and sustainability.

● Value-added services

Momentum Group offers a wide range of services to create value for its customers. The services complete the offer by providing customers with the right conditions to achieve the maximum added value from their facilities and to utilise the full potential of the products to achieve sustainable production.

Services include maintenance, including preventive maintenance, of customers' existing products, specialist expertise in selected areas and training in the use of the products. Other examples of value-creating services include service and repair, renovations, assembly, replacement products, risk analysis, condition monitoring and surveillance, logistics solutions and on-call services.

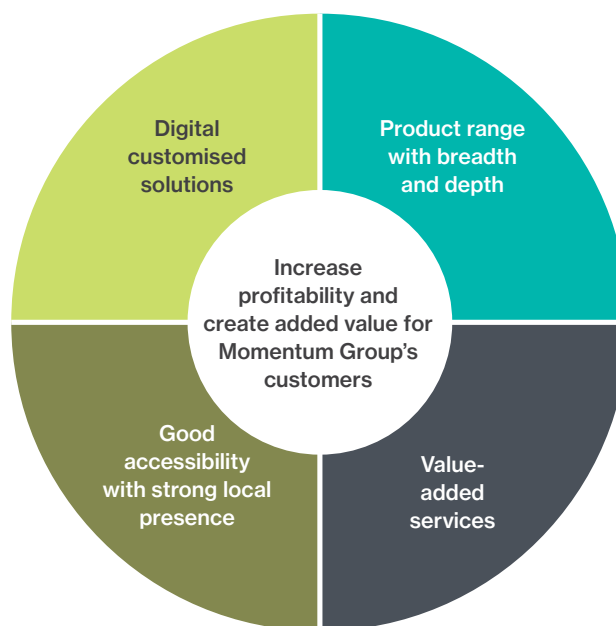
The Group works with "Industry Improvements" as part of the Company's value-creating services. Industry improvement means that businesses can measure and demonstrate improvements in economy, sustainability and working environment when customers use the Group's solutions. An industry improvement must always be validated by the customer in order to be credited.

By offering value-creating services, the Group can create and charge for higher customer value, while also providing a competitive advantage. Momentum Group believes that this will lead to increased customer loyalty and customer satisfaction.

● Good accessibility with strong local presence

Momentum Group's market position is underpinned by the Group's local presence in its main markets through sales outlets, service units, workshops, local resellers and local warehousing points in close proximity to customers. As customers' purchasing decisions are often made locally,

Creating value for customers



even for large national customers, a strong local presence with competent employees is an important competitive advantage for Momentum Group.

A local presence is a prerequisite for operations for the Group, which largely sells spare parts and services for machine fleets. Both planned and unplanned production downtime means significant costs for customers, so the right products must be delivered on time, along with the right skills to install the products and maintain the machines. The Group's largest business, Momentum Industrial, offers local availability of products, knowledge, condition monitoring and control, logistics solutions and 24/7/365 on-call service. In addition, a high level of delivery reliability and fast delivery to the customer is often decisive for the customer's choice of a supplier or reseller. Momentum Group's local presence is therefore complemented by a well-functioning warehousing, logistics and distribution network.

● Digital customised solutions

Momentum Group's digital channels include digital sales channels, apps with product information and online-based tools and support. Larger customers are offered purchasing via Electronic Data Interchange (EDI) connections where the customers' purchasing systems are integrated with the group companies' ordering systems in order to enable direct purchasing and ordering, which both facilitates the customers' purchasing processes and leads to increased efficiency and availability and an improved competitive position. The Group sees good opportunities in further strengthening this integration with customers.

As a result of digital developments and the increasing share of connected machines on the market, there is a trend towards preventive maintenance and repair of machines rather than when problems occur. Momentum Group therefore provides preventive maintenance services such as condition monitoring and surveillance. This means that customers' machines are connected to systems that

Business description

detect the machine's service and maintenance requirements and automatically send signals to the company's service technicians, who then carry out the appropriate action. Momentum Group believes that digitalisation benefits the larger established players in the market, such as Momentum Group, which can offer customers a flexible solution combined with service, advice and a widespread logistics and distribution network for fast and reliable delivery of products and services.

Strong local market positions in industrial components, industrial services and related services

According to the Company's assessment, Momentum Group is one of the leading resellers of industrial components, combined with services and support, to industrial customers in the markets where the Group operates.

To be the best choice for customers, the Group strives to have local leadership in the markets where it operates. Since the Group's customers demand a high degree of customisation, economies of scale are achieved mainly in the customer offering, where the Group can offer a wide product range, local presence and fast, reliable delivery, as well as in the relationship with suppliers, where it is a key partner with reach to a broad customer base. Momentum Group therefore believes that the Group's size represents a competitive advantage over smaller players in the market.

Long-term stable market drivers

Momentum Group's ability to deliver organic growth benefits from stable macroeconomic conditions and trends, with Nordic markets expected to perform well in the coming years in terms of expected GDP growth. The group works mainly with industrial customers and this part of the economy is expected to grow in line with GDP.

Another key driver of demand in Momentum Group's main markets is an increasing focus on sustainability, which is generating greater demand for products that can help make customers' operations more energy-efficient, reduce waste and cut the use of various fossil products. Demand is also expected to grow for services that can enable repair and extended lifetime of machines in production environments, leading to less downtime and more efficient production.

The increasing level of automation in Nordic industry is another favourable driver for the Group's operations. Among other things, automation enables new and more efficient business models. Traditional industrial companies have understood the importance of investing in and using automated processes. Continued digitalisation and automation in the Nordic industrial sector are expected to proceed at a high pace.

Decentralised responsibility with local business leadership and decisions close to the customers and suppliers

Momentum Group's business model is based on decentralised responsibility for results, which is deeply established in the organisation and relies on individual accountability from employees. Employees have the freedom to independently manage the operational activities of each profit centre in the most appropriate way, within the framework of Momentum

Group's overall strategy, objectives and governance documents. The decentralised business model means that business decisions are taken close to customers and suppliers, shortening decision paths and enabling the Group to adapt quickly to the needs of its customers and suppliers.

The business model places high demands on strong leadership within each company. Momentum Group therefore offers training for its employees and runs its own business school on business leadership and profitability.

Momentum Group is an active owner of the companies it acquires. The Group offers entrepreneurs who sell their companies the opportunity to remain and develop their business within the Group, thereby creating continuity in their operations. Momentum Group feels that the decentralised business model is a competitive advantage in acquisition situations.

Strong local companies combined with the advantage of being part of a group

Momentum Group has a clear focus on earnings growth and cash flow generation, which characterises the Group's business model and financial targets. The Group operates on the basis of three (3) fundamental requirements: growth, profitability and development, which characterise the Company's management of its subsidiaries. The three (3) basic requirements are monitored internally per profit unit and specific action plans are drawn up for each profit unit with a focus on growth and/or profitability. Acquisitions are and will continue to be an important component of the Group's growth strategy.

Momentum Group in turn offers the capabilities of the big company, namely experience, knowledge, contacts and capital. The Group has established a proven business culture and philosophy, where experience is shared between the subsidiaries through networking within the different functions. The Group also contributes active governance, financial management and financial resources to support subsidiaries' growth initiatives, development issues and acquisitions.

The best of both worlds are combined by giving each company a high degree of freedom and responsibility for its own operations, while at the same time being part of a larger group with a proven business culture and philosophy, namely the financial strength, experience and broad network of the large company is combined with the personal commitment and business leadership of the local company.

The growth target, which is operating profit growth of at least 15 per cent per year over a business cycle, ensures profitable growth and not just volume growth. Momentum Group is continuously working to improve the customer offering through customised solutions that increase value for the customer and reduce the Group's need to compete solely on price. The Group also has strong internal cost control. The Group's focus on the profitability measure R/WC¹⁾ ensures a focus on maintaining low and stable working capital in the subsidiaries. The operations have relatively little tangible non-current assets and related fixed investment costs.

The combination of a focus on profitable growth and a low capital commitment is a prerequisite for good cash flow generation and creates scope for strategic initiatives and niche acquisitions.

¹⁾ EBITA (R) in relation to working capital employed (WC).

Focus on short and medium term

Focus areas

Business development through decentralised responsibility and employee development

Business development through active ownership

Growth through acquisition of sustainable companies

Business development through decentralised responsibility and employee development

Momentum Group's decentralised business model is key to the success and continued development of the business within each subsidiary. For the employee, the decentralised approach means:

- Freedom to independently manage, develop and improve the operational activities of each company, region, district, etc.
- Clear measurable objectives to which activities are linked and broken down at individual level in appraisal interviews with each employee during the year.
- Important business decisions are therefore made close to customers and suppliers by competent employees with a high degree of personal responsibility.

The Group is working to develop employees and secure future skills and succession planning in order to ensure local market leadership. Activities carried out by the Group include employee surveys and appraisal interviews with action plans for the development of each individual. The Group's contribution to employee development includes:

- Networks, support, skills and resources for development and improvement.
- Active governance and financial monitoring for management and governance development.
- Proven business culture and company philosophy and training.
- Resources to pursue development issues.

In addition, the Group and its businesses provide ongoing training in areas such as sales, leadership and business management to their employees.

Business development through active ownership

The guiding principles of the Group's approach to business development are:

Optimisation Sales channels are optimised based on the conditions and target customers of each market.

Local customisation The local uniqueness, competence and proximity of the "small business", with local customisation of ranges and services.

Efficiency Efficiency in each unit is achieved through effective IT, finance, HR & payroll, logistics, offer/product range and services, and good commercial agreements.

Decentralisation Focus on decentralised responsibility for results, low overheads, flat organisations and attention to unprofitable units.

Momentum Group's business development is based on continuous development and strengthening of the service and product offering, setting requirements for the companies linked to business objectives, striving for the companies within the group to be able to demonstrate that they are the customer's best choice, including by proving industry improvements in improved economy, reduced environmental impact and improved working environment for the customer. An industry improvement is proof that the Group is helping customers in their everyday lives. Industry improvements are implemented and signed together with the customer and serve as a clear record of actual improvements in several sustainable areas. For example, a customer may need to increase the availability of their machine, or reduce costs in terms of the environment or economy. Through industry improvements, the Company can identify customers' problems and challenges and create a solution that can give them increased profitability and reduced environmental impact.

Growth through acquisition of sustainable companies

Acquisitions are an important part of Momentum Group's growth strategy and the Group has a well-established model for evaluating, implementing, integrating and welcoming new companies to the Group.

Momentum Group works in a structured way to identify acquisition candidates. In line with the Group's decentralised business model, potential acquisition candidates are identified that can strengthen the Group's current businesses and where there are opportunities to take leading positions. A prerequisite for the subsidiaries to pursue acquisitions is that they meet the Group's profitability target of at least 45 per cent R/WC¹⁾. These acquisitions are often bolt-on acquisitions to existing companies to strengthen the offering or geographic expansion.

In addition, the Group works with key acquisition resources to identify companies that can contribute new product or market segments. The work is carried out both from the perspective of identifying companies that can form independent businesses within existing product and business areas, as well as companies and opportunities that have the potential to form new business areas within the Group.

Momentum Group possesses the critical capabilities to pursue an active acquisition agenda. The Group is financially strong, well-established and represents a committed owner with clear objectives and tools for sustainable development and profitability of acquired companies. The fact that the people in the acquired companies stay on to develop with Momentum Group is proof of this.

Momentum Group makes extensive use of internal resources to evaluate, implement and welcome new companies to the group. Both the company management and a number of other senior management with extensive experience in acquisitions and entrepreneurship are involved in

the process. Time is also spent on establishing and maintaining an up-to-date gross list of potential new candidates that the operational managers can then contact. In total, the Group has around ten (10) employees working on acquisitions in various forms.

Due diligence of the acquisition candidate is always carried out prior to an acquisition. To do this, the Group puts together experienced teams, ranging from operations managers to economists and legal help, based on the circumstances of each acquisition, because each company is unique. In each acquisition process, the company is evaluated according to a series of criteria which, when met, provide good conditions for further development within Momentum Group. The acquired company is expected to contribute to the Group's profitability in both the short and long term and to have good growth prospects.

The Group's business model with independent subsidiaries means that Momentum Group is interested in companies in many different areas of activity. The Group is primarily looking for companies with a proven profitability and a strong market position in one or more niches.

Examples of criteria for companies are:

- Profitability and growth potential.
- High knowledge and/or technology content.
- Developed supplier relationships.
- Niche market focus.
- Well-developed relationship selling.

Momentum Group operates in a fragmented market, which creates opportunities for many potential acquisitions. Over the past year, Momentum Group has made several acquisitions in line with the Group's strategy, complementing the Group's service offering. The acquisitions are expected to further strengthen Momentum Group's position in selected markets, add specialist expertise in selected areas and help complement the Group's service and advisory capabilities.



Momentum Group is a committed owner with clear objectives and tools for sustainable development and profitability of acquired companies.

¹⁾ EBITA (R) in relation to working capital employed (WC).

Business areas

Components business area

Company group in industrial components, services and solutions for industry – consisting of companies with leading specialist positions in their respective market niches with expertise in industrial improvement.

The business area consists of Momentum Industrial, which has operations in Sweden and Norway, focusing on the sale of spare parts for customers' production equipment to industrial customers and related services. The business area also includes the specialist companies ETAB Industriautomation, which focuses on industrial automation solutions, Öbergs, which focuses on pneumatic solutions for industrial production, and JNF, which focuses on components and services for industry in Denmark.

The business area accounted for around 80 per cent of the Group's revenue and had an EBITA margin of 14.1 per cent for the financial year 2021.¹⁾

Momentum Industrial is, according to the Company's assessment, one of Sweden's leading resellers of industrial components for industry, with local warehousing and sales in more than 30 locations in Sweden and through a subsidiary in Norway. Among other things, Momentum Industrial offers local availability of products, service, consultancy, customised product training, condition monitoring and surveillance, logistics solutions and on-call service. The company's customers are mainly in the processing and manufacturing industries, such as paper/pulp, sawmills, automotive, food, mining and engineering. Momentum Industrial generates annual revenue of approximately SEK 1,100 million and has around 310 employees.²⁾

ETAB Industriautomation is, according to the Company's assessment, a market leader in industrial automation and provides high quality products and services in hydraulics, linear technology and pneumatics to industrial companies

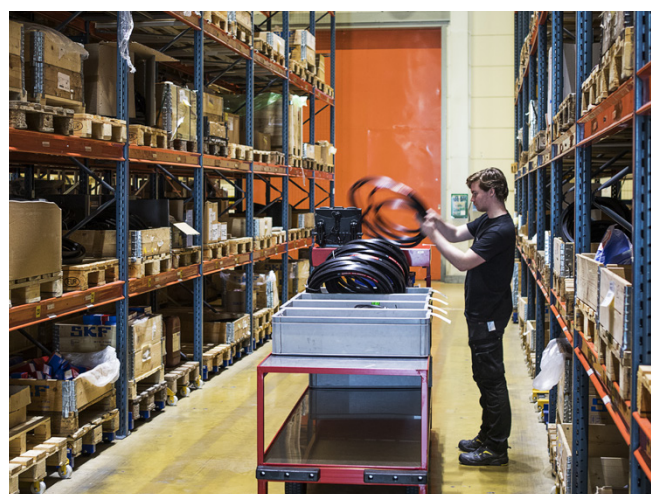
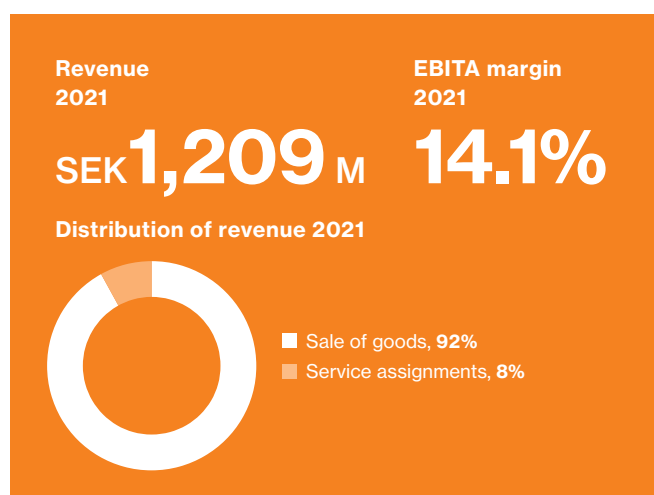
in Sweden. The company has long-term partnerships with leading manufacturers and offers assembly, construction and service. The company also offers its own seal production at three locations in Sweden. ETAB generates annual revenue of approximately SEK 65 million and has around 18 employees.²⁾

Öbergs in Karlstad is, according to the Company's assessment, a market-leading competence player in pneumatic solutions for industrial production, including in the paper and pulp industry as well as in the automotive industries in Sweden. The company provides high quality products and services in pneumatics, process valves and measuring instruments, as well as offering assembly, consulting, training and service. Öbergs generates annual revenue approximately SEK 50 million per year and has around ten (10) employees.²⁾ Öbergs has been part of the Momentum Group since February 2021.

JNF in Køge offers industrial components & services including transmission, hydraulics and pumps, as well as industrial supplies (such as tools, fasteners and personal protection) to professional end-users in the industrial, construction and public sectors in Denmark. JNF generates annual revenue of approximately SEK 40 million and has around 15 employees.²⁾

¹⁾ For definition of EBITA margin, refer to "Definitions of alternative performance measures" in section "Selected financial information".

²⁾ The figures in the text refer to approximate annual sales for 2021 (regardless of whether the companies have been consolidated for the full year and including operations added as of 1 January 2022) and number of employees as of 1 January 2022.



Business areas

Services business area

Company group in industrial service in Sweden – providing services to extend the life and efficiency of installed machinery. In addition, solutions for digitalised maintenance are offered.

The business area is comprised of Rörick, whose electro-mechanical workshops offer service and repairs to the processing and manufacturing industries, Mekano and Mekano i Sävedalen, which focuses on service and components for the process manufacturing and food industries, as well as shipping and the public sector, Carl A. Nilsson, which is a niche company in sales and service of large submersible pumps, and Intertechna, which is a solution provider in digitalised maintenance for industrial production.

The business area accounted for 20 per cent of the Group's revenue and had an EBITA margin of 8.5 in the financial year 2021.¹⁾

Rörick Elektriska Verkstad consists of electromechanical workshops in Sweden that offer service, repairs and conversions of all types of electromechanical equipment such as electric motors, generators, transformers and pumps, etc. to customers in the processing and manufacturing industries, among others. Rörick Elektriska Verkstad also includes a spindle service business that was acquired from SKF in November 2020 and the three electromechanical service workshops (originating from NEA workshops - Närkes Elektriska) acquired from Assemblin EI in February 2021. Following acquisitions in 2020–2021, the business has now its own workshops in Köping, Västerås, Gävle, Örebro and Gothenburg. In total (including acquisitions), Rörick Elektriska Verkstad generates annual revenue of approximately SEK 150 million as of today and has around 75 employees.²⁾

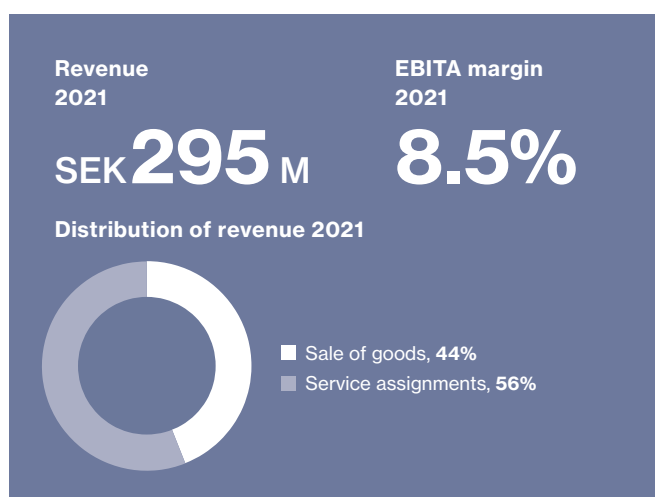
Carl A. Nilssons EI. Rep. Verkstad offers service, repair and new sales of electric motors, generators, transmission products, compressors and pumps. The Company works with some of Europe's leading companies in their respective product areas to ensure the best service and quality. Carl A. Nilssons has a workshop in Helsingborg and generates annual revenue of approximately SEK 30 million per year and has around ten (10) employees.²⁾

Mekano is, according to the Company's assessment, one of Sweden's leading suppliers of high-quality products and services with a focus on service and cost savings for industrial customers in e.g. the process, manufacturing and food industries, as well as shipping and the public sector. The company has its own units in Helsingborg, Malmö, Perstorp and Gothenburg, with customers mainly in western and southern Sweden. Mekano generates annual revenue of approximately SEK 145 million and has around 85 employees. Mekano has been part of the Momentum Group since February 2021.²⁾

Intertechna is a competence player in digitised maintenance for industry. The Hammarö-based maintenance specialist works with products and services for industry in the Nordic region that give its customers increased availability and better quality in production. Intertechna generates an annual revenue of approximately SEK 25 million and has eight (8) employees. The company has been part of the Momentum Group since October 2021.²⁾

¹⁾ For definition of EBITA margin, refer to "Definitions of alternative performance measures" in the section "Selected financial information".

²⁾ The figures in the text refer to approximate annual sales for 2021 (regardless of whether the companies have been consolidated for the full year and including operations added as of 1 January 2022) and number of employees as of 1 January 2022.



Customers and offer

The Group's businesses operate in the market for industrial components, industrial services and related services in the Nordic region. Industrial components mainly include spare parts for customers' production equipment in the fields of bearings, seals, transmission, electromechanics, hydraulics, pneumatics, lubricants and industrial rubber. The Group's offer also includes the sale of electric motors, industrial drives, industrial and water pumps and compressors.

Services include logistics solutions, inventory management and optimisation, more efficient maintenance planning, training and workshop services, which in turn include electromechanical service, spindle service, stock reconditioning, machining and repair service. An increasing part of the service offering includes measures to help customers increase operational security and productivity. These include analysis, inspection, assembly, optimisation, periodic condition monitoring, leak detection and field service.

The Group's customers for industrial components are mainly in the industrial sector and consist primarily of

professional players, mostly consisting of small and medium-sized local companies, as well as a number of larger companies operating in a global market, where production takes place in the Nordic countries. The customers are active in various industrial segments such as the pulp and paper industry, steel industry, mining and minerals, food industry, automotive industry and marine industry.

The customers in the market for industrial services and related services are the same as for industrial components, not least because services are often an integral part of the offer to the end-customer. Municipal water companies and power supply companies are also important customer groups.

The market is fragmented at the customer level, as well as among the players offering solutions similar to the Group's. The competitive advantages of the Group's various companies include the availability of products and local presence, combined with specialist competence in selected service and product areas.



The Group's companies offer industrial components, industrial services and related services to customers in the Nordic region, primarily in the industrial sector.

Organisation and employees

Momentum Group is made up of a number of successful businesses that operate as independent entities in line with the Group's philosophy of decentralised business responsibility. Within this framework, each company establishes its own objectives and working methods to contribute to sustainable development for the future, with employees as the most important factor for success.

Momentum Group and its companies should be perceived as an attractive place to work in order for it to recruit, develop and retain employees. Employees should meet the requirements of their job role, but also be actively supported to continuously improve their skills and develop their area of responsibility, thereby enhancing their performance. Managers have undergone leadership training in goal-setting, feedback, accountability, performance, attitude and competence. A variety of experiences and backgrounds among employees fosters a stimulating and diverse working environment.

Momentum Group's various companies conduct regular employee surveys in order to monitor employees' perception of their respective companies as employers, the work climate and leadership. Surveys carried out give a predominantly positive view of the activities and a high percentage of employees would recommend the Group's companies as employers to their friends and acquaintances. At the same time, the measurements also identify a number of areas for development within each company, and various measures

in areas such as work environment issues and leadership development are implemented on an ongoing basis.

The Group operates with high standards of sustainability and ethics in accordance with a number of policies and guidelines. Momentum Group also has a whistle-blower function, which supports the work in these areas.

At the end of 2021, the number of employees in the Group was 484, compared to 329 at the beginning of the year. The change is mainly explained by acquisitions. The average number of employees was 447 in 2021.

Employees	2021	2020 (9 months)	2019 /2020	2018 /2019
Average number of employees	447	313	339	328
Number of employees at year-end	484	329	339	335
Number of employees in the Components business area at year-end	304	293	300	296
Number of employees in the Services business area at year-end	173	36	39	39
Number of employees in group functions at year-end	7	-	-	-

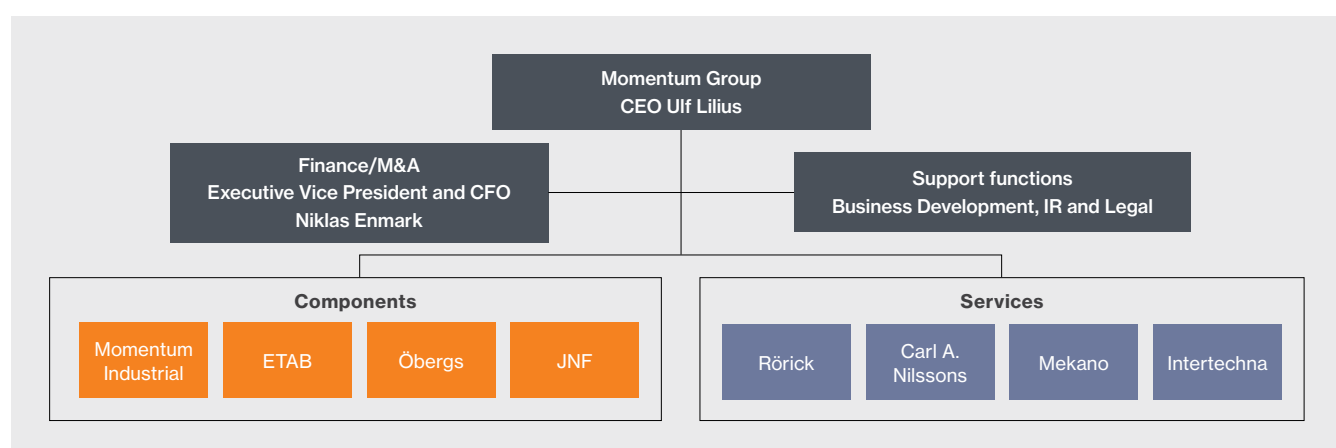
Organisational structure

The Group's operating segments consist of the business areas Components and Services. The operating segments are consolidations of the operational organisation as monitored by the Group's senior management and Board of Directors. The Group's senior management, consisting of the CEO and the Executive Vice President/CFO, is the Group's highest executive decision-maker.

Components consists of Momentum Industrial AB, ETAB Industriautomation Aktiebolag, Öbergs i Karlstad AB and JNF Momentum Køge A/S, offering spare parts, maintenance and repairs to customers in the industrial sector

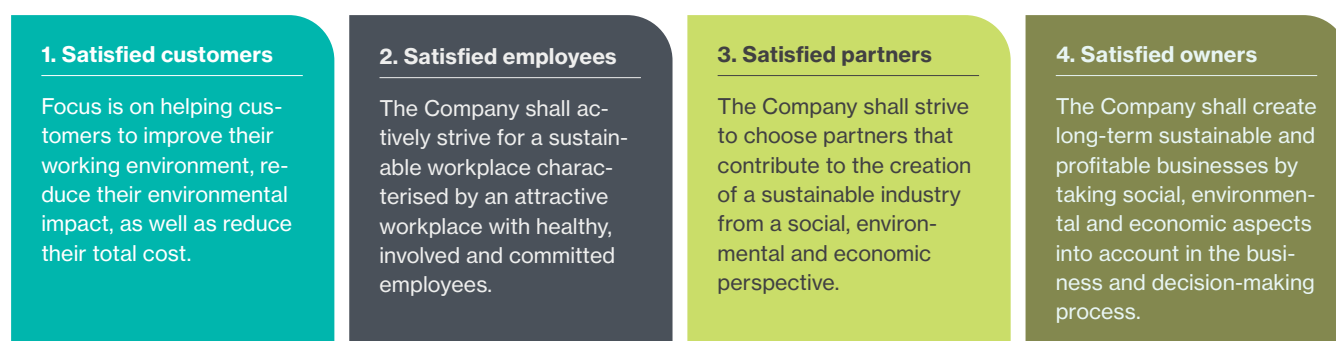
in the Nordic countries. Services are provided by Rörick Elektriska Verkstad Aktiebolag, Aktiebolaget Carl A. Nilssons Elektriska Reparationsverkstad, Mekano AB including Mekano i Sävedalen AB and Intertechna Aktiebolag, which together provide technical industrial services mainly to the Swedish market.

Group activities include the Group's management, finance and support functions. The support functions include acquisitions, business development, internal communications, investor relations and legal.



Sustainability

Momentum Group's mission and vision is based on offering customers sustainable products and services. Accordingly, sustainability constitutes a natural part of the daily operations where responsible behaviour towards the companies' stakeholders is a matter of course. Momentum Group has a broad view of sustainability, which means that the Group and its various activities should take responsibility for the impact of the Company on its surroundings from a social, environmental and economic perspective.

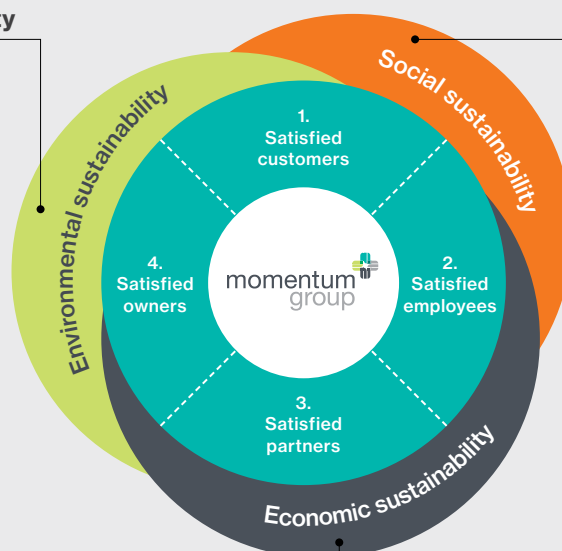


The Group's stakeholder model

The Group's stakeholder model is based on customer satisfaction. Satisfied customers increase the chances that other stakeholders will be satisfied.

Environmental sustainability

This is based on the idea of minimising the impact on nature to what it can withstand. For the Group, this includes working proactively to minimise negative environmental impacts, for example by reducing carbon emissions, reducing energy consumption and reducing the amount of chemicals, and actively helping the Group's customers and partners/suppliers to reduce their environmental impacts.



Social sustainability

This is based on the idea that everyone, whether a company or an individual, has a responsibility to create a well-functioning society. For the Group, this includes contributing to economic security through job creation, ensuring life after employment through safe and healthy working environments, well-being through safe and healthy products and contributing to the long-term development of the local community.

Economic sustainability

This is based on the idea of being a long-term, profitable and sustainable company by acting correctly. The businesses conduct their business in an ethical manner, including anti-corruption, compliance with competition law, good tax ethics and good contract drafting. The Group creates job opportunities for its employees, leading to increased welfare, and long-term profitability, which provides the opportunity to reinvest and create value for shareholders.

A responsible value chain

Momentum Group believes that a focus on sustainability is a prerequisite for long-term profitability and growth, as it also creates business opportunities. To achieve this, the Group works with a holistic approach that spans the entire value chain – *backwards* to our suppliers (including through selection and requirements), *inwards* to ourselves (including through a healthy working environment based on equality and respect) and *forwards* to our customers (including through business ethics and helping customers make sustainable product choices).

Momentum Group's shared mission "Together for a sustainable industry" explains Momentum Group's mission. The Company exist to contribute, together with its stakeholders, to a sustainable industry with a focus on people, the environment and the economy. A safer and healthier working environment, maximised lifecycles, greener industrial processes and good business ethics are examples of important parameters to enable a sustainable industry.



Sustainable business management

The UN's Global Sustainability Goals and the Global Compact, as well as Momentum Group's internal policy documents, form the basis for the Group's sustainability work. The governance documents include policies for Code of Conduct, Work Environment, Equal Treatment, Environment & Quality. Policies on a whistle-blower function and the processing of personal data are also relevant to this area.

As a group, Momentum Group has chosen to focus on three (3) of the UN Global Goals, where it believes it has the greatest opportunity to contribute and influence.

