INTERIM REPORT
1 January – 30 September 2023

Q3 2023

Increased profit and improved cash flow

THIRD QUARTER HIGHLIGHTS

- Revenue increased by 0.2 per cent to MSEK 2,122 (2,118). Organic growth was -3.0 per cent.
- Gross margin increased to 41.6 per cent (40.7).
- Adjusted EBITA increased by 6 per cent to MSEK 191 (181), corresponding to an adjusted EBITA margin of 9.0 per cent (8.5).
- Operating profit increased to MSEK 175 (166) and the operating margin was 8.2 per cent (7.8). Operating profit was charged with items affecting comparability of MSEK 0 (0).
- Profit amounted to MSEK 113 (118).
- Earnings per share amounted to SEK 2.25[2] (2.34[2]).
- Cash flow from operating activities increased to MSEK 34 (-91).

SIGNIFICANT EVENTS DURING THE THIRD QUARTER

- On 15 August, Alligo's Board of Directors, on the basis of the authorisation granted by the Annual General Meeting of 24 May 2023, decided to repurchase some of the company's own Class B shares. The aim of this is to enable companies or businesses to be acquired in the future using treasury shares, while also facilitating the adaptation of the Group's capital structure.

FIRST NINE MONTHS HIGHLIGHTS

- Revenue increased by 4.8 per cent to MSEK 6,797 (6,488). Organic growth was 1.1 per cent.
- Gross margin increased to 40.7 per cent (40.1).
- Adjusted EBITA increased by 13 per cent to MSEK 519 (458), corresponding to an adjusted EBITA margin of 7.6 per cent (7.1).
- Operating profit increased to MSEK 470 (401) and the operating margin was 6.9 per cent (6.2). Operating profit was charged with items affecting comparability of MSEK -4 (-9).
- Profit from continuing operations amounted to MSEK 305 (287) and profit from discontinued operations to MSEK 0 (28[1]). The impact on earnings of the distribution of Momentum Group was MSEK 0 (3,553) and total profit from the Group amounted to MSEK 305 (3,868).
- Earnings per share from continuing operations amounted to SEK 6.01[2] (5.69[2]) and earnings per share from discontinued operations amounted to SEK 0.00[2] (0.55[1,2]). The impact on earnings of the distribution of Momentum Group was SEK 0.00[2] (70.38[2]) per share and earnings per share for the Group as a whole amounted to SEK 6.01[2] (76.62[2]).
- Cash flow from operating activities increased to MSEK 467 (90).

EVENTS AFTER THE END OF THE PERIOD

- Alligo has decided to consolidate its concept brands in the Nordic region. As a result, the company's Grolls stores will be changing their name to Swedol in Sweden and to Tools in Finland. In Norway, all the Univern stores will be brought together under the Tools brand. This change is already under way and will be completed during 2024.

KEY PERFORMANCE INDICATORS

Group	2023 JUL-SEP	2022 JUL-SEP	2023 JAN-SEP	2022 JAN-SEP	30/09/2023 12 months to	2022 JAN-DEC
Revenue, MSEK	2,122	2,118	6,797	6,488	9,520	9,211
Gross profit, MSEK	882	862	2,766	2,601	3,893	3,728
Gross margin, %	41.6	40.7	40.7	40.1	40.9	40.5
Operating profit, MSEK	175	166	470	401	738	669
Operating margin, %	8.2	7.8	6.9	6.2	7.8	7.3
Adjusted EBITA, MSEK	191	181	519	458	817	756
Adjusted EBITA margin, %	9.0	8.5	7.6	7.1	8.6	8.2
Return on equity[1, 3], %					15	16
Equity per share[4], SEK	69.55	63.61	69.55	63.61	69.55	67.51
Equity/assets ratio, %	40	40	40	40	40	41

1) Adjusted for the impact on earnings of the distribution of Momentum Group AB.
2) Before and after dilution.
3) Refers to the Group total (continuing operations and discontinued operations).
4) Refers to equity attributable to the Parent Company's shareholders.

