

ADMISSION TO TRADING ON NASDAQ STOCKHOLM FOR CLASS B SHARES IN MOMENTUM GROUP AB (publ)

IMPORTANT INFORMATION

Information to 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 the listing of shares in Momentum Group AB (publ) (“**Momentum Group**”) on Nasdaq Stockholm. The Prospectus does not contain any offer to subscribe, or otherwise acquire, shares or other financial instruments in Momentum Group, neither in Sweden or in any other jurisdiction. For definitions of certain terms used in this translation, please refer to the section *Certain definitions and terms and Glossary*.

Preparation and registration of the Prospectus

The Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) in accordance with the provisions of Chapter 2, Sections 25 and 26 of the Swedish Financial Instruments Trading Act (1991:980). Neither the approval nor the registration means that the Swedish Financial Supervisory Authority guarantees that the factual information in the Prospectus is accurate or complete. The Prospectus is available on the Company's website, www.momentum.group, Handelsbanken's website, www.handelsbanken.se/investeringserbjudande, and at the Swedish Financial Supervisory Authority's website, www.fi.se. The Prospectus has been prepared in a Swedish version and in an English translation. In the event of any inconsistency between this English translation and the Prospectus (in Swedish), the Prospectus (in Swedish) shall prevail.

Distribution of the Prospectus (and other material related to the Prospectus) is subject to restrictions under law and other regulations in certain jurisdictions. The Prospectus (and other material related to the Prospectus) may not be distributed in or into the United States (including its territories and provinces, every state in the United States and the District of Columbia (the “**United States**”)), Canada, Australia, Japan, Hong Kong, New Zealand, Switzerland, Singapore or South Africa or in any other jurisdiction where such distribution would require other measures than those required by Swedish law or violate applicable rules. People who receive copies of the Prospectus and this English translation must ensure that they comply with such restrictions. Actions in violation of these restrictions may constitute a violation of applicable securities legislation.

An investment in securities is associated with certain risks (refer to the section *Risk factors*). When investors make an investment decision, they must rely on their own analysis of Momentum Group, including applicable facts and risks. Prior to an investment decision, potential investors should engage their own professional advisers and carefully evaluate and consider the investment decision. Investors may only rely on the information in the Prospectus and any supplements to the Prospectus. No person is authorized to provide any information or make any statements other than those made in the Prospectus. If this were to happen nonetheless, such information or such statements shall not be considered to have been approved by Momentum Group and Momentum Group is not responsible for such information or statements.

Neither the publication nor the distribution of the Prospectus and this English translation shall be deemed to imply that the information in the Prospectus is accurate and applicable at any time other than on the date of publication, or that there has not been any change in Momentum Group's business after the aforementioned date. If changes in the information in the Prospectus occur which requires that a prospectus supplement is published, such changes will be announced in accordance with the provisions on supplements to a prospectus under the Swedish Financial Instruments Trading Act.

The shares in Momentum Group have not been and will not be registered in pursuance of the United States Securities Act of 1933 (the “**U.S. Securities Act**”) in force from time to time, or the securities legislation in any state or other jurisdiction in the United States and they may not be offered, sold or otherwise transferred, directly or indirectly, in or to the United States, except according to an applicable exemption from, or through a transaction not covered by, the registration requirements in the U.S. Securities Act and in accordance with applicable securities legislation in the relevant state or other jurisdiction in the United States. Momentum Group's shares have neither been approved nor rejected by the United States Securities and Exchange Commission, any state securities authority or any other authority in the United States. Nor has any such authority assessed or commented on the correctness and reliability of the Prospectus and this English translation. To assert the contrary is a criminal offense in the US.

Future-oriented information

The Prospectus and this English translation contains future-oriented statements and assumptions about future market conditions, operations and earnings. These statements can be found in several sections and include statements regarding the Company's current intentions, assessments and expectations. The words “believe”, “intend”, “assess”, “expect”, “foresee”, “plan” or similar expressions are indicative of these future-oriented statements. Other such statements are identified based on their context. Actual events and financial outcomes may differ materially from those implied in such statements due to risks and other factors that affect the Company's operations. Such factors are compiled under the section *Risk factors*.

Segment and market information

The Prospectus and this English translation contains segment and market information attributable to Momentum Group's business and the markets in which Momentum Group is active. Unless otherwise stated, such information is based on the Company's analysis of several different sources, including segment publications or reports. Publications or reports usually state that the information in them 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 cannot give any assurances as to the accuracy of segment and market data contained in the Prospectus and this English translation that were obtained or derived from these segment publications or reports. Segment and market information are inherently predictive and speculative, subject of uncertainty, and are not necessarily reflective of actual market conditions. Such information are based on market research, which itself is based on sampling and subjective judgments, including judgements of what kind of services and transactions should be included in the relevant market, by both the researchers and the respondents. Neither the Company nor Handelsbanken assumes any responsibility for the accuracy of any segment or market data included in the Prospectus or this English translation. Such information coming from third parties has been accurately reproduced and, as far as the Company is aware and can ascertain through comparison with other information published by that third party, no information has been omitted which would render the reproduced information inaccurate or misleading.

The Prospectus contains certain information about Momentum Groups competitive situation and market position. Momentum Group assesses that such information, based on market data and segment statistics, is accurate but has not independently verified the information. Momentum Group cannot guarantee that a third party should receive the same result using other methods of collecting, analyzing and calculating market data or on the basis of information published by competitors. Further, Momentum Group's competitors can define their respective markets and markets positions in another way than Momentum Group, as well as define constituents of the businesses and result measurements in such way that the information is not comparable with Momentum Group's.

Presentation of financial information

Certain financial and other information presented in the Prospectus and this English translation has been rounded. Accordingly, certain tables do not match exactly with the total amount specified.

Certain definitions and terms

“**Momentum Group**”, the “**Company**” or the “**Group**” refers to Momentum Group AB (publ), corporate registration number 559072-1352, the group in which Momentum Group AB (publ) is the parent company or a subsidiary of the group, depending on the context. “**B&B TOOLS**” or the “**B&B TOOLS Group**” refers to B&B TOOLS Aktiebolag (publ), corporate registration number 556034-8590, the group in which B&B TOOLS Aktiebolag (publ) is the parent company or a subsidiary of the group, depending on the context. “**Bergman & Beving**” or the “**Bergman & Beving Group**” refers to the proposed new name for B&B TOOLS. The “**Prospectus**” refers to the prospectus. The “**Distribution**” refers to the proposed distribution of B&B TOOLS' shares in Momentum Group to the shareholders in B&B TOOLS and the “**Split**” refers to the split of Momentum Group and its subsidiaries from the B&B TOOLS Group. The “**Listing**” refers to the planned listing of the Company's class B shares on Nasdaq Stockholm. “**Handelsbanken**” refers to Handelsbanken Capital Markets, part of Svenska Handelsbanken AB (publ), or Svenska Handelsbanken AB (publ) itself, corporate registration number 502007-7862, depending on the context. “**Euroclear**” refers to Euroclear Sweden AB, corporate registration number 556112-8074. “**Nasdaq Stockholm**” refers to the regulated market Nasdaq Stockholm or Nasdaq Stockholm AB, depending on the context. Reference to “**SEK**” refers to Swedish kronor, reference to “**EUR**” refers to Euro, reference to “**NOK**” refers to Norwegian kroner and reference to “**DKK**” refers to Danish kroner. “**K**” refers to thousand, “**M**” refers to millions.

Financial adviser

Handelsbanken is the financial adviser to the Company in conjunction with the Listing. As all information in the Prospectus originates from the Company, Handelsbanken disclaims all liability in relation to existing or future shareholders in the Company and with regard to other direct or indirect financial consequences as a result of investment or other decisions that are based in part or in whole on information in the Prospectus.

Important information regarding the Distribution of shares

The intention is to list the Company's class B shares on Nasdaq Stockholm. The first day of trading is expected to be 21 June 2017. Allocation of shares in Momentum Group that B&B TOOLS distributes to shareholders in B&B TOOLS is expected to take place on the record date 16 June 2017 and with registration on the respective securities account (Sw. *VP-konto*) on or around 20 June 2017. A securities notice containing information about the number of shares registered in the recipient's securities account will be sent to shareholders to notify them about the allotment of shares. Shareholders in B&B TOOLS do not need to take any measures to receive shares in Momentum Group through the distribution.

Disputes

Disputes arising in connection with the content of the Prospectus and this English translation thereof or any associated legal relations are to be settled exclusively by Swedish courts. Swedish substantive law is exclusively applicable on the Prospectus and this English translation.

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Other information

ISIN code for the class B share:	SE0009922305
Marketplace of class B share:	Nasdaq Stockholm
Ticker symbol of the class B share:	MMGR B

Timetable

Extraordinary general meeting of shareholders of B&B TOOLS regarding decision on distribution of the shares in Momentum Group	14 June 2017
Record date in B&B TOOLS regarding the right to receive distribution of shares in Momentum Group	16 June 2017
Estimated first day of trading in Momentum Group's class B shares	21 June 2017

SUMMARY

This summary contains specific disclosure requirements arranged into elements. The elements are numbered in sections A-E (A.1-E.7). The summary of this Prospectus contains all the elements required in a summary for the type of security and issuer in question. Since some elements are not applicable for all types of prospectuses, there may be gaps between the numbering in some of the elements. Even if it is necessary to include an element in the summary for the type of security and issuer in question, it is possible that no relevant information can be provided for that element. In such cases, the information has been replaced by a brief description of the element along with the reference “not applicable”.

SECTION A – INTRODUCTION AND WARNINGS

A.1 <i>Introduction and warnings</i>	This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on an assessment of the Prospectus in its entirety by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the applicant investor may, under the national legislation of the member states, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Under civil law, only those individuals who have produced the summary, including translations thereof, may be enjoined, but only if the summary is misleading, incorrect or inconsistent with the other parts of the Prospectus or if it does not, when read together with other parts of the Prospectus, provide key information to help investors when considering whether to invest in the securities.
A.2 <i>Consent for use of the Prospectus</i>	Not applicable. Financial intermediaries are not entitled to use the Prospectus for subsequent trading or final placement of securities.

SECTION B – ISSUER

B.1 <i>Legal and commercial name</i>	The Company’s registered name (and its commercial name) is Momentum Group AB (publ), corporate registration number 559072-1352.
B.2 <i>Registered office and legal form</i>	The Company has its registered office in Stockholm, Sweden. The Company is a Swedish public limited liability company and is governed by the Swedish Companies Act (2005:551).
B.3 <i>Core operations</i>	<p>Momentum Group’s operations comprise sales of industrial consumables and components as well as services and maintenance to professional end users in the industrial and construction sectors in the Nordic region. The Group comprises a number of operating areas organised under two business areas.</p> <p>The Tools & Consumables business area comprises Momentum Group’s reseller operations for the industrial and construction sectors, and includes TOOLS Sweden, TOOLS Norway, TOOLS Finland and Mercus Yrkeskläder. The companies have a widespread network of approximately 120 sales outlets in Sweden, Norway and Finland.</p> <p>The Components & Services business area comprises the two industrial resellers Momentum Industrial and Gigant, which focus on the sale of spare parts for production and workplace equipment, primarily to customers in the industrial sector.</p>

B.4a	<i>Trends</i>	Demand for industrial supplies and industrial components is driven primarily by growth on the end customers' markets. The growth is accordingly closely connected to the development of the total industrial output, the investment rate in the construction and civil engineering sector, the number of employees in the industrial sector and the number of employees in the construction and civil engineering sector. The growth of the end customers' markets are, in turn, affected by the development of the underlying economy and factors such as GDP growth, interest rates and inflation. Other parameters which affects the Group, including sales, costs and market position, are stable.
B.5	<i>Group</i>	The Group includes the parent company Momentum Group AB (publ) and 19 directly and indirectly owned subsidiaries.

B.6	<i>Major shareholders, etc.</i>	In Sweden, the minimum threshold for notifiable holdings (so-called flagging) is 5 percent of all shares or of the voting rights for all shares. As of the publication date of the Prospectus, B&B TOOLS holds all shares in the Company.
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Provided that the extraordinary general meeting of shareholders in B&B TOOLS on 14 June 2017 resolves to distribute B&B TOOLS' shares in Momentum Group, the shares in Momentum Group will be distributed to B&B TOOLS' shareholders in proportion to each individual shareholder's holding in B&B TOOLS. At the time of the Distribution of the shares and the Listing, Momentum Group's ownership structure will initially mirror the ownership structure of B&B TOOLS. The table below shows the notifiable shareholders in B&B TOOLS as of 28 April 2017.

Shareholder	Class A shares	Class B shares	% of capital	% of votes
Anders Börjesson (family and company)	484,386	706,843	4.2	14.7
Tom Hedelius	484,386	0	1.7	12.8
Swedbank Robur Funds	0	2,854,159	10.1	7.5
SEB Funds	0	2,848,504	10.1	7.5
Total ten largest owners, in terms of votes	968,772	11,703,044	44.8	56.5
Other	95,008	15,498,592	55.2	43.5
Total	1,063,780	27,201,636	100.0	100.0

As far as the board of directors of Momentum Group is aware, there are no shareholder agreements or arrangements between Momentum Group's shareholders pertaining to joint control over the Company. As far as the board of directors of Momentum Group is aware, nor are there any agreements or the equivalent that could lead to a change in control over the Company.

B.7	<i>Selected historical financial information</i>	The condensed financial information presented in this section is derived from Momentum Group's audited combined financial statements for the financial years 1 April 2014 – 31 March 2015, 1 April 2015 – 31 March 2016 and 1 April 2016 – 31 March 2017. The combined financial statements for the 2014/2015, 2015/2016 and 2016/2017 financial years have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the EU and have been audited by Momentum Group's auditors.
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This section contains certain alternative performance measures that are not defined as measures of financial performance in accordance with IFRS but are used by Momentum Group's management to measure the underlying performance of the operations and business. The Company also believes that these alternative performance measures are used by investors, equity analysts and other stakeholders as supplementary measures of earnings performance.

B.7	<i>Selected historical financial information, cont.</i>	CONDENSED CONSOLIDATED INCOME STATEMENT¹⁾			
		MSEK	2016/2017	2015/2016	2014/2015
	Revenue		5,411	5,176	5,351
	Shares of profit in associated companies		-2	0	0
	Other operating income		8	6	6
	Total operating income		5,417	5,182	5,357
	Cost of goods sold		-3,460	-3,285	-3,414
	Personnel costs		-1,061	-999	-1,004
	Depreciation, amortisation, impairment losses and reversal of impairment losses		-22	-16	-17
	Other operating expenses		-809	-689	-724
	Total operating expenses		-5,352	-4,989	-5,159
	Operating profit		65	193	198
	Financial income		2	3	4
	Financial expenses		-13	-14	-21
	Net financial items		-11	-11	-17
	Profit after financial items		54	182	181
	Taxes		-12	-43	-41
	Net profit of the year		42	139	140
	Attributable to:				
	Parent company shareholders		42	139	140
	Non-controlling interests		-	-	-
	Earnings per share (SEK)		1.50	4.95	4.95

1) The information is derived from audited combined financial statements for the financial years 1 April 2014 – 31 March 2015, 1 April 2015 – 31 March 2016, 1 April 2016 – 31 March 2017.

B.7 *Selected
historical financial
information, cont.*

CONDENSED CONSOLIDATED BALANCE SHEET¹⁾

MSEK	31 Mar 2017	31 Mar 2016	31 Mar 2015
ASSETS			
Non-current assets			
Intangible non-current assets	533	428	416
Tangible non-current assets	64	50	55
Shares in associated companies	9	11	11
Financial investments	1	1	1
Other long-term receivables	4	2	2
Deferred tax assets	27	16	19
Total non-current assets	638	508	504
Current assets			
Inventories	823	785	846
Tax assets	13	16	12
Accounts receivable	912	743	863
Prepaid expenses and accrued income	83	86	74
Other current receivables	13	31	56
Cash and cash equivalents	69	525	372
Total current assets	1,913	2,186	2,223
Total assets	2,551	2,694	2,727
EQUITY AND LIABILITIES			
Equity			
Share capital	57	–	–
Other contributed capital	–	–	–
Reserves	–28	–54	–21
Retained earnings, including net profit	978	993	1,001
Equity attributable to parent company shareholders	1,007	939	980
Non-current liabilities			
Non-current interest-bearing liabilities	150	639	746
Provisions for pensions	24	19	23
Other provisions	28	1	1
Deferred tax liabilities	13	4	3
Total non-current liabilities	215	663	773
Current liabilities			
Current interest-bearing liabilities	182	3	8
Accounts payable	782	666	551
Tax liabilities	12	12	33
Other liabilities	73	211	178
Accrued expenses and deferred income	280	200	204
Total current liabilities	1,329	1,092	974
Total liabilities	1,544	1,755	1,747
Total equity and liabilities	2,551	2,694	2,727

1) The information is derived from audited combined financial statements for the financial years 1 April 2014 – 31 March 2015, 1 April 2015 – 31 March 2016, 1 April 2016 – 31 March 2017.

B.7	<i>Selected historical financial information, cont.</i>	CONDENSED CONSOLIDATED CASH FLOW STATEMENT¹⁾			
		MSEK	2016/2017	2015/2016	2014/2015
		Operating activities			
		Profit after financial items	54	182	181
		Adjustments for non-cash items	117	9	7
		Income taxes paid	-23	-33	-15
		Cash flow from operating activities before changes in working capital	148	158	173
		Changes in inventories	6	44	48
		Changes in operating receivables	-95	117	8
		Change in operating liabilities	118	108	-9
		Cash flow from operating activities	177	427	220
		Cash flow from investing activities	-188	-28	29
		Cash flow from financing activities	-448	-233	-175
		Cash flow for the period	-459	166	74
		Cash and cash equivalents at the beginning of the year	525	372	296
		Exchange-rate differences in cash and cash equivalents	3	-13	2
		Cash and cash equivalents at year-end	69	525	372

1) The information is derived from audited combined financial statements for the financial years 1 April 2014 – 31 March 2015, 1 April 2015 – 31 March 2016, 1 April 2016 – 31 March 2017.

B.7 *Selected historical financial information, cont.*

PERFORMANCE MEASURES

Certain performance measures presented below are calculated in accordance with IFRS and others are so-called alternative performance measures that the Company considers to be important in forming an understanding of its operations. The reason for using each alternative performance measure is presented below along with its definition.

Since the Group incurred expenses during the 2016/2017 financial year pertaining to the preparations for the Listing and the Split from other parts of the B&B TOOLS Group, adjusted operating profit to reverse these expenses has been recognised as a measure of the underlying profit level. For the same reason, adjusted operating profit excludes costs for items affecting comparability, such as the restructuring expenses that arose in 2016/2017, mainly within the Group's TOOLS operations. During the period presented below, the Group was part of B&B TOOLS' joint internal bank. This means that the Group was not able to apply net accounting for its intra-group financial transactions with respect to committed credit facilities. In conjunction with its listing, the Group will establish its own internal bank, enabling positive liquidity positions to be recognised net against the utilisation of committed credit facilities in another manner. The potential impact of such net accounting on the Group's financial position with respect to certain alternative performance measures is presented below.

	2016/2017	2015/2016	2014/2015
IFRS performance measures¹⁾			
Net profit, MSEK	42	139	140
Earnings per share, SEK (no dilution effect exists)	1.50	4.95	4.95
Alternative performance measures			
Performance measures related to the income statement			
Revenue, MSEK ¹⁾	5,411	5,176	5,351
Operating profit, MSEK ¹⁾	65	193	198
Adjusted operating profit, MSEK ²⁾	193	193	198
Profit after financial items, MSEK ¹⁾	54	182	181
Operating margin, % ²⁾	1.2 %	3.7 %	3.7 %
Adjusted operating margin, % ²⁾	3.6 %	3.7 %	3.7 %
Profit margin, % ²⁾	1.0 %	3.5 %	3.4 %
Performance measures related to profitability²⁾			
Return on working capital (P/WC), %	21 %	19 %	17 %
Return on capital employed, %	4 %	12 %	11 %
Return on adjusted capital employed, %	16 %	15 %	14 %
Return on equity, %	4 %	14 %	13 %
Performance measures related to financial position			
Operational net loan liability (closing balance), MSEK ²⁾	263	117	382
Equity attributable to the parent company's shareholders, MSEK ¹⁾	1,007	939	980
Equity/assets ratio, % ²⁾	39 %	35 %	36 %
Adjusted equity/assets ratio, % ²⁾	40 %	43 %	42 %
Other performance measures²⁾			
Number of employees at the end of the period	1,620	1,573	1,618

1) The information is audited by Momentum Group's auditors. The information is derived from Momentum Group's audited combined financial statements for the financial years 1 April 2014–31 March 2015, 1 April 2015–31 March 2016, 1 April 2016–31 March 2017.

2) The information is not audited by Momentum Group's auditors. The information is derived from Momentum Group's internal reporting system.

B.7 *Selected historical financial information, cont.*

DEFINITION OF PERFORMANCE MEASURES

Performance measures	Definition	Reason
Revenue	Own invoicing, commission-based revenue from commission sales and side revenue.	Revenue is presented to clarify the Group's sales to external customers. Revenue per operating segment is presented based on revenue from both external and internal customers.
Operating profit/loss	Profit before financial items and tax.	Operating profit is presented to clarify the Company's earnings generated by its operating activities.
Adjusted operating profit	Operating profit adjusted for items affecting comparability.	Adjusted operating profit is presented to clarify the Company's earnings generated by its operating activities, adjusted for items affecting comparability in order to retain comparability between periods.
Operating margin, %	Operating profit relative to revenue.	The operating margin is presented to measure the Company's earnings generated by its operating activities and to provide an understanding of the value created over time. The operating margin per operating segment is presented based on revenue from both external and internal customers.
Adjusted operating margin, %	Adjusted operating profit as a percentage of revenue.	Refer to the explanation under the description of "Adjusted operating profit".
Profit margin, %	Profit after financial items as a percentage of revenue.	The profit margin is presented to assess the Company's earnings relative to its revenue and measures the amount of revenue the Company can retain in terms of profit before tax.
Return on working capital (P/WC), %	Adjusted operating profit for the past 12 months divided by average working capital measured as total working capital (accounts receivable and inventories less accounts payable) at the end of every month for the past 12 months as well as balance brought forward at the start of the period, divided by 13.	Return on working capital serves as Momentum Group's internal profitability target, measured as operating profit (P) relative to utilised working capital (WC), and encourages high operating profit and low tied-up capital, which – combined with the Group's growth target – enables a positive cash flow and provides the conditions for profitable growth.
Return on capital employed, %	Operating profit plus financial income for the past 12 months divided by the average working capital employed measured as total balance sheet less non interest-bearing liabilities and provisions at the end of the past four quarters as well as balance brought forward at the start of the period, divided by five.	Return on capital employed is presented to show the Company's return on its externally financed capital and equity, meaning independent of its financing.
Return on adjusted capital employed, %	Adjusted operating profit plus financial income for the past 12 months divided by average adjusted capital employed measured as total balance sheet less non interest-bearing liabilities and provisions and cash vis-a-vis B&B TOOLS AB at the end of the past four quarters as well as balance brought forward at the start of the period, divided by five.	Return on adjusted capital employed is presented to show the Company's return on its externally financed capital and equity, meaning independent of its financing, adjusted for cash vis-a-vis B&B TOOLS AB.

B.7	<i>Selected historical financial information, cont.</i>	Definition of performance measures, cont.	
		Return on equity, %	Net profit for the past 12 months divided by average equity measured as total equity attributable to the parent company's shareholders at the end of the past four quarters as well as balance brought forward at the start of the period, divided by five.
		Operational net loan liability (closing balance)	Operational net loan liability measured as long term interest-bearing liabilities and short term interest-bearing liabilities less cash and cash equivalents at the end of the period.
		Equity/assets ratio, %	Equity attributable to the parent company's shareholders as a percentage of the balance-sheet at the end of the period.
		Adjusted equity/assets ratio, %	Equity attributable to the parent company's shareholders as a percentage of the balance-sheet less cash vis-a-vis B&B TOOLS AB at the end of the period.
		Earnings per share	Net profit attributable to the parent company's shareholders divided by weighted number of shares.
			Return on equity is used to show the return that is generated on the capital invested in the Company by the shareholders.
			Operational net loan liability is presented to clarify the capital made available by lenders, adjusted for cash and cash equivalents at the end of the financial period.
			The equity/assets ratio is presented to clarify how much of the Group's share of the balance-sheet total has been financed with equity.
			The adjusted equity/assets ratio is presented to clarify how much of the Group's share of the balance-sheet total, adjusted for cash vis-a-vis B&B TOOLS AB, has been financed with equity.
			IFRS performance measure.

Significant changes since 31 March 2017

Ahead of the Distribution and Listing of Momentum Group, the Group plans to replace its existing financing with new financing. The new financing comprises a committed credit facility of MSEK 400 and a revolving credit facility of MSEK 400. Handelsbanken is the lender for both credit facilities.

No other events of material significance to Momentum Group's financial position (other than those described above with respect to future financing) or position in the market have occurred since 31 March 2017.

B.8	<i>Selected pro forma financial information</i>	Not applicable. The Prospectus does not contain any pro forma financial information.	
B.9	<i>Earnings forecast</i>	Not applicable. The Prospectus does not contain an earnings forecast or a calculation of expected earnings.	
B.10	<i>Qualifications in the auditor's report</i>	Not applicable. No qualifications were included in the auditor's report in the annual reports included in the historical financial information.	
B.11	<i>Insufficient working capital</i>	Not applicable. Momentum Group believes that the existing working capital is sufficient to meet its needs during the coming 12-month period.	

SECTION C – SECURITIES

C.1	<i>Securities for admission to trading</i>	Class B shares in Momentum Group AB (publ) (ISIN code SE0009922305).	
C.2	<i>Currency denomination</i>	The currency denomination of the shares is SEK.	
C.3	<i>Number of shares in the issuer</i>	As of the date of this Prospectus, the Company's registered share capital amounts to SEK 56,530,832, distributed between 28,265,416 shares, of which 1,063,780 are class A shares and 27,201,636 are class B shares. All shares are paid in full. Each share has a quotient value of SEK 2.	

C.4	<i>Rights associated with the securities</i>	<p>At general meetings of shareholders, each class A share entitles the holder to ten (10) votes and each class B share to one (1) vote. Should the Company decide to issue new class A and class B shares in a cash issue or set-off issue, as a general rule, holders of class A and class B shares are to have preferential rights to subscribe for new shares of the same share class in proportion to the number of shares previously owned by the holder. Should the Company decide to issue only class A or class B shares in a cash issue or set-off issue, all shareholders, regardless of whether they hold class A or B shares, as a general rule, shall have preferential rights to subscribe for new shares in proportion to the number of shares previously owned by the holder.</p> <p>All shares carry equal rights to the Company's assets and profit as well as to any surplus on liquidation. Class A shares are subject to a conversion clause in accordance with the articles of association. Resolutions on the distribution of profit are to be adopted at a general meeting of shareholders and distribution is to be administered by Euroclear Sweden. All shareholders who are registered in the shareholders' register maintained by Euroclear on the record date determined by the general meeting of shareholders are entitled to receive dividends.</p>
C.5	<i>Restrictions on free transferability</i>	Not applicable. Class A and class B shares are freely transferable.
C.6	<i>Admission to trading on a regulated market</i>	The board of directors of Momentum Group has applied to list the Company's class B shares on Nasdaq Stockholm. Nasdaq Stockholm's listing committee resolved on 19 May 2017 to admit Momentum Group's class B shares to trading on Nasdaq Stockholm subject to customary conditions, which include that the distribution requirement for the Company's shares be met by the listing date at the latest. Trading on Nasdaq Stockholm is scheduled to begin as of 21 June 2017.
C.7	<i>Dividend policy</i>	According to the dividend policy adopted by the board of directors, the Company aims to pay a dividend corresponding to between 30 and 50 percent of profit after tax over a business cycle. In determining the dividend to be paid, consideration is given to Momentum Group's investment requirements and other factors considered important by the Company's board of directors.

SECTION D – RISKS

D.1	<i>Main risks related to the issuer or industry</i>	<p>Ownership of and investment in shares is associated with risks. Prior to making any investment decision, it is important to carefully analyse the risk factors that are considered to be material for the future performance of the Company and its shares. The Company's operations are subject to a number of risks that are completely or partly beyond the control of the Company and that affect or could affect the Momentum Group's operations, financial position and earnings. Some of the risk factors that are considered to have particular significance for Momentum Group's future development are described below. The following account of the Company's main risk factors related to the Company or the industry does not claim to be exhaustive, nor are the risks arranged in order of significance.</p>
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Momentum Group's financial earnings tend to fluctuate based on the general economic situation and other macroeconomic circumstances

Momentum Group's customers mainly comprise industrial and construction companies in Sweden, Norway and Finland. Accordingly, economic trends within the industrial and construction sectors of the Nordic region affect the Group's performance. Demand for Momentum Group's goods and services is also significantly impacted by monetary and financial policies in the Company's main markets and by macroeconomic factors, such as the conditions in global capital markets and the general economic situation. Demand from the Company's customers is impacted by factors such as changes in the number of employees as well as their productivity, their willingness to implement investments and their access to financing. A weakening of these conditions in the markets where Momentum Group is active may have an adverse impact on the Company's operations, financial position and earnings.

Momentum Group could experience difficulties in implementing acquisitions

Acquisitions are a crucial component of Momentum Group's growth strategy. There is a risk that Momentum Group may not succeed in identifying suitable acquisition targets or may fail to implement acquisitions due to, for example, competition or a lack of financing, which could lead to a reduction in growth. Momentum Group could also incur significant acquisition and administrative costs as well as restructuring costs in conjunction with acquisitions. There is also a risk that acquired operations may not perform as expected or that acquisitions may expose the Company to unknown liabilities or obligations.

<p>D.1 <i>Main risks related to the issuer or industry, cont.</i></p>	<p>Momentum Group relies on third-party suppliers Momentum Group's operations are dependent on external suppliers fulfilling agreements with respect to, for example, volumes, quality and delivery times. Incorrect or delayed deliveries, or nondeliveries, could result in Momentum Group failing to deliver popular and/or ordered products, which could result in reduced sales of the Company's products. To a certain extent, Momentum Group is also dependent on the global brands of certain suppliers. If Momentum Group should fail to establish, defend and develop partnerships and business relationships with suppliers who control popular brands, this would have an adverse impact on the Company's operations and earnings.</p> <p>The Group's product-distribution capacity may be adversely impacted in the event of damage to, or operational problems at, Momentum Group's logistics centres The Group has two major logistics centres, one in Alingsås (Sweden) and another in Kotka (Finland). A fire, problems with the IT system or other technology used by the logistics centres, such as automated warehouse functions, or any other form of major disruption at these units would entail serious consequences for Momentum Group's ability to deliver products to the Company's customers, which could adversely impact the Company's operations, financial position and earnings.</p>
<p>D.3 <i>Main risks related to the securities</i></p>	<p>Momentum Group is dependent on efficient IT systems Momentum Group's operations are dependent on the Company's consistent access to IT-based tools and systems. As a rule, IT systems are vulnerable to damage or disruptions caused by, for example, computer viruses, flooding, fires, power cuts, human error and similar events. IT systems may also be subjected to sabotage, vandalism or problems caused by inadequate maintenance. IT attacks, errors and damage to IT systems, operational disruptions, incorrect or deficient deliveries of IT services by the Company's suppliers, errors or delays in future implementations of new IT systems and higher-than-expected IT investments could adversely impact the Company's operations, financial position and earnings.</p> <p>All investments in securities are associated with risks. Such risks can cause the price of the Company's shares to fall significantly and investors risk losing all or part of their investment. The main risks related to the share and the Listing include:</p> <p>Shareholding is always associated with risk An investment in shares is always associated with risk. Since an investment in shares may increase or decrease in value, there is a risk that investors will not recover their invested capital. The price trend of a listed share is dependent on company-specific factors and factors that concern capital markets as a whole. It is not possible for an individual company to control all of the factors that could impact the share price.</p> <p>There is no guarantee that an active, solvent and orderly market for trading the Company's shares will develop. No shares in Momentum Group have been traded prior to the Distribution of B&B TOOLS' shares in Momentum Group. An application has been submitted to trade Momentum Group's class B shares on Nasdaq Stockholm. There is a risk that insufficient liquidity may be generated for the shares. The share price of will also fluctuate due to factors such as variations in the Company's earnings and financial position, changes in the expectations of the stock markets with regard to future profits, the supply and demand of shares, developments within the Company's market segment and the general economic trend.</p> <p>Increased costs for Momentum Group as an independent listed company Prior to the Distribution of shares in Momentum Group, Momentum Group was a subsidiary of a listed company. Momentum Group has previously held no direct responsibilities for corporate governance, financial reporting or the public-disclosure requirements applicable to listed companies. In conjunction with the Listing on Nasdaq Stockholm, Momentum Group will be subject to specific laws, regulations and requirements that are more extensive than the regulatory framework applicable to unlisted companies. Hence, Momentum Group will be liable for costs not previously incurred by the Company when it was an unlisted company.</p> <p>Future cash dividends are dependent on several factors The distributed shares in Momentum Group entitle the holder to receive a dividend on the first record date for a dividend occurring after the completion of the Distribution. The size of any future dividends depends on the Company's future earnings, financial position, cash flows, working capital requirements, planned and potential acquisitions, and other factors. There are no guarantees during any given year that a dividend will be proposed or approved.</p>

SECTION E – THE OFFERING

E.1 <i>Issue proceeds and issue costs</i>	No new shares or other securities are being issued by Momentum Group in conjunction with the preparation of this Prospectus. Accordingly, the Company will not receive any issue proceeds. The Company's total costs for the Listing are estimated to amount to approximately MSEK 20. Such costs are primarily attributable to financial advisory services, auditors, legal advisory services, etc. Of the total estimated costs of approximately MSEK 20, approximately MSEK 10 was charged to Momentum Group's earnings for the 2016/2017 financial year.
E.2a <i>Reasons and use of proceeds</i>	Not applicable. The Company is not offering any new shares or other securities.
E.3 <i>Terms and conditions of the offering</i>	Provided that the shareholders of B&B TOOLS resolve in accordance with the proposal of the board of directors of B&B TOOLS to distribute all of B&B TOOLS' shares in Momentum Group to the shareholders of B&B TOOLS, the shares in Momentum Group will be distributed to the shareholders of B&B TOOLS in proportion to each shareholder's shareholding in B&B TOOLS on the record date for the Distribution on 16 June 2017 proposed by the board of B&B TOOLS. One (1) class A share in Momentum Group will be received for each class A share in B&B TOOLS, and one (1) class B share in Momentum Group will be received for each class B share in B&B TOOLS.
E.4 <i>Interests of importance to the offering</i>	Handelsbanken is serving as financial advisor to Momentum Group in conjunction with the Distribution and Listing. Handelsbanken is also the Company's lender. Handelsbanken (and Handelsbanken's related parties) has provided, or may in future provide, various services of a banking, financial, investment, commercial and other nature to Momentum Group for which Handelsbanken has received, or may receive, remuneration.
E.5 <i>Selling securities and lock up-agreements</i>	Not applicable. No lock-up agreements have been entered into in conjunction with the Distribution and Listing.
E.6 <i>Dilution</i>	Not applicable. The Company is not offering any new shares or other securities.
E.7 <i>Expenses charged to investors</i>	Not applicable. No expenses will be charged to investors in conjunction with the Distribution and Listing.

RISK FACTORS

An investment in securities is always associated with risk. A number of factors beyond the control of Momentum Group as well as several factors whose effect can be influenced by the Company through its ownership may adversely impact the Company's operations, earnings and financial position, which could result in a decline in the value of the Company's securities and the loss, in whole or in part, of a shareholder's invested capital. Consequently, when evaluating Momentum Group's future performance, it is important to factor in various risks associated with the Company's operations, alongside its potentially positive performance.

Naturally, not all of the risk factors can be described in this section, which is why a comprehensive evaluation must also include other information in the Prospectus as well as a general evaluation of business-environment factors. The following is a description of the material risks and uncertainties pertaining to Momentum Group's future performance. The risks are not listed in order of importance and no claim is made that they are exhaustive. Additional risks and uncertainties with which Momentum Group is currently unfamiliar may also develop into material factors that impact the Company's operations and future performance.

RISKS RELATED TO MOMENTUM GROUP'S OPERATIONS AND INDUSTRY

Momentum Group's financial earnings tend to fluctuate based on the general economic situation and other macroeconomic circumstances

Momentum Group's customers mainly comprise industrial and construction companies in Sweden, Norway and Finland. Other customer groups include tradespeople and the public administration sector. Accordingly, economic trends within the industrial and construction sectors of the Nordic region affect the Group's performance. A decline in the economy or activity of the construction market could adversely impact on Momentum Group's operations and earnings.

Demand for Momentum Group's goods and services may be further impacted by monetary and financial policies in the Company's main markets of Sweden, Norway and Finland. These include political actions aimed at stimulating or decelerating industrial activity and construction, such as long-term interest rates, tax policies, the allocation of state resources for public infrastructure programmes, and safety regulations that may promote or prohibit the use of certain materials and products.

Demand for Momentum Group's services is also significantly impacted by macroeconomic factors, such as the conditions in global capital markets and the general economic situation. Demand from the Company's customers

is impacted by factors such as changes in the number of employees as well as their productivity, their willingness to implement investments and their access to financing. A weakening of these conditions in the markets where Momentum Group is active may have an adverse impact on the Company's operations, financial position and earnings.

The Group may have difficulty generating growth in its markets

The Group's ability to succeed in increasing its sales to existing and new customers is dependent on several factors, such as an understanding of the customers' needs, increased cross sales and proximity to new customers. If Momentum Group is unable to succeed in these areas, this could adversely impact the Group's growth and profitability.

Momentum Group's sales to publicly financed operations may be impacted by changes in the propensity to invest or the procurement methods used by public-sector customers

A portion of Momentum Group's sales are made to publicly financed operations, primarily in Sweden and Norway. There is a risk of the purchasing power of the Company's publicly financed customers being reduced due to austerity programmes or political decisions. Momentum Group's publicly financed customers may also change their methods of procuring goods and services in the areas where the Company is active. If changes were to occur in the propensity to invest or the procurement methods used by the Company's publicly financed customers, there is a risk that Momentum Group may not be able to maintain its current level of sales to customers within the public sector, which would adversely impact the Company's operations, financial position and earnings.

Momentum Group could experience difficulties in implementing acquisitions

Acquisitions are a crucial component of Momentum Group's growth strategy. Momentum Group strives to continuously acquire additional operations expected to complement or strengthen the Group's existing operations. There is a risk that Momentum Group may not succeed in identifying suitable acquisition targets or may fail to implement strategic acquisitions on favourable terms and conditions due to, for example, competition by other acquirers or a lack of financing. This could result in reduced or declining growth for Momentum Group and in the Company failing to achieve its financial targets.

If operations are acquired in excess of the carrying amount, the surplus value may be recognised as goodwill. If the operations perform poorly relative to the prevailing assumptions at the time of the acquisition and goodwill

evaluation, a goodwill risk will arise as a consequence. If Momentum Group's evaluation of the acquired operations should prove to be inaccurate, the Company will be required to impair the goodwill value, which could adversely impact Momentum Group's financial position and earnings. Goodwill is tested annually and if, on such an occasion, it is deemed to be incorrectly valued, this could result in an impairment loss.

Acquisitions may also expose Momentum Group to unknown liabilities. In conjunction with a company's acquisition, its liabilities are normally acquired along with all its assets. There is a risk that not all of the potential liabilities or obligations will be identifiable prior to the acquisition, or that the seller, in cases where the Company has received guarantees, may lack the financial capacity to compensate Momentum Group in the event of a breach of guarantee. If Momentum Group fails to obtain the requisite contractual coverage for such liabilities or obligations, this may adversely impact Momentum Group's operations, financial position and earnings.

Past and future divestments could also expose Momentum Group to risks, including the risks associated with transferring of the terms and conditions of the operations in question to the buyer of the divested operations, including guarantees, indemnity and undertakings. If any of these risks related to past or future divestments were to materialise, this could adversely impact Momentum Group's operations, financial position and earnings.

Momentum Group's decentralised structure exposes the Group to problems at a local level that the Group may fail to identify and address in time

Momentum Group applies a decentralised organisational model, which means that the Group's subsidiaries are largely responsible for and pursue their operations independently. Consequently, the Group is dependent on the proficiency and expertise of its employees in the local markets. The decentralisation shifts significant influence and decision-making to regional and local employees.

Corporate governance within a decentralised organisation such as Momentum Group imposes stringent requirements on financial reporting and monitoring, and any deficiencies in reporting and monitoring result in a risk of deficient operational control. The Group's system for regulatory compliance may have limited potential to ensure the adherence of Momentum Group's employees to its agreements, internal guidelines and policies. Furthermore, it may be difficult for the Company to evaluate the adequacy of existing guidelines and policies, including those that pertain to competition, the formation of cartels, bribery, etc. If Momentum Group fails to identify and address these problems in time, or to prevent legal or other violations by employees (through fraudulent behaviour or other means), this could damage the Group's reputation and result in liability for damages.

In addition, if a subsidiary should inadequately manage the subsidiary's currency exposure by, for example, deviating from the Group's guidelines, this may adversely impact the subsidiary's and Momentum Group's financial position and earnings.

Momentum Group is dependent on its ability to recruit and retain employees

Momentum Group's continued success is dependent on experienced employees with specific skills. The Group's customers are also increasingly demanding an advisor and partner with the high level of competence and creative ability necessary to develop solutions that meet their defined needs. These involve key individuals among senior management and the Group's other employees. There is a risk that one or more members of senior management or other key individuals may leave the Group on short notice. If Momentum Group should fail to recruit suitable replacements for these individuals or new competent key individuals, this could adversely impact Momentum Group's operations, financial position and earnings.

The Group may have difficulty in lowering employee costs and other costs that constitute short-term fixed expenses in a timely manner

One of the Group's largest expense items is personnel costs, comprising costs for salaries and employee benefits, which tend to be fixed in the short-term, but variable in the long or medium-term. The Group may have difficulty in acting quickly to reduce these costs as needed, which could adversely impact Momentum Group's operations, financial position and earnings.

Momentum Group relies on third-party suppliers

Momentum Group's operations are dependent on external suppliers fulfilling agreements with respect to, for example, volumes, quality and delivery times. Incorrect or delayed deliveries, or nondeliveries, could result in Momentum Group failing to deliver popular and/or ordered products. This could result in reduced sales of the Company's products and potentially in increased costs. Momentum Group could also be adversely impacted if the Company's suppliers are affected by economic, legal or operational problems, such as price hikes or an inability to deliver products at a contractually agreed quality. These factors may result in reduced sales of Momentum Group's products or limit Momentum Group's opportunities to purchase essential products at the right time and price, in order to deliver them to customers. If, due to these factors, Momentum Group should be forced to purchase products from other suppliers, this could result in increased costs in the form of, for example, increased quality controls.

To a certain extent, Momentum Group is also dependent on the global brands of certain suppliers. It is not unusual for foreign manufacturers to use several distributors within their local market. Hence, it is crucial for distributors to cooperate closely with manufacturers of established brands. If Momentum Group should fail to establish, defend and develop partnerships and business relationships with suppliers who control popular brands, this would have an adverse impact on the Company's operations and earnings.

Momentum Group has agreements with a large number of suppliers, in Sweden and abroad, whose operations the Group does not have insight into or the ability to control. As a consequence, Momentum Group is exposed to a risk that suppliers may act in a manner that could damage the Group's operations and reputation, for example, pertaining to deficient work environments in production operations.

In the event of a dispute with a supplier, there is also a risk that Momentum Group may not be able to obtain full compensation, regardless of whether the Company wins the dispute in a court of law or arbitration board. Taken together, these factors could adversely impact Momentum Group's operations, financial position, reputation and earnings.

Some of the Group's supplier agreements were signed pursuant to the supplier's contractual stipulations and are usually favourable to the suppliers. Some of the supplier agreements are also regulated by foreign laws and by dispute forums outside Sweden and the rest of the Nordic region, which could make a dispute economically burdensome, and may entail liability caps favouring the supplier, which could result in Momentum Group lacking the opportunity to demand accountability from the supplier, in the event that Momentum Group is liable to a customer or third party.

Although from a more long-term perspective Momentum Group is not dependent on any single supplier for conducting its operations, a subsidiary within the Group may be dependent on a particular supplier. There is a risk that incorrect or delayed deliveries, or the failure of one or more suppliers, could have negative consequences on the relevant subsidiary's operations, financial position and earnings, which in turn could adversely impact Momentum Group's operations, financial position and earnings. Furthermore, an industry consolidation is ongoing in the market and the number of suppliers is being reduced. Consequently, there is a risk that Momentum Group will lose key suppliers for the Company.