Within the Group, subsidiaries are free to choose additional targets and to pursue quality and environmental certification initiatives. Of the Group's nine (9) companies, three (3) are quality and environment certified according to ISO 14001:2015 and three (3) are certified according to ISO 9001:2015. In addition, two (2) companies work according to the ISO 26001:2010, which is the guiding standard for corporate social responsibility.

The objectives chosen and the key performance indicators the Group works with are presented in the table below.

UN Global Goals



Promoting sustainable workplaces in the value chain

Implications for the Group

- A safe and health-promoting working environment.
- Opportunities for development of skills and working methods.
- Actively participate in the community in which the Group operates.
- Act responsibly in business.
- Good working conditions at suppliers.

Measurable objectives

- The Group strives to ensure that all its employees have annual appraisals on issues such as the working environment, work situation, any discrimination, gender equality, health and safety.

Outcome 2021

Percentage of employees who had appraisal interviews:

68%



Pursuing a sustainable industry by increasing the proportion of purchases from sustainable suppliers and implementing industry improvements across the Group

Implications for the Group

- Long-term partnerships for sustainable products and services.
- Help customers to make sustainable choices.
- Offering sustainable products and services with a long lifespan.
- Extending the life of machinery and production facilities.

Measurable objectives

- Annually increase the proportion of products and services purchased from CoC-rated suppliers.

Outcome 2021

Percentage of purchases from CoC-rated suppliers:

70%



Minimising the climate impact of the value chain

Implications for the Group

- The Group's products and services can demonstrate quantifiable reductions in customers' carbon footprint.
- Smart transports.
- Purchase of fossil-free or climate-neutral electricity.

Measurable objectives

- The Group aims to achieve an annual reduction in carbon dioxide emissions from company cars in accordance with the established company car policy.
- Increase the share of fossil-free and/or climate-neutral electricity purchased by the Group.

Outcome 2021

Reduction of CO₂ emissions from company cars (grCO₂/km driven):

-4%

Share of fossil-free or climate-neutral electricity:

44%

Selected financial information

The financial information below for the financial years 2021, 2020 (9 months), 2019/2020 and 2018/2019 has been taken from the Company's audited combined financial statements for the financial years 1 January 2021–31 December 2021, 1 April 2020–31 December 2020, 1 April 2019–31 March 2020 and 1 April 2018–31 March 2019. The combined financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS) and have been audited by the Company's independent auditors, KPMG AB, as indicated in their associated audit reports. The combined financial statements, including the auditor's report on these financial statements, can be found in the section "Historical financial information". The IFRS do not specifically address the preparation of combined financial statements. The term "combined financial statements" refers to the financial information prepared by combining the financial information of entities under the same control that do not meet the definition of a group under IFRS 10. A key requirement for the preparation of these combined financial statements is that all entities are under common control through Alligo's ownership. For more information, refer to Note 1 Summary of significant accounting policies on page F-7 and onwards in the section "Historical Financial Information".

Momentum Group also presents selected performance measures below for the financial years 2021, 2020 (12 months), 2020 (9 months), 2019/2020 and 2018/2019, which have been extracted from the Company's audited combined financial statements, including notes, as well as from the Company's internal accounting records. Some of the performance measures are so-called alternative performance measures, i.e. financial measures that are not defined under IFRS. The alternative performance measures are used by Momentum Group to monitor and measure the underlying performance of Momentum Group's business and operations. The Company also believes that these performance measures are used by investors, equity analysts and other stakeholders as complementary measures of performance. As not all companies disclose and define alternative performance measures in the same way, the comparability of the alternative performance measures that Momentum Group has chosen to follow and define is limited. Accordingly, the alternative performance measures should not be seen as a substitute for the financial measures as presented in accordance with IFRS.

The information in this section should be read in conjunction with the sections "Operational and financial overview", "Capitalisation, indebtedness and other financial information" and "Historical financial information". Amounts given in the tables below have been rounded off, while calculations have been made to a larger number of decimal places. Rounding may therefore result in some compilations apparently not adding up.

Combined income statement¹⁾

SEK million	2021	2020 (9 months)	2019/2020	2018/2019
Revenue	1,491	837	1,254	1,196
Other operating income	4	1	1	0
Total operating income	1,495	838	1,255	1,196
Cost of goods	-795	-472	-716	-690
Personnel costs	-342	-163	-245	-241
Depreciation, amortisation, impairment losses and reversal of impairment losses	-54	-28	-35	-5
Other operating expenses	-149	-84	-129	-149
Total operating expenses	-1,340	-747	-1,125	-1,085
Operating profit	155	91	130	111
Financial income	0	0	0	0
Financial expenses	-7	-2	-3	-2
Net financial items	-7	-2	-3	-2
Profit after financial items	148	89	127	109
Taxes	-31	-19	-28	-25
Net profit	117	70	99	84
Attributable to:				
Parent company shareholders	116	69	98	84
Non-controlling interest	1	1	1	-
Earnings per share (SEK)	2.30	1.35	1.95	1.65

¹⁾ Extracted from the Company's audited combined financial statements for the financial years ended 31 December 2021, 31 December 2020, 31 March 2020 and 31 March 2019, respectively.

Combined balance sheet¹⁾

SEK million	31 Dec 2021	31 Dec 2020	31 Mar 2020	31 Mar 2019
Assets				
Non-current assets				
Intangible non-current assets	284	175	177	165
Tangible non-current assets	17	10	7	6
Right-of-use assets	127	51	60	–
Financial investments	0	0	0	0
Other long-term receivables	1	1	1	1
Deferred tax assets	1	1	0	0
Total non-current assets	430	238	245	172
Current assets				
Inventories	213	176	193	191
Tax receivables	0	0	0	6
Accounts receivables	255	169	220	200
Prepaid expenses and accrued income	12	5	5	14
Other receivables	4	1	2	0
Current investments	–	144	30	28
Cash and cash equivalents	70	1	1	1
Total current assets	554	496	451	440
Total assets	984	734	696	612
Equity and liabilities				
Equity				
Share capital	0	0	–	–
Other capital contributed	–	–	–	–
Reserves	1	1	3	2
Retained earnings including net profit	457	336	256	141
Equity attributable to parent company shareholders	458	337	259	143
Non-controlling interest	17	6	5	–
Total equity	475	343	264	143
Non-current liabilities				
Non-current interest-bearing liabilities	9	100	127	138
Non-current lease liabilities	82	21	27	–
Non-current non-interest-bearing liabilities	22	10	9	–
Other provisions	0	0	1	0
Deferred tax liabilities	34	16	10	1
Total non-current liabilities	147	147	174	139
Current liabilities				
Current interest-bearing liabilities	0	0	11	3
Current lease liabilities	41	26	28	–
Accounts payable	153	107	140	128
Tax liabilities	30	31	4	0
Other liabilities	33	17	20	139
Accrued expenses and deferred income	105	63	55	60
Total current liabilities	362	244	258	330
Total liabilities	509	391	432	469
Total equity and liabilities	984	734	696	612

¹⁾ Extracted from the Company's audited combined financial statements for the financial years ended 31 December 2021, 31 December 2020, 31 March 2020 and 31 March 2019, respectively.

Condensed combined cash flow statement¹⁾

SEK million	2021	2020 (9 months)	2019/2020	2018/2019
Operating activities				
Profit after financial items	148	89	127	109
Adjustments for non-cash items	54	27	35	5
Income taxes paid	-31	9	-16	-15
Cash flow from operating activities before changes in working capital	171	125	146	99
Change in inventories	-11	18	0	-6
Change in operating receivables	-59	51	-9	-26
Change in operating liabilities	68	-28	-1	35
Cash flow from operating activities	169	166	136	102
Cash flow from investment activities	-125	-7	-17	-41
Cash flow from financing activities	-119	-45	-117	-47
Cash flow for the period	-75	114	2	14
Cash and cash equivalents at the beginning of the period	145	31	29	15
Exchange-rate differences in cash and cash equivalents	0	0	0	0
Cash and cash equivalents at the end of period	70	145	31	29

¹⁾ Extracted from the Company's audited combined financial statements for the financial years ended 31 December 2021, 31 December 2020, 31 March 2020 and 31 March 2019, respectively.

Performance measures

Momentum Group uses certain financial measures in its analysis of its business and its performance that are not defined in accordance with IFRS, which the Company considers important in the context of understanding its business. The reasons for the use of each alternative performance measure are set out below in connection with its definition. Such non-IFRS based performance measures measure historical or future financial profit, financial status or cash flows but excludes or includes amounts that would not be adjusted in the same way in the most comparable performance measure defined under IFRS.

The financial year ended 31 December 2020 was shortened to nine (9) months. In order to ensure the relevance and comparability of the performance measures presented, outcomes for the full year 2020 are also included. This information is unaudited by Momentum Group's auditors and has been extracted from Momentum Group's internal reporting system.

Performance measures (IFRS)

SEK million	2021	2020 (12 months)	2020 (9 months)	2019/2020	2018/2019
IFRS performance measures²⁾					
Revenue	1,491	1,163	837	1,254	1,196
Profit for the period	117	99	70	99	84
Earnings per share, SEK (undiluted)	2.30	1.90	1.35	1.95	1.65

²⁾ Extracted from the Company's audited combined financial statements for the financial years ended 31 December 2021, 31 December 2020, 31 March 2020 and 31 March 2019, respectively. Information regarding the full year 2020 is unaudited by Momentum Group's auditors and has been extracted from Momentum Group's internal reporting system.

Alternative performance measures not defined in accordance with IFRS

SEK million	2021	2020 (12 months)	2020 (9 months)	2019/2020	2018/2019
Income statement-based performance measures					
Operating profit ³⁾ , SEK million	155	130	91	130	111
EBITA ⁴⁾ , SEK million	171	134	94	134	114
Profit after financial items ³⁾ , SEK million	148	127	89	127	109
Operating margin ⁴⁾ , %	10.4	11.2	10.9	10.4	9.3
EBITA-margin ⁴⁾ , %	11.5	11.5	11.2	10.7	9.5
Profit margin ⁴⁾ , %	9.9	10.9	10.6	10.1	9.1
Profitability performance measures⁴⁾					
Return on working capital (EBITA/WC) (rolling 12 months), %	61	54	54	52	46
Return on capital employed (rolling 12 months), %	24	28	28	31	34
Return on equity (rolling 12 months), %	30	35	35	49	51

³⁾ Extracted from the Company's audited combined financial statements for the financial years ended 31 December 2021, 31 December 2020, 31 March 2020 and 31 March 2019, respectively. Information regarding the full year 2020 is unaudited by Momentum Group's auditors and has been extracted from Momentum Group's internal reporting system.

⁴⁾ Information is unaudited by Momentum Group's auditors.

Alternative performance measures not defined in accordance with IFRS (cont.)

SEK million	2021	2020 (12 months)	2020 (9 months)	2019/2020	2018/2019
Performance measures on financial position					
Financial net loan liability ¹⁾ , SEK million	62	2	2	162	112
Operational net loan liability/net receivable ¹⁾ +/-, SEK million	-61	-45	-45	107	112
Equity attributable to the parent company shareholders ²⁾ , SEK million	458	337	337	259	143
Equity/assets ratio ¹⁾ , %	47	46	46	37	23
Other performance measures					
Number of employees at the end of the period ¹⁾	484	329	329	339	335

¹⁾ Information is unaudited by Momentum Group's auditors.

²⁾ Extracted from the Company's audited combined financial statements for the financial years ended 31 December 2021, 31 December 2020, 31 March 2020 and 31 March 2019, respectively. Information regarding the full year 2020 is unaudited by Momentum Group's auditors and has been extracted from Momentum Group's internal reporting system.

Definitions of alternative performance measures

Performance measure	Definition	Justification
Operating profit	Profit before financial items and tax.	Used to show the Group's earnings before interest and taxes.
Items affecting comparability	Items affecting comparability refer to revenue and expenses that do not arise regularly in the operating activities.	A breakdown of items affecting comparability clarifies the development of operating activities. Refer also to the definition of EBITA.
EBITA	Operating profit adjusted for items affecting comparability and before any impairment of goodwill and depreciation and amortisation of other intangible assets incurred in connection with business acquisitions.	Used to present the Group's earnings generated from operating activities, i.e. not affected by items affecting comparability.
Operating margin, %	Operating profit as a percentage of revenue.	Used to measure the Group's earnings generated before interest and tax and provides an understanding of 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.
EBITA margin, %	EBITA as a percentage of revenue.	Used to measure the Group's earnings generated from operating activities and provides an understanding of earnings performance not affected by items affecting comparability over time. The EBITA margin based on revenue from both external and internal customers is presented per business area (operating segment).
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.
Return on working capital (EBITA/WC), %	EBITA for the last twelve (12) months divided by average working capital measured as total working capital (accounts receivables and inventories less accounts payables) at the end of each month for the last twelve (12) months and opening balance at the beginning of the period divided by 13.	The Group's internal profitability targets, which encourages high EBITA and low tied-up capital. Used to analyse profitability of the Group and its various operations.
Return on capital employed, %	Operating profit plus financial income for the last twelve (12) months divided by average capital employed measured as balance-sheet total, less non-interest-bearing liabilities and provisions at the end of the last four (4) quarters, and opening balance at the beginning of the period divided by five (5).	Presented to show the Group's return on its externally financed capital and equity, i.e. independent of its financing.
Return on equity, %	Profit for the period attributable to parent company shareholders for the last twelve (12) months divided by average equity measured as total equity attributable to parent company shareholders at the end of the last four (4) quarters and opening balance at the beginning of the period divided by five (5).	Used to measure the return generated on the capital invested by the parent company shareholders.
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 and current investments at the end of the period.	Used to monitor debt trends and analyse the Group's total indebtedness including lease liabilities.
Operational net loan liability/receivable	Operational net loan liability/receivable measured as non-current interest-bearing liabilities and current interest-bearing liabilities, excluding lease liabilities, less cash and cash equivalents and current investments at the end of the period.	Used to monitor debt trends and analyse the Group's total indebtedness excluding lease liabilities.
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 of the Group and show the percentage of the Group's assets that are financed by equity.

Selected financial information

Derivation of alternative performance measures

SEK million	2021	2020 (12 months)	2020 (9 months)	2019/2020	2018/2019
EBITA					
Operating profit	155	130	91	130	111
Items affecting comparability	6	-	-	-	-
Amortisation of intangible non-current assets in connection with corporate acquisitions	10	4	3	4	3
EBITA	171	134	94	134	114
Items affecting comparability					
Listing and separation costs	-6	-	-	-	-
Total items affecting comparability	-6	-	-	-	-
Operating margin					
Operating profit	155	130	91	130	111
Revenue	1,491	1,163	837	1,254	1,196
Operating margin, %	10.4	11.2	10.9	10.4	9.3
EBITA margin					
EBITA	171	134	94	134	114
Revenue	1,491	1,163	837	1,254	1,196
EBITA margin, %	11.5	11.5	11.2	10.7	9.5
Profit margin					
Profit after financial items	148	127	89	127	109
Revenue	1,491	1,163	837	1,254	1,196
Profit margin, %	9.9	10.9	10.6	10.1	9.1
Return on working capital (EBITA/WC), %					
Average inventories	202	184	184	193	187
Average accounts receivables	220	179	179	193	177
Total average operating assets	422	363	363	386	364
Average accounts payables	-142	-116	-116	-126	-114
Average working capital (WC)	280	247	247	260	250
EBITA (rolling 12 months)	171	134	134	134	114
Return on working capital (EBITA/WC), %	61	54	54	52	46
Return on capital employed					
Average balance sheet total	987	700	700	662	572
Average non-interest-bearing non-current liabilities	-48	-19	-19	-11	-1
Average non-interest-bearing current liabilities	-290	-210	-210	-231	-240
Average capital employed	649	471	471	420	331
Operating profit (rolling 12 months)	155	130	130	130	111
Financial income (rolling 12 months)	0	0	0	0	0
Total operating profit + financial income	155	130	130	130	111
Return on capital employed, %	24	28	28	31	34
Return on equity					
Average equity attributable to parent company shareholders	393	283	283	199	164
Profit for the period attributable to the parent company shareholders (rolling 12 months)	116	98	98	98	84
Return on equity, %	30	35	35	49	51

Derivation of alternative performance measures (cont.)

SEK million	2021	2020 (12 months)	2020 (9 months)	2019/2020	2018/2019
Financial net loan liability					
Non-current interest-bearing liabilities	91	121	121	154	138
Current interest-bearing liabilities	41	26	26	39	3
Current investments	-	-144	-144	-30	-28
Cash and cash equivalents	-70	-1	-1	-1	-1
Financial net loan liability	62	2	2	162	112
Operational net loan liability/receivable +/-					
Financial net loan liability	62	2	2	162	112
Leasing liability	-123	-47	-47	-55	-
Operational net loan liability/receivable +/-	-61	-45	-45	107	112
Equity ratio					
Balance-sheet total	984	734	734	696	612
Equity attributable to the parent company shareholders	458	337	337	259	143
Equity/assets ratio, %	47	46	46	37	23

Revenue and number of employees by operating segment and per geographical area

The revenue presented for the geographic markets are based on the domicile of the customers.

2021, SEK million	Components	Services	Group-wide	Eliminations	Group total
Revenue					
From external customers per geographical area					
Sweden	1,110	277	-	-	1,387
Norway	34	2	-	-	36
Denmark	49	4	-	-	53
Other countries	12	3	-	-	15
From other segments	4	9	3	-16	-
Total	1,209	295	3	-16	1,491
EBITA	171	25	-25	0	171
Items affecting comparability	-1	-	-5	-	-6
Amortisation of intangible assets in connection with corporate acquisitions	-5	-5	-	-	-10
Operating profit/loss	165	20	-30	0	155
Other disclosures					
Number of employees at the end of the period	304	173	7	-	484
2020 (9 months), SEK million					
Revenue					
From external customers per geographical area					
Sweden	734	42	-	-	776
Norway	21	0	-	-	21
Denmark	34	0	-	-	34
Other countries	5	1	-	-	6
From other segments	2	5	0	-7	-
Total	796	48	0	-7	837
EBITA	110	6	-22	0	94
Items affecting comparability	-	-	-	-	-
Amortisation of intangible assets in connection with corporate acquisitions	-3	0	-	-	-3
Operating profit/loss	107	6	-22	0	91
Other disclosures					
Number of employees at the end of the period	293	36	-	-	329

Selected financial information

Revenue and number of employees by operating segment and per geographical area (cont.)

2019/2020, SEK million	Components	Services	Group-wide	Eliminations	Group total
Revenue					
From external customers per geographical area					
Sweden	1,078	72	–	–	1,150
Norway	44	1	–	–	45
Denmark	47	0	–	–	47
Other countries	10	2	–	–	12
From other segments	3	9	0	–12	–
Total	1,182	84	0	–12	1,254
EBITA	143	10	–19	0	134
Items affecting comparability	–	–	–	–	–
Amortisation of intangible assets in connection with corporate acquisitions	–4	0	–	–	–4
Operating profit/loss	139	10	–22	0	130
Other disclosures					
Number of employees at the end of the period	300	39	–	–	339
2018/2019, SEK million					
Revenue					
From external customers per geographical area					
Sweden	1,000	70	–	–	1,070
Norway	64	0	–	–	64
Denmark	48	0	–	–	48
Other countries	12	2	–	–	14
From other segments	2	9	–	–11	–
Total	1,126	81	–	–11	1,196
EBITA	125	8	–19	0	114
Items affecting comparability	–	–	–	–	–
Amortisation of intangible assets in connection with corporate acquisitions	–3	0	–	–	–3
Operating profit/loss	122	8	–19	0	111
Other disclosures					
Number of employees at the end of the period	296	39	–	–	335

Change in revenue compared to the comparison year

%	2021	2020 (9 months)	2019/2020
Changes in revenue for:			
Comparable units in local currency	10.8	–11.2	1.0
Currency effects	–0.1	–0.1	0.1
Number of trading days	0.5	1.0	0.0
Acquisitions	16.9	0.4	3.9
Total change	28.1	–9.9	5.0

Operational and financial overview

The following operational and financial review should be read in conjunction with “**Selected Financial Information**” and Momentum Group’s combined financial statements for the financial years 2021, 2020 (9 months), 2019/2020 and 2018/2019 which have been taken from the Company’s audited combined financial statements for the financial years 1 January 2021–31 December 2021, 1 April 2020–31 December 2020, 1 April 2019–31 March 2020 and 1 April 2018–31 March 2019. The combined financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS) and have been audited by the Company’s auditor. The combined financial statements, including the auditor’s report on these financial statements, can be found in the section “**Historical financial information**”. The operational information in this section that has not been extracted from Momentum Group’s audited combined financial statements has been extracted from the Company’s internal accounting and operational systems.

This section contains forward-looking statements. Such information is subject to risks, uncertainties and other factors, including those discussed in the section “**Risk Factors**”, that could cause Momentum Group’s future results, financial position and cash flows to differ materially from those described or implied by such forward-looking information.

Overview

The Group consists of a number of successful companies which, according to the Company’s assessment, together constitute one of the Nordic region’s leading suppliers of industrial components, industrial services and related services to the industrial sector. Momentum Group’s strategy is to acquire and develop sustainable businesses focused on trade and services in developable niches and specialist competencies within existing product and service areas, as well as in new areas. The focus is on profitable companies with leading positions that make customers’ everyday lives easier, safer and more profitable by offering sustainable products and services with a long lifespan.

Momentum Group is organised in two (2) business areas: Components and Services.

Components business area consists of the subsidiary Momentum Industrial, which has operations in Sweden and Norway that focus on the sale of spare parts and related services for industrial customers’ production equipment. The business area also includes the specialist companies ETAB Industriautomation, which focuses on industrial automation solutions, Öbergs, which focuses on pneumatic solutions for industrial production, and JNF, which focuses on components and services for industry in Denmark.

Services business area is comprised of Rörick, whose electromechanical workshops offer service and repairs to the processing and manufacturing industries, Mekano and Mekano i Sävedalen, which focuses on service and components for the process manufacturing and food industries, as well as shipping and the public sector, Carl A. Nilsson, which is a niche company in sales and service of large submersible pumps, and Intertechna, which is a solution provider in digitalised maintenance for industrial production.

Key factors affecting the Group’s financial position and earnings

The Group considers that a number of factors directly and indirectly affect its financial position and earnings. These

factors offer opportunities for the Company and its businesses, but they may also present risks and challenges that the Group must successfully manage in order to improve its future financial position and earnings. These factors include:

- Changes in economic conditions and their impact on the underlying market and its growth prospects in the geographic markets and niches in which the Group operates.
- Changes in the Company’s market position and the impact of competitors in its markets.
- Impact of and ability to integrate acquisitions.
- Seasonal variations and number of available sales days.
- Product range development and purchase consideration.
- Exchange rate fluctuations.
- Goodwill.
- Financial income and expenses.
- Tax expenses.

Segment

The Group’s operations are divided into two (2) business areas, Components and Services, which also constitute the Group’s operating segments. The operating segments are consistent with the internal reporting provided to the chief executive decision-maker, identified by the Group as the Group’s senior management, consisting of the parent company’s President and CEO and the Group’s Executive Vice President and CFO. Management is responsible for allocating resources and assessing the performance of the operating segments. The segments are monitored and managed on the basis of revenues and expenses at the level of operating profit, while net financial income and taxes, balance sheet and cash flow are not reported by segment. Operating results by segment are consolidated according to the same principles as for the Group as a whole.

Items in accounts

Comments on revenues and results have been taken from the Company’s combined income statement and segment reporting. Comments on financial position are based on the

Company's combined balance sheet, while comments on cash flow are based on the Company's combined cash flow statement. Otherwise, developments are commented on based on previously presented performance measures.

Comparison between financial years 2021 and 2020 (9 months)

Revenue

The revenue for the financial year amounted to SEK 1,491 million (837). Compared to the twelve-month period ended 31 December 2020, the revenue increased by SEK 328 million, which corresponds to an increase of 28 per cent. On a like-for-like basis, measured in local currency and adjusted for the number of trading days, the revenue increased by eleven (11) per cent. Currency conversion effects affected the revenue by SEK -1 million. The financial year included one (1) trading day more than the corresponding twelve-month period for 2020. Overall, operations have performed well in 2021 and recovered from the negative effects of the Covid-19 pandemic.

Operating income

The Group's total operating income amounted to SEK 1,495 million (838). In addition to revenue, other operating income of SEK 4 million (1) was included.

Operating profit

The Group's operating profit for the financial year amounted to SEK 155 million (91), corresponding to an operating margin of 10.4 per cent (10.9). Compared to operating profit for the twelve-month period ended 31 December 2020, operating profit increased by SEK 25 million, corresponding to an increase of 19 per cent.

Cost of goods sold and changes in inventories amounted to SEK -795 million (-472) compared to SEK -655 million for the twelve-month period ended 31 December 2020. The increase of 21 per cent is mainly a result of increased revenue.

Personnel costs amounted to SEK -342 million (-163) and the average number of employees was 447 (313), an increase of 43 per cent and mainly related to acquisitions. For the twelve-month period ended 31 December 2020, personnel costs amounted to SEK -224 million. In addition to the change in the average number of employees, the financial year 2020 was also positively impacted by the receipt of a state subsidy for short-time work of SEK 9 million, which was recognised as a reduction of personnel costs.

Other operating expenses amounted to SEK -149 million (-84) compared to SEK -119 million for the twelve-month period ended 31 December 2020, representing an increase of 25 per cent. The change was mainly driven by acquired businesses in 2021. Other operating expenses also include items affecting comparability of SEK -6 million related to costs for the preparation of the Listing and costs related to the Separation.

Depreciation, amortisation, impairment losses and reversal of impairment losses amounted to SEK -54 million (-28), of which SEK -4 million (-2) related to tangible

non-current assets, SEK -10 million (-3) related to intangible non-current assets and SEK -40 million (-23) related to right-of-use assets. For the twelve-month period ended 31 December 2020, depreciation, amortisation, impairment losses and reversal of impairment losses amounted to SEK -36 million, where the change of 50 per cent is mainly related to acquired businesses in 2021.

EBITA (equivalent to operating profit adjusted for items affecting comparability and before any impairment of goodwill and depreciation and amortisation of other intangible assets arising on acquisitions) amounted to SEK 171 million (94), corresponding to an EBITA margin of 11.5 per cent (11.2). Compared to the twelve-month period ended 31 December 2020, EBITA increased by SEK 37 million, which corresponds to an increase of 28 per cent.

Profit after financial items

Financial income amounted to SEK 0 million (0), while the Group's financial expenses amounted to SEK -7 million (-2). Profit after financial items thus amounted to SEK 148 million (89).

Tax

The Group's income tax expenses amounted to SEK -31 million (-19). The calculated tax at the average tax rate for the Group amounted to 20.6 per cent (21.4). Non-deductible expenses have impacted net income tax by SEK -1 million (0).

Equity, equity ratio and return on equity

Equity of the Group as of 31 December 2021 amounted to SEK 475 million (343), of which SEK 458 million is attributable to the parent company shareholders and SEK 17 million is attributable to non-controlling interests. The Group's balance sheet total as of 31 December 2021 amounted to SEK 984 million (734). The Group's equity ratio of 31 December 2021 was 47 per cent (46).

Momentum Group has set up its own independent cash pool structure in December 2021. Receivables from Alligo for periods prior to December 2021 have been recognised in the balance sheet as current investments. Of the Group's cash and cash equivalents and current investments as of 31 December 2021 of SEK 70 million (145), SEK 11 million (144) related to the Group's holding in the internal bank operated by Alligo. At the end of the year, the Group had no current or non-current interest-bearing liabilities towards the Alligo Group. At the beginning of the year there were non-current interest-bearing liabilities of SEK 100 million relating to loans via Alligo's internal bank. The Group is also financed by current and non-current lease liabilities, which as of 31 December 2021 amounted to SEK 123 million (47). In addition, the Group had a deferred payment regarding acquisitions of SEK 9 million at the end of the year.

Cash flow from day-to-day operations and financial position

Cash flow from operating activities before changes in working capital for the financial year ended 31 December 2021 amounted to SEK 171 million (125). During the financial year, inventories increased by SEK 11 million and operating

receivables increased by SEK 59 million. Operating liabilities increased by SEK 68 million. Cash flow from operating activities for the period thus amounted to SEK 169 million (166).

Cash flow from investing activities amounted to SEK -125 million (-7), including the year's investments in and disposals of tangible non-current assets of net SEK -5 million (-3) and acquisitions of subsidiaries and other business units of net SEK -120 million (-4).

Cash flow from financing activities amounted to SEK -119 million (-45) and was mainly affected by net changes in interest-bearing liabilities via Alligo's cash pool and loans via Alligo's internal bank of SEK -100 million, repayment of lease liabilities of SEK -41 million and by contributions received and other transactions with owners of SEK 22 million.

As a result of the above, cash flow for the year amounted to SEK -75 million (114). The definition of cash and cash equivalents includes current investments, in addition to cash and cash equivalents on the balance sheet.

As of 31 December 2021, the Group's total interest-bearing liabilities of SEK 132 million (147) consisted of interest-bearing lease liabilities of SEK 123 million (47), deferred payment regarding acquisitions of SEK 9 million (-) and no part of liabilities to Alligo (100). There were also interest-bearing lease liabilities of SEK 123 million (47).

The Group's interest-bearing current assets as of 31 December 2021 consisted of cash and cash equivalents of SEK 70 million (1) and current investments of SEK 0 million (144). The change in cash and cash equivalents and current investments is explained by the cash flow for the year as described above.

The Group had an operational net loan receivable of SEK 61 million at the end of the financial year compared to an operational net loan receivable of SEK 45 million at the beginning of the financial year.

Comparison between financial years 2020 (9 months) and 2019/2020

Revenue

The revenue for the financial year amounted to SEK 837 million (1,254). Compared to the corresponding nine-month period in 2019, the revenue decreased by SEK 91 million, which corresponds to a decrease of ten (10) per cent. On a like-for-like basis, measured in local currency and adjusted for the number of trading days, the revenue decreased by eleven (11) per cent for the financial year and compared to the corresponding 9-month period in 2019. The negative trend can be linked to the effects of the Covid-19 pandemic. Currency conversion effects affected the revenue by SEK -1 million. The financial year 2020 included two (2) trading days more than the corresponding nine-month period for 2019. For the twelve-month period ended 31 December 2020, the revenue amounted to SEK 1,163 million.

Operating income

The Group's total operating income amounted to SEK 838 million (1,255). In addition to revenue, other operating income of SEK 1 million (1) was included.

Operating profit

The Group's operating profit for the financial year amounted to SEK 91 million (130), corresponding to an operating margin of 10.9 per cent (10.4). For the twelve-month period ended 31 December 2020, the operating result was 130, unchanged from the 2019/2020 financial year.

Cost of sales related to goods sold and changes in inventories amounted to SEK -472 million (-716). For the twelve-month period ended 31 December 2020, the cost amounted to SEK -655 million, a decrease of nine (9) per cent compared to the financial year 2019/2020, mainly as a result of lower revenue.

Personnel costs amounted to SEK -163 million (-245) and the average number of employees was 313 (339), a decrease of eight (8) per cent, mainly related to short-term staff in 2020. For the twelve-month period ended 31 December 2020, personnel costs amounted to SEK -224 million, representing a decrease of nine (9) per cent compared to the financial year 2019/2020. During the financial year 2020, the Group companies received government grants for short-time work of SEK 9 million, which was recognised as a reduction of personnel costs.

Other operating costs amounted to SEK -84 million (-129). For the twelve-month period ended 31 December 2020, other operating costs amounted to SEK -119 million, representing a decrease of eight (8) per cent compared to the financial year 2019/2020. The change was mainly a result of the Covid-19 pandemic and reduced revenue with lower travel and transport costs as a result.

Depreciation, amortisation, impairment losses and reversal of impairment losses amounted to SEK -28 million (-35), of which SEK -2 million (-2) related to tangible non-current assets, SEK -3 million (-4) related to intangible non-current assets and SEK -23 million (-29) related to right-of-use assets. For the calendar year 2020, depreciation, amortisation, impairment losses and reversal of impairment losses amounted to SEK -36 million, an increase of three (3) per cent compared to the financial year 2019/2020.