DISCONTINUED OPERATIONS

Alligo's former subsidiary Momentum Group AB is reported as discontinued operations in accordance with IFRS 5. Comments and figures relate to continuing operations unless otherwise specified. Comparison figures in the consolidated income statement have been recalculated. For more information, see Note 1 Accounting policies and Note 7 Discontinued operations.

ALLIGO

MESSAGE FROM THE CEO

Market development remained weak during the third quarter, as expected, and we are gradually adapting the business to the new market situation. We increased profit and improved cash flow during the quarter despite a weaker sales trend. Our strategy remains unchanged and we are well equipped to strengthen our position, even in a weaker market.

A little over a year has passed since we coordinated our logistics operations in Sweden and it is now time to coordinate our Norwegian logistics centres in Skedsmokorset and Rosenholm at our newly constructed central warehouse in Vestby industripark. We now have possession of the premises and have begun installing equipment. The centre is expected to open in December, when the relocation of logistics operations from Skedsmokorset begins, and at the same time we are also relocating the Norwegian head office to new and more suitable premises.

We also celebrated Swedol's 60th birthday during the quarter and we can look back with pride on an impressive growth journey.

Good resilience

The previously observed slowdown in demand continued and intensified during the third quarter, with several customer segments experiencing a downturn, particularly within the construction sector. We have still shown good resilience and revenue remained largely unchanged at MSEK 2,122 (2,118) for the quarter. Sales growth was weakest in Sweden, with a similar trend noticeable for organic growth in Finland. Organic growth remained good in Norway, thanks largely to strong development in the Oil and Gas industry segment.

Of the growth for the quarter, -3.0 per cent was organic, 3.5 per cent was through acquisitions, 1.2 per cent came from currency effects and -1.5 per cent from the effect of the number of trading days.

Increased profit and improved cash flow

Despite the weaker sales trend, adjusted EBITA increased to MSEK 191 (181) and the adjusted EBITA margin to 9.0 per cent (8.5).

If we are to maintain a good underlying gross margin and stable sales volume at a time of high inflation, weak Swedish and Norwegian currencies and increased pressure on customers, it is particularly important that our pricing is always adapted accordingly. We work on our pricing on an ongoing basis and are able to adjust prices both upwards and downwards according to the situation and the product in question.

Strengthening cash flow and reducing our stock levels has been a priority throughout 2023 and will continue to be in the future. Despite own brands accounting for a gradually increasing proportion of our sales, stock levels have not risen at the same rate. The slower pace of the increase in inventories had a positive impact in the third quarter and cash flow from operating activities in what is seasonally the weakest quarter increased to MSEK 34 (-91).

Streamlining, adaptation and further improvement potential

We are continuously implementing cost-cutting measures in response to the weaker market and have an additional number of potential measures that can be implementet as necessary.

While adapting the cost structure to market conditions, it is also important that we continue to build on and further develop the foundation we have laid over the past few years. Alligo has experienced a rapid pace of change over many years and we continue to see good potential to improve the operational efficiency of the business.

One key area is our sales work, which we previously announced would be restructured in order to better meet the needs of larger industrial customers throughout the Nordic region. We will also be refining our sales work at country level by bringing each country organisation closer to our operating activities.

At this difficult time for customers, we also need to offer more affordable options. Our excellent knowledge and experience within product development gives us the ability to develop new brands and more basic products without reducing either quality or our gross margins.

In addition to streamlining, adapting and developing our own operations, we have both the financial and the organisational capacity to acquire and integrate new companies.

Clein Johansson Ullenvik
President and CEO

» We increased profit and improved cash flow during the quarter despite a weaker sales trend.

ALLIGO – WE MAKE BUSINESSES WORK

Alligo is a leading player within workwear, personal protective equipment, tools and consumables in the Nordic region. Its offering consists of a standardised product range of goods and services that enable companies to function. The range consists of a balanced mix of own brands and leading external brands and is characterised by high quality, value for money and product safety, combined with a good service level and availability.

Alligo's main markets of Sweden, Norway and Finland generate total revenue of approximately SEK 53 billion per year. Its customers are a balanced mix of small and medium-sized enterprises, large companies and public sector agencies within eight defined industry segments: Manufacturing, Construction industry, Public sector, Transport and storage, Repair and maintenance, Agriculture and forestry, Fishing and aquaculture and Oil and gas.