A significant portion of Momentum Group's purchases are from companies within the Bergman & Beving Group

Prior to the Distribution of shares in Momentum Group, subsidiaries within Momentum Group had business relationships, mainly in the form of the purchase of goods and services, with other subsidiaries that will be included under the Bergman & Beving Group.¹⁾ Purchases from various companies within the Bergman & Beving Group accounted for approximately 28 percent of all purchases within Momentum Group during the 2016/2017 financial year.²⁾ These business relationships are pursued on market terms, and agreements were signed between each subsidiary under Momentum Group and each subsidiary under the Bergman & Beving Group. In the event that the Bergman & Beving Group or its subsidiaries should decide to reduce or discontinue its sales through Momentum Group, or renegotiate prices or other terms and conditions in existing agreements, this could adversely impact the Group's subsidiaries, which in turn could adversely impact Momentum Group's operations, financial position and earnings.

The Group may not be able to keep abreast of the continuous development of products and services, identifying new products and services or integrating these into its offering

Momentum Group is exposed to a risk that various Group's subsidiaries may not be able to implement new technologies and services, or provide guidance and transfer its knowledge, or customise its product range and business model in time to utilise the benefits of new or existing technologies. Each such failure could have an adverse effect on Momentum Group's operations, financial position and earnings. The costs associated with keeping abreast of developments in products and technology could be high and influenced by factors that are wholly or partly beyond Momentum Group's control. The level and date of future operating expenses and capital requirements could also significantly deviate from current estimations. An inability or unwillingness to finance these costs could have an adverse effect on Momentum Group's operations, financial position and earnings.

The Group operates in competitive markets

Most of the subsidiaries in Momentum Group are active in markets that are subject to competition that may vary, depending on the geographic market, customer group and product segment.

Momentum Group's subsidiaries may be unable to maintain their competitive positions in the markets where they operate. The Group's current or future competitors may offer a more complete range of goods and services that are popular among customers and/or may have access to greater financial, technological, marketing or personnel resources, and/or may have greater purchasing power, and may be able to leverage these advantages to increase their market share. Competitors may also resort to aggressive pricing strategies, which could force the Group to lower its prices in order to compete. Furthermore, competitors who have fewer or no physical stores, such as Internet-based companies, may offer prices that are lower than Momentum Group's subsidiaries can offer. If the Group should be subjected to such competition, Momentum Group's revenue, profitability and market share may be reduced, which could have an adverse impact on the Company's operations, financial position and earnings.

Continued consolidation among the Group's competitors may subject the markets to increased competition and adversely impact the operations

In the area of industrial consumables, the Group's customers primarily comprise end users in the industrial and construction sectors as well as the public administration sector. Resellers are undergoing restructuring, through which chain constellations are growing stronger relative to end customers and relative to manufacturers and distributors. Competition among resellers has increased due to the entry of international players into the Swedish market, especially in the building materials and DIY sectors. This

1) B&B TOOLS intends to change its name to Bergman & Beving in conjunction with the Listing of Momentum Group. Since the information in this paragraph pertains primarily to the future relationship between Momentum Group and the B&B TOOLS Group, the B&B TOOLS Group is referred to as the Bergman & Beving Group in this paragraph.

2) Measured as a percentage of costs for goods sold. Refer also to the section *Historical financial information*.

trend indicates continued consolidation among resellers. There is a risk that new players with financial strength could grow stronger through the ongoing consolidation process, which could adversely impact the Company's operations, financial position and earnings.

The subsidiaries' future competitive opportunities are also dependent on their capacity to remain at the cutting edge of technology and rapidly respond to market demands. There is a risk that the companies may not successfully develop or deliver new business offerings, or that costly investments, restructuring and/or price reductions may need to be implemented to adapt the operations to a new competitive landscape. Intensified competition from existing or new players, or an inability of the subsidiaries to meet new market demands, could have an adverse impact on the subsidiary's and Momentum Group's operations, financial position and earnings.

The Group's product-distribution capacity may be materially impacted in the event of damage to, or operational problems at, Momentum Group's logistics centres

The Group has two major logistics centres, one in Alingsås (Sweden) and another in Kotka (Finland). A fire, problems with the IT system or other technology used by the logistics centres, such as automated warehouse functions, or any other form of major disruption at these units would entail serious consequences for Momentum Group's ability to deliver products to the Company's customers, which could adversely impact the Company's operations, financial position and earnings.

Momentum Group is dependent on efficient IT systems

Momentum Group's operations are dependent on the Company's consistent and uninterrupted access to adequate IT-based tools and systems. As a rule, IT systems are vulnerable to damage or disruptions caused by, for example, computer viruses, flooding, fires, power cuts, human error and similar events. IT systems may also be subjected to sabotage, vandalism or problems caused by inadequate maintenance. IT attacks, errors and damage to IT systems, operational disruptions, incorrect or deficient deliveries of IT services by the Company's suppliers, errors or delays in future implementations of new IT systems and higher-than-expected IT investments could adversely impact the Company's operations, financial position and earnings.

The prices of products distributed by the Group may fluctuate due to factors such as changes in raw-material prices

The Group's margins are dependent on the purchase price offered by suppliers, and price increases on the products procured from suppliers could adversely impact Momentum Group's margins and competitiveness. Steel is a key component in many of the products sold by Momentum Group. Rapid and radical changes in the price of steel or any other key commodity used in the manufacture of the products sold by the Group, could adversely impact Momentum Group's earnings, until such a time as the prices of these customer products are adjusted to the changes in commodity prices. Since most of Momentum Group's

products are delivered by truck, increased freight costs, which are dependent on global fuel and energy prices, could adversely impact the Company's operations, financial position and earnings.

Momentum Group is exposed to currency fluctuations

Momentum Group is active in several countries and accordingly, recognises expenses and revenue in several different currencies, currently SEK, NOK and EUR. Foreign-exchange risk refers to the risk that exchange-rate fluctuations could adversely impact Momentum Group's financial position. Foreign-exchange risk can be divided into transaction exposure and translation exposure. Transaction exposure arises as a result of Group subsidiaries implementing transactions in currencies other than their local currency, for example, by importing products for sale in their domestic market or by selling products in foreign currencies. Translation exposure arises as a result of Momentum Group's net investments in foreign currencies through its foreign subsidiaries. The restatement of the net income of these foreign subsidiaries to the Group's reporting currency, SEK, could expose Momentum Group to negative effects. Accordingly, fluctuations in foreign-exchange rates could have an adverse impact on Momentum Group's operations, financial position and earnings.

The Group is exposed to credit and counterparty risks

Momentum Group has many customers of varying sizes. The number of customers and the Group's structure entail that customer agreements vary in nature with respect to scope and duration. Momentum Group's subsidiaries sell products and services to their customers through agreements that are not secured by means of pledges or other collateral. Momentum Group is exposed to a risk of its counterparties being unable to pay their debts to the Company, thereby causing Momentum Group to incur losses. Momentum Group is also exposed to a risk that financial counterparties with whom Momentum Group has deposited cash and cash equivalents, and/or other financial assets, may not be able to fulfil their obligations. If any of the risks described above were materialized, this could have an adverse effect on Momentum Group's financial position and earnings.

Momentum Group's loan-to-value ratio and payment obligations could adversely impact its operations

Momentum Group's opportunities for satisfying future capital requirements are largely dependent upon successful sales of the Company's products. Momentum Group's operations may require additional financial resources to support the financing of corporate acquisitions and other actions deemed necessary for the attainment of strategic goals. Momentum Group is exposed to a risk of being unable to raise new loans, refinance loans or meet its payment obligations and other obligations subject to existing loans as a result of insufficient liquidity. Momentum Group may also, in the future, be in breach of financial terms and conditions and other liabilities from credit and loan agreements due to the general economic situation and turbulence in the capital and credit markets, which could have an

adverse impact on Momentum Group's operations, financial position and earnings. The potential to raise additional financing is also affected by a number of factors, such as market conditions, general access to loan financing and Momentum Group's creditworthiness and credit capacity. Furthermore, disruptions and uncertainty in the capital and credit markets may also curtail the potential for Momentum Group to gain access to the necessary capital to pursue its operations.

Momentum Group's reputation could be damaged by negative perceptions among customers and the general public about the Group and its suppliers

Momentum Group and its subsidiaries are, by their operational nature, dependent on their reputation. The companies' reputations are dependent on factors such as quality, communication with the market, customers and suppliers, marketing and the companies' general profile. Company reputation is particularly important in relation to existing and new customers. Problems with regard to quality, product liability and safety as well as operational and logistical problems could adversely impact confidence in the subsidiary concerned and Momentum Group.

The Group is also dependent on third-party suppliers and relies on the adherence of these suppliers to applicable laws, regulations and practices pertaining to labour law, environmental law and/or other areas, in a manner that does not detract from the Momentum Group's reputation. The working conditions and standard of living in some of the countries where Momentum Group's products are manufactured have been and are the object of criticism from international bodies. If Momentum Group or its suppliers fail to adhere to ethical, environmental, social, product, occupational, health and safety or other standards, or other associated political considerations, this could damage Momentum Group's reputation and result in a range of negative actions by the Company's customers, including boycotts, termination of agreements and claims for damages, since several customer agreements require that Momentum Group and its suppliers comply with ethical and social standards.

If the subsidiary's or Momentum Group's reputation is damaged, it could be more difficult to retain existing customers or to gain new customers. This could result in reduced sales and adversely impact the subsidiary's and Momentum Group's opportunities to grow, which could have a negative impact on the subsidiary's and Momentum Group's operations, financial position and earnings.

Complaints and disputes could damage the Group's brand and reputation and require management's resources

Momentum Group may become involved in disputes within the framework of normal business operations and risks being the subject of civil legal claims in, for example, lawsuits involving contracts, product liability or shortcomings in the delivery of goods and services. Moreover, the Group's subsidiaries (or these companies' senior executives, managers, employees or related parties) may be subjected to criminal investigations and regulatory investigations and lawsuits. Disputes, claims, inquiries and lawsuits of these types can prove time-consuming, disrupt

normal operations, involve considerable cost, adversely affect customer relationships and result in administrative and/or legal sanctions and measures as well as substantial costs. Future disputes, claims, inquiries or lawsuits could have an adverse effect on Momentum Group's operations, financial position and results. In addition, exposure to disputes, penalties and other obligations issued by the relevant authorities could impact Momentum Group's reputation adversely.

The Group is subject to tax audits and potential reviews

Momentum Group pursues activities in a number of countries, primarily in the Nordic countries. Its operations and any intra-group transactions are pursued and conducted in accordance with the Company's interpretation and understanding of applicable tax laws, tax treaties and other relevant regulations and requirements from the tax authorities concerned. However, Momentum Group's interpretation and understanding of these laws, agreements and other regulations may prove to be incorrect in all respects. Moreover, the tax authorities of the countries where Momentum Group is active may perform assessments or pass resolutions that differ from Momentum Group's understanding and interpretation of the relevant laws and regulations. Momentum Group's tax position for prior years, the current year and future years may change due to decisions made by the tax authorities concerned or to changed legislation, tax treaties and other terms. Such decisions or changes, which could be applied retroactively, could have an adverse effect on Momentum Group's operations, financial position and earnings.

Claims arising from guarantees or product liability could adversely impact the Group's reputation and financial position

Momentum Group could be the object of claims pertaining to product liability or other claims, if the purchased products are, or are alleged to be, defective or cause, or are alleged to have caused, personal injury or property damage. Personal injury or property damage caused by defective or incorrectly designed products that do not meet acceptable standards of quality could adversely impact Momentum Group's reputation, financial position and earnings. If a product is defective, Momentum Group may be forced to recall it. In such a scenario, there is a risk that Momentum Group may not be able to impose a corresponding requirement on its own suppliers in order to obtain compensation for the costs incurred by Momentum Group due to the defective product. Claims pertaining to product liability, guarantees and product recalls could collectively have an adverse impact on Momentum Group's operations, financial position and earnings.

Momentum Group relies on its capacity to manage its own requirements for working capital, including product procurement

Momentum Group's inventories, accounts receivable and accounts payable constitute a significant share of the Company's net assets. The Group's suppliers could demand shorter terms of payment or refuse to sell on credit, and the Group's customers could fail to pay at the appointed time

and/or demand extended periods of credit, which would increase Momentum Group's working capital requirements, due to the decline in accounts payable and increase in accounts receivable. If the Group cannot satisfactorily manage its product procurement or inventory management, Momentum Group's working capital, cash flow and financial position could be adversely impacted.

Momentum Group's subsidiaries have extensive inventories comprising numerous products and are built up over time. This entails an inherent risk of the inventories declining in value and/or becoming worthless. As a consequence, the Group's inventories could be impaired and, if the Group were to recognise an impairment of inventories, this could adversely impact Momentum Group's operations, financial position and earnings.

The Group's intellectual property rights are the object of potential infringement and impairment testing, which could impact future earnings

Momentum Group holds a number of brands and other intellectual property rights and may acquire or develop proprietary and shared brands, products and technological solutions that can be patented or protected in another manner. If required, Momentum Group defends its intellectual property rights by means of legal processes.

There is a risk that Momentum Group may not be able to retain acquired goodwill, brands and other intellectual property rights that have been granted or that registration applications that have been submitted may not be approved. The failure of Momentum Group to protect and retain its intellectual property rights could have an adverse effect on Momentum Group's operations, financial position and earnings. Momentum Group's operations are also dependent on know-how. There is a risk that competitors could develop corresponding know-how, or that Momentum Group may not succeed in protecting its knowledge effectively, which could adversely impact Momentum Group's profitability.

There is also a risk that Momentum Group may be held liable for, or be alleged to be liable for, an infringement on the intellectual property rights of others, which could result in costs for either defending or settling an infringement dispute. If Momentum Group were to infringe on the intellectual property rights of others, requirements may be imposed on Momentum Group to develop alternative products or purchase licenses. This could have an adverse effect on Momentum Group's operations, financial position and results.

Official actions by authorities have an impact on the Group's operations

There is a risk that Momentum Group's interpretation and understanding of current regulations prove incorrect, that the Company is doing business without the necessary permissions or that the Company violates existing regulations due to shortcomings in the business or due to changes in the regulatory framework. If these risks were materialized, the Company could be subject to fines or other administrative sanctions and experience negative publicity as a result. These factors in turn could adversely impact Momentum Group's operations, financial position and

earnings. Momentum Group's operations are conducted in a number of jurisdictions, primarily the Nordic countries, and the Group imports products from several countries beyond the Nordic region, including China and Taiwan. Consequently, Momentum Group is subject to the applicable local laws and regulations of each jurisdiction as well as to overall international regulations. If changes were to be made to the regulatory framework, primarily pertaining to customs and export regulations or other trade barriers, such as price and currency controls and other general guidelines in the countries where the Group is active, or if subsidiaries within Momentum Group were deemed not to fulfil the relevant requirements under these regulatory frameworks, this could adversely impact Momentum Group's operations, financial position and earnings.

Momentum Group is also dependent on, and the object of, other official actions, which may include legislative amendments with respect to pricing and discounts or restrictions. If Momentum Group's products or operations should fall under the scope of additional or changed actions or restrictions by authorities, this could have a negative commercial and financial impact on Momentum Group.

Walkouts or strikes could have an adverse effect on Momentum Group

Momentum Group could be affected by strikes or other operational disruptions, or the threat of strikes or other operational disruptions. Most of the Group's employees are covered by collective agreements. When existing collective agreements expire, Momentum Group or its representatives could potentially fail to negotiate a new collective agreement on satisfactory terms and conditions, or without the occurrence of walkouts, strikes or similar industrial actions. If Momentum Group fails to negotiate and reach a new collective agreement on satisfactory terms and conditions, this could increase the Company's personnel costs, which would adversely impact its profit margins. Labour disputes could also damage relationships with the Company's customers and business partners and result in claims for economic compensation, which could have an adverse impact on Momentum Group's operations, financial position and earnings.

Momentum Group is exposed to environmental risks

Momentum Group's subsidiaries primarily focus on trade and operations that have a limited direct impact on the environment. The Group conducts certain operations that are subject to reporting and/or permit requirements in accordance with the Swedish Environmental Code or equivalent applicable legislation. If these operations should change to include additional operations subject to permit requirements, or the acquisition of operations subject to permit requirements, or if the regulatory framework should be changed so that operations that are currently conducted without a permit should become subject to permit requirements, this could adversely impact Momentum Group's operations, financial position and earnings.

In conjunction with the acquisition of a company, Momentum Group conducts an investigation to determine the existence of any historical responsibilities pursuant to the Swedish Environment Code or equivalent applicable

legislation. There is a risk that not all of the potential liabilities or obligations will be identified prior to the acquisition. If Momentum Group fails to obtain the requisite contractual coverage for such liabilities or obligations, this may adversely impact Momentum Group's operations, financial position and earnings.

Momentum Group owns a few properties and could, as a property owner, be held responsible for environmental damage caused by previous operators. For example, environmental damage could be difficult to detect in conjunction with a corporate acquisition, and the seller's issued guarantees may fail to cover any deficiencies in environmental guarantees, in terms of time and money. If environmental damage is discovered or if it occurs at the properties owned by Momentum Group, and the damage cannot be covered by issued guarantees, there is a risk that Momentum Group may be held accountable, which could adversely impact Momentum Group's reputation, operations, financial position and earnings.

The Group's insurance programme provides a certain amount of coverage against operational risks

There is a risk that Momentum Group's existing insurance coverage will be inadequate for its future requirements and that Momentum Group will not be able to maintain the current insurance coverage at a reasonable cost, or at all. Moreover, the insurance coverage obtained by Momentum Group may be limited, due to factors such as monetary limits and requirements on deductibles, or in cases where the insurance company does not offer compensation for losses in their entirety. With respect to losses that are covered by Momentum Group's insurance policies, it could be difficult and time-consuming to obtain compensation from each insurance company. Consequently, there is a risk that Momentum Group's insurance policies may not cover all potential losses, regardless of reason, or that the relevant insurance policies may not always be available at an acceptable price, which could adversely impact Momentum Group's financial position and earnings.

RISKS ASSOCIATED WITH THE LISTING AND SHARES

Shareholding is always associated with risk

An investment in shares is always associated with risk. Since an investment in shares may increase or decrease in value, there is a risk that investors will not recover their invested capital. The price trend of a listed share is dependent on company-specific factors and factors that concern the capital markets as a whole. Since it is not possible for an individual company to control all of the factors that could impact the share price, each investment decision should be preceded by careful analysis.

There is no guarantee that an active, solvent and orderly market for trading the Company's shares will develop. The share price may be volatile and shareholders may lose some or all of their investments

No shares in Momentum Group have been traded prior to the Distribution of B&B TOOLS' shares in Momentum Group. An application has been submitted to trade Momentum Group's class B shares on Nasdaq Stockholm.

There is a risk that insufficient liquidity may be generated for the shares. The share price will also vary due to factors such as variations in the Company's earnings and financial position, changes in the expectations of the stock markets with regard to future profits, the supply and demand of shares, developments within the Company's market segment and the general economic trend.

No trading of the Company's class A shares

The aim is for Momentum Group's class B shares to be traded on Nasdaq Stockholm. However, the Company's class A shares will not be traded on Nasdaq Stockholm. This means that holders of class A shares will not have any, or will have limited, opportunities to divest their class A shares, as they will not be converted to class B shares and become objects of organised trading, in accordance with the share conversion clause of the articles of association.

Increased costs for Momentum Group as an independent listed company

Prior to the Distribution of shares in Momentum Group, Momentum Group was a subsidiary of a listed company. Consequently, Momentum Group has a limited operational history as a consolidated unit from which the Group can be evaluated, and has previously held no direct responsibilities for corporate governance, financial reporting or the public-disclosure requirements applicable to listed companies. In conjunction with the Listing on Nasdaq Stockholm, Momentum Group will be subject to specific laws, regulations and requirements that are more extensive than the regulatory framework applicable to unlisted companies. Hence, Momentum Group will be liable for costs not previously incurred by the Company when it was an unlisted company, such as legal advice, financial accounting and reporting. Momentum Group may also be required to increase its personnel resources in order to manage the increased regulatory burden. Increased costs may lead to a deterioration in the Company's earnings, which may adversely affect the valuation of the Company's shares.

Future cash dividends are dependent on several factors

The distributed shares in Momentum Group entitle the holder to receive a dividend on the first record date for a dividend occurring after the completion of the Distribution. However, the size of any future dividends depends on the Company's future earnings, financial position, cash flows, working capital requirements, planned and potential acquisitions, and other factors. There are also no guarantees during any given year that a dividend will be proposed or approved.

Preferential rights for shareholders in certain jurisdictions

If the Company were to increase its share capital, current shareholders would normally have preferential rights to subscribe for new shares, unless the shareholders approve a deviation from preferential rights through a resolution passed at a general meeting of shareholders. Shareholders in the US, Canada, Australia, Japan, Hong Kong, New Zealand, Switzerland, Singapore and South Africa or in any other jurisdiction where participation would require addi-

tional prospectuses, registration or other actions than those pursuant to Swedish law are usually excluded from the possibility of utilising their preferential rights to subscribe for new shares if the shares or subscription rights are not registered in accordance with the U.S. Securities Act or an equivalent regulatory framework in the other jurisdictions concerned, and if there are no exceptions to the registration requirements. The Company is unlikely to apply for such registration and there is no guarantee that any exceptions to the registration requirements will be available to allow shareholders in the US or other jurisdictions concerned to exercise preferential rights or, if they are available, that the Company would leverage such an exception.

Dilution of shareholdings in the event of future share issues

If Momentum Group implements a new share issue, this could result in a dilution for shareholders who do not exercise their rights to subscribe for new share in the share issue or who, for any reason, cannot participate in the new share issue. A dilutive effect may also occur if Momentum Group implements a new share issue without preferential rights for existing shareholders. Since the timing, terms and conditions of any future new share issues will depend on Momentum Group's circumstances and the general market situation at the time, the Company cannot predict or provide an estimate of the amounts, date or other terms and conditions for such new share issues. Therefore, Momentum Group's shareholders bear the risk for any future new share issues that may reduce the price of Momentum Group shares and/or dilute their holdings in the Company.

Exchange-rate differences may adversely affect the value of shareholdings or dividends paid

Momentum Group's shares will only be listed in SEK and any future dividends will be paid in SEK. If the SEK should decline in value against foreign currencies, this could have negative consequences on the value of foreign investors' holdings in Momentum Group and any dividends received. Foreign investors could also be liable for transaction costs for converting SEK to another currency.

BACKGROUND AND REASONS

In 2016, the board of directors of B&B TOOLS gave a mandate to group management to prepare for a possible split of the B&B TOOLS Group into two separate listed companies through a spin-off and separate listing of the Momentum Group operating segment. The background to the mandate was to take the next step in developing B&B TOOLS and to offer all subsidiaries better opportunities to develop based on their own unique circumstances, business models, customer segments and business relations. The intention of forming two independent companies is to enhance their customer offerings and competitiveness and to create more efficient organisations with personal responsibility for all of their business-critical processes within their offerings, purchasing and logistics. This is expected to have a positive effect on growth and profitability for both companies.

Momentum Group primarily consists of reseller businesses acquired by B&B TOOLS between 2004 and 2009. Today, these operations hold strong market positions in sales of industrial consumables, industrial components and related services to professional end users in the industrial and construction sectors in Sweden, Norway and Finland. The company is deemed to have a healthy financial position in terms of its cash flow and balance sheet. The boards of directors of B&B TOOLS and Momentum Group therefore believe that Momentum Group is ready to take the step toward becoming an independent listed company. If the shareholders of B&B TOOLS at the extraordinary general meeting of shareholders on 14 June 2017 resolve in accordance with the proposal of the board of directors of B&B TOOLS to distribute all of B&B TOOLS' shares in Momentum Group to the shareholders of B&B TOOLS, the shareholders of B&B TOOLS will receive one (1) class A share in Momentum Group for each class A share held in B&B TOOLS as of the record date and one (1) class B share in Momentum Group for each class B share held in B&B TOOLS as of the record date.

In conclusion, a split of the B&B TOOLS Group through a separate listing of Momentum Group is deemed a logical step to capitalise on the strategic and operational opportunities within B&B TOOLS' operations and to safeguard the available potential for long-term profitable growth, both organically and through acquisitions. A separate listing is expected to create better opportunities for customer satisfaction, earnings growth, profitability and business potential for both Momentum Group and the remaining operating segment Bergman & Beving (within B&B TOOLS)¹⁾ – and thereby increase shareholder value. A split is also expected to facilitate an analysis of each business at the same time as shareholders are offered an opportunity to adapt their holding in each company as they wish.

In other respects, refer to the report in this Prospectus, which was prepared by the board of directors of Momentum Group.

Stockholm, 5 June 2017

B&B TOOLS Aktiebolag (publ)
Board of directors

Momentum Group AB (publ)
Board of directors

This Prospectus was prepared by the board of directors of Momentum Group for the purposes of the proposed Listing of Momentum Group's class B shares on Nasdaq Stockholm. The board of directors of Momentum Group is responsible for the information included in the Prospectus. Assurance is hereby given that all reasonable precautionary measures were taken to ensure that the information in the Prospectus, to the knowledge of the board of directors of Momentum Group, corresponds to the actual conditions and makes no omission likely to affect its import.

Stockholm, 5 June 2017

Momentum Group AB (publ)
Board of directors

1) B&B TOOLS intends to change its name to Bergman & Beving in conjunction with the Listing of Momentum Group.

TERMS AND CONDITIONS FOR THE DISTRIBUTION

The board of directors of B&B TOOLS announced on 22 May 2017 that the board had decided to propose to the shareholders of B&B TOOLS at an extraordinary general meeting of shareholders on 14 June 2017 to resolve on a profit distribution to distribute all of B&B TOOLS' shares in Momentum Group to the shareholders of B&B TOOLS.¹⁾ If the shareholders of B&B TOOLS at the extraordinary general meeting of shareholders on 14 June 2017 resolve in accordance with the proposal of the board of directors of B&B TOOLS to distribute all of B&B TOOLS' shares in Momentum Group to the shareholders of B&B TOOLS, shareholders will receive one (1) class A share in Momentum Group for each class A share held as of the record date of 16 June 2017 and one (1) class B share in Momentum Group for each class B share held as of the record date of 16 June 2017.²⁾

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 B&B TOOLS, and one (1) class B share in Momentum Group will be received for each class B share in B&B TOOLS. Provided that the shareholders of B&B TOOLS at the extraordinary general meeting of shareholders on 14 June 2017 resolve in accordance with the proposal of the board of directors of B&B TOOLS to distribute all of B&B TOOLS' shares in Momentum Group to the shareholders of B&B TOOLS, a total of 1,063,780 class A shares and 27,201,636 class B shares will be distributed. B&B TOOLS owns 171,000 class B shares in B&B TOOLS, which do not carry a right to shares in Momentum Group as part of the Distribution. For more information, refer to the section *The share, share capital and ownership conditions*.

RECORD DATE

The proposed record date for Euroclear to determine who is entitled to receive shares in Momentum Group is 16 June 2017. Provided that the shareholders of B&B TOOLS at the extraordinary general meeting of shareholders on 14 June 2017 resolve in accordance with the board proposal, registered shareholders of B&B TOOLS will thus receive shares in Momentum Group through the Distribution on 16 June 2017. The last day of trading in B&B TOOLS' shares including the right to distribution of shares in Momentum Group is 14 June 2017.

RECEIPT OF SHARES

Provided that the shareholders of B&B TOOLS at the extraordinary general meeting of shareholders on 14 June 2017 resolve in accordance with the proposal of the board of directors of B&B TOOLS to distribute all of B&B TOOLS'

shares in Momentum Group to the shareholders of B&B TOOLS, the shareholders of B&B TOOLS recorded in the shareholders' register maintained by Euroclear on the record date will receive shares in Momentum Group without taking any action. Shares in Momentum Group will be available in the securities account of participating shareholders on or about 20 June 2017. Euroclear will then distribute a notification with information about the number of shares registered in the recipient's securities account. Anyone who is entitled to take part in the Distribution by other means is requested to follow the instructions, where applicable, communicated separately by Euroclear in conjunction with the record date.

Nominee-registered shareholding

Shareholders whose holdings in B&B TOOLS are registered in the name of a nominee at a bank or other nominee will not receive an issue statement from Euroclear. The notification will instead be made in accordance with the routines of each respective nominee.

LISTING

The board of directors of Momentum Group has applied to list the Company's class B shares on Nasdaq Stockholm. Nasdaq Stockholm's listing committee resolved on 19 May 2017 to admit Momentum Group's class B shares to trading on Nasdaq Stockholm subject to customary conditions, including that the distribution requirement for the Company's shares is fulfilled by the listing date at the latest. Trading on Nasdaq Stockholm is scheduled to begin as of 21 June 2017. The Company's ticker on Nasdaq Stockholm will be MMGR B. The ISIN code for Momentum Group's class B shares will be SE0009922305. Momentum Group does not intend to apply for admission to trading for Momentum Group shares on any other stock exchange or marketplace than Nasdaq Stockholm. In addition, Momentum Group does not intend to register shares in accordance with the U.S. Securities Act or any other foreign equivalent, or take any other measures that could entail that Momentum Group is subject to periodic reporting requirements from the US Securities and Exchange Commission.

RIGHT TO DIVIDEND

Shares in Momentum Group entitle the holder to receive a dividend on the first record date for a dividend occurring after the completion of the Distribution and for all subsequent periods, provided a dividend is paid. Payment of any dividend will be administered by Euroclear or, for nominee-registered holdings, in accordance with the routines for each nominee. Refer also to the section *Dividends and dividend policy*.

- 1) The decision will be announced in a press release immediately following the general meeting of shareholders on 14 June 2017.
- 2) Under Swedish law and B&B TOOLS' articles of association, there are no special rights for shareholders who vote against the distribution proposal at the B&B TOOLS' general meeting of shareholders (known in the US as dissenters' rights). If shareholders representing at least 50 percent of the votes cast vote in favour of the proposal, the decision binds all shareholders of B&B TOOLS, including shareholders who vote against the proposal, and all shareholders of B&B TOOLS will, as a result, receive shares in Momentum Group.

PRESIDENT'S STATEMENT

Dear future shareholder,

The preparations for a separate listing of Momentum Group have been under way for over a year. The past year has included numerous activities in our operations focused on separating the Group's joint functions, mainly related to logistics, IT and finance, which were shared between the B&B TOOLS Group's two operating segments. With this work completed, the board of directors of B&B TOOLS believes that Momentum Group is now ready for its own listing on Nasdaq Stockholm. This belief stems from the knowledge that in addition to favourable market positions with competent and dedicated employees, Momentum Group has a competitive platform for continued long-term profitable growth.

When I became President & CEO of B&B TOOLS in November 2012, profitability in the subsidiaries that now form Momentum Group varied significantly. The earnings performance for certain operations, such as Momentum Industrial, was and remains strong, while the performance of TOOLS Sweden in particular was unsatisfactory. With a return to a decentralised strategy with a clear personal responsibility for each profit unit, in line with the group's tried and tested corporate philosophy, we have since made a dedicated effort involving both earnings and growth-enhancing measures in various parts of the business. Profitability in Momentum Group has gradually improved despite the relatively weak economic situation in Sweden and the decline in the oil and gas industry in Norway in recent years. Over time, the purchasing behaviour of customers has changed and the importance of traditional stores for resellers has decreased, with a smaller share of sales now taking place "over the counter". We see favourable opportunities for continued change and improvements.

Within TOOLS, a profitability improvement program was launched in the autumn of 2016. The measures are robust and include, among other things, a highly customised store network, strengthened digital sales channels, improved product range coordination and the construction of an own central warehouse. The measures are based on our focus on satisfying customers' needs with competitive products and services in an efficient manner. In order to accelerate and strengthen the development, the results for the 2016/2017 financial year were charged with restructuring costs relating to these measures. At the same time, we are continuing our development of Momentum Industrial as a leading business partner to the Swedish industry. This is expected to lead to substantial improvements in the profitability of the entire Momentum Group in the years ahead.

As an independent company, with a focus on decentralised responsibility, simplicity and a will to improve ("better than yesterday"), we are now creating even better conditions for our subsidiaries to develop and strengthen their profitability through an improved customer offering, enhanced competitiveness and greater responsibility for the development of all of their business-critical processes within their offerings, purchasing and logistics. TOOLS will continue to work together with its current suppliers within Bergman & Beving (B&B TOOLS) on a commercial basis, but as independent customers and suppliers.

With a sense of great confidence, I personally look forward to the planned split of the B&B TOOLS Group into two independent, listed companies and I am convinced that the investments we have made will generate a positive return in the future. With a healthy financial position in terms of its cash flow and balance sheet, we have the right pre-requisites to ensure the long-term profitable growth of Momentum Group through both organic growth and acquisitions.

Overall, Momentum Group has an established offering, and effective subsidiaries with experienced employees. As we enter the stock exchange, we do so from a position as a leading supplier of industrial consumables and components – as well as services and maintenance – to professional end users in the Nordic industrial and construction sectors.¹⁾ Momentum Group combines the strength of a large company with the commitment, local availability and business acumen of an entrepreneur and with a long-term perspective. We will constantly strive toward our vision to be the best choice for customers with competitive products and services. We look forward to continuing our journey together with you as future shareholders in Momentum Group.

Stockholm, 5 June 2017

Ulf Lilius

President & CEO Momentum Group AB (publ)

1) Based on Momentum Group's assessment.

MARKET OVERVIEW

This Prospectus contains specific industry and market-related information pertaining to Momentum Group’s operations and the markets in which Momentum Group is active. Wherever certain information in this section is not followed by a source reference, the information in question has been retrieved from internal sources, mainly in the form of the Company’s own market analyses. This Prospectus also includes certain market and industry related information provided by external sources from third parties. Although the information has been presented correctly and the Company considers the sources to be reliable, the Company has not independently verified the information and as such can not guarantee its accuracy or completeness. However, as far as Momentum Group is aware and is able to ascertain by way of comparison with other information published by these sources, no information has been omitted in a way that would render the information presented incorrect or misleading. The information in this section contains estimates relating to future market developments and other forward-looking information. Forward-looking information does not represent a guarantee concerning future results or developments, and actual events and financial results may differ considerably from the content of such statements.

MARKET OVERVIEW

Momentum Group is, according to the Company’s assessment, one of the leading resellers of industrial consumables and industrial components – as well as services and maintenance – to professional end users in the industrial and construction sectors in the Nordic region. The majority of Momentum Group’s sales are made to customers in Sweden, Norway and Finland, which are defined as the Group’s main markets. Industrial consumables comprise such products as hand tools, machinery, personal protective equipment, fastening elements and workplace equipment. These

products mainly target the employees of end customers in the market. Industrial components mainly comprise spare parts for customers’ production equipment, including bearings, seals, transmission, automation and workplace equipment. Related services include logistics solutions, inventory optimisation, more efficient maintenance planning and repair services.

According to Momentum Group’s assessment, the Group’s main market for industrial consumables and industrial components in Sweden, Norway and Finland is valued at approximately SEK 40–45 billion.¹⁾ Momentum Group is therefore estimated to hold a market share of approximately 12–14 percent, based on the Group’s revenue for the 2016/2017 financial year in relation to the Company’s assessment of the size of the market.

Overview of players in the market

The market for industrial consumables and industrial components consists of manufacturers, wholesalers, resellers of products and services, and end customers. The market is fragmented since there is generally a large number of product manufacturers, resellers and end customers of varying sizes.

End customers do not often have the ability to make cost-effective direct purchases from every manufacturer in the market. Similarly, manufacturers do not generally pursue a strategy of catering to all end customers in the market since they have trouble reaching the fragmented customer base in a cost-effective way. Resellers of products and services therefore act as a link between manufacturers and end customers. Resellers offer end customers cost-effective access to a wide range of products, advisory services and product maintenance, while also offering manufacturers cost-effective access to the end customers in the market.

OVERVIEW OF THE MARKET’S VALUE CHAIN



Source: Momentum Group

1) The Company’s assessment is based on Momentum Group’s own market analysis (in the form of inter alia internal market reports), as well as the published sales and market share of assessed competitors.

End customers

The end customers in the market for industrial consumables and industrial components can be divided into three overall sectors as well as other sectors: the industrial sector, the construction and civil engineering sector, and the public sector. The end customers in the market primarily consist of professional players and comprise everything from small and medium-sized local businesses to large international companies. The customer base is thus broadly fragmented in terms of both size and industry and has varying needs.

- ▶ **Industrial sector:** The products offered in the market for industrial consumables and industrial components are primarily targeted at end customers within the industrial sector. These customers operate within industrial segments such as the paper and pulp industry, the steel industry, the mining and mineral industry, the food industry, the automotive industry, the offshore industry and the fishing industry. Examples of product categories sold to customers in the industrial sector include hand tools, machinery, spare parts and components for customers' production, workwear and personal protective equipment. The customers in the industrial sector include both major international companies and smaller local players.
- ▶ **Construction and civil engineering sector:** The end customers in the construction and civil engineering sector primarily purchase consumables, such as consumable materials, workwear, personal protective equipment, hand tools and power tools. Customers in the construction and civil engineering sector include major property companies, customers in the civil engineering sector and major construction companies, but the sector mainly consists of smaller companies such as mobile craftsmen, sheet-metal workers and roofers.
- ▶ **Public sector:** End customers in the public sector primarily purchase supplies, particularly various types of consumables. The largest end customers in the public sector include municipalities and the armed forces in each country.
- ▶ **Other sectors:** The end customers in other sectors include for instance private customers and customers in the DIY segment. Tools and other consumable goods are the main items sold to these customers. The segment Other sectors also includes customers in the energy sector, agricultural sector, forest management sector and similar sectors.

Resellers of products and services

There are several different kinds of resellers, from small local specialists to large pan-Nordic players. Resellers represent a cost-effective link between manufacturers and end customers in the market, with most of them specialised in one or more different product segments since customers often request a relatively broad and deep product range and the option of choosing between many items within each product segment. Customers also often request advisory services and product maintenance. Many of the large and

more specialised resellers therefore offer end customers advise on product selection and provide maintenance of customers' existing products.

A significant share of the end customers in the market are relatively small, and purchasing of industrial consumables and industrial components for many of the larger end customers is handled locally instead of by central purchasing organisations. Receiving goods and managing deliveries of goods from a large number of different manufacturers is often time consuming and entails additional costs for customers. Momentum Group is also experiencing that customers to a larger extent is factoring in other peripheral costs, such as costs for disruptions to production following delivery of an incorrect product or delivery at the wrong time. Use of resellers who offer access to a product range with breadth and depth combined with fast and reliable delivery as well as advisory services surrounding product selection could therefore reduce end customers' total costs.

Wholesalers

The role of wholesalers in the value chain is to purchase goods from the manufacturer via import, for example, and then sell the products on via installers or resellers to end customers or, in certain cases, directly to end customers. The wholesalers often have large product assortments and a limited sales force, and therefore generally have a limited product awareness and ability to engage in proactive sales.

Manufacturers and suppliers

Manufacturers and suppliers produce goods from raw materials and components that are sold locally in the domestic markets or via exports in the global market. Manufacturers and suppliers often lack both the capacity and objective to cater to the fragmented customer base via direct sales, which is why they often sell their products to wholesalers and resellers who are able to serve a larger share of the market in a more cost-effective way.

MARKET DRIVERS

Demand for industrial consumables and industrial components is primarily driven by the growth in end customers' markets. Growth is thus closely related to the development of the overall industrial production, the rate of investment in the construction and civil engineering sector, the number of employees in the industrial sector and the number of employees in the construction and civil engineering sector.

Growth in end customers' markets is in turn impacted by developments in the underlying economy and by factors such as GDP growth, interest rate levels and inflation.

Underlying macro factors

GDP growth

The Nordic countries have shown stable GDP growth over the past decade, the exception being 2009, which was negatively impacted by the financial crisis. Over the past decade, the Nordic countries have shown stronger GDP growth than the euro area as a whole and are expected to have a continued strong development during the 2017e–2018e forecast period.¹⁾

1) OECD.

Sweden is expected to continue to have a strong average annual GDP growth of 4.5 percent per year during the 2017e–2018e forecast period, as a result of the Swedish Riksbank’s expansive monetary policy.²⁾ In Norway, average annual GDP growth is expected to improve during the 2017e–2018e forecast period and amount to 2.7 percent per year, driven by higher levels of private consumption as a result of low interest rates, financial and monetary policy support as well as a recovery in investments outside the oil

sector.¹⁾ In Finland, the average annual GDP growth rate is expected to amount to 1.6 percent during the 2017e–2018e forecast period, driven by stronger domestic demand at the beginning of the forecast period, higher investments primarily in the construction sector as well as increased exports as a result of improved competitiveness.¹⁾

The table below shows both the historical and forecasted nominal GDP growth in the Company’s main markets and the euro area for the period 2012–2018e.

Indexed (2012=100)	2012	2013	2014	2015	2016	2017e	2018e	CAGR 12–16	CAGR 16–18e
Sweden	100.0	102.3	106.9	113.3	118.5	123.9	129.4	4.3 %	4.5 %
Norway	100.0	103.6	105.9	105.1	104.1	106.4	109.7	1.0 %	2.7 %
Finland	100.0	101.8	102.8	104.7	106.9	108.3	110.3	1.7 %	1.6 %
The euro area ¹⁾	100.0	101.0	103.1	106.2	109.1	112.1	115.4	2.2 %	2.9 %

1) The euro area includes Belgium, Estonia, Finland, France, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Slovakia, Slovenia, Spain, Germany and Austria. Source: OECD (2017), Nominal GDP forecast (indicator). Gross domestic product stated in nominal terms.

Interest rates and inflation

The repo rate (also referred to as the key interest rate) is a central monetary policy tool that affects a country’s market rates, meaning the interest rates faced by companies and private individuals. The state of the Nordic economies is greatly affected by events in the global economy, whose recovery is expected to continue at a moderate pace in the coming period. The Swedish Riksbank, Norges Bank (Norway’s central bank) and the European Central Bank (ECB), which takes decisions on Finnish monetary policy,

have all pursued an expansive monetary policy since the end of the financial crisis in order to achieve each central bank’s inflation target. Overall, these measures are deemed to have had a positive effect on each country’s economic development.¹⁾

The table below shows both the historical repo rate for Sweden, Norway and the euro area, including Finland, for the period 2012–2016 as well as the historical ten-year government bond rate for Sweden, Norway and Finland for the period 2012–2016.

Repo rate

Country	2012	2013	2014	2015	2016
Sweden	1.00	0.75	0.00	–0.35	–0.50
Norway	1.50	1.50	1.25	0.75	0.50
The euro area (incl. Finland)	0.75	0.25	0.05	0.05	0.00

Source: Macrobond

Ten-year government bond rate

Country	2012	2013	2014	2015	2016
Sweden	1.52	2.49	0.92	0.99	0.54
Norway	2.04	3.04	1.61	1.54	1.70
Finland	1.52	2.13	0.80	0.92	0.35

Source: Macrobond

1) Swedish Riksbank, Norges Bank and ECB Europe.

2) Swedish Riksbank.

Industry-specific factors driving market growth

Industrial sector

An important driver of demand for industrial consumables and industrial components is the activity within the industrial sector, particularly factors such as industrial production, industrial order intake and the number of employees in the industrial sector. Demand for industrial consumables in the industrial sector is primarily driven by the number of employees in the sector, since the majority of products are targeted to those employees, for example, workwear, personal protective equipment, consumables and tools. Demand for industrial components in the industrial sector is primarily driven by the industrial production and industrial order intake, since higher industrial production leads to a greater need for product repair and maintenance.