EBITA (equivalent to operating profit adjusted for items affecting comparability and before any impairment of goodwill and depreciation and amortisation of other intangible assets arising on acquisitions) amounted to SEK 94 million (134), corresponding to an EBITA margin of 11.2 per cent (10.7). For the calendar year 2020, EBITA amounted to SEK 134 million, unchanged compared to the financial year 2019/2020 and corresponding to an EBITA margin of 11.5 per cent.

Profit after financial items

Financial income amounted to 0 (0), while the Group's financial expenses amounted to -2 (-3). Profit after financial items thus amounted to SEK 89 million (127).

Tax

The Group's income tax expenses amounted to SEK -19 million (-28). The calculated tax at the average tax rate for the Group amounted to 21.4 per cent (21.4). Non-deductible expenses have impacted net income tax by SEK -0 million (-1).

Equity, equity ratio and return on equity

Equity of the Group as of 31 December 2020 amounted to SEK 343 million (264), of which SEK 337 million is attributable to parent company shareholders and SEK 6 million is attributable to non-controlling interests. The Group's balance sheet total as of 31 December 2020 amounted to SEK 734 million (696). The Group's equity ratio as of 31 December 2020 was 46 per cent (37).

The Group's profitability, measured as return on working capital, EBITA/WC (twelve-month rolling EBITA to average working capital), was 54 per cent (52) for the financial year.

Cash flow from day-to-day operations and financial position

Cash flow from operating activities before changes in working capital for the year ended 31 December 2020 amounted to SEK 125 million (146). During the financial year, inventories decreased by SEK 18 million and operating receivables decreased by SEK 51 million. Operating liabilities decreased by SEK 28 million. Cash flow from operating activities for the period thus amounted to SEK 166 million (136).

Cash flow from investing activities amounted to SEK -7 million (-17), including the year's investments in and disposals of tangible non-current assets of net SEK -3 million (-3) and acquisitions of subsidiaries and other business units of net SEK -4 million (-14).

Cash flow from financing activities amounted to SEK -45 million (-117) and was mainly affected by net changes in interest-bearing liabilities via Alligo's cash pool and loans via Alligo's internal bank of SEK -38 million, repayment of lease liabilities of SEK -23 million and by contributions received and other transactions with owners of SEK 16 million.

As a result of the above, cash flow for the year amounted to SEK 114 million (2). The definition of cash and cash equivalents includes current investments, in addition to cash and cash equivalents on the balance sheet.

As of 31 December 2020, the Group's total interest-bearing liabilities of SEK 147 million (193) consisted of liabilities to Alligo of SEK 100 million, of which SEK 100 million (127) related to loans through Alligo's internal bank and SEK 0 million (11) related to the credit drawn by the Group's companies in Alligo's cash pool. There were also interest-bearing lease liabilities of SEK 47 million (55).

The Group's interest-bearing current assets at 31 December 2020 consisted of cash and cash equivalents of SEK 1 million (1) and current investments of SEK 144 million (30). The change in cash and cash equivalents and current investments is explained by the cash flow for the year as described above.

The Group had an operational net loan receivable of SEK 45 million at the end of the financial year compared to an operational net loan liability of SEK 107 million at the beginning of the financial year.

Comparison between financial years 2019/2020 and 2018/2019

Revenue

The revenue for the financial year amounted to SEK 1,254 million (1,196), an increase of five (5) per cent compared to the financial year 2018/2019. On a like-for-like basis, measured in local currency and adjusted for the number of trading days, the revenue increased by one (1) per cent. Currency conversion effects affected the revenue by SEK +1 million. The financial year had the same number of trading days as the 2018/2019 financial year.

Operating income

The Group's total operating income amounted to SEK 1,255 million (1,196). In addition to revenue, other operating income of SEK 1 million (0) was included.

Operating profit

The Group's operating profit for the financial year amounted to SEK 130 million (111), corresponding to an operating margin of 10.4 per cent (9.3).

Cost of goods sold and changes in inventories amounted to SEK -716 million (-690), an increase of four (4) per cent compared to the financial year 2018/2019, mainly as a result of increased revenue.

Personnel costs amounted to SEK -245 million (-241) and the average number of employees was 339 (328), an increase of three (3) per cent, mainly related to acquisitions during the year.

Other operating costs amounted to SEK -129 million (-149). The change compared to the financial year 2018/2019 can mainly be explained by the application of IFRS 16 Leases from 1 April 2019, and where the cost of operating leases is instead recognised through depreciation and interest. IFRS 16 affected the other operating expenses for the financial year by a total of SEK 30 million and the change can otherwise mainly be explained by costs in acquired companies.

Depreciation, amortisation, impairment losses and reversal of impairment losses amounted to SEK -35 million (-5), of which SEK -2 million (-2) related to tangible non-current assets, SEK -4 million (-3) related to intangible non-current assets and SEK -29 million (-) related to right-of-use assets.

EBITA (equivalent to operating profit adjusted for items affecting comparability and before any impairment of goodwill and depreciation and amortisation of other intangible assets arising on acquisitions) amounted to SEK 134 million (114), corresponding to an EBITA margin of 10.7 per cent (9.5).

Profit after financial items

Financial income amounted to 0 (0), while the Group's financial expenses amounted to -3 (-2). Profit after financial items thus amounted to SEK 127 million (109).

Tax

The Group's income tax expenses amounted to SEK -28 million (-25). The calculated tax at the average tax rate for the Group amounted to 21.4 per cent (22.0). Non-deductible expenses have impacted net income tax by SEK -1 million (-1).

Equity, equity ratio and return on equity

Equity of the Group as of 31 March 2020 amounted to SEK 264 million (143), of which SEK 259 million is attributable to the parent company shareholders and SEK 5 million is attributable to non-controlling interests. The Group's balance sheet total as of 31 March 2020 amounted to SEK 696 million (612). The Group's equity ratio as of 31 March 2020 was 37 per cent (23).

The Group's profitability, measured as return on working capital, EBITA/WC (twelve-month rolling EBITA to average working capital), was 52 per cent (46) for the financial year.

Cash flow from day-to-day operations and financial position

Cash flow from operating activities before changes in working capital for the year ended 31 March 2020 amounted to SEK 146 million (99). During the financial year, operating receivables increased by SEK 9 million and operating payables decreased by SEK 1 million. Inventories remained unchanged during the year. Cash flow from operating activities for the period thus amounted to SEK 136 million (102).

Cash flow from investing activities amounted to SEK -17 million (-41), including the year's investments in and disposals of tangible non-current assets of net SEK -3 million (-3) and acquisitions of subsidiaries and other business units of net SEK -14 million (-38).

Cash flow from financing activities amounted to SEK -117 million (-47) and was mainly affected by paid group contributions of SEK -116 million, net changes in interest-bearing liabilities via Alligo's cash pool and loans via Alligo's internal bank of SEK -3 million, repayment of lease liabilities of SEK -28 million and by contributions received and other transactions with owners of SEK 30 million.

As a result of the above, cash flow for the year amounted to SEK 2 million (14). The definition of cash and cash equivalents includes current investments, in addition to cash and cash equivalents on the balance sheet.

As of 31 March 2020, the Group's total interest-bearing liabilities of SEK 193 million (141) consisted of liabilities to Alligo of SEK 138 million, of which SEK 127 million (138) related to loans through Alligo's internal bank and SEK 11 million (3) related to the credit drawn by the Group's companies in Alligo's cash pool. There were also interest-bearing lease liabilities of SEK 55 million (-).

The Group's interest-bearing current assets at 31 March 2020 consisted of cash and cash equivalents of SEK 1 million (1) and current investments of SEK 30 million (28). The change in cash and cash equivalents and current investments is explained by the cash flow for the year as described above.

The Group had an operational net loan liability of SEK 107 million at the end of the financial year compared to an operating net loan liability of SEK 112 million at the beginning of the financial year.

Investments

Historical investments

For the financial year ended 31 December 2021, investments were made mainly in the form of business acquisitions

with a cash impact amounting to SEK 120 million. Investments in tangible non-current assets consisted mainly of replacement investments in machinery and equipment and amounted to SEK 5 million. No investments were made in intangible non-current assets during the financial year.

For the financial year ended 31 December 2020 (9 months), no material investments in intangible or tangible non-current assets were made.

For the financial year ended 31 March 2020, investments were made mainly in the form of business acquisitions with a cash impact amounting to SEK 14 million. No material investments in tangible or intangible non-current assets were made.

For the financial year ended 31 March 2019, investments were made mainly in the form of business acquisitions with a cash impact amounting to SEK 38 million. No material investments in tangible or intangible non-current assets were made.

Ongoing and decided investments

Momentum Group has no ongoing or planned material investments and has not entered into any firm commitments regarding material future investments.

Tangible and intangible non-current assets

As of 31 December 2021, Momentum Group had tangible non-current assets with a carrying amount of SEK 17 million mainly related to machinery and equipment. For further information, refer to Note 9 Tangible non-current assets in the section "*Historical financial information*".

As of 31 December 2021, Momentum Group had intangible non-current assets with a carrying amount of SEK 284 million mainly related to goodwill. For further information, refer to Note 8 Intangible non-current assets in section "*Historical financial information*".

Significant changes of the Company's financial result after 31 December 2021

There have been no significant changes of the Company's financial result after 31 December 2021.

Significant events after 31 December 2021

After 31 December 2021, the Company has introduced two classes of shares, Class A and Class B shares, and increased the number of shares through a share split. In addition, the Company has carried out a bonus issue whereby the share capital has been increased by approximately SEK 25 million. For further information, refer to Note 28 Events after the balance sheet date in the section "*Historical financial information*".

Capitalisation, indebtedness and other financial information

Capitalisation and indebtedness

The tables in this section present Momentum Group's capitalisation and indebtedness at group level as of 31 December 2021. Refer to the section "Shares, share capital and ownership" for further information regarding e.g. the Company's share capital and shares. The tables in this section should be read in conjunction with the section "Operational and financial overview" and the Company's combined financial statements for the financial years 1 January 2021–31 December 2021, 1 April 2020–31 December 2020, 1 April 2019–31 March 2020 and 1 April 2018–31 March 2019 included in the section "Historical financial Information", with the accompanying notes.

Capitalisation

SEK million	31 December 2021
Total current liabilities (including current portion of non-current liabilities)	362
Guaranteed	–
Secured	–
Unguaranteed/unsecured	362
Total non-current liabilities (excluding current portion of non-current liabilities)	147
Guaranteed	–
Secured	–
Unguaranteed/unsecured	147
Shareholder equity	475
Share capital	0
Legal reserve(s)	–
Other reserves ¹⁾	475
Total	984

¹⁾ Other reserves corresponds to the items "Reserves", "Retained earnings" and "Non-controlling interest".

Equity and indebtedness

Momentum Group is financed with equity and debt. Equity attributable to the parent company shareholders amounted to SEK 475 million (343) as of 31 December 2021. Momentum Group's liabilities as of 31 December 2021 consisted of non-interest-bearing liabilities and interest-bearing liabilities. Of the total non-interest-bearing liabilities of SEK 377 million (244), the majority relates to liabilities arising from operating activities, including trade payables of SEK 153 million (107). Of the Group's total interest-bearing liabilities of SEK 132 million (147), SEK 123 million (47) consists of interest-bearing leasing liabilities and no part of interest-bearing liabilities to Alligo (100). The Group's capital structure as of 31 December 2021 is presented below.

Net financial indebtedness

The Group's net financial indebtedness, SEK million	31 December 2021
A Cash	59
B Cash equivalents ²⁾	11
C Other current financial assets	–
D Liquidity (A)+(B)+(C)	70
E Current financial liabilities (including debt instruments, but excluding current portion of non-current financial liabilities) ³⁾	41
F Current portion of non-current financial liabilities	–
G Current financial indebtedness (E)+(F)	41
H Net current financial indebtedness (G)–(D)	–29
I Non-current financial liabilities (excluding current portion and debt instruments) ⁴⁾	91
J Debt instrument	–
K Non-current trade and other payables	–
L Non-current financial indebtedness (I)+(J)+(K)	91
M Total financial indebtedness (H)+(L)	62

²⁾ Consists of Momentum Group's balances in Alligo's cash pool.

³⁾ Refers to current lease liabilities.

⁴⁾ Includes non-current lease liabilities of SEK 82 million.

As of 31 December 2021, Momentum Group had an operational net loan receivable of SEK 61 million and the overdraft facility held by the Company in Alligo's cashpool was not used. Prior to the Distribution and the Listing of the Company's shares, the financing held by the Company through Alligo will be replaced by a new financing, as described below under the heading "*Financing arrangements*".

Momentum Group's equity since 31 December 2021 has been affected by, among other things, the net profit for the period and exchange rate differences arising from the conversion of the Group's net foreign assets into Swedish kronor. Other than the above and as set out under "*Financing arrangements*" below, there have been no material changes to Momentum Group's equity or indebtedness since 31 December 2021.

Indirect indebtedness and contingent liabilities

The Company had no provided collateral, guarantees or other contingent liabilities as of 31 December 2021 off-balance sheet.

Financing arrangements

Prior to the Distribution and the Listing of Momentum Group, the Company has received binding commitments for financing of the business consisting of an overdraft facility of SEK 200 million and a revolving facility of SEK 800 million. Both facilities have Handelsbanken as lender. The new financing will replace the existing financing, as described above as of 31 December 2021 and taking into account the changes that have occurred since the balance sheet date up to the Distribution and the Listing and that mainly come from the operational business.

The overdraft facility has a maturity of one (1) year from the date of issue with the possibility of an extension after the usual credit review. The overdraft facility is linked to a multi-currency cash pool, which means that the overdraft facility can be drawn in several different currencies but that any drawdown is denominated in SEK against the lender and that the interest rate on the drawdown is based on STIBOR.

The revolving facility will run for three (3) years from the date of issuance. The facility implies a binding commitment

from Handelsbanken to issue revolving loans under the facility as long as the Group meets certain financial and other commitments. Revolving loans can be taken out with different fixed interest periods (1, 3, 6 months) and in different currencies (SEK, EUR, NOK, DKK, USD). The revolving facility may be extended for a fee after three (3) years for an additional one (1) plus one (1) year, for a maximum total of five (5) years.

Statement of working capital

As of the date of this Prospectus, Momentum Group's Board of Directors believes that the existing working capital is sufficient to cover the Group's current needs for its operations for the next twelve-month period. Working capital in this context refers to the Company's possibility to access cash to meet its payment obligations as they fall due.

Key trends

Demand for industrial components and services is primarily driven by growth in end-customer markets. Growth is thus closely related to the development of total industrial production, the rate of investment and the degree of automation in Nordic industry. Growth in end-customer markets is in turn influenced by developments in the underlying economy and by factors such as industry trends, interest rates and inflation. For more information, refer to the section "*Market description*". Other parameters affecting the Group remain stable, including sales, cost situation and market position. Other than as disclosed in the section "*Risk Factors*", Momentum Group is not currently aware of any trends, uncertainties, potential exposures or other requirements that are expected to have a material impact on the Group's business prospects in the current financial year. Except as described in the section on "*Risk factors*" and in the section "*Market description*", Momentum Group presently has no information about government, economic, fiscal, monetary or other policies that may directly or indirectly have a material impact on the Group's operations.

No further events of material importance to Momentum Group's financial position (other than those described above regarding future financing) or market position have occurred since 31 December 2021.

The Board of Directors, senior management and auditor

Board of Directors

According to Momentum Group's Articles of Association, the Board of Directors shall consist of not less than three (3) and not more than seven (7) Board Members. The Board of Directors currently consists of five (5) members elected by the General Meeting of Shareholders for the period until the end of the Annual General Meeting 2023. The table below presents the Board members' positions, the year of election to Momentum Group's Board of Directors, the year of election to Alligo's Board of Directors (if applicable), the independence of the Board members in relation to the Company and its management and major shareholders, as well as information on the shareholding in Alligo as of the date of the Prospectus and the number of Momentum Group shares to which the shareholding in Alligo entitles the holder to receive in the Distribution.¹⁾ Detailed information for each Board member is provided below.

Name	Position	Board member of Alligo since	Board member of Momentum Group since	Independent in relation to the Company and its management	Independent in relation to the Company's major shareholders ²⁾	Shareholding Alligo		Shareholding Momentum Group ³⁾	
						Class A shares	Class B shares	Class A shares	Class B shares
Johan Sjö	Chairman	2019	2021	Yes	No	–	27,400	–	27,400
Anders Claeson	Board member	–	2021	Yes	Yes	–	4,980	–	4,980
Ylva Ersvik	Board member	–	2021	Yes	No	–	–	–	–
Stefan Hedelius	Board member	2016	2021	Yes	Yes	–	1,500	–	1,500
Gunilla Spongh	Board member	2016	2021	Yes	Yes	–	1,550	–	1,550

²⁾ Assessment based on Momentum Group's expected major shareholders after the Distribution and in connection with the Listing.

³⁾ After the Distribution.



Johan Sjö

Chairman of the Board since 2021

Born: 1967.

Education: M.Sc. in Business and Economics.

Other current assignments: Chairman of the Board of AddLife AB (publ), INIVI AB, OptiGroup AB and Momentum Group Holding AB. Board member of Camfil Aktiebolag, Camfil Ventures Aktiebolag, IMH Service AB and subsidiaries in the same group, M2 Asset Management AB, Arkösunds Hotell AB, Arkösund Holding AB, COJU AB, Surewood Industries AB, Alligo Holding AB, Dacke Industri Holding AB and Dacke Industri AB. Senior advisor at Nordstjernen. Deputy Board member of Henrik Sjö AB. As of the date of the Prospectus, Johan Sjö is Chairman of the Board of Alligo. As part of the Listing, the Election Committee of Alligo has proposed the election of a new Board of Directors of Alligo at the Extraordinary General Meeting on 23 March 2022, whereby Johan Sjö is proposed to be elected as a member of the Board.

Previous assignments (the last five years): Chairman of the Board of Alligo Holding AB, Swedol AB, Addtech AB (publ), Addtech Nordic AB, Bergman & Beving AB (publ) and Prosero Security Holding AB and of subsidiaries in the same group. Board member of Addtech AB (publ), Spaljisten AB, Anebyhusgruppen AB, Träaktiebolaget KG-list, Österbymo Hardwood AB, Bufab AB (publ), Bergman & Beving AB (publ) and subsidiaries in the same group and Joh Sjö AB and subsidiaries in the same group. Deputy Board member in Joh Sjö Holding AB. CEO of Addtech AB (publ). **Expected shareholding in the Company:** 27,400 Class B shares (own holding).



Anders Claeson

Board member since 2021

Born: 1956.

Education: M.Sc. in Industrial Engineering and Management.

Other current assignments: Board member of Lagercrantz Group Aktiebolag and A Claeson Consulting Company AB.

Previous assignments (the last five years): Deputy CEO of Addtech AB (publ) and CEO of Addtech Nordic AB. Chairman or member of the Board of several subsidiaries of the Addtech group.

Expected shareholding in the Company: 4,980 Class B shares (own holding).

¹⁾ Provided that the shareholders of Alligo at the Extraordinary General Meeting on 23 March 2022 decide on the Distribution in accordance with the proposal of the Board of Directors, each share of Class A and Class B, respectively, held by shareholders of Alligo on the record date 25 March 2022 for the right to distribution of shares in Momentum Group will entitle to one (1) Class A Share and one (1) Class B share, respectively, in Momentum Group.



Ylva Ersvik

Board member since 2021

Born: 1988.

Education: Bachelor of Science in Business Administration and Economics. M.Sc. in Engineering Physics.

Other current assignments: Investment Manager at Nordstjernan. Deputy Board member of Boyd Wardley AB.

Previous assignments (the last five years): –
Expected shareholding in the Company: –



Gunilla Spongh

Board member since 2021

Born: 1966.

Education: M. Sc. in Industrial Engineering and Management.

Other current assignments: Chairman of the Board of Bluefish Pharmaceuticals AB (publ). Board member of Systemair Aktiebolag, AQ Group AB, Lernia AB, Byggmax Group AB (publ), Swedish Stirling AB, G Spongh Förvaltnings AB, Pierce Group AB (publ), Consivo Group AB (publ), Meds Apotek AB and ViaCon Group AB (publ).

As of the date of the Prospectus, Gunilla Spongh is a member of the Board of Directors of Alligo. As part of the Listing, the Election Committee of Alligo has proposed the election of a new Board of Directors of Alligo at the Extraordinary General Meeting on 23 March 2022. Provided that the Extraordinary General Meeting votes in favour of the Election Committee's proposal, Gunilla Spongh will not remain a Board member of Alligo.

Previous assignments (the last five years): Board member of Alligo Holding AB, Infranord AB, SunPine AB and B&B TOOLS Aktiebolag (publ). Deputy Board member of Såifa Drivmedel Aktiebolag.

Expected shareholding in the Company: 1,550 Class B shares (own holding).



Stefan Hedelius

Board member since 2021

Born: 1969.

Education: University studies in Economics, various international executive education programmes.

Other current assignments: Chairman of the Board of Alhanko & Johnson AB. Board member and CEO of Human Care HC AB (publ). Board member of AddLife AB (publ), Alligo Holding AB, Chatflights International AB, Stefan Hedelius AB and The Cloud Factory AB. Deputy Board member of Say hello to all of our friends AB, Illemann Konsult AB and BJ by Hedelius AB.

As of the date of the Prospectus, Stefan Hedelius is a member of the Board of Directors of Alligo. As part of the Listing, the Election Committee of Alligo has proposed the election of a new Board of Directors of Alligo at the Extraordinary General Meeting on 23 March 2022, whereby Stefan Hedelius is proposed to remain as a member of the Board.

Previous assignments (the last five years): CEO of NOTE AB (publ). Board member of Handbolls-EM 2016 Sverige AB.

Expected shareholding in the Company: 1,500 Class B shares (own holding).

Senior management

As of the date of this Prospectus, the senior management of the Company consists of two (2) persons. The table below presents the names, current position, the year the person became part of the management of Momentum Group, whether the person has been part of the management of Alligo and information about their shareholding in Alligo as of the date of the Prospectus and how many shares in Momentum Group the shareholding in Alligo entitles to in the Distribution.¹⁾

Name	Position	Part of Momentum Group's management since	Joined Alligo's management	Shareholding Alligo		Shareholding Momentum Group ²⁾	
				Class A shares	Class B shares	Class A shares	Class B shares
Ulf Lilius	President & CEO	2021	2016–2021	2,688	203,323	2,688	203,323
Niklas Enmark	Executive Vice President & CFO	2021	2017–2021	–	37,302	–	37,302

²⁾ After the Distribution.



Ulf Lilius

President & CEO since 2021

Born: 1972.

Education: Bachelor's degree in Economics.

Other current assignments: Chairman, Board member and/or CEO of a number of subsidiaries of the Momentum Group. Board member of Lilius System Aktiebolag.

Previous assignments (the last five years): Chairman, member of the Board and/or CEO of a number of subsidiaries of the Momentum Group, the Alligo Group and the Bergman & Beving Group. CEO of B&B TOOLS AB. President & CEO of Alligo.

Expected shareholding in the Company: 2,688 Class A shares and 203,323 Class B shares (with family).



Niklas Enmark

Executive Vice President & CFO since 2021

Born: 1972.

Education: M.Sc. in Business and Economics.

Other current assignments: Chairman and/or Board member of a number of subsidiaries of the Momentum Group. Board member of Svartbäck Gård och Utveckling AB.

Previous assignments (the last five years): Board member of a number of subsidiaries of the Momentum Group and the Alligo Group. Acting CEO of Axel Johnson International AB and Chairman or Board member of several subsidiaries within the Axel Johnson International Group.

Expected shareholding in the Company: 37,302 Class B shares (own holding).

¹⁾ Provided that the shareholders of Alligo at the Extraordinary General Meeting on 23 March 2022 decide on the Distribution in accordance with the proposal of the Board of Directors, each share of Class A and Class B, respectively, held by shareholders of Alligo on the record date 25 March 2022 for the right to distribution of shares in Momentum Group will entitle to one (1) Class A Share and one (1) Class B share, respectively, in Momentum Group.

Other information about the Board of Directors and senior management

All of the Company's Board members and senior management can be contacted via the Company's address: Östermalmmsgatan 87 D, SE-114 59 Stockholm, Sweden.

None of the above Board members or senior management has any family relationship with any other Board member or executive officer of the Company. In the past five (5) years, no Board member or senior management has (i) been convicted in fraud-related cases, (ii) represented a company that was declared insolvent or applies for (other than voluntarily) or been taken under restructuring proceedings, (iii) been subject to accusations and/or sanctions by legally or regulatory authorised authorities (including approved professional associations) or (iv) disqualified by a court from acting as a member of the administrative, management or supervisory bodies or from acting in the management or senior functions of any issuer.

No member of the Board or senior management has any private interests that may conflict with the Company's interests. As stated above, however, several Board members and senior management have financial interests in Momentum Group through shares in Alligo (entailing that they will receive shares in Momentum Group in the Distribution).

To the best of the Board's knowledge, there have been no specific agreements with major shareholders, customers, suppliers or other parties under which Board members, senior management or the auditor have been elected or appointed. Furthermore, no Board member or senior management has entered into any agreement with the Company, or any of its subsidiaries, relating to post-employment benefits, other than as otherwise disclosed in this Prospectus.

Auditor

KPMG AB, reg. no 556043-4465 ("KPMG"), has been Momentum Group's auditor since 2020 and at the Annual General Meeting on 11 February 2022, KPMG was re-elected as the Company's auditor for the period until the next Annual General Meeting in 2023. Helena Arvidsson Älgne, an authorised public accountant and a member of FAR (the trade association for authorised accounting consultants, auditors and advisors in Sweden), is the Company's principal auditor since 2020. KPMG is the auditor of the Momentum Group's subsidiaries and has been Alligo's auditor throughout the period covered by the historical financial information in this Prospectus. Momentum Group's combined financial statements for the financial years ended 31 December 2021, 31 December 2020, 31 March 2020 and 31 March 2019, respectively, have been audited by KPMG, as independent auditors, as described in "*Auditor's report on historical financial information*" in the section "*Historical financial information*".

Corporate governance

General

The Company is a Swedish public limited liability company. The Company's corporate governance is based on Swedish law, primarily the Swedish Companies Act (2005:551) and the Company's Articles of Association and internal rules (including instructions and policies). In connection with the Listing of the Company's shares, the Company will also apply the Nasdaq Stockholm Rulebook and the Swedish Corporate Governance Code (the "**Code**").

The Code applies to all limited liability companies whose shares are listed on a regulated market in Sweden and shall be applied in its entirety from the date of the Listing. The Code is based on the "comply or explain" principle, which means that a company applying the Code does not have to comply with all the rules of the Code at all times. If a company considers that a particular rule is not appropriate in view of its particular circumstances, it may choose to deviate from that rule, which should be disclosed by stating the reasons for the deviation in the corporate governance report.

The Company intends to deviate from the Code item 7.6 that, which states that the company's six-month report or nine-month report shall be reviewed by the company's auditors. The justification for the deviation is that the Company has made the assessment that the additional expenses that would be incurred by Company for an expanded review of the six-month report or nine-month report cannot be justified. Otherwise, the Company intends to comply with the Code without exceptions. Any deviations from the Code will be disclosed in the Company's first corporate governance report, which will be prepared for the first time for the financial year 2022.

General meeting

General

Under the Swedish Companies Act, the General Meeting of Shareholders is the Company's highest decision-making body and shareholders exercise their voting rights on key issues, such as the adoption of profit and loss accounts and balance sheets, the appropriation of the Company's profits and losses, the discharge of the Board members and the Chief Executive Officer, the election of Board members and auditors and the remuneration of the Board members and auditors. The Annual General Meeting must be held within six (6) months from the end of each financial year. In addition to the Annual General Meeting, Extraordinary General Meetings can be convened. According to the Company's Articles of Association, notice of a General Meeting of Shareholders shall be announced in the Swedish Official Gazette (Sw. *Post- och Inrikes Tidningar*) and by the notice being kept available on the Company's website. The fact that notice has been given shall at the same time be announced in Svenska Dagbladet.

Right to attend General Meeting of Shareholders

In order to participate in a General Meeting of Shareholders, shareholders must be recorded in the register of shareholders maintained by Euroclear Sweden AB six (6) business days prior to the meeting, and must also announce themselves to the Company not later than on the date specified in the notice. Shareholders whose shares are registered in the name of a nominee with a bank or other nominee must, in order to be entitled to attend the General Meeting of Shareholders, in addition to informing the Company, request that their shares be temporarily registered in their own name in the share register maintained by Euroclear no later than four (4) business days before the Meeting. Shareholders should inform their trustees of this in good time before the record date. Shareholders may attend the General Meeting of Shareholders in person or by proxy and may be accompanied by a maximum of two (2) assistants.

Shareholder initiatives

Shareholders wishing to have a matter addressed at the General Meeting of Shareholders must send a written request to the Board of Directors. Such a request shall normally be submitted to the Board not later than seven (7) weeks before the General Meeting of Shareholders.

Board of Directors

The Board of Directors is the Company's highest decision-making body after the General Meeting of Shareholders. The Board members are normally elected by the Annual General Meeting for the period until the end of the next Annual General Meeting. The Articles of Association state that the number of Board members shall be not less than three (3) and not more than seven (7) Board members. As of the date of the Prospectus, the Board of Directors of the Company consists of five (5) ordinary members, as presented in the section "*Board of Directors, senior management and auditor*".

The duties of the Board of Directors are governed by the Swedish Companies Act and the Company's articles of association. The work of the Board is further governed by the rules of procedure adopted annually by the Board. The rules of procedure govern the division of work between the Board, the Chairman of the Board and the CEO. The Board also adopts instructions for the Board's committees and instructions for the CEO (including instructions regarding the CEO's financial reporting).

The Board of Directors is responsible for the organisation and the management of the Company's affairs, including responsibility for establishing overall long-term strategies and objectives, setting policies to ensure the long-term value creation of the Company's business, and making decisions on matters relating to investments and disposals, capital structure and dividend policy. The Board is also responsible for the development and adoption of the

Company's key policies, ensuring that control systems are in place to monitor compliance with policies and guidelines, ensuring that control systems are in place to monitor operations and risks, appointing the Company's CEO and determining his/her and other senior management's salaries and other remuneration, in accordance with the guidelines for remuneration to senior management as adopted by the Annual General Meeting on 11 February 2022.

The Chairman of the Board is responsible for, among other things, ensuring that the members of the Board receive all the necessary documents and information to carry out their duties. The Chairman of the Board shall, in close cooperation with the CEO, monitor the performance of the Company and prepare and chair board meetings. The Chairman is also responsible for the Board evaluating its and the CEO's work annually. The Board meet according to a predetermined schedule. In addition to these meetings, additional board meetings may be convened to handle issues which cannot be postponed until the next ordinary board meeting.

Election Committee

Companies complying with the Code shall have an Election Committee. According to the Code, the General Meeting of Shareholders shall appoint the members of the Election Committee or, alternatively, specify how the members are to be appointed. According to the Code, the Election Committee shall consist of at least three (3) members, a majority of whom shall be independent in relation to the Company and the senior management. In addition, at least one (1) member of the Election Committee shall be independent in relation to the largest shareholder, in terms of voting rights, or group of shareholders cooperating in the management of the Company.

At the Annual General Meeting on 11 February 2022, the following instruction to the Election Committee was adopted to be valid until further notice, provided that Momentum Group is listed on Nasdaq Stockholm.

Election Committee members are to be nominated by the major shareholders in the Company, whereby the four (4) largest shareholders, in terms of voting rights, in the Company according to the shareholders' register maintained by Euroclear Sweden on the last banking day in February, are entitled to nominate one member each. If fewer than four (4) members are nominated in accordance with the above, up to three (3) additional shareholders, who are the next largest in terms of number of votes held, are to be contacted to nominate a member. If fewer than three (3) members are nominated thereafter, other shareholders are to be offered, on the basis of voting rights, to nominate one member until a total of three (3) members have been nominated. The shareholder controlling most votes in the Company is entitled to nominate the Chairman of the Election Committee. The Chairman of the Board is to be a co-opted member of the Election Committee (without voting rights)

and coordinate the nomination procedure.

The nominated members (including the Chairman of the Election Committee) shall be elected as members of the Election Committee by the Company's Annual General Meeting for the period up until the end of the next Annual General Meeting. The notice for the Annual General Meeting shall include the names of the nominated members. If the ownership structure changes during the term of the Election Committee, the composition of the Election Committee may be changed to reflect this. Changes to the composition of the Election Committee shall be announced as soon as possible.