Through the concept brands Swedol, Tools, Grolls and Univern, alongside local specialist brands, we interact with professional users throughout the Nordic region in the channels where they want to meet us, whether this is a store, field sales, digital channels or smart solutions on-site at the customer.

Since Alligo's formation through the merger of Swedol and Tools in 2020, we have been carrying out intensive integration work. The major integration projects have now been completed – Alligo is an integrated company with a scalable platform that can continue to drive long-term profitable and sustainable growth, both organically and through acquisitions. We are driven by our vision of becoming unbeatable as a partner to our customers and suppliers, as an employer for our employees and as a leader in sustainable development in our industry.

Independent stores

SWEDEN: Mercus, Company Line, Reklamproffsen, Industriprofil, TriffiQ, Profilmakarna, Defacto, Magnusson Agentur, Profeel, Z-Profil, Kents Textiltryck, Olympus Profile and Topline. **FINLAND:** Metaplan, Liukkosen Pultti, Kitakone and Pirkka-Hitsi.

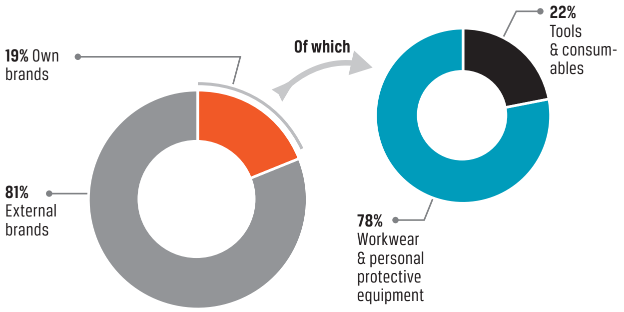
GROUP DEVELOPMENT

REVENUE

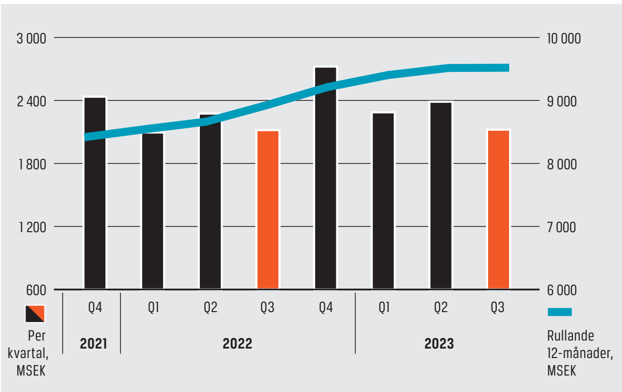
Third quarter 2023

Revenue increased by 0.2 per cent to MSEK 2,122 (2,118). Revenue from like-for-like sales, measured in local currency and adjusted for the number of trading days, decreased by 3.0 per cent compared with the corresponding quarter last year. The growth in like-for-like sales corresponded to organic growth, as no new stores were established during the quarter. Organic growth was negative in both Sweden and Finland but was boosted by organic growth in Norway, completed acquisitions and positive currency effects. The slowdown that was observed in Sweden in the fourth quarter last year, and in Finland during the second quarter of this year, has continued and gradually intensified and applies to most customer segments. Sales were also negatively affected by our decision to end dealings with larger unprofitable industrial customers in Sweden. The growth in Norway is driven primarily by larger industrial customers. Acquired growth amounted to 3.5 per cent and relates mainly to our acquisitions of corporate branding companies in Sweden, as well as acquisitions completed in Finland. The proportion of own brands during the quarter was 19.7 per cent (17.8). This increase is a result of improvements on all markets. Workwear and personal protective equipment accounted for 79.0 per cent of own brand sales and tools and consumables for 21.0 per cent. Currency translation effects had a positive impact on revenue of MSEK 25, driven by the EUR trend and offset by the NOK trend. The quarter contained one trading day fewer than last year.