Industrial Production Index (IPI) and industrial order intake
Industrial production increased at a rapid pace in Sweden in 2015, but showed a somewhat weaker rate of development in 2016. The cumulative trend for industrial production increased by approximately 1.9 percent in 2016

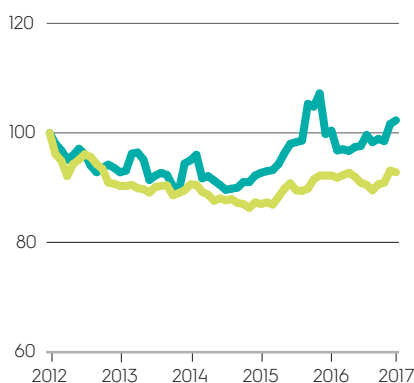
compared with the preceding year. The industrial sector's total cumulative order intake was largely unchanged in 2016, decreasing by -0.1 percent compared with the preceding year. Overall, industrial companies are reporting a strong order intake, principally in domestic markets, increasing production volumes and a consistently strong trend according to the confidence indicators of the manufacturing industry.¹⁾

In Norway, cumulative industrial production decreased by approximately -1.6 percent in 2016 compared with the preceding year. Cumulative order intake decreased by approximately -11.1 percent during the same period. This decrease was mainly due to a reduction in both industrial production and order intake from companies related to the oil and gas sector.²⁾

In Finland, cumulative industrial production increased by approximately 2.1 percent in 2016 compared with the preceding year. Cumulative order intake decreased by approximately -5.8 percent in 2016 compared with the preceding year.³⁾

INDUSTRIAL PRODUCTION INDEX AND INDUSTRIAL ORDER INTAKE IN SWEDEN

Seasonally adjusted monthly values levelled out using three-month moving average (index 2012=100)

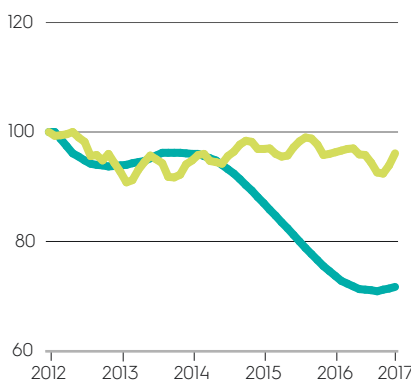


— Industrial Production Index (IPI)
— Industrial order intake

Source: Statistics Sweden

INDUSTRIAL PRODUCTION INDEX AND INDUSTRIAL ORDER INTAKE IN NORWAY

Seasonally adjusted monthly values levelled out using three-month moving average (index 2012=100)

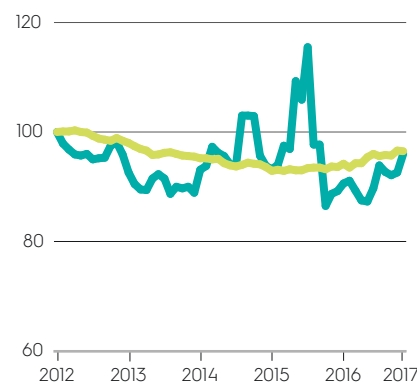


— Industrial Production Index (IPI)
— Industrial order intake

Source: Statistics Norway

INDUSTRIAL PRODUCTION INDEX AND INDUSTRIAL ORDER INTAKE IN FINLAND

Seasonally adjusted monthly values levelled out using three-month moving average (index 2012=100)



— Industrial Production Index (IPI)
— Industrial order intake

Source: Statistics Finland

1) Statistics Sweden.
2) Statistics Norway.
3) Statistics Finland.

Number of employees in the industrial sector

The number of employees in the industrial sector in Sweden, Norway and Finland totalled approximately 1.1 million people in 2016, a decrease of –1.4 percent compared with the preceding year. The number of employees in the industrial sector in Sweden decreased by approximately –1.0 percent in 2016, amounting to approximately 556,000 people. The number of employees in the industrial sector in Norway decreased by –4.0 percent, amounting to approximately 217,000 people. The number of employees in the

industrial sector in Finland decreased by –0.3 percent, amounting to approximately 327,000 people.

Momentum Group’s assessment is that there is a greater tendency for companies in the industrial sector to use services companies since this gives them greater flexibility. The reduction in the number of employees in the industrial sector can thus be partially explained by an increase in the number of employees in staffing agencies and services companies.

Number of employees in the industrial sector

	2012	2013	2014	2015	2016
Sweden	587,400	574,600	560,600	561,600	555,800
% change	–2.7 %	–2.2 %	–2.4 %	0.2 %	–1.0 %
Norway	238,000	228,000	228,000	226,000	217,000
% change	0.4 %	–4.2 %	0.0 %	–0.9 %	–4.0 %
Finland	357,000	350,000	331,000	328,000	327,000
% change	–0.8 %	–2.0 %	–5.4 %	–0.9 %	–0.3 %
Total	1,182,400	1,152,600	1,119,600	1,115,600	1,099,800
% change	–1.5 %	–2.5 %	–2.9 %	–0.4 %	–1.4 %

Source: Labour Force Surveys from Statistics Sweden for Sweden, Statistics Norway for Norway and Statistics Finland for Finland.

Construction and civil engineering sector

Another important driver of demand for industrial consumables and industrial components is activity within the construction and civil engineering sector, particularly factors such as the rate of investment in construction and the number of employees in the construction sector. Based on the Company’s assessment, customers in the construction and civil engineering sector primarily demand products within the industrial consumables segment, such as consumable goods, workwear, personal protective equipment and hand tools.

The construction and civil engineering sector can be divided into three segments: housing, commercial properties and facilities (public-sector properties and infrastructure, such as roads, bridges, tunnels, railways and tramways). The construction and civil engineering sector in Sweden, Norway and Finland has developed strongly, amounting to a total of approximately SEK 1,100 billion in 2016, an increase of approximately 7.4 percent compared with the preceding year.¹⁾ Growth was mainly driven by investments in housing in Sweden, which in turn were driven by a high rate of new housing construction as a result of low interest rates and favourable access to financing, although commercial properties in Finland and facilities in Norway also contributed to the upturn.²⁾

1) The Swedish Construction Federation, the Federation of Norwegian Construction Industries (BNL) market report no. 2, 2016, Statistics Finland.
 2) The Swedish Construction Federation.

Sweden

Construction investments in Sweden amounted to approximately SEK 451 billion in 2016, an increase of 10.3 percent compared with the preceding year. Construction investments are expected to increase by approximately 8.1 percent in 2017e and 1.3 percent in 2018e. Growth in 2016 was mainly driven by investments in housing, which increased by 17.1 percent and are expected to increase by 15.8 percent in 2017e, before falling by -1.5 percent in 2018e. The growth is primarily driven by a high rate of new housing construction as a result of the high population growth rate.¹⁾

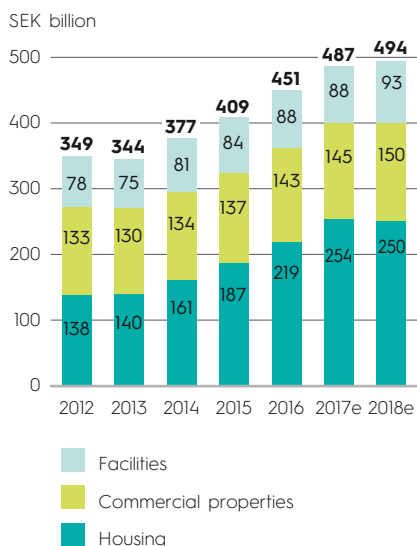
Norway

Construction investments in Norway amounted to approximately SEK 432 billion in 2016, an increase of 4.2 percent compared with the preceding year. Construction investments are expected to increase by 2.2 percent in 2017e and a further 4.0 percent in 2018e. Growth is mainly being driven by increased investments in facilities, which rose by 10.9 percent in 2016 and are expected to increase by 6.2 percent in 2017e and 9.0 percent in 2018e. This growth is primarily being driven by greater political investment in facilities and infrastructure.²⁾

Finland

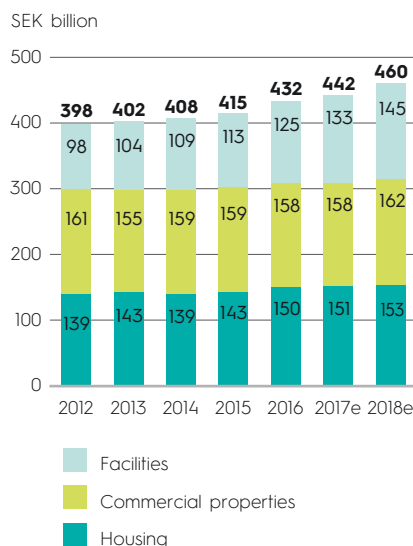
Construction investments in Finland amounted to approximately SEK 223 billion in 2016, an increase of 8.1 percent compared with the preceding year. This growth was mainly driven by a high rate of investment in new housing and commercial property construction, which increased by 9.1 and 9.2 percent, respectively.³⁾

CONSTRUCTION INVESTMENTS IN SWEDEN, DISTRIBUTED BY AREA (SEK BILLION, FIXED PRICES FROM 2015)



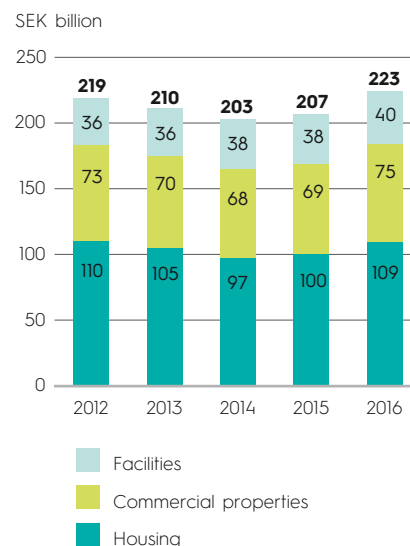
Source: The Swedish Construction Federation, Byggnkonjunkturen report

CONSTRUCTION INVESTMENTS IN NORWAY, DISTRIBUTED BY AREA (SEK BILLION, FIXED PRICES FROM 2015)



Source: The Federation of Norwegian Construction Industries (BNL) market report no. 2, 2016. NOK/SEK exchange rate of 1.0554 at 31 December 2016

CONSTRUCTION INVESTMENTS IN FINLAND, DISTRIBUTED BY AREA (SEK BILLION, FIXED PRICES FROM 2010)



Source: Statistics Finland. EUR/SEK exchange rate of 9.5820 at 31 December 2016

1) The Swedish Construction Federation, Byggnkonjunkturen report.
 2) The Federation of Norwegian Construction Industries (BNL) market report no. 2, 2016.
 3) Statistics Finland.

Number of employees in the construction and civil engineering sector

The number of employees in the construction and civil engineering sector in Sweden, Norway and Finland increased by 3.9 percent in 2016, amounting to approximately 709,000 people. Demand for labour is expected to remain high as a result of the strong trend seen in the construction and civil engineering sector. The number of

employees in the construction sector in Sweden increased by 5.5 percent in 2016, amounting to approximately 325,000 people. The number of employees in the construction sector in Norway remained unchanged in 2016, amounting to approximately 206,000 people. The number of employees in the construction sector in Finland increased by 6.0 percent in 2016, amounting to approximately 178,000 people.

Number of employees in the construction and civil engineering sector

	2012	2013	2014	2015	2016
Sweden	312,300	310,800	310,800	308,000	324,800
% change	2.5 %	-0.5 %	0.0 %	-0.9 %	5.5 %
Norway	194,000	197,000	201,000	206,000	206,000
% change	2.1 %	1.5 %	2.0 %	2.5 %	0.0 %
Finland	175,000	176,000	169,000	168,000	178,000
% change	-0.6 %	0.6 %	-4.0 %	-0.6 %	6.0 %
Total	681,300	683,800	680,800	682,000	708,800
% change	1.6 %	0.4 %	-0.4 %	0.2 %	3.9 %

Source: Labour Force Surveys from Statistics Sweden for Sweden, Statistics Norway for Norway and Statistics Finland for Finland.

Public sector

End customers in the public sector mainly consist of municipalities and the armed forces, which primarily demand industrial consumables such as workwear, personal protective equipment and tools. The underlying demand for industrial consumables in the public sector is driven mainly by political decisions as well as municipal and defence budgets. The high level of immigration seen over the past few years, political decisions taken in the defence sector and investments in state infrastructure maintenance are all factors that have influenced demand. For example, the Swedish government is allocating more resources to the defence sector, deciding on 2 March 2017 to reactivate enlistment and basic training by way of military service in Sweden.¹⁾ In addition, the government has reinforced Swedish defence spending.²⁾ Momentum Group’s assessment is that increased investments in the defence sector in Sweden and other countries will likely result in higher demand for industrial consumables within the defence sector.

OTHER FACTORS THAT AFFECT DEMAND

Greater focus on health, environment and safety at the workplace

Another important driver of demand for industrial consumables and industrial components is, based on the Company’s assessment, a greater focus among customers on health, environment and safety at the workplace. Momentum Group has noted that customers are becoming increasingly informed about work environment and safety regulations. According to the Swedish Work Environment Authority, an employer should take every step required to prevent its

employees from being exposed to harmful conditions or accidents at the workplace. It is also the employer’s responsibility to ensure that machinery, equipment, personal protective equipment and other technical devices are maintained properly.³⁾

The company’s assessment is that increased focus on safety and workplace conditions is driving greater demand for protective clothing and workwear along with advisory services and products linked to safety-enhancing improvements in the work environment, such as ergonomics, noise and other harmful environments. It is also difficult for customers to possess all of the necessary expertise related to safety and work environment regulations and all of the products required, which explains why Momentum Group has noted increasing demand among customers for specialist expertise, advisory services and training in these areas.

FACTORS THAT AFFECT THE CUSTOMER’S CHOICE OF RESELLER

In addition to the factors that affect demand in the market for industrial consumables and industrial components, there are, based on the Company’s assessment, a number of overriding factors that affect the customer’s choice of reseller. The company believes these factors can be summarised as follows: availability in the form of a product range with breadth and depth, efficient supply, and a local presence combined with specialist expertise and advisory services within selected services and product areas – competitive advantages that, according to the Company, often favour larger and more established market participants.

1) The Swedish government.
 2) The Swedish government – “Försvarsinriktning – Sveriges försvar 2016–2020”.
 3) The Swedish Work Environment Authority.

A product range with breadth and depth

Offering a product range with breadth and depth involves having a carefully selected range of high-quality products within all product segments. A broad and deep product range increases customers' options and reduces the need for using several different product manufacturers and resellers. Generally speaking, this saves time, simplifies customers' purchasing processes and results in a lower overall cost for the end customer. Major resellers tend to benefit from economies of scale relating to purchasing, inventories, logistics and sales, and thus have the option to maintain a more comprehensive product range compared with smaller players.

Value-adding services

Another factor that affects the customer's choice of reseller is the reseller's ability to offer customers adapted solutions that combine a broad and deep product range with maintenance, advisory services and specialist expertise within selected services and product areas. Resellers offer customers help with choosing products, advice relating to the products and maintenance of customers' existing products. Examples of value-adding services include round-the-clock service, licence checks and monitoring, inventory optimisation and advisory services relating to the prevention of workplace-related risks among customers. These types of customer-adapted solutions help customers enhance their efficiency and profitability. As products become more complex and specialised, the Group is also seeing that there is a greater tendency among customers to use resellers with specialist expertise in specific areas in order to obtain advice about the products.

Additionally, the Company has noted that customers are increasingly aware that they need to factor in peripheral costs into their overall costs to cover contact with suppliers, ordering, goods handling and alternative costs that can arise if an incorrect or faulty solution is delivered. The Group's assessment is that this increase in cost-awareness among customers tends to benefit larger, established resellers in the market who are able to offer customer-adapted solutions and services that bring added value to the customer.

Availability and local presence

Good availability of products and services and an efficient logistics network that offers fast delivery and a high level of delivery reliability is, in the Company's assessment, one of the fundamental factors contributing to customer satisfaction and thus the customer's choice of reseller. A high level of delivery precision, with the right product being delivered to the right place at the right time, reduces disruptions to customers' production processes – processes that are often business-critical and whose disruption could lead to major additional costs for the customer.

Proximity to the customer by way of having a local presence is another important competitive factor. Local presence not only means proximity in the form of local sales outlets and sales organisations, but also local customer processing, service and an efficient logistics network with fast delivery. The importance of a local presence can be attributed to the general fragmentation of the customer base in the market. There are large local differences between the operations that form the customer base, in terms of both size and industry, and the customers therefore have highly diverse needs. The Company's assessment is that physical proximity to customers creates greater customer awareness and a better opportunity to adapt the offering based on customers' needs as well as greater flexibility since the resellers are able to quickly respond to and resolve unexpected situations. A local presence enables close customer relationships to be established, enhances knowledge of customers' needs and contributes to long-term relationships with customers.

Digital channels increase in importance

The importance of digital sales channels is increasing in terms of business-to-business (B2B) trade. An increasingly large share of B2B companies' sales take place through digital sales channels, which are seen as an important complement to traditional sales channels. More and more purchases are being initiated via digital elements and digital sales channels are expected to have a considerably higher rate of growth than traditional channels in the future. A majority of all B2B companies in Sweden have some form of digital sales, with larger companies generally being more active in digital trading.¹⁾

By offering customers an omnichannel solution, whereby digital sales channels such as e-commerce, apps, information on websites, etc. are added to traditional sales channels, customers are given greater freedom and flexibility to choose the channel that suits their needs best. Omnichannel solutions also include digital service and support for customers via the Internet and mobile apps, such as product information, product catalogues and installation instructions. Momentum Group's assessment is that this trend primarily benefits established players in the market who can offer a flexible omnichannel solution combined with service, advisory services and an extensive logistics and distribution networks that ensures fast and reliable product delivery.

1) Litium, Svensk B2B handel 2016.

COMPETITIVE SITUATION

The market for industrial consumables and industrial components is relatively fragmented. Momentum Group’s assessment is that the market is undergoing a consolidation as a result of customers increasingly striving to limit their number of product manufacturers and resellers and instead initiate closer collaboration with selected resellers in order to jointly develop the value chain, thereby reducing the total cost for purchasing, stock-keeping, administration and tied-up capital.




Momentum Group’s main competitors

Momentum Group’s main competitors in terms of industrial consumables and industrial components differ depending on the geographical market area. The players that

Momentum Group deems to be its main competitors consist of companies active in one or both of the Group’s business areas. In view of Momentum Group’s strong local presence, there are also a number of small or specialised competitors within specific product and market areas or geographical segments.

The Nordic market is generally fragmented, with Ahlsell representing the only major competitor operating in all of Momentum Group’s primary markets. The competitors Würth, Sverull ElektroDynamo and Brammer (particularly within industrial components) also operate in the Swedish market. Momentum Group’s competitors in Norway include Tess, Würth, Ahlsell, Albert E Olsen and Brammer, while competitors in Finland comprise Würth, Etra and Ahlsell.

MOMENTUM GROUP’S MAIN COMPETITORS BY COUNTRY

Sweden 	Norway 	Finland 
Ahlsell Würth Sverull ElektroDynamo Brammer	Tess Würth Ahlsell Albert E Olsen Brammer	Würth Etra Ahlsell

Source: Momentum Group

BUSINESS OVERVIEW

INTRODUCTION

Momentum Group is, according to the Company's assessment, one of the leading resellers of industrial consumables and components as well as services and maintenance to professional end users in the industrial and construction sectors in the Nordic region. The Group comprises six operating areas organised under two business areas: Tools & Consumables and Components & Services.

The Tools & Consumables business area comprises TOOLS Sweden, TOOLS Norway, TOOLS Finland and Mercus Yrkeskläder. The subsidiaries focus on the sale of tools, personal protective equipment and other consumables to the industrial and construction markets. The companies have a widespread network of approximately 120 local sales outlets in Sweden, Norway and Finland. The Components & Services business area comprises Momentum Industrial and Gigant, which primarily focus on the sale of spare parts for customers' production and workplace equipment primarily to customers in the industrial sector.

In order to be the best choice for customers, Momentum Group provides a broad and deep range of selected products, training programmes, specialist expertise and advisory, and service within the customer segments in which the companies choose to operate. Momentum Group also has separate focus areas to help the customers prevent and eliminate specific risks in their operations, such as improved occupational health and safety (for example, TOOLS and Gigant's "Occupational Health & Safety – OHS" offering) and better operational reliability with a maximum number of production hours (using Momentum Industrial's focus on "Sustainable production").

Momentum Group's offering is built on customised solutions and specialised advisory services within each subsidiary's product areas coupled with local presence, high availability and fast, reliable deliveries. Momentum

Group has established a strong local presence in its main markets and strives for local market leadership in those locations where the Group operates. Momentum Group believes that a local presence gives the Group a competitive advantage over other market players and helps to both create long-term relationships with customers and provide good insight into their needs.

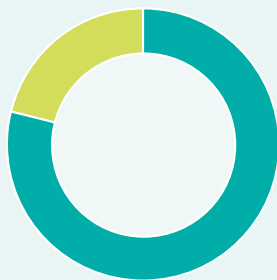
Momentum Group has a decentralised organisation, wherein business decisions are made in close proximity to customers and suppliers. Within the framework of the Group's vision, business concept, strategic goals and guidelines, operating activities are conducted independently within the subsidiaries with accountability for earnings and profitability. This allows greater flexibility to adapt the offerings to customers' needs. Through the total size of Momentum Group, the subsidiaries are supported by the large company's resources, experience, expertise, contact networks and access to the capital markets. There is also a continuous collaboration and sharing of experience between the subsidiaries in order to establish best practices.

Momentum Group's customers can be divided into three general sectors and the segment "Other". The industrial sector accounted for approximately 60 percent of the Group's revenue during the 2016 calendar year, the construction and civil engineering sector for approximately 15 percent, the public sector for approximately 10 percent and other sectors for approximately 15 percent.

During the 2016/2017 financial year, Momentum Group's revenue amounted MSEK 5,411 and adjusted operating profit¹⁾ to MSEK 193, corresponding to an adjusted operating margin of 3.6 percent. Operating profit (including items affecting comparability) amounted to MSEK 65, corresponding to an operating margin of 1.2 percent.

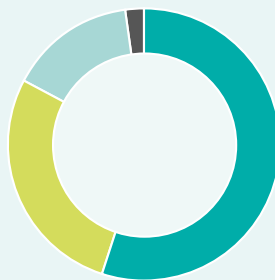
1) Operating profit adjusted for items affecting comparability. See the section *Condensed financial information*.

ALLOCATION OF REVENUE PER BUSINESS AREA, 2016/2017¹⁾



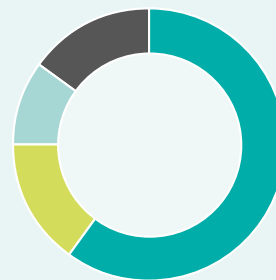
■ Tools & Consumables, 79%
■ Components & Services, 21%

ALLOCATION OF REVENUE PER GEOGRAPHIC LOCATION, 2016/2017²⁾



■ Sweden, 55% ■ Finland, 15%
■ Norway, 28% ■ Other, 2%

ALLOCATION OF REVENUE PER CUSTOMER SEGMENT R12 31 DEC 2016³⁾



■ Industrial sector, 60%
■ Construction and civil engineering sector, 15%
■ Public sector, 10%
■ Other sectors, 15%

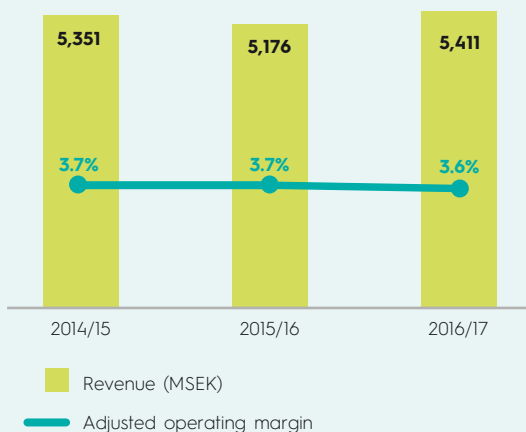
MOMENTUM GROUP'S ORGANISATION AND SUBSIDIARIES

Tools & Consumables	Components & Services

SELECTION OF PRODUCTS AND SERVICES

Occupational Health & Safety
<p>Sustainable production</p>

REVENUE AND ADJUSTED OPERATING MARGIN⁴⁾, 2014/2015–2016/2017⁵⁾



- 1) Refers to the proportion of external revenue. The information is derived from the table "Revenue and number of employees per operating segment" in the section *Condensed financial information*. The information has not been audited by Momentum Group's auditors.
- 2) Based on customers' domiciles. The information is derived from the table "Information per geographic area" in the section *Condensed financial information*. The information has not been audited by Momentum Group's auditors.
- 3) Refers to the proportion of external revenue for the calendar year 2016, rounded to the nearest five percent. The information is derived from the Company's internal reporting system and has not been audited by Momentum Group's auditors.
- 4) Adjusted operating margin (operating profit adjusted for items affecting comparability) as a percentage of revenue. For definitions and explanations of key performance measures, see the section *Condensed financial information*.
- 5) The information is derived from the table "Alternative performance measures" in the section *Condensed financial information*. The information has not been audited by Momentum Group's auditors.

VISION, BUSINESS CONCEPT, OVERALL STRATEGY AND FINANCIAL TARGETS

Vision – “The best choice for customers”

“The best choice” means that:

- ▶ Momentum Group’s subsidiaries focus on understanding customer needs and, based on the situation and special needs involved, offer an optimum solution of products and services for the customer.
- ▶ Momentum Group focuses on being the best, not necessarily the cheapest. This signals that the Group’s operations are premium suppliers with a high level of expertise that differentiate themselves from other suppliers through various customer value advantages.
- ▶ Momentum Group’s subsidiaries aim to achieve market leadership by being perceived among customers as the best choice.

Remaining “the best choice for customers” and a leading player in tomorrow’s market requires a long-term, profitable business. This in turn requires that Momentum Group offer popular and competitive products and services, sustainable values, expertise, and the capability and resources for continuous development.

Business concept – “Momentum Group aims to make its customers’ everyday operations easier, safer and more profitable”

Momentum Group acquires and develops Nordic companies that focus on trade and services within developable industrial niches. The focus is on profitable companies in leading positions that make the customers’ everyday operations easier, safer and more profitable.

It is crucial for Momentum Group’s customers to have a high profitability within their operations. The Group’s subsidiaries sell quality products and related services that create customer value throughout their entire services life. By doing so, Momentum Group makes the customers’ everyday operations easier, safer and more profitable.

Overall strategy – “Value rather than price as a competitive advantage”

To attain Momentum Group’s internal profitability target of P/WC¹⁾ of at least 45 percent, all units in the Group must offer their customers an optimal total economy (minimum total cost) through solutions backed by a high level of expertise (customer value advantage). To be able to offer this to customers while also maintaining their own profitability, Momentum Group’s businesses must work on the basis of maximum efficiency and cost awareness – and continuously strengthen their competence and experience so that the Group can operate more efficiently than its competitors (cost advantage).

Accordingly, another crucial strategy is to limit costs in areas in which Momentum Group is not one of the leading players in the market – for example, by working with a limited offering, restricted marketing, specialised sales or working solely with selected customers. By this means, Momentum Group can meet selected customer requirements in a cost-efficient manner.

A focus on sustainability permeates all of Momentum Group’s operations – from procurement and logistics to sales – and the Group has a number of overall policies and guidelines for such areas as the environment, quality and social responsibility. Customers today demand that suppliers take a responsible approach to production and develop long-term, sustainable products. Momentum Group aims to have a positive impact on customers and suppliers, which contributes to them making decisions that benefit all parties. Momentum Group helps its customers to achieve their goals by identifying customers’ needs and offering them a profitable solution comprising qualitative products and services.

FINANCIAL TARGETS

Ahead of the Listing on Nasdaq Stockholm, Momentum Group’s board of directors has adopted the following financial targets and dividend policy:

Earnings growth: The Group aims to achieve earnings growth (operating profit) of at least 15 percent annually over a business cycle.

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

Dividend policy: 30–50 percent of earnings per share annually over a business cycle. In determining the dividends to be paid, the board of directors of Momentum Group takes into consideration investment requirements and other factors considered important by the Company’s board of directors.

Momentum Group’s internal profitability target, that every unit in the Group is to achieve profitability of at least 45 percent, measured as operating profit (P) in relation to utilised working capital (WC), encourages high operating profit and low tied-up capital, which – combined with the Group’s growth target of 15 percent – enables a positive cash flow and provides the conditions for profitable growth. Having a P/WC of at least 45 percent helps finance the Group’s future development as well as the shareholders’ return requirement. Each unit is also responsible for establishing its own business plans, which are then broken down into tangible action plans for the individual employee based on the profitability level achieved measured in P/WC. Profitable units are to prioritise growth while maintaining their profitability, while less profitable areas are to prioritise activities that lead to increased profitability. This has been a key part in the gradual strengthening of P/WC over time.

ORGANISATION

Business School and skills development

Momentum Group’s focus on various forms of employee development are expected to contribute to continued positive development for the Group. The ongoing skills and performance development of the employees mainly occurs at subsidiary level through various types of targeted training programmes in such areas as management development, value-based sales and performance development. The

1) (P/WC) refers to the return (adjusted operating profit, P) on working capital (WC) defined as inventories plus accounts receivable less accounts payable.

Group’s joint Business School provides employees with training in Momentum Group’s corporate culture and business acumen. It is the Group’s ambition that all employees will, over time, attend Momentum Group’s Business School.

Employees

Momentum Group aims to have satisfied employees. An objective for the Group is to work in the best interests of new and existing employees by offering a healthy work environment, opportunities for skills and performance development, and attractive and competitive terms and conditions. Momentum Group will regularly conduct employee surveys designed to find out what employees

think of the Group as an employer, the work climate and leadership. The Group’s operations are conducted with high requirements imposed on integrity and ethics in accordance with a number of policies and guidelines. Momentum Group also has a whistleblower function which reinforces efforts within these areas.

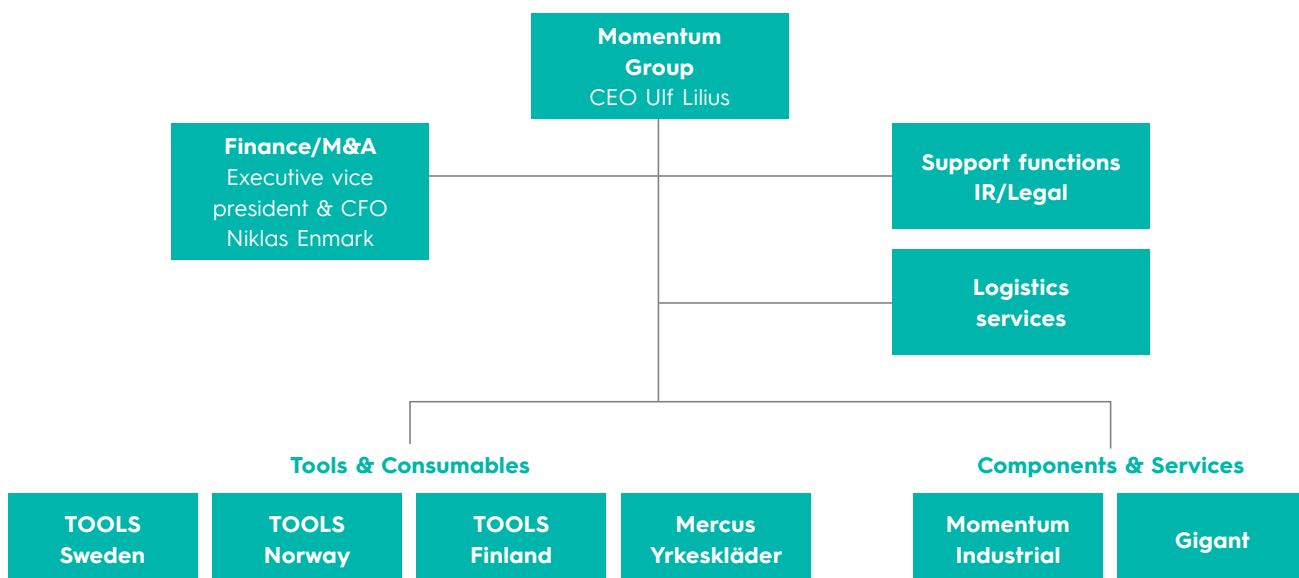
At the end of the 2016/2017 financial year, the number of employees in the Group amounted to 1,620, compared with 1,573 at the beginning of the year. The change is primarily attributable to acquisitions and the establishment of in-house functions for logistics and central warehouses. The average number of employees amounted to 1,576 during 2016/2017.

Employees	2016/2017	2015/2016	2014/2015
Average no. of employees	1,576	1,602	1,633
Number of employees at year-end	1,620	1,573	1,618
Number of employees within the Tools & Consumables business area at year-end	1,168	1,197	1,244
Number of employees within the Components & Services business area at year-end	376	376	374
Number of employees within Group functions and the Company’s logistics operations at year-end	76	–	–

Governance and organisational structure

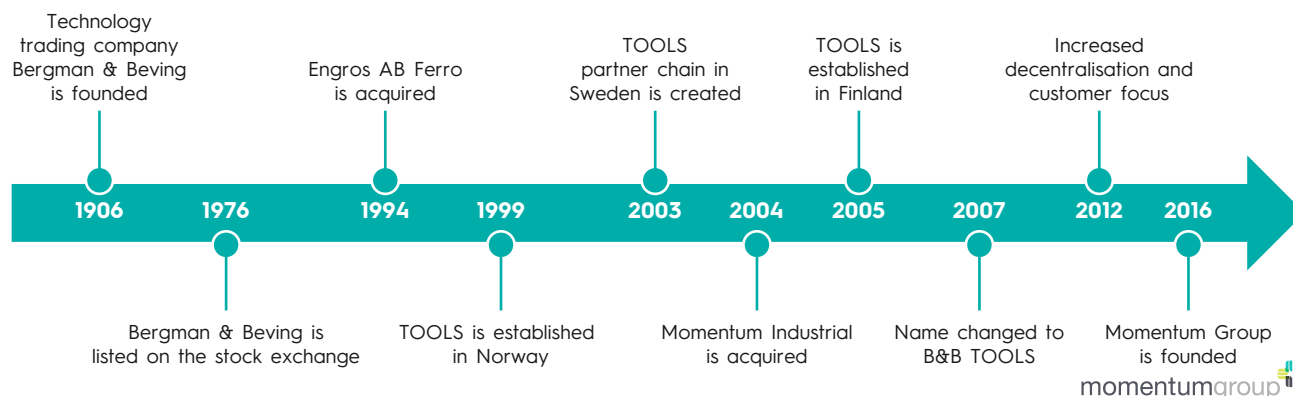
Momentum Group’s organisation is divided into two business areas: Tools & Consumables and Components & Services, which in turn comprise four and two operating areas, respectively. Each operating area manager reports

directly to group management. The CEO for the Group’s logistics company also reports directly to group management. Group management comprises the president & CEO and the executive vice president & CFO.



MOMENTUM GROUP'S HISTORY

FROM ARVID AND FRITZ – TO MOMENTUM GROUP

**100 years of continual change**

Momentum Group stems from B&B TOOLS, and before that, Bergman & Beving – the culmination of a history spanning more than 100 years.

1906 – Bergman & Beving is founded

The Bergman & Beving trading company was established in 1906 by the engineers Arvid Bergman & Fritz Beving. They ventured into a new business concept: “An agency focusing on the import of technologically advanced industrial capital goods for Swedish industry”.

1976 – Bergman & Beving is listed on the stock exchange
Bergman & Beving was listed on the Stockholm Stock Exchange on 15 November 1976. At that time, the company posted annual revenue of approximately MSEK 150 and had more than 200 employees.

1994 – Acquisition of Engros AB Ferro

The foundation of the Group’s current operations was laid in 1994 through the acquisition of the Gothenburg-based trading group Engros AB Ferro – with its subsidiaries Luna, Essve and Järnia. In the late 1990s, segments of Luna were incorporated in Gigant Arbetsplats and other units.

1999 – TOOLS is established in Norway

The product companies within then Bergman & Beving took the initiative to establish TOOLS as a partner chain in Norway with some 60 units.

2003 – TOOLS is established in Sweden

TOOLS was formed as a partner chain in Sweden with more than 60 local industrial resellers in the spring of 2003.

2004 – Acquisition of Momentum Industrial – investment in industrial components

Momentum Industrial was acquired in the spring of 2004. The company was already one of the largest resellers of industrial components and related services to Swedish

industry. The acquisition was a step in the Group’s endeavour to supply Nordic industry with profitable solutions that would encompass industrial components. Since the acquisition, the company has grown robustly, doubling its revenue and strengthening its profitability considerably.

2004–2008 – Acquisitions of resellers

To strengthen its position as supplier to the industrial and construction sectors, and ensure product distribution to end customers, Bergman & Beving acquired approximately one hundred companies between 2004 and 2008, primarily local industrial resellers in Sweden and Norway. It was during this period that Mercus Yrkeskläder was acquired. The acquisition of Ruuska Group in 2005 marked the start of TOOLS in Finland. The parent company Bergman & Beving changed its name to B&B TOOLS in 2007.

2008 – Momentum Industrial starts venture into electromechanical service

Momentum Industrial started its venture into electromechanical service for Swedish industry through the acquisition of Rörick Elektriska Verkstad.

2012 – Change in strategy with decentralisation and customer focus

A new CEO and group management coupled with a change in strategy that involved a return to an explicit decentralised responsibility for each subsidiary – fully in line with the Bergman & Beving Group’s proven company philosophy – and greater customer focus, earnings and growth-enhancing measures in various segments of the business resulted in improved cash flow and reduced debt.

2016 – Momentum Group is formed

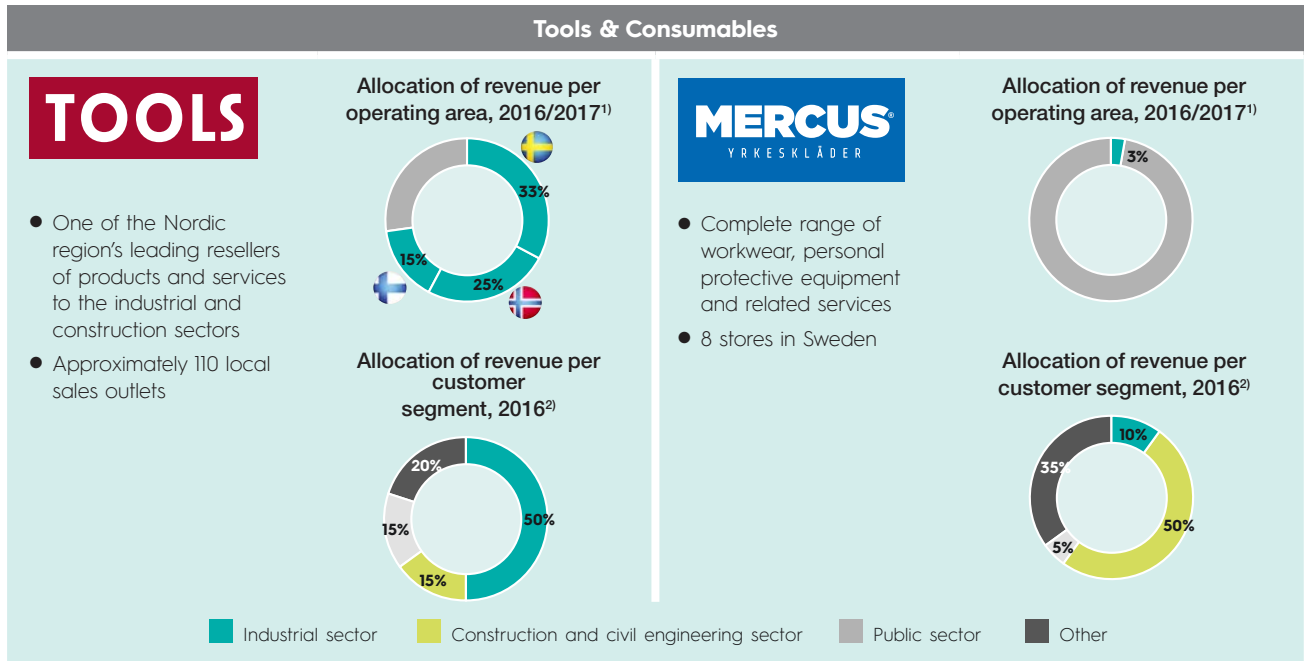
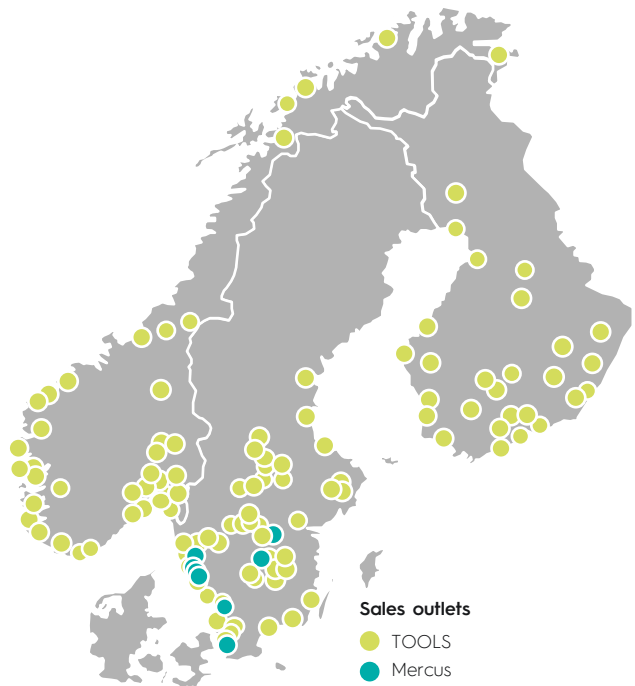
The current Momentum Group was formed on 1 April 2016 when B&B TOOLS introduced a new organisation with two operating segments in order to create even stronger conditions for increased growth and profitability.

BUSINESS AREAS

Tools & Consumables

The Tools & Consumables business area comprises TOOLS Sweden, TOOLS Norway, TOOLS Finland and Mercus Yrkeskläder. The business area focuses on sales of industrial consumables and services to customers operating primarily in the industrial sector, the construction and civil engineering sector and the public sector. The business area's products include tools, machinery, personal protective equipment and consumables used mainly by the customers' employees.

The business area accounted for approximately 79 percent of the Group's revenue, 39 percent of the Group's adjusted operating profit, and had an adjusted operating margin of 1.8 percent during the 2016/2017 financial year.¹⁾



Offering (a selection)

Product offering	Services offering	Product offering	Services offering
Machinery & tools Personal protective equipment Workplace equipment Lifting & loading	Occupational Health & Safety Vibrations Noise Air	Workwear Protective footwear Promotional clothes Personal protective equipment	Special wear Printing for promotional clothes Customer webshops Inspection

1) The operating area's revenue as a proportion of total revenue including internal sales.
 2) Refers to the proportion of external revenue for the calendar year 2016, rounded to the nearest five percent.

1) For definitions and explanations of key performance measures, see the section *Condensed financial information*.

TOOLS

TOOLS is, according to the Company's assessment, one of the Nordic region's leading resellers of industrial consumables. The business specialises in the sale of tools, machinery, personal protective equipment and other consumables to professional end users in the industrial sector, the construction and civil engineering sector and the public sector in Sweden, Norway and Finland.

TOOLS' products and services primarily target industrial workers and craftsmen. TOOLS has a product range with breadth and depth. In addition, the chain offers services and training that can contribute to increased profitability and quality for the customer as well as improvements in the area of occupational health, environment and safety. The services offering includes everything from training in the use of personal protective equipment to customised, efficient supply solutions for industrial consumables.

Most of TOOLS' sales are delivered directly to customers through orders via the company's field and in-house sales representatives or via orders placed digitally. TOOLS' sales channels are based on an omnichannel solution which includes e-commerce solutions, TOOLS Online, as well as other customised electronic solutions for placing orders and automatic stocking. The omnichannel also includes service and support for customers via the internet and mobile apps for product information, product catalogues, installation instructions and service centre contact details. The omnichannel solution is modified to accommodate the varying needs of the customers and offer them increased flexibility.

TOOLS' local sales outlets target those customers who need direct access to goods and advice, who need to be able to see and sample the products and who need to make addi-

tional purchases. Consequently, mobile craftsmen and contractors, local industries and similar small players as well as public sector customers are the primary customers for the local sales outlets. Most of TOOLS' customers make a purchase at a local sales outlet at some point during the year. As such, TOOLS' sales outlets serve as part of the company's omnichannel solution.

TOOLS has its own purchasing organisation in each country and is proactive in its purchasing from leading suppliers in and outside the Nordic region. TOOLS Sweden's central warehouse is in Alingsås (Sweden) and TOOLS Finland's is in Kotka (Finland). At present, TOOLS Norway has no central warehouse of its own.

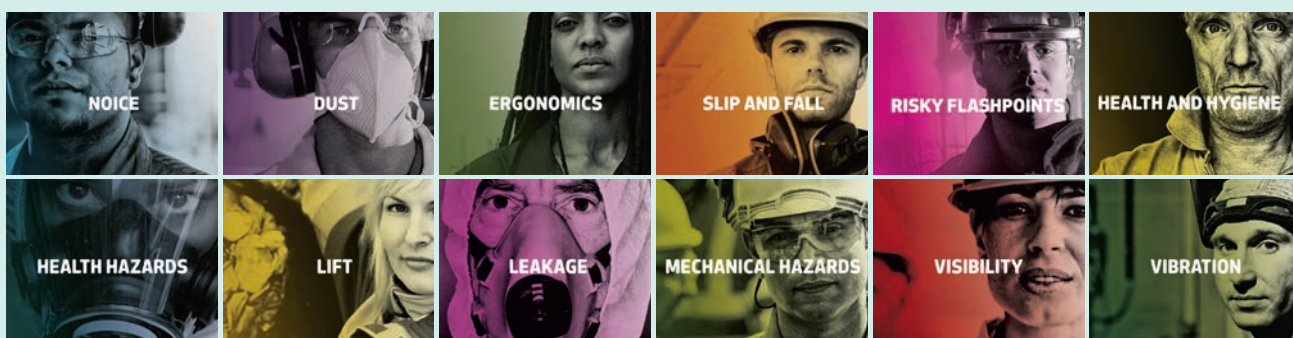
TOOLS comprises three separate operating areas in Sweden, Norway and Finland. In total, TOOLS has approximately 1,200 employees and approximately 110 local sales outlets, of which 45 are in Sweden, 37 in Norway and 27 in Finland. TOOLS also has a number of independent partners.