The Election Committee is to prepare and submit to the Chairman of the Board the Election Committee's proposals for election of the Chairman of the General Meeting, election of the Chairman of the Board of Directors and other Board members, resolution regarding Board fees (distributed between the Chairman and other Board members as well as remuneration for Committee work), election of auditor and resolution regarding auditor fees and, if deemed necessary, resolution regarding changes in the Election Committee's instructions. Shareholders are given the opportunity to address the Election Committee with nomination proposals.

The Election Committee's proposals shall be included in the notice to the Annual General Meeting. In connection with the Board of Director's issuance of the notice of the Annual General Meeting, the Election Committee shall ensure that the Company publishes the Election Committee's proposals and reasoned opinion as well as information on how the Election Committee has conducted its work on the Company's website.

With respect to the Annual General Meeting 2023, it was resolved that the four (4) largest shareholders of the Company, in terms of voting rights according to the share register maintained by Euroclear Sweden, as of the last bank day in June 2022, shall be entitled to nominate one (1) member each.

Remuneration Committee

The Company has a Remuneration Committee consisting of Johan Sjö (Chairman) and Stefan Hedelius. Both Johan Sjö and Stefan Hedelius are independent in relation to the Company and its management. Accordingly, the Company complies with the requirements of the Code. The tasks of the Remuneration Committee are set out in the rules of procedure of the Board of Directors, which are adopted annually. The Remuneration Committee shall prepare proposals regarding remuneration principles and other terms of employment for senior management and consult with the CEO regarding remuneration for senior management. The Remuneration Committee is also responsible for monitoring and evaluating variable remuneration programmes for senior management and the application of the guidelines for remuneration of senior management adopted by the Annual

General Meeting. The compensation committee shall meet at least two (2) times each year, or more often if necessary.

Audit Committee

The entire Board of Directors constitutes the Audit Committee. The tasks of the Audit Committee are set out in its rules of procedure, which are adopted annually. The work of the Committee shall be carried out as an integral part of the work of the Board at ordinary board meetings. Gunilla Spongh is appointed chair of the Audit Committee. Anders Claeson, Stefan Hedelius and Gunilla Spongh are independent in relation to the Company and its management and in relation to the Company's major shareholders, and Gunilla Spongh has accounting or auditing expertise. The Company therefore complies with the requirements of the Swedish Companies Act and the Code. The Audit Committee's tasks include maintaining and streamlining contact with the Group's auditors, overseeing accounting and financial reporting procedures, reviewing asset management and the financial position in general. In addition, the Audit Committee shall monitor the effectiveness of the Company's internal control, and consider possible recommendations to improve internal control over financial reporting, including reviewing annually the need for an internal audit function in accordance with the Code. The Committee shall analyse the Company's risk management together with the senior management and the external auditors. In addition,

the Committee shall participate in the planning of the audit work and assist in the preparation of proposals for the General Meeting of Shareholders' decision on the election of auditors.

CEO and senior management

The CEO is subordinate to the Board of Directors and is responsible for the Company's day-to-day management and day-to-day operations of the Company. The division of duties between the Board and the CEO is specified in the rules of procedure for the Board and the instructions for the CEO.

The CEO is responsible for managing the business in accordance with the Board's guidelines and instructions and for providing the Board with information and the necessary basis for decision-making. The CEO leads the work of the company management and takes decisions after consultation with its members. Furthermore, the CEO is the rapporteur at the meetings of the Board of Directors and shall ensure that the members of the Board are regularly provided with the information necessary to monitor the financial position, results, liquidity and development of the Company and the Group.

The CEO and other senior management are presented in more detail under the heading "Senior management" in the section "Board of Directors, senior management and auditor"

Remuneration to the CEO and other senior management during 2021¹⁾

SEK thousand	Fixed salary	Variable remuneration	Other remuneration	Pension costs	Total
Ulf Lilius, President & CEO	4,563	2,220	70	1,332	8,185
Niklas Enmark, Executive Vice President & CFO	2,556	1,018	92	776	4,442
Total	7,118	3,238	163	2,108	12,627

¹⁾ Refers to remuneration received 1 January–31 October 2021 in Alligo and 1 November–31 December 2021 in Momentum Group. Refer to Note 4 Employees and personnel costs in the section "Historical financial information" for further information.

Remuneration to Board members and senior management

Remuneration of the Board of Directors

Remuneration of the Board of Directors shall be determined by the General Meeting of Shareholders. The Annual General Meeting on 11 February 2022 resolved that the remuneration for the period until the next Annual General Meeting shall be SEK 250,000 to each of the Board members elected by the Annual General Meeting and SEK 625,000 to the Chairman of the Board. The Chairman of the Audit Committee, who is also a member of the Board, will receive an additional fee of SEK 150,000. No other remuneration is paid for committee work.

Guidelines for remuneration to the CEO and other senior management

Remuneration will be in line with market conditions and will consist of the following components: fixed salary, possible variable remuneration by separate agreement, pension and other benefits. In addition – and independently of these guidelines – the General Meeting of Shareholders

may decide on, for example, share and share price related remuneration. The Board of Directors may decide to deviate from the guidelines, in whole or in part, if there are specific reasons for doing so in an individual case and if such deviation is necessary to meet the long-term interests of the Company, including its sustainability, or to ensure the financial viability of the Company.

Fixed salary

The fixed salary shall consist of a fixed cash salary and shall be reviewed annually. The fixed salary shall be competitive and reflect the requirements of the position in terms of skills, responsibilities, complexity and contribution to the achievement of the business objectives.

Variable remuneration

In addition to the fixed salary, the CEO and other senior management may from time to time, by separate agreement, receive variable remuneration upon the achievement of predetermined and measurable criteria set by the Board of Directors, which may be financial, such as the Group's and/or their area of responsibility's earnings growth, profitability

and cash flow, or non-financial, such as sustainability, customer satisfaction and quality. Any variable remuneration may consist of annual cash remuneration and shall not exceed 50 per cent of the fixed annual remuneration. To avoid unhealthy risk-taking, there should be a basic balance between fixed and variable salary. The fixed salary shall represent a sufficiently large part of the senior executive's total remuneration to allow the variable part to be reduced to zero.

Additional variable cash compensation may be paid in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and are made only at the individual level either for the purpose of recruitment or retention, or as compensation for extraordinary work in addition to the individual's regular duties. Such remuneration shall not exceed an amount equivalent to 20 per cent of the fixed annual salary and shall not be paid more than once a year and per individual.

Pension

The CEO and other senior management are covered by a defined contribution pension, whereby the amount of the pension depends on the outcome of the subscribed pension insurances. Defined contribution pension premiums shall not exceed 40 per cent of the fixed annual salary.

Other remuneration

Other benefits, which may include a company car, travel allowances, supplementary health and medical insurance and occupational health care, should be in line with market conditions and form only a limited part of the total remuneration. Premiums and other costs relating to such benefits may not exceed a total of ten (10) per cent of the fixed annual salary.

Conditions of termination

All senior management must observe a notice period of a maximum of six (6) months in the event of their own termination. In the event of termination by the Company, a notice period of a maximum of twelve (12) months shall apply. In the event of termination by the Company, senior management may be entitled, in addition to salary and other employment benefits during the period of notice, to a severance payment corresponding to a maximum of twelve (12) months' fixed salary. No severance payment shall be made in the event of termination of employment.

Share-based incentive programmes

As of the date of approval of the Prospectus, Momentum Group does not have any share-based incentive schemes.

Following a resolution of the 2018 Annual General Meeting of Alligo, then Momentum Group, the members of the Momentum Group who held a management position in the Alligo Group were offered the opportunity to participate in an incentive programme consisting of call options in Alligo, where each call option entitled the holder to acquire one (1) share in Alligo on two (2) occasions; 1) during the period 14 February–28 February 2022 and 2) during the period 16 May–30 May 2022, for a purchase consideration of SEK 137.30 per call option (the "**Call option programme 2018/2022**"). Following the separation of Momentum

Group and Alligo, the Extraordinary General Meeting of Alligo on 2 December 2021 resolved, in accordance with the proposal of the Board of Directors, to authorise the Board of Directors to offer cash redemption of the call options in the Call option programme 2018/2022. Holders of 232,000 call options have accepted the offer, leaving 8,000 call options outstanding.

Internal control

The Board of Directors' responsibility for internal control is governed by the Swedish Companies Act, the Annual Accounts Act and the Code. The Board of Directors shall, inter alia, ensure that the Company has good internal control and formalised procedures that ensure compliance with established principles for reporting and internal control, and that there are appropriate systems for monitoring and controlling the Company's activities and the risks associated with the Company and its activities. The internal control procedures for financial reporting have been designed to ensure reliable overall financial reporting and external reporting in accordance with IFRS, applicable laws, regulations and other requirements for listed companies.

Within the Company, all activities are subject to internal control, with internal control over financial reporting being essential.

Internal governance and control over financial reporting within the Group is based on a structure of governing documents, risk analyses, processes and defined roles and responsibilities and related controls in various forms. This structure is based on the internationally accepted framework COSO (The Committee of Sponsoring Organizations of the Treadway Commission). COSO is based on five (5) interrelated components, which together form the basis for good internal governance and control. The framework is based on the Group's structured approach to identifying and analysing the material risks, which in turn influences the design of the components. A review and assessment of each component shall be carried out annually. On the basis of this review, certain areas for development are identified and prioritised in the ongoing work on internal control, and when action plans are developed.

Risk analysis

The risk assessment is the basis for internal management and control, and the starting point for the controls that are designed, documented and continuously evaluated. The Group has established an annual enterprise-wide risk assessment process to provide the Board of Directors and management with a better understanding of the risks to which the organisation is exposed.

With regard to risks related to financial reporting, the risk analysis is carried out from a Group perspective in which the Group's Audit Committee also participates and provides input. The most significant risks are identified, along with their assessed probability and their impact on the financial outcome. Risk assessment is also carried out on the basis of the key processes established by the Group. The annual analysis will also include a review of whether the key processes are reliably identifying and managing the material risks.

Corporate governance

The process of risk assessment of the material risks, risk assessment linked to key processes and actions (see below) is to ensure that the risks to which the business is exposed are managed within the internal governance and control framework.

Control environment

Based on the risk analysis, the control environment is the foundation of the Group's internal control and includes the way the Board and management act and set the "tone at the top", allocate responsibility and authority within the organisation, communicate business objectives and communicate overall internal control values.

The control environment involves creating a sound risk culture and is given practical expression through factors such as corporate culture, integrity, ethics, competence, management philosophy, organisational structure, authority and responsibility, and related governing documents and instructions. An essential part of the control environment is to identify processes to manage the identified risks.

Control activities

All businesses within the Group shall ensure that appropriate controls are in place to reduce the identified risks to an acceptable level. Controls can be preventive or detective in nature, automated or manual. The goal is to have a cost-effective mix of controls that are adapted to the business conditions and risk tolerance. Controls shall be identified for each identified material risk and risk related to the Group's key processes. As part of the annual evaluation, it shall also be evaluated whether the controls or other mitigating measures are deemed to be sufficient and properly designed and that the controls as such are working and are being carried out in accordance with the design of the controls.

Communication and information

There shall be a well-functioning two-way communication and information flow between the Board of Directors and management and to the Group's employees. Communication must work between all levels of the organisation.

An important element of internal control is to ensure effective dissemination of relevant information to internal and (relevant) external stakeholders. The Group's management shall ensure that all applicable policies and guidelines are made available to relevant parties. In addition, information is exchanged between the Group's management and all subsidiaries on an ongoing basis within the framework of regular business monitoring and internal board meetings. An important part of this is also communication to the subsidiaries regarding the controls for which they are responsible.

Follow-up

Follow-up activities evaluate whether each of the five (5) components of internal control exists and is functioning. The Group uses self-assessments to assess the adequacy and effectiveness of internal control, such as determining whether control activities exist and are effective. Self-assessments shall be carried out at least annually and the results reported to the Group's management and the Audit Committee of the Board of Directors of the parent company.

Audit

The auditor shall review the Company's annual reports, accounts and books, as well as the administration of the Board of Directors and the CEO. The audit of the Company's financial reports and accounts and the management of the Board of Directors and the CEO is carried out in accordance with auditing standards accepted in Sweden. Following each financial year, the auditor shall submit an auditor report and a consolidated auditors report to the Annual General Meeting.

The Company's auditor is KPMG with Helena Arvidsson Älgne as the principal auditor. For further information on the Company's auditor, refer to section "Board of directors, senior management and auditor" under the heading "Auditor".

During the financial year 2021, the total remuneration to the Company's auditor amounted to SEK 2 million, of which SEK 1 million was related to the audit engagement and SEK 1 million was related to other services.

Shares, share capital and ownership

Shares and share capital

The Company's registered share capital, as of the date of the latest balance sheet (i.e. 31 December 2021), amounted to SEK 25,000 divided into 25,000 shares with a quota value of SEK 1. As of the date of this Prospectus, the Company's registered share capital amounts to SEK 25,240,444.50 divided into 50,480,889 shares, of which 564,073 are Class A shares and 49,916,816 are Class B shares, with a quota value of SEK 0.5. All shares are issued in accordance with Swedish law on and are fully paid-up and freely transferable. The shares are registered in a voting register pursuant to the Financial Instruments Accounts Act (1998:1479) maintained by Euroclear Sweden AB (Box 191, 101 23 Stockholm, Sweden). No share certificates have been issued for the Company's shares. Following the Listing, the Company's Class B shares will be traded in SEK on Nasdaq Stockholm with ISIN code SE0017562523 under the ticker name MMGR B.

Rights attached to the shares

Voting rights

Each A-share entitles the holder to ten (10) votes and each B-share entitles the holder to one (1) vote at the Momentum Group's General Meeting of Shareholders. Each shareholder entitled to vote may vote at a General Meeting for the full number of these shares it owns and represents.

Preferential rights to new shares

If the Company decides to issue new Class A shares and Class B shares by way of a cash issue or a set-off issue, owners of Class A shares and Class B shares shall have preferential rights to subscribe for new shares of the same class in proportion to the number of shares previously held (primary preferential rights). Shares that are not subscribed for with primary preferential rights shall be offered to all shareholders for subscription (subsidiary preferential rights). If the shares offered are not sufficient for the subscription made with subsidiary preferential rights, the shares shall be distributed among the subscrib-

ers in proportion to the number of shares they previously held and, to the extent that this cannot be done, by drawing lots. If the Company decides to issue only Class A shares or Class B shares by means of a cash or set-off issue, all shareholders, regardless of whether their shares are Class A shares or Class B shares, shall have preferential rights to subscribe for new shares in proportion to the number of shares they previously held. Momentum Group's Articles of Association do not restrict the possibility to decide on a cash issue or a set-off issue with derogation from the shareholders' preferential rights.

The above shall not restrict the possibility to decide on a cash or set-off issue with a derogation from shareholders' pre-emptive rights.

In the event of an increase in the share capital through a bonus issue, new shares of each class shall be issued in proportion to the number of shares of the same class already in existence. Old shares of a certain class shall carry preferential rights to new shares of the same class. The aforesaid shall not restrict the possibility of issuing shares of a new class through a bonus issue after the requisite changes have been made in the Articles of Association.

Right to dividends and balance in the event of liquidation

All shares confer the same right to dividends and to the Company's assets and any surplus in the event of liquidation. Decisions on dividends are resolved by the General Meeting of Shareholders. The right to dividends accrues to a person who is registered as a shareholder in the share register maintained by Euroclear on a record day decided on by the General Meeting of Shareholders. Dividends are generally paid in cash through Euroclear but may also be paid in another forms than cash payments. If the shareholders cannot be contacted through Euroclear, the shareholders claim on the Company regarding the amount of the dividend remains valid for a ten-year limitation period. The amount of the dividend accrues to the Company upon limitation.

Share capital development

The historical development of the share capital since the Company's incorporation.

Date	Event	Change in number of shares		Total number of shares		Change in share capital (SEK)	Total share capital (SEK)	Quotient value (SEK)
		Class A shares	Class B shares	Class A shares	Class B shares			
2020-07-03	New formation	25,000 ¹⁾	–	25,000	–	–	25,000	1
2022-01-29	Introduction of different share classes	25,000	–	25,000	–	–	25,000	1
2022-01-29	Split	539,073	49,916,816	564,073	49,916,816	–	25,000	0.000495
2022-01-29	Bonus issue	–	–	564,073	49,916,816	25,215,444.5	25,240,444.5	0,5

¹⁾ Before the introduction of separate classes of shares, there was only one class of shares in the Company. The shares have been presented in the column for Class A shares for formatting purposes.

Transferability of shares

The shares are freely transferable. The Articles of Association does not contain any provisions restricting the right to freely transfer the shares. The shares are not subject to any offer made as a result of a mandatory bid obligation, right of redemption or settlement obligation. No public offering has been made for the Company's shares since its incorporation.

Conversion clause

At the request of the owner of a Class A share, Class A shares may be converted into Class B shares. A request for conversion must be made in writing to the Board of Directors of the Company. The number of shares to be converted must be specified. The Company's Board of Directors is required to consider matters relating to the conversion into Class B shares of the Class A shares, whose owners have made the request, within four (4) months of receipt of such a request.

Dilution

As of the date of the Prospectus, the Company has no outstanding convertible debentures, warrants or other share-based financial instruments, which, if exercised, could have a dilutive effect on the Company's shareholders.

Ownership structure

At the date of this Prospectus, Momentum Group is a wholly owned subsidiary of Alligo. Provided that the shareholders of Alligo, at the Extraordinary General Meeting on 23 March 2022, resolve on the Distribution in accordance with the proposal of the Board of Directors, the shares in Momentum Group will be distributed to the shareholders of Alligo in proportion to each individual shareholder's holding in Alligo. Momentum Group's ownership structure at the time of the Distribution and prior to the Listing will

initially reflect the ownership structure of Alligo. After the Distribution, based on the ownership structure of Alligo as of 8 February 2022, the Company's ownership structure is expected to be as set out in below table.

Authorisation

Authorisation for the Board of Directors to decide on a new share issue

It was resolved at the Annual General Meeting on 11 February 2022 to authorise the Board of Directors to resolve, on one or more occasions, to increase the Company's share capital by issuing new shares, provided that such issues do not result in an increase in the Company's registered share capital or the number of shares in the Company by more than ten (10) per cent in total, based on the Company's registered share capital or number of shares before the exercise of the authorisation. It shall be possible to issue new shares with or without derogation from the shareholders' preferential rights and with or without a provision for contribution in kind or set-off. The purpose of the authorisation, as well as the reasons for authorising a new issue with derogation from the shareholders' preferential rights, is to strengthen the Company's ability to carry out or finance acquisitions of other companies, parts of companies or assets that the Board of Directors deems to be of value to the Company's business, or to strengthen the Company's capital base in connection with this.

Authorisation for the Board of Directors to decide on acquisition and transfer of own shares

At the Annual General Meeting on 11 February 2022, it was resolved to authorise the Board of Directors to acquire, before the next Annual General Meeting, a maximum number of Class B shares so that the Company's holding of own shares does not at any time exceed ten (10) per cent of all

Ownership structure

Shareholders	Class A shares	Class B shares	% of capital	% of votes
Nordstjärnan AB	213	27,776,641	55.02	49.99
Tom Hedelius	513,124	–	1.02	9.24
BNP Paribas Sec Services Paris	–	3,355,000	6.65	6.04
Swedbank Robur Fonder ¹⁾	–	3,173,496	6.29	5.71
Handelsbanken Fonder ²⁾	–	2,804,440	5.56	5.05
Carnegie Fonder ³⁾	–	1,502,284	2.98	2.70
Sandrew Aktiebolag	–	800,000	1.58	1.44
Länsförsäkringar Fonder ⁴⁾	–	743,747	1.47	1.34
Jefferies LLC	–	637,244	1.26	1.15
Brown Brothers Harriman & Co	–	634,469	1.26	1.14
Total ten largest shareholders	513,337	41,427,321	83.08	83.81
Other	50,736	8,489,495	16.92	16.19
Total	564,073	49,916,816	100	100

¹⁾ Includes Swedbank Robur Sverigefond, Swedbank Robur Förfundsfond Sverige Plus and Swedbank Robur Sverigefond Mega.

²⁾ Includes Handelsbanken Microcap Norden, Handelsbanken Microcap Sverige, Handelsbanken Norden Index Criteria, Handelsbanken Sverige Index Criteria, Handelsbanken Nordiska Småbolag and Handelsbanken Svenska Småbolag.

³⁾ Includes Carnegie All Cap, Carnegie Micro Cap, Carnegie Småbolagsfond and Carnegie Spin-Off.

⁴⁾ Includes Länsförsäkringar Mix and Länsförsäkringar Småbolag Sverige.

shares in the Company. The authorisation may only be used provided that the Company is listed on Nasdaq Stockholm and acquisitions shall be made on Nasdaq Stockholm in accordance with the exchange's rules for issuers at a price within the price range registered at the time, which means the range between the highest bid price and the lowest offer price. Acquisitions shall be paid in cash and may be made on one or more occasions.

Furthermore, the Board of Directors was authorised to dispose the Company's own Class B shares held by the Company before the next Annual General Meeting in a manner other than on Nasdaq Stockholm. The authorisation may be exercised on one or more occasions and covers all own shares held by the Company at the time of the Board of Director's decision. The authorisation includes the right to decide to deviate from the shareholders' preferential rights and that payment may be made in other than cash.

The purpose of the authorisation is, on the one hand, to be able to adjust the Group's capital structure and, on the other hand, to enable future acquisitions of companies or businesses to be made through payment with own shares.

Shareholder agreements

To the knowledge of the Board of Directors of the Company, there are no shareholders' agreements or other agreements between the shareholders of the Company aimed at jointly influencing the Company. Nor is the Company's Board of Directors aware of any contracts or equivalent that may lead to a change in control of the Company.

Takeover bids and redemption of minority shares

According to the Swedish Act on Public Takeovers on the Stock Market (2006:451), a person who holds no shares or holds shares representing less than three-tenths (3/10) of the voting rights of all the shares in a Swedish limited liability company, whose shares are admitted to trading on a regulated market and who, through the acquisition of shares in the company, alone or together with a related party, acquires a shareholding representing at least three-tenths (3/10) of the voting rights of all the shares in the company, immediately disclose the size of his or her shareholding in the company and within four (4) weeks thereafter make a public offer for the remaining shares in the company (mandatory bid). There have been no public takeover bids for the Company's shares during the current or previous financial year.

A shareholder who holds more than 90 per cent of the shares in a Swedish limited liability company, either directly or through a subsidiary, has the right to redeem the remaining shares in the company. The holders of the remaining shares in the company have a corresponding right to have their shares redeemed by the majority shareholder. The procedure for the redemption of minority shareholders' shares is regulated in more detail in the Swedish Companies Act (2005:551).

Articles of Association

- §1** The Company's registered name is Momentum Group AB. The Company is a public limited liability company (publ).
- §2** The registered office of the Board of Directors is in Stockholm.
- §3** The objective of the company's main operations is to carry out, either itself or through wholly or partly owned subsidiaries, the sale of components and services and to develop and offer industrial solutions for maintenance, repair and operations, to customers in the industrial, infrastructure and civil engineering sectors, as well as to carry out related activities.
- §4** The share capital shall amount to not less than SEK 25,000,000 and not more than SEK 100,000,000.
- §5** The number of shares outstanding shall be not fewer than 50,000,000 and not more than 200,000,000.
- §6** The shares may be issued in two classes: Class A and Class B. Class A shares entitle the holder to ten (10) votes per share and Class B shares entitle the holder to one (1) vote per share. All Class A and B shares entitle the holder to the same proportion of the company's assets and earnings.
- Class A shares may be issued in a maximum number equivalent to 25 per cent of the total number of shares that may be issued in the company and Class B shares may be issued in a maximum number equivalent to 100 per cent of the total number of shares that may be issued in the company.
- Should the company decide to issue new shares in a cash issue or set-off issue, each old share shall entitle the holder to a preferential right to subscribe for new shares of the same share class in proportion to the number of shares previously owned by the holder (primary preferential right). Shares not subscribed for using primary preferential right shall be offered to all shareholders for subscription (subsidiary preferential right). Where the shares thus offered are not sufficient for subscription by subsidiary preferential right, shares shall be distributed among the subscribers in proportion to the number of shares previously held, and to the extent that this is not possible, by drawing lots.
- Should the company decide to issue only one class of shares in a cash issue or set-off issue, all shareholders, regardless of share class, shall have preferential right to subscribe for new shares in proportion to the number of shares previously owned by the holder.
- The aforementioned shall not constitute any restriction on the possibility of deciding on a cash issue or set-off issue with a departure from the preferential rights of shareholders.
- The aforementioned provision regarding the preferential rights of shareholders shall be applied in a corresponding manner in the event of an issue of warrants or convertibles.
- Should the share capital be increased by means of a bonus issue, new shares shall be issued in proportion to the number of shares of the same class already outstanding. Old shares of a certain class shall then entitle the holder to a preferential right to subscribe for new shares of the same class. The aforementioned shall not constitute any restriction on the possibility of issuing shares of a new class by means of a bonus issue, after due amendment of the Articles of Association.
- §7** Class A shares may be converted to Class B shares at the request of holders of Class A shares. Requests for such conversions shall be made in writing to the Board of Directors of the company. Such requests must contain the

number of shares the shareholder wishes to convert. The company's Board of Directors is obligated to act on issues regarding conversion to shares of Class B of the Class A shares whose holder has made such a request within four months of receiving the request.

- §8** The Board of Directors shall consist of not less than three and not more than seven Directors.
- §9** Not less than one and not more than two authorised auditors, with or without deputy auditors, shall be appointed to audit the annual accounts of the company and the management of the Board of Directors and the CEO. A registered auditing firm may also be appointed as auditor.
- §10** Notice is to be given through an advertisement in Post-och Inrikes Tidningar (Official Swedish Gazette) and on the Company's website. An announcement of the publication of the notice shall be made in Svenska Dagbladet.
- Shareholders who wish to participate in the proceedings of General Meetings of Shareholders shall notify the company for themselves and up to two counsels by the date specified in the notice for the General Meeting. This day may not be a Sunday, any other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve, and must not fall earlier than on the fifth weekday before the General Meeting.
- §11** The Chairman of the Board of Directors or the person appointed by the Board of Directors shall open the General Meeting and preside over the proceedings until the Chairman of the Meeting has been elected.
- §12** An Annual General Meeting shall be held once per year within six months of the end of the financial year. The agenda for the Annual General Meeting shall include the following:
1. Election of Chairman for the General Meeting,
 2. Compilation and approval of Electoral Register,
 3. Approval of the proposed agenda,
 4. If applicable, election of one or two persons to approve the minutes taken at the Meeting,
 5. Matter of determining whether the General Meeting has been duly called,
 6. Presentation of the annual accounts and the auditor's report as well as, where applicable, the consolidated financial statements and the consolidated auditor's report,
 7. Resolutions with respect to
 - a) adoption of the income statement and the balance sheet as well as, where applicable, the consolidated income statement and the consolidated balance sheet,
 - b) allocation of the Company's profit or loss according to the duly adopted balance sheet,
 - c) discharge from liability for the members of the Board of Directors and the CEO when such matter arises,
 8. Determination of fees for the Board of Directors and auditors,
 9. Election of the Board of Directors and auditing firm or auditors,
 10. Other matters to be brought before the General Meeting of Shareholders according to the Swedish Companies Act or the Articles of Association.
- §13** The financial year of the company shall comprise the period from 1 January–31 December.
- §14** The company's shares shall be registered in a record register in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (1998:1479).

Legal considerations and additional information

General company information

The Company is a Swedish public limited liability company with registration number 559266-0699, incorporated on 3 July 2020 and registered under Swedish law on 6 August 2020 with the Swedish Companies Registration Office. The Company's current company name is Momentum Group AB, which was registered with the Swedish Companies Registration Office on 22 December 2021. The Board of Director's registered office is in Stockholm. The Company's activities are conducted according to the Swedish Companies Act (2005:551). According to Article 3 of the Company's Articles of Association, the main purpose of the Company is to carry out, either itself or through wholly or partly owned subsidiaries, the sale of components and services and to develop and offer industrial solutions for maintenance, repair and operations, to customers in the industrial, infrastructure and civil engineering sectors, as well as to carry out related activities. The Company's LEI code is 549300QOHUWQMD9G3757.

Group structure

Momentum Group is the parent company of the Momentum Group. The legal structure of the Group as of the date of the Prospectus is illustrated below.

Group structure	Country	Proportion of the shares and votes, %
Momentum Group AB (publ)	SE	
Momentum Group Holding AB	SE	100
Momentum Industrial AB	SE	100
Momentum Industrial AS	NO	100
JNF Momentum Køge A/S	DK	100
Mekano AB	SE	70
Mekano i Sävedalen AB	SE	100
Öbergs i Karlstad AB	SE	100
ETAB Industriautomation Aktiebolag	SE	70
Rörick Elektriska Verkstad Aktiebolag	SE	100
Aktiebolaget Carl A. Nilsson Elektriska Reparationsverkstad	SE	100
INTERTECHNA Aktiebolag	SE	100

Significant agreements

The separation from Alligo

Background

The relationship between the Momentum Group and the Alligo Group and, among other things, how this relationship is affected by the Distribution and the Listing, is described below. Although Momentum Group will be independent from Alligo after the Distribution and the Listing, Momentum Group and Alligo will continue to have business relations in certain respects as described in more detail below. The proposed Distribution involves the division of the Alligo Group's business. The basic premise of the Separation and the various agreements entered into between Alligo on the one hand and Momentum Group on the other hand, is that Momentum Group will be responsible for its Components & Services business area, while Alligo will be responsible for the Alligo business area. The agreements between Alligo and Momentum Group have been concluded at arm's length and are not intended to inhibit any future competition between the companies.

Separation agreement

In order to regulate the cooperation in connection with the Separation and the Listing and certain relationships between Alligo and Momentum Group after the Distribution and the Listing, Alligo and Momentum Group have entered into a Separation agreement which constitutes a framework agreement for certain matters relating to the Separation.

Prior to the Separation, the Momentum Group companies, as subsidiaries of the Alligo Group, used certain group functions related to Alligo such as financing through Alligo's cash pool arrangements, group insurance, certain common IT systems, certain group management personnel and also used part of Alligo's premises in Alingsås. The Separation Agreement regulates, among other things, how these issues will be handled between Alligo and Momentum Group before and after the Separation.

The Separation agreement between Alligo and Momentum Group regulates the principles for, among other things, the division of assets and liabilities. The division of principal assets and liabilities between Momentum Group and the

Alligo Group was effected through the inter-group acquisition agreements described below through the assumption of ownership of the shares in the companies referred to therein. The assets, liabilities and personnel of these companies were thus indirectly included. These companies have operated under the group's decentralised organisational model. The Separation thus has a marginal impact on operational activities, but affects more inter-group common functions such as finance, insurance, financial reporting, monitoring, corporate governance, etc.

Alligo and Momentum Group will work to ensure that any problems arising from the Separation can be resolved in a collaborative and consensual manner.

Employees

As part of the Separation, in 2021 Ulf Lilius has taken up the position of President and CEO of Momentum Group and resigned from his role as President and CEO of Alligo. In 2021, Niklas Enmark has taken up the position of Executive Vice President and CFO of Momentum Group and has resigned from his role as Executive Vice President and CFO of Alligo. In addition, some other employees have also changed employers to Momentum Group as part of the Separation.

Interim services

Momentum Group and Alligo have not entered into any agreements for the provision of significant interim services.

Intra-group acquisition agreements¹⁾

As part of the Separation, Momentum Group Holding AB acquired all the shares in Momentum Industrial AB on 15 September 2020, including its subsidiaries (see below) from Alligo Holding AB for a total value of approximately SEK 31 million. The purchase consideration was settled by the creation of a promissory note, which was transferred to Alligo and paid by converting the liability into an unconditional shareholder contribution and now constitutes free equity in Momentum Group Holding AB. Through an intra-group reorganisation within the Momentum Group, Momentum Industrial AB has subsequently split off the subsidiaries Aktiebolaget Carl A. Nilssons Elektriska Reparationsverkstad, Rörick Elektriska Verkstad Aktiebolag and ETAB Industriautomation Aktiebolag to Momentum Group Holding AB.