OWN BRANDS
– SHARE OF SALES AND BREAKDOWN BY PRODUCT CATEGORY
JAN-SEP 2023



REVENUE



MSEK	2021 Q4	2022 Q1	Q2	Q3	Q4	2023 Q1	Q2	Q3
Per quarter	2,436	2,095	2,275	2,118	2,723	2,287	2,388	2,122
Rolling 12 mos.	8,417	8,544	8,662	8,924	9,211	9,403	9,516	9,520

First nine months 2023

Revenue increased by 4.8 per cent to MSEK 6,797 (6,488). Revenue from like-for-like sales, measured in local currency and adjusted for the number of trading days, increased by 1.1 per cent compared with the corresponding period last year. The growth in like-for-like sales corresponds to organic growth, as no new stores were established during the period. This increase was driven mainly by larger industrial customers in Norway and Finland, although there was a gradual slowdown in growth in Finland. The slowdown that was observed in Sweden in the fourth quarter last year has continued and gradually intensified during the period and applies to most customer segments. Sales were also negatively affected by our decision to end dealings with larger unprofitable industrial customers in Sweden. Acquired growth amounted to 3.7 per cent and relates primarily to our acquisitions of corporate branding companies in Sweden. The proportion of own brands during the period was 18.5 per cent (17.4). This increase is a result of improvements on all markets. Workwear and personal protective equipment accounted for 77.7 per cent of own brand sales and tools and consumables for 22.3 per cent. Currency translation effects had a positive impact on revenue of MSEK 30, driven by the EUR trend and offset by the NOK trend. The period contained one trading day fewer than last year.

SALES TREND	2023 JUL-SEP	2023 JAN-SEP	2022 JAN-DEC
Change in revenue from:			
Like-for-like sales in local currency,%	-3.0	1.1	6.1
Currency effects, %	1.2	0.5	2.3
Number of trading days, %	-1.5	-0.5	-
New stores established in local currency,%	-	-	-
Other units[1], %	3.5	3.7	1.0
Total change, %	**0.2**	**4.8**	**9.4**

1) Acquisitions and divestments.

PROFITS

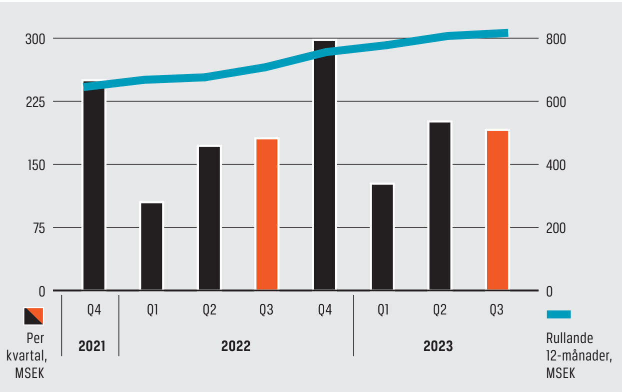
Third quarter 2023

Operating profit amounted to MSEK 175 (166). Adjusted EBITA (operating profit excluding items affecting comparability and amortisation of intangible assets arising in connection with corporate acquisitions) increased by 6 per cent to MSEK 191 (181), corresponding to an adjusted EBITA margin of 9.0 per cent (8.5). The improvement in profit was attributable to Norway and was driven by growth, margin improvements and cost adjustments, but was mitigated by reduced profits in Finland. The weaker profits in Finland are the effect of investments in stores to better meet the needs of small and medium-sized customers. The improvement in profit was also mitigated by an unfavourable country mix in the form of growth in Norway while Sweden experienced weaker development. Operating profit was charged with items affecting comparability of MSEK 0 (0) net.

During the quarter, MSEK 15 was utilised from restructuring reserves from previous years, MSEK 6 of which originates from the third quarter of 2020 and MSEK 9 from the third quarter of 2021.

The effective tax rate was 21.5 per cent (21.9). Profit after financial items was MSEK 144 (151) and profit after tax was MSEK 113 (118), which corresponds to earnings per share of SEK 2.25 (2.34) for the quarter.