Mercus

Mercus Yrkeskläder supplies local construction and civil engineering companies with a complete range of functional work clothes, protective footwear, promotional clothing and personal protective equipment as well as related services. The company currently has eight stores in Sweden and is, according to the Company's assessment, one of the largest players in the industry. Mercus Yrkeskläder supplies a complete personal protection range, including a broad selection of high-visibility clothing, gloves, headgear, hearing, respiratory and eye protection, and fall protection. The work clothes are purchased from well-known brands and suppliers.

"Occupational Health & Safety" with TOOLS – The workplace should be a safe environment

TOOLS has identified 12 general risk areas in customers' work environments and, within these areas, established work methods to eliminate, prevent and protect the company's customers from these risks



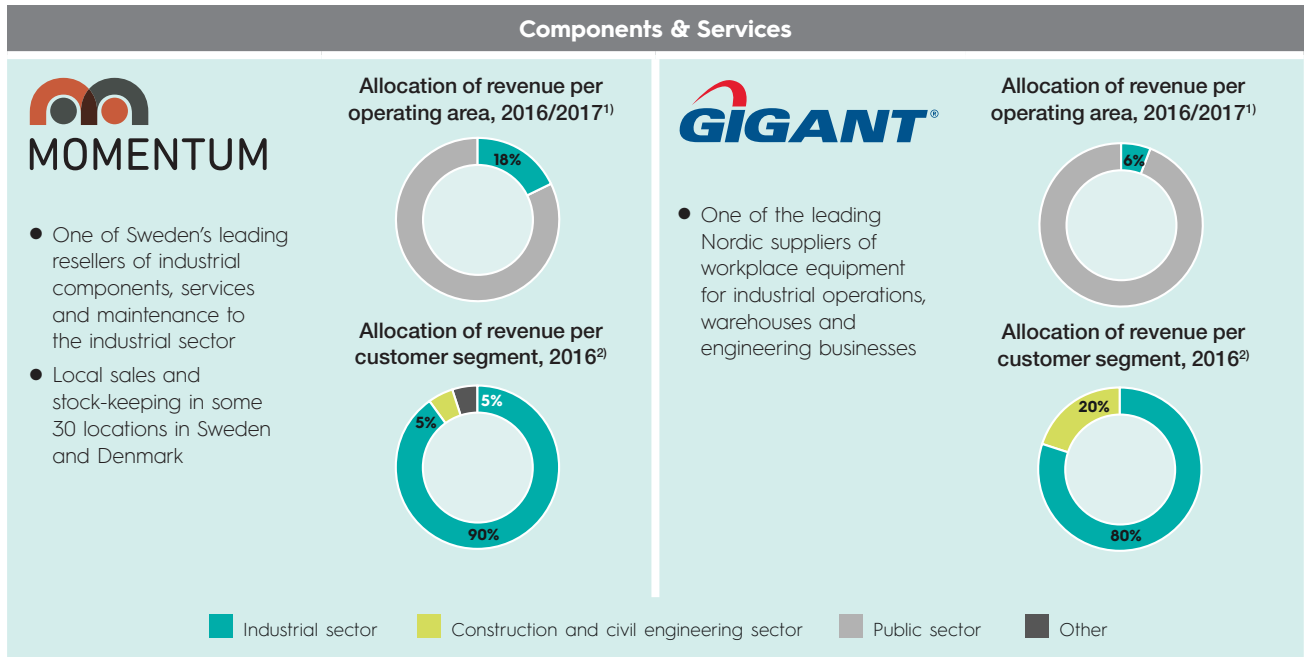
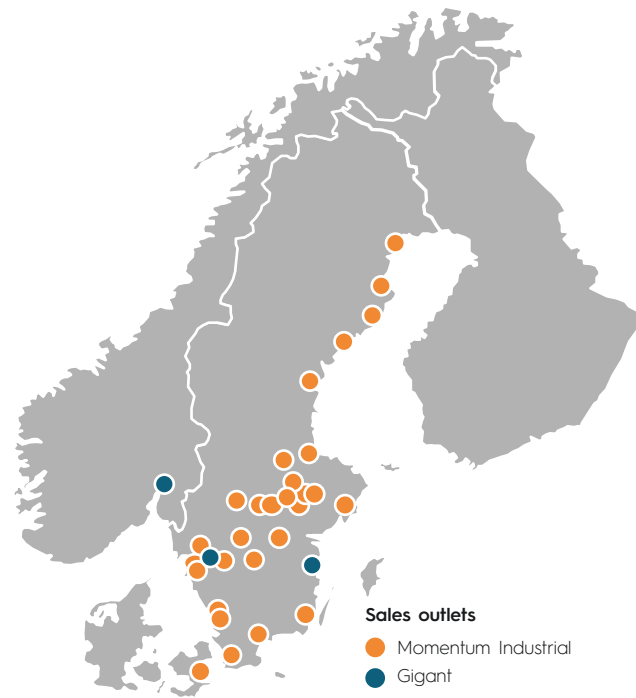
Our OHS approach



Components & Services

The Components & Services business area comprises Momentum Industrial and Gigant. The business area focuses on the sale of spare parts, workplace equipment, services and maintenance to customers in the industrial sector.

The business area accounted for 21 percent of the Group's revenue and 61 percent of the Group's adjusted operating profit, and had an adjusted operating margin of 8.9 percent during the 2016/2017 financial year.¹⁾



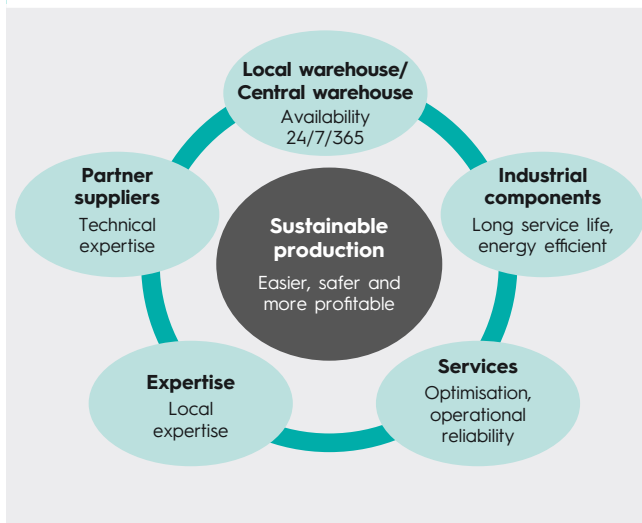
Offering (a selection)

Product offering	Services offering	Product offering	Services offering
Inventories Sealing Transmission Electric motors	Inventory analysis Inspection Training Leakage detection	Workplace equipment Spare parts Lifting & loading Environmental systems	Ergonomics Lift Leakage Storage

1) The operating area's revenue as a proportion of total revenue including internal sales.
 2) Refers to the proportion of external revenue for the calendar year 2016, rounded to the nearest five percent.

1) For definitions and explanations of key performance measures, see the section *Condensed financial information*.

Sustainable production with Momentum Industrial



- Momentum Industrial adheres to the concept of “Sustainable production” and aims to make the customers’ everyday operations easier, safer and more profitable by offering products and services at a minimum total cost to the customer. The company sells quality products and related services that are highly efficient (energy efficient) and have a long service life, which means fewer stoppages, longer durability and, ultimately, lower costs, usage and energy consumption for the customer.
- One example of Momentum Industrial’s sustainable production efforts was when the company found a customised solution for a medium-sized energy company. Momentum Industrial found specially made rollers made of a better material in combination with pre-lubricated angular contact ball bearings using high-temperature bearing grease. This eliminated the need to re-lubricate the rollers and thereby eliminated disruptions in production. Operations are now running smoothly for the customer.

Momentum Industrial

Momentum Industrial is, according to the Company’s assessment, one of Sweden’s leading resellers of industrial components for the industrial sector. The company has a local stock of inventories and conducts sales in some 30 locations in Sweden, in addition to an operating subsidiary in Denmark. Momentum Industrial provides local access to products, services, advisory, customised product training programmes, permit control and monitoring, logistics solutions and standby service. The company’s customers primarily operate in the processing and manufacturing industry, including paper and pulp, sawmill, automotive, food, mining and engineering companies.

Momentum Industrial adheres to the concept of “Sustainable production” and aims to maximise the number of production hours (operational reliability) for its customers by offering products and services at a minimum total cost to the customer. Momentum Industrial sells quality products and related services that are highly efficient (energy efficient) and have a long service life. This means fewer and shorter stoppages, longer durability and, ultimately, lower costs, usage and energy consumption for the customer. Momentum Industrial primarily offers spare parts and parts for repair and maintenance, products that are often business critical for the company’s customers. If the components are not on site when needed, this can lead to a stop in production and substantial added costs for the customers. Oftentimes, customers are unable to stock all the spare parts and components they may need, which is why Momentum Industrial provides services to its customers.

Momentum Industrial has acquired good insight into customers’ needs and which products they require through the company’s local presence and long-term customer relationships. As a result, Momentum Industrial can plan optimum stocking of products, including business-critical products, and offers its customers immediate delivery, delivery within one to two days or scheduled deliveries depending on how urgent the need is.

Within Momentum Industrial’s various product areas of bearings, seals, transmission, industrial lubricants, pneumatics, electric motors, pumps and gear boxes, the company collaborates with global manufacturers and suppliers such as SKF, SMC, KTR, Optibelt, Simrit, Renold, GA Lindberg, Klinger Huhnseal, and others. In addition to the above services, Momentum Industrial has provided electromechanical services since 2008. This involves, for example, the repair or maintenance of pumps, gear boxes and motors. The company has some 30 sales outlets and its own workshops in a total of eight locations in southern and central Sweden. The company has approximately 300 employees.

Gigant

Gigant is a niche reseller of workplace equipment for industrial operations, warehouses and engineering businesses. Gigant delivers workplace equipment, devices for lifting and securing loads as well as environmental assurance products. The company also offers layout, expert advisory and set-up services for complete industrial workplaces as well as continuous follow-up to guarantee that the customer achieves its desired result.



Sandvik, Wear Protection & Screening Media, Svedala – Gigant supplied a solution to lower the noise level and drastically reduce the need for hearing protection in Sandvik’s production. The solution resulted in a significant reduction of the noise level, between 4 and 13 dB, where 10 dB corresponds to half the noise level.

STRENGTHS AND COMPETITIVE ADVANTAGES

Momentum Group believes that the Group’s most important strengths and competitive advantages can be summarised as follows:

- ▶ Value-adding customer offering
- ▶ Strong position in industrial consumables and industrial components
- ▶ Decentralised business model with the benefit of being part of a larger group
- ▶ Focus on profit growth combined with low tied-up capital

Value-adding customer offering

Momentum Group focuses on improving profitability and creating added value for its customers. The Group’s subsidiaries work together with the customers to understand their needs and create customised solutions since this gives customers the best profitability, leads to higher customer satisfaction and contributes to long-standing customer relationships. The solutions are based on the companies’ broad and deep range of products, easily accessible services and specialist advisory, availability and a strong local presence.

Product range with breadth and depth

Momentum Group’s vision is to be “the best choice for customers” and to always focus on the customers’ profitability. This means that the Group’s companies starting point is the customer needs, in order to offer the best, most cost-efficient solution for the customer – through a product range that has breadth and depth combined with value-

adding services. This reduces the customers’ need to turn to several different suppliers and resellers, which saves time, is convenient for the customer and cuts the customers’ administration costs. Moreover, each company’s products fulfil the high expectations that customers have in terms of function, quality, safety and durability.

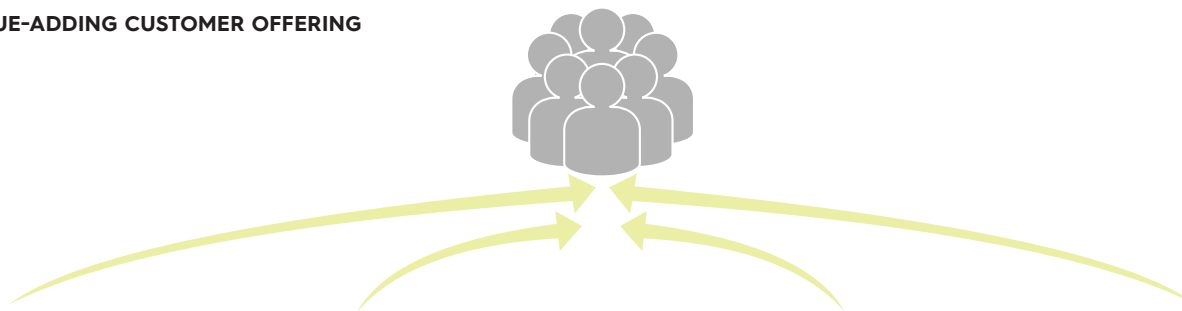
Value-adding services

To create value for the customers, Momentum Group offers service, specialist expertise and advisory in selected services and product areas as a complement to the Group’s extensive product range. Momentum Group offers advice ahead of customers’ purchasing decisions and helps customers to choose long-term, cost-efficient solutions, to maintain customers’ existing products, offer specialist expertise in selected areas and educate customers in how to use the products. This ensures cost-efficient solutions customised to fit customer needs.

Examples of Momentum Group’s value-adding services include maintenance, advisory, customised product training programmes, risk analyses, permit control and monitoring, logistics solutions and standby service. As a part of Momentum Group’s value-adding services, the Group is also involved in TOOLS’ focus areas of Occupational Health & Safety and Momentum Industrial’s focus area of Sustainable Production.

By offering value-added services, Momentum Group can create and charge for higher customer value while gaining a competitive advantage. Momentum Group believes that this leads to increased customer loyalty and customer satisfaction.

VALUE-ADDING CUSTOMER OFFERING



Improve profitability and create added value for Momentum Group’s customers			
Broad and deep product range	Value-adding services	Strong local presence	Digital and customised solutions
<ul style="list-style-type: none"> ● Carefully selected range of quality products in a number of product segments ● The Group modifies the product range according to customer needs 	<ul style="list-style-type: none"> ● Service, specialist expertise and consulting in select areas ● The Group’s services include: <ul style="list-style-type: none"> – 24/7/365 service – Inventory optimisation – Education for customers ● Focus areas: <ul style="list-style-type: none"> – Occupational Health & Safety – Sustainable production 	<ul style="list-style-type: none"> ● Momentum Group strives to have local market leadership in the local markets where it operates ● Extensive network of local sales outlets ● Extensive inventory and logistics network 	<ul style="list-style-type: none"> ● Make purchases and stock-keeping easier for the customer ● Solutions include: <ul style="list-style-type: none"> – E-commerce – Scanning – OCR – EDI connections – Apps – Online tools

Good availability with a strong local presence

Momentum Group's market position rests on the Group's local presence in its main markets in the form of sales outlets, service units, local sales representatives and local warehouses in close proximity to the Group's customers in Sweden, Norway and Finland. Because the customers' purchasing decisions are often taken locally, even among large nationwide customers, a strong local presence staffed by talented employees is an important competitive advantage for Momentum Group.

For the Components & Services business area, which primarily sells spare parts and services to machinery parks, a local presence is a prerequisite for the operations. Both scheduled and unscheduled stops in production entail large costs for customers, which means that the right products must be delivered on time together with the right expertise to install the products and service the machinery. The operating area Momentum Industrial therefore offers local access to products, knowledge, permit control and monitoring, logistics solutions and 24/7/365 standby service. The business area Tools & Consumables also relies on a local presence but then the focus is on local sales outlets and availability for customers.

In addition, high supply reliability and fast deliveries to customers are often deciding factors when customers choose suppliers and resellers. Momentum Group's local presence is therefore complemented with a well-functioning warehouse, logistics and distribution network in each country.

Digital and customised solutions

In order to offer customers increased flexibility, Momentum Group has established an omnichannel model in which digital sales channels such as e-commerce complement the Group's more traditional sales channels. Regardless of which channel the customers choose, they are greeted by a coherent image of each subsidiary.

Momentum Group's digital channels include e-commerce solutions, apps containing product information, online tools and support. Momentum Group's larger customers have access to purchasing via Electronic Data Interchange connections (EDI connections) that integrate the customers' purchasing systems with Momentum Group's order system to facilitate direct purchases and orders. This makes the customers' purchasing processes easier and leads to better efficiency and availability. The Group sees good opportunities to further enhance this integration with its customers.

As a result of digital advances and the growing proportion of connected devices in the markets, there is a trend toward pre-emptive maintenance and repair of machinery instead of after the fact. Subsequently, Momentum Group provides pre-emptive maintenance services as well as permit control and monitoring. This means that the customers' machinery is connected to a system that senses the machinery's need for service and maintenance and automatically sends a signal to Momentum Group's service engineers who take the necessary action.

Momentum Group believes that digital advances favour large established market players who can offer customers a flexible omnichannel solution coupled with service, advisory and a widespread logistics and distribution network for quick and reliable product deliveries.

Strong position in industrial consumables and industrial components

One of the leading resellers in the Nordic market Momentum Group is, according to the Company's assessment, one of the leading resellers of industrial consumables and components as well as service and maintenance to professional end users in the industrial and construction sectors in the Nordic region. Based on the Company's assessment, the three TOOLS companies in Sweden, Norway and Finland together form one of the Nordic region's leading industrial reseller chains while Momentum Industrial according to the Company's assessment is one of Sweden's leading resellers of industrial components and services for the industrial sector. The Group strives to have local leadership in the markets where it operates in order to be the best choice for customers.

Because the Group's customers want a high degree of customisation, economies of scale are primarily achieved in the customer offering where the Group can provide a broad product range, local presence and fast, reliable deliveries as well as in supplier contacts where the Group is a central partner whose reach spans a broad customer base. Therefore, Momentum Group believes that the Group's size is a competitive advantage in dealing with small market players.

Stable macroeconomic trends

Momentum Group's organic growth is favoured by stable macroeconomic conditions and trends, where the markets in Sweden, Norway and Finland are expected to continue to have a stable growth during the forecast period up to and including 2018. In addition to the macroeconomic factors, the underlying market trend in the construction and civil engineering sector is expected to remain strong, offset by a slightly weaker trend in the industrial sector.¹⁾

Another key driver of demand in Momentum Group's main markets is an increased customer focus on occupational health, environment and safety, which creates an increased demand for protective gear and workwear as well as advisory and products for creating a safer work environment.

Decentralised business model with the benefit of being part of a larger group

Momentum Group's business model is based on decentralised profit responsibility, which is ingrained in the organisation and entails individual responsibility on the part of the employees. The employees are free to independently lead the operating activities for each profit unit as they see fit and within the framework of Momentum Group's overall strategy, targets and guidelines. Momentum Group's decentralised business model means that business decisions are made as close to the customers and suppliers as possible,

1) Based on Momentum Group's assessment of the information presented in the section *Market overview*.

thereby shortening the decision-making process and enabling the Group to quickly adapt to customer and supplier needs.

In turn, the Momentum Group offers the large company's resources: experience, expertise, contact networks and capital. The Group has established a proven business culture and company philosophy in which subsidiaries share best practices via networks in the various functions. The Group also provides proactive board work, financial control and financial resources, thereby supporting the subsidiaries' growth initiatives, development issues and corporate acquisitions.

The business model demands strong leadership within each profit unit. Subsequently, Momentum Group offers its employees advanced training and runs a business school for business acumen and profitability. Momentum Group serves as an active owner for its acquired companies. The Group offers entrepreneurs who sell their companies the alternative to remain in the company and develop the business within the Group, thus creating continuity in the business. Momentum Group believes that the decentralised business model is a competitive advantage in acquisition situations.

By giving each unit a high degree of freedom and responsibility for its own operations, while simultaneously being part of a larger group that possesses a proven business culture and company philosophy, the best of two worlds are combined: the financial strength, experience and extensive network of a listed company along with personal commitment and local business expertise.

Focus on profit growth combined with low tied-up capital

Momentum Group has a clear focus on profit growth and cash-flow generation, which are ingrained in the Group's business model and financial targets. The Group has three fundamental requirements: growth, profitability and development, which characterise the Group's governance of its subsidiaries. The three fundamental requirements are followed up internally for all profit units and specific action plans are drafted for each unit that concentrate on growth and/or profitability. Acquisitions are and will remain a key component of the Group's growth strategy.

The growth target – operating profit growth of at least 15 percent annually over a business cycle – ensures profitable growth and not merely volume growth. Momentum Group works continuously to improve the customer offering through customised solutions that add value for the customer and reduce the Group's need to compete only on the basis of price. The Group also has strong internal cost control. Momentum Group's focus on the profitability target of P/WC¹⁾ ensures a focus on maintaining low and stable working capital within the Group's subsidiaries. Because Momentum Group is a reseller and has no production of its own, the Group's operations have relatively few tangible assets and related fixed investment costs.

The combination of a focus on profitable growth and low tied-up capital is a prerequisite for generating a healthy cash flow and leaves room for strategic initiatives and niche acquisitions.

MOMENTUM GROUP'S FOCUS IN THE SHORT AND MEDIUM TERM

Momentum Group's strategic focus in the short and medium term centres on three main areas:

- ▶ Change and improvement initiatives in TOOLS
- ▶ Continued development and establishment of niche offerings in current operations
- ▶ Acquisition-driven growth strategy with focus on niche acquisitions

Change and improvement initiatives in TOOLS

TOOLS was established, and many reseller units acquired, in the middle of the first decade of the 21st century with the ambition to secure B&B TOOLS' sales channel to end customers during a period of substantial changes in the reseller chain in the Nordic region. As a result, TOOLS' product range and purchases have in part been controlled by the B&B TOOLS Group's product companies' range of products. Meanwhile, the relevance of the traditional store for resellers has changed due to a decline in over-the-counter sales.

Since the autumn of 2016, TOOLS has implemented an intensive action plan aimed at improving profitability through, among other solutions, a customised store network, strengthened digital sales channels, improved product range coordination and the construction of its own central warehouse. These measures are based on the Company's focus on satisfying customers' needs with competitive products and services in an efficient manner, which includes profile category efforts related to the "Occupational Health & Safety" offering.

In summary, TOOLS' management believes that the implemented and planned measures can contribute to higher margins over the next few years, while strengthening operations with a customised product range and more competitive units in fewer locations. Since the autumn of 2016, a number of new close partnerships and direct agreements with selected suppliers have been signed.

Continued development and establishment of niche offerings in current operations

Momentum Group's decentralised business model is a key to the success and continued development of the operations within each subsidiary. This includes continuous development and strengthening of the services and product offering, a focus on health, the environment and safety at customer workplaces, an increased number of production hours (operational reliability) in the customers' operations and continued investments in digital solutions.

1) (P/WC) is defined as operating profit (P) relative to average working capital (WC), defined as inventories plus accounts receivable less accounts payable.

Acquisition-driven growth strategy with focus on niche acquisitions

Corporate acquisitions constitute an important part of Momentum Group's growth strategy and the Group has a well-established model for evaluating and integrating potential candidates for acquisition. In accordance with Momentum Group's decentralised business model, each subsidiary identifies potential candidates, provided that they meet the Group's fixed profitability target. Momentum Group strives to continuously acquire additional businesses that can complement or strengthen the Group's existing operations, offerings and competitiveness. Acquisition candidates must be profitable and able to make a profit contribution to the Group immediately following the acquisition of the company. Acquisition candidates must also be leaders in their market niches for professional end users in the Nordic region, have sound customer and/or supplier relationships, have the potential to develop and achieve long-term sustainable profitability and growth, and bring new niche markets to the Group.

Momentum Group operates in a fragmented market, which creates an opportunity to make many additional acquisitions. Over the past year, Momentum Group has completed two acquisitions that complemented the Group's service and maintenance offering, both in line with the Group's strategy. The acquisitions are expected to further strengthen Momentum Group's position in selected markets, add specialist expertise in selected areas, and contribute to complementing the Group's service and advisory services.

CONDENSED FINANCIAL INFORMATION

The condensed financial information presented in this section is derived from Momentum Group's audited combined financial statements for the financial years 1 April 2014 – 31 March 2015, 1 April 2015 – 31 March 2016 and 1 April 2016 – 31 March 2017. The combined financial statements for the 2014/2015, 2015/2016 and 2016/2017 financial years have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the EU and have been audited by Momentum Group's auditors.

This section contains certain alternative performance measures that are not defined as measures of financial performance in accordance with IFRS but are used by Momentum Group's management to measure the underlying performance of the operations and business. The Company also believes that these alternative performance measures are used by investors, equity analysts and other stakeholders as supplementary measures of earnings performance.

The information below should be read together with the section *Operational and financial overview* and the Company's audited combined financial statements for 2014/2015 to 2016/2017, which are presented in the section *Historical financial information*.

CONDENSED CONSOLIDATED INCOME STATEMENT¹⁾

MSEK	2016/2017	2015/2016	2014/2015
Revenue	5,411	5,176	5,351
Shares of profit in associated companies	-2	0	0
Other operating income	8	6	6
Total operating income	5,417	5,182	5,357
Cost of goods sold	-3,460	-3,285	-3,414
Personnel costs	-1,061	-999	-1,004
Depreciation, amortisation, impairment losses and reversal of impairment losses	-22	-16	-17
Other operating expenses	-809	-689	-724
Total operating expenses	-5,352	-4,989	-5,159
Operating profit	65	193	198
Financial income	2	3	4
Financial expenses	-13	-14	-21
Net financial items	-11	-11	-17
Profit after financial items	54	182	181
Taxes	-12	-43	-41
Net profit of the year	42	139	140
Attributable to:			
Parent company shareholders	42	139	140
Non-controlling interests	-	-	-
Earnings per share (SEK)	1.50	4.95	4.95

1) The information is derived from audited combined financial statements for the financial years 1 April 2014 – 31 March 2015, 1 April 2015 – 31 March 2016, 1 April 2016 – 31 March 2017.

CONDENSED CONSOLIDATED BALANCE SHEET¹⁾

MSEK	31 Mar 2017	31 Mar 2016	31 Mar 2015
ASSETS			
Non-current assets			
Intangible non-current assets	533	428	416
Tangible non-current assets	64	50	55
Shares in associated companies	9	11	11
Financial investments	1	1	1
Other long-term receivables	4	2	2
Deferred tax assets	27	16	19
Total non-current assets	638	508	504
Current assets			
Inventories	823	785	846
Tax assets	13	16	12
Accounts receivable	912	743	863
Prepaid expenses and accrued income	83	86	74
Other receivables	13	31	56
Cash and cash equivalents	69	525	372
Total current assets	1,913	2,186	2,223
Total assets	2,551	2,694	2,727
EQUITY AND LIABILITIES			
Equity			
Share capital	57	–	–
Other contributed capital	–	–	–
Reserves	–28	–54	–21
Retained earnings, including net profit	978	993	1,001
Equity attributable to parent company shareholders	1,007	939	980
Non-current liabilities			
Non-current interest-bearing liabilities	150	639	746
Provisions for pensions	24	19	23
Other provisions	28	1	1
Deferred tax liabilities	13	4	3
Total non-current liabilities	215	663	773
Current liabilities			
Current interest-bearing liabilities	182	3	8
Accounts payable	782	666	551
Tax liabilities	12	12	33
Other liabilities	73	211	178
Accrued expenses and deferred income	280	200	204
Total current liabilities	1,329	1,092	974
Total liabilities	1,544	1,755	1,747
Total equity and liabilities	2,551	2,694	2,727

1) The information is derived from audited combined financial statements for the financial years 1 April 2014 – 31 March 2015, 1 April 2015 – 31 March 2016, 1 April 2016 – 31 March 2017.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT¹⁾

MSEK	2016/2017	2015/2016	2014/2015
Operating activities			
Profit after financial items	54	182	181
Adjustments for non-cash items	117	9	7
Income taxes paid	-23	-33	-15
Cash flow from operating activities before changes in working capital	148	158	173
Changes in inventories	6	44	48
Changes in operating receivables	-95	117	8
Change in operating liabilities	118	108	-9
Cash flow from operating activities	177	427	220
Cash flow from investing activities	-188	-28	29
Cash flow from financing activities	-448	-233	-175
Cash flow for the period	-459	166	74
Cash and cash equivalents at the beginning of the year	525	372	296
Exchange-rate differences in cash and cash equivalents	3	-13	2
Cash and cash equivalents at year-end	69	525	372

1) The information is derived from audited combined financial statements for the financial years 1 April 2014 – 31 March 2015, 1 April 2015 – 31 March 2016, 1 April 2016 – 31 March 2017.

PERFORMANCE MEASURES

Certain performance measures presented below are calculated in accordance with IFRS and others are so-called alternative performance measures that the Company considers to be important in forming an understanding of its operations. The reason for using each alternative performance measure is presented below along with its definition. The derivation of the alternative performance measures is also presented in the tables. Insofar as the performance measures are used and commented on by business area (operating segment), the derivation of the performance measures is also presented at this level.

Since the Group incurred expenses during the 2016/2017 financial year pertaining to the preparations for the Listing and the Split from other parts of the B&B TOOLS Group, adjusted operating profit to reverse these expenses has been recognised as a measure of the underlying profit level. For the same reason, adjusted operating profit excludes costs for items affecting comparability, such as the restructuring expenses that arose in 2016/2017, mainly within the Group's TOOLS operations. During the period presented below, the Group was part of B&B TOOLS' joint internal bank. This means that the Group was not able to apply net accounting for its intra-group financial transactions with respect to committed credit facilities. In conjunction with its listing, the Group will establish its own internal bank, enabling positive liquidity positions to be recognised net against the utilisation of committed credit facilities in another manner. The potential impact of such net accounting on the Group's financial position with respect to certain alternative performance measures is presented below.

	2016/2017	2015/2016	2014/2015
IFRS performance measures¹⁾			
Net profit, MSEK	42	139	140
Earnings per share, SEK (no dilution effect)	1.50	4.95	4.95
Alternative performance measures			
Performance measures related to the income statement			
Revenue, MSEK ¹⁾	5,411	5,176	5,351
Operating profit, MSEK ¹⁾	65	193	198
Adjusted operating profit, MSEK ²⁾	193	193	198
Profit after financial items, MSEK ¹⁾	54	182	181
Operating margin, % ²⁾	1.2 %	3.7 %	3.7 %
Adjusted operating margin, % ²⁾	3.6 %	3.7 %	3.7 %
Profit margin, % ²⁾	1.0 %	3.5 %	3.4 %
Performance measures related to profitability²⁾			
Return on working capital (P/WC), %	21 %	19 %	17 %
Return on capital employed, %	4 %	12 %	11 %
Return on adjusted capital employed, %	16 %	15 %	14 %
Return on equity, %	4 %	14 %	13 %
Performance measures related to financial position			
Operational net loan liability (closing balance), MSEK ²⁾	263	117	382
Equity attributable to the parent company's shareholders, MSEK ¹⁾	1,007	939	980
Equity/assets ratio, % ²⁾	39 %	35 %	36 %
Adjusted equity/assets ratio, % ²⁾	40 %	43 %	42 %
Other performance measures²⁾			
Number of employees at the end of the period	1,620	1,573	1,618

1) The information is audited by Momentum Group's auditors. The information is derived from Momentum Group's audited combined financial statements for the financial years 1 April 2014 – 31 March 2015, 1 April 2015 – 31 March 2016, 1 April 2016 – 31 March 2017. Refer to the section *Condensed financial information*.

2) The information is not audited by Momentum Group's auditors. The information is derived from Momentum Group's internal reporting system.

DEFINITION OF PERFORMANCE MEASURES

Performance measure	Definition	Reason
Revenue	Own invoicing, commission-based revenue from commission sales and side revenue.	Revenue is presented to clarify the Group's sales to external customers. In the following tables, revenue from both external and internal customers is shown for each operating segment.
Operating profit	Profit before financial items and tax.	Operating profit is presented to clarify the Company's earnings generated by its operating activities.
Adjusted operating profit	Operating profit adjusted for items affecting comparability.	Adjusted operating profit is presented to clarify the Company's earnings generated by its operating activities, adjusted for items affecting comparability in order to retain comparability between periods.
Operating margin, %	Operating profit relative to revenue.	The operating margin is presented to measure the Company's earnings generated by its operating activities and to provide an understanding of the value created over time. In the following tables, the operating margin for each operating segment is presented based on revenue from both external and internal customers.
Adjusted operating margin, %	Adjusted operating profit as a percentage of revenue.	Refer to the explanation under the description of "Adjusted operating profit".
Profit margin, %	Profit after financial items as a percentage of revenue.	The profit margin is presented to assess the Company's earnings relative to its revenue and measures the amount of revenue the Company can retain in terms of profit before tax.
Return on working capital (P/WC), %	Adjusted operating profit for the past 12 months divided by average working capital measured as total working capital (accounts receivable and inventories less accounts payable) at the end of every month for the past 12 months as well as balance brought forward at the start of the period, divided by 13.	Return on working capital serves as Momentum Group's internal profitability target, measured as operating profit (P) relative to utilised working capital (WC), and encourages high operating profit and low tied-up capital, which – combined with the Group's growth target – enables a positive cash flow and provides the conditions for profitable growth.
Return on capital employed, %	Operating profit plus financial income for the past 12 months divided by the average working capital employed measured as total balance sheet less non interest-bearing liabilities and provisions at the end of the past four quarters as well as balance brought forward at the start of the period, divided by five.	Return on capital employed is presented to show the Company's return on its externally financed capital and equity, meaning independent of its financing.
Return on adjusted capital employed, %	Adjusted operating profit plus financial income for the past 12 months divided by average adjusted capital employed measured as total balance sheet less non interest-bearing liabilities and provisions and cash vis-a-vis B&B TOOLS AB at the end of the past four quarters as well as balance brought forward at the start of the period, divided by five.	Return on adjusted capital employed is presented to show the Company's return on its externally financed capital and equity, meaning independent of its financing, adjusted for cash vis-a-vis B&B TOOLS AB.
Return on equity, %	Net profit for the past 12 months divided by average equity measured as total equity attributable to the parent company's shareholders at the end of the past four quarters as well as balance brought forward at the start of the period, divided by five.	Return on equity is used to show the return that is generated on the capital invested in the Company by the shareholders.
Operational net loan liability (closing balance)	Operational net loan liability measured as long term interest-bearing liabilities and short term interest-bearing liabilities less cash and cash equivalents at the end of the period.	Operational net loan liability is presented to clarify the capital made available by lenders, adjusted for cash and cash equivalents at the end of the financial period.
Equity/assets ratio, %	Equity attributable to the parent company's shareholders as a percentage of the balance-sheet at the end of the period.	The equity/assets ratio is presented to clarify how much of the Group's share of the balance-sheet total has been financed with equity.
Adjusted equity/assets ratio, %	Equity attributable to the parent company's shareholders as a percentage of the balance-sheet less cash vis-a-vis B&B TOOLS AB at the end of the period.	The adjusted equity/assets ratio is presented to clarify how much of Momentum Group's share of the balancesheet total, adjusted for cash vis-a-vis B&B TOOLS AB, has been financed with equity.
Earnings per share	Net profit attributable to the parent company's shareholders divided by weighted number of shares.	IFRS performance measure.

DERIVATION OF ALTERNATIVE PERFORMANCE MEASURES

MSEK	2016/2017	2015/2016	2014/2015
Adjusted operating profit			
Operating profit	65	193	198
<i>Items affecting comparability</i>			
Restructuring expenses	-94		
Split and listing expenses	-34	-	-
Adjusted operating profit	193	193	198
Per segment: Tools & Consumables			
Operating profit	12	72	75
Items affecting comparability (pertain to restructuring expenses)	-64	-	-
<i>Adjusted operating profit, Tools & Consumables</i>	76	72	75
Per segment: Components & Services			
Operating profit	113	120	121
Items affecting comparability (pertain to restructuring expenses)	-8	-	-
<i>Adjusted operating profit, Components & Services</i>	121	120	121
Group-wide, including eliminations			
Operating profit	-60	1	2
Items affecting comparability (pertain to restructuring, split and listing expenses)	-56	-	-
<i>Adjusted operating profit/loss, Group-wide, including eliminations</i>	-4	1	2
Working capital			
<i>Average operating assets</i>			
Average inventories	823	814	882
Average accounts receivable	821	780	832
<i>Total average operating assets</i>	<i>1,644</i>	<i>1,594</i>	<i>1,714</i>
<i>Average operating liabilities</i>			
Average accounts payable	-709	-583	-538
<i>Total average operating liabilities</i>	<i>-709</i>	<i>-583</i>	<i>-538</i>
Average working capital	935	1,011	1,176
Adjusted operating profit	193	193	198
Return on working capital	21 %	19 %	17 %
Capital employed			
Average balance-sheet total	2,719	2,651	2,761
<i>Average non-interest-bearing liabilities and provisions</i>			
Average non-interest-bearing non-current liabilities	-14	-4	-3
Average non-interest-bearing current liabilities	-1,073	-948	-904
<i>Average non-interest-bearing liabilities and provisions</i>	<i>-1,087</i>	<i>-952</i>	<i>-907</i>
Average capital employed	1,632	1,699	1,854
Operating profit	65	193	198
Financial income	2	3	4
Total operating profit + financial income	67	196	202
Return on capital employed	4 %	12 %	11 %
Adjusted capital employed			
Average capital employed	1,632	1,699	1,854
Average cash vis-a-vis B&B TOOLS AB	-380	-420	-373
Average adjusted capital employed	1,252	1,279	1,481
Adjusted operating profit	193	193	198
Financial income	2	3	4
Total adjusted operating profit + financial income	195	196	202

Derivation of alternative performance measures, cont.

MSEK	2016/2017	2015/2016	2014/2015
Return on adjusted capital employed	16 %	15 %	14 %
Return on equity			
Average equity attributable to the parent company's shareholders	1,008	984	1,050
Net profit of the year	42	139	140
Return on equity	4 %	14 %	13 %
Operational net loan liability (closing balance)			
Non-current interest-bearing liabilities	150	639	746
Current interest-bearing liabilities	182	3	8
Cash and cash equivalents	-69	-525	-372
Operational net loan liability (closing balance)	263	117	382
Balance-sheet total			
Balance-sheet total (closing balance)	2,551	2,694	2,727
Cash vis-a-vis B&B TOOLS AB (closing balance)	-56	-520	-368
Adjusted balance-sheet total	2,495	2,174	2,359
Equity (closing balance) attributable to the parent company's shareholders	1,007	939	980
Equity/assets ratio	39 %	35 %	36 %
Adjusted equity/assets ratio	40 %	43 %	42 %

REVENUE AND NUMBER OF EMPLOYEES PER OPERATING SEGMENT

2016/2017

MSEK	Tools & Consumables	Components & Services	Group-wide	Eliminations	Group total
Revenue					
From external customers	4,261	1,150	–	–	5,411
From other segments	8	209	0	–217	–
Total	4,269	1,359	0	–217	5,411
Operating profit	12	113	–58	–2	65
Operating margin	0.3 %	8.3 %			1.2 %
Adjusted operating profit	76	121	–2	–2	193
Adjusted operating margin	1.8 %	8.9 %			3.6 %
Other disclosures					
Number of employees at year-end	1,168	376	76		1,620

2015/2016

MSEK	Tools & Consumables	Components & Services	Group-wide	Eliminations	Group total
Revenue					
From external customers	4,023	1,153	–	–	5,176
From other segments	6	205	2	–213	–
Total	4,029	1,358	2	–213	5,176
Operating profit	72	120	0	1	193
Operating margin	1.8 %	8.8 %			3.7 %
Other disclosures					
Number of employees at year-end	1,197	376	–	–	1,573

2014/2015

MSEK	Tools & Consumables	Components & Services	Group-wide	Eliminations	Group total
Revenue					
From external customers	4,212	1,139	–	–	5,351
From other segments	7	219	4	–230	–
Total	4,219	1,358	4	–230	5,351
Operating profit	75	121	2	0	198
Operating margin	1.8 %	8.9 %			3.7 %
Other disclosures					
Number of employees at year-end	1,244	374	–	–	1,618

INFORMATION PER GEOGRAPHIC AREA

The Group primarily conducts operations in Sweden, Norway and Finland. Revenue presented for the geographic markets is based on the domicile of the customers.

MSEK	2016/2017 <i>External revenue</i>	2015/2016 <i>External revenue</i>	2014/2015 <i>External revenue</i>
Sweden	2,963	2,915	2,848
Norway	1,495	1,385	1,655
Finland	818	750	726
Other countries	136	126	122
Group total	5,411	5,176	5,351

CHANGE IN REVENUE COMPARED WITH THE COMPARATIVE YEAR¹⁾

	2016/2017	2015/2016
<i>Percentage change compared with the immediately preceding financial year</i>		
Comparable units in local currency ²⁾	-0.5 %	-2.2 %
Currency effects ³⁾	0.7 %	-1.6 %
Number of trading days ⁴⁾	2.6 %	0.2 %
Other units ⁵⁾	1.7 %	0.3 %
Total change	4.5 %	-3.3 %

1) The information is derived from the Company's internal reporting system and is not audited by Momentum Group's auditors.

2) Comparable unit - unit that generates revenue which is included in the Group's revenue during the entire accounting period and the whole of the previous reporting period.

3) Currency effects show how the reported revenue has been affected by translation of revenue that have arisen in currencies other than Swedish kronor at differences in exchange rates compared to the corresponding period last year. For more information on currency effects, refer to the section *Operational and financial overview*.

4) The Company's estimate of how the reported revenue has been affected by the difference in the number of working days in the current period compared with the corresponding period of the previous year.

5) The Company's estimate of how the reported revenue has been affected by acquisitions made during the current period.

OPERATIONAL AND FINANCIAL OVERVIEW

KEY FACTORS AFFECTING THE GROUP'S FINANCIAL POSITION AND EARNINGS

The Group believes that a number of factors directly and indirectly affect its financial position and earnings. Although these factors may provide opportunities for the Company and its operations, they could also constitute risks and challenges that the Group must successfully manage in order to improve its future financial position and earnings. These factors include:

- ▶ Changes in financial relationships and their impact on the underlying market and its conditions for growth within geographic markets and niches where the Group is active
- ▶ Changes in the Company's market position and the impact of competitors on these markets
- ▶ The effects of and capacity to integrate acquisitions
- ▶ Seasonal fluctuations and the number of available days for sales
- ▶ Product range development and purchase prices
- ▶ Currency fluctuations
- ▶ Goodwill
- ▶ Financial income and expenses
- ▶ Taxation

SEGMENTS

The Group's operations are divided into the two business areas, Tools & Consumables and Components & Services, which also form the Group's operating segments. The segments are harmonised with the internal reporting that is submitted to the chief operating decision maker, which the Group has identified as the parent company's president & CEO. The CEO is responsible for the allocation of resources and assessment of the operating segments' results. The segments are monitored and managed based on income and expenses at the level of operating profit, while net financial items and taxes as well as the balance sheet and cash flow are not reported per segment. The operating profit per segment is consolidated pursuant to the same policies as for the Group as a whole.

ITEMS IN FINANCIAL STATEMENTS

Comments on income and earnings were derived from the consolidated income statement and segment reporting. Comments on financial position are based on the Company's balance sheet, while comments on cash flow are based on the Company's consolidated cash-flow statement. Comments on performance are otherwise based on previously presented performance measures.

R2016/2017 FINANCIAL YEAR COMPARED WITH 2015/2016 FINANCIAL YEAR

Revenue

Revenue for the financial year totalled MSEK 5,411 (5,176), an increase of 4.5 percent. Exchange-rate translation effects had an impact of MSEK 39 on revenue. Revenue for comparable units, measured in local currency and adjusted for the number of trading days, declined 0.5 percent during the reporting period compared with the preceding year. During the year, there was a marginal increase among the Group's industrial customers and the decline in the Norwegian offshore sector levelled out. Demand in the construction sector remained robust. At the same time, the Group continued to strengthen its market position in selected niche markets, resulting in increased revenue in several companies.

For the Tools & Consumables business area, revenue increased to MSEK 4,269 (4,029), corresponding to an increase of 6.0 percent. Revenue includes internal intra-group sales. Exchange-rate translation effects had an impact of MSEK 38 on revenue. The increase in revenue for comparable units was 4.0 percent. Under this business area, TOOLS Sweden's revenue increased to MSEK 1,843 (1,807), corresponding to 2.0 percent. The increases were attributable to the activities that were conducted to enhance growth. TOOLS Finland's revenue totalled MSEK 859 (787), up 9.2 percent, with the main increase in revenue attributable to the largest customers. Revenue also increased for TOOLS Norway, totalling MSEK 1,423 (1,302), up 9.3 percent. In Norway, the increase in revenue stemmed from acquired units. Mercus Yrkeskläder's revenue for the year totalled MSEK 146 (134), representing an increase of 9.1 percent.