As a further part of the Separation, on 15 September 2020 Momentum Group Holding AB acquired all shares in JNF Momentum Køge A/S from Alligo Holding AB for a total value of approximately SEK 11 million. The purchase consideration was settled by the creation of a promissory note, which was transferred to Alligo and paid by converting the liability into an unconditional shareholder contribution and now constitutes free equity in Momentum Group Holding AB.

3PL agreement regarding Alingsås

On 15 September 2021, Momentum Industrial AB entered into a logistics agreement (inbound, storage and outbound) with Asås-Logistik AB (then Momentum Group Services AB) with operations starting on 1 January 2022. The agreement has been concluded as part of the Separation and is intended to meet Momentum Industrial AB's logistics needs during a transitional period. Given that logistics services are not the core business of the Alligo Group, Asås-Logistik AB has limited liability under the contract. The costs for Momentum Industrial AB are based on the costs for Asås-Logistik AB to provide the services. The agreement is concluded for an initial period of two (2) years from the start of operations but may be extended if neither party terminates it. The longest contract period is limited to 3 December 2027.

Financial agreements

Financing agreement

Prior to the Distribution and the Listing of Momentum Group, the Company has received binding commitments for financing of the business consisting of an overdraft facility of SEK 200 million and a revolving facility of SEK 800 million. Both facilities have Handelsbanken as lender. The new financing will replace the existing financing as of 31 December 2021 and taking into account the changes that have occurred since the balance sheet date up to the Distribution and the Listing and that mainly come from the operational business. For further information on the existing financing, refer to "Equity and indebtedness" in the section "Capitalisation, indebtedness and other financial information".

The overdraft facility has a maturity of one (1) year from the date of issue with the possibility of an extension after the usual credit review. The overdraft facility is linked to a multi-currency cash pool, which means that the overdraft facility can be drawn in several different currencies but that any drawdown is denominated in SEK against the lender and that the interest rate on the drawdown is based on STIBOR.

The revolving facility will run for three (3) years from the date of issuance. The facility implies a binding commitment from Handelsbanken to issue revolving loans under the facility as long as the Group meets certain financial commitments. Revolving loans can be taken out with different fixed interest periods (1, 3, 6 months) and in different currencies (SEK, EUR, NOK, DKK, USD). The revolving facility may be extended for a fee after three (3) years for an additional one (1) plus one (1) year, for a maximum total of five (5) years.

Acquisitions of companies and businesses¹⁾

In 2020 and 2021, Momentum Group Holding AB acquired the companies Mekano AB, Mekano i Sävedalen AB, Öbergs i Karlstad AB and Intertekna AB, and has made an

¹⁾ This section uses the current registered company names of the respective companies mentioned. At the time of the transactions, Momentum Group Holding AB's registered company name was Momentum Group Komponenter & Tjänster Holding AB, Alligo Holding AB's registered company name was Momentum Group Holding AB and Alligo's registered company name was Momentum Group AB. The changes of registered company names in the subsidiaries have been implemented as part of the Separation.

acquisition of assets and liabilities of SKF's spindle service business in Sweden and of three electromechanical service workshops from Assemblin EI AB. The purchase consideration for the acquisitions was paid in cash. The share transfer agreements and the business transfer agreements contain customary warranties from the sellers and limitations of liability for the sellers.

Momentum Industrial AB also established the Norwegian company Momentum Industrial AS on 30 October 2020.

Call option and put option in Mekano AB and ETAB Industriautomation Aktiebolag respectively

With respect to Mekano AB and ETAB Industriautomation Aktiebolag, the Company owns approximately 70 per cent of the shares in each company as shown in the above group structure. With respect to the remaining 30 per cent of the shares, there is both a call option and a put option regulated in shareholder agreements between Momentum Group Holding AB and the other shareholders of the respective companies ("**Other Shareholders**").

Mekano AB

The call option gives Momentum Group Holding AB an irrevocable right, but not an obligation, to acquire the Other Shareholders' shares by invoking the call option. The exercise period starts from the date on which the exercise price of the call option is finally fixed in 2025 under the agreement and ends 30 days thereafter. If Momentum Group Holding AB does not invoke the call option within the specified period, and the Other Shareholders do not request Momentum Group Holding AB to invoke the call option, Momentum Group Holding AB's right to invoke the call option will be extended for one (1) year at a time.

The put option gives the respective Other Shareholders an irrevocable right, but not an obligation, to request Momentum Group Holding AB to acquire the Other Shareholders' shares at the exercise price of the put option. The put option must be exercised either i) from the date the put option exercise price is finally determined in 2023 under the agreement and terminates 30 days thereafter, or ii) from the date the put option exercise price is finally determined in 2024 under the agreement and terminates 30 days thereafter.

ETAB Industriautomation Aktiebolag

The call option gives Momentum Group Holding AB an irrevocable right, but not an obligation, to acquire the Other Shareholders' shares by invoking the call option. The exercise period starts from the date on which the exercise price of the call option is finally fixed in 2022 under the agreement and ends 30 days thereafter. If Momentum Group Holding AB does not invoke the call option within the specified period, and the Other Shareholders do not request Momentum Group Holding AB to invoke the call option, Momentum Group Holding AB's right to invoke the call option will be extended for one (1) year at a time.

Customers, distributors and suppliers

The Group's customer, distribution and supplier agreements are related to its operating activities. No single customer or supplier is of critical importance to the Group's operations in the long term.

Disputes

The Group is not, and has not been, a party to any governmental, legal or arbitration proceedings (including proceedings not yet resolved or which the Company believes there is a risk such proceedings will be initiated) during the past twelve (12) months that have or could have a material adverse effect on the Group's financial position or profitability.

Insurance policies

Momentum Group has taken out its own insurance policies in connection with the Distribution and the Listing. Taking into account the nature and scope of the business, the Board considers that the Group's insurance coverage, including the levels and terms of such insurance, is adequate in view of the risks that are normally associated with the Company's activities. However, there is no guarantee that the Company will not suffer losses that are not covered by its insurance policies.

Intellectual property rights

The Company seeks to actively work to protect its intellectual property rights in the jurisdictions in which it operates. This is done, among other things, by registering intellectual property rights, by continuous monitoring and by the Group taking legal action when deemed necessary. The Company believes that the Group holds the essential intellectual property rights required for its operations. The Company is not aware of any infringement, restriction or similar circumstance that could affect any material intellectual property right.

Related-party transactions

As part of the Separation, Momentum Group Holding AB acquired Momentum Industrial AB, including its subsidiaries and JNF Momentum Køge A/S from Alligo Holding AB on 15 September 2020, as further described above under the heading "*Intra-group acquisition agreements*". For more information on the Group's transactions with related parties during the period 1 April 2018 to 31 December 2021, refer to Note 25 Related party transactions in the section "*Historical financial information*". For the period after 31 December 2021 until the date of this Prospectus, refer to the heading "*The separation from Alligo*" above in respect of the Group's transactions with related parties.

No Board member, senior management or other person who qualifies as a related party under applicable rules is currently or, during the period covered by the historical financial information has been involved, directly or indirectly, in any business transaction with the Company that is or was unusual in its nature or terms. For information on remuneration of Board members and senior management, refer to "*Remuneration to the Board members and senior management*" in the section "*Corporate governance*".

Advisers' interests

Danske Bank is acting as financial advisor to Momentum Group in connection with the Listing. Danske Bank will receive a pre-agreed fee for services rendered in connection with the Listing. Otherwise, Danske Bank has no financial or other interests in the Listing. Danske Bank (and companies associated with Danske Bank) has provided, and may in the future provide, various banking, financial, investment, commercial and other services to Momentum Group for which Danske Bank received, or may receive, compensation.

Approval of the Prospectus

This Prospectus has been approved by the Swedish Financial Supervisory Authority as the competent authority in accordance with Regulation (EU) 2017/1129. The Swedish Financial Supervisory Authority approves this Prospectus only insofar as it meets the requirements for completeness, comprehension and consistency set out in Regulation (EU) 2017/1129. This approval should not be considered to constitute any form of support for the issuer or for the quality of the securities referred to in this Prospectus. Investors should carry out their own assessment of whether it is appropriate to invest in these securities.

Costs for the Listing

The Company's total costs for the Listing and the Separation are estimated to be approximately SEK 13 million. Such costs are mainly related to costs for financial advice, auditors, legal advice, etc. Of the total estimated cost of approximately SEK 13 million, approximately SEK 6 million has been charged to Momentum Group's results for the financial year 2021.

Documents kept available for inspection

Copies of the following documents are available during the validity period of the Prospectus at the Company's head offices at Östermalmsgatan 87 D, SE-114 59 Stockholm, Sweden during normal office hours:

- The Company's Articles of Association and certificate of incorporation, and
- this Prospectus.

The documents are also available electronically on the Company's website, momentum.group. Information on the Company's website does not form part of the Prospectus and is not incorporated by reference in the Prospectus.

Certain tax issues in Sweden

The following is a summary of certain Swedish tax rules that arise in connection with Alligo's distribution of shares in Momentum Group and the subsequent listing of Class B shares in Momentum Group on Nasdaq Stockholm. The summary covers shareholders who are subject to unlimited tax liability in Sweden, unless otherwise stated. The summary is based on current legislation and is only intended for general information. The following statement does not cover situations where the shares in Alligo or Momentum Group are held as business shares or stock in a business or held by partnerships. Nor do they include the special rules that may apply to holdings in companies that are or were previously in so-called close companies or shares acquired on the basis of so-called qualifying shares in limited companies. The summary also does not include shares or other rights to shares that are held in a so-called investment savings account and which are subject to special rules on flat rate taxation. In addition, special rules apply to certain categories of taxpayers (e.g. investment funds, investment companies and insurance companies). The tax treatment of each individual shareholder depends on their particular circumstances and tax residence. Each shareholder should therefore consult tax advisers as to the tax consequences that the Distribution, future dividends and disposals may have for them, including the applicability and effect of foreign rules and tax treaties.

Summary

The distribution of shares in Momentum Group is intended to take place in accordance with the so-called Lex ASEA rules, which means that no immediate taxation will occur. The cost of the shares in Alligo entitled to the Distribution shall be allocated between these shares and the shares received in Momentum Group.

Taxation on the distribution of shares in Momentum Group

According to the advance ruling of the Council of Advanced Tax Rulings, the distribution of shares in Momentum Group is exempt from taxation in Sweden under the Lex ASEA rules, provided that the conditions set out in the advance ruling are fulfilled at the time of the Distribution. The cost of the shares in Alligo entitled to the Distribution shall therefore be allocated between these shares and the shares received in Momentum Group. The allocation of the expenses amount is based on the change in value of the shares in Alligo resulting from the Distribution of shares in Momentum Group. Alligo intends to apply for general advice from the Swedish Tax Agency regarding the allocation of the amount of expenses. Information on the Swedish Tax Agency's general advice will be provided as soon as possible on the websites of Alligo, Momentum Group and the Swedish Tax Agency.

Taxation on disposal of shares and interests in shares in Momentum Group

Capital gains tax will be triggered upon disposal of shares received in Momentum Group. The same applies to shareholders who receive shares in Momentum Group that are sold on their behalf. A capital gain or loss on listed shares is calculated as the difference between the selling price after deducting sales costs, and the cost basis. The amount of expenses for the shares in Momentum Group received through the Distribution will be determined on the basis of the general advice that the Swedish Tax Agency will issue. Capital gains and losses are calculated by aggregating the

cost of all Momentum Group shares of the same class and type and calculating them jointly using the average cost method. This means that the average cost of shares held is normally affected if new shares of the same class and kind are acquired. Alternatively, as the Class B shares in Momentum Group will be listed on the market, the amount of expenses for these shares may be set at 20 per cent of the revenue proceeds using the flat rate method.

For individuals and estates, capital gains are normally taxed in the capital income category at 30 per cent. If a capital loss occurs on market-listed shares, it is fully deductible against taxable capital gains in the same year on shares and other market-listed units, except units in investment funds containing only Swedish debt securities (fixed-income funds). Capital losses that cannot be offset in this way can be deducted at a rate of 70 per cent against other capital income.

If a deficit occurs in capital income, a reduction from the tax is granted on income from services and business, as well as property tax and municipal property tax. A tax reduction is granted of 30 per cent of the loss up to SEK 100,000 and 21 per cent of the remainder. The loss cannot be carried forward to future income years.

In the case of limited companies, capital gains on shares that are not business-related are taxed at 20.6 per cent in the business income category. Capital gains and capital losses are calculated essentially in the same way as described above for natural persons. Deductions for capital losses on such shares are allowed only against taxable capital gains on shares and other rights to shares (Sw. *aktiefällan*). Such capital losses may also, if certain conditions are met, be set off against capital gains on shares and other rights to shares arising in another company within the same group, provided that there is a right to group contributions between that company and the company which has recognised the capital loss. A capital loss that it is not deductible one year may be deducted from capital gains on rights to shares in later years without any limitation in time.

Taxation of future dividends from Momentum Group

Future dividends from the Momentum Group will be taxed at 30 per cent in the capital income category for individuals and estates and at 20.6 per cent in the business income category for limited liability companies, provided that the shares are not business-related. For natural persons and estates, a 30 per cent withholding tax is levied. The preliminary tax is normally withheld by Euroclear or, for nominee registered shares, by the nominee.

Shareholders with limited tax liability

Shareholders who have limited tax liability in Sweden are usually subject to Swedish coupon tax on dividends from Swedish limited companies. However, coupon tax is not levied on the Distribution of shares in Momentum Group, as the Distribution is carried out in accordance with the so-called Lex ASEA rules. However, the Distribution may give rise to tax consequences in the shareholder's country of residence.

Coupon tax will normally be payable on future dividends from Momentum Group to shareholders with limited tax liability in Sweden. Withholding tax on dividends is levied at 30 per cent. However, the tax rate is generally reduced for

shareholders resident in countries with which Sweden has concluded a tax treaty. In Sweden, coupon tax is normally deducted by Euroclear or, for nominee registered shares, by the nominee. In the event that 30 per cent coupon tax is withheld upon payment and the shareholder is to be taxed at a lower rate (or if too much coupon tax is withheld on other grounds), an application for refund may be made to the Swedish Tax Agency before the end of the fifth calendar year after the distribution.

Shareholders subject to limited tax liability in Sweden, who do not conduct activities from a permanent establishment in Sweden, are normally not taxed in Sweden on capital gains deriving from the sale of shares. The shareholders may however be tax-liable in their country of residence. Under a special rule, individuals subject to limited tax liability in Sweden, may be subject to capital gains tax in Sweden on the sale of Swedish shares if they at some point during the calendar year in which the sale took place or during the preceding ten (10) calendar years, have been resident or had their habitual abode in Sweden. However, tax liability under the ten-year rule may be limited by the application of a tax treaty between Sweden and the state of residence of the shareholder.

List of definitions

Alligo or the Alligo Group	Alligo AB (publ), reg. no 559072-1352, the group of which Alligo AB (publ) is the parent company or a subsidiary in the group, prior to the Distribution (unless otherwise stated in the context).
Danske Bank	Danske Bank A/S, Denmark, Sweden branch, reg. no 516401-9811.
DKK	Danish kroner.
EUR	Euro.
Euroclear	Euroclear Sweden, reg. no 556112-8074.
The Code	The Swedish Corporate Governance Code.
“Momentum Group”, “the Momentum Group”, “the Company”, or “the Group”	Momentum Group AB (publ), reg. no 559266-0699, the group of companies of which Momentum Group AB (publ) is the parent company or a subsidiary of the group after the Distribution (unless otherwise stated in the context).
Nasdaq Stockholm	The regulated market Nasdaq Stockholm or Nasdaq Stockholm AB, depending on the context.
NOK	Norwegian kroner.
The Listing	The planned listing of Momentum Group's Class B shares on Nasdaq Stockholm.
The Prospectus	This prospectus, which has been prepared in connection with the admission to trading of the Company's Class B shares on Nasdaq Stockholm.
SEK	Swedish kronor.
The Separation	The separation of Momentum Group AB and its subsidiaries from the Alligo Group.
USD	US dollars.
The Distribution	The proposed distribution of all of Alligo's shares in Momentum Group to the shareholders of Alligo.

Historical financial information

Table of contents

Financial information for the financial years 2021, 2020 (9 months), 2019/2020, 2018/2019

Combined income statement	F-2
Statement of comprehensive income	F-2
Combined balance sheet	F-3
Combined changes in equity	F-4
Combined cash flow statement	F-5
Notes	F-6
Independent auditor's report	F-40

Combined income statement

SEK million	Note	01/01/2021 –31/12/2021 (12 months)	01/04/2020 –31/12/2020 (9 months)	01/04/2019 –31/03/2020 (12 months)	01/04/2018 –31/03/2019 (12 months)
Revenue	3, 25	1,491	837	1,254	1,196
Other operating income		4	1	1	0
Total operating income		1,495	838	1,255	1,196
Cost of goods		–795	–472	–716	–690
Personnel costs	4	–342	–163	–245	–241
Depreciation, amortisation, impairment losses and reversal of impairment losses		–54	–28	–35	–5
Other operating expenses	5, 10, 25	–149	–84	–129	–149
Total operating expenses		–1,340	–747	–1,125	–1,085
Operating profit	3	155	91	130	111
Financial income		0	0	0	0
Financial expenses		–7	–2	–3	–2
Net financial items	3, 7, 25	–7	–2	–3	–2
Profit after financial items		148	89	127	109
Taxes	7	–31	–19	–28	–25
Net profit		117	70	99	84
Attributable to:					
Parent company shareholders		116	69	98	84
Non-controlling interests		1	1	1	–
Earning per share (SEK) ¹⁾	15	2.30	1.35	1.95	1.65

¹⁾ There are no potential dilutive ordinary shares and therefore earnings per share before and after dilution are the same.

Statement of comprehensive income

SEK million	Note	01/01/2021 –31/12/2021 (12 months)	01/04/2020 –31/12/2020 (9 months)	01/04/2019 –31/03/2020 (12 months)	01/04/2018 –31/03/2019 (12 months)
Net profit		117	70	99	84
Other comprehensive income					
<i>Components that will not be reclassified to net profit</i>					
Total		–	–	–	–
<i>Components that will be reclassified as net profit</i>					
Translation differences		0	–1	0	1
Fair value changes for the year in cash-flow hedges		0	–1	1	0
Fair value changes in cash-flow hedges transferred to net profit		0	0	0	0
Tax attributable to components that were or can be reclassified to net profit	7	0	0	0	0
Total		0	–2	1	1
Other comprehensive income for the year		0	–2	1	1
Comprehensive income for the year		117	68	100	85
Attributable to:					
Parent company shareholders		116	67	99	85
Non-controlling interests		1	1	1	–

Combined balance sheet

SEK million	Note	31 Dec 2021	31 Dec 2020	31 Mar 2020	31 Mar 2019	01 Apr 2018
Assets						
Non-current assets						
Intangible non-current assets	8	284	175	177	165	144
Tangible non-current assets	9	17	10	7	6	5
Right-of-use assets	10	127	51	60	–	–
Financial investments	22	0	0	0	0	0
Other long-term receivables	13	1	1	1	1	1
Deferred tax assets	7	1	1	0	0	0
Total non-current assets		430	238	245	172	150
Current assets						
Inventories	11	213	176	193	191	168
Tax receivables		0	0	0	6	0
Accounts receivables	20, 22, 25	255	169	220	200	176
Prepaid expenses and accrued income	12	12	5	5	14	11
Other receivables	13	4	1	2	0	1
Current investments	22, 25	–	144	30	28	13
Cash and cash equivalents	22, 25	70	1	1	1	2
Total current assets		554	496	451	440	371
Total assets		984	734	696	612	521
Equity and liabilities						
Equity						
Share capital	14	0	0	–	–	–
Other contributed capital		–	–	–	–	–
Reserves		1	1	3	2	1
Retained earnings including net profit		457	336	256	141	132
Equity attributable to parent company shareholders		458	337	259	143	133
Non-controlling interests		17	6	5	–	–
Total equity		475	343	264	143	133
Non-current liabilities						
Non-current interest-bearing liabilities	20, 22, 25	9	100	127	138	100
Non-current lease liabilities	20, 22	82	21	27	–	–
Non-current non-interest-bearing liabilities	16, 22	22	10	9	–	–
Other provisions	16	0	0	1	0	0
Deferred tax liabilities	7	34	16	10	1	1
Total non-current liabilities		147	147	174	139	101
Current liabilities						
Current interest-bearing liabilities	20, 22, 25	0	0	11	3	11
Current lease liabilities	20, 22	41	26	28	–	–
Accounts payable	22, 25	153	107	140	128	108
Tax liabilities		30	31	4	0	6
Other liabilities	17, 22, 25	33	17	20	139	116
Accrued expenses and deferred income	18	105	63	55	60	46
Total current liabilities		362	244	258	330	287
Total liabilities		509	391	432	469	388
Total equity and liabilities		984	734	696	612	521

Combined changes in equity

Equity attributable to the parent company shareholders

SEK million	Share capital	Reserves	Balanced earnings incl. profit/loss for the year	Total	Holdings without majority interest	Total Equity
Opening equity, 1 Apr 2018	-	1	132	133	-	133
Net profit			84	84		84
Other comprehensive income		1		1		1
Transactions with owners regarding group contributions			-116	-116		-116
Other transactions with owners ¹⁾			19	19		19
Tax effect on group contributions made and on other transactions with owners			22	22		22
Closing equity, 31 Mar 2019	-	2	141	143	-	143
Change of accounting principles ²⁾			0	0		0
Opening equity, 1 Apr 2019	-	2	141	143	-	143
Net profit			98	98	1	99
Other comprehensive income		1		1		1
Acquisition of partly-owned subsidiaries				0	4	4
Shareholders' contributions received			11	11		11
Other transactions with owners ¹⁾			19	19		19
Tax effect on other transactions with owners			-4	-4		-4
Option liability, acquisition ³⁾			-9	-9		-9
Closing equity, 31 Mar 2020	-	3	256	259	5	264
Net profit			69	69	1	70
Other comprehensive income		-2		-2		-2
Formation of parent company ⁴⁾	0			0		0
Other transactions with owners ¹⁾			16	16		16
Tax effect on other transactions with owners			-4	-4		-4
Change in value of option liability ⁵⁾			-1	-1		-1
Closing equity, 31 Dec 2020	0	1	336	337	6	343
Net profit			116	116	1	117
Other comprehensive income		0	0	0		0
Other transactions with owners ¹⁾			22	22		22
Tax effect on other transactions with owners			-5	-5		-5
Acquisition of partly-owned subsidiaries				0	10	10
Option liability, acquisition ⁶⁾			-15	-15		-15
Change in value of option liability ⁵⁾			3	3		3
Closing equity, 31 Dec 2021	0	1	457	458	17	475

¹⁾ Mainly refers to the group's share of costs reported in Alligo AB. Also refer to Note 25 Related party transactions.

²⁾ Transition to IFRS 16. Refer to the accounting policies in Note 1 Summary of key accounting policies.

³⁾ Refers to the value of put options in relation to minority shareholders in the acquired subsidiary ETAB Industriautomation AB which recognises that the holders of the shares have the right to sell shares to Momentum Group. The price of the options depends on the results achieved by the company.

⁴⁾ Initial share capital of SEK 25,000 in connection with the formation of the parent company Momentum Group AB.

⁵⁾ Refers to the change in value of the put options in relation to minority shareholders as issued in connection with the acquisition of partly-owned subsidiaries.

⁶⁾ Refers to the value of the put options in relation to minority shareholders in the acquired company Mekano AB which admits the holders of the shares the right to sell shares to Momentum Group. The price of the options depends on the performance of the company and can be extended for one year at a time from 2025.

Combined cash flow statement

SEK million	Note	01/01/2021 –31/12/2021 (12 months)	01/04/2020 –31/12/2020 (9 months)	01/04/2019 –31/03/2020 (12 months)	01/04/2018 –31/03/2019 (12 months)
Operating activities					
Profit after financial items		148	89	127	109
Adjustments for non-cash items	26	54	27	35	5
Income taxes paid		–31	9	–16	–15
Cash flow from operating activities before changes in working capital		171	125	146	99
Cash flow from changes in working capital					
Change in inventories		–11	18	0	–6
Change in operating receivables		–59	51	–9	–26
Change in operating liabilities		68	–28	–1	35
Changes in working capital		–2	41	–10	3
Cash flow from operating activities		169	166	136	102
Investing activities					
Purchase of tangible assets		–5	–3	–3	–3
Acquisition of subsidiary/operating segments, net effect on liquidity	26	–120	–4	–14	–38
Cash flow from investment activities		–125	–7	–17	–41
Cash flow before financing		44	159	119	61
Financing activities					
Group contributions paid to owners		–	–	–116	–96
Shareholders' contributions received		–	–	11	–
Other contributions received from owners		22	17	19	19
Other transactions with owners ¹⁾		0	–1	0	0
Borrowings		104	–	8	38
Repayment of loans		–245	–61	–39	–8
Cash flow from financing activities		–119	–45	–117	–47
Cash flow for the year		–75	114	2	14
Cash and cash equivalents at the beginning of the year		145	31	29	15
Exchange-rate differences in cash and cash equivalents		0	0	0	0
Cash and cash equivalents at year-end	26	70	145	31	29

¹⁾ Other transactions with owners refer to results from entities that do not legally belong to Momentum Group, refer to Note 24 Merged entities.

Notes

Table of contents

Notes		
Note 1	Summary of key accounting policies	F-7
Note 2	Key estimates and judgements	F-13
Note 3	Segment reporting and specification of income from contracts with customers	F-14
Note 4	Employees and personnel costs	F-18
Note 5	Remuneration of auditors	F-20
Note 6	Financial income and expenses	F-20
Note 7	Taxes	F-20
Note 8	Intangible non-current assets	F-21
Note 9	Tangible non-current assets	F-23
Note 10	Leases	F-23
Note 11	Inventories	F-24
Note 12	Prepaid expenses and accrued income	F-24
Note 13	Long-term receivables and other receivables	F-25
Note 14	Equity	F-25
Note 15	Earnings per share	F-26
Note 16	Non-current non-interest-bearing liabilities and other provisions	F-26
Note 17	Other liabilities	F-27
Note 18	Accrued expenses and deferred income	F-27
Note 19	Collateral and contingent liabilities	F-27
Note 20	Financial risks and risk management	F-28
Note 21	Specification of interest-bearing net loan liabilities by assets and liability	F-32
Note 22	Financial assets and liabilities	F-33
Note 23	Expected recovery periods for assets, provisions and liabilities	F-34
Note 24	Merged entities	F-35
Note 25	Related party transactions	F-35
Note 26	Cash flow statement	F-36
Note 27	Acquisitions of businesses	F-37
Note 28	Events after the balance sheet date	F-39
Note 29	Parent company disclosures	F-39

1 Summary of key accounting policies

General

Following the decision of the Board of Directors of Alligo AB on 25 February 2022, to propose to the Extraordinary General Meeting to resolve on distribution of the shares in Momentum Group AB to the shareholders through a so-called Lex Asea, these financial statements have been prepared for prospectus purposes, as Momentum Group AB's shares will be admitted to trading on a regulated market. Momentum Group AB is headquartered in Stockholm, Sweden. The combined financial statements were approved for publication by the Board of Directors on 15 March 2022.

Momentum Group AB (the "Company") was registered with the Swedish Companies Registration Office on 6 August 2020. During September 2020, Momentum Group AB acquired five (5) operating companies (directly and indirectly) from Alligo Holding AB. The internal acquisitions were mainly financed by Momentum Group AB receiving a shareholder contribution from Alligo AB. At the time of the acquisition, the companies in question were subsidiaries of Alligo Holding AB, which is in turn a wholly owned subsidiary of Alligo AB. The company and the acquired subsidiaries were thus under the same control through the direct and indirect ownership of Alligo AB. The companies have historically been legally located in different parts of the Alligo group, but operationally they belong to the operating segment Components & Services.

In addition to the above-mentioned share transactions, Momentum Group activities, previously carried out in joint ventures together with activities remaining in the Alligo group, have been transferred to existing or newly created legal entities forming part of the Momentum Group. The scope of the activities carried out in joint ventures is limited and in most cases the separation has only meant that staff have changed employer.

Basis for the preparation of the financial statements

As the businesses have not historically formed a group under the IFRS definition, there are no combined financial statements for the periods prior to the above-mentioned restructuring of Momentum Group. The historical financial information has therefore been prepared as combined financial statements for the reporting entity consisting of Momentum Group AB and the legal entities and businesses included in the Momentum Group under the current structure for the period when they were under the control of Alligo AB. Refer to Note 24 Merged entities for the specification of the entities included in the combined financial statements.

The combined financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. Certain additional disclosures are made in accordance with the additional requirements of the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 1. As IFRS lacks specific guidance on how to prepare combined financial statements, Momentum Group has defined below the principles for preparing the financial statements. The combined financial statements are intended to present the Momentum Group's historical financial information. A key requirement for the preparation of these historical financial statements is that all entities are under common control through Alligo AB's ownership.

The formation of the Momentum Group involves transactions between entities under common control. As neither these transactions nor the combined financial statements are subject to any IFRS standard, management should develop and apply an accounting policy that, among other things, is relevant and reliable, in accordance with IAS 8 (Accounting policies, changes in accounting estimates and errors). An appropriate and established method that management considers relevant and reliable is to aggregate the entities that make up the Momentum Group.

These financial statements are Momentum Group AB's first financial statements prepared in accordance with IFRS and therefore IFRS 1, First-time Adoption of IFRS, has been applied. IFRS 1 prescribes the rules and principles that must be followed when an entity applies

IFRS for the first time, with 1 April 2018 as the date of transition to IFRS. Under IFRS 1, a subsidiary that adopts IFRS later than its parent may choose to measure its assets and liabilities at the carrying amounts that would be recognised in the parent's financial statements based on the parent's transition to IFRS. Momentum Group has applied this option, which means that the consolidated values of the Momentum Group entities used in the Alligo group's combined financial statements, are also used in the combined financial statements of Momentum Group AB.

In preparing the combined financial statements, in addition to the principles used to determine the assets, liabilities, income, expenses and cash flows to be included in the combined financial statements, the following additions have been made.

Intra-group transactions

All receivables, including surplus on group accounts (cash pool) and liabilities (including deficits on group accounts) vis-à-vis Alligo AB and its subsidiaries, are presented as external receivables and liabilities. Momentum Group AB has set up its own independent cash pool structure in December 2021. Receivables from Alligo AB for periods prior to December 2021 have been recognised in the balance sheet as current investments. Transactions with companies within the Alligo group are considered as related party transactions, refer to Note 25 Related party transactions. Adjustments have been made to eliminate intercompany transactions included in the combined financial statements.

Allocation of costs

When preparing combined financial statements, it is a prerequisite that allocations are correctly identified and that there is a rational basis for them. Allocations must also be verifiable and reliably measurable.

Within the Alligo group, there has been an internal cost allocation whereby costs relating to logistics, IT, finance and other group-wide functions are allocated to and charged to the respective reporting unit. The basis for charging is based on different allocation keys that vary according to the type of cost. In addition to what has been charged to the respective reporting entity, costs in the parent company Alligo AB for the functions taken over by Momentum Group have been allocated and recognised in Momentum Group until 31 October 2021. Allocated costs relate mainly to salaries for senior management and certain support functions, and rents for the head office. The allocated costs are reported as Other operating expenses. From 1 November 2021, the corresponding costs will be borne directly by Momentum Group AB. This means that related costs relating to Momentum Group's operations have been included in the combined financial statements.

Financial expenses and capital structure

Momentum Group has judged that a reference to the actual historical financing of the various companies within the Alligo group is the most verifiable and reliable principle to apply. This means that financial items in the income statement are based on the interest-bearing assets and liabilities that have been reported historically. In this way, the profit and loss account and balance sheet also correspond. Thus, Momentum Group has used the net debt and related financial income and expenses from the historical accounting of the constituent entities in the combined financial statements. Receivables and liabilities, as well as interest income and interest expense from the Alligo group's entities, are presented as external items in the combined financial statements.

The Momentum Group's financial costs and historical capital structure as presented in these combined financial statements are not necessarily representative of a separate entity's capital structure, as external borrowings have been managed centrally in accordance with the Alligo group's finance policy.