ADJUSTED EBITA



MSEK	2021 Q4	2022 Q1	Q2	Q3	Q4	2023 Q1	Q2	Q3
Per quarter	250	105	172	181	298	127	201	191
Rolling 12 mos.	645	668	676	708	756	778	807	817

First nine months 2023

Operating profit amounted to MSEK 470 (401). Adjusted EBITA (operating profit excluding items affecting comparability and amortisation of intangible assets arising in connection with corporate acquisitions) increased by 13 per cent to MSEK 519 (458), corresponding to an adjusted EBITA margin of 7.6 per cent (7.1). The improvement in profit was attributable to Sweden and Norway and was driven by growth, margin improvements and cost adjustments. The effect was mitigated by an unfavourable country mix in the form of stronger growth in Norway and Finland than in Sweden, which experienced a weaker trend. Operating profit was charged with items affecting comparability of MSEK -4 (-9) net relating to acquisition costs, costs for organisational changes and other efficiency measures in connection with the savings programme implemented.

The coordination of Tools and Swedol has been completed in principle and only the adaptation of the range remains to be fully implemented, alongside the change of business system in Norway, which is scheduled for early 2025. There was a net increase in the number of stores from 204 to 213 through acquisitions. During the period, MSEK 25 was utilised from restructuring reserves from previous years, MSEK 11 of which originates from the third quarter of 2020 and MSEK 14 from the third quarter of 2021. The restructuring reserve from the third quarter of 2020 amounts to MSEK 8 (originally MSEK 97). The restructuring reserve originating from the third quarter of 2021 amounts to MSEK 66, compared with an initial MSEK 108. Both restructuring reserves have been utilised according to the original plan.

The effective tax rate was 21.8 per cent (21.6). Profit after financial items was MSEK 390 (366) and profit after tax was MSEK 305 (287), which corresponds to earnings per share for continuing operations of SEK 6.01 (5.69) for the period.

The Group's profitability, measured as the return on equity, amounted to 15 per cent for the most recent 12-month period, corresponding to a return on capital employed of 12 per cent.

Total operations

Total profit from the Group amounted to MSEK 305 (3,868), of which MSEK 305 (287) is attributable to continuing operations, MSEK 0 (28) to discontinued operations, and MSEK 0 (3,553) to the impact on earnings of the distribution of Momentum Group.

DEVELOPMENT BY GEOGRAPHIC SEGMENT

Third quarter 2023

SWEDEN JUL-SEP 2023

Revenue	MSEK 1,155
Adjusted EBITA	MSEK 138
Adjusted EBITA margin	11.9%
Proportion of own brands	24.5%

Revenue in Sweden reduced by 1.7 per cent to MSEK 1,155 (1,175). Organic growth was negative, but was mitigated by the acquisitions of Profeel Sweden AB, Profilföretaget Z-profil AB, Kents Textiltryck i Halmstad, Olympus Profile i Uddevalla AB and Topline AB. The previously observed slowdown continued and intensified in the third quarter. Organic growth was approximately -6 per cent and related to most customer segments. Adjusted EBITA for the quarter amounted to MSEK 138 (137) and the adjusted EBITA margin to 11.9 per cent (11.7). The improvement in profit was driven by margin improvements achieved in part by ending unprofitable customer agreements and through supplier negotiations and cost adjustments. Operating profit has been impacted by items affecting comparability of MSEK 1 (0) net. The proportion of own brands during the quarter was 24.5 per cent (22.6).

NORWAY JUL-SEP 2023

Revenue	MSEK 630
Adjusted EBITA	MSEK 39
Adjusted EBITA margin	6.2%
Proportion of own brands	16.5%

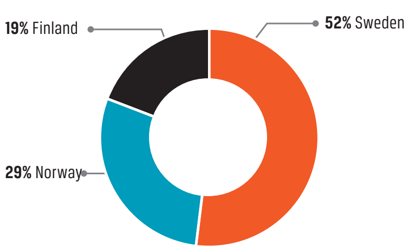
Revenue in Norway reduced by 0.2 per cent to MSEK 630 (631) and was negatively affected by changes in the NOK exchange rate, while the acquisition of LVH AS has had a positive impact on sales. Organic growth was approximately 2 per cent, driven by developments primarily in the oil and gas industry. Adjusted EBITA for the quarter amounted to MSEK 39 (32) and the adjusted EBITA margin to 6.2 per cent (5.1). The improvement in profit was driven by growth, better sales and assortment management and cost adjustments. The proportion of own brands during the quarter was 16.5 per cent (15.2).