Revenue for the Components & Services business area remained essentially unchanged at MSEK 1,359 (1,358). Exchange-rate translation effects had an impact of MSEK 2 on revenue. The decline in revenue for comparable units was 0.6 percent. Under this business area, Momentum Industrial's revenue increased to MSEK 998 (993), corresponding to 0.4 percent, thereby offsetting Gigant's 1.3 percent decline in revenue to MSEK 362 (366). Momentum Industrial's increased revenue was mainly attributable to increased sales to customers in the paper and pulp industry.

Impact on revenue of Group-wide and eliminations of internal sales amounted to MSEK -217 (-211), where currency translation effects affected revenue by MSEK -1.

Operating income

The Group's total operating income for the financial year was MSEK 5,417 (5,182), an increase of 4.5 percent. In addition to revenue, other operating income of MSEK 8 (6) was included, of which exchange gains on operating receivables and liabilities comprised 0 MSEK (2) and activated work for own account totalled MSEK 5 (-).

Operating profit

Cost of goods sold rose to MSEK 3,460 (3,285) during the year, mainly as a result of increased revenue. Cost of goods sold also increased by MSEK 26 with respect to depreciation of inventory in conjunction with the restructuring programme that was implemented among TOOLS' operations. These items are deemed to affect comparability.

Personnel costs rose to MSEK 1,061 (999), mainly due to an increase in the number of employees in the Group during the year. This was partly the due to the preparations for the split of the B&B TOOLS Group, through which the Company established its own internal capacity in such areas as logistics and a centralised warehouse instead of purchasing the services from other parts of the B&B TOOLS Group, as it had previously done. Personnel costs also increased by MSEK 28 due to the restructuring expenses recognised in 2016/2017, which mainly pertained to the restructuring programme that was implemented among TOOLS' operations. These items are deemed to affect comparability.

Other operating expenses increased to MSEK 809 (689). The increase was partly the due to the preparations for the split of the B&B TOOLS Group, through which the Company established its own internal capacity in such areas as logistics and a centralised warehouse instead of purchasing the services from other parts of the B&B TOOLS Group, as it had previously done. Operating expenses also increased by MSEK 40 due to the restructuring expenses recognised in 2016/2017, which mainly pertained to the restructuring programme that was implemented among TOOLS' operations, and to provisions for disadvantaged contracts and unusable premises, with regard to leases. Other operating expenses for the year also included MSEK 34 in costs for the preparation of the Listing and other costs for the Split. These items are deemed to affect comparability.

Depreciation, amortisation and impairment of non-current assets totalled MSEK 22 (16), of which MSEK 16 (15) pertained to tangible non-current assets and MSEK 6 (1) to intangible non-current assets.

Due to the aforementioned reasons, operating profit for the reporting period amounted to MSEK 65 (193), corresponding to an operating margin of 1.2 percent (3.7). As mentioned above, earnings were impacted by items affecting comparability totalling MSEK -128 (-). Excluding these items affecting comparability, adjusted operating profit totalled MSEK 193 (193), corresponding to an adjusted operating margin of 3.6 percent (3.7).

For the Tools & Consumables business area, operating profit amounted to MSEK 12 (72). The change is mainly explained by the restructuring costs described above, which affected the business area's profit by MSEK 64. The adjusted operating profit for the business area amounted to MSEK 76 (72). For the Components & Services business area, operating profit amounted to MSEK 113 (120). Again, the change is mainly explained by restructuring costs, which affected the business area's profit by MSEK 8. The adjusted operating profit for the business area amounted to MSEK 121 (120). The category Group-wide include costs for the Group's joint logistics in Sweden as well as the parent company's costs, to the extent such costs are not allocated to

the business areas. Both of these were under construction during the year. Hence, the costs did not include full year costs for logistics, nor costs for the Group's management. The operating profit for Group-wide amounted to MSEK -58 (0). The operating profit was charged with restructuring costs amounting to MSEK 22 and costs attributable to the Split and the Listing amounting to MSEK 34. The adjusted operating profit for Group-wide amounted to MSEK -2 (0). In addition, the operating profit was affected by eliminations amounting to MSEK -2 (1).

Profit after financial items

Financial income amounted to MSEK 2 (3), while consolidated financial expenses totalled MSEK 13 (14). Net financial items remained unchanged compared with the preceding year.

Due to the aforementioned reasons, profit after financial items amounted to MSEK 54 (182), corresponding to a profit margin of 1.0 percent (3.5).

Tax

The Group's income tax expense was MSEK 12 (43), while the estimated tax in accordance with the average tax rate for the Group of 23 percent (23) was MSEK 12 (42). The lower tax expense compared to the previous year is explained by the lower profit before tax for 2016/2017.

Equity, equity/assets ratio and return

The Group's equity at 31 March 2017 amounted to MSEK 1,007 (939) and was entirely attributable to parent company shareholders. Equity per share at 31 March 2017 totalled SEK 35.65.

The Group's balance-sheet total at 31 March 2017 was MSEK 2,551 (2,694). The Group's equity/assets ratio at 31 March 2017 was 39 percent (35).

Of the Group's cash and cash equivalents of MSEK 69 (525) at 31 March 2017, MSEK 56 (520) pertained to the Company's balance in the internal bank operated by B&B TOOLS. At the same time, the Group was financed by current (committed credit facilities) and non-current interest-bearing loans totalling MSEK 332 (642) through the internal bank. Due to the Group's contractual relationship with the internal bank, it was unable to apply net accounting to the balance at this time. However, the opportunity to do so will be created by other means in conjunction with the Group's restructuring into an independent company with its own cash pool. Consequently, the Company's assessment is that if the Group had been able to apply net accounting to the balance with B&B TOOLS' internal bank, the Group's balance-sheet total at 31 March 2017 would have been reduced by MSEK 56 (520), to total MSEK 2,495 (2,174). Accordingly, the Group's adjusted equity/assets ratio would have totalled 40 percent (43).

The Group's profitability, measured as the return on working capital, P/WC (adjusted operating profit in relation to average working capital), increased to 21 percent (19) for the financial year.

The return on capital employed was 4 percent (12) and the return on equity was 4 percent (14). The change was mainly due to the items affecting comparability as described above. The return on adjusted capital employed, with

adjustments for items affecting comparability and consideration for the aforementioned opportunities for the Group to apply net accounting to the balance with B&B TOOLS' internal bank, totalled 16 percent (15).

Cash flow from operating activities and financial position

Cash flow from operating activities before changes in working capital for the financial year ending 31 March 2017 amounted to MSEK 148 (158).

Funds tied up in working capital declined MSEK 29 (269) during the year, with inventories declining by MSEK 6, operating receivables increasing by MSEK 95 and operating liabilities increasing by MSEK 118. Accordingly, cash flow from operating activities for the year amounted to MSEK 177 (427).

Cash flow from investing activities totalled MSEK –188 (–28), including investments and divestments of tangible non-current assets for the financial year in a net amount of MSEK –26 (–13), and acquisitions and divestments of subsidiaries and other business units in a net amount of MSEK –121 (–6). Investments in intangible non-current assets totalled MSEK –41 (–9) and pertained to items such as a new e-commerce platform and business system.

Cash flow from financing activities totalled MSEK –448 (–223) and were mainly affected by dividends issued totalling MSEK 10 (39), new share issue of MSEK +57 (–), paid group contributions and other transactions with shareholders totalling MSEK –182 (–85), as well as the net of loans raised and amortisation totalling MSEK –313 (–109). In preparation for a potential separate listing of Momentum Group, the Group was actively working to eliminate the financial balances with B&B TOOLS' internal bank before the end of the year, which explains the major change in interest-bearing liabilities.

As a result of the above, cash flow for the year was MSEK –459 (166).

At 31 March 2017, the Group's interest-bearing liabilities comprised liabilities to B&B TOOLS in an amount of MSEK 332 (642), of which MSEK 150 (639) pertained to loans via B&B TOOLS' internal bank and MSEK 182 (3) pertained to the Group companies' utilisation of credit facilities in B&B TOOLS' cash pool. In addition, interest-bearing provisions for pensions totalled MSEK 24 (19).

The Group's interest-bearing assets at 31 March 2017 consisted of cash and cash equivalents totalling MSEK 69 (525), of which MSEK 56 (520) pertained to the Group's share in the internal bank operated by B&B TOOLS. The change in cash and cash equivalents is explained by the year's cash flow, which is explained above. There were also interest-bearing financial non-current assets of MSEK 5 (3).

The Group's operational net loan liability at the end of the financial year amounted to MSEK 263 (117).

2015/2016 FINANCIAL YEAR COMPARED WITH 2014/2015 FINANCIAL YEAR

Revenue

Revenue for the financial year totalled MSEK 5,176 (5,351), a decrease of 3.3 percent. Exchange-rate translation effects had an impact of MSEK –84 on revenue. Revenue for comparable units, measured in local currency and adjusted for the number of trading days, declined 2.2 percent during

the reporting period compared with the preceding year. The year was characterised by the weak economic situation in Norwegian industry, caused by a downturn in the offshore sector and a restraint among many industrial customers in the Group's other markets. Demand was more robust within the construction sector. At the same time, the Group continued to strengthen its market position in selected niche markets, resulting in increased revenue in several companies.

Revenue for the Tools & Consumables business area declined to MSEK 4,029 (4,219), corresponding to a decrease of 4.5 percent. Revenue includes internal intra-group sales. Exchange-rate translation effects had an impact of MSEK –80 on revenue. The decline in revenue for comparable units was 2.8 percent. Under this business area, TOOLS Sweden's revenue increased to MSEK 1,807 (1,780), corresponding to 1.5 percent, and TOOLS Finland's revenue increased to MSEK 787 (755), corresponding to 4.2 percent. Mercus Yrkeskläder's revenue increased to MSEK 134 (126), corresponding to 5.8 percent. However, the growth in these companies was insufficient to compensate for the decline in sales for TOOLS Norway, where revenue fell to MSEK 1,302 (1,562), corresponding to a decrease of 16.6 percent. The decline was mainly attributable to challenges in the Norwegian offshore sector, despite the stability of sales to the construction and civil engineering industry and other customer segments.

Revenue for the Components & Services business area remained unchanged at MSEK 1,358 (1,358). Revenue includes internal intra-group sales. Exchange-rate translation effects had an impact of MSEK –7 on revenue. The decline in revenue for comparable units was 0.4 percent. Revenue for the Momentum Industrial business area increased to MSEK 993 (952), corresponding to 4.3 percent. Demand recovered among certain customers in the mining and forestry industries, which contributed to the increase during the year. Gigant's revenue totalled MSEK 366 (407), down 10.1 percent. The decline was due to lower sales to Norwegian customer via TOOLS Norway, caused by a downturn in the offshore sector.

Impact on revenue of Group-wide and eliminations of internal sales amounted to MSEK –211 (–226), where currency translation effects affected revenue by MSEK 3.

Operating income

The Group's total operating income for the financial year amounted to MSEK 5,182 (5,357), down 3.3 percent. In addition to revenue, other operating income totalling MSEK 6 (6) was included, of which exchange gains on operating receivables and liabilities accounted for MSEK 2 (0).

Operating profit

Cost of goods sold declined to MSEK 3,285 (3,414) during the year, mainly as a consequence of reduced revenue as well as activities conducted to streamline the operations.

Personnel costs declined somewhat to MSEK 999 (1,004), primarily due to the adaptation of the operations to prevailing market conditions, which was carried out on a continuous basis and entailed a reduction in the average number of employees during the year.

Other operating expenses declined to MSEK 689 (724) and pertained to such items as leasing costs for premises.

These costs were also reduced as a result of ongoing efficiency-enhancement efforts.

Depreciation, amortisation and impairment of non-current assets totalled MSEK 16 (17), of which MSEK 15 (16) pertained to tangible non-current assets and MSEK 1 (1) to intangible non-current assets.

Due to the aforementioned reasons, operating profit for the reporting period amounted to MSEK 193 (198), corresponding to an operating margin of 3.7 percent (3.7).

For the Tools & Consumables business area, operating profit amounted to MSEK 72 (75). The change was mainly explained by the lower revenue. For the Components & Services business area, operating profit amounted to MSEK 120 (121). The operating profit for the category Group-wide amounted to MSEK 0 (2). In addition, the operating profit was affected by eliminations amounting to MSEK 1 (0).

Profit after financial items

Financial income amounted to MSEK 3 (4), while consolidated financial expenses totalled MSEK 14 (21). Improvements in net financial items mainly originated from reduced net loan liabilities.

Due to the aforementioned reasons, profit after financial items amounted to MSEK 182 (181), corresponding to a profit margin of 3.5 percent (3.4).

Tax

The Group's income tax expense was MSEK 43 (41), while the estimated tax in accordance with the average tax rate for the Group of 23 percent (23) was MSEK 42 (42). The difference is attributable to factors such as non-deductible expenses.

Equity, equity/assets ratio and return

The Group's equity at 31 March 2016 amounted to MSEK 939 (980) and was entirely attributable to the parent company's shareholders. Equity per share at 31 March 2016 totalled SEK 33.20.

The Group's balance-sheet total at 31 March 2016 was MSEK 2,694 (2,727). The Group's equity/assets ratio at 31 March 2016 was 35 percent (36).

Of the Group's cash and cash equivalents of MSEK 525 (372) at 31 March 2016, MSEK 520 (368) pertained to the Company's balance in the internal bank operated by B&B TOOLS. At the same time, the Group was financed by current (committed credit facilities) and non-current interest-bearing loans totalling MSEK 642 (754) through the internal bank. Due to the Group's contractual relationship with the internal bank, it is unable to apply net accounting to the balance at this time. However, the opportunity to do so will be created by other means in conjunction with the Group's restructuring into an independent company with its own cash pool. Consequently, the Company's assessment is that if the Group had been able to apply net accounting to the balance with B&B TOOLS' internal bank, the Group's balance-sheet total at 31 March 2016 would have been reduced by MSEK 520 (368), to total MSEK 2,174 (2,359). Accordingly, the Group's adjusted equity/assets ratio would have totalled 43 percent (42).

The Group's profitability, measured as the return on working capital, P/WC (adjusted operating profit in relation to working capital), increased to 19 percent (17) for the financial year.

The return on capital employed was 12 percent (11) and the return on equity was 14 percent (13). The return on adjusted capital employed, with consideration for the aforementioned opportunities for the Group to apply net accounting to the entire balance with B&B TOOLS' internal bank, totalled till 15 percent (14).

Cash flow from operating activities and financial position

Cash flow from operating activities before changes in working capital for the financial year ending 31 March 2016 amounted to MSEK 158 (173).

Funds tied up in working capital declined MSEK 269 (47) during the year, with inventories declining by MSEK 44, operating receivables increasing by MSEK 117 and operating liabilities increasing by MSEK 108. The increased account payables were due to changed payment terms against some major suppliers. The cash flow from operating activities for the year amounted to MSEK 427 (220).

Cash flow from investing activities totalled MSEK -28 (29), including investments and divestments of tangible non-current assets for the financial year in a net amount of MSEK -13 (-15), and acquisitions and divestments of subsidiaries and other business units in a net amount of MSEK -6 (-4). Investments in intangible non-current assets totalled MSEK -9 (-2) and pertained to items such as a new e-commerce platform and business system. The preceding year was impacted by acquisitions and divestments of financial non-current assets for a net total of MSEK 50.

Cash flow from financing activities totalled MSEK -233 (-175) and were mainly affected by dividends issued totalling MSEK 39 (47), paid group contributions and other transactions with shareholders totalling MSEK -85 (-99), as well as the net of loans raised and amortisation totalling MSEK -109 (-29).

As a result of the above, cash flow for the year was MSEK 166 (74).

At 31 March 2016, the Group's interest-bearing liabilities comprised liabilities to B&B TOOLS, of which MSEK 639 (746) pertained to loans via B&B TOOLS' internal bank and MSEK 3 (8) pertained to the Group companies' utilisation of credit facilities in B&B TOOLS' cash pool. In addition, interest-bearing provisions for pensions totalled MSEK 19 (23).

The Group's interest-bearing assets at 31 March 2016 consisted of cash and cash equivalents totalling MSEK 525 (372), of which MSEK 520 (368) pertained to the Group's share in the internal bank operated by B&B TOOLS. There were also interest-bearing financial non-current assets of MSEK 3 (3).

The Group's operational net loan liability at the end of the financial year amounted to MSEK 117 (382).

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 March 2017. Refer to the section *The share, share capital and ownership conditions* for more information about the Company's share capital and shares. The tables in this section should be read together with the section *Operational and financial overview* and Momentum Group's financial information and associated notes, which are presented in other areas of this Prospectus.

EQUITY AND INDEBTEDNESS

Momentum Group is financed with equity and liabilities. Equity at 31 March 2017 amounted to MSEK 1,007 (939). Momentum Group's liabilities at 31 March 2017 comprised non-interest-bearing liabilities and interest-bearing liabilities. Of the non-interest-bearing liabilities totalling MSEK 1,188 (1,095), the majority pertains to liabilities arising in the operational business activities, including accounts payable of MSEK 782 (666). Of the Group's interest-bearing liabilities totalling MSEK 356 (661), including pension provisions of MSEK 24 (19), liabilities to B&B TOOLS account for MSEK 332 (642), of which MSEK 150 (639) pertained to long-term loans via B&B TOOLS' internal bank and MSEK 182 (3) pertained to the Group companies' utilisation of committed credit facilities in B&B TOOLS' cash pool.

Momentum Group's total equity and liabilities at 31 March 2017 are presented below.

MSEK	31 March 2017
Current liabilities	
Guaranteed	–
Secured	–
Without guarantee/surety or other collateral	1,329
Total current liabilities	1,329
Non-current liabilities	
Guaranteed	–
Secured	–
Without guarantee/surety or other collateral	215
Total non-current liabilities	215
Share capital	57
Other contributed capital	–
Other reserves	–28
Retained earnings and losses	978
Total equity	1,007

As of 31 March 2017, the Company had off balance sheet contingent liabilities and pledged assets of MSEK 3 (3). For additional information, refer to note 25 in the section *Historical financial information*.

NET INDEBTEDNESS

Momentum Group's interest-bearing net indebtedness at 31 March 2017 is presented below.

MSEK	31 March 2017
A Cash	13
B Cash and cash equivalents ¹⁾	56
C Marketable securities	–
D Total liquidity (A)+(B)+(C)	69
E Current financial receivables	–
F Current bank debt	–
G Current portion of non-current liabilities	–
H Other current liabilities ²⁾	182
I Total current liabilities (F)+(G)+(H)	182
J Net current indebtedness (I)–(E)–(D)	113
K Non-current bank loans	–
L Bonds issued	–
M Other non-current liabilities ³⁾	169
N Non-current liabilities (K)+(L)+(M)	169
O Net indebtedness (J)+(N)	282

1) Pertains to liquidity in the Group's accounts in B&B TOOLS' cash pool.

2) Pertains to the utilisation of liquidity (committed credit facility) in the Group's accounts in B&B TOOLS' cash pool.

3) Pertains to long-term financing of MSEK 150 via B&B TOOLS' internal bank, provisions for pensions of MSEK 24 less financial interest-bearing non-current assets of MSEK 5.

As of 31 March 2017, Momentum Group's operational net debt amounted to MSEK 263, with the majority comprising the internal bank in B&B TOOLS. Ahead of 31 March 2017, the Group's liquidity was largely utilised to repay the loans previously raised with B&B TOOLS. This enabled the financial internal transactions to be significantly reduced. Ahead of the Split and Listing of the Company's shares, all remaining liabilities to B&B TOOLS in accordance with the above will be settled and refinanced through new financing, which is described below in the section *Future financing*.

Since 31 March 2017, Momentum Group's equity has been impacted by net profit and exchange-rate differences arising on the translation of the Group's foreign net assets to SEK.

In addition to the aforementioned and the provisions of in the section *Future financing* below, no material changes concerning Momentum Group's equity or indebtedness have occurred since 31 March 2017.

FUTURE FINANCING

Ahead of the Distribution and Listing of Momentum Group, the Group plans to replace its existing financing, as described above at 31 March 2017 taking into account any changes arising between the end of the accounting period and the Distribution and Listing, which is primarily derived from operational business activities, with new financing.

The new financing comprises a committed credit facility of MSEK 400 and a revolving credit facility of MSEK 400. Handelsbanken is the lender for both credit facilities.

The committed credit facility has a maturity of one year from the date of issue, with the option to extend the facility after a standard credit rating. The committed credit facility is linked to a multi-currency cash pool, which means that the credit facility can be utilised in several different currencies but that its utilisation will be denominated in SEK vis-a-vis the lender and that the interest rate on utilisation is based on STIBOR.

The revolving credit facility has a maturity of three (3) years from the date of issue. This credit facility represents a binding commitment from Handelsbanken to issue a revolving loan within the framework of the facility as long as the Group fulfils certain financial obligations. The revolving loan can be withdrawn with various fixed-interest periods (one, three or six months) and in various currencies (SEK, EUR, NOK, DKK). The revolving credit facility can be extended, for a fee, after three years for a further year plus one additional year, for a total maximum of five (5) years.

It is the Company's assessment that it will be possible for the non-current financing via B&B TOOLS' internal bank (the portion of item M in the table above pertaining to liabilities to B&B TOOLS) to be replaced in its entirety with long-term financing via the revolving credit facility, and for the current financing (item H in the table above), taking into account any changes arising from operational business activities after the end of the accounting period, to be replaced in its entirety via financing through the committed credit facility.

ACCOUNT OF WORKING CAPITAL

As of the date of this Prospectus, the board of directors of Momentum Group believes that the existing working capital is sufficient to cover the Group's current needs for its operating activities for the coming 12-month period. In this context, working capital refers to the Company's ability to gain access to liquid funds to fulfill its payment obligations as they fall due.

NON-CURRENT ASSETS

Momentum Group's tangible non-current assets at 31 March 2017 amounted to MSEK 64. Of the total tangible non-current assets, MSEK 7 comprised land and buildings, MSEK 17 comprised leasehold improvements, MSEK 37 comprised machinery and equipment and MSEK 3 comprised construction in progress.

Momentum Group's intangible non-current assets at 31 March 2017 amounted to MSEK 533. Of the total intangible non-current assets, MSEK 449 comprised goodwill, MSEK 35 comprised customer relationships and MSEK 49 comprised other intangible non-current assets.

INVESTMENTS

The table below presents a summary of Momentum Group's total investments for the 2014/2015, 2015/2016 and 2016/2017 financial years. These investments mainly comprise investments in machinery and equipment and investments in systems and solutions for e-commerce and business systems. The Company has not made any new investments of material significance since 31 March 2017.

MSEK	2016/2017	2015/2016	2014/2015
Investments			
Other intangible non-current assets	41	9	2
Total intangible non-current assets	41	9	2
Leasehold improvements	8	2	3
Machinery and equipment	16	11	12
Construction in progress	2	2	1
Total tangible non-current assets	26	15	16
Total investments in non-current assets	67	24	18

TRENDS

Demand for industrial supplies and industrial components is driven primarily by growth on the end customers' markets. The growth is accordingly closely connected to the development of the total industrial output, the investment rate in the construction and civil engineering sector, the number of employees in the industrial sector and the number of employees in the construction and civil engineering sector. The growth on the end customers' markets are, in turn, affected by the development of the underlying economy and factors such as GDP growth, interest rates and inflation. For additional information, refer to the section *Market overview*. Other parameters which affects the Group, including sales, costs and market position, are stable. In addition to what is stated in the section *Risk factors*, the Company is not aware of any trends, uncertainties, potential receivables or other requirements that can be expected to have a significant impact on the Group's business outlook during the current financial year. In addition to what is stated in the section *Risk factors* and the section *Market overview*, Momentum Group is not aware of any public, economic, tax policy, monetary policy or other policy measures that may, directly or indirectly, have a significant impact on the Group's operations.

MATERIAL CHANGES

No other events of material significance to Momentum Group's financial position (other than those described above with respect to future financing) or position in the market have occurred since 31 March 2017.

BOARD OF DIRECTORS, SENIOR MANAGEMENT AND AUDITOR

BOARD OF DIRECTORS AND GROUP MANAGEMENT

According to Momentum Group's articles of association, the board of directors is to comprise not fewer than five and not more than eight directors elected by the general meeting of shareholders. The board of directors for the period up until the end of the 2018 annual general meeting comprises five directors elected by the general meeting of shareholders. The board of directors of Momentum Group has appointed an external CEO.

The board of directors is presented in the table below, including information concerning year of birth, year of election to the board and independence in relation to the Company and management as well as the Company's major shareholders, as defined in the Swedish Corporate Governance Code.¹⁾ The table also shows their shareholdings in B&B TOOLS as of the date of this Prospectus as well as the number of shares in Momentum Group they are entitled to under the Distribution as a result of their shareholdings in B&B TOOLS.²⁾

Name	Year of birth	Year of election	Independent in relation to the Company and management	Independent in relation to the Company's major shareholders	Number of shares in B&B TOOLS		Number of shares in Momentum Group	
					A	B	A	B
Jörgen Wigh, chairman	1965	2016	Yes	No	–	13,978	–	13,978
Fredrik Börjesson	1978	2016	Yes	No	–	718,100	–	718,100
Charlotte Hansson	1962	2016	Yes	Yes	–	5,000	–	5,000
Stefan Hedelius	1969	2016	Yes	No	–	–	–	–
Gunilla Spongh	1966	2016	Yes	Yes	–	1,350	–	1,350

DIRECTORS



JÖRGEN WIGH

Chairman of the board since 2016

Born: 1965.

Education: M.Sc. Econ.

Work experience: President, CEO and director of Lagercrantz Group Aktiebolag. Former executive vice president of Bergman & Beving, founder of PriceGain and management consultant at McKinsey & Co.

Other current assignments: Director of Elpress AB, Asept International AB and a number of other subsidiaries in the Lagercrantz Group, and STARGO AB.

Previous assignments (past five years): Director of Bergman & Beving Holding AB.

Independent in relation to the Company and management: Yes.

Independent in relation to major shareholders: No.

Expected shareholding in Momentum Group: 13,978 class B shares.



FREDRIK BÖRJESSON

Director since 2016

Born: 1978.

Education: M.Sc. Econ.

Work experience: CEO and director of Tisenhult-gruppen AB and Tisenhult Förvaltning AB. Senior positions within Tisenhult-gruppen.

Other current assignments: Chairman of Ventilationsgrossisten Nordic AB, Inomec AB, Bostad Direkt Stockholm Aktiebolag, Swedish Cable Trolleys AB, Tisenhult Skogar AB, Kvarnängen Invest AB and Northpower Stålhallar AB. Director of Futuraskolan AB, Expando Electronics AB, B&B TOOLS Aktiebolag, AddLife AB and Lagercrantz Group Aktiebolag.

Previous assignments (past five years): Director of Life of Svea AB and Tisenhult Invest AB.

Independent in relation to the Company and management: Yes.

Independent in relation to major shareholders: No.

Expected shareholding in Momentum Group: 718,100 class B shares.

- 1) Independence in relation to major shareholders in the Company has been assessed based on Momentum Group's expected shareholder base at the time of the Listing.
- 2) Provided that the extraordinary general meeting of shareholders on 14 June 2017 resolves to distribute B&B TOOLS' shares in Momentum Group to the shareholders in B&B TOOLS in accordance with the proposal of the board of directors, each class A and class B share in B&B TOOLS held on the record date for the right to distribution of shares in Momentum Group will be entitled to one (1) class A share or one (1) class B share in Momentum Group.



CHARLOTTE HANSSON

Director since 2016

Born: 1962.

Education: M.Sc. Biochemistry. Studies in marketing and economics.

Work experience: CEO of MTD MORGONTIDIG DISTRIBUTION i Sverige AB. Former CEO of Jetpak Sverige Aktiebolag. Senior positions at Jetpak, ASG/Danzas, Carl Zeiss and Beckman Coulter.

Other current assignments: Chairman of Orio AB. Director of Scandinavian Insight Consulting AB, DistIT AB, B&B TOOLS Aktiebolag, PROBI Aktiebolag, BE Group AB and GO Franchise Sverige AB.

Previous assignments (past five years): CEO of Jetpak Sverige Aktiebolag and CEO and/or director of a number of subsidiaries in the Jetpak Group. Chairman of CO-Pilot Bygg & Projektleddning AB. Director of Formpipe Software AB, RenoNorden ASA, Oxeon AB, TFK-TransportForsk AB and a number of subsidiaries previously included in the DistIT Group.

Independent in relation to the Company and management: Yes.

Independent in relation to major shareholders: Yes.

Expected shareholding in Momentum Group: 5,000 class B shares.



STEFAN HEDELIUS

Director since 2016

Born: 1969.

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

Work experience: Former CEO of NOTE AB, vice president brand and marketing at Scandinavian Airlines (SAS) and various positions at Ericsson, including vice president Marketing and Communications, Head of Strategy and Marketing, and vice president of Ericsson Austria.

Other current assignments: Director of Stefan Hedelius AB, AddLife AB and Handbolls-EM 2016 Sverige AB. Deputy director of Say hello to all of our friends AB.

Previous assignments (past five years): CEO of NOTE AB.

Independent in relation to the Company and management: Yes.

Independent in relation to major shareholders: No.

Expected shareholding in Momentum Group: –



GUNILLA SPONGH

Director since 2016

Born: 1966.

Education: M.Sc. Eng. and Industrial Economics.

Work experience: CFO of Preem Aktiebolag. Former CFO of CashGuard AB and Enea Aktiebolag, and CFO and International Business Director at Mekonomen Aktiebolag. Senior positions at Fresenius Kabi and Electrolux.

Other current assignments: Chairman of Preem Försäkrings AB. Director of B&B TOOLS Aktiebolag, AQ Group AB, SunPine AB, G Spongh Förvaltnings AB, Infranord AB and Bostadsrättsföreningen Råven 11.

Previous assignments (past five years): Chairman and/or director of Mekonomen Group AB and a number of subsidiaries in the Mekonomen Group. Deputy director of Capital Software Innovations, Stockholm Aktiebolag and Quaoar AB.

Independent in relation to the Company and management: Yes.

Independent in relation to major shareholders: Yes.

Expected shareholding in Momentum Group: 1,350 class B shares.

GROUP MANAGEMENT

**ULF LILIUS**

President & CEO since 2016

Born: 1972.

Education: B.Sc. Econ.

Work experience: President & CEO of B&B TOOLS Aktiebolag. Former CEO of Momentum Industrial, experience from senior positions in SKF.

Other current assignments: Chairman and director of a number of companies in Momentum Group. Director of Lilius System Aktiebolag and B.C.C.-Gruppen Aktiebolag.

Previous assignments (past five years): Chairman, director and/or CEO of a number of subsidiaries in the B&B TOOLS Group.

Expected shareholding in Momentum Group: 1,344 class A shares and 158,227 class B shares.

**NIKLAS ENMARK**

Executive vice president & CFO since 2017

Born: 1972.

Education: M.Sc. Econ.

Work experience: Former CFO of Axel Johnson International AB, CFO and executive vice president of Lagercrantz Group AB and investment manager at Investor Growth Capital.

Other ongoing assignments: –

Previous assignments (past five years): Acting CEO of Axel Johnson International AB, and chairman and director of a number of subsidiaries in the Axel Johnson International Group.

Expected shareholding in Momentum Group: 1,500 class B shares.

AUDITOR

The most recent election of auditor took place at the annual general meeting on 9 May 2017, when the registered auditing firm of KPMG AB (Evenemangsgatan 17, SE-169 03 Solna, Sweden) was re-elected for the period until the next annual general meeting. Håkan Olsson Reising (authorised public accountant and member of FAR – the trade association for authorised accounting consultants, auditors and advisors) has served as auditor in charge since 8 March 2017. Matilda Axlind (authorised public accountant and member of FAR) serves as cosignatory auditor. Matilda Axlind serves as auditor in charge for several of the Group's subsidiaries and auditor in charge for the B&B TOOLS Group. KPMG has served as B&B TOOLS' auditor for the entire period covered by the historical financial information in this Prospectus and as Momentum Group's auditor since 13 September 2016. KPMG, with Håkan Olsson Reising as auditor in charge and Matilda Axlind as cosignatory, has submitted an auditor's report for the combined financial statements for financial years included in the Prospectus.

OTHER DISCLOSURES CONCERNING DIRECTORS AND SENIOR MANAGEMENT

The office address of all members of Momentum Group's board of directors and senior management is Linnégatan 18 in Stockholm.

Momentum Group's board of directors was appointed based on the proposal from the election committee of B&B TOOLS. Fredrik Börjesson, Charlotte Hansson, Stefan Hedelius and Gunilla Spongh were elected as directors at an extraordinary general meeting of shareholders on 22 November 2016. Jörgen Wigh was elected as chairman at an extraordinary general meeting of shareholders on 19 December 2016. All directors were re-elected at the annual general meeting on 9 May 2017 for the period until the next annual general meeting.

None of the aforementioned directors or members of senior management has family ties with another director or member of the Company's senior management. No director or member of senior management has been convicted in a fraud-related court case in the past five years.

No director or member of senior management has been the object of charges and/or sanctions by authorities or professional societies governed via public law or regulation (including authorised professional bodies) in the past five years. Nor has any director or member of senior management prohibited by a court of law in the past five years from becoming a member in a company's administrative, management or control function, or of holding a leading or overriding function in a company. Furthermore, no director or member of senior management has been involved in any bankruptcy, liquidation or bankruptcy administration in the past five years.

No director or member of senior management has any private interests that could conflict with the Company's interests. However, as described above, certain directors

and members of senior management have financial interests in B&B TOOLS through their shareholdings. At the time of the Distribution of B&B TOOLS' shares in Momentum Group, these shares will entitle the holder to shares in Momentum Group. Accordingly, certain directors and members of senior management will have financial interests in Momentum Group through their shareholdings after the Distribution.

As far as the board of directors is aware, no special agreements have been entered into with major shareholders, customers, suppliers or other parties concerning the election or appointment of directors, members of senior management or auditors.

In accordance with the Swedish Corporate Governance Code, more than half of the directors elected at the general meeting of shareholders are to be independent in relation to the company and its management. There is no generally accepted definition of the term "independence". However, the independence of a director may be questioned if, for example, he or she directly or indirectly has extensive business connections or other extensive financial transactions with the company. An overall evaluation of a director's relationship to the company is necessary in every single case. All directors have been deemed to be independent in relation to the company and management:

The Swedish Corporate Governance Code also requires that at least two of the directors elected at the general meeting of shareholders who are considered independent in relation to the company and management must also be independent in relation to the company's major shareholders. According to the Swedish Corporate Governance Code, major shareholders are shareholders who directly or indirectly control 10 percent or more of the shares or votes in the company. Independence in relation to major shareholders in the company has been assessed based on Momentum Group's expected shareholder base at the time of the Listing.¹⁾ A board member is not regarded as independent in relation to the company's major shareholders if he or she is employed by or is a director of a company that is a major shareholder. When assessing whether a director is independent in relation to major shareholders, the scope of the director's direct or indirect relationship with the major shareholder is to be taken into account. Jörgen Wigh, Stefan Hedelius and Fredrik Börjesson have been deemed to be dependent in relation to the Company's major shareholders. Charlotte Hansson and Gunilla Spongh have been deemed to be independent both in relation to the Company's major shareholders and in relation to the Company and management. Accordingly, two directors elected by the general meeting of shareholders are independent in relation to Momentum Group and its management and in relation to Momentum Group's major shareholders. The Company thus meets the rules of the Swedish Corporate Governance Code with respect to the independence of the board of directors in relation to the Company, management and the Company's major shareholders.

1) For details concerning the expected ownership structure, refer to the section *The share, share capital and ownership conditions*.

SALARIES AND REMUNERATION TO BOARD OF DIRECTORS AND MEMBERS OF SENIOR MANAGEMENT

Remuneration to board of directors

The chairman of the board and directors are paid a director's fee in accordance with the decision of the annual general meeting. Remuneration to Momentum Group's board of directors for the 2016/2017 financial year was determined at an extraordinary general meeting of shareholders on 24 January 2017. The fee was set at SEK 780,000, with SEK 260,000 paid to the chairman and SEK 130,000 to each director. At the annual general meeting of Momentum Group on 9 May 2017, the fee for the 2017/2018 financial year was set at SEK 1,710,000, with SEK 520,000 to be paid to the chairman and SEK 260,000 to each director. For committee work, a fee of SEK 50,000 is paid to each member of the compensation committee (2 individuals) and a fee of SEK 50,000 to the chairman of the audit committee.

General principles for remuneration to members of senior management in Momentum Group

Decisions regarding guidelines for salary and other remuneration to the CEO and other members of senior management are to be made by the annual general meeting after a proposal by the board of directors. The annual general meeting on 9 May 2017 resolved to adopt the current guidelines in accordance with the proposal of the board.

The Company's remuneration levels and remuneration structure for senior management are to be in line with market conditions. The total remuneration package for the individuals in question comprises fixed salary, variable salary, long-term incentive programmes, pension benefits and other benefits. Fixed salary is to be in line with market terms and be based on responsibility, competence and performance. Fixed salary is reviewed annually. Variable salary may normally amount to a maximum of 40 percent of the fixed salary and is mainly to be based on the earnings growth and profitability of the Group and the own area of responsibility. Members of senior management may be included in a long-term incentive programme. Pension benefits are to reflect the market rules and practice. If possible, pensions are to comprise defined-contribution plans. Other benefits are to be in accordance with market practice.

Other terms of employment, such as period of notice and severance pay, are to be in line with market terms and may not under any circumstances exceed a 12-month period of notice and 12 months' severance pay. No severance pay is to be paid if notice is given by the employee. The board is entitled to deviate from these guidelines in individual cases if special reasons exist.

Agreement regarding post-employment remuneration

The Company has entered into agreements with members of group management regarding pension in accordance with the guidelines presented above. Besides these agreements, the Company has not entered into any agreements with members of the Company's administrative, management or control function that would entitle the members to post-employment benefits. As of the publication date of this Prospectus, there are no provisions or accrued costs for pensions or similar post-employment benefits.

Incentive programmes

There are currently no share-based incentive programmes in Momentum Group. In principle, however, the board of directors is in favour of offering the Company's employees an opportunity to participate in incentive programmes and is investigating the possibility of presenting a proposal for incentive programmes in the future.

Remuneration paid and other remuneration during the period from 8 August 2016 to 31 March 2017

The table below shows the amounts paid in remuneration to members of the board of directors and senior management (including contingent or delayed remuneration and similar) during the period from 8 August 2016, when Momentum Group was formed and registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*), to 31 March 2017, inclusive, and any non-cash benefits approved by the Company or its subsidiaries for these individuals for services performed on behalf of the Group, regardless of the capacity in which the services were performed or who performed the services.

Board of directors

SEK	Function	Director's fee	Fee for committee work	Total
Jörgen Wigh	Chairman	260,000	–	260,000
Fredrik Börjesson	Director	130,000	–	130,000
Charlotte Hansson	Director	130,000	–	130,000
Stefan Hedelius	Director	130,000	–	130,000
Gunilla Spongh	Director	130,000	–	130,000
Total		780,000	–	780,000

Group management

SEK	Fixed salary and other benefits	Variable remuneration	Pension costs	Total
President & CEO	–	–	–	–
Executive vice president & CFO	124,931	–	0	124,931
Total	124,931	–	0	124,931

CORPORATE GOVERNANCE

LEGISLATION, SWEDISH CORPORATE GOVERNANCE CODE AND ARTICLES OF ASSOCIATION

Momentum Group is a public limited liability company and is regulated by Swedish legislation, primarily through the Swedish Companies Act (2005:551). The Company's class B shares are expected to be admitted to trading on Nasdaq Stockholm and thus the Company will also apply Nasdaq Stockholm's Rule Book for Issuers. The Company also applies the Swedish Corporate Governance Code. The Swedish Corporate Governance Code is to be applied by companies whose shares are traded in a regulated market. The Swedish Corporate Governance Code is part of the self-regulation system of Swedish trade and industry, and is based on the "comply or explain" principle. This means that a company that applies the Swedish Corporate Governance Code may deviate from individual rules, but is required to provide an explanation for each deviation. The Company does not intend to deviate from the Swedish Corporate Governance Code, except as regards to rule 7.6 (auditor's review of the half-year or nine-month report). Based on the Company's internal audit work and the self-assessment performed annually by the respective subsidiaries, the board has initially made the assessment that the extensive work and the additional costs an expanded auditor's review of the half-year or nine-month report would lead to for the Company can not be motivated.

In addition to legislation, regulations and recommendations, the articles of association form the basis for control of the Company's operations. The articles of association include the location of the board of directors' registered office, the focus of operations, limitations pertaining to share capital and the number of shares as well as conditions for participation in general meetings of shareholders. The most recently registered articles of association were adopted at an extraordinary general meeting of shareholders on 31 March 2017. The articles of association are presented in their entirety in this Prospectus; refer to the section *Articles of association*.

GENERAL MEETING OF SHAREHOLDERS

The general meeting of shareholders is the Company's highest decision-making body where shareholders exercise their voting rights. At the annual general meeting, decisions are made concerning the annual report, dividends, the election of the board of directors and, where necessary, the election of auditors, directors' and auditors' fees, and other matters in accordance with the Swedish Companies Act and the articles of association. Further information about the annual general meeting and minutes of the meeting are available at the Company's website. The Company does not apply any special arrangement with respect to the function of the general meeting of shareholders due to the provisions of the

articles of association or due to any shareholders' agreement known to the Company.

In accordance with Momentum Group's articles of association, notice to attend a general meeting is to be issued through an announcement 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*. Following the Company's listing, a press release in Swedish and English comprising the notice in its entirety will be issued prior to every general meeting of shareholders.

Entitlement to participate at general meetings of shareholders and the right of initiative

Shareholders who are registered in the shareholders' register maintained by Euroclear five business days before the general meeting, and who by no later than the date indicated in the notice to attend the general meeting have notified the Company of their intention to attend, are entitled to participate in the general meeting and to vote for the number of shares held. Shareholders may participate in general meetings in person or by proxy, and may be accompanied by a maximum of two assisting council. Representatives of shareholders may accompany the shareholder to a general meeting if the shareholder applies to do so in accordance with the procedures applicable to shareholder notification.

In addition to notifying the Company, shareholders whose shares are nominee-registered through a bank or other nominee must request temporary re-registration of their shares under their own name in the shareholders' register maintained by Euroclear, to be entitled to participate in the general meeting of shareholders. Shareholders should notify their nominees well in advance of the record date. Shareholders who wish to have a matter brought before a general meeting must submit a request in writing to the board of directors. The request should, under normal circumstances, reach the board of directors by no later than one week before the earliest possible date of issue of the notice to attend the meeting, in accordance with the Swedish Companies Act. Any shareholder who submits a matter sufficiently in advance is entitled to have the matter addressed at the general meeting.

ELECTION COMMITTEE

In accordance with Swedish Corporate Governance Code, the Company is to have an election committee. The names of the directors on the election committee are to be presented on the Company's website no later than six months before the annual general meeting. At the annual general meeting held on 9 May 2017, a resolution was passed to apply the following policies for the appointment of an election committee until further notice.

The election committee is to comprise representatives of the four largest shareholders in terms of votes at 31 December of each year as well as the chairman of the board. The majority of members of the election committee may not be directors, and the CEO and other members of senior management may not be members of the election committee. The election committee is to appoint a chairman from among its ranks. However, the chairman of the election committee is not to be a director.

The election committee is to evaluate the composition and work of the board of directors, and present the annual general meeting with nominations for the chairman of the general meeting, directors and the chairman of the board, auditors and deputy auditors or registered accounting firm as well as motions concerning the director's fee to each individual director, auditors' fees and, where applicable, motions to amend policies on the appointment of the election committee and its assignments. In conjunction with this, the election committee's motions are to be presented in the notice of the annual general meeting and on the Company's website. The election committee is to submit a report to the annual general meeting on how its work was conducted and present and justify its motions.

In the event that a member of the election committee steps down or is prevented from performing his/her duties, or if a member of the election committee, or the shareholder whom the member represents, at the time of the election committee's meeting prior to the next annual general meeting materially reduces his/her holdings in the Company, the election committee shall, if it deems that the need exists to replace this member, appoint a new member to the election committee in accordance with the above policies for the remaining term of office. This must be based on the Company's shareholder list as early as possible following the member's departure from his/her position or the material reduction in his/her holdings. Any changes in the composition of the election committee are to be disclosed immediately.

The Company is to defray expenses related to the evaluation of election committee members and/or the recruitment of directors. Election committee members receive no remuneration from the Company for their work.

BOARD OF DIRECTORS

In accordance with Momentum Group's articles of association, the board of directors is to comprise not fewer than five and not more than eight directors. Directors are elected annually at the annual general meeting for the period until the close of the next annual general meeting. The duration for which a member may serve is not subject to limitation. The Company's board of directors currently comprises Jörgen Wigh (chairman), Fredrik Börjesson, Charlotte Hansson, Stefan Hedelius and Gunilla Spongh, most recently elected at the annual general meeting held on 9 May 2017. Information about the directors can be found in the section *Board of directors, senior management and auditor*.