Taxes

Taxes reported in the combined financial statements are based on the reported current and deferred taxes of the constituent entities. Tax related to group contributions made to entities within the remaining Alligo group that are not part of the Momentum Group and tax on cost allocations relating to certain functions of Alligo AB, are recognised as a transaction with owners in equity.

Earnings per share

The calculation of earnings per share in these combined financial statements is based on the net profit of Momentum Group attributable to the shareholders of the parent company divided by the average number of shares outstanding expected at the time of listing. Momentum Group AB was registered with the Swedish Companies Registration Office on 6 August 2020 and therefore there has not been share capital during all the historical financial periods. Taking into account that the number of shares has been increased to 50,480,899 according to the resolution of the General Meeting on 26 January 2022 with subsequent registration with the Swedish Companies Registration Office in January 2022, Momentum Group has chosen to use this number of shares in all periods presented.

Events after the balance sheet date

With regard to the potential impact of events after the balance sheet date, Momentum Group, in accordance with IAS 10, has chosen the principle that the financial statements only take into account the most recent period presented, namely the financial year 2021. The financial years 2020, 2019/20 and 2018/19 are therefore considered closed.

Accounting principles**Compliance with standards and legislation**

The combined financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee as adopted by the EU. The Swedish Financial Accounting Standards Council's recommendation RFR 1 Supplementary Accounting Rules for groups has also been applied.

Valuation bases applied when preparing the financial statements

The parent company's functional currency is Swedish kronor, which also constitutes the reporting currency for the group. This means that the financial reports are presented in Swedish kronor. 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 which are measured at fair value. Financial assets and liabilities measured at fair value consist of derivative instruments.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual outcomes may differ from these estimates and assumptions. The estimates and assumptions are reviewed on a regular basis. Changes in estimates are recognised in the period in which the change is made if the change only affected that period, or in the period in which the change is made and future periods if the change affects both the current and future periods. Judgements made by management when applying IFRS, that have a significant effect on the financial statements, and estimates made that may result in substantial adjustments in the following year's financial statements, are described in more detail in Note 2 Key estimates and judgements.

Events after the balance sheet date refer to both favourable and unfavourable events occurring between the balance sheet date and the date at the beginning of the next financial year, when the financial statements are signed by the members of the Board of Directors and the President & CEO. Disclosure is made in the Annual Report of any significant events after the balance sheet date that have not been taken into account when the financial statements were approved for

publication. Events that confirm the conditions existing at the balance sheet date are taken into account in the preparation of the financial statements.

Offsetting of receivables and payables and of income and expenses occurs only when required or explicitly permitted in an accounting recommendation. The mentioned accounting policies for the group have been applied consistently for all periods presented in the group's financial reports, unless specifically stated otherwise. The group's accounting policies have been consistently applied in the reporting and consolidation of parent companies and subsidiaries.

New IFRS that have not yet been applied

No other new or amended IFRS standards and IFRIC interpretations published by the IASB, but not yet adopted by the EU, are deemed to be relevant for the group's accounting.

Segment reporting

An operating segment is a part of the group that conducts operations that can generate revenue and incur costs and for which independent financial information is available. The earnings of an operating segment are also monitored by the company's chief operating decision-maker in order to evaluate performance and to allocate resources to the operating segment. Refer to Note 3 Segment reporting and specification of income from contracts with customers for further description of the classification and presentation of operating segments.

Classification of current and non-current items

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

Principles of consolidation**Subsidiaries**

Subsidiaries are companies under the controlling influence of Momentum Group AB. Controlling influence exists when the parent company has influence over the investment object, is exposed to or has the right to a variable return from its involvement and can use its influence over the investment to affect the return. In assessing whether a controlling influence exists, potential voting shares are taken into account as well as whether de facto control exists.

Subsidiaries are accounted for using the acquisition method. The method considers the acquisition of a subsidiary as a transaction, whereby the group indirectly acquires the subsidiary's assets and assumes its liabilities. The acquisition analysis determines the fair value at the acquisition date of the identifiable assets acquired and liabilities assumed and any non-controlling interests. Transaction costs incurred, other than those related to the issue of equity or debt instruments, are recognised directly in net profit or loss. In business combinations where the consideration transferred, any non-controlling influence and the fair value of the previously owned share (in the case of stepwise acquisitions) exceeds the fair value of the assets acquired and liabilities assumed, which are recognised separately, the difference is recognised as goodwill. When the difference is negative, known as a bargain purchase, it is recognised directly in net profit or loss.

Contingent consideration is recognised at fair value at the acquisition date. Where the contingent consideration is classified as an equity instrument, no revaluation is performed, and adjustment is made within equity. For other contingent consideration, these are revalued at each reporting date and the change is recognised in profit or loss. In cases where the acquisition does not relate to 100 per cent of the

Historical financial information

subsidiary, non-controlling interests arise. There are two (2) options for disclosing non-controlling interests. These two (2) options are to recognise non-controlling interests' share of proportionate net assets or to recognise non-controlling interests at fair value, which implies that non-controlling interests have a share in goodwill. The choice between the different options for reporting non-controlling interests can be made on an acquisition-by-acquisition basis.

In the case of stepwise 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 the income statement. Disposals that result in the loss of controlling influence, but where there is a residual holding, are measured at fair value and the change in value is recognised in net profit or loss. The financial statements of the subsidiary are included in the combined financial statements from the acquisition date when controlling influence is obtained until the date when control ceases.

Associated companies

Associated companies are companies over which the group has a significant but not controlling influence on the operational and financial management, usually through shareholdings of between 20-50 per cent of the voting rights. From the date that significant influence is obtained, investments in associated companies are accounted for in the combined financial statements using the equity method. Under the equity method, the carrying amount of the investments in associated companies is the group's share of the associated companies' equity, together with any goodwill and other residual values of group over- or under-valuations. The group does not have any ownership interests in companies classified as associated companies.

Transactions eliminated upon consolidation

Intra-group receivables and liabilities, income or expenses and unrealised gains or losses arising from intra-group transactions between group companies are eliminated in their entirety in preparing the combined financial statements. Unrealised gains arising from transactions with associated companies are eliminated to the extent corresponding to the group's interest in the company. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no need for impairment.

Foreign currency

Transactions in foreign currency

Transactions in foreign currency are translated to the functional currency at the exchange rate prevailing at the transaction date. The functional currency is the currency of the primary economic environment in which the companies conduct their operations. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the balance sheet date. Exchange differences arising on translation are recognised in the 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 surpluses and deficits, are translated from the functional currency of the foreign businesses into the group's reporting currency, SEK, at the exchange rate prevailing on the balance-sheet date. Revenues and expenses of a foreign business are translated into Swedish kronor at an average exchange rate, which approximates the exchange rates prevailing at the dates of the transactions. Translation differences arising on the translation of the net assets of foreign subsidiaries are recognised in other comprehensive income and accumulated in a separate component of equity called the translation reserve. On disposal of a foreign business, the cumulative translation differences relating to that business are realised and reclassified from the translation reserve in equity to net profit or loss for the year.

Income

The group's primary income comprises the sale of goods and a minor part consists of the sale of services. Income is recognised at an amount that reflects the consideration expected to be received and the consideration to which the entity is entitled for the transfer of goods and/or services to customers when control is transferred to the customer.

Sale of goods

Revenue includes the fair value of what is received or will be received for goods sold as part of the group's current activities. Revenues are reported net of discounts such as volume-related discounts. Revenue is recognised when control passes to the buyer, which normally coincides with the time of delivery.

Service assignments

Part of the group's revenue comes from service contracts. For the most part, these revenues are related to assignments carried out for shorter periods of time, such as service and repair. Revenue is normally recognised when the service is performed. Revenue from service contracts recognised over time is largely attributable to engineering-related services and is mainly based on expenditure incurred compared to total estimated expenditure for each identified service commitment.

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 conditions and obligations attached to the grants. The group has received government grants for part-term working in the 2020 financial year (01/04/2020 – 31/12/2020). The grants received have been assessed as meeting the definition of state aid under IAS 20 and have been recognised in the income statement as a reduction of personnel costs. Other grants from the EU, central or local governments are recognised as other operating income.

Leases

Principles applied from 1 April 2019

When an agreement is entered into, the group assesses whether the agreement is, or contains, a lease. An agreement is, or contains, a lease if it conveys the right to control the use of an identified asset for a specified period of time in return for consideration.

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

The group recognises a right-of-use asset and a lease liability at the inception of the lease. The right-of-use asset is initially measured at cost, which consists of the initial value of the lease liability plus any lease payments made on or before the commencement date, plus any initial direct costs. The right-of-use asset is depreciated on a straight-line basis from the commencement date until the end of the useful life of the asset or the end of the lease term, whichever is earliest, which for the group is normally the end of the lease term. Where the acquisition value of the right of use reflects that the group will exercise an option to purchase the underlying asset, the asset is depreciated to the end of its useful life.

The lease liability, which is split into a non-current and a current portion, is initially measured at the present value of the remaining lease payments over the estimated lease term. In determining the lease term, an extension option is included only if it is considered reasonably certain to be extended. Periods subsequent to the option to terminate are included in the lease term only if it is reasonably certain that the lease will not be terminated.

Lease payments are discounted at the group's marginal borrowing rate, which reflects the group's credit risk. The marginal borrowing rate is spread over different maturities depending on the length of the

leases. The following lease payments are included in the measurement of a lease liability:

- fixed payments, after deduction of any benefits connected with the conclusion of the leasing contract,
- variable lease payments that depend on an index or a price, initially measured using the index or price at the inception date,
- amounts expected to be payable by the lessee under residual value guarantees,
- the exercise price of an purchase option if the lessee is reasonably certain to exercise such an option, and
- penalties payable on termination of the lease, if the lease term reflects that the option to terminate the lease will be exercised.

Variable lease payments that do not depend on an index or a price (including property tax) are not included in the valuation of the lease liability but are recognised in the consolidated statement of comprehensive income on an ongoing basis.

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

Revaluation of the lease liability, and the corresponding applicable right-of-use adjustment, is made when:

- the lease term changes or the valuation of a call option changes: the lease liability is then revalued by discounting the changed lease payments with a changed discount rate,
- the lease payments change as a result of a change in an index or price or when the amounts expected to be paid under a residual value guarantee change: the lease liability is then revalued by discounting the changed lease payments at an unchanged discount rate (unless the change in lease payments is the result of a change in a variable interest rate, in which case a modified discount rate is used), or
- the lease agreement is modified, and the modification is not accounted for as a separate lease agreement: the lease liability is revalued by discounting the modified lease payments at a modified discount rate.

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

Transitional method and practical relaxation rules applied

Momentum Group, like the Alligo group, has applied the modified retrospective method for the transition to the new standard, which does not require the restatement of comparative periods. Accordingly, the comparative information continues to be reported in accordance with IAS 17 *Leases* and IFRIC 4 *Determining Whether an Arrangement Contains a Lease*. The group's lease portfolio consists mainly of leases related to warehouse and shop facilities and vehicles.

The right-of-use assets related to previous operating leases are mainly recognised at amortised cost from the inception of the lease and to a lesser extent at the value of the liability as at 1 April 2019, plus any prepayments recognised in the balance sheet as at 31 March 2019. Lease commitments in connection with the transfer have been discounted using the group's marginal borrowing rate. The marginal borrowing rate has been determined per country based on a risk-free rate with a duration equal to the average duration of the lease contracts and adding the assessed credit risk and type of asset of the group and its subsidiaries. The group has elected to apply the following relief rules to former operating leases on transition to IFRS 16 *Leases*:

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Right-of-use assets and lease liabilities are not recognised for leases for which the lease term ends within twelve (12) months or earlier after the transition date (short-term leases).
- Excludes certain initial direct costs from the valuation of the right-of-use asset at the date of first application.
- Made ex post assessments in determining the lease term if the agreement includes options to extend or terminate the lease.

The effect on the financial statements

On transition to IFRS 16, Momentum Group recognised SEK 55 million for right-of-use assets and SEK 49 million for lease liabilities. The weighted average marginal borrowing rate for all contracts, at which the group's lease commitments were discounted in connection with the transition, amounted to approximately 1.5 per cent. The total impact on the balance sheet is shown in the table below.

Impact on the balance sheet at 1 April 2019 (SEK million)

Right-of-use assets	55
Deferred tax receivables	0
Prepaid expenses and accrued income	-6
Equity	0
Non-current lease liabilities	23
Current lease liabilities	26

The table below shows the difference between commitments under operating leases under IAS 17 as at 31 March 2019, and the first application to lease liabilities under IFRS 16 discounted at the marginal borrowing rate as at 1 April 2019:

Operating lease obligation as of 31 March 2019	54
Discounting effect	-4
Other effects	-1
Lease liabilities under IFRS 16 as of 1 April 2019	49

The other effects in the table above mainly relate to contracts classified as short-term leases and contracts for lower value assets, as well as renewal options in the contracts, for which there is reasonable certainty that they will be exercised, which affected the lease liability in connection with the transition.

The recognition of depreciation on right-of-use assets instead of lease payments has impacted the operating result by SEK +1 million. Interest on lease liabilities has had a negative impact on net financial income of SEK -1 million.

As the amortisation part of the lease payment is accounted for as financing activities, the cash flow from financing activities is reduced by the corresponding increase in cash flow from operating activities. The interest portion of the lease payment remains cash flow from operating activities and is included in net financial income, paid.

Principles applied until 31 March 2019

Operating leases

The costs of operating leases are recognised in net profit or loss linearly over the leasing period. Benefits received in connection with the signing of a lease are recognised in the net profit or loss as a reduction of the lease payments on a straight-line basis over the term of the lease. Variable charges are expensed as incurred.

Financial leases

The minimum lease payments are divided between the interest cost and the repayment of the outstanding liability. Interest expense is allocated over the lease term so that each accounting period is charged an amount equal to a fixed rate of interest on the liability recognised in that period. Variable charges are expensed as incurred.

Financial income and expenses

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

Interest income on receivables and interest expense on liabilities are calculated using the effective interest method. The effective interest rate is the rate that discounts estimated future cash receipts and payments through the expected life of a financial instrument to the net carrying amount of the financial asset or liability. Interest expense

Historical financial information

includes accrued amounts of issuance costs and similar direct transaction costs of raising liability. Dividend income is recognised when the right to receive payment is established. Foreign exchange gains and losses are recognised net.

Financial instruments

Financial instruments measured and recognised in the group in accordance with the rules of IFRS 9. Financial instruments recognised in the balance sheet, include, on the asset side, cash and cash equivalents, accounts receivables, financial investments and derivatives. Liabilities include accounts payable, loan liabilities, liabilities related to 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 according to the instrument's contractual terms. A financial asset or part of a financial asset is derecognised when the rights under the contract are realised, fall due or the group loses control of them.

A financial liability or a portion of a financial liability is derecognised from the balance sheet when contractual obligations are met or otherwise removed. A financial asset and a financial liability are offset and recognised in the balance sheet at a net amount only when there is a legal right to offset the amounts and an intention to settle the items at a net amount or to realise the asset and settle the liability simultaneously. Acquisitions and disposals of financial assets are recognised on the trade date, which is the date on which the group commits to acquire or dispose of the assets.

Classification and measurement

The group classifies its financial instruments into 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 and liabilities at amortised cost. The classification of a financial instrument determines how it is measured after initial recognition. The classification of financial assets is based on the entity's business model for managing the financial assets and the characteristics of the contractual cash flows from the financial asset. 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 investments and derivatives.

Financial assets valued at accrued acquisition value

Financial assets measured at amortised cost consist of holdings of receivables and other debt instruments, whose business model is to receive principal and any interest and which generate cash flows that are solely for the payment of principal and interest. This category includes cash and cash equivalents, current investments and accounts receivables and other receivables, if any. They are included in current assets, with the exception of items with a due date more than twelve (12) months after the balance sheet date, which are classified as tangible non-current assets. Assets are stated net of expected credit losses. The impairment of receivables is assessed on an individual basis and based on historical experience of customer losses on similar receivables and the maturity structure.

Financial liabilities measured at amortised cost

Loans and other financial liabilities, e.g. accounts payable, are included in this category. Also included in this category are financial liabilities arising from the acquisition of put options on equity instruments of partly-owned subsidiaries, which give the holders of the shares the right to sell the remaining stake. They are initially recognised at fair value less transaction costs. Borrowings are subsequently carried at amortised cost and any difference between the amount borrowed (net of transaction costs) and the amount repaid is recognised in net profit or loss of the borrowing using the effective interest method. Revaluation of put options issued on equity instruments of partly-owned

subsidiaries is recognised in equity as the final settlement is accounted for as a transaction with minority shareholders.

Borrowing is classified as current liabilities, unless the entity has an unconditional right to defer payment for at least twelve (12) months after the balance sheet date.

Financial liabilities measured at fair value via profit or loss

Liabilities measured at fair value consist of hedging instruments, where the fair value is based on observable market data, and are therefore included in level 2 under IFRS 13 and also consist of contingent purchase consideration, which is measured using discounted cash flows and is therefore included in level 3.

Derivatives and hedge accounting

Derivative instruments are initially recognised at fair value. Derivative instruments held for hedging purposes consist of foreign-exchange forward contracts and are measured at fair value after the acquisition date. The group designates certain derivatives as a hedge of a highly probable forecast transaction in a foreign currency (cash-flow hedging). The effective portion of changes in the fair value of derivative instruments designated as cash flow hedges is recognised in other comprehensive income and the cumulative changes in value are recognised in a separate component of equity (hedging reserves). The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Accumulated amounts in equity are reversed to net profit or loss in the periods in which the hedged item affects profit or loss (for example, when the forecasted sale that is hedged takes place). If the forecast transaction that is hedged results in the recognition of a non-financial asset (e.g. inventories) or a non-financial liability, the hedging reserve is released through other comprehensive income and included in the initial carrying amount of the asset or liability.

Contingent consideration

Contingent consideration is measured at fair value with changes in value recognised in profit or loss. Contingent consideration is measured on the basis of the probability that the consideration will be received.

Tangible non-current assets

Owned assets

Tangible non-current assets are recognised as an asset in the balance sheet if it is probable that future economic benefits will flow to the group and the cost of the asset can be measured reliably. Tangible non-current assets are recognised in the group at their acquisition value less accumulated depreciations and any impairment losses. Cost includes the purchase price and the costs directly attributable to bringing the asset to its location and condition for use in accordance with its purpose. Examples of directly attributable costs included in the acquisition cost are delivery and handling costs, installation, legal fees, consultancy services and legal services. Tangible non-current assets consisting of parts with different useful lives are treated as separate components of tangible non-current assets.

The carrying amount of an item of tangible non-current assets is derecognised on disposal or when no future economic benefits are expected from the use or disposal of the asset. The gain or loss arising on the disposal of an asset is the difference between the selling price and the carrying amount of the asset less direct selling expenses. Profits and losses are recognised as other operating income/expenses.

Additional expenses

Additional expenses are added to the cost of the asset only if it is probable that the future economic benefits associated with the asset will flow to the group and the cost of the asset can be measured reliably. All other future expenses are recognised as costs as they arise.

Depreciation principles

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset. The group applies component depreciation,

which means that the estimated useful life of the components is the basis for depreciation.

Estimated useful lives:

Machinery	3–10 years
Inventory	3–5 years

The depreciation methods used, residual values and useful lives are reassessed at each year-end.

Intangible assets

Goodwill

Goodwill represents the difference between the consideration transferred for the business combination and the fair value of the assets acquired and liabilities assumed. Goodwill is measured at cost less any accumulated impairment losses. Goodwill is allocated to each of the group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. Goodwill is not amortised on an ongoing basis, but is tested for impairment annually. In any case where the consideration transferred for a business combination is less than the fair value of the assets acquired and liabilities assumed, a so-called bargain purchase, the difference is recognised directly in the net profit or loss.

Other intangible assets

Other intangible assets acquired by the group are stated at cost less accumulated amortisation and impairment losses and consist of trademarks, customer relationships and capitalised IT expenditure for software development and purchase. Amortised costs for internally generated goodwill and internally generated trademarks are recognised in the net profit or loss as incurred.

Depreciation principles

Amortisation is recognised in the net profit or loss over the estimated useful life of the intangible asset, unless such useful life is indefinite. Goodwill and intangible assets, such as certain trademarks, with indefinite useful lives, are tested for impairment annually or whenever indications arise that the asset may be impaired. Amortisable intangible assets are amortised from the date they are available for use.

Estimated useful lives:

Customer relations	3–10 years
Software, IT investments	3–5 years

The depreciation methods and useful lives used are reviewed at each financial year-end.

Impairment of tangible, intangible and right-of-use assets

The carrying amounts of the group's tangible, intangible and right-of-use assets are reviewed at least at each balance sheet date to assess whether there is any indication of impairment. If there is any indication of impairment, the recoverable amount of the asset is calculated. For goodwill, other intangible assets with indefinite useful lives such as acquired trademarks and intangible assets not yet available for use, the recoverable amount is calculated at least annually.

If it is not possible to determine the existence of substantially independent cash flows for an individual asset, the net assets are grouped at the lowest level at which it is possible to identify substantially independent cash flows (a cash-generating unit). An impairment loss is recognised when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. An impairment loss is recognised as an expense in net profit. When an impairment loss is identified for a cash-generating unit, the impairment loss is allocated primarily to goodwill. A proportional depreciation is then applied to the other assets included in the unit.

Calculation of the recoverable amount

The recoverable amount is the higher of fair value less selling expenses and value in use. In calculating value in use, future cash flows are discounted using a discount factor that takes into account the risk-free interest rate and the risk associated with the specific asset.

For an asset that does not generate cash inflows that are largely independent of those from 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 underlying the calculation of the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount after reversal does not exceed the carrying amount that would have been determined had no impairment loss been recognised, taking into account any depreciation that would have been recognised.

Inventories

Inventories are valued at cost or net realisable value, whichever is lowest. The cost of inventories is generally calculated using the weighted average cost method, which includes expenditure incurred in acquiring the inventories and transporting them to their present location and condition, and alternatively using the first-in, first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, after deducting estimated costs of completion and of making a sale.

Equity

The group's equity is divided into share capital, other contributed capital, reserves, retained earnings including net profit or loss and non-controlling interests.

Remuneration to employees

Employee benefits are calculated on an undiscounted basis and recognised as an expense when the related services are received.

A provision is recognised for the expected cost of profit-sharing and bonus payments when the group has a present legal or constructive obligation to make such payments as a result of services received from employees and the obligation can be measured reliably.

Defined contribution pension plans

Obligations in respect of contributions to defined contribution plans are recognised as an expense in the net profit or loss as they are earned by employees in the course of providing services to the enterprise over a period of time.

Defined benefit pension plans

For civil servants in Sweden, the ITP 2 plan's defined benefit pension obligations for old age and family pension (alternatively family pension) are secured by an insurance policy with Alecta. According to a statement by the Financial Reporting Board, UFR 10 Accounting for the ITP 2 pension plan funded by insurance in Alecta, this is a multi-employer defined benefit plan. For the financial year, the company has not had access to information in order to report its proportional share of the plan's obligations, fiduciary assets and costs, which meant that the plan could not be recognised as a defined benefit plan. The pension plan ITP 2, which is secured through an insurance in Alecta, is therefore recognised as a defined contribution plan. The premium for the defined benefit retirement and survivors' pension is calculated individually and is in part dependent on salary, previously earned pension and expected remaining service. Expected fees for the next reporting period for ITP 2 insurance policies underwritten in Alecta amount to approximately SEK 8 million.

The collective funding ratio is the market value of Alecta's assets as a percentage of the insurance commitments calculated according to Alecta's actuarial methods and assumptions, which are not consistent with IAS 19. The collective funding ratio is normally allowed to vary between 125 and 175 per cent. In order to strengthen the level of consolidation if it is deemed to be too low, one measure could be to increase the agreed price for new subscriptions and extensions of existing benefits. Premium reductions may be introduced if the consolidation level exceeds 150 percent. At the end of the third quarter 2021, Alecta's surplus in terms of the collective consolidation ratio

Historical financial information

amounted to 169 per cent (2020: 148 per cent, 2019: 148 per cent, 2018: 142 per cent).

Termination benefits

A provision is recognised in respect of employee terminations only if the entity is committed either to terminate the employment of an employee or group of employees before the normal date, or to provide compensation on termination by way of an offer to encourage voluntary redundancy. In the latter case, a liability and an 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

Provisions are entered in the balance sheet when the group is subject to an actual or informal legal obligation as a consequence of a circumstance occurring, and it is likely that financial resources will be required to meet the obligation and a reliable estimate of the amount can be made. Where the effect of the timing of payments is material, provisions are calculated by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, 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 consideration of possible outcomes in relation to the probabilities associated with the outcomes.

Restructuring

A provision for restructuring is recognised when the group has established a detailed and formal restructuring plan, and the restructuring has either commenced or has been publicly announced. No provision is made for future operating expenses.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be received by the group from a contract are less than the unavoidable costs of meeting the obligations under the contract. Contracts subject to IFRS 16 are accounted for as an impairment of a right-of-use asset.

Taxes

Total tax consists of current tax and deferred tax. Income taxes are recognized in the net profit or loss, except where the underlying transaction is recognised in other comprehensive income or in equity, where the associated tax effect is recognised in other comprehensive income or in equity. Current tax is tax payable or received in respect of the current year, applying the tax rates that have been decided or in practice decided at the balance sheet date. Current tax also includes adjustments to current tax relating to prior periods. Deferred tax is calculated according to the balance sheet method on the basis of temporary differences between carrying amount and taxable values of assets and liabilities. No account is taken of temporary differences arising on the recognition of goodwill. Furthermore, temporary differences relating to investments in subsidiaries and associated companies that are not expected to reverse in the foreseeable future are not taken into account. The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of assets or liabilities. Deferred tax is calculated using the tax rates and rules that have been decided or effectively decided at the balance sheet date. Deferred tax assets relating to deductible temporary differences and tax loss carry-forwards are recognised only to the extent that it is probable that they will be recovered. The value of deferred tax assets is reduced when it is no longer probable that they can be utilised.

Contingent liabilities

A contingent liability is recognised when there is a possible obligation that arises from past events and whose existence will be confirmed only by one or more uncertain future events, or when there is an obligation that is not recognised as a liability or provision because it is not probable that an outflow of resources will be required.

Cash flow statement

Receipts and disbursements are divided into the following categories: operating, investing and financing activities. The indirect method is applied to flows from operating activities. Changes in operating assets and liabilities for the year have been adjusted for the effects of exchange rate fluctuations. Acquisitions and disposals are recognised in investing activities. The assets and liabilities of the acquired and divested businesses at the date of acquisition are not included in the analysis of changes in working capital, nor in the changes in balance sheet items recognised in investing and financing activities. In addition to cash and bank balances, cash and cash equivalents include current investments, the conversion of which into bank balances can be effected for an amount known substantially in advance. Current investments with a maturity of less than three (3) months are considered as cash and cash equivalents.

2 Key estimates and judgements

Estimates and judgements have been made on the basis of what is known at the time of writing. These estimates and assessments may change at a later date due to, among other things, changes in environmental factors.

The most significant estimates are set out below, where there is a risk that future events and new information may change the basis for current estimates and judgements.

Impairment testing of goodwill and other non-current assets

In accordance with IFRS, goodwill is not amortised but instead tested annually for impairment. Other intangible and tangible non-current assets are depreciated over the period in which the asset is expected to generate income. All intangible and tangible non-current assets are subject to an annual impairment test. The impairment tests are based on a review of estimated future cash flows. Assumptions used in the impairment test are set out in Note 8 Intangible non-current assets.

Inventory obsolescence

Momentum Group is engaged in trading activities, where inventory is a major asset item in the group's balance sheet. The group values inventories at the lower of cost and net realisable value. The cost of inventories is generally calculated using the weighted average cost method, which includes expenditure incurred in acquiring the inventories and transporting them to their present location and condition, and alternatively using the first-in, first-out (FIFO) method. Surplus and slow-moving items, outgoing items, damaged items and handling and other selling costs are assessed for the purpose of calculating net realisable value. If the general demand for the group's product range changes materially and assumptions about the net realisable value of items differ from the actual outcome, the results may be affected in the financial statements.

3 Segment reporting and specification of income from contracts with customers

The group's operating segments comprise of the business areas Components and Services. Operating segments are consolidations of the operational organisation as monitored by the group's management and board of directors. The group's senior management, consisting of the CEO and CFO, is the group's highest executive decision-maker.

Components consists of Momentum Industrial, ETAB Industriautomation, Öbergs and JNF Køge who offer spare parts, maintenance and repairs to customers in the industrial sector in the Nordic region. **Services** consist of Rörick Elektriska Verkstad, Carl A. Nilssons Elek-

triska Reparationsverkstad, Mekano and Intertechna, which together provide technical industrial services, mainly to the Swedish market. **Group-wide** include the group's management, finance and support functions. The support functions include internal communications, Investor Relations and legal affairs.

Transfer pricing between segments is done at arm's length. The group has no individual customer accounting for more than five (5) per cent of the group's revenue. The revenue presented for the geographic markets are based on the domicile of the customers.

2021, SEK million	Components	Services	Group-wide	Eliminations	Group total
Revenue					
From external customers per geographical area					
Sweden	1,110	277	–	–	1,387
Norway	34	2	–	–	36
Denmark	49	4	–	–	53
Other countries	12	3	–	–	15
From other segments	4	9	3	-16	–
Total	1,209	295	3	-16	1,491
Revenue					
From external customers by class of income					
Sales of goods	1,109	126	–	–	1,235
Service assignments	91	159	–	–	250
Other income	5	1	–	–	6
From other segments	4	9	3	-16	–
Total	1,209	295	3	-16	1,491
EBITA	171	25	-25	0	171
<i>Items affecting comparability</i>	-1	–	-5	–	-6
<i>Amortisation of intangible assets in connection with corporate acquisitions</i>	-5	-5	–	–	-10
Operating profit/loss	165	20	-30	0	155
Net financial items	–	–	-7	–	-7
Profit/loss after net financial items	165	20	-37	0	148
Goodwill	167	69	–	–	236
Other assets	579	256	183	-270	748
Total assets	746	325	183	-270	984
Total liabilities	417	172	190	-270	509
Other disclosures					
Investments	2	3	0	–	5
Depreciation	-34	-20	0	–	-54

The columns "Group-wide" and "Eliminations" relating to assets consist of the elimination of intra-segment receivables of SEK -270 million, intra-segment receivables of SEK 110 million and unallocated assets of SEK 73 million. The columns "Group-wide" and "Eliminations" regarding liabilities consist of the elimination of intra-segment liabilities of SEK -270 million, intra-segment liabilities of SEK 147 million and unallocated liabilities of SEK 43 million.

Historical financial information

Note 3: Segment reporting and specification of income from contracts with customers (cont.)

2020 (9 months), SEK million	Components	Services	Group-wide	Eliminations	Group total
Revenue					
From external customers per geographical area					
Sweden	734	42	–	–	776
Norway	21	0	–	–	21
Denmark	34	0	–	–	34
Other countries	5	1	–	–	6
From other segments	2	5	0	–7	–
Total	796	48	0	–7	837
Revenue					
From external customers by class of income					
Sales of goods	725	23	–	–	748
Service assignments	66	20	–	–	86
Other income	3	0	–	–	3
From other segments	2	5	0	–7	–
Total	796	48	0	–7	837
EBITA	110	6	–22	0	94
<i>Items affecting comparability</i>	–	–	–	–	–
<i>Amortisation of intangible assets in connection with corporate acquisitions</i>	–3	0	–	–	–3
Operating profit/loss	107	6	–22	0	91
Net financial items	–	–	–2	–	–2
Profit/loss after net financial items	107	6	–24	0	89
Goodwill	152	12	–	–	164
Other assets	538	33	1	–2	570
Total assets	690	45	1	–2	734
Total liabilities	357	21	15	–2	391
Other disclosures					
Investments	2	1	–	–	3
Depreciation	–25	–3	–	–	–28

The columns "Group-wide" and "Eliminations" relating to assets consist of the elimination of intra-segment receivables of SEK –2 million, intra-segment receivables of SEK 0 million and unallocated assets of SEK 1 million. The columns "Group-wide" and "Eliminations" regarding liabilities consist of the elimination of intra-segment liabilities of SEK –2 million, intra-segment liabilities of SEK 0 million and unallocated liabilities of SEK 15 million.