FINLAND JUL-SEP 2023

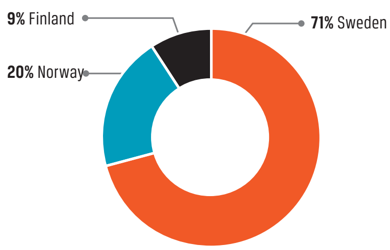
Revenue	MSEK 417
Adjusted EBITA	MSEK 18
Adjusted EBITA margin	4.3%
Proportion of own brands	11.8%

Revenue in Finland increased by 11.2 per cent to MSEK 417 (375). The acquisitions of Kitakone Oy and Tampereen Pirkka-Hitsi Oy made a positive contribution to this, as did changes in the EUR exchange rate. Organic growth was negative and amounted to approximately -3 per cent, with the slowdown observed in the second quarter intensifying. Adjusted EBITA for the quarter amounted to MSEK 18 (20) and the adjusted EBITA margin to 4.3 per cent (5.3). The weaker profits are the effect of investments in stores to better meet the needs of small and medium-sized customers. Operating profit has been charged with items affecting comparability of MSEK -1 (0). The proportion of own brands during the quarter was 11.8 per cent (8.0).

REVENUE BY GEOGRAPHIC SEGMENT JUL-SEP 2023



ADJUSTED EBITA BY GEOGRAPHIC SEGMENT JUL-SEP 2023



First nine months 2023

SWEDEN	JAN-SEP 2023
Revenue	MSEK 3,840
Adjusted EBITA	MSEK 378
Adjusted EBITA margin	9.8%
Proportion of own brands	23.3%

Revenue in Sweden increased by 4.0 per cent to MSEK 3,840 (3,694). Sales growth related to the acquisitions of six corporate branding companies. The slowdown that was observed in the fourth quarter last year has continued and intensified and applies to most customer segments. Organic growth was around -2 per cent. The number of stores at the end of the period was 114 (105). Adjusted EBITA for the period amounted to MSEK 378 (357) and the adjusted EBITA margin to 9.8 per cent (9.7). The improvement in profit was driven by acquisition-led growth, margin improvements and cost adjustments. The margin improvements are the result of, among other things, ending unprofitable customer agreements, negotiations with suppliers, an increased proportion of own brands and price increases to compensate for unfavourable currency effects on purchases from Asia. Operating profit was charged with items affecting comparability of MSEK -3 (-1) net relating to acquisition costs, costs for organisational changes and efficiency measures in connection with the savings programme implemented. The proportion of own brands during the period was 23.3 per cent (22.4).

Work is under way to increase the level of activity in sales work and to strengthen margins within the industrial segment through improved sales and assortment management. The approved organisational changes, with a new country manager and at the same time the establishment of a Nordic sales organisation with a focus on industrial customers, are part of this.

NORWAY	JAN-SEP 2023
Revenue	MSEK 1,914
Adjusted EBITA	MSEK 103
Adjusted EBITA margin	5.4%
Proportion of own brands	15.2%

Revenue in Norway increased by 3.6 per cent to MSEK 1,914 (1,847). The increase in sales was positively affected by the acquisitions of Lunna AS, H E Seglem and LVH AS and good development within the oil and gas industry in particular, but mitigated by the change in NOK. Organic growth was around 6 per cent. The number of stores at the end of the period was 57 (60). Adjusted EBITA for the period amounted to MSEK 103 (73) and the adjusted EBITA margin to 5.4 per cent (4.0). The improvement in profit was driven by growth, better sales and assortment management and cost adjustments. The proportion of own brands during the period was 15.2 per cent (13.6).

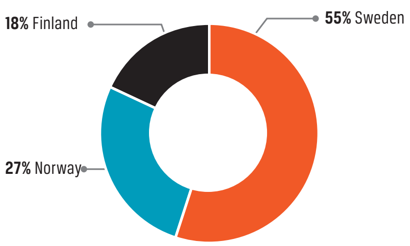
Work is under way to establish a more favourable customer mix in the form of a greater proportion of small and medium-sized customers, as well as to strengthen the sales and assortment management in order to improve margins and at the same time reduce costs.