Board of directors' responsibility and work

The board of directors' assignments are regulated through the Swedish Companies Act, Momentum Group's articles of association and the Swedish Corporate Governance Code.

In addition, the board of directors' work is regulated by the rules of procedure adopted by the board of directors. Each year, the board is to adopt written rules of procedure that regulate the work of the board and its internal distribution of responsibility, including its committees, the procedure for resolutions within the board, the agenda for board meetings and the duties of the chairman. The board of directors is also to issue a set of instructions to the CEO and instructions for financial reporting to the board of directors. The board is also to adopt a number of policies for the Group's operations, including a financial policy, code of conduct and information security policy.

The board of directors will oversee the work of the CEO through continuous monitoring of the operations during the year and is responsible for ensuring that the organisation and management as well as the guidelines for administration of the Company are appropriate and that the Company has adequate internal control and effective systems in place for monitoring and controlling the Company's operations and compliance with legislation and regulations applicable to the Company's operations. The board is also responsible for establishing, developing and monitoring the Company's goals and strategies, decisions regarding acquisitions and divestments of operations, major investments, and the appointment and remuneration of group management. The board of directors and CEO present the annual accounts to the annual general meeting.

An evaluation of the board's work is to be performed annually under the leadership of the chairman of the board and the election committee is to be informed about the results of the evaluation. The board of directors is to continuously evaluate the CEO's work. This issue is to be addressed each year at a special board meeting that is not attended by group management. The board is also to evaluate and comment on significant assignments, if any, performed by the CEO outside the Company.

The board's rules of procedure

The board's rules of procedure are to be evaluated, updated and adopted annually. If the board of directors establishes a committee from among its own ranks, the board's rules of procedure are to specify the duties and decision-making authorities the board has delegated to the committee, and how the committee is to report to the board.

The board of directors is to hold meetings on a regular basis in accordance with a programme adopted by the rules of procedure, which includes fixed decision items and other items as needed. Prior to the Listing, the board of directors has held thirteen minuted meetings. At scheduled meetings, the board of directors is to address the fixed items on the agenda for each board meeting, in accordance with the board's rules of procedure.

Audit committee and compensation committee

Provisions on establishment of an audit committee are stipulated in the Swedish Companies Act and Swedish Corporate Governance Code, and provisions on the establishment of a compensation committee are stipulated in the Swedish Corporate Governance Code. In this regard, the provisions of the Swedish Companies Act apply only to companies whose shares are traded in a regulated market. Since Momentum Group's class B shares are expected to be

admitted to trading on Nasdaq Stockholm, the Company falls within the spectrum of requirements under the Swedish Companies Act. The Company also applies the Swedish Corporate Governance Code.

Consequently, the board of directors has appointed a compensation committee comprising Jörgen Wigh as chairman, and Fredrik Börjesson. The compensation committee is to prepare a proposal on remuneration policies for senior management. The proposal is to be addressed by the board and then be presented to the annual general meeting for resolution. The board then passes a resolution on the remuneration of the CEO based on the annual general meeting's resolution. The CEO shall not report on his own remuneration. Based on a proposal by the CEO, the compensation committee is to pass a resolution on the remuneration of other members of group management. The board of directors is to be informed about the compensation committee's decision. The compensation committee is then responsible for monitoring and evaluating the application of the guidelines, as adopted by the annual general meeting, for determining remuneration to senior management. The compensation committee is also to monitor and evaluate any ongoing programmes for variable remuneration for senior management as well as any programmes concluded during the year. The compensation committee has held two meetings prior to the Listing.

The board of directors has also resolved that the audit committee's assignments are to be carried out in their entirety by the board of directors. The work of the audit committee is to be conducted as part of the board's work at scheduled board meetings. Gunilla Spongh has been appointed chairman of the audit committee. Gunilla Spongh and Charlotte Hansson are independent in relation to the Company and group management, and in relation to the Company's major shareholders, and Gunilla Spongh holds qualifications in accounting or auditing. Thus, the Company meets the requirements of the Swedish Companies Act.

The audit committee is to – without influencing the work and duties of the board in any other respect – monitor the Company's financial reporting, monitor the efficiency of the Company's internal control and risk management with respect to its financial reporting, remain informed about the audit of the annual report and consolidated financial statements, review and monitor the impartiality and independence of the auditors and, in particular, whether the auditors have provided the Company with services other than auditing services, and assist in the preparation of motions regarding the election of auditors for resolution by the general meeting of shareholders. In conjunction with the board meeting at which the board adopts the annual accounts, the board will meet with and receive a report from the Company's external auditors. At the same time, the board will also meet with the auditors without the presence of the president & CEO or other members of senior management.

CEO

The CEO is Ulf Lilius. Information about Ulf Lilius can be found in the section *Board of directors, senior management and auditor*, and on the Company's website. The CEO is to manage the operations in accordance with the Swedish Companies Act and the framework established by the board. The CEO's work and role as well as the division of respon-

sibility between board of directors and the CEO are to be based on the written instructions to the CEO adopted by the board of directors. The board of directors is to continuously evaluate the CEO's work. In consultation with the chairman of the board, the CEO is to prepare the necessary information and supporting data for board meetings, and normally reports on various matters. The CEO is to lead the work of group management and make decisions in consultation with the other members of management. In addition to Ulf Lilius, group management comprises Niklas Enmark, executive vice president & CFO. Group management is to conduct operational reviews on a regular basis under the management of the president & CEO. Detailed information about group management can be found in the section *Board of directors, senior management and auditor*, and on the Company's website.

CHANGE IN SHAREHOLDERS' RIGHTS

The general meeting of shareholders is entitled to pass resolutions to amend the articles of association, which could result in changes to the rights of shareholders. The Swedish Companies Act stipulates specific majority requirements for the validity of such resolutions passed at general meetings.

If a resolution to amend the articles of association results in a reduction of shareholders' rights to the Company's profits or other assets due to the Company's operations being motivated in whole or in part by factors other than the generation of profits for shareholders, or in restrictions on the right to transfer or acquire shares in the Company through a consent, pre-emption or right of refusal clause, or otherwise results in a shift of the legal relationship between shares, the resolution must be supported by all shareholders in attendance, who must also collectively represent more than nine-tenths of all the share in the Company.

If a resolution to amend the articles of association results in a limitation on the number of shares for which shareholders can vote at a general meeting, or the partial allocation of net profit after deductions for loss brought forward to a restricted reserve, or in the utilisation of the Company's profits or its retained assets upon transfer to be restricted in any other manner than through a change in the Company's aim to wholly or partly generate profit for shareholders, or in the partial allocation of net profit after deduction for loss brought forward to a restricted reserve, the resolution must be supported by two-thirds of the votes cast and nine-tenths of the shares represented at the general meeting.

However, the aforementioned majority requirements do not apply if the resolution is supported by shareholders representing a minimum of two-thirds of the votes cast and two-thirds of the shares represented at the general meeting, or if the amendment entails a diminishment in the rights of no more than one or a few shares, and consent is given by all of the holders of such shares present at the general meeting, and if these shareholders collectively represent a minimum of nine-tenths of all the shares whose rights will be diminished, or if any diminishment in share rights arising from the amendment is limited to a single entire class of share and the holders of half of all such shares and nine-tenths of such shares represented at the general meeting consent to the amendment.

THE SHARE, SHARE CAPITAL AND OWNERSHIP CONDITIONS

SHARE INFORMATION

As of the date of this Prospectus, Momentum Group's registered share capital amounts to SEK 56,530,832, distributed between 28,265,416 shares, of which 1,063,780 are class A shares and 27,201,636 are class B shares. Each share has a quotient value of SEK 2. The shares have been issued in accordance with Swedish law and are denominated in SEK. All issued shares have been fully paid for and are freely transferable. Class A shares are encompassed by a conversion provision in Momentum Group's articles of association (article 7). The ISIN code for the class A shares is SE0009922297 and the ISIN code for the class B shares is SE0009922305. According to the articles of association adopted by the extraordinary general meeting of shareholders on 31 March 2017, the share capital shall amount to not less than SEK 50,000,000 and not more than SEK 200,000,000, distributed between not fewer than 25,000,000 and not more than 100,000,000 shares. Class A shares may be issued in a maximum number equivalent to 25 percent 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 percent of the total number of shares that may be issued in the Company. The rights associated with the shares may only be changed in accordance with the Swedish Companies Act (2005:551).

Momentum Group holds no treasury shares in Momentum Group. At the time of the Listing of the Company's class B shares on Nasdaq Stockholm, there will be no outstanding warrants, convertibles or other share-related financial instruments in the Company. The shares in Momentum Group are not the subject of offers submitted due to mandatory offers, redemption rights or sell-out obligations. No public takeover offer has been made for the shares in Momentum Group during the current or preceding financial year.

CERTAIN RIGHTS ASSOCIATED WITH THE SHARES

General meetings of shareholders and voting rights

Notice of general meetings of shareholders is to be given through an advertisement in *Post- och Inrikes Tidningar* (Official Swedish Gazette) and on Momentum Group's website. An announcement of the publication of the notice shall be made in *Svenska Dagbladet*. Shareholders who are entered in the shareholders' register five weekdays before the meeting and have notified the Company of their desire to participate in the proceedings of the meeting by the date specified in the notice of the meeting will be entitled to participate in the general meeting of shareholders. At general meetings of shareholders, each class A share entitles the holder to ten (10) votes and each class B share to one (1) vote. All voting shareholders are entitled to vote for the full number of shares without limitation.

Preferential rights to new shares, etc.

Should the Company decide to issue new class A or class B shares in a cash issue or set-off issue, holders of class A and class B shares are to have preferential rights 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 class A or class B shares in a cash issue or set-off issue, all shareholders, regardless of whether they hold class A or B shares, shall have preferential right to subscribe for new shares in proportion to the number of shares previously owned by the holder.

Momentum Group's articles of association do not restrict the possibility of deciding on a cash issue or set-off issue with a departure from the preferential rights of shareholders.

Right to dividends and distribution in the event of liquidation

All shares carry equal rights to dividends and to any surplus in the event of liquidation.

SHARE CAPITAL DEVELOPMENT

The following table shows the historical development of Momentum Group's share capital since the Company was founded.

Date	Event	Change in number of shares		Total number of shares		Change in share capital (SEK)	Total share capital (SEK)	Quotient value (SEK)	Price (SEK)	Terms
		Class A shares	Class B shares	Class A shares	Class B shares					
8 Aug 2016	New formation	500 ¹⁾	–	500 ¹⁾	–	50,000	50,000	100	–	–
4 May 2017	Split 1/50	24,500 ¹⁾	–	25,000 ¹⁾	–	0	50,000	2	–	–
4 May 2017	Introduction of separate share classes	–	–	25,000	–	–	–	2	–	–
4 May 2017	New share issue	1,038,780	27,201,636	1,063,780	27,201,636	56,480,832	56,530,832	2	2	Cash

1) Prior to the introduction of separate share classes, the Company had only one share class. For formatting purposes, these shares are presented in the column for class A shares.

OWNERSHIP STRUCTURE

Prior to the Distribution of B&B TOOLS' shares in Momentum Group, all shares in Momentum Group are owned by B&B TOOLS. Provided that the extraordinary general meeting of shareholders in B&B TOOLS on 14 June 2017 resolves to distribute B&B TOOLS' shares in Momentum Group, the shares in Momentum Group will be distributed to B&B TOOLS' shareholders in proportion to each individual shareholder's holding in B&B TOOLS. At the time of the Distribution of the shares and the Listing, Momentum Group's ownership structure will initially mirror the ownership structure of B&B TOOLS. After the Distribution of B&B TOOLS' shares in Momentum Group, the Company's ownership structure is expected to be as follows, based on the ownership structure of B&B TOOLS at 28 April 2017:

Shareholder	Class A shares	Class B shares	% of capital	% of votes
Anders Börjesson (family and companies)	484,386	706,843	4.2	14.7
Tom Hedelius	484,386	0	1.7	12.8
Swedbank Robur Funds	0	2,854,159	10.1	7.5
SEB Funds	0	2,848,504	10.1	7.5
SHB Pension Fund Insurance Association	0	1,390,000	4.9	3.7
Fourth AP Fund	0	1,141,290	4.0	3.0
Sandrew Aktiebolag	0	800,000	2.8	2.1
Handelsbanken Funds	0	745,026	2.6	2.0
Nordea Funds	0	649,870	2.3	1.7
MSIL IPB Client Account	0	567,352	2.0	1.5
Total ten largest owners, in terms of votes	968,772	11,703,044	44.8	56.5
Other	95,008	15,498,592	55.2	43.5
Total	1,063,780	27,201,636	100.0	100.0

SHARE-BASED INCENTIVE PROGRAMMES

There are currently no share-based incentive programmes in Momentum Group. In principle, however, the board of directors is in favour of offering the Company's employees an opportunity to participate in incentive programmes and is investigating the possibility of presenting a proposal for incentive programmes in the future.

LISTING ON NASDAQ STOCKHOLM

The board of directors of Momentum Group has applied to list the Company's class B shares on Nasdaq Stockholm. Nasdaq Stockholm's listing committee resolved on 19 May 2017 to admit Momentum Group Class B shares to trading on Nasdaq Stockholm subject to customary conditions, which include that the distribution requirement for the Company's shares be met by the listing date at the latest. Trading is scheduled to begin as of 21 June 2017.

CENTRAL SECURITIES DEPOSITORY

Momentum Group's articles of association include a record date provision and the Company's shares are connected to the electronic securities system with Euroclear as the central securities depository (Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden). No share certificates have been issued for the Company's shares.

SHAREHOLDER AGREEMENTS

As far as the board of directors of Momentum Group is aware, there are no shareholder agreements or arrangements between Momentum Group's shareholders pertaining to joint control over the Company. As far as the board of directors of Momentum Group is aware, nor are there any agreements or the equivalent that could lead to a change in control over the Company.

DIVIDENDS AND DIVIDEND POLICY

GENERAL

The distributed shares entitle the holder to receive a dividend on the first record date for a dividend occurring after the completion of the Distribution and for all subsequent periods, provided a dividend is paid.

Momentum Group has not previously paid any dividend, and the Company will not pay a cash dividend for the 2016/2017 financial year.

DIVIDEND POLICY

According to the dividend policy adopted by the board of directors, the Company aims to pay a dividend corresponding to between 30 and 50 percent of profit after tax over a business cycle. In determining the dividend to be paid, consideration is given to Momentum Group's investment requirements and other factors considered important by the Company's board of directors. There are no guarantees during any given year that a dividend will be proposed or approved.

DIVIDENDS ACCORDING TO SWEDISH LAW

Decisions regarding dividends are made by the general meeting of shareholders. Dividends may only be paid in an amount that ensures there is full coverage for the Company's restricted equity after the dividend is paid and provided that such a dividend appears to be justifiable taking into account the demands placed on the size of the Company's equity due to the type of business conducted, its scope and risks as well as the need to strengthen the Company's balance sheet, liquidity and financial position. As a rule, shareholders are not permitted to propose a higher dividend than that proposed or approved by the board of directors.

According to the Swedish Companies Act (2005:551), minority shareholders jointly representing at least 10 percent of all shares in the Company, are entitled to request a dividend (for all shareholders) on the Company's earnings. If such a request is made, the annual general meeting must decide whether to approve a dividend corresponding to 50 percent of the remaining net profit in accordance with the balance sheet adopted by the general meeting of shareholders less any loss brought forward exceeding the non-restricted reserves, amounts to be allocated for restricted equity according to the law and the Company's articles of association, and amounts to be used for purposes other than dividends to shareholders according to the Company's articles of association. However, the general meeting of shareholders is not obligated to resolve on a dividend corresponding to more than 5 percent of the Company's equity. Moreover, the general meeting of shareholders is never permitted to approve a dividend in an amount that exceeds the level of distributable funds or that contravenes the prudence rule as described above.

PAYMENT OF DIVIDENDS

Dividends are normally paid as a cash amount per share through Euroclear, but may also comprise forms other than cash dividends (distribution in kind). Entitlement to receive a dividend is limited to shareholders registered in the shareholders' register maintained by Euroclear on the record date determined by the shareholders general meeting of shareholders. The record date may not occur later than the day prior to the next annual general meeting. If a shareholder cannot be reached through Euroclear, the shareholder's claim on Momentum Group remains in respect of the dividend amount and is limited solely through regulations governing the statute of limitations. Upon the expiry of the period of limitation, the dividend amount passes to Momentum Group.

No restrictions or special procedures are stipulated in the Swedish Companies Act or Momentum Group's articles of association with respect to the payment of dividends to shareholders resident outside Sweden. With the exception of possible restrictions imposed by banking and clearing systems, payment is to be made in the same manner as to shareholders domiciled in Sweden. However, shareholders who are not domiciled in Sweden for tax purposes are normally subject to Swedish withholding tax; refer to the section *Certain tax considerations in Sweden*.

ARTICLES OF ASSOCIATION

ARTICLES OF ASSOCIATION FOR MOMENTUM GROUP AB (PUBL)

§ 1

The registered name of the Company 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, Sweden.

§ 3

The objective of the Company's main operations is to, directly or through wholly and partly owned subsidiaries, engage in trade of tools, machinery and other consumables and components for the industrial and construction sectors in the Nordic region, to develop and refine product brands, and to pursue other operations consistent therewith.

§ 4

The share capital shall amount to not less than MSEK 50 (SEK 50,000,000) and not more than MSEK 200 (SEK 200,000,000).

§ 5

The number of shares outstanding shall be not fewer than 25,000,000 and not more than 100,000,000.

§ 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 percent 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 percent 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 five and not more than eight directors.

§ 9

The Company is to have one to two auditors, with a maximum of two deputy auditors. An authorised public accountant or registered auditing firm shall be appointed as auditor and, where applicable, as deputy auditor.

§ 10

The Company's financial year runs from 1 April to 31 March.

§ 11

The annual general meeting shall be held once per year not later than during the month of September. The agenda for the annual general meeting shall include the following:

1. Election of chairman for the general meeting of shareholders,
2. Compilation and approval of electoral register,
3. Approval of the board of directors' proposed agenda,
4. Election of one or two persons to approve the minutes taken at the meeting,
5. Matter of determining whether or not the general meeting of shareholders 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 president when such a matter arises,
8. Determination of the number of directors,
9. Determination of fees for the board of directors and auditors,
10. Election of the board of directors, chairman of the board of directors, auditors and deputy auditors or registered auditing firm,
11. Election of election committee or adoption of principles for appointing an election committee,
12. Other matters to be brought before the general meeting of shareholders according to the Swedish Companies Act or the articles of association.

§ 12

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.

The right to participate in the proceedings of General Meetings of Shareholders devolves upon those who (i) have their names entered in a printout or other account of the entire shareholders' register referring to circumstances five weekdays before such general meeting, and (ii) file notice with the Company of their desire to participate in the proceedings of the General Meeting for themselves and up to two counsel in accordance with the instructions in the notice of the 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 be earlier than on the fifth weekday before the General Meeting of Shareholders.

§ 13

The Company's shares shall be registered in a record register in accordance with the Swedish Financial Instruments Accounts Act (1998:1479).

The articles of association were adopted at an Extraordinary General Meeting of Shareholders in Momentum Group held on 31 March 2017.

LEGAL CONSIDERATIONS AND OTHER INFORMATION

LEGAL GROUP STRUCTURE

The Company is a public limited liability company, founded and registered according to Swedish law under the company name Momentum Group AB (publ), with its registered office in Stockholm, Sweden. The Company's form of association is regulated by and its shares have been issued in accordance with the Swedish Companies Act (2005:551). The Company was formed on 8 August 2016 and registered with the Swedish Companies Registration Office on the same date. The current company name was registered on 18 October 2016. The Company's corporate registration number is 559072-1352. According to article 3 of the

Company's articles of association, the objective of the company's operations is to, directly or through wholly and partly owned subsidiaries, engage in trade of tools, machinery and other consumables and components for the industrial and construction sectors in the Nordic region, to develop and refine product brands, and to pursue other operations consistent therewith (refer to the section *Articles of association*). The Company registered with Euroclear on 23 May 2017. As of the date of this Prospectus, the Company is the parent company of 19 subsidiaries. In addition, the Group owns shares in two associated companies.

Group structure	Country	Proportion of shares & votes
Momentum Group AB (publ)	SE	
Momentum Group Holding AB	SE	100 %
Momentum Industrial AB	SE	100 %
JNF Momentum Køge A/S	DK	100 %
Aktiebolaget Carl A. Nilssons Elektriska Reparationsverkstad	SE	100 %
Rörick Elektriska Verkstad AB	SE	100 %
Arboga Machine Tool AB	SE	100 %
Gigant AB	SE	100 %
Gigant Sverige AB	SE	100 %
Gigant AS	NO	100 %
Gigant Produktion AB	SE	100 %
Gigant Työpisteet Oy	FI	100 %
WFI AB ¹⁾	SE	40 %
TOOLS Sverige AB	SE	100 %
AB Knut Sehlin ²⁾	SE	30 %
TOOLS AS	NO	100 %
B&B TOOLS Holding FI Oy	FI	100 %
TOOLS Finland Oy	FI	100 %
B&B TOOLS Fastigheter Holding Oy	FI	100 %
B&B TOOLS Fastigheter Oy	FI	100 %
Mercus Yrkeskläder	SE	100 %
Momentum Group Services AB	SE	100 %

1) Gigant AB, in which Momentum Group Holding AB owns 100 percent of the shares, owns 40 percent of the shares in WFI AB.

2) TOOLS Sverige AB, in which Momentum Group Holding AB owns 100 percent of the shares, owns 30 percent of the shares in AB Knut Sehlin.

MATERIAL COMPANY AND BUSINESS ACQUISITIONS

Acquisition agreement for Astrup Industrivarer AS

On 13 October 2016, TOOLS AS acquired all of the shares in Astrup Industrivarer AS. The purchase consideration was paid in cash. The seller was Astrup & Søn AS. The agreement for the transfer of shares contained standard guarantees from the seller and limitations on the liabilities for the seller. The guarantee period expires on 31 December 2017, with the exception of guarantees concerning environmental liabilities and tax as well as fundamental guarantees concerning the sellers' right to the shares, for which the guarantee claim is limited to ten (10) years after the date of possession.

Intra-group acquisition agreement with the B&B TOOLS Group

As part of the Split, Momentum Group AB acquired all shares in TOOLS Sverige AB, Momentum Industrial AB, Mercus Yrkeskläder AB, TOOLS AS, B&B TOOLS Holding FI Oy, Momentum Group Holding AB, Momentum Group Services AB, Gigant AB and B&B TOOLS Fastigheter Holding Oy from B&B TOOLS Invest AB on 25 September 2016 at a combined value of approximately MSEK 615 (the "Transaction").

Through an intra-group reorganisation within Momentum Group, Momentum Group AB has therefore transferred all shares in TOOLS Sverige AB, Momentum

Industrial AB, Mercus Yrkeskläder AB, TOOLS AS, B&B TOOLS Holding FI Oy, Momentum Group Holding AB, Momentum Group Services AB, Gigant AB and B&B TOOLS Fastigheter Holding Oy to Momentum Group Holding AB.

The subsidiaries of the companies whose shares were acquired were also included through the acquisition of the shares in the Transaction. These subsidiaries are Rörick Elektriska Verkstad AB, Aktiebolaget Carl A. Nilssons Elektriska Reparationsverkstad, JNF Momentum Køge A/S, Astrup Industrivarer AS, Gigant Sverige AB, Gigant Produktion AB, Gigant Arbetsplats AB, Gigant AS, TOOLS Finland Oy and TOOLS Fastigheter Oy.

The purchase consideration for the shares in the Transaction was approximately MSEK 615 and payment was made through the issuance of a promissory note. The claim that B&B TOOLS has had on Momentum Group due to the aforementioned promissory note was converted into an unconditional shareholders' contribution on 25 September 2016 and now constitutes non-restricted equity in Momentum Group.

Transfer of assets and liabilities

Momentum Group Services AB has signed an agreement for the transfer of assets and liabilities, with B&B TOOLS Business Infrastructure AB as seller, through which Momentum Group Services AB, as per 1 January 2017, acquired the assets and liabilities of B&B TOOLS Business Infrastructure AB's operations in the central warehouse in Alingsås, including materials handling, stock-keeping, and returns and complaints. The purchase consideration paid according to the agreement amounted to approximately MSEK 5.9. Furthermore, the agreement states that some 75 employees were offered and confirmed employment in Momentum Group Services AB. Under the terms of the agreement, machinery and equipment, packaging and intellectual property rights are also included in the conveyance of assets and liabilities and, effective as of the closing date on 1 January 2017, Momentum Group Services AB will receive all revenue and cover all expenses related to the transferred business.

Momentum Group Services AB has also signed an agreement for the transfer of non-current assets and movables, with B&B TOOLS Fastigheter AB as seller. The agreement is dated 27 March 2017 and the purchase consideration paid according to the agreement amounted to approximately MSEK 8.

MATERIAL AGREEMENTS

Separation agreement

As part of and to regulate the Split of Momentum Group from B&B TOOLS, the Company and B&B TOOLS AB signed a distinct separation agreement (the agreement is explained in more detail under the section *The relationship between Momentum Group and B&B TOOLS*).

Customers, distributors and suppliers

The Group's customer, distributor and supplier agreements are attributable to its operating activities. The Group is not dependent on any single customer or supplier for conducting its operations from a long-term perspective. However, income from a single customer may be substantial in certain

periods and a particular subsidiary may be dependent on particular suppliers.

For a more detailed description of Momentum Group's ongoing contractual relationship with B&B TOOLS, refer to the section *The relationship between Momentum Group and B&B TOOLS*.

Lease with FastPartner

As of 3 December 2012, the B&B TOOLS Group rents logistics and office spaces in Alingsås from a company in the FastPartner Group. The lease from 3 December 2012 has been replaced by two new, separate leases as of 1 April 2017. According to one of the new leases, B&B TOOLS (future Bergman & Beving) rents the section of the premises primarily comprising office space. According to the second lease, Momentum Group, through the group company Momentum Group Services AB, rents the section of the premises primarily comprising logistics space. Pricing, rental terms and rental periods are essentially the same as those in the agreement from 3 December 2012.

Outsourcing agreement with Pulsen

On 31 December 2016, the Group signed an outsourcing agreement with Pulsen, under which Pulsen manages the Group's IT operations, including workplaces and servers. Pulsen started providing the services from the data centre previously owned by B&B TOOLS on 1 January 2017. Pricing will be set per service and the Group's growing needs may warrant adjustments. The agreement is valid until 31 December 2022.

FINANCIAL AGREEMENTS

Momentum Group uses a group-wide cash pool comprising the Group companies' Handelsbanken accounts. The Group's cash pool is used for intra-group financing.

Furthermore, in conjunction with the Distribution and Listing of Momentum Group, the Group has replaced the previous financing, which was provided by B&B TOOLS, with new financing. The new financing comprises a committed credit facility of MSEK 400 and a revolving credit facility of MSEK 400. Handelsbanken is the lender for both credit facilities.

The committed credit facility has a maturity of one year from the date of issue, with the option to extend the facility after a standard credit rating. The committed credit facility is linked to a multi-currency cash pool, which means that the credit facility can be utilised in several different currencies but that its utilisation will be denominated in SEK vis-a-vis the lender and that the interest rate on utilisation is based on STIBOR.

The revolving credit facility has a maturity of three (3) years from the date of issue. This credit facility represents a binding commitment from Handelsbanken to issue a revolving loan within the framework of the facility as long as the Group fulfils certain financial obligations. The revolving loan can be withdrawn with various fixed-interest periods (one, three or six months) and in various currencies (SEK, EUR, NOK, DKK). The revolving credit facility can be extended, for a fee, after three years for a further year plus one additional year, for a total maximum of five (5) years.

INTELLECTUAL PROPERTY RIGHTS

The Company strives to actively protect its intellectual property rights in the jurisdictions in which the Group conducts its operations. Ways in which this is done include registration of intellectual property rights, continuous monitoring and the Group taking legal action when it is deemed warranted. The Company believes that the Group has the essential intellectual property rights required for its operations. The Company has no knowledge of any violation, restriction or similar circumstance that could affect any essential intellectual property right.

ENVIRONMENTAL ISSUES

Momentum Group works actively to continuously reduce the Group's direct and indirect environmental impact. An eco-cycle approach and economic use of natural resources are key points for the Group's business operations and an environmental perspective is to be included in key decisions in order to create long-term value for the Company's customers, employees, shareholders and society in general. Environmental efforts are to be conducted within the framework of the Company's business concept and be an integrated part of its operational activities. This includes, by extension, that consideration is to be given to the entire life-cycle of the products and services that the Company provides.

The Company aims for a holistic approach to environmental issues by means of improving internal awareness of the environmental effects of its operations. The Company's objective is to implement environmental measures insofar as they are technically feasible, economically viable and environmentally justified.

Momentum Group has facilities in Sweden where the Group carries out operations that require a permit, license or reporting obligations in accordance with the Swedish Environmental Code, the Swedish Environmental Assessment Regulation or the Swedish Act on Flammable and Explosive Goods. All facilities that require a permit or license have the necessary and current permits or licenses.

DISPUTES

The Group is not, nor has it been, party to any legal proceedings or arbitration during the past 12 months that have had, or could have, a material impact on the Company's financial position or profitability.

INSURANCE

Momentum Group has arranged its own insurance policies in conjunction with the Split, which the Company deems to be sufficient with consideration given to the risks normally associated with the Company's operations. However, there is no guarantee that the Company will not suffer losses that are not covered by these insurance policies.

TRANSACTIONS WITH RELATED PARTIES

As part of the Split of Momentum Group from B&B TOOLS, the Company acquired subsidiaries from B&B TOOLS Invest AB on 25 September 2016, as described in detail in the above section *Intra-group acquisition agreement with the B&B TOOLS Group*. As for the relationship between B&B

TOOLS and Momentum Group, refer to the section *The relationship between Momentum Group and B&B TOOLS* below.

As presented in the section *Board of directors, senior management and auditor – Salaries and remuneration to board of directors and members of senior management*, members of the board of directors and senior management have received remuneration from the Company.

For additional information regarding the Group's transactions with related parties during the period 1 April 2014 up to and including 31 March 2017, refer to note 31 in the section *Historical financial information*. In addition to what is described above, the Group has not conducted any material transactions with any related parties during the period from 31 March 2017 up to and including the date of this Prospectus.

COSTS

The Company's total costs for the Listing are estimated to amount to approximately MSEK 20. Such costs are primarily attributable to financial advisory services, auditors, legal advisory services, etc. Of the total estimated costs of approximately MSEK 20, approximately MSEK 10 was charged to Momentum Group's earnings for the 2016/2017 financial year.

AUDITORS' REVIEW

Besides the Company's combined financial statements for the financial years 1 April 2014–31 March 2015, 1 April 2015–31 March 2016 and 1 April 2016–31 March 2017, no information in the Prospectus has been reviewed or audited by the Company's auditor.

INTERESTS OF ADVISORS

Handelsbanken is serving as financial advisor to Momentum Group in conjunction with the Distribution and Listing. Handelsbanken receives predetermined remuneration for services provided in conjunction with the Listing. Handelsbanken has no economic interest or other interests in the Listing. Handelsbanken is also the Company's lender. Refer to the heading *Financial agreements* above in this section. Handelsbanken (and Handelsbanken's related parties) has provided, or may in future provide, various services of a banking, financial, investment, commercial and other nature to Momentum Group for which Handelsbanken has received, or may receive, remuneration.

DOCUMENTS AVAILABLE FOR INSPECTION

During the validity period of the Prospectus, the following documents will be available from Momentum Group, both at the Company's office address and on Momentum Group's website, www.momentum.group.

- ▶ The Company's articles of association
- ▶ Financial information regarding the Group that in any way is part of or referred to in the Prospectus.¹⁾
- ▶ The annual reports for the 2015/2016 and 2016/2017 financial year for Momentum Group and its subsidiaries.²⁾
- ▶ The Prospectus.

1) These documents will not be available in electronic format.

2) These documents will not be available in electronic format. Furthermore, the documents will only be available at the Company's office address if the respective companies have prepared an annual report for the respective periods.

THE RELATIONSHIP BETWEEN MOMENTUM GROUP AND B&B TOOLS

This section describes the relationship between Momentum Group and the B&B TOOLS Group, including how this relationship will be impacted by the Distribution and Listing. Although Momentum Group will be independent of B&B TOOLS following the Distribution and Listing, Momentum Group and the other companies in B&B TOOLS will continue to have business relationships in certain regards, which are described in greater detail below. At an extraordinary general meeting of shareholders on 21 June 2017, B&B TOOLS intends to change its name to Bergman & Beving in conjunction with the Split and thus will be referred to in this section as Bergman & Beving whenever the information in question concerns future circumstances.

The proposed Distribution of Momentum Group entails that the operations of the B&B TOOLS Group will be divided. The fundamental basis for the Split and the various agreements signed between Bergman & Beving on one hand and Momentum Group on the other, is that Momentum Group is responsible for its respective operating areas, while Bergman & Beving will be responsible for the group's other operations. The agreements between Bergman & Beving and Momentum Group were signed at arm's length and are not intended to impede any future competition between the companies.

CONTINUED BUSINESS RELATIONSHIPS

Supplier agreements with companies in the Bergman & Beving Group

Combined, the subsidiaries in the Bergman & Beving Group comprise the largest supplier to Momentum Group. Companies in the Bergman & Beving Group accounted for a total of 28 percent of all purchases that took place in Momentum Group during the 2016/2017 financial year.¹⁾ For example, TOOLS Sverige AB (a company in Momentum Group) purchases goods from Skydda i Sverige AB, Grunda Sverige AB and Luna Sverige AB (all companies in the Bergman & Beving Group) and TOOLS AS (a Norwegian subsidiary in Momentum Group) purchases goods from Luna Norge AS, Skydda Norge AS and ESSVE AS (all subsidiaries in the Bergman & Beving Group).

The companies' existing contractual relationships will not be discontinued as a result of the Split. After the Split, Momentum Group will continue to purchase goods and services from subsidiaries in the Bergman & Beving Group, which currently takes place and will continue to take place on market terms and at arm's length.

Subleases entered into with companies in the Bergman & Beving Group

Momentum Group AB has signed a sublease with B&B TOOLS AB (a company within the Bergman & Beving Group) for office premises at Linnégatan 18 in Stockholm, which are being utilised as the Company's head office. TOOLS Sverige AB has signed a sublease with B&B TOOLS Fastigheter AB (a company within the Bergman & Beving Group) for office premises in Alingsås. The premises are rented and let on market terms and the premises used by Momentum Group are physically and completely separate from the premises used by the companies in the Bergman & Beving Group.

Refer to the section *Legal considerations and other information – Material agreements* for an in-depth description of the management of leases with FastPartner in Alingsås, which were previously signed by B&B TOOLS.

SPLIT AND SEPARATION AGREEMENT

Restructuring of the Group

As part of the preparations for the Split, Momentum Group has signed agreements with the Bergman & Beving Group concerning the acquisition of specific companies and the transfer of specific assets and liabilities (the agreements are described in detail in the section *Legal considerations and other information – Intra-group acquisition agreement with the Bergman & Beving Group*).

Separation agreement

To regulate the interaction with respect to the Split and the Listing as well as specific relationships between Bergman & Beving and Momentum Group following the Distribution and Listing, B&B TOOLS AB and Momentum Group AB have signed a separation agreement that forms the framework agreement for specific issues pertaining to the Split.

Before the Split, companies in the Momentum Group, as subsidiaries under the B&B TOOLS Group, utilised group functions attributable to B&B TOOLS, such as financing through B&B TOOLS' cash-pool arrangement, group insurance coverage, certain shared IT systems and members of group management, and also utilised parts of B&B TOOLS' premises on Linnégatan in Stockholm and in Alingsås. The separation agreement regulates how these issues are to be managed between Bergman & Beving and Momentum Group before and after the Split.

The separation agreement between B&B TOOLS AB and Momentum Group AB regulates the policies for issues such as the division of assets and liabilities. The division of

1) Measured as a percentage of the cost of goods sold. Refer also to the section *Historical financial information*.

principal assets and liabilities between Momentum Group and the Bergman & Beving Group took place through the transactions described in the section *Legal considerations and other information – Intra-Group acquisition agreements with the Bergman & Beving Group*, through the takeover of holdings of shares in the companies mentioned therein. The assets and liabilities and employees belonging to these companies were thereby indirectly transferred. This companies have conducted their own operations within the framework of the Group's decentralised organisational model. Consequently, the Split will have a marginal impact on operating activities and more of an impact on shared intra-group functions, such as financing, insurance, financial reporting, monitoring, corporate governance, etc.

Employees

As part of the Split process, Ulf Lilius assumed the position of president & CEO of Momentum Group in 2017, and Ulf Lilius will step down from his position as CEO of B&B TOOLS in conjunction with the Distribution. Niklas Enmark assumed the position of executive vice president & CFO of Momentum Group in 2017. A few other employees have also switched their employment to Momentum Group as part of the Split.

Certain interim services

Bergman & Beving has undertaken to provide the companies in Momentum Group with specific interim services for a limited period (maximum of 18 months). Bergman & Beving will allow Momentum Group to utilise Bergman & Beving's customs permit and its related procedures and systems as well as Bergman & Beving's integration software, Amtrix, which is used for electronic messages for supplier and customer integration. The agreements were signed on market terms and the overall scope of the procurement is limited.

Following the Split, subsidiaries in Momentum Group will provide companies in the Bergman & Beving Group with specific IT services, which are detailed below, under the heading *Relationships terminated through the separation agreement – IT services*.

RELATIONSHIPS TERMINATED THROUGH THE SEPARATION AGREEMENT

Financing

Momentum Group was previously financed via B&B TOOLS through a group-wide cash pool. In connection with the Split and in accordance with the separation agreement, final settlement will be made of all outstanding liabilities between companies in the B&B TOOLS Group and Momentum Group. Momentum Group now has its own cash pool for companies in Momentum Group in order to manage the Group's ongoing financing and Momentum Group has secured external financing through bank loans from Handelsbanken.

Insurance

Momentum Group was previously covered by the B&B TOOLS Group's joint group insurance. In connection with the Split, Momentum Group has procured its own joint insurance for Momentum Group, including customary insurance cover. The board of directors of Momentum Group AB has determined that the Company has adequate insurance cover in terms of the Group's operations.

Inventories

Momentum Group has previously shared inventories with other companies under the B&B TOOLS Group. The companies' warehouses were divided prior to the Split: legally, through the signing of new leases that will remain after the Split (see above under the section *Continued business relationships*) and practically, through the transfer of Momentum Group's inventory to its own warehouses.

IT services

Momentum Group previously shared certain IT services with the companies in the Bergman & Beving Group. Prior to the Split, Momentum Group procured and implemented its own IT services.

Momentum Group procured an IT services for CRM through its subsidiary Momentum Industrial AB. By means of licensing agreements, Momentum Industrial AB has granted the rights to utilise these CRM services to 12 companies under the Bergman & Beving Group. The rights were granted on market terms and the agreements will remain in force following the Split.

COMMITMENTS AFTER THE SPLIT

Assistance

The parties are to cooperate and compromise to resolve any problems that may arise due to the Split.

CERTAIN TAX CONSIDERATIONS IN SWEDEN

The following is a summary of specific Swedish tax regulations that are in focus due to B&B TOOLS' distribution of class A shares and class B shares, and the Listing of class B shares in Momentum Group for shareholders with unlimited tax liabilities in Sweden, unless otherwise stated. The summary is based on current legislation and is only intended to provide general information. The information presented below does not include situations in which the shares in B&B TOOLS or Momentum Group are held for business purposes or as current assets in a business operation or held by a limited partnership. Nor does the summary include the specific regulations that in certain cases may be applicable to holdings in companies that are or have been close companies or to shares that have been acquired with the support of so-called qualified shares in close companies. Nor does the summary include shares deposited in a so-called investment savings account and encompassed by specific regulations regarding standard taxation. Special rules also apply to specific categories of taxable entities (such as investment funds, investment companies and insurance companies). The fiscal treatment of each individual shareholder depends partly on the individual's particular circumstances. Each shareholder should therefore consult a tax advisor with regard to the personally applicable tax consequences that may arise from the Distribution, including the applicability and effect of foreign rules and tax treaties.

SUMMARY

It is proposed that the shares in Momentum Group be distributed in accordance with the so-called Lex ASEA provisions, which implies that no immediate taxation will arise. The cost amount for the shares in B&B TOOLS that carry rights to the Distribution will be allocated among these shares and the shares received in Momentum Group.

TAXATION RELATING TO THE DISTRIBUTION OF MOMENTUM GROUP SHARES

According to a reply by letter from the Swedish Tax Agency (Sw. *Skatteverket*), the Distribution of shares in Momentum Group is exempt from taxation in Sweden under the Lex ASEA provisions. The cost amount for the shares in B&B TOOLS that carry rights to the Distribution will thus be allocated among these shares and the shares received in Momentum Group. The allocation of the cost amount will be based on the change in value of the shares in B&B TOOLS due to the Distribution of the shares in Momentum Group. B&B TOOLS will request general guidelines from the Swedish Tax Agency on the allocation of the cost amount. Information regarding the general guidelines will be published as soon as possible on the websites of B&B TOOLS, Momentum Group and the Swedish Tax Agency.

TAXATION ON THE DISPOSAL OF SHARES IN MOMENTUM GROUP

Disposals of shares in Momentum Group are subject to capital gains tax. For natural persons and estates, capital gains and capital losses on listed shares are normally taxed in the capital income category with a tax rate of 30 percent. If the disposal pertains to unlisted shares, five-sixths of the capital gain is taxable, while five-sixths of capital loss is deductible. The capital gain or capital loss on shares is calculated as the difference between the sales proceeds less sales costs and cost amount. The cost amount of the Momentum Group shares received through the Distribution is to be determined

on the basis of the general guidelines to be provided by the Swedish Tax Agency. When the capital gain or the capital loss is calculated, the cost amount of all shares of the same class and type in Momentum Group are added together and calculated collectively applying the average method. This means that the average cost amount for shares held is normally affected if new shares of the same class and type are acquired. Since the class B shares in Momentum Group will be listed, the cost amount for these shares may alternatively be set at 20 percent of the net sales proceeds in accordance with the standard method.

Deductible capital losses on shares are to be deducted in their entirety from taxable capital gains on shares and other listed participatory rights, except for shares in investment funds that only contain Swedish claims (fixed-return funds). Capital gains that cannot be offset in this way are up to 70 percent deductible against other income from capital.

If a deficit arises in the capital income category, such deficit may reduce tax on income from employment and business activities as well as property tax and municipal property tax. The tax reduction is granted at a rate of 30 percent of a deficit that does not exceed SEK 100,000 and at a rate of 21 percent for any remaining part. Deficits cannot be carried forward to a later taxation year.

For limited companies, capital gains on shares that are not held for business purposes are taxed as income from business operations at a rate of 22 percent. In all material respects, capital gains and capital losses are calculated in the same manner as described above with respect to natural persons. Capital losses on such shares are only deductible against taxable capital gains on shares and other participatory rights (Sw. *aktiefällan*). Such capital losses may also, if certain conditions are satisfied, be offset against capital gains on shares and participatory rights arising in other companies within the same group, subject to the condition that rights to group contributions apply between this company and the company that recognised the capital loss.

Capital losses that have not been utilised within a certain year may be carried forward and be offset against capital gains on participatory rights in subsequent taxation years without any time limitations.

TAXATION OF DIVIDENDS FROM MOMENTUM GROUP

Dividends from Momentum Group will be taxed in the capital income category for natural persons and estates at a rate of 30 percent and as income from business operations for limited companies at a rate of 22 percent. For natural persons and estates, a preliminary tax of 30 percent is withheld. The preliminary tax is generally withheld by Euroclear Sweden or, for nominee-registered shares, by the nominee.

SHAREHOLDERS WITH LIMITED TAX LIABILITY

For shareholders with limited tax liability in Sweden, Swedish coupon tax is generally payable on dividends from Swedish limited companies. However, coupon tax is not paid on the distribution of shares in Momentum Group, since the Distribution is being carried out in accordance with the so-called Lex ASEA provisions. However, the Distribution may result in tax consequences in the shareholder's country of domicile.

Coupon tax will not normally be paid on dividends from Momentum Group to shareholders with limited tax liability in Sweden. The tax rate is 30 percent. However, this tax rate is generally reduced through tax agreements with other countries to avoid double taxation. In Sweden, the deduction of withholding tax is normally carried out by Euroclear Sweden, or in the case of nominee-registered shares, the nominee.

The holders of shares with limited tax liability in Sweden, and that do not operate a business from a permanent establishment in Sweden, are normally not subject to tax in Sweden for capital gains on the disposal of shares. Shareholders may, however, be subject to taxation in their country of domicile. According to a special tax provision, natural persons with limited tax liability in Sweden may be subject to capital gains taxation in Sweden in connection with the disposal of Swedish shares if such natural persons have been resident or lived permanently in Sweden at any time during the calendar year of the disposal or the ten calendar years immediately preceding the year of the disposal. In several cases, however, this rule has been limited by tax treaties that Sweden has concluded with other countries.