Note 3: Segment reporting and specification of income from contracts with customers (cont.)

2019/2020, SEK million	Components	Services	Group-wide	Eliminations	Group total
Revenue					
From external customers per geographical area					
Sweden	1,078	72	-	-	1,150
Norway	44	1	-	-	45
Denmark	47	0	-	-	47
Other countries	10	2	-	-	12
From other segments	3	9	-	-12	-
Total	1,182	84	0	-12	1,254
Revenue					
From external customers by class of income					
Sales of goods	1,070	39	-	-	1,109
Service assignments	103	36	-	-	139
Other income	6	0	-	-	6
From other segments	3	9	-	-12	-
Total	1,182	84	0	-12	1,254
EBITA	143	10	-19	0	134
<i>Items affecting comparability</i>	-	-	-	-	-
<i>Amortisation of intangible assets in connection with corporate acquisitions</i>	-4	0	-	-	-4
Operating profit/loss	139	10	-19	0	130
Net financial items	-	-	-3	-	-3
Profit/loss after net financial items	139	10	-22	0	127
Goodwill	152	11	-	-	163
Other assets	500	34	0	-1	533
Total assets	652	45	0	-1	696
Total liabilities	399	25	9	-1	432
Other disclosures					
Investments	2	1	-	-	3
Depreciation	-31	-4	-	-	-35

The columns "Group-wide" and "Eliminations" relating to assets consist of the elimination of intra-segment receivables of SEK -1 million. The columns "Group-wide" and "Eliminations" regarding liabilities consist of the elimination of intra-segment liabilities of SEK -1 million.

Historical financial information

Note 3: Segment reporting and specification of income from contracts with customers (cont.)

2018/2019, SEK million	Components	Services	Group-wide	Eliminations	Group total
Revenue					
From external customers per geographical area					
Sweden	1,000	70	–	–	1,070
Norway	64	0	–	–	64
Denmark	48	0	–	–	48
Other countries	12	2	–	–	14
From other segments	2	9	–	-11	–
Total	1,126	81	0	-11	1,196
Revenue					
From external customers by class of income					
Sales of goods	1,047	31	–	–	1,078
Service assignments	74	41	–	–	115
Other income	3	–	–	–	3
From other segments	2	9	–	-11	–
Total	1,126	81	0	-11	1,196
EBITA	125	8	-19	0	114
<i>Items affecting comparability</i>	–	–	–	–	–
<i>Amortisation of intangible assets in connection with corporate acquisitions</i>	-3	0	–	–	-3
Operating profit/loss	122	8	-19	0	111
Net financial items	–	–	-2	–	-2
Profit/loss after net financial items	122	8	-21	0	109
Goodwill	142	11	–	–	153
Other assets	434	27	0	-2	459
Total assets	576	38	0	-2	612
Total liabilities	444	27	0	-2	469
Other disclosures					
Investments	2	1	–	–	3
Depreciation	-4	-1	–	–	-5

The columns "Group-wide" and "Eliminations" relating to assets consist of the elimination of intra-segment receivables of SEK -2 million. The columns "Group-wide" and "Eliminations" regarding liabilities consist of the elimination of intra-segment liabilities of SEK -2 million.

Information concerning non-current assets by geographic area

The group operates mainly in Sweden. The intangible and tangible non-current assets presented for the geographic markets are based on the geographic location of the operations.

Non-current assets, SEK million	31 Dec 2021	31 Dec 2020	31 Mar 2020	31 Mar 2019
Sweden	299	183	182	169
Norway	0	–	–	–
Denmark	2	2	2	2
Other countries	–	–	–	–
Group total	301	185	184	171

4 Employees and personnel costs

Average number of employees by country	2021			2020 (9 mån)			2019/2020			2018/2019		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Sweden, Parent company ¹⁾	1	0	1	-	-	-	-	-	-	-	-	-
Sweden, Other subsidiaries	353	70	423	230	60	290	256	60	316	247	58	305
Norway	6	0	6	6	0	6	8	0	8	7	0	7
Denmark	13	4	17	13	4	17	11	4	15	12	4	16
Other countries	-	-	-	-	-	-	-	-	-	-	-	-
Total	373	74	447	249	64	313	275	64	339	266	62	328

¹⁾ Employments to the parent company Momentum Group AB has been transferred as of 1 November 2021. At the end of the year, seven (7) persons were employed in the company, divided into three (3) women and four (4) men.

Percentage women, %	2021	2020 (9 months)	2019/2020	2018/2019
The parent company				
Board of Directors	40	-	-	-
Group management	0	-	-	-
The group				
Boards of Directors	10	28	29	31
Other senior management ¹⁾	28	36	36	40

¹⁾ The group other senior management above includes individuals in the senior management in group companies.

Employee remuneration costs	2021	2020 (9 months)	2019/2020	2018/2019
Salaries and other remuneration ¹⁾	243	118	175	171
Pension costs	22	12	16	15
Social security contributions	79	38	54	55
Group total	344	168	245	241

¹⁾ The row pertaining to salaries and other remunerations includes received government grants for part-time working of SEK 9 million for the financial year 2020 (9 months).

Remuneration and other benefits to the Board of Directors and senior management of Momentum Group

Board of Directors

Momentum Group has historically been a separate operating segment within the Alligo group. For the financial years 2020 (9 months), 2019/2020 and 2018/2019, the Boards of the companies that constitute the Momentum Group, consisted of, among others, the senior management. No remuneration have been paid to the Board for their work. The Board of Directors of Momentum Group AB has been operative since September 2021. At the Extraordinary General Meeting on 15 September 2021, the remuneration for the remainder of the financial year was determined to SEK 75 thousand each to Board Members who are not members of the parent company Alligo AB. Accordingly, remuneration to the Chairman of the Board and other members has been paid in accordance with the table below.

Board of Directors 2021, SEK thousand	Directors' fees	Variable salary	Other benefits	Pension costs	Total
Johan Sjö, chairman of the board ^{1), 3)}	-	-	-	-	-
Stefan Hedelius, board member ^{1), 3)}	-	-	-	-	-
Gunilla Spongh, board member ^{2), 3)}	-	-	-	-	-
Ylva Ersvik, board member	75	-	-	-	75
Anders Claeson, board member	75	-	-	-	75
Total	150	-	-	-	150

¹⁾ Member of the Remuneration Committee.

²⁾ Chairman of the Audit Committee.

³⁾ Board Member in the parent company Alligo AB.

Senior management

President & CEO

Ulf Lilius is President & CEO of Momentum Group AB since 1 November 2021. For the time that Momentum Group constituted an operating segment, Ulf Lilius has been Segment Manager as well as CEO and President of the Alligo group.

Other senior management

For the purposes of this note, other senior management means senior management excluding the CEO. In addition to Ulf Lilius, the group's senior management consists of Niklas Enmark, vice-president

& CFO of Momentum Group AB since 1 November 2021. For the time that Momentum Group constituted an operating segment, Niklas Enmark has been vice-president & CFO of the Alligo group.

As of 11 February 2022, the guidelines for remuneration to senior management applies as resolved by the General Meeting of Momentum Group on 11 February 2022. These guidelines are set out in section Corporate Governance in this prospectus. In previous financial years the guidelines for remuneration to senior management has been applied as decided by the Annual General Meeting of Alligo AB.

Historical financial information

Note 4: Employees and personnel costs (cont.)

Senior management (as of 1 November 2021, 2 months), SEK thousand	Fixed salary	Variable salary	Other benefits	Pension costs	Total
Ulf Lilius, President & CEO	765	370	2	222	1,359
Niklas Enmark, Vice President & CFO	424	170	14	129	737
Total	1,189	540	17	351	2,096

Senior management (1 January–31 October 2021, 10 months), SEK thousand	Fixed salary	Variable salary	Other benefits	Pension costs	Total
Ulf Lilius, President & CEO	3,798	1,850	68	1,110	6,826
Niklas Enmark, Vice President & CFO	2,132	848	78	647	3,705
Total	5,930	2,698	146	1,757	10,531

Senior management 2021 (12 months), SEK thousand	Fixed salary	Variable salary	Other benefits	Pension costs	Total
Ulf Lilius, President & CEO	4,563	2,220	70	1,332	8,185
Niklas Enmark, Vice President & CFO	2,556	1,018	92	776	4,442
Total	7,118	3,238	163	2,108	12,627

Senior management 2020 (9 months), SEK thousand	Fixed salary	Variable salary	Other benefits	Pension costs	Total
Ulf Lilius, President & CEO	3,788	1,500	59	1,075	6,422
Niklas Enmark, Vice President & CFO	2,253	750	71	575	3,649
Total	6,041	2,250	130	1,650	10,071

Senior management 2019/2020, SEK thousand	Fixed salary	Variable salary and LTI ¹⁾	Other benefits	Pension costs	Total
Ulf Lilius, President & CEO	4,688	604	80	1,381	6,753
Niklas Enmark, Vice President & CFO	2,729	746	96	767	4,338
Total	7,417	1,350	176	2,148	11,091

Senior management 2018/2019, SEK thousand	Fixed salary	Variable salary and LTI ¹⁾	Other benefits	Pension costs	Total
Ulf Lilius, President & CEO	4,294	756	80	1,523	6,653
Niklas Enmark, Vice President & CFO	2,521	834	99	769	4,223
Total	6,815	1,590	179	2,292	10,876

¹⁾ Long-term incentive (LTI) program.

The Board of Directors of Alligo AB (previously Momentum Group AB) decided in 2017 to offer a long-term incentive programme for Niklas Enmark, Vice President & CFO, with an annual gross cash compensation of SEK 400 thousand over a three-year period. Payment of the gross cash compensation was conditional upon the vice-president's initial investment in Momentum Group shares for approximately SEK 2.5 million and that he remains employed by the company. The programme was completed in the 2019/2020 financial year.

5 Remuneration of auditors

The Group, SEK million	2021	2020 (9 months)	2019/ 2020	2018/ 2019
KPMG				
Audit assignment	1	0	0	0
Tax advisory services	-	-	-	-
Other assignments	1	-	-	-
Total remuneration to KPMG	2	0	0	0
Other auditors				
Audit assignment	-	-	-	-
Tax advisory services	-	-	-	-
Other commissions	-	-	-	-
Total remuneration of other auditors	-	-	-	-
Total remuneration of auditors	2	0	0	0

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..

7 Taxes

Taxes recognised in the income statement

SEK million	2021	2020 (9 months)	2019/2020	2018/2019
Tax expense for the period	-24	-14	-21	-25
Adjustment of tax relating to previous years	0	0	0	-
Deferred tax	-7	-5	-7	0
Total recognised tax expense	-31	-19	-28	-25

Reconciliation of effective tax

The correlation between the average tax rate and recognised taxes for the group is illustrated in the following table:

SEK million	2021	%	2020 (9 months)	%	2019/2020	%	2018/2019	%
Profit before tax	148		89		127		109	
Taxes at an average tax rate	-30	20.6	-19	21.4	-27	21.4	-24	22.0
Tax effect of:								
Changed tax rate	0	0.0	0	0.0	0	0.0	0	0.0
Tax attributable to previous years	-	-	-	-	-	-	-	-
Non-deductible expenses	-1	0.7	0	0.0	-1	0.8	-1	0.9
Non-taxable income	0	0.0	0	0.0	0	0.0	0	0.0
Total tax	-31	21.3	-19	21.4	-28	22.2	-25	22.9

Tax recognised in the statement of comprehensive income

SEK million	2021	2020 (9 months)	2019/2020	2018/2019
Deferred tax on hedging instruments	0	0	0	0
Total	0	0	0	0

6 Financial income and expenses

The Group, SEK million	2021	2020 (9 months)	2019/ 2020	2018/ 2019
Interest income on deposits at Alligo AB	0	0	0	0
Other financial income	0	0	0	0
Financial income	0	0	0	0
Interest expenses on liabilities to Alligo AB	-5	-1	-2	-2
Interest expense on leases	-2	-1	-1	-
Other financial expenses	0	0	0	0
Financial expenses	-7	-2	-3	-2
Net financial items	-7	-2	-3	-2

Financial income and expenses mainly relate to assets and liabilities measured at amortised cost.

Historical financial information

Note 7: Taxes (cont.)

Taxes recognised in the balance sheet

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

SEK million	31 Dec 2021			31 Dec 2020			31 Mar 2020			31 Mar 2019		
	Receivables	Liabilities	Net	Receivables	Liabilities	Net	Receivables	Liabilities	Net	Receivables	Liabilities	Net
Intangible assets	-	-10	-10	-	-2	-2	-	-1	-1	-	0	0
Hedging instruments	0	0	0	0	0	0	0	0	0	0	0	0
Untaxed reserves	-	-24	-24	-	-14	-14	-	-9	-9	-	-1	-1
Loss carryforwards	0	-	0	0	-	0	0	-	0	0	-	0
Other	1	-	1	1	-	1	-	-	0	-	-	0
Total	1	-34	-33	1	-16	-15	0	-10	-10	0	-1	-1

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

SEK million	31 Dec 2021	31 Dec 2020	31 Mar 2020	31 Mar 2019
Opening balance at the beginning of the year, net	-15	-10	-1	-1
Taxes charged against net profit	-7	-5	-7	0
Taxes on items recognised in the consolidated comprehensive income	0	0	0	0
Taxes on business combinations	-11	0	-2	0
Transition to IFRS 16	-	-	0	-
Translation differences	0	0	0	0
Closing balance at year-end, net	-33	-15	-10	-1

8 Intangible non-current assets

The Group, SEK million	2021				2020 (9 months)				2019/2020				2018/2019			
	Goodwill	Customer relations	Other ¹⁾	Total	Goodwill	Customer relations	Other ¹⁾	Total	Goodwill	Customer relations	Other ¹⁾	Total	Goodwill	Customer relations	Other ¹⁾	Total
Accumulated costs																
At the beginning of the year	164	20	2	186	163	20	2	185	153	14	2	169	141	2	2	145
Investments			0	0				0				0				0
Acquisition of business	72	46	1	119	1			1	10	6		16	12	12		24
Translation differences	0			0	0			0	0			0	0			0
At year-end	236	66	3	305	164	20	2	186	163	20	2	185	153	14	2	169
Accumulated amortisation																
At the beginning of the year	-	-9	-2	-11	-	-6	-2	-8	-	-2	-2	-4	-	0	-1	-1
Amortisation for the year		-10	-0	-10		-3	0	-3		-4	0	-4		-2	-1	-3
Translation differences				0				0				0				0
At year-end	-	-19	-2	-21	-	-9	-2	-11	-	-6	-2	-8	-	-2	-2	-4
Impairment losses on costs																
At the beginning of the year				-				-				-				-
Impairment losses for the year				-				-				-				-
At year-end	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Carrying amount at the beginning of the year	164	11	0	175	163	14	0	177	153	12	0	165	141	2	1	144
Carrying amount at year end	236	47	1	284	164	11	0	175	163	14	0	177	153	12	0	165

¹⁾ Other includes software, licences and other IT-related assets.

Note 8: Intangible non-current assets (cont.)

Impairment testing of goodwill

Impairment testing of recognised goodwill values is performed annually. For the financial year ending 31 December 2021, an audit has been carried out on the basis of the balance sheet as at 30 September 2021. The test has also been updated in connection with the annual accounts 31 December 2021. The group's recognised goodwill amounts to SEK 236 million with the breakdown by operating segment in accordance with the table below:

Goodwill, SEK million	31 Dec 2021	31 Dec 2020	31 Mar 2020	31 Mar 2019
Components	167	152	152	142
<i>Of which Momentum Industrial</i>	140	140	140	140
<i>Of which Specialist</i>	27	12	12	2
Services	69	12	11	11
Total Goodwill	236	164	163	153

Momentum Group has historically made a large number of acquisitions. Goodwill is allocated to each of Momentum Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. The operating segment Components consists of two (2) groups of cash-generating units (Momentum Industrial and Specialist) and the operating segment Services consists of a group of cash-generating units. This also corresponds to the lowest level in the group at which goodwill is monitored in internal management and the annual impairment test of goodwill values is performed at this level. Regarding the historical years 2020 (9 months), 2019/2020 and 2018/2019, goodwill impairment testing has been performed on what today represents the Momentum Group, since in the financial statements of Alligo AB it corresponded to a cash-generating unit and an operating segment. If an impairment test had also been conducted historically based on what is today the groups of cash-generating units within the Components and Services operating segments respectively, this would not have resulted in any depreciation. The starting point for impairment testing and assessment of future cash flows is based on the respective cash-generating unit's target (equivalent to the group's budget process) for the coming financial year, with forecasts of results and cash flows for the following year. The target is set by the company's Board of Directors. The recoverable amount has been calculated based on the value in

use and assumes an estimate of cash flows for the next five-year period. Important assumptions have been made about future revenue, coverage ratio and cost level, as well as working capital requirements and investment needs. The key assumptions are based on the starting position of each business, market conditions and the current action plans in place in each cash-generating unit. In addition, there are also group-common assumptions regarding inflation and wage trends for the countries where the group has its main operations. Furthermore, assumptions are made about future exchange rates affecting the price of the group's purchases and sales. The common assumptions correlate well with external sources of information and previous experience. For cash flows beyond the five-year period, the growth rate has been assumed to amount to about two (2) per cent per year.

The discount rate is a weighted average cost of capital for debt and equity and is shown in the table below for each cash-generating unit. The discount rate is applied to a pool of assets excluding right-of-use assets, and where lease payments are included in the cash flow of the respective cash-generating unit. The discount rate is therefore comparable between years and is not affected by the adoption of IFRS 16. The testing of goodwill values has not resulted in any impairment.

Discount rate, before tax, %	31 Dec 2021	31 Dec 2020	31 Mar 2020	31 Mar 2019
Components ¹⁾	10.5	10.5	11.0	10.5
Services	10.5	10.5	11.0	10.5

¹⁾ The same discount rate has been used for both groups of cash-generating units within the Components operating segment.

No reasonably possible changes in key assumptions would result in an impairment.

9 Tangible non-current assets

The Group, SEK million	2021				2020 (9 months)				2019/2020				2018/2019			
	Machinery	Equipment	Construction in progress	Total	Machinery	Equipment	Construction in progress	Total	Machinery	Equipment	Construction in progress	Total	Machinery	Equipment	Construction in progress	Total
Accumulated costs																
At the beginning of the year	26	36	1	63	22	36	0	58	21	34	0	55	20	32	0	52
Investments	1	4		5	2	0	1	3	1	2		3	1	2		3
Acquisition of subsidiaries	0	6		6	2			2		0		0				0
Sales and disposals	0	0		0	0	0		0		0		0				0
Reclassifications		1	-1	0				0				0		0	0	0
Translation differences	0	0		0	0	0		0	0	0		0	0	0		0
At year-end	27	47	-	74	26	36	1	63	22	36	0	58	21	34	0	55
Accumulated amortisation																
At the beginning of the year	-20	-33		-53	-19	-32		-51	-18	-31		-49	-17	-30		-47
Amortisation for the year	-2	-2		-4	-1	-1		-2	-1	-1		-2	-1	-1		-2
Sales and disposals	0	0		0	0	0		0		0		0				0
Translation differences	0	0		0	0	0		0	0	0		0	0	0		0
At year-end	-22	-35	-	-57	-20	-33	-	-53	-19	-32	-	-51	-18	-31	-	-49
Carrying amount at the beginning of the year	6	3	1	10	3	4	0	7	3	3	0	6	3	2	0	5
Carrying amount at year end	5	12	-	17	6	3	1	10	3	4	0	7	3	3	0	6

10 Leasing

The group's lease portfolio consists mainly of leases related to warehouse and shop facilities, workshops as well as vehicles. The average term of leases for premises is 3–5 years. Extension options are mainly taken into account for those leases with an ordinary term of less than three (3) years, unless specific circumstances indicate with reasonable certainty that the option to extend will be exercised. The lease term for vehicles and other assets essentially corresponds to the non-cancellable period of the lease.

Right-of-use assets

SEK million	Premises	Vehicles	Other	Total
Opening carrying amount as of 1 April 2019	39	15	1	55
Acquisitions	12	7	0	19
Extensions and remeasurements	15	0	0	15
Depreciation during the year	-19	-10	0	-29
Translation differences	0	0	0	0
Closing balance as of 31 March 2020	47	12	1	60
Acquisitions	2	5	0	7
Extensions and remeasurements	7	0	0	7
Depreciation during the year	-16	-7	0	-23
Translation differences	0	0	0	0
Closing balance as of 31 December 2020	40	10	1	51
Acquisitions	79	17	1	97
Extensions and remeasurements	19	0	0	19
Depreciation during the year	-28	-11	-1	-40
Translation differences	0	0	0	0
Closing balance as of 31 December 2021	110	16	1	127

Note 10: Leasing (cont.)

Cash flow

The total cash flow for leases amounted to SEK –40 million during the financial year, SEK –23 million in 2020 (9 months) and SEK –34 million in 2019/2020. This amount includes amounts recognised as lease liabilities, as well as amounts paid for variable lease payments, short-term leases and low-value leases.

Leasing liabilities

For maturity analysis of lease liabilities, refer to Note 20 Financial risks and risk management.

Amounts recognised in the income statement

The following amounts related to leases are recognised in the income statement:

SEK million	2021	2020 (9 months)	2019/2020
Depreciation of right-of-use assets	–40	–23	–29
Interest on lease liabilities	–2	–1	–1
Variable lease payments not included in the measurement of the lease liability	0	0	–1
Income from sub-leasing of right-of-use assets	1	0	0
Costs of short-term leases	0	0	0
Cost of low-value leases, not short-term leases of low-value	–1	–1	–1

For the financial year 2018/2019, leases are accounted for in accordance with IAS 17, refer to the description in Note 1 Summary of key accounting policies.

Operating leases

Non-cancellable lease payments amount to:	31 Mar 2019
Lease agreements where the company is the lessee	
Within one year	28
Between one and five years	26
Later than five years	–
Total	54
Expensed operating lease payments amount to:	2018/2019
Minimum lease payments	32
Total leasing costs	32

11 Inventories

The Group, SEK million	31 Dec 2021	31 Dec 2020	31 Mar 2020	31 Mar 2019
Finished goods and goods for resale	213	176	193	191
Total	213	176	193	191

The cost of goods sold includes the net change in the group's obsolescence reserve and impairment losses during the year of SEK –6 million for 2021, SEK –8 million (2020, 9 months), SEK –6 million (2019/2020) and SEK –4 million (2018/2019). The net change includes realisation of earlier impairment losses.

12 Prepaid expenses and accrued income

The Group, SEK million	31 Dec 2021	31 Dec 2020	31 Mar 2020	31 Mar 2019
Prepaid expenses				
Rents and premises costs	0	0	0	5
Leasing	0	0	0	1
Computer costs	0	1	1	1
Other prepaid expenses and cost reductions	5	3	2	4
Accrued income				
Delivery of goods	6	0	1	1
Other accrued income	1	1	1	2
Total	12	5	5	14

13 Long-term receivables and other receivables

The Group, SEK million	31 Dec 2021	31 Dec 2020	31 Mar 2020	31 Mar 2019
Long-term receivables classified as non-current assets				
Long-term receivables	1	1	1	1
Total	1	1	1	1
Other receivables that are current assets				
VAT receivable	0	0	0	-
Tax account	3	1	0	0
Derivative hedging instruments	0	0	2	-
Other receivables	1	0	0	0
Total	4	1	2	0

14 Equity

The parent company was incorporated on 6 August 2020 with a registered share capital of SEK 25,000 divided into 25,000 shares with a quota value of SEK 1 per share.

Distribution between the number of shares and the quota value of the shares

Class A shares ¹⁾	31 Dec 2021	31 Dec 2020
Number of shares at the beginning of the year	25,000	-
Number of shares at incorporation on 6 August 2020	-	25,000
Number of shares at year-end	25,000	25,000
Quota value per share (SEK)	1,00	1,00

¹⁾ Before the introduction of separate classes of shares, there was only one class of share in Momentum Group AB. The shares have been reported in the column for A-shares.

Changes in equity after the balance sheet date

The number of shares has changed since the balance sheet day. At an Extraordinary General Meeting held on 26 January 2022, it was resolved to change the Articles of Association and to introduce a new class of shares, whereby shares may be issued in two (2) classes, Class A and Class B. According to the adopted Articles of Association, Class A shares have ten (10) votes each and Class B shares have one (1) vote each. The General Meeting also decided to carry out a split of the Company's shares. After the split, the number

of shares increased to 50,480,889, of which 564,073 are Class A shares and 49,916,816 are Class B shares. In connection therewith, a bonus issue was carried out, increasing the share capital with SEK 25,215,444. Following the bonus issue, as decided by the General Meeting, the quota value amounts to SEK 0.5 per share.

The changes in the number of shares since the balance-sheet date are also shown in the table below.

Class A shares

Number of shares at the beginning of the year on 1 January 2022	25,000
Change in connection with bonus issue and share split on 26 January 2022	539,073
Number of Class A shares	564,073

Class B shares

Number of shares at the beginning of the year on 1 January 2022	-
Change in connection with bonus issue and share split on 26 January 2022	49,916,816
Number of Class B shares	49,916,816

Translation reserve

The translation reserve includes all exchange 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 group's financial statements are presented in. The group presents its financial statements in Swedish kronor.

The Group, SEK million	31 Dec 2021	31 Dec 2020	31 Mar 2020	31 Mar 2019
Translation reserve				
Opening translation reserve	1	2	2	1
Translation effect for the year	0	-1	0	1
Closing translation reserve	1	1	2	2

Note 14: Equity (cont.)

Hedging reserve

The hedging reserve covers the change in value of the foreign-exchange forward contracts that are hedged.

The Group, SEK million	31 Dec 2021	31 Dec 2020	31 Mar 2020	31 Mar 2019
Hedging reserve				
Opening hedging reserve	0	1	0	0
Fair value changes for the year in cash flow hedges	0	0	1	0
Tax attributable to hedges for the year	0	0	0	0
Fair value changes in cash flow hedges transferred to net profit	0	-1	0	0
Tax attributable to hedges transferred to profit or loss	0	0	0	0
Closing hedging reserve	0	0	1	0

15 Earnings per share

SEK	2021	2020 (9 months)	2019/2020	2018/2019
Earnings per share	2.30	1.35	1.95	1.65

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

Earnings per share

Calculation of earnings per share in these combined financial statements is based on net profit in Momentum Group attributable to the parent company shareholders divided by the outstanding average number of shares. Taking into account that the number of shares has been increased to 50,480,889 after the end of the financial year, this number of shares has been used in all periods presented. The two (2) components are as follows:

	2021	2020 (9 months)	2019/2020	2018/2019
Net profit, SEK million	116	69	98	84
Weighted average number of shares during the year (thousands of shares)	50,481	50,481	50,481	50,481

There are no potential dilutive ordinary shares, whereby earnings per share before and after dilution is the same.

16 Non-current non-interest-bearing liabilities and other provisions

The Group, SEK million	31 Dec 2021	31 Dec 2020	31 Mar 2020	31 Mar 2019
Non-current non-interest-bearing liabilities				
Option liability, acquisition	22	10	9	-
Total	22	10	9	-
Specification				
Carrying amount at the beginning of the period	10	9	-	-
Acquisition of partly owned subsidiary	15	-	9	-
Remeasurement pertaining to the change in ownership share in partly owned subsidiary	-	1	-	-
Other unrealised changes in value	-3	-	-	-
Carrying amount at end of period	22	10	9	-
Provisions classified as non-current liabilities				
Guarantee commitments	0	0	1	0
Other	0	0	0	0
Total	0	0	1	0
Specification				
Carrying amount at the beginning of the period	0	1	0	0
Provisions made during the period	0	0	1	0
Amounts utilised during the period	0	-1	0	0
Translation differences	-	-	-	-
Carrying amount at end of period	0	0	1	0

17 Other liabilities

The Group, SEK million	31 Dec 2021	31 Dec 2020	31 Mar 2020	31 Mar 2019
Employee withholding tax	7	3	3	3
VAT liability	20	12	16	16
Derivative hedging instruments	–	1	–	–
Advance payments from customers	6	1	1	3
Amounts owed to the Alligo group	–	–	–	116
Other operating liabilities	0	0	0	1
Total	33	17	20	139

18 Accrued expenses and deferred income

The Group, SEK million	31 Dec 2021	31 Dec 2020	31 Mar 2020	31 Mar 2019
Accrued expenses				
Salaries and remuneration to employees	56	30	30	37
Social security contributions	33	21	20	17
Auditors' remuneration	1	0	0	0
Other consulting fees	3	3	0	0
Car and travel expenses	1	1	1	1
Shipping costs	0	1	1	1
IT and computer costs	1	1	1	0
Other accrued expenses	9	5	1	3
Deferred income				
Bonus, refund to customers	1	1	1	1
Other deferred income	0	0	0	0
Total	105	63	55	60

19 Collateral and contingent liabilities

There are no collateral, guarantees or other contingent liabilities within the group.

20 Financial risks and risk management

Momentum Group's activities entail exposure to a number of financial risks. Changes particularly in exchange rates and interest rates affect the group's earnings and cash flows, but also financing risks arise and are managed within the framework of the group's established policies. Momentum Group has for the historical years, as part of the Alligo group, managed its financial risks in accordance with the Alligo group's financial policy and through the central Treasury function of Alligo AB.

Financial operations

The objective of the group's financial operations is to ensure good efficiency in the areas of investments, liquidity flows, borrowing, currency management and lending. The Board is responsible for annually determining the group's financial policy, which includes guidelines, objectives and frameworks for financial management and the management of financial risks within the group. The financial policy defines and identifies the financial risks that may occur, as well as the division of responsibilities between the Board of Directors, the CEO, the CFO, the internal banking function and the CFOs and CFOs of the subsidiaries.

The group's central financial operations shall efficiently ensure the group's long-term provision of liquidity for investments and working capital. Momentum Group has in 2021 established its own internal banking function to coordinate the group's financial activities and to ensure that systems are available for the effective cash management of the group's companies. All foreign exchange and credit management for customers is handled within the framework of established policies.

Capital management

In the group, capital is defined as equity as shown in the balance sheet. The group's objective regarding the capital structure and financial position is to enable the group to have a sound availability

Annual net flow by currency (equivalent in SEK million)

Currency	2021	2020 (9 months)	2019/2020	2018/2019
EUR	-103	-73	-110	-103
NOK	24	9	16	44
GBP	-9	-5	-11	-9
DKK	-4	-3	-4	-5

The group has its main customer markets in Sweden, Norway and Denmark, with sales in SEK, NOK and DKK. Any transaction exposure to DKK is not significant, as this mainly relates to activities that have DKK as a functional currency. Purchases made outside the Nordic countries are mainly paid in EUR.

The effects of exchange rate fluctuations are reduced by purchases and sales in the same currency, currency clauses and through foreign-exchange forward contracts. The risk exposure is limited by the fact that the Group's sales consist largely of products sold at a fixed price in local currency according to a price list valid for a period of approximately six (6) months.

In accordance with the group's Financial Policy, group companies hedge part of their future foreign currency outflows with foreign-exchange forward contracts. The main part of the hedging against changes in exchange rates is done for the period that is deemed necessary to adjust sales prices to the new foreign-exchange rates. The basic model in terms of forward hedging is that forecast currency flows are hedged according to a stepped model up to 75 per cent, but up to a maximum of twelve (12) months ahead. The group has a currency board whose purpose is to determine the hedging strategy within the framework of the Financial Policy to be used. The group's Treasury function produces quarterly historical currency flows, which are used as a basis for assessing the level of hedging strategy and hedge ratio. Historical currency flows are also used to assess hedge effectiveness. Only a small proportion of the futures contracts thus have maturities of six (6) to twelve (12) months and are based on forecasts. Foreign-exchange forward hedging occurs similarly for sales in foreign currency, where the costs are in local currency. No part of contracted currency hedges have been deemed ineffective. The nominal amounts and average exchange rate of outstanding foreign-exchange forward contracts are shown in the table below:

Foreign exchange forward contract	31 Dec 2021		31 Dec 2020		31 Mar 2020		31 Mar 2019	
	Nominal value	Average price	Nominal value	Average price	Nominal value	Average price	Nominal value	Average price
NOK/SEK	3	1.01	4	0.96	5	1.04	20	1.07
EUR/SEK ¹⁾	18	10.12	24	10.33	37	10.61	29	10.46
GBP/SEK ¹⁾	2	11.84	2	11.50	3	12.22	3	12.24

¹⁾ Foreign-exchange forward contracts relating to the purchase of currency.

of liquid funds, that the cost of borrowed capital shall be in line with market conditions, that the return on liquid funds shall be satisfactory, that the risk in investments and exposures shall be kept low and, having regard to the needs of the business, and that future acquisitions are secured. A prerequisite for this is that the group is in a sound long-term financial position and meets the financial commitments contained in loan agreements, etc.