FINLAND	JAN-SEP 2023
Revenue	MSEK 1,284
Adjusted EBITA	MSEK 45
Adjusted EBITA margin	3.5%
Proportion of own brands	9.6%

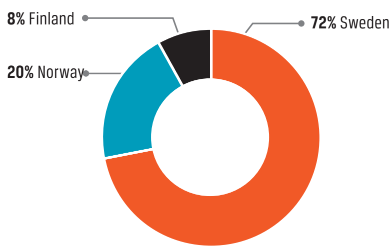
Revenue in Finland increased by 14.7 per cent to MSEK 1,284 (1,119). The acquisitions of Liukkosen Pultti Oy, Kitakone Oy and Tampereen Pirkka-Hitsi Oy made a positive contribution to this, alongside favourable currency effects and continued positive development among larger industrial customers. Organic growth was approximately 3 per cent but the slowdown observed in the second quarter has gradually intensified. The number of stores at the end of the period was 42 (39). Adjusted EBITA for the period amounted to MSEK 45 (45) and the adjusted EBITA margin to 3.5 per cent (4.0). Profit has been positively affected by sales growth and margin improvements but mitigated by higher costs resulting from investments in stores. Operating profit has been charged with items affecting comparability of MSEK -1 (-4). The proportion of own brands during the period was 9.6 per cent (7.6).

The customer mix remains unfavourable, but activities are under way to increase the proportion of small and medium-sized customers, including by opening new stores and investing in existing ones.

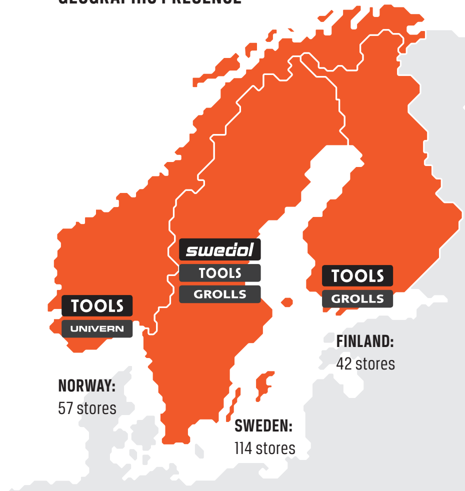
REVENUE BY GEOGRAPHIC SEGMENT JAN-SEP 2023



ADJUSTED EBITA BY GEOGRAPHIC SEGMENT JAN-SEP 2023



GEOGRAPHIC PRESENCE



OTHER FINANCIAL DEVELOPMENT

Investments and cash flow

Cash flow from operating activities before changes in working capital for the reporting period totalled MSEK 647 (651). Inventories increased during the period by MSEK 159 (283) with the introduction of a stricter common range. The average value of inventories was MSEK 2,321 (1,961) and the inventory turnover rate was 4.1 (4.6). Operating receivables decreased by MSEK 150 and operating liabilities fell by MSEK -171. Cash flow from operating activities for the reporting period therefore amounted to MSEK 467 (90). Cash flow for the period was also impacted by a net amount of MSEK -123 (-97) pertaining to investments in and divestments of non-current assets, as well as by MSEK -126 (-119) pertaining to acquisitions of subsidiaries. Investments in non-current assets principally relate to the development of e-commerce solutions and service concepts, store modifications in all countries, although primarily in Finland, and the continued expansion and automation of the Group's logistics centre in Örebro.

Financial position and financing

At the end of the period, the Group's financial net loan liability amounted to MSEK 2,959, compared with MSEK 2,547 at the beginning of the financial year. The Group's operational net loan liability at the end of the period amounted to MSEK 1,763, compared with MSEK 1,534 at the beginning of the year. Available cash and cash equivalents, including unutilised granted credit facilities, totalled MSEK 938 compared with MSEK 1,176 at the beginning of the year. The business was refinanced during the first quarter of 2022 as a result of the distribution of Momentum Group. The total credit facility is MSEK 2,300, excluding a committed credit facility of MSEK 400. The credit facility was raised in March 2022 and extended by a year in March 2023. The credit facility therefore runs until 2026, with the option to extend for a further year. The interest rate is linked to STIBOR plus a surcharge based on the ratio of net operational liabilities to EBITDA. The equity/assets ratio at the end of the period was 40 per cent. Equity per share was SEK 69.55 at the end of the period, compared with SEK 67.51 at the beginning of the financial year.