HISTORICAL FINANCIAL INFORMATION

COMBINED INCOME STATEMENT

MSEK	Note	2016/2017	2015/2016	2014/2015
Revenue	4, 6	5,411	5,176	5,351
Shares of profit in associated companies		-2	0	0
Other operating income	5	8	6	6
Total operating income		5,417	5,182	5,357
Cost of goods sold		-3,460	-3,285	-3,414
Personnel costs	7	-1,061	-999	-1,004
Depreciation, amortisation, impairment losses and reversal of impairment losses		-22	-16	-17
Other operating expenses	8, 14	-809	-689	-724
Total operating expenses		-5,352	-4,989	-5,159
Operating profit	6	65	193	198
Financial income		2	3	4
Financial expenses		-13	-14	-21
Net financial items	9	-11	-11	-17
Profit after financial items		54	182	181
Taxes	10	-12	-43	-41
Net profit		42	139	140
Attributable to:				
Parent Company shareholders		42	139	140
Non-controlling interests		-	-	-
Earnings per share (SEK)	19	1.50	4.95	4.95

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MSEK	Note	2016/2017	2015/2016	2014/2015
Net profit		42	139	140
Other comprehensive income				
<i>Components that will not be reclassified to net profit</i>				
Remeasurement of defined-benefit pension plans		0	3	-8
Tax attributable to components that will not be reclassified	10	0	-1	2
Total		0	2	-6
<i>Components that will be reclassified to net profit</i>				
Translation differences		26	-33	7
Fair value changes for the year in cash-flow hedges		0	0	0
Tax attributable to components that will be reclassified	10	0	0	0
Total		26	-33	7
Other comprehensive income		26	-31	1
Total comprehensive income		68	108	141
Attributable to:				
Parent Company shareholders		68	108	141
Non-controlling interests		-	-	-

COMBINED BALANCE SHEET

MSEK	Note	31 Mar 2017	31 Mar 2016	31 Mar 2015	31 Mar 2014
ASSETS					
Non-current assets					
Intangible non-current assets	11	533	428	416	406
Tangible non-current assets	12	64	50	55	58
Shares in associated companies	13	9	11	11	11
Financial investments		1	1	1	1
Other long-term receivables	17	4	2	2	126
Deferred tax assets	10	27	16	19	25
Total non-current assets		638	508	504	627
Current assets					
Inventories	15	823	785	846	879
Tax assets		13	16	12	17
Accounts receivable	26	912	743	863	892
Prepaid expenses and accrued income	16	83	86	74	79
Other receivables	17	13	31	56	110
Cash and cash equivalents		69	525	372	296
Total current assets		1,913	2,186	2,223	2,273
Total assets		2,551	2,694	2,727	2,900
EQUITY AND LIABILITIES					
Equity					
	18				
Share capital		57	–	–	–
Other contributed capital		–	–	–	–
Reserves		–28	–54	–21	–28
Retained earnings, including net profit		978	993	1,001	1,112
Equity attributable to the parent company's shareholders		1,007	939	980	1,084
Non-current liabilities					
Non-current interest-bearing liabilities	20	150	639	746	765
Provisions for pensions	21	24	19	23	14
Other provisions	22	28	1	1	0
Deferred tax liabilities	10	13	4	3	3
Total non-current liabilities		215	663	773	782
Current liabilities					
Current interest-bearing liabilities	20	182	3	8	10
Accounts payable		782	666	551	581
Tax liabilities		12	12	33	29
Other liabilities	23	73	211	178	189
Accrued expenses and deferred income	24	280	200	204	225
Total current liabilities		1,329	1,092	974	1,034
Total liabilities		1,544	1,755	1,747	1,816
Total equity and liabilities		2,551	2,694	2,727	2,900

COMBINED STATEMENT OF CHANGES IN EQUITY

MSEK	Share capital	Reserves	Retained earnings, incl. net profit	Total equity
Closing equity, 31 March 2014	–	–28	1,112	1,084
Net profit			140	140
Other comprehensive income		7	–6	1
Dividend			–47	–47
Transactions with owner concerning group contributions and tax			–61	–61
Shareholders' contributions			9	9
Other transactions with owner ^{1), 2), 3), 4), 5), 7)}			–146	–146
Closing equity, 31 March 2015	–	–21	1,001	980
Net profit			139	139
Other comprehensive income		–33	2	–31
Dividend			–39	–39
Transactions with owner concerning group contributions and tax			–104	–104
Other transactions with owner ^{4), 5), 7)}			–6	–6
Closing equity, 31 March 2016	–	–54	993	939
Net profit			42	42
New share issue	57			57
Other comprehensive income		26		26
Dividend			–10	–10
Other transactions with owner ^{4), 5), 6)}			–47	–47
Closing equity, 31 March 2017	57	–28	978	1,007

- 1) During the 2014/2015 financial year, TOOLS Sverige AB acquired the company TOOLS Sverige Holding AB from B&B TOOLS Invest AB. The acquisition was financed through the raising of loans. However, net assets related to the operations in TOOLS Sverige Holding AB were already included in the combined financial statements prior to this transaction in accordance with the principles applied with respect to predecessor accounting. Since no new net assets arose in connection with the transaction, the decrease in capital of MSEK 76 resulting from the accrued debt is recognised as a transaction with the owner.
- 2) During the 2014/2015 financial year, six previous operating companies with net assets of MSEK 83 were merged. Since the holding company for the merged companies is not included in the combined financial statements, the decrease in capital resulting from these mergers has been recognised as a transaction with the owner.
- 3) During the 2014/2015 financial year, a previous operating company with net assets of MSEK 14 was liquidated. Since the holding company for the liquidated company is not included in the combined financial statements, the decrease in capital resulting from the liquidation has been recognised as a transaction with the owner.
- 4) Momentum Group essentially comprises the Momentum Group operating segment in B&B TOOLS Group. However, some of the units that historically comprised part of the operating segment will not be included in the future Momentum Group. Net income that is included in the combined income statement but does not impact Momentum Group's total assets is recognised as a transaction with the owner. For 2016/2017, 2015/2016 and 2014/2015, net income from units not included in the future Momentum Group amounted to MSEK 5, MSEK 1 and MSEK 3, respectively. Refer also to Note 30 Merged units.
- 5) For 2014/2015, 2015/2016 and 2016/2017, the B&B TOOLS Group has holdings in companies that will be included in the future Momentum Group. Net income that is not included in the combined income statement but impacts Momentum Group's total assets is recognised as a transaction with the owner. For 2016/2017, 2015/2016 and 2014/2015, net income from companies in units not included in the combined income statement amounted to MSEK 0, MSEK –4 and MSEK 36, respectively. Refer also to Note 30 Merged units.
- 6) On 25 September 2016, Momentum Group AB acquired 12 operating companies (directly and indirectly) from B&B TOOLS Invest AB. These internal acquisitions amounting to MSEK 615 were financed through a shareholders' contribution of MSEK 573 paid to Momentum Group AB by B&B TOOLS Invest AB and the remaining MSEK 42 through a loan raised via B&B TOOLS AB's internal bank. Since no net assets arose in the combined financial statements, the decrease in capital resulting from the raised loan is recognised as a transaction with the owner.
- 7) Other transactions with the owner that impacted equity amounted to MSEK –1 for 2015/2016 and MSEK –6 for 2014/2015.

COMBINED CASH-FLOW STATEMENT

MSEK	Note	2016/2017	2015/2016	2014/2015
Operating activities				
Profit after financial items		54	182	181
Adjustments for non-cash items	32	117	9	7
Income taxes paid		-23	-33	-15
Cash flow from operating activities before changes in working capital		148	158	173
Change in inventories		6	44	48
Change in operating receivables		-95	117	8
Change in operating liabilities		118	108	-9
Cash flow from operating activities		177	427	220
Investing activities				
Purchase of intangible non-current assets		-26	-15	-16
Sale of tangible non-current assets		0	2	1
Purchase of intangible non-current assets		-41	-9	-2
Acquisition of subsidiaries/operating segments, net effect on liquidity	32	-121	-11	-4
Sale of subsidiaries/operating segments, net effect on liquidity	32	-	5	-
Purchase of financial non-current assets		-	-	-2
Sale of financial non-current assets		-	-	52
Cash flow from investing activities		-188	-28	29
Financing activities				
Dividend paid to owner		-10	-39	-47
New share issue		57	-	-
Group contributions paid to owner		-135	-77	-33
Shareholders' contributions received		-	-	9
Other transactions with owner		-47	-8	-75
Borrowings		213	1	79
Repayment of loans		-526	-110	-108
Cash flow from financing activities		-448	-233	-175
Cash flow for the year		-459	166	74
Cash and cash equivalents at the beginning of the year		525	372	296
Exchange-rate differences in cash and cash equivalents		3	-13	2
Cash and cash equivalents at year-end		69	525	372

NOTE 1 PARENT COMPANY DISCLOSURES

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

Momentum Group AB, corporate registration number 559072-1352, is a registered limited liability company with its registered office in Stockholm, Sweden.

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NOTE 2 SUMMARY OF KEY ACCOUNTING POLICIES

GENERAL

In view of the resolution of the board of directors of B&B TOOLS AB on 22 May 2017 to propose that the extraordinary general meeting resolve to distribute Momentum Group AB to the shareholders through a so-called Lex ASEA, these financial statements have been prepared for the purpose of compiling a prospectus, since Momentum Group AB's shares are to be admitted to trading on a regulated market.

Momentum Group AB (the "Company") was registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on 8 August 2016 and was dormant until September 2016. On 25 September 2016, Momentum Group AB acquired 12 operating companies (directly and indirectly) from B&B TOOLS Invest AB. These internal acquisitions were primarily financed through a shareholders' contribution paid to Momentum Group AB by B&B TOOLS Invest AB. At the time of the acquisition, the companies in question were wholly owned subsidiaries of B&B TOOLS Invest AB, which in turn is a wholly owned subsidiary of B&B TOOLS AB and thus, together with the Company, are under so-called "common control" of B&B TOOLS AB. The companies have historically been affiliated with different areas of the B&B TOOLS Group but, in operation terms, have been part of the Momentum Group operating segment.

In addition to the aforementioned share transactions, certain Momentum Group operations that were previously conducted in joint companies together with other operations remaining in the B&B TOOLS Group have been transferred to existing or newly formed legal entities included in Momentum Group. The scope of the operations conducted in joint companies is limited and, in many cases, the split has only entailed a change of employer for certain personnel. As part of the final stages of the structuring of Momentum Group, the logistics and warehousing operations within B&B TOOLS Business Infrastructure AB were transferred to Momentum Group Services AB through a conveyance of assets and liabilities in March 2017. This marked the completion of the restructuring to create the new Momentum Group.

BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

Since the operations have not historically formed a group according to the IFRS definition, there are no consolidated financial statements for the periods prior to the aforementioned structuring of Momentum Group. Accordingly, the historical information has been prepared as combined financial statements for the reporting unit comprising Momentum Group AB and the units included in Momentum Group according to the current structure. Refer to Note 30 for a specification of the units included in the combined financial statements.

Since IFRS does not provide specific guidance on how combined financial statements are to be prepared, Momentum Group has defined the following principles for the preparation of the financial statements. The combined financial statements are based on historical carrying amounts, as recognised in B&B TOOLS AB's consolidated financial statements (predecessors accounting). Adjustments have been made to eliminate transactions between the companies included in the combined financial statements.

These financial statements are Momentum Group AB's first financial statements prepared in accordance with IFRS and IFRS 1 *First-time Adoption of International Financial Reporting Standards* has thus been applied. In accord-

ance with IFRS 1, a subsidiary that begins applying IFRS later than its parent company may choose to measure its assets and liabilities at the carrying amounts to be recognised in the parent company accounts based on the parent company's transition to IFRS. Momentum Group has utilised this option, which means that the Group values pertain to Momentum Group units that are used in the B&B TOOLS AB Group's accounts are also used in Momentum Group AB's financial statements.

In addition to the principles used for determining which assets, liabilities, income, expenses and cash flows are to be included in the combined financial statements, the following additions were made in the preparation of the combined financial statements.

Intra-group transactions

All receivables and liabilities to B&B TOOLS AB and its subsidiaries are presented as external receivables and liabilities. Transactions with these companies are considered transactions with related parties. Refer to Note 31.

Allocation of expenses

In preparing the combined financial statements, it is prerequisite that allocations are correctly identified and that a rational basis exists for said allocations. The allocations must also be verifiable and it must be possible to measure them reliably.

The B&B TOOLS Group has applied an internal cost allocation, which means that costs pertaining to logistics, IT, finance centres, HR and other group-wide functions are allocated and charged to the individual reporting unit. How the costs are to be charged is determined based on various indexes for distribution, which vary depending on the type of costs. This means that related costs pertaining to Momentum Group's operations have been included in the combined financial statements.

Financial expenses and capital structure

Momentum Group has determined that the various companies' actual historical financing within the B&B TOOLS 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. The income statement and balance sheet thus also correspond. Accordingly, Momentum Group has used net debt as well as the associated financial income and expense from the historical financial statements of the units included in the combined financial statements. Receivables and liabilities as well as interest income and interest expense vis-a-vis B&B TOOLS' units are presented as external items in the combined financial statements.

Accordingly, the historical capital structure and net financial items in these financial statements do not reflect the debt/equity ratio and financing situation expected on the listing date.

Taxes

Taxes recognised in the combined financial statements are based on the recognised current and deferred tax of the units included. Tax attributable to group contributions paid to units within the remaining B&B TOOLS Group that are not included in Momentum Group are recognised as a transaction with the owner under equity.

Earnings per share

In these combined financial statements, the calculation of earnings per share is based on net profit in Momentum Group attributable to the parent company shareholders divided by the average number of shares outstanding. Momentum Group AB was registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on 8 August 2016 and thus did not have share capital for the entire historical financial periods. Taking into account the fact that the number of shares has risen to 28,265,416 through a resolution by the general meeting of shareholders on March 31, 2017 with subsequent registration with the Swedish Companies Registration Office in May 2017, Momentum Group has chosen to use this number of shares for all periods presented.

ACCOUNTING POLICIES

COMPLIANCE WITH STANDARDS AND LEGISLATION

The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretive statements from the IFRS Interpretations Committee as approved by the EU. Recommendation RFR 1 Supplementary Accounting Rules for Groups issued by the Swedish Financial Reporting Board has also been applied.

BASIS APPLIED WHEN PREPARING THE FINANCIAL STATEMENTS

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

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

Preparing the financial statements in accordance with IFRS requires that management makes judgements and estimates and makes assumptions that affect the application of the accounting policies and the carrying amounts of assets, liabilities, income and expenses. The actual outcome may differ from these estimates and judgements. The estimates and assumptions are reviewed on a regular basis. Changes in estimates are recognised in the period when the change is made if the change affects this period only, or in the period when the change is made and in future periods if the change affects the current period as well as future periods. Judgements made by management when applying IFRS that have a significant effect on the financial statements and estimates made which can lead to substantial adjustments in the following year's financial statements are described in more detail in Note 3.

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

Non-current assets and disposal groups held for sale are recognised at the lower of their carrying amount at the time of classification and their fair value after a deduction for selling expenses.

Offsetting of receivables and liabilities and of income and costs occurs only when required or when expressly permitted in an accounting recommendation.

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

NEW OR AMENDED IFRS THAT WILL BE APPLIED IN COMING PERIODS

A number of new and amended IFRS have not yet come into effect and have not been applied in advance in the preparation of these financial statements. Listed below are the IFRS that may have an impact on the consolidated financial statements. In addition to the IFRS described below, it is not anticipated that other new or amended standards approved by the IASB as of 31 March 2017 will have a material impact on the consolidated financial statements.

IFRS 9 Financial instruments

IFRS 9 *Financial Instruments*, which took effect on 1 January 2018 and has been approved by the EU, covers the recognition of financial assets and liabilities and replaces IAS 39 *Financial Instruments: Recognition and Measurement*. The standard contains rules for the classification and measurement of financial assets and liabilities, impairment of financial instruments, and hedge accounting. A difference compared with IAS 39 is that the impairment of financial assets through a provision for expected credit losses is to be carried out at the time of initial recognition of financial assets that are recognised at amortised cost and at fair value in other comprehensive income, and certain additional assets and receivables. Financial assets include accounts receivable and cash and cash equivalents. Momentum Group's accounts receivable generally relate to customers with a good payment capacity, which is taken into account in the provision for expected credit losses. The option to apply hedge accounting is facilitated in general under IFRS 9. Since Momentum Group already applies hedge accounting under the current rules of IAS 39, the introduction of IFRS 9 is not expected to have any impact in this regard. Nor is the classification of financial instruments in accordance with IFRS 9 expected to impact the financial instruments.

IFRS 15 Revenue from Contracts with Customers

From 1 April 2018, IFRS 15 *Revenue from Contracts with Customers* replaces the existing IFRS related to revenue recognition, such as IAS 18 *Revenue*, IAS 11 *Construction Contracts* and IFRIC 13 *Customer Loyalty Programmes*. Momentum Group does not plan to apply IFRS 15 in advance. IFRS 15 is

based on revenue being recognised once control of the goods or services has been transferred to the customer, which differs from the existing basis of the transfer of risks and benefits. IFRS 15 introduces new ways of determining how revenue is recognised, which affects the mindset for all types of revenue.

Momentum Group is in the process of evaluating the effects of IFRS 15. Momentum Group has analysed a selection of standard contracts from its various operating areas and so far this assessment has not identified any material impact on Momentum Group's financial statements. However, it is noted that IFRS 15 contains expanded disclosure requirements in respect of revenue, which will expand the contents of the explanatory notes.

IFRS 16 Leases

From 1 January 2019, IFRS 16 *Leases* will replace the existing IFRS related to how leases are recognised, such as IAS 17 *Leases* and IFRIC 4 *Determining Whether an Arrangement Contains a Lease*. Momentum Group has not yet decided whether IFRS 16 will be applied in advance from 2018/2019, at the same time as IFRS 9 and IFRS 15 result in changes in recognition, or if its application will apply from 2019/2020.

IFRS 16 mainly affects the lessee and the principal effect is that leases which are currently reported as operational leases will be recognised for in a manner similar to the current recognition of financial leases. This means that even for operational leases, assets and liabilities must be recognised, along with the recognition of costs for depreciation, amortisation and interest — unlike today when no recognition of leased assets and related debts is required, and where leasing fees are accrued linearly as a lease expense.

As an operational lessee, Momentum Group will be affected by the introduction of IFRS 16. Monetary calculations of the effect of IFRS 16 and the choice of transitional methods have not yet been carried out. The information provided in Note 14 concerning operational leases gives an indication of the nature and extent of the leases that exist at present.

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 to enable them to be assessed and to allow resources to be allocated to the operating segment. Refer to Note 6 for a more detailed description of the Group's division and a presentation of operating segments.

CLASSIFICATION, ETC.

Non-current assets and non-current liabilities in the Group and the Parent Company essentially consist only of amounts that are expected to be recovered or paid later than 12 months from the balance-sheet date. Current assets and current liabilities in the Group and the parent company essentially consist only of amounts that are expected to be recovered or paid within 12 months from the balance-sheet date.

PRINCIPLES OF CONSOLIDATION

Subsidiaries

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

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

Contingent considerations are measured at fair value on the date of acquisition. If the contingent consideration is classified as an equity instrument, no remeasurement is performed and the adjustment is made to equity. Other contingent considerations are remeasured for each financial statement and the difference is recognised in net profit. If the acquisition does not pertain to

100 percent of the subsidiary, it is deemed a non-controlling interest. There are two methods for recognising non-controlling interests: (i) by recognising the non-controlling interest's share of the proportional net assets or (ii) by recognising the non-controlling interest at fair value, meaning that the non-controlling interest is part of goodwill. Which of these two alternatives is to be applied for the recognition of non-controlling interests can be determined on a case-by-case basis.

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

Associated companies

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

Dividends received from associated companies reduce the carrying amount of the investment. The Group's portion of other comprehensive income in associated companies is recognised on a separate line in the Group's other comprehensive income. Any differences at the time of the acquisition between the cost of the holding and the holding company's portion of the net fair value of the associated company's identifiable assets and liabilities are recognised in accordance with the same principles as in the acquisition of a subsidiary. Transaction fees, except for transaction fees attributable to issues of equity instruments or debt instruments, that arise are included in cost. When the Group's portion of the recognised losses in the associated company exceeds the carrying amount of the shares in the Group, the value of these shares is reduced to zero. Settlement of losses also occurs for long-term financial transactions without collateral, which, in financial terms, are part of the holding company's net investment in the associated company. Continued losses are not recognised, provided that the Group has not issued guarantees to cover losses arising in the associated company. The equity method is applied until the time at which the significant influence is terminated.

Transactions eliminated in consolidation

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

FOREIGN CURRENCY

Transactions in foreign currency

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

Financial statements of foreign entities

Assets and liabilities in foreign entities, including goodwill and other consolidated surplus values and deficits, are translated from the foreign entity's functional currency to the Group's reporting currency, SEK, at the exchange rate prevailing on the balance-sheet date. Income and expenses in foreign entities are translated to SEK at the average exchange rate, which constitutes an approximation of the foreign-exchange rates prevailing at each transaction date. Translation differences arising as a result of the translation of a foreign subsidiary's net assets are recognised directly in other comprehensive income

and are accumulated in a separate equity component, referred to as the translation reserve. When a foreign entity is divested, the accumulated translation differences attributable to the entity are realised, by which they are reclassified from the translation reserve in equity to net profit.

INCOME

The Group's primary income comprises the sale of goods. Some sales of services also occur.

Sale of goods

Income from the sale of goods is recognised in net profit when the material risks and benefits associated with ownership of the goods have been transferred to the buyer, typically in connection with delivery. Income is recognised if it is probable that the financial benefits will accrue to the Group. Income is recognised net, less discounts, such as volume-related discounts.

Services assignments

Income from services assignments is normally recognised when the services is performed. Income from services assignments is recognised in accordance with the principles of the percentage-of-completion method. The degree of completion is normally determined based on the relationship between accrued expenditure on the balance-sheet date and the estimated total expenditure. Probable losses are recognised immediately in consolidated earnings.

OPERATING EXPENSES AND FINANCIAL INCOME AND EXPENSES

Operational leases

Costs related to operational leases are recognised in net profit on a straight-line basis over the term of the lease. Benefits received in connection with the signing of a contract are recognised in net profit as a straight-line reduction in leasing fees over the course of the lease. Variable fees are expensed in the periods in which they arise.

Financial leases

Minimum leasing fees are allocated to interest expense and repayment of the outstanding liability. The interest expense is allocated over the leasing period in such a way that each accounting period is charged with an amount corresponding to a fixed interest rate for the liability reported for each period. Variable fees are expensed in the periods in which they arise.

Financial income and expenses

Financial income and expenses consist of interest income on bank funds and receivables, and of interest-bearing securities, interest expenses on loans, dividend income, exchange-rate differences and unrealised and realised gains on financial investments. Refer also to the section below under Financial assets available for sale.

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

Exchange gains and losses are recognised in a net amount.

FINANCIAL INSTRUMENTS

Financial instruments are measured and recognised in the Group in accordance with the rules of IAS 39. Financial instruments recognised as assets in the balance sheet include cash and cash equivalents, accounts receivable, financial investments and derivatives. Liabilities include accounts payable, loan liabilities and derivatives.

Recognition in and derecognition from the balance sheet

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

Financial assets and financial liabilities are offset and recognised as a net amount in the balance sheet only when there is a legal right to offset the amounts and when there is an intention to settle the items in a net amount or to realise the asset and settle the liability simultaneously. Acquisitions and

disposals of financial assets are recognised on the transaction date, which is the date when the Group undertakes to acquire or dispose of assets.

Classification and measurement

All financial instruments that are not derivatives are initially recognised at cost, corresponding to the fair value of the instrument plus transaction costs, with the exception of those items classified as financial assets measured at fair value in profit or loss, which are measured at fair value, excluding transaction costs. A financial instrument's classification determines how it is measured after the initial reporting occasion. The Group classifies its financial instruments based on the purpose for which the instrument was acquired. Management determines the classification on the initial reporting occasion. The Group's holdings of financial instruments are classified as follows:

Financial assets available for sale

The category Financial assets available for sale includes financial assets that are not classified in any other category, or financial assets that the Company initially opted to classify in this category. Shares and participations among financial non-current assets not recognised as subsidiaries, associated companies or joint ventures are recognised in this category. According to the main rule, these assets are measured at fair value after the acquisition date, with changes in value recognised in other comprehensive income and the accumulated changes in value recognised as a separate component under equity, although this does not include changes in value due to impairment losses or interest on receivable instruments and dividend income, or exchange-rate differences on monetary items in net profit. If the asset is sold, the accumulated gain/loss that was previously recognised in other comprehensive income is recognised in net profit. Holdings that are not listed, and whose fair value cannot be calculated in a reliable manner, are recognised at cost, but with a possible adjustment if an impairment charge is warranted.

Loan receivables and accounts receivable

Long-term receivables among non-current assets and accounts receivable and other receivables among current assets are non-derivative financial assets with fixed payments, or payments that can be determined and that are not listed on an active market. After the acquisition date, such assets are recognised at amortised cost using the effective interest method, less any provisions for loss of value. Accounts receivable are recognised at the amount expected to be received, meaning after deductions for doubtful accounts receivable. Any impairment requirement for the receivables is determined based on individual testing, taking into consideration earlier experience of customer losses on similar receivables.

Financial liabilities

Loans and other financial liabilities, such as accounts payable, are included in this category. Financial liabilities are initially measured at fair value after deductions for transaction costs. Borrowing is then recognised at amortised cost and any differences between the loan amount (net after transaction costs) and the repayable amount are recognised in net profit distributed over the term of the loan and by applying the effective interest method. Borrowing is classified as a current liability if the company does not hold an unconditional right to defer payment for a minimum of 12 months after the balance-sheet date.

Other categories

The Group has not initially classified any assets or liabilities as financial assets or liabilities measured at fair value in profit or loss, and does not have any financial assets or liabilities held for trading. Nor did the Group have any financial held-to-maturity investments during the financial year.

Derivatives and hedge accounting

Derivative instruments are initially measured at fair value. After the acquisition date, derivative instruments held for hedging purposes, meaning foreign-exchange forward contracts, are measured at fair value. To fulfil the requirements for hedge accounting according to IAS 39, there must be a clear link to the hedged item, the hedge must effectively protect the hedged item, hedging documentation must have been drawn up and the effectiveness must be measurable. After the initial recognition, derivative instruments are measured at fair value and the method of recognising a change in value depends on the character of the hedged item. The Group identifies certain derivatives as a hedge of a highly probable forecast transaction in foreign currency (cash-flow hedging). The effective portion of changes in the fair value of derivative instruments identified as cash-flow hedges are recognised in other comprehensive income and the accumulated changes in value are recognised in a separate component under equity (the hedging reserve).

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

TANGIBLE NON-CURRENT ASSETS

Owned assets

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

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

Leased assets

Leases are classified in the consolidated financial statements as either financial or operational leases. Leases where essentially all of the financial risks and benefits associated with ownership have been transferred to the lessee are classified as financial leases. Where this is not the case, the lease is an operational lease. Assets that are leased in accordance with financial leases are recognised as non-current assets in the balance sheet and are initially measured at the lower of the leased asset's fair value and the present value of the minimum leasing fees at the time the contract is entered into. Obligations to pay future leasing fees are recognised as non-current and current liabilities. The leased assets are depreciated over the useful life of the asset in question, while the leasing fees are recognised as interest and amortisation of the liabilities. Assets that are leased in accordance with operational leases are generally not recognised as an asset in the balance sheet. Nor do operational leases result in a liability.

Additional expenditures

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

Depreciation policies

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

Estimated useful lives:

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

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

An assessment of the depreciation methods applied and the residual value and useful life of assets is carried out on an annual basis.

INTANGIBLE ASSETS

Goodwill

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

Other intangible assets

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

Additional expenditures

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

Amortisation policies

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

Estimated useful lives:

Brands, supplier contracts, customer relations	3–10 years
Software, IT investments	3–10 years

An assessment of the amortisation methods and useful lives applied is carried out on an annual basis.

INVENTORIES

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

IMPAIRMENT LOSSES

The carrying amount of the Group's assets is tested on at least each balance-sheet date to determine whether there are any indications of an impairment requirement. IAS 36 is applied for impairment testing of assets other than financial assets, which are tested in accordance with IAS 39, inventories, plan assets used for financing remuneration to employees and deferred tax assets. If there is any indication of impairment, the recoverable amount of the asset is calculated. The carrying amount of exempted assets in accordance with the above is tested in compliance with each standard.

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

Calculation of recoverable amount

The recoverable amount of assets belonging to the categories of loan receivables and accounts receivable recognised at amortised cost is calculated as the present value of future cash flows discounted using the effective interest

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

Reversal of impairment losses

Impairment losses on loan receivables and accounts receivable recognised at amortised cost are reversed if a later increase in the recoverable amount can objectively be attributed to an event that occurred after the impairment loss was charged. Impairment losses on goodwill are not reversed. Impairment losses on other assets are reversed if there has been a change in the assumptions on which the calculation of the recoverable amount was based. An impairment loss is reversed only to the extent that the carrying amount of the asset after the reversal does not exceed the carrying amount of the asset if no impairment loss had been charged, taking into account the amortisation that then would have been made.

EQUITY

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

Dividends

Dividends are recognised as a liability after the annual general meeting has approved the dividend.

EMPLOYEE BENEFITS

Defined-contribution pension plans

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

Defined-benefit pension plans

The Group's net obligations pertaining to defined-benefit pension plans are calculated separately for each plan in the form of an estimate of the future remuneration that the employee has earned as a result of his/her employment in both the current and prior periods. These calculations are performed by a qualified actuary using the "Projected Unit Credit Method". The obligations are measured at the present value of expected future payments, with due consideration for future salary increases. The discount rate used is the interest rate on the balance-sheet date for an investment grade corporate bond or housing bonds with a term equivalent to the Group's pension obligations. When there is no functioning market for such bonds, the market rate for government bonds with an equivalent term is used. In the case of funded plans, the fair value of the plan assets reduces the calculated value. When the calculation leads to an asset for the Group, the carrying amount of the asset is limited to the lowest of the surplus on the plan and the asset limitation calculated utilising the discount rate. The asset limitation comprises the present value of the future financial benefits in the form of lower future contributions or cash repayment. Any minimum funding requirements are taken into consideration when calculating the present value of future repayments or payments. Obligations for retirement pensions to salaried employees in Sweden in accordance with the ITP plan are handled mainly within the so-called FPG/PRI system. However, obligations for family pensions are secured by insurance with Alecta. These obligations are also defined-benefit obligations, although the Group has not had access to the information necessary to recognise these obligations as a defined-benefit plan. Therefore, these pensions secured by insurance with Alecta are recognised as defined-contribution plans.

As of 31 December 2016, Alecta's surplus in the form of its collective solvency margin was 149 percent (2015: 153 percent, 2014: 143 percent). The collective consolidation level consists of the market value of Alecta's assets as a percentage of insurance undertakings calculated in accordance with Alecta's actuarial basic data, which do not comply with IAS 19. Alecta's surplus can be distributed to the policy holders and/or the insured. When the benefits under a plan are improved, the proportion of the increase in benefits pertaining to the employees' service during prior periods is recognised as an expense in net profit. The carrying amount for pensions and similar commitments in the balance sheet corresponds to the present value of the commitments at year-end, less the fair value of the plan assets. Interest expense/income net on the defined-benefit commitment/asset is recognised in net profit under net financial items. Net interest income is based on the interest rate arising on the discounting of the net obligation, meaning the interest on

the obligation, plan assets and the interest on the effect of any asset limitations. Other components are recognised in profit or loss.

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

Benefits in the case of termination

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

PROVISIONS

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

Guarantees

A provision for guarantees is recognised when the underlying products or services are sold.

The provision is based on historical data on guarantees and a total assessment of the possible outcomes in relation to the probabilities associated therewith.

Restructuring

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

Onerous contracts

A provision for onerous contracts is recognised when the benefits that the Group expects to receive from a contract are lower than the inevitable costs to fulfil the obligations in accordance with the contract.

TAXES

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

CONTINGENT LIABILITIES

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

CASH-FLOW STATEMENT

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

NOTE 3

KEY ESTIMATES AND JUDGEMENTS

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

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

IMPAIRMENT TESTING OF GOODWILL AND OTHER NON-CURRENT ASSETS

In accordance with IFRS, goodwill and certain brands are not amortised. Instead, annual tests for indications of impairment are performed. Other intangible and tangible non-current assets are amortised and depreciated, respectively, over the period the asset is deemed to generate income. All intangible and tangible non-current assets are subject to annual testing for indications of impairment. Impairment tests are based on a review of forecast future cash flows. The assumptions used when conducting impairment testing are described in Note 11.

INVENTORY OBSOLESCENCE

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

TAXES

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

PENSION OBLIGATIONS

In determining Momentum Group's pension obligations under defined-benefit pension plans, certain assumptions have been made with respect to discount rates, inflation, salary increases, long-term returns on plan assets, mortality rates, retirement rates and other factors that may be of importance. These actuarial assumptions are reviewed on an annual basis and are changed when appropriate. Should these actuarial assumptions differ significantly from the actual future outcome, the Group's actuarial gains or losses will change, which may impact other comprehensive income.

NOTE 4**REVENUE BY CLASS OF INCOME**

Group	2016/2017	2015/2016	2014/2015
Revenue			
Sale of goods	5,294	5,051	5,229
Services assignments	88	89	77
Commissions, bonuses and other income	29	36	45
Total	5,411	5,176	5,351

NOTE 5**OTHER OPERATING INCOME**

Group	2016/2017	2015/2016	2014/2015
Exchange-rate gains on operating receivables/liabilities	0	2	0
Grants from EU, central and local government	2	3	3
Capitalised work for own account	5	–	–
Insurance indemnification	1	1	3
Total	8	6	6

NOTE 6**SEGMENT REPORTING**

During the 2016/2017 financial year, the Group's operating segments comprised the **Tools & Consumables** and **Components & Services** business areas. The operating segments are consolidations of the operational organisation, as used by group management and the board of directors to monitor operations. Group management, comprising the CEO and CFO, are the Group's chief operating decision makers.

Tools & Consumables comprises resellers of consumables to the industrial, construction and public sectors in the Nordic region within TOOLS and Mercus Yrkeskläder. **Components & Services** comprises resellers of industrial components, workplace equipment, services and maintenance to the industrial sector in the Nordic region within Momentum Industrial and Gigant Arbetsplats. **Group-wide** includes the group's management, finance function, support functions and logistics operations. The support functions include internal communications, investor relations and legal affairs.

As part of the preparation for a split from the B&B TOOLS Group and a separate listing on Nasdaq Stockholm, the Group implemented a number of measures during the financial year 2016/2017 to separate previous common functions, primarily in logistics, IT and finance. This, together with costs for financial and legal advisors, has resulted in items affecting comparability amounting to MSEK –34. The Group has also taken strong measures primarily within TOOLS for improved profitability and growth – including, among other things, a highly customised store network, strengthened digital sales channels, improved product range coordination and the construction of an own central warehouse. The restructuring reserve of MSEK 94 that was charged to the profit for the 2016/2017 fiscal year can accelerate these structural measures.

Intra-Group pricing between the segments occurs on market terms. No single customer in the Group accounts for more than 3 percent of the Group's revenue.

	2016/2017				Group total
	Tools & Consumables	Components & Services	Group-wide	Eliminations	
Revenue					
From external customers	4,261	1,150	–	–	5,411
From other segments	8	209	0	–217	–
Total	4,269	1,359	0	–217	5,411
Adjusted operating profit	76	121	–2	–2	193
<i>Items affecting comparability</i>	–64	–8	–56	–	–128
Operating profit	12	113	–58	–2	65
Net financial items	–	–	–11	–	–11
Profit/loss after net financial items	15	121	–80	–2	54
Goodwill	303	146	–	–	449
Other assets	1,660	513	309	–380	2,102
Total assets	1,963	659	309	–380	2,551
Liabilities	1,085	513	318	–372	1,544
Other disclosures					
Investments	51	4	12	–	67
Depreciation and amortisation	–20	–2	–	–	–22

The column "Group-wide and eliminations" pertaining to assets comprises eliminations of intra-segment receivables and gains on inventories of MSEK 380, intra-segment receivables of MSEK 286 and undistributed assets of MSEK 23. The column "Group-wide and eliminations" pertaining to liabilities comprises eliminations of intra-segment liabilities of MSEK 372, intra-segment liabilities of MSEK 49 and undistributed liabilities of MSEK 269.

NOTE 6 SEGMENT REPORTING, CONT.

	2015/2016				
	Tools & Consumables	Components & Services	Group-wide	Eliminations	Group total
Revenue					
From external customers	4,023	1,153	–	–	5,176
From other segments	6	205	2	–213	–
Total	4,029	1,358	2	–213	5,176
Adjusted operating profit	72	120	0	1	193
<i>Items affecting comparability</i>	–	–	–	–	–
Operating profit	72	120	0	1	193
Net financial items	–	–	–11	–	–11
Profit/loss after net financial items	72	120	–11	1	182
Goodwill	274	142	–	–	416
Other assets	1,742	531	41	–36	2,278
Total assets	2,016	673	41	–36	2,694
Liabilities	1,225	552	8	–30	1,755
Other disclosures					
Investments	23	1	–	–	24
Depreciation and amortisation	–15	–1	–	–	–16

The column "Group-wide and eliminations" pertaining to assets comprises eliminations of intra-segment receivables and gains on inventories of MSEK 36 and undistributed assets of MSEK 41. The column "Group-wide and eliminations" pertaining to liabilities comprises eliminations of intra-segment liabilities of MSEK 30 and undistributed liabilities of MSEK 8.

	2014/2015				
	Tools & Consumables	Components & Services	Group-wide	Eliminations	Group total
Revenue					
From external customers	4,212	1,139	–	–	5,351
From other segments	7	219	4	–230	–
Total	4,219	1,358	4	–230	5,351
Adjusted operating profit	75	121	2	0	198
<i>Items affecting comparability</i>	–	–	–	–	–
Operating profit	75	121	2	0	198
Net financial items	–	–	–17	–	–17
Profit/loss after net financial items	75	121	–15	0	181
Goodwill	275	137	–	–	412
Other assets	1,782	528	71	–66	2,315
Total assets	2,057	665	71	–66	2,727
Liabilities	1,217	552	38	–60	1,747
Other disclosures					
Investments	15	3	–	–	18
Depreciation and amortisation	–14	–3	–	–	–17

The column "Group-wide and eliminations" pertaining to assets comprises eliminations of intra-segment receivables and gains on inventories of MSEK 66 and undistributed assets of MSEK 71. The column "Group-wide and eliminations" pertaining to liabilities comprises eliminations of intra-segment liabilities of MSEK 60 and undistributed liabilities of MSEK 38.

INFORMATION ON GEOGRAPHIC AREA

The Group primarily conducts operations in Sweden, Norway and Finland. Revenue presented for the geographic markets is based on the domicile of the customers, while non-current assets are based on the geographic location of the operations.

	2016/2017		2015/2016		2014/2015	
	External revenue	Non-current assets	External revenue	Non-current assets	External revenue	Non-current assets
Sweden	2,962	322	2,915	298	2,848	292
Norway	1,495	111	1,385	27	1,655	23
Finland	818	162	750	151	726	154
Other countries	136	2	126	2	122	2
Group total	5,411	597	5,176	478	5,351	471

NOTE 7**EMPLOYEES AND PERSONNEL COSTS**

Average no. of employees by country	2016/2017			2015/2016			2014/2015		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Sweden	713	182	895	731	179	910	763	169	932
Norway	330	69	399	336	70	406	340	74	414
Finland	229	36	265	232	36	268	236	35	271
Denmark	12	2	14	12	2	14	11	2	13
Other countries	1	2	3	2	2	4	1	2	3
Group total	1,285	291	1,576	1,313	289	1,602	1,351	282	1,633

Percentage women	2016/2017	2015/2016	2014/2015
Parent company			
– Board of directors	40	–	–
– Group management	0	–	–
Group			
– Boards of directors	16	19	16
– Other senior management	20	19	15

The category Other senior management above includes individuals in management groups of group companies.

Costs for employee benefits	2016/2017	2015/2016	2014/2015
Salaries and other remuneration	802	757	762
Pension costs, defined-benefit plans	2	0	1
Pension costs, defined-contribution plans	67	67	63
Social security contributions	182	172	173
Total	1,053	996	999

Salary and other remuneration to the board of directors and group management of Momentum Group

As of 1 April 2016, Momentum Group comprises a separate operating segment in the B&B TOOLS Group. For the 2016/2017, 2015/2016 and 2014/2015 financial years, the board of directors for the operating areas that comprise Momentum Group consisted of individuals from B&B TOOLS' group management. No director's fees were paid for this work. During the period in which Momentum Group has been a separate operating segment, Ulf Lilius has served as head of the segment as well as CEO of B&B TOOLS. Momentum Group has not had a CEO during this period, which is why no personnel costs have been recognised for the position of CEO. The Group's CFO took office in March 2017.

The board of directors of Momentum Group AB has been active since October 2016, with fees paid to the chairman and other directors in accordance with the table below. No special remuneration was paid for committee work.

SEK thousand 2016/2017	Basic salary/ director's fee	Variable remuneration	Other benefits	Pension cost	Total
Chairman of the board	260	–	–	–	260
Other directors	520	–	–	–	520
Total	780	–	–	–	780

NOTE 8**FEES TO AUDITORS**

Group	2016/2017	2015/2016	2014/2015
KPMG			
Audit assignment	2	2	2
Tax advisory services	–	–	–
Other assignments	2	0	0
Total fees to KPMG	4	2	2
Other auditors			
Audit assignment	–	–	–
Tax advisory services	–	–	–
Other assignments	–	–	–
Total fees to other auditors	–	–	–
Total fees to auditors	4	2	2

Audit assignment refers to statutory auditing of the annual report and accounting as well as the administration of the board of directors and the 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 mainly comprise advisory services concerning accounting issues in conjunction with the split and listing of the group and Momentum Group AB.

NOTE 9**FINANCIAL INCOME AND EXPENSES**

Group	2016/2017	2015/2016	2014/2015
Interest income on balances with B&B TOOLS AB ¹⁾	1	1	2
Other financial income	1	2	2
Financial income	2	3	4
Interest expenses on liabilities to B&B TOOLS AB ¹⁾	-12	-13	-20
Other financial expenses	-1	-1	-1
Financial expenses	-13	-14	-21
Net financial items	-11	-11	-17

1) Refer to Note 31 Transactions with related parties.