Financial instruments and hedge accounting

In order to manage the foreign-exchange risk arising from its operations, the group uses financial derivative instruments. Derivative instruments held for hedging purposes consist of foreign-exchange forward contracts. These derivative instruments are hedge accounted, which means that the instruments are recorded in the balance sheet at fair value and that changes in value in these instruments are recognised in other comprehensive income within equity until the underlying cash flows are reflected in the income statement.

Currency risks

For Momentum Group, foreign-exchange risk arises within the subsidiaries partly as a result of future payment flows in foreign currency, so-called transaction exposure, and by the fact that part of the group's equity consists of net assets in foreign subsidiaries and that the group's profit consist of the profit of foreign subsidiaries, so-called translation exposure.

Transaction exposure

Transaction exposure consists of future contracted and forecasted cash receipts and payments for subsidiaries in foreign currencies, which in the case of the group mainly concerns the purchase and sale of goods. The total transaction exposure to major currencies is shown in the table below.

Historical financial information

Note 20, Financial risks and risk management (cont.)

Translation exposure of results

The group's results are affected by the restatement of the income statements of foreign subsidiaries, where the restatement is at the average rate for the financial year. In case the local currency of the foreign subsidiary changes in relation to SEK, the group's reported revenue and earnings translated into SEK are changed. The group's translation exposure in revenue and operating profit is shown in the tables below.

SEK million	2021	2020 (9 months)	2019/2020	2018/2019
Revenue				
Outcomes translated at the average rate of the previous year	1,492	838	1,253	1,193
Currency translation				
DKK	-1	-1	1	3
NOK	0	0	0	0
Total currency translation	-1	-1	1	3
Outcome	1,491	837	1,254	1,196
Operating profit				
Outcomes translated at the average rate of the previous year	155	91	130	111
Currency translation				
DKK	0	0	0	0
NOK	0	0	0	0
Total currency translation	0	0	0	0
Outcome	155	91	130	111

The group has a net exposure in a few currencies. The table below shows the impact on the group's revenue and operating profit if the exchange rates of the exposure currencies change by five (5) percent.

Change in rate for underlying exposure currencies +/- 5%

SEK million	2021	2020 (9 months)	2019/2020	2018/2019
Effect				
Revenue	2	2	2	2
Operating result	0	0	0	0

The following rates have been applied in the financial statements:

Currency	Average rate				Balance-sheet rate			
	2021	2020 (9 months)	2019/2020	2018/2019	31 Dec 2021	31 Dec 2020	31 Mar 2020	31 Mar 2019
NOK	0.998	0.964	1.059	1.076	1.025	0.955	0.942	1.075
EUR	10.145	10.431	10.662	10.383	10.227	10.038	11.019	10.422
USD	8.581	9.060	9.592	8.936	9.044	8.189	9.951	9.282
DKK	1.364	1.400	1.429	1.392	1.375	1.349	1.476	1.396

Translation exposure of equity

The value of the net assets of foreign subsidiaries is translated into Swedish kronor at year-end at the exchange rate on the balance sheet date. The exchange difference between the years is taken to equity through other comprehensive income. Translation exposure regarding foreign subsidiaries' net assets are currently not hedged.

Net assets of foreign subsidiaries by currency

Currency, SEK million	31 Dec 2021	31 Dec 2020	31 Mar 2020	31 Mar 2019
DKK	13	13	14	14
NOK	0	0	0	0
EUR	0	0	0	0

Note 20, Financial risks and risk management (cont.)

Interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the group's net interest income. How quickly a change in interest rates has an impact depends on the fixed-rate period of the loans and the hedging instruments used. Both market interest rates and the group's earnings are expected to follow the economic cycle. Therefore, the group's finance policy states that the fixed-interest period should normally be short-term, with at least 50 per cent of loans having a fixed-interest period of less than one (1) year. In order to further manage the risk of rising market interest rates in the future, the financial policy of the Momentum Group also provides for the right to use various forms of interest rate derivatives to limit interest rate risk. As at 31 December 2021, the group does not hold any interest rate derivative instruments.

Momentum Group has historically been financed through the Alligo group. As at 31 December 2021, the group had no interest-bearing liabilities via Alligo AB's internal bank. The interest-bearing liabilities related only to leasing contracts of SEK 132 million and deferred payment relating to acquisitions, which amounted to SEK 9 million. The most important variable interest rate is STIBOR. Given the same average loan liability during the year and the same fixed-rate periods, a change of 1 percentage point in the market interest rate would change interest costs by approximately SEK 1 million per year.

Liquidity and refinancing risks

Liquidity and refinancing risk refers to the risk that payment obligations cannot be met due to insufficient liquidity and that financing options are limited when loans are to be converted. The group's finance policy states that borrowing and trading in financial instruments should only take place through one of the major Nordic commercial banks. Current investments of any excess liquidity will be with maturities of 1-6 months at current market rates. The counterparty for deposits is always one of the major Nordic commercial banks. In the financial history, current investments have corresponded to funds in the cash pool owned by Alligo AB. At the end of the financial year, the

parent company had access to an internal credit facility of SEK 200 million, of which SEK 200 million was unused. Before the distribution and the Listing of Momentum Group, the company has obtained binding commitments regarding the financing of the business consisting of an overdraft facility of SEK 200 million and a revolving facility of SEK 800 million. Both facilities have Handelsbanken as lender. The new funding will replace the existing internal funding.

The overdraft facility has a maturity of one (1) year from the date of issue, with the possibility of renewal after the usual credit review. The overdraft facility is linked to a multi-currency cash pool, which means that the overdraft facility can be used in several different currencies, but that any drawdown is denominated in SEK against the lender and that the interest rate on the drawdown is based on STIBOR.

The revolving facility runs for three (3) years from the date of issue. The facility represents a binding commitment from Handelsbanken to issue revolving loans under the facility, as long as the group meets certain financial and other commitments. Revolving loans can be taken out with different fixed interest periods (1, 3, 6 months) and in different currencies (SEK, EUR, NOK, DKK, USD). The revolving facility can be extended for a fee after three (3) years for an additional one (1) plus one (1) year, for a total maximum of five (5) years.

There are financial commitments linked to the external financing that the group is obliged to achieve on a quarterly basis. The commitments that Momentum Group will mainly be measured on is interest coverage ratio and equity ratio. For each component there are specific definitions. The financial commitments at 31 December 2021 were met. Cash and cash equivalents, including unused credit granted (based on Handelsbanken's commitment as an external creditor), totalled SEK 1,070 million.

The group's funding risk also depends on the ability to refinance maturing loans. The group's financial liabilities at year-end amounted to SEK 307 million and the maturity structure of the liability is shown in the table below. A table showing the group's financial assets and liabilities is shown in Note 22 Financial assets and liabilities.

Maturity structure of financial liabilities (undiscounted cash flows)

SEK million	31 Dec 2021		Due		
	Recognised value	Future liquidity	Within 1 year	After 1 year Within 5 years	After 5 years
Interest-bearing lease liabilities	123	128	41	65	22
Interest-bearing deferred payment, acquisition	9	10	0	10	0
Accounts payable and other non-interest-bearing financial liabilities	175	175	163	12	0
Derivative hedging instruments	-	-	-	-	-
Financial liabilities	307	313	204	87	22

Historical financial information

Note 20, Financial risks and risk management (cont.)

Credit risks

The group's commercial and financial transactions give rise to credit risks vis-à-vis Momentum Group's counterparties. Credit risks or counterparty risks refer to the risk of loss if the counterparty fails to meet its obligations. The group is exposed to credit risk in its financial transactions, i.e. in the placement of surplus liquidity and the execution of forward foreign exchange transactions, and in commercial operations in connection with accounts receivables and advance payments to suppliers. The financial policy specifies that only the major Nordic commercial banks are eligible for the placement of excess liquidity, and the conclusion of foreign exchange forward transactions. As a result of this policy and restrictions, expected credit losses from the financial activities are not material. The carrying amount of financial assets and contract assets is the maximum credit exposure. Credit risk in other contract assets except trade receivables is not material.

In order to take advantage of the operational business knowledge of customers and suppliers, the credit risk assessment is handled in the commercial business of the respective companies. Credit risk is spread over a large number of customers and reflects the group's business well, where the total revenue is built up by many business

transactions and a good risk diversification of sales in different sectors and companies. No single customer accounts for more than five (5) percent of total credit exposure over a year. In order to limit the risk of credit losses, group companies use credit policies that limit outstanding amounts and credit periods for individual customers. The amount of each customer's credit is assessed individually. All new customers undergo a credit check. The credit limits are intended to reflect the customer's ability to pay. Group companies apply a provisioning matrix based on the maturity structure to support its expected credit loss reserve. This is applied together with customer-specific information (such as downgraded credit ratings) and is also adjusted based on experience of credit losses. Historically, credit losses have been low in Momentum Group. The credit quality of the accounts receivables that are not overdue and not reserved for is considered good.

The maturity structure and provisions for expected credit losses through the application of the credit framework described above are shown below in the table. Provisions for expected credit losses mainly relate to receivables overdue by more than 60 days.

Accounts receivables

SEK million	31 Dec 2021	31 Dec 2020 (9 months)	31 Mar 2020	31 Mar 2019
Accounts receivables	259	171	223	201
Accumulated provision for expected credit losses	-4	-2	-3	-1
Accounts receivables, net	255	169	220	200
Specification of change in the allowance for doubtful accounts receivables				
Carrying amount at the beginning of the period	-2	-3	-1	-1
Changes in acquired businesses	0	0	0	0
Change related to confirmed credit losses	0	1	0	1
Change related to expected credit losses	-2	0	-2	-1
Translation difference	0	0	0	0
Carrying amount at end of period	-4	-2	-3	-1
Age analysis:				
Not past due	230	151	194	176
Receivables past due 1-30 days	18	13	18	21
Receivables past due 31-60 days	2	2	4	1
Receivables past due 61-90 days	2	1	2	1
Receivables past due > 90 days	7	4	5	2
Total receivables	259	171	223	201

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

The Group, SEK million	31 Dec 2021			31 Dec 2020			31 Mar 2020			31 Mar 2019		
	Interest-bearing	Non-interest-bearing	Total	Interest-bearing	Non-interest-bearing	Total	Interest-bearing	Non-interest-bearing	Total	Interest-bearing	Non-interest-bearing	Total
Assets												
Intangible non-current assets	-	284	284	-	175	175	-	177	177	-	165	165
Tangible non-current assets	-	17	17	-	10	10	-	7	7	-	6	6
Right-of-use assets	-	127	127	-	51	51	-	60	60	-	-	-
Financial non-current assets	1	-	1	1	-	1	1	-	1	1	-	1
Deferred tax assets	-	1	1	-	1	1	-	0	0	-	0	0
Total non-current assets	1	429	430	1	237	238	1	244	245	1	171	172
Current assets												
Inventories	-	213	213	-	176	176	-	193	193	-	191	191
Accounts receivables	-	255	255	-	169	169	-	220	220	-	200	200
Other receivables	-	16	16	-	6	6	-	7	7	-	20	20
Short-term investments	-	-	-	144	-	144	30	-	30	28	-	28
Cash and cash equivalents	70	-	70	1	-	1	1	-	1	1	-	1
Total current assets	70	484	554	145	351	496	31	420	451	29	411	440
Total assets	71	913	984	146	588	734	32	664	696	30	582	612
Liabilities												
Non-current liabilities												
Non-current interest-bearing liabilities	91	-	91	121	-	121	154	-	154	138	-	138
Non-current non-interest-bearing liabilities	-	22	22	-	10	10	-	9	9	-	-	0
Other provisions	-	0	0	-	0	0	-	1	1	-	0	0
Deferred tax liabilities	-	34	34	-	16	16	-	10	10	-	1	1
Total non-current liabilities	91	56	147	121	26	147	154	20	174	138	1	139
Current liabilities												
Current interest-bearing liabilities	41	-	41	26	-	26	39	-	39	3	-	3
Accounts payable	-	153	153	-	107	107	-	140	140	-	128	128
Other liabilities	-	168	168	-	111	111	-	79	79	-	199	199
Total current liabilities	41	321	362	26	218	244	39	219	258	3	327	330
Total liabilities	132	377	509	147	244	391	193	239	432	141	328	469
Interest-bearing net liabilities	-61			-1			-161			-111		

22 Financial assets and liabilities

The Group, SEK million	31 Dec 2021	31 Dec 2020	31 Mar 2020	31 Mar 2019
Financial assets				
Financial assets measured at fair value				
Financial investments	0	0	0	0
Derivative hedging instruments	0	0	2	-
Financial assets measured at amortised cost				
Long-term receivables	1	1	1	1
Accounts receivables	255	169	220	200
Short-term investments ¹⁾	-	144	30	28
Cash and cash equivalents	70	1	1	1
Total financial assets	326	315	254	230
Financial liabilities				
Financial liabilities measured at fair value				
Derivative hedging instruments	-	1	-	-
Financial liabilities measured at amortised cost				
Option liability	22	10	9	-
Interest-bearing liabilities	132	147	193	141
Accounts payable	153	107	140	128
Other liabilities ²⁾	-	-	-	116
Total financial liabilities	307	265	342	385

¹⁾ Consists of Momentum Group's holdings in Alligo AB's cash pool. Momentum Group AB has established its own stand-alone cash pool structure in December 2021, where the Group only has a net position towards Alligo AB. This cash pool has been accounted for as cash and cash equivalents.

²⁾ Other liabilities refer to unsettled group contribution to the Alligo group.

For all the group's financial assets, the carrying amount is considered to be a reasonable approximation of fair value. Liabilities measured at fair value are hedging instruments where the fair value is based on observable market data and are therefore included in Level 2 under IFRS 13.

Valuation techniques and significant unobservable inputs

Derivatives in the form of hedging instruments are fair valued on the basis of observable exchange rates at the time of valuation.

23 Expected recovery periods for assets, provisions and liabilities

Amount expected to be recovered

The Group, SEK million	Within 12 months	After 12 months	Total
Assets			
Intangible non-current assets ¹⁾	10	274	284
Tangible non-current assets ¹⁾	5	12	17
Right-of-use assets ¹⁾	40	87	127
Financial non-current assets			
Financial investments	0	0	0
Other long-term receivables	0	1	1
Deferred tax assets	0	1	1
Total non-current assets	55	375	430
Current assets			
Inventories	213		213
Accounts receivables	255		255
Other receivables	16		16
Cash and cash equivalents	70		70
Total current assets	554		554
Total assets	609	375	984

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

Amounts expected to be paid

The Group, SEK million	Within 12 months	After 12 months	After 5 years	Total
Liabilities				
Long-term liabilities				
Non-current interest bearing liabilities	0	9	0	9
Non-current lease liabilities	0	62	20	82
Non-current non-interest-bearing liabilities	10	12	0	22
Other provisions	0	0	0	0
Deferred tax liabilities	2	25	7	34
Total non-current liabilities	12	108	27	147
Current liabilities				
Current interest-bearing liabilities	0			0
Current lease liabilities	41			41
Accounts payable	153			153
Other liabilities	168			168
Total current liabilities	362			362
Total liabilities	374	108	27	509

24 Merged entities

Company	2021	2020 (9 months)	2019/2020	2018/2019	Headquarters, country	Ownership %
Momentum Group AB ¹⁾	x	x			Sweden	100
Momentum Group Holding AB ²⁾	x	x			Sweden	100
Momentum Industrial AB	x	x	x	x	Sweden	100
Rörick Elektriska Verkstad Aktiebolag	x	x	x	x	Sweden	100
Aktiebolaget Carl A. Nilssons Elektriska Reparationsverkstad	x	x	x	x	Sweden	100
ETAB Industriautomation AB ³⁾	x	x	x		Sweden	70
Mekano AB ⁴⁾	x				Sweden	70
Mekano i Sävedalen AB ⁴⁾	x				Sweden	100
Öbergs i Karlstad AB ⁴⁾	x				Sweden	100
INTERTECHNA AB ⁴⁾	x				Sweden	100
JNF Momentum Køge A/S	x	x	x	x	Denmark	100
Momentum Industrial AS ²⁾	x	x			Norway	100

¹⁾ Formed in 2020. Registered company name has changed, previously Momentum Group Komponenter & Tjänster AB.

²⁾ Formed in 2020.

³⁾ Company acquired in 2019/2020.

⁴⁾ Company acquired in 2021.

Other parts of companies included in the combined financial statements¹⁾

Company	2021	2020 (9 months)	2019/2020	2018/2019	Headquarters, country
Part of Alligo AB ²⁾	x	x	x	x	Sweden
Part of TOOLS AS		x	x	x	Norway

¹⁾ Other parts of companies refers to profit units within a company which legally does not belong to the Momentum Group.

²⁾ Registered company name has changed, previously Momentum Group AB.

25 Related party transactions

Transactions with the Alligo group

SEK million	2021	2020 (9 months)	2019/2020	2018/2019
Income statement				
Revenue	12	8	25	43
Other operating expenses ¹⁾	-40	-33	-40	-41
Financial income	0	0	0	0
Financial expenses	-5	-1	-2	-2
SEK million	31 Dec 2021	31 Dec 2020	31 Mar 2020	31 Mar 2019
Balance sheet				
Accounts receivables	2	1	1	5
Current investments ²⁾	-	144	30	28
Cash and cash equivalents ²⁾	11	-	-	-
Non-current interest-bearing liabilities ³⁾	-	100	127	138
Current interest-bearing liabilities ³⁾	-	0	11	3
Accounts payable	5	2	3	3
Other liabilities ⁴⁾	-	-	-	116

¹⁾ Consists mainly of costs related to logistics and corporate fee costs from Alligo AB invoiced and allocated to Momentum Group companies. The basis of allocation is set out in the accounting policies of the combined financial statements.

²⁾ Consists of Momentum Group's holdings in Alligo AB's cash pool. Momentum Group AB has in December 2021 established its own independent cash pool structure, where the group has only a net position with Alligo AB. This cash pool has been accounted for as cash and cash equivalents.

³⁾ Non-current and current interest-bearing liabilities consist of loans via Alligo AB's internal bank and drawn credit via Alligo AB's cash pool.

⁴⁾ Other liabilities refer to the unsettled group contribution to the Alligo group.

Remuneration of key management personnel

Remuneration of the Board of Directors and senior management is presented in Note 4 Employees and personnel costs.

26 Cash flow statement

SEK million	31 Dec 2021	31 Dec 2020	31 Mar 2020	31 Mar 2019
Cash and cash equivalents				
The following subcomponents are included in cash and cash equivalents:				
Credit balances with Alligo AB ¹⁾	11	144	30	28
Cash and bank	59	1	1	1
Total according to the balance sheet	70	145	31	29
Total according to the cash-flow statement	70	145	31	29
Interest paid				
Interest received	0	0	0	0
Interest paid	-7	-2	-3	-2
Total	-7	-2	-3	-2
Adjustments for non-cash items				
Depreciation and amortisation	54	28	35	5
Other	0	-1	0	0
Total	54	27	35	5
Acquisitions of subsidiaries and other business units²⁾				
Acquired assets:				
Intangible non-current assets	119	1	16	24
Right-of-use assets	78	-	2	-
Other non-current assets	6	2	0	0
Inventories	26	1	2	17
Other current assets incl. cash and cash equivalents	69	-	15	0
Total assets	298	4	35	41
Assumed liabilities:				
Deferred tax liability	-11	-	-2	-
Leasing liability	-78	-	-2	-
Current operating liabilities	-38	-	-10	-3
Non-controlling interests	-10	-	-4	-
Total liabilities	-137	-	-18	-3
Purchase consideration	-161	-4	-19	-38
Less net cash in acquired business	32	-	5	-
Less: Deferred payment	9	-	-	-
Effect on cash and cash equivalents	-120	-4	-14	-38

¹⁾ Refer to Note 25 Related party transactions.

²⁾ Refer to Note 27 Acquisitions of businesses.

Historical financial information

Note 26, Cash flow statement (cont.)

Reconciliation of liabilities deriving from financing activities

SEK million	31 Dec 2020	Cash flow	Changes that do not impact cash flow				31 Dec 2021
			Deferred payment, acquisition	Liabilities in acquired companies	Translation differences	New and remeasured leases	
Non-current interest-bearing liabilities via Alligo AB's internal bank	100	-100	-	-	-	-	-
Current interest-bearing liabilities via Alligo AB's cash pool	0	0	-	-	0	-	-
Other interest-bearing liabilities	-	-	9	-	-	-	9
Leasing liabilities	47	-41	-	77	0	40	123
Total	147	-141	9	77	0	40	132

SEK million	31 Mar 2020	Cash flow	Changes that do not impact cash flow				31 Dec 2020
			Liabilities in acquired companies	Translation differences	New and remeasured leases		
Non-current interest-bearing liabilities via Alligo AB's internal bank	127	-27	-	-	-	-	100
Current interest-bearing liabilities via Alligo AB's cash pool	11	-11	-	0	-	-	0
Leasing liabilities	55	-23	-	0	15	47	47
Total	193	-61	-	0	15	147	147

SEK million	31 Mar 2019	Transition to IFRS 16	Cash flow	Changes that do not impact cash flow				31 Mar 2020
				Liabilities in acquired companies	Translation differences	New and remeasured leases		
Non-current interest-bearing liabilities via Alligo AB's internal bank	138	-	-11	-	-	-	-	127
Current interest-bearing liabilities via Alligo AB's cash pool	3	-	8	-	0	-	-	11
Leasing liabilities	-	49	-28	2	0	32	55	55
Total	141	49	-31	2	0	32	193	193

27 Acquisitions of businesses

The 2021 financial year

Momentum Group concluded five (5) business acquisitions with closing during 2021.

Acquisition of electromechanical workshops from Assemblin

In order to further strengthen the group's market position in service and maintenance for Swedish industry, an agreement was signed to acquire three (3) electromechanical service workshops from Assemblin EI AB at the beginning of 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 has around 45 employees. The acquisition was conducted as a conveyance of assets and liabilities with closing completed on 1 April 2021.

Acquisition of Mekano and Mekano i Sävedalen

Momentum Group also signed an agreement in early February 2021 to acquire 70 percent of the shares in Mekano AB and 100 percent of the shares in 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 industrial services and the two Mekano companies generate combined annual revenue of approximately SEK 145 million with favourable profitability and has around 85 employees. Closing was completed on 18 February 2021.

Acquisition of Öbergs in Karlstad

Momentum Group acquired 100 percent of the shares in Öbergs i Karlstad AB ("Öbergs") in early February 2021. Öbergs is a market-leading expert in pneumatics in Sweden and, through the acquisition, the group further strengthens its position as the leading supplier of industrial components and related services to Swedish industry. Öbergs generates annual revenue of approximately SEK 50 million with favourable profitability and has twelve (12) employees. Closing was completed on 5 February 2021.

Acquisition of Intertechna in Hammarö

Momentum Group acquired all shares in Intertechna AB at the end of August 2021. Intertechna is an expert in digitalised maintenance for industry and, through the acquisition, the group further strengthens its position as the leading supplier of industrial components and related services to Swedish industry. The acquired company generates annual revenue of approximately SEK 25 million and has eight (8) employees. Closing was completed on 1 October 2021.

Acquisition analysis

The total purchase price for the acquisitions amounts to SEK 161 million excluding acquisition costs. Acquisition costs totalling SEK 2 million has been recognised in other operating expenses. In accordance with the final acquisition analysis set out below, SEK 72 million of the purchase price has been allocated to goodwill and SEK 46 million to customer relationships.

Note 27, Acquisitions of businesses (cont.)

The allocation to customer relationships is based on the discount value of future cash flows attributable to each asset class, taking into account, among other things, the margin, capital commitment and turnover rate of the customer base. The value of goodwill is based on the expected strengthening of the position of the subsidiaries in the relevant markets, the profitability of the business and the other benefits and synergies that the group expects to be realised from the acquisitions.

Revenues and results of acquired businesses

During the financial year, the acquired businesses contributed a total of SEK 256 million to the group's revenue and SEK 6 million to the group's profit after tax.

If the acquisitions had been completed as of 1 January 2021, a preliminary consolidated income statement for the Momentum Group, including the acquired subsidiaries as of 31 December 2021, shows a total revenue of SEK 1,542 million and a profit after tax of 117 million for the financial year 2021. These amounts have been calculated using the results of the subsidiary adjusted for (i) differences in accounting policies between the group and the subsidiary, and (ii) the additional depreciation that would have arisen assuming the fair value adjustment for tangible and intangible non-current assets had been applied from 1 January 2021 and together with the related tax effects..

Acquisitions during the financial year 2021

SEK million	Fair value recognised in the group
Acquired assets	
Customer relationships	46
Other intangible assets	1
Tangible non-current assets	6
Right-of-use assets	77
Inventories	26
Other receivables	37
Cash and cash equivalents	32
Total assets	225
Assumed provisions and liabilities	
Interest-bearing liabilities - leasing	77
Deferred tax liability	11
Other current liabilities	38
Total provisions and liabilities	126
Net of identified assets and liabilities	99
Goodwill ¹⁾	72
Non-controlling interests ²⁾	-10
Purchase consideration	161
Less cash in acquired business	-32
Less: Deferred payment ³⁾	-9
Impact on the group's cash and cash equivalents	120

¹⁾ Of the recognised goodwill of SEK 72 million, SEK 8 million is expected to be tax deductible.

²⁾ Non-controlling interests are calculated as a proportionate share of the identified net assets.

³⁾ Deferred payment on acquisition bears interest of 1.5% and is due in 2024.

The 2020 financial year (9 months)

The subsidiary Rörick Elektriska Verkstad AB signed an agreement at the end of September 2020 to acquire SKF's spindle service business in Sweden in order to further strengthen its market position in service and maintenance for Swedish industry. At the time of the acquisition, the acquired business generated annual revenue of approximately SEK 10 million with favourable profitability. The acquisition was made by way of a conveyance of assets and liabilities with closing on 9 November 2020.

The assets and liabilities included in the acquisition amounted to the following according to the final acquisition analysis.

Sales during the 2020 financial year (9 months)

SEK million	Fair value recognised in the group
Acquired assets	
Other tangible non-current assets	1
Inventories	2
Total assets	3
Assumed provisions and liabilities	-
Total provisions and liabilities	-
Net of identified assets and liabilities	3
Goodwill	1
Purchase consideration	4
Impact on the group's cash and cash equivalents	4

Financial year 2019/2020

The subsidiary Momentum Industrial AB acquired 70 percent of the shares in ETAB Industriautomation AB in early May 2019. At the time of the acquisition, ETAB generated annual revenue of approximately SEK 45 million and had nine (9) employees. Completion was on 10 June 2019.

The assets and liabilities included in the acquisition amounted to the following according to the final acquisition analysis.

Acquisitions during the financial year 2019/2020

MSEK	Fair value recognised in the group
Acquired assets	
Intangible non-current assets	6
Right-of-use assets	2
Other tangible assets	0
Inventories	3
Other current assets	15
Total assets	26
Assumed provisions and liabilities	
Leasing liabilities	-2
Deferred tax liability	-2
Current operating liabilities	-9
Total provisions and liabilities	-13
Net of identified assets and liabilities	13
Goodwill	10
Non-controlling interests ¹⁾	-4
Purchase consideration	19
Less cash in acquired business	-5
Impact on the group's cash and cash equivalents	14

¹⁾ Non-controlling interests are calculated as a proportionate share of the identified net assets.

Historical financial information

Note 27, Acquisitions of businesses (cont.)

Financial year 2018/2019

In May 2018, the subsidiary Momentum Industrial AB acquired Brammer's Swedish MRO business with eight (8) local sales and service units around Sweden. Through the acquisition, Momentum Industrial strengthened its position as a leading supplier of industrial components and related services to Swedish industry. In total, the acquired units generated annual revenue of approximately SEK 140 million with good trading margins. The acquisition was made by way of a conveyance of assets and liabilities. Completion was on 18 May 2018.

The assets and liabilities included in the acquisition amounted to the following according to the final acquisition analysis.

Acquisitions during the financial year 2018/2019

MSEK	Fair value recognised in the group
Acquired assets	
Intangible fixed assets	12
Other tangible assets	0
Inventories	17
Other current assets	0
Total assets	29
Assumed provisions and liabilities	
Deferred tax liability	–
Current operating liabilities	–3
Total provisions and liabilities	–3
Net of identified assets and liabilities	26
Goodwill	12
Purchase consideration	38
Impact on the group's cash and cash equivalents	38

28 Events after the balance sheet date

Changes in equity after the balance sheet date

The number of shares has changed since the balance sheet date. At an Extraordinary General Meeting held on 26 January 2022, it was resolved to change the Articles of Association and to introduce a new class of shares, whereby shares may be issued in two (2) classes, Class A and Class B. According to the adopted Articles of Association, Class A shares have ten (10) votes each and Class B shares have one (1) vote each. The General Meeting also decided to carry out a split of the Company's shares. After the split, the number of shares increased to 50,480,889, of which 564,073 are Class A shares and 49,916,816 are Class B shares. In connection therewith, a bonus issue was carried out, increasing the share capital with SEK 25 million. Following the bonus issue, as decided by the General Meeting, the quota value amounts to SEK 0.5 per share.

29 Parent company disclosures

Momentum Group AB (the "Company") and its subsidiaries form the Momentum Group. The group consists of a number of companies that together form one of the Nordic countries' leading suppliers of industrial components, industrial services and other related services in the industrial sector.

Momentum Group AB, company registration number 5592660699, is a registered limited liability company with its registered office in Stockholm, Sweden.

Address of headquarters

Momentum Group AB (publ)
Östermalmsgatan 87D
114 59 Stockholm, Sweden

momentum.group

Independent auditor's report

To the Board of Directors of Momentum Group AB (publ),
corporate registration number 559266-0699

Report on combined financial statements

Opinions

We have audited the combined financial statements of Momentum Group AB (publ) for the period of the four financial years ending 31 December 2021. The combined financial statements of the company are included on pages F-1-F-39 in this document.

In our opinion, the combined financial statements present fairly, in all material respects, the financial position of the group as of the 31 December 2021, 31 December 2020, 31 March 2020 and 31 March 2019 and their financial performance and cash flow for each of the four financial years ending the 31 December of 2021 in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU.

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 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.

Emphasis of Matter – Basis of Preparation

We draw attention to Note 1 in the combined financial statements, which describes their basis of preparation, including the approach to and the purpose for preparing them. The combined financial statements were prepared for prospectus purposes, as Momentum Group AB's shares will be admitted to trading on a regulated market. Our opinion is not modified in respect of this matter.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the combined financial statements and that they give a fair presentation in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to

fraud or error. In preparing the combined financial statements, the Board of Directors and the Managing Director are responsible for the assessment of 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 Managing Director intends to liquidate the group, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatements, 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 ISA 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 combined financial statements.

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

- Identify and assess the risks of material misstatement of the combined financial statements, 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, misrepresentation, or the override of internal control.
- Obtain an understanding of the group'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 internal control.

The Auditor's report on historical financial information

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the combined financial statements. 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 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 combined financial statements or, if such disclosures are inadequate, to modify our opinion about the combined financial statements. 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 group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content

of the combined financial statements, including the disclosures, and whether the combined financial statements 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 combined financial statements. 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.

Stockholm 15 March 2022

KPMG AB
Helena Arvidsson Älgne
Authorized Public Accountant

Addresses

Momentum Group AB (publ)

Tel: 010-454 54 70
Östermalmsgatan 87 D
114 59 Stockholm

Legal advisor

Advokatfirman Delphi
Mäster Samuelsgatan 17
111 44 Stockholm

Financial advisor

Danske Bank A/S, Danmark, Sverige Filial
Norrholmstorg 1
103 92 Stockholm

Auditor

KPMG
Vasagatan 16
111 20 Stockholm



Momentum Group AB (publ)

Östermalmsgatan 87 D
SE-114 59 Stockholm

Tel: 010-454 54 70
momentum.group