NOTE 10**TAXES****TAXES RECOGNISED IN PROFIT OR LOSS STATEMENT**

	2016/2017	2015/2016	2014/2015
Tax expense for the period	-21	-40	-33
Adjustment of taxes attributable to earlier years	0	0	0
Deferred tax	9	-3	-8
Total recognised tax expense	-12	-43	-41

RECONCILIATION OF EFFECTIVE TAXES

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

	2016/2017	%	2015/2016	%	2014/2015	%
Profit before taxes	54		182		181	
Taxes at an average tax rate	-12	23	-42	23	-42	23
Tax effect of:						
Changed tax rate	0		0		0	
Taxes attributable to earlier years	0		0		0	
Non-deductible expenses	-1		-1		-1	
Non-taxable income	0		0		0	
Other items	1		0		2	
Total tax	-12		-43		-41	

TAXES RECOGNISED IN THE STATEMENT OF COMPREHENSIVE INCOME

	2016/2017	2015/2016	2014/2015
Deferred tax on defined-benefit pension plans	0	-1	2
Total	0	-1	2

DEFERRED TAX RECOGNISED IN THE BALANCE SHEET

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

	31 Mar 2017			31 Mar 2016			31 Mar 2015		
	Receivables	Liabilities	Net	Receivables	Liabilities	Net	Receivables	Liabilities	Net
Intangible assets	-	-8	-8	-	-	-	-	-	-
Land and buildings	-	-1	-1	-	-1	-1	-	-1	-1
Machinery and equipment	1	-	1	1	-	1	2	-	2
Inventories	10	-	10	8	-	8	10	-	10
Accounts receivable	4	-	4	3	-	3	3	-	3
Untaxed reserves	-	-1	-1	-	0	0	-	0	0
Pension provisions	5	-3	2	4	-2	2	3	-2	1
Other provisions	4	0	4	0	0	0	0	0	0
Loss carryforwards	0	-	0	0	-	0	1	-	1
Other	3	0	3	-	-1	-1	0	0	0
Total	27	-13	14	16	-4	12	19	-3	16

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

	31 Mar 2017	31 Mar 2016	31 Mar 2015
Opening balance at the beginning of the year, net	12	16	22
Taxes charged against net profit	9	-3	-8
Taxes on items recognised in consolidated comprehensive income	0	-1	2
Taxes on corporate acquisitions	-9	-	-
Translation differences	2	0	0
Closing balance at year-end, net	14	12	16

NOTE 11

INTANGIBLE NON-CURRENT ASSETS

Group	2016/2017					2015/2016				2014/2015			
	Acquired intangible assets		Internally generated			Acquired intangible assets			Acquired intangible assets				
	Goodwill	Customer relations	Other ¹⁾	Other ¹⁾	Total	Goodwill	Customer relations	Other ¹⁾	Total	Goodwill	Customer relations	Other ¹⁾	Total
Accumulated cost													
At the beginning of the year	416	2	20	–	438	412	2	11	425	404	2	12	418
Investments	–	–	36	5	41	–	–	9	9	–	–	2	2
Acquisition of subsidiaries	29	37	–	–	66	6	–	–	6	3	–	–	3
Sales and disposals	–	–	–	–	–	–	–	–	–	–	–	–4	–4
Reclassifications	–	–	–	–	–	–	–	–	–	–	–	0	0
Translation differences	4	–1	2	0	5	–2	0	0	–2	5	0	1	6
At year-end	449	38	58	5	550	416	2	20	438	412	2	11	425
Accumulated amortisation													
At the beginning of the year		–1	–9	–	–10		–1	–8	–9		–1	–11	–12
Amortisation for the year		–2	–5	0	–7		0	–1	–1		0	–1	–1
Sales and disposals		–	–	–	–		–	–	–		–	4	4
Translation differences		0	0	0	0		0	0	0		0	0	0
At year-end	–	–3	–14	0	–17	–	–1	–9	–10	–	–1	–8	–9
Impairment losses on cost													
At the beginning of the year					0				0				0
Impairment losses for the year					–				–				–
At year-end	–	–	–	–	0	–	–	–	0	–	–	–	0
Carrying amount at the beginning of the year	416	1	11	–	428	412	1	3	416	404	1	1	406
Carrying amount at year-end	449	35	44	5	533	416	1	11	428	412	1	3	416

1) The category Other mainly comprise assets related to software programs and licenses.

IMPAIRMENT TESTING OF GOODWILL

Recognised goodwill values were tested prior to the balance-sheet date on 31 March 2017, using the balance sheet on 31 December 2016 as a base. The Group's total goodwill value of MSEK 449 (416) has been allocated by operating segment according to the table below:

Goodwill	31 Mar 2017	31 Mar 2016	31 Mar 2015
Tools & Consumables	303	274	275
Components & Services	146	142	137
Total goodwill	449	416	412

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

The recoverable amount was calculated on the basis of value in use and is based on the assessment of cash flows for the coming three-year period. Assumptions have been made concerning future revenue, contribution ratios, cost level, working capital requirements and investment requirements. Key assumptions are based on the underlying conditions of the individual operations, market conditions and the action plans in place to achieve the overall

earnings targets. In addition, shared assumptions are also used with respect to inflation and salary trends for the countries where the Group conducts its main operations. Assumptions are also made with respect to future foreign-exchange rates that impact the price of the Group's purchases and sales. There is a strong correlation between the shared assumptions and external source of information and previous experience. For cash flows beyond the three-year period, growth has been assumed to amount to 2 percent annually.

Cash flows have been discounted by a weighted capital cost for borrowed capital and equity, and are presented in the table below for each cash-generating unit. The testing of goodwill values did not indicate any impairment requirement.

Discount rate, before tax	31 Mar 2017	31 Mar 2016	31 Mar 2015
Tools & Consumables	11.5%	10.0%	8.0%
Components & Services	11.0%	10.0%	8.0%

The sensitivity of the calculation means that the goodwill value would remain warranted even in the event of a change to the assumptions below, either individually or as a group. Accordingly, a reasonable change in key assumptions would not result in an impairment requirement.

Sensitivity analysis

Change in forecast operating profit before depreciation and amortisation	–10%
Change in discount rate before tax	+1%
Change in long-term growth rate	–1%

NOTE 12
TANGIBLE NON-CURRENT ASSETS

Group	2016/2017				Total
	Land and buildings	Leasehold improvements	Machinery and equipment	Construction in progress	
Accumulated cost					
At the beginning of the year	31	27	225	2	285
Investments	–	8	16	2	26
Acquisition of subsidiaries	–	1	2	–	3
Sales and disposals	–	–1	–2	–	–3
Reclassifications	–	1	–	–1	0
Translation differences	0	1	6	0	7
At year-end	31	37	247	3	318
Accumulated depreciation					
At the beginning of the year	–24	–16	–195		–235
Depreciation for the year	0	–3	–12		–15
Sales and disposals	–	0	2		2
Translation differences	0	–1	–5		–6
At year-end	–24	–20	–210		–254
Carrying amount at the beginning of the year	7	11	30	2	50
Carrying amount at year-end	7	17	37	3	64

Group	2015/2016				Total
	Land and buildings	Leasehold improvements	Machinery and equipment	Construction in progress	
Accumulated cost					
At the beginning of the year	34	27	225	1	287
Investments	–	2	11	2	15
Acquisition of subsidiaries	–	–	0	–	0
Sales and disposals	–2	0	–4	–1	–7
Translation differences	–1	–2	–7	–	–10
At year-end	31	27	225	2	285
Accumulated depreciation					
At the beginning of the year	–25	–14	–193		–232
Depreciation for the year	0	–3	–12		–15
Sales and disposals	1		4		5
Translation differences	0	1	6		7
At year-end	–24	–16	–195		–235
Carrying amount at the beginning of the year	9	13	32	1	55
Carrying amount at year-end	7	11	30	2	50

Group	2014/2015				Total
	Land and buildings	Leasehold improvements	Machinery and equipment	Construction in progress	
Accumulated cost					
At the beginning of the year	32	24	220	1	277
Investments	–	3	12	1	16
Sales and disposals	–	–	–8	–1	–9
Translation differences	2	0	1	–	3
At year-end	34	27	225	1	287
Accumulated depreciation					
At the beginning of the year	–23	–11	–185		–219
Depreciation for the year	0	–3	–13		–16
Sales and disposals	–	–	5		5
Translation differences	–2	0	0		–2
At year-end	–25	–14	–193		–232
Carrying amount at the beginning of the year	9	13	35	1	58
Carrying amount at year-end	9	13	32	1	55

NOTE 13

SHARES IN ASSOCIATED COMPANIES

Carrying amount	31 Mar 2017	31 Mar 2016	31 Mar 2015
At the beginning of the year	11	11	11
Impairments ¹⁾	-2	-	-
Share of profit	0	0	0
At year-end	9	11	11

1) Impairment of shares in AB Knut Sehlins Industrivaruhus.

SPECIFICATION OF SHARES IN ASSOCIATED COMPANIES

Associated company	No. of shares	Share of equity, %	Share of votes, %	Carrying amount in Group 31 Mar 2017	Carrying amount in Group 31 Mar 2016	Carrying amount in Group 31 Mar 2015
Group holding						
Workplaces for Industries WFI AB	2,667	40%	40%	6	6	6
AB Knut Sehlins Industrivaruhus	3,000	30%	30%	3	5	5
Total				9	11	11

SPECIFICATION OF GROUP VALUE PERTAINING TO SHARES IN ASSOCIATED COMPANIES

Associated company	Income	Profit	Assets	Liabilities	Equity
2016/2017					
Workplaces for Industries WFI AB	31	0	14	7	7
AB Knut Sehlins Industrivaruhus	11	0	5	2	3
Total	42	0	19	9	10
2015/2016					
Workplaces for Industries WFI AB	26	0	12	6	6
AB Knut Sehlins Industrivaruhus	12	0	4	1	3
Total	38	0	16	7	9
2014/2015					
Workplaces for Industries WFI AB	26	0	11	5	6
AB Knut Sehlins Industrivaruhus	13	0	5	2	3
Total	39	0	16	7	9

Associated companies' corporate registration numbers and registered offices

	Corp. Reg. No.	Country	Reg. office
Workplaces for Industries WFI AB	556663-2567	Sweden	Jönköping
AB Knut Sehlins Industrivaruhus	556588-5158	Sweden	Örnsköldsvik

NOTE 14

OPERATIONAL LEASING

Group	31 Mar 2017	31 Mar 2016	31 Mar 2015
Leases in which the Group/the Company is the lessee			
Non-terminable leasing fees amount to:			
Within 1 year	195	169	191
Between 1 and 5 years	434	367	433
Later than 5 years	51	0	4
Total	680	536	628
Expensed leasing fees for the period			
Assets held through operational leases			
Minimum leasing fees	189	179	181
Total leasing costs	189	179	181

Refers to costs for assets held through operational leases, such as rented premises, vehicles, other machinery and equipment.

NOTE 15 INVENTORIES

Group	31 Mar 2017	31 Mar 2016	31 Mar 2015
Finished goods and goods for resale	823	785	846
Total	823	785	846

The cost of goods sold includes impairment of inventories in the amount of MSEK 35, compared with MSEK 6 (2015/2016) and MSEK 10 (2014/2015). No material reversals of previous impairments were carried out in 2016/2017, 2015/2016 or 2014/2015.

NOTE 16 PREPAID EXPENSES AND ACCRUED INCOME

Group	31 Mar 2017	31 Mar 2016	31 Mar 2015
Prepaid expenses			
Rents	23	19	17
Insurance premiums	4	4	3
Licences	1	1	2
Leasing	2	2	2
Computer costs	2	2	1
Other prepaid expenses	4	2	2
Accrued income			
Delivery of goods	11	25	18
Commission and bonus income	33	26	25
Other accrued income	3	5	4
Total	83	86	74

NOTE 17 LONG-TERM RECEIVABLES AND OTHER RECEIVABLES

Group	31 Mar 2017	31 Mar 2016	31 Mar 2015
Long-term receivables classified as non-current assets			
Pension funds	4	1	1
Other receivables	0	1	1
Total	4	2	2

Group	31 Mar 2017	31 Mar 2016	31 Mar 2015
Other receivables classified as current assets			
VAT receivable	4	2	0
Tax account	8	7	8
Receivables from B&B TOOLS	–	18	39
Other receivables	1	4	9
Total	13	31	56

NOTE 18 EQUITY

Translation reserve

The translation reserve includes all exchange-rate differences arising from 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. The Group presents its financial statements in SEK.

Reserves	31 Mar 2017	31 Mar 2016	31 Mar 2015
Translation reserve			
Opening translation reserve	–54	–21	–28
Translation effect for the year	26	–33	7
Closing translation reserve	–28	–54	–21

NOTE 19 EARNINGS PER SHARE

	2016/2017	2015/2016	2014/2015
Earnings per share (SEK)	1.50	4.95	4.95

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

Earnings per share

In these combined financial statements, the calculation of earnings per share is based on net profit in Momentum Group attributable to the parent company's shareholders divided by the average number of shares outstanding. Taking into account the fact that the number of shares has risen to 28,265,416 through a resolution by the general meeting of shareholders on 31 March 2017 with subsequent registration with the Swedish Companies Registration Office in May 2017, Momentum Group has chosen to use this number for all periods presented. The two components are as follows:

	2016/2017	2015/2016	2014/2015
Net profit (MSEK)	42	139	140
Weighted average number of shares during the year (thousands of shares)	28,265	28,265	28,265

There are no potential ordinary shares that could give rise to a dilution effect, which means that earnings per share before and after dilution are the same.

NOTE 20 INTEREST-BEARING LIABILITIES

Group	31 Mar 2017	31 Mar 2016	31 Mar 2015
Non-current liabilities			
Liabilities to B&B TOOLS ¹⁾	150	639	746
Total	150	639	746
Current liabilities			
Liabilities to B&B TOOLS ²⁾	182	3	8
Total	182	3	8

1) Non-current interest-bearing liabilities consist of loans via B&B TOOLS AB's internal bank, refer to note 31 – Transactions with related parties and note 26 – Financial risks and risk management.

2) Current interest-bearing liabilities consist of credit used by Momentum Group's subsidiaries in B&B TOOLS AB's cash pool, refer to note 31 – Transactions with related parties.

NOTE 21 PROVISIONS FOR PENSIONS

Momentum Group has defined-benefit pension plans in Sweden and Norway. Defined-contribution pension plans are also used in Sweden and Norway. Group subsidiaries in other countries primarily have defined-contribution pension plans.

DEFINED-CONTRIBUTION PENSION PLANS

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

Defined-benefit pension plans

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

Commitments for employee benefits, defined-benefit plans

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

Group	31 Mar 2017	31 Mar 2016	31 Mar 2015
Pension obligations unfunded plans, present value	21	18	21
Pension obligations funded plans, present value	14	12	17
Plan assets, fair value	-15	-12	-16
Net pension obligations	20	18	22

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

	31 Mar 2017	31 Mar 2016	31 Mar 2015
Plan assets for pension obligations	-4	-1	-1
Provisions for pensions and similar commitments	24	19	23
Net liabilities according to the balance sheet	20	18	22
Of which, credit insured through PRI Pensionsgaranti	11	10	9

NOTE 21 PROVISIONS FOR PENSIONS, CONT.
Performance of pension obligations and plan assets

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

Pension obligations unfunded plans	31 Mar 2017	31 Mar 2016	31 Mar 2015
Opening balance	18	21	14
Benefits earned during the year	1	0	1
Interest expense	1	0	0
Benefits paid	0	0	0
Remeasurement recognised in other comprehensive income	1	-3	6
Translation differences	-	-	-
Pension obligations unfunded plans, present value	21	18	21

Pension obligations funded plans	31 Mar 2017	31 Mar 2016	31 Mar 2015
Opening balance	12	17	15
Benefits earned during the year	0	0	0
Interest expense	0	0	0
Benefits paid	0	0	0
Remeasurement recognised in other comprehensive income	-1	0	2
Redemption of pension obligations	-	-4	0
Other	2	-	-
Translation differences	1	-1	0
Pension obligations funded plans, present value	14	12	17

Present value of pension obligation specified by category (%)	31 Mar 2017	31 Mar 2016	31 Mar 2015
Active	35	35	28
Paid-up policy holders	43	46	42
Pensioners	22	19	30
Total	100	100	100

Plan assets	31 Mar 2017	31 Mar 2016	31 Mar 2015
Opening balance	12	16	15
Interest income recognised in profit or loss	0	0	0
Funds contributed by employers	1	0	1
Funds paid to employers	0	0	0
Remeasurement recognised in other comprehensive income	0	0	0
Redemption of pension obligations	-	-3	0
Other	1	-	-
Translation differences	1	-1	0
Plan assets, fair value	15	12	16

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

Plan assets	31 Mar 2017	31 Mar 2016	31 Mar 2015
Cash and cash equivalents	1	1	1
Equity instruments	1	1	2
Debt instruments	9	8	11
Properties	2	2	2
Other assets	2	0	0
Plan assets, fair value	15	12	16

All plan assets are managed by an insurance company and are included in the insurance company's asset portfolio. The assets are thus not considered to be traded on an active market from the Group's perspective.

Estimated pension payments over the next ten-year period are calculated at approximately MSEK 4 and the liquidity risk is thus clearly limited with respect to the correlation between plan assets and obligations.

Net change in defined-benefit obligations during the year	31 Mar 2017	31 Mar 2016	31 Mar 2015
Opening balance	18	22	14
Pension costs, defined-benefit plans	2	0	1
Benefits paid	0	0	0
Funds contributed by employer	-1	0	-1
Funds paid to employer	0	0	0
Remeasurement recognised in other comprehensive income, see separate specification	0	-3	8
Redemption of pension obligations	-	-1	0
Other	1	0	0
Translation differences	0	0	0
Closing balance	20	18	22

NOTE 21 PROVISIONS FOR PENSIONS, CONT.**Pension costs**

Costs recognised in net profit	31 Mar 2017	31 Mar 2016	31 Mar 2015
Pensions earned during the period	1	0	1
Net interest expense	1	0	0
Pension costs, defined-benefit plans	2	0	1
Pension costs, defined-contribution plans	67	67	63
Pension costs in net profit	69	67	64

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

Actuarial assumptions	2016/2017		2015/2016		2014/2015	
	Sweden	Norway	Sweden	Norway	Sweden	Norway
Discount rate, 31 March, %	2.3	2.4	2.75	2.25	1.8	2.3
Expected salary increase, %	2.75	2.25	2.75	2.25	2.75	2.5
Expected inflation, % ¹⁾	1.5	0	1.5	0	1.5	0
Expected remaining period of service, years	12.9	2.0	11.6	2.9	11.8	3.1

1) Inflation assumption is equivalent to pension indexation, which applies in both Sweden and Norway.

Length of life assumptions

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

	Sweden	Norway
<i>Length of life assumptions at 65 years of age – retired members:</i>		
Men	21.7	21.4
Women	24.2	23.6
<i>Length of life assumptions at 65 years of age for members who are 40 years of age</i>		
Men	23.4	24.6
Women	25.2	27.0

Sensitivity analysis

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

The most significant assumptions and judgments comprise discount rate, future salary increases, inflation and expected length of life. The principles for establishing the discount rate are described in Note 2 Accounting policies.

Changes in pension obligations due to changed assumptions*	Increase in liabilities	Decrease in liabilities
Discount rate, -0.50%/+0.50%	3	2
Increase in liabilities, +0.50%/-0.50%	1	1
Inflation, +0.50%/-0.50%	1	1
Length of life, +1 year/-1 year	1	1

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

Financing

As of 31 March 2017, the average weighted term of the total pension obligation was 18.4 years (21.4), of which unfunded PRI pensions in Sweden had an average weighted term of 22.0 years (21.4).

The Group estimates that MSEK 1 will be paid in 2017/2018 to funded and unfunded defined-benefit plans recognised as defined-benefit plans and MSEK 34 will be paid in 2017/2018 to the defined-benefit plans recognised as defined-contribution plans.

NOTE 22

OTHER PROVISIONS

Group	31 Mar 2017	31 Mar 2016	31 Mar 2015
Provisions classified as non-current liabilities			
Guarantee commitments	1	1	1
Restructuring	27	–	–
Other	0	0	0
Total	28	1	1
Specification			
Carrying amount at the beginning of the period	1	1	0
Provisions made during the period	27	0	1
Translation differences	0	0	0
Carrying amount at the end of the period	28	1	1

NOTE 23

OTHER LIABILITIES

Group	31 Mar 2017	31 Mar 2016	31 Mar 2015
Employee withholding taxes	20	17	18
VAT liability	53	33	37
Liabilities to B&B TOOLS	–	156	118
Other operating liabilities	0	5	5
Total	73	211	178

NOTE 24

ACCRUED EXPENSES AND DEFERRED INCOME

Group	31 Mar 2017	31 Mar 2016	31 Mar 2015
Accrued expenses			
Salaries and remuneration to employees	140	127	125
Social security contributions	57	54	52
Bonuses, refunds to customers/suppliers	6	4	4
Operating and leasing costs	4	1	7
Audit fees	1	1	1
Other consulting fees	12	0	0
Interest expense	1	–	2
Restructuring	34	–	–
Other accrued expenses	17	10	10
Deferred income			
Marketing income	3	1	1
Other deferred income	5	2	2
Total	280	200	204

NOTE 25

PLEGGED ASSETS AND CONTINGENT LIABILITIES

Group	31 Mar 2017	31 Mar 2016	31 Mar 2015
Pledged assets			
<i>In the form of pledged assets for own liabilities and provisions</i>			
Corporate mortgages	–	–	–
Total pledged assets	–	–	–
Contingent liabilities			
Guarantees	3	3	3
Total contingent liabilities	3	3	3

Momentum Group AB will enter into a guarantee commitment for subsidiaries that took out credit insurance on their pension obligation via PRI Pensionsgaranti. The guarantee for subsidiaries pertaining to PRI obligations amounts to MSEK 11.

NOTE 26**FINANCIAL RISKS AND RISK MANAGEMENT**

Momentum Group's operations entail exposure to a number of financial risks. Changes, particularly in foreign-exchange rates and interest-rate levels, affect the Group's earnings and cash flow. Financing risks also arise and are managed within the framework of the Group's adopted policies. From 2014/2015 to 2016/2017, Momentum Group – as part of the B&B TOOLS Group – managed its financial risks in accordance with the B&B TOOLS Group's financial policy and through B&B TOOLS AB's central treasury function.

FINANCIAL OPERATIONS

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

The Group's central financial operations comprise securing the Group's long-term supply of liquidity for investments and working capital in an efficient manner. During 2016/2017, Momentum Group established its own internal bank function tasked with coordinating the Group's financial activities and ensuring that systems are available for efficient cash management in the Group. All foreign-currency management and granting of credit to customers are handled within the framework of the established policy.

CAPITAL MANAGEMENT

The Company's goal regarding financial position is that it should enable the Group to have good liquidity availability, that the cost of borrowed capital should be kept at market rate and that the return on liquid assets should be

Annual net flow by currency (counter value in MSEK)

Currency	2016/2017	2015/2016	2014/2015
NOK	123	133	134
EUR	-86	-105	-106
USD	-20	-23	-20

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

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

Foreign-exchange forward contracts¹⁾

Nominal value	2016/2017	2015/2016	2014/2015
NOK/SEK	12	22	57
USD/SEK ²⁾	3	8	6
EUR/SEK ²⁾	–	12	17

1) Foreign-exchange forward contracts signed with B&B TOOLS' internal bank.

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

Translation exposure of earnings

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

Revenue	2016/2017	2015/2016	2014/2015
Outcome translated to average rate for the preceding year	5,372	5,260	5,304
Currency translation			
NOK	21	-91	5
EUR	17	7	40
DKK	1	0	2
Total currency translation	39	-84	47
Outcome	5,411	5,176	5,351

satisfactory and the risk in investments and exposures should be kept low. A prerequisite for this is that the Group has a long-term good financial position and meets the financial commitments included in loan agreements etc.

FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

The Group uses financial derivative instruments to manage foreign-exchange risks that arise during operations. Derivative instruments held for hedging comprise foreign-exchange forward contracts. These derivative instruments are hedged, which means that the instruments are recognised in the balance sheet at fair value and that any change in value of these instruments is recognised as equity in other comprehensive income until its underlying cash flow is reflected in profit or loss. During the accounting period, derivative instruments with external counterparties were only permitted within B&B TOOLS AB. The companies in Momentum Group hedged their risk through B&B TOOLS AB, which in turn hedged its net risk via the external market.

FOREIGN-EXCHANGE RISKS

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

Transaction exposure

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

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

NOTE 26 FINANCIAL RISKS AND RISK MANAGEMENT, CONT.

Operating profit	2016/2017	2015/2016	2014/2015
Outcome translated to average rate for the preceding year	65	194	198
Currency translation			
NOK	0	-1	0
EUR	0	0	0
DKK	0	0	0
Total currency translation	0	-1	0
Outcome	65	193	198

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

Change in rate for underlying exposure currencies +/- 5%	2016/2017	2015/2016	2014/2015
Effect			
- Revenue	+/- 119	+/- 109	+/- 122
- Operating profit	+/- 1	+/- 2	+/- 4

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

Currency	Average rate			Balance-sheet rate		
	2016/2017	2015/2016	2014/2015	31 Mar 2017	31 Mar 2016	31 Mar 2015
NOK	1.037	1.022	1.091	1.040	0.976	1.072
EUR	9.501	9.310	9.226	9.536	9.233	9.312
USD	8.667	8.471	7.344	8.922	8.101	8.639
DKK	1.277	1.248	1.238	1.282	1.239	1.247

Translation exposure of equity

The value of the net assets of foreign subsidiaries is translated to SEK at year-end at the exchange rate in effect on the balance-sheet date. The exchange-rate difference between the years is recognised against equity under other comprehensive income.

Net assets in foreign subsidiaries by currency (MSEK)

Currency	31 Mar 2017	31 Mar 2016	31 Mar 2015
NOK	315	291	345
EUR	248	248	244
DKK	11	9	9

INTEREST-RATE RISKS

Interest-rate risk refers to the risk that changes in the market interest rate will have a negative impact on the Group's net interest income. The speed at which an interest-rate change has an effect depends on the length of the period of fixed interest on the loans and the type of hedging instruments used. Hence, the adopted financial policy stipulates that the interest rate term normally will be short, with at least 50% of the loans having a fixed interest term of less than one year. In order to manage the risk of higher market interest rates in the future, the financial policy adopted by Momentum Group stipulates that different forms of interest derivatives may be used to limit interest-rate risk.

LIQUIDITY AND REFINANCING RISKS

Liquidity and refinancing risk pertains to the risk that the Group is unable to fulfil its payment obligation due to insufficient liquidity and that the possibility of financing is limited when loans are due for rescheduling. The financial policy adopted by Momentum Group stipulates that borrowing and trading in financial instruments may only be conducted with one of the large Nordic commercial banks. Current investments of any surplus liquidity are made on terms of one to six months at current market interest rates. The counterparty for deposits is always one of the large Nordic commercial banks.

Momentum Group has historically been financed through the B&B TOOLS Group, and will raise its own financing in conjunction with the listing. As of 31 March 2017, the net of the Momentum Group's companies' share of B&B TOOLS AB's cash pool and interest-bearing liabilities to B&B TOOLS AB's internal bank amounted to MSEK 276. The maturity structure of the future financing is estimated to correlate well with how the Group's debt portfolio is accounted for as of 31 March 2017 (refer to note 29), based on which of the included credit facilities that are estimated to be used to pay the

outstanding liabilities to B&B TOOLS AB. The future financing will offer Momentum Group access to a committed credit facility of MSEK 400 and a revolving credit facility of MSEK 400.

Credit risks

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

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

NOTE 26 FINANCIAL RISKS AND RISK MANAGEMENT, CONT.

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

Accounts receivable	31 Mar 2017	31 Mar 2016	31 Mar 2015
Accounts receivable	931	759	883
Accumulated reserve for doubtful accounts receivable	-19	-16	-20
Accounts receivable, net	912	743	863
Maturity analysis:			
- not past due	847	679	768
- receivables past due by 1-30 days	59	64	93
- receivables past due by 31-60 days	4	6	6
- receivables past due by 61-90 days	4	1	1
- receivables past due by >90 days	17	9	15
Total receivables	931	759	883

NOTE 27**SPECIFICATION OF INTEREST-BEARING NET LOAN LIABILITIES BY ASSET AND LIABILITY**

Group	31 Mar 2017			31 Mar 2016			31 Mar 2015		
	Interest-bearing	Non-interest-bearing	Total	Interest-bearing	Non-interest-bearing	Total	Interest-bearing	Non-interest-bearing	Total
ASSETS									
Intangible non-current assets	-	533	533	-	428	428	-	416	416
Tangible non-current assets	-	64	64	-	50	50	-	55	55
Financial non-current assets	5	9	14	3	11	14	3	11	14
Deferred tax assets	-	27	27	-	16	16	-	19	19
Total non-current assets	5	633	638	3	505	508	3	501	504
Current assets									
Inventories	-	823	823	-	785	785	-	846	846
Tax assets	-	13	13	-	16	16	-	12	12
Accounts receivable	-	912	912	-	743	743	-	863	863
Prepaid expenses and accrued income	-	83	83	-	86	86	-	74	74
Other receivables	-	13	13	-	32	32	-	84	84
Cash and bank	69	-	69	525	-	525	372	-	372
Total current assets	69	1,844	1,913	525	1,662	2,187	372	1,879	2,251
Total assets	74	2,477	2,551	528	2,167	2,695	375	2,380	2,755
LIABILITIES									
Non-current liabilities									
Non-current interest-bearing liabilities	150	-	150	639	-	639	746	-	746
Provisions for pensions	24	-	24	19	-	19	23	-	23
Other provisions	-	28	28	-	1	1	-	1	1
Deferred tax liabilities	-	13	13	-	4	4	-	3	3
Total non-current liabilities	174	41	215	658	5	663	769	4	773
Current liabilities									
Current interest-bearing liabilities	182	-	182	3	-	3	8	-	8
Accounts payable	-	782	782	-	666	666	-	551	551
Tax liabilities	-	12	12	-	12	12	-	33	33
Other liabilities	-	73	73	-	212	212	-	206	206
Accrued expenses and deferred income	-	280	280	-	200	200	-	204	204
Total current liabilities	182	1,147	1,329	3	1,090	1,093	8	994	1,002
Total liabilities	356	1,188	1,544	661	1,095	1,756	777	998	1,775
Interest-bearing net liabilities	-282			-133			-402		

NOTE 28

FINANCIAL ASSETS AND LIABILITIES

Group	31 Mar 2017	31 Mar 2016	31 Mar 2015
Financial assets			
Financial assets available for sale			
Shares and participations available for sale	1	1	1
Accounts receivable and loan receivables			
Long-term receivables	0	1	1
Accounts receivable	912	743	863
Other receivables ¹⁾	–	17	39
Cash and cash equivalents	69	525	372
Total financial assets	982	1,287	1,276
Financial liabilities			
Financial liabilities at fair value through profit or loss			
	–	–	–
Other liabilities			
Interest-bearing liabilities	332	642	754
Accounts payable	782	666	551
Other liabilities ¹⁾	–	152	116
Total financial liabilities	1,114	1,460	1,421

1) Other receivables and Other liabilities pertain to received and paid unregulated group contributions to the B&B TOOLS Group.

However, the carrying amounts for financial assets and liabilities above are, however to their fair value in all material respects.

NOTE 29**EXPECTED RECOVERY PERIODS FOR ASSETS, PROVISIONS AND LIABILITIES****Group**

Amounts expected to be recovered	Within 12 months	After 12 months	Total
ASSETS			
Intangible non-current assets ¹⁾	17	516	533
Tangible non-current assets ¹⁾	15	49	64
Financial non-current assets			
Shares in associated companies	–	9	9
Other securities held as non-current assets	–	1	1
Other long-term receivables	0	4	4
Deferred tax assets	–	27	27
Total non-current assets	32	606	638
Current assets			
Inventories	823	–	823
Tax assets	13	–	13
Accounts receivable	912	–	912
Prepaid expenses and accrued income	83	–	83
Other receivables	13	–	13
Cash and bank	69	–	69
Total current assets	1,913	–	1,913
Total assets	1,945	606	2,551

Group

Amounts expected to be paid	Within 12 months	After 12 months	After 5 years	Total
LIABILITIES				
Non-current liabilities				
Non-current interest-bearing liabilities	–	150	–	150
Provisions for pensions	0	3	21	24
Other provisions	0	16	12	28
Deferred tax liabilities	2	7	4	13
Total non-current liabilities	2	176	37	215
Current liabilities				
Current interest-bearing liabilities	182	–	–	182
Accounts payable	782	–	–	782
Tax liabilities	12	–	–	12
Other liabilities	73	–	–	73
Accrued expenses and deferred income	280	–	–	280
Total current liabilities	1,329	–	–	1,329
Total liabilities	1,331	176	37	1,544

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

NOTE 30
MERGED UNITS

Company	2016/2017	2015/2016	2014/2015	Reg. office, country	Holding
Momentum Group AB ¹⁾	x			Sweden	100%
Momentum Group Holding AB ¹⁾	x			Sweden	100%
Momentum Group Services AB ¹⁾	x			Sweden	100%
TOOLS Sverige AB	x	x	x	Sweden	100%
Momentum Industrial AB	x	x	x	Sweden	100%
Rörick Elektriska Verkstad AB	x	x	x	Sweden	100%
Gigant AB ³⁾	x	x	x	Sweden	100%
Gigant Sverige AB	x	x	x	Sweden	100%
Gigant Produktion AB	x	x	x	Sweden	100%
Mercus Yrkeskläder AB	x	x	x	Sweden	100%
AB Carl A. Nilssons Elektriska Reparationsverkstad ²⁾	x	x		Sweden	100%
Arboga Machine Tool AB ⁴⁾	x			Sweden	100%
TOOLS Sverige Holding AB ³⁾			x	Sweden	100%
B&B TOOLS Artikel AB ³⁾			x	Sweden	100%
TOOLS AS	x	x	x	Norway	100%
Tønsberg Maskinforretning AS ⁴⁾	x			Norway	100%
Astrup Industrivarer AS ⁴⁾	x			Norway	100%
Gigant AS ¹⁾	x			Norway	100%
TOOLS Finland Oy	x	x	x	Finland	100%
Gigant Työpisteet OY	x	x	x	Finland	100%
B&B TOOLS Holding FI Oy	x	x	x	Finland	100%
B&B TOOLS Fastigheter Holding Oy	x	x	x	Finland	100%
B&B TOOLS Fastigheter Oy ⁵⁾	x	x	x	Finland	100%
JNF Momentum Køge A/S ⁵⁾	x	x	x	Denmark	100%

1) Company formed in 2016/2017.

2) Company acquired in 2015/2016.

3) Intra-group merger carried out in 2015/2016.

4) Company acquired in 2016/2017 (Tønsberg Maskinforretning AS and Astrup Industrivarer AS have been merged into TOOLS AS during the financial year 2016/2017).

5) For 2014/2015 and 2015/2016, the B&B TOOLS Group held part of the company that is not included in the combined financial statements.

Other parts of companies included in the combined financial statements

Company	2016/2017	2015/2016	2014/2015	Reg. office, country
part of Grunda Sverige AB	x	x	x	Sweden
part of Grunda AB		x	x	Sweden
part of ESSVE Produkter AB			x	Sweden
part of ESSVE Sverige AB			x	Sweden
part of Luna International AB		x	x	Sweden
part of Luna Norge AS	x	x	x	Norway
part of ESSVE Norge AS			x	Norway
part of B&B Products Oy	x	x	x	Finland
part of B&B TOOLS (Shanghai) Co. Ltd	x	x	x	China

NOTE 31

TRANSACTIONS WITH RELATED PARTIES

TRANSACTIONS WITH THE B&B TOOLS GROUP

Income statement	2016/2017	2015/2016	2014/2015
Revenue	10	7	9
Cost of goods sold	-963	-992	-1,062
Other operating expenses ¹⁾	-241	-209	-220
Financial income	1	1	2
Financial expenses	-12	-13	-20
Balance sheet	31 Mar 2017	31 Mar 2016	31 Mar 2015
Assets			
Accounts receivable	17	4	8
Prepaid expenses and accrued income	17	14	15
Other receivables ²⁾	-	17	39
Cash and cash equivalents ³⁾	56	520	368
Total assets, related parties	90	555	430
Liabilities			
Non-current interest-bearing liabilities ⁴⁾	150	639	746
Current interest-bearing liabilities ⁵⁾	182	3	8
Accounts payable	287	234	153
Other liabilities ²⁾	-	152	116
Accrued expenses and deferred income	1	-	2
Total liabilities, related parties	620	1,028	1,025

1) Primarily comprises expenses pertaining to the use of logistics, administrative and IT-related services. Also includes corporate fee expenses from B&B TOOLS that have been invoiced to the Momentum Group companies.

2) Other receivables and Other liabilities pertain to received and paid unregulated group contributions to the B&B TOOLS Group.

3) Comprises the Momentum Group companies' share of B&B TOOLS AB's cash pool.

4) Non-current interest-bearing liabilities comprise loans via B&B TOOLS AB's internal bank.

5) Current interest-bearing liabilities comprise the credit via B&B TOOLS AB's cash pool utilised by the companies in Momentum Group and loans via B&B TOOLS AB's internal bank.

NOTE 32
CASH-FLOW STATEMENT

Cash and cash equivalents	31 Mar 2017	31 Mar 2016	31 Mar 2015
The following subcomponents are included in cash and cash equivalents:			
Share of B&B TOOLS AB's cash pool.	56	520	368
Cash and bank	13	5	4
Total according to the balance sheet	69	525	372
Total according to the cash-flow statement	69	525	372
Interest paid	2016/2017	2015/2016	2014/2015
Interest received	2	3	4
Interest paid	-13	-16	-21
Total	-11	-13	-17
Adjustments for non-cash items	2016/2017	2015/2016	2014/2015
Depreciation and amortisation	22	16	17
Profit from sale of non-current assets	0	0	2
Change in reserve for items affecting comparability	90	-6	-16
Change in other provisions	0	0	1
Change in pension obligations	3	1	3
Profit from participations in associated companies	2	0	0
Adjustment for interest paid/received	0	-2	0
Other	0	0	0
Total	117	9	7
Acquisition of subsidiaries and other business units¹⁾	2016/2017	2015/2016	2014/2015
Acquired assets:			
Intangible non-current assets	66	6	3
Other non-current assets	3	-	-
Inventories	47	5	1
Other current assets	47	-	-
Total assets	163	11	4
Acquired non-controlling interests, provisions and liabilities:			
Deferred tax liability	-9	-	-
Current operating liabilities	-33	-3	0
Total non-controlling interests, provisions and liabilities	-42	-3	0
Purchase consideration	-124	-11	-4
Purchase consideration paid	-124	-11	-4
Less: Cash and cash equivalents in acquired businesses	3	-	-
Effect on cash and cash equivalents	-121	-11	-4
1) Refer to Note 33 Acquisition of businesses			
Proceeds from sale of subsidiaries and other business units	2016/2017	2015/2016	2014/2015
Divested assets:			
Tangible non-current assets	-	1	-
Inventories	-	4	-
Total assets	-	5	-
Capital gain	-	0	-
Total	-	5	-
Purchase consideration received	-	5	-
Effect on cash and cash equivalents	-	5	-

NOTE 33**ACQUISITION OF BUSINESSES****2016/2017**

In mid-March 2016, an agreement was entered into to acquire all shares in Tønsberg Maskinforretning AS ("TM"). TM is a reseller of industrial components and consumables to the industrial and construction sectors in southern Norway. TM generated annual revenue of approximately MNOK 20 and had 10 employees at the time of the acquisition. Closing took place on 4 April 2016.

In mid-October 2016, an agreement was entered into to acquire all shares in Astrup Industrivarer AS ("Astrup"). The acquisition is part of the efforts to strengthen TOOLS' position as a leading supplier to Norwegian industry. Astrup generates annual revenue of approximately MNOK 240 and has some 50 employees. Closing took place on 30 November 2016.

In late February 2017, an agreement was entered into to acquire all shares in Arboga Machine Tool AB ("AMT"). With workshops in Arboga, Sweden, AMT is a service company offering sales and repairs of ball screws and machine guarding systems as well as spindle repairs.

AMT generates annual revenue of approximately MSEK 10 and has five employees. Closing took place on 1 March 2017.

The acquired companies' net assets on the date of acquisition are presented in the table below.

Acquisition of subsidiaries and other business units	Astrup	Other	Total
Acquired assets:			
Intangible non-current assets	60	6	66
Other non-current assets	2	1	3
Inventories	41	6	47
Other current assets	43	4	47
Total assets	146	17	163
Acquired provisions and liabilities:			
Deferred tax liability	-8	-1	-9
Current operating liabilities	-29	-4	-33
Total provisions and liabilities	-37	-5	-42
Purchase consideration	-110	-14	-124
Purchase consideration paid	-110	-14	-124
Less: Cash and cash equivalents in acquired businesses	1	2	3
Effect on cash and cash equivalents	-109	-12	-121

2015/2016

In early July 2015, an agreement was entered into to acquire all shares in Aktiebolaget Carl A. Nilssons Elektriska Reparationsverkstad ("CAN"). CAN is a comprehensive service company specialising in electromechanical services and sales for the industrial sector in southern Sweden. CAN generates annual revenue of approximately MSEK 20 and had 13 employees at the time of the acquisition. Closing took place on 1 September 2015.

A minor acquisition of assets and liabilities also took place in Norway during the financial year. Details on all acquisitions are presented in Note 32 Cash-flow statement and the table Acquisition of subsidiaries and other business units.

2014/2015

A minor acquisition of assets and liabilities took place in Sweden during the 2014/2015 financial year. Details on this acquisition are presented in Note 32 Cash-flow statement and the table Acquisition of subsidiaries and other business units.

NOTE 34**EVENTS AFTER THE BALANCE-SHEET DATE**

Proposal to the shareholders in B&B TOOLS AB concerning distribution and separate listing of Momentum Group AB

The board of directors of B&B TOOLS AB decided on 22 May 2017 to propose to an extraordinary general meeting of shareholders in B&B TOOLS on 14 June 2017 to distribute the shares in the subsidiary Momentum Group AB to the shareholders in accordance with a so-called Lex ASEA. The notice to B&B TOOLS' extraordinary general meeting of shareholders and the proposal in whole were published on 22 May 2017.

Financing agreement prior to the distribution and listing of Momentum Group AB

Prior to the above mentioned distribution and separate listing of Momentum Group AB the Company has entered into new financing agreements to replace the existing financing with new financing. The new financing comprises a committed credit facility of MSEK 400 and a revolving credit facility of MSEK 400. Handelsbanken is the lender for both credit facilities.

No other significant events affecting the Group have occurred after the balance-sheet date on 31 March 2017.

AUDITOR'S REPORT REGARDING NEW FINANCIAL STATEMENTS OF HISTORICAL FINANCIAL INFORMATION

To the Board of Momentum Group AB (publ), Corporate Id.No. 559072-1352

Auditor's Report on historical financial information

We have audited the combined financial statements for Momentum Group AB (publ) on pages F-1 to F-31 which comprise the combined statements of financial position at 31 March 2017, 2016 and 2015 and the combined statements of profit or loss and other comprehensive income, cash flows and changes in shareholders' equity for each of the years during the three-year period ended 31 March 2017, and a description of significant accounting policies and other explanatory notes.

The Board of Directors' and the Chief Executive Officer's responsibility for the financial statements

The Board of Directors and the Chief Executive Officer are responsible for the preparation and fair presentation of the combined financial statements to provide a fair view of the financial position, financial performance, changes in equity and cash flows in accordance with International Financial Reporting Standards as adopted by the EU and additional applicable framework. This responsibility includes designing, implementing and maintaining internal control relevant to preparing and appropriately presenting financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for the preparation and fair presentation of the financial statements in accordance with the requirements in the Commission Regulation (EC) No 809/2004.

Auditor's responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We have conducted our audit in accordance with the Swedish Institute of Authorized Public Accountants, FAR, recommendation RevR 5, Examination of Financial Information in Prospectuses. This recommendation requires that we comply with the Swedish Institute of Authorized Public Accountants' ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatements. The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of Momentum Group AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

An audit in accordance with FAR's recommendation RevR 5, *Examination of Financial Information in Prospectuses*, involves performing procedures to obtain audit evidence corroborating the amounts and disclosures in the combined financial statements. The audit procedures selected depend on our assessment of the risks of material misstatement in the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the company's preparation and fair presentation of the financial statements as a basis for designing audit procedures that are applicable under those circumstances but not for the purpose of expressing an opinion on the

effectiveness of the company's internal control. An audit also includes evaluating the accounting policies applied and the reasonableness of the significant accounting estimates made by the Board of Directors and the Chief Executive Officer and evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the combined financial statements give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional applicable framework of the combined financial position of the group of Momentum Group AB (publ) as of 31 March 2017, 2016 and 2015 and their combined financial performance, statement of changes in equity and cash flows for each of the years during the three-year period ending on 31 March 2017.

Stockholm 5 June 2017

KPMG AB

Håkan Olsson Reising
Authorized Public Accountant
Auditor in charge

Matilda Axlind
Authorized Public Accountant

GLOSSARY

<i>B&B TOOLS or the B&B TOOLS Group</i>	B&B TOOLS Aktiebolag (publ), corporate registration number 556034-8590, the group in which B&B TOOLS Aktiebolag (publ) is the parent company or a subsidiary of the group, depending on the context.
<i>Bergman & Beving or the Bergman & Beving Group</i>	The proposed new name for B&B TOOLS.
<i>CAGR</i>	Compound annual growth rate.
<i>Distribution</i>	The proposed distribution of B&B TOOLS' shares in Momentum Group to the shareholders in B&B TOOLS.
<i>DIY</i>	The do-it-yourself market.
<i>DKK</i>	Danish kroner.
<i>EUR</i>	Euro.
<i>Euroclear</i>	Euroclear Sweden AB, corporate registration number 556112-8074.
<i>Handelsbanken</i>	Handelsbanken Capital Markets, part of Svenska Handelsbanken AB (publ), or Svenska Handelsbanken AB (publ) itself, corporate registration number 502007-7862, depending on the context.
<i>K</i>	Refers to thousands.
<i>Listing</i>	The planned listing of the Company's class B shares on Nasdaq Stockholm.
<i>M</i>	Refers to millions.
<i>Momentum Group, the Company or the Group</i>	Momentum Group AB (publ), corporate registration number 559072-1352, the group in which Momentum Group AB (publ) is the parent company or a subsidiary in the group, depending on the context.
<i>Nasdaq Stockholm</i>	Refers to the regulated market Nasdaq Stockholm or Nasdaq Stockholm AB, depending on the context.
<i>NOK</i>	Norwegian kroner.
<i>Prospectus</i>	Refers to the prospectus.
<i>SEK</i>	Swedish kronor.
<i>Split</i>	The split of Momentum Group AB and its subsidiaries from the B&B TOOLS Group.

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