Acquisitions

Alligo completed six corporate acquisitions during the first nine months of the year.

Acquisition of Profilföretaget Z-Profil AB

On 6 December 2022, Alligo signed an agreement to acquire 70 per cent of the shares in Profilföretaget Z-Profil AB, which has operations in Umeå and Skellefteå. Z-Profil generates annual revenue of approximately MSEK 40 and has 13 employees. Closing took place on 2 January 2023.

Acquisition of Kents Textiltryck i Halmstad AB and Olympus Profile i Uddevalla AB

On 22 December, Alligo signed an agreement to acquire 70 per cent of the shares in corporate branding companies Kents Textiltryck i Halmstad AB and Olympus Profile i Uddevalla AB. The companies generate annual revenue of just over MSEK 40, have 15 and 13 employees respectively and sell workwear, corporate branded clothing and product media. Closing took place on 2 January 2023.

Acquisition of Kitakone Oy

On 3 April, Alligo acquired 100% of the shares in Finnish company Kitakone Oy, which runs a store in Jyväskylä selling tools, fittings and chemicals to the construction and vehicle service and repair markets. Kitakone generates annual revenue of approximately MEUR 3 and has eight employees. Closing took place in conjunction with the acquisition.

Acquisition of Topline AB

On 24 May, Alligo signed an agreement to acquire 70 per cent of the shares in corporate branding company Topline AB, which sells workwear, corporate branded clothing and product media. Topline has operations in Borås and Gothenburg and is also established in Kalmar through its subsidiary Topline Kalmar AB. Together the two companies generate annual revenue of just over MSEK 60 and have 16 employees. Closing took place on 1 June.

Acquisition of Tampereen Pirkka-Hitsi Oy

On 7 June, Alligo acquired 100 percent of the shares in Finnish company Tampereen Pirkka-Hitsi Oy, which runs two stores – one in Pirkkala and one in Varkaus – and specialises in the sale and servicing of welding machines. Pirkka-Hitsi generates annual revenue of approximately MEUR 5.0 and has 13 employees. Closing took place in conjunction with the acquisition.

Employees

At the end of the period, the number of employees in the Group amounted to 2,476, compared with 2,371 at the beginning of the year. The increase in the number of employees is the result of corporate acquisitions made and the investments in Finland.

Transactions with related parties

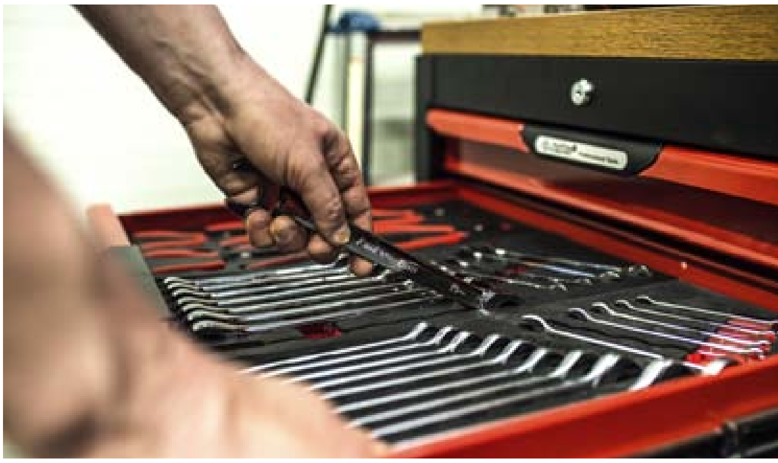
No transactions having a material impact on the Group's position or earnings occurred between Alligo and its related parties during the period.

Parent Company

After a decision at the Extraordinary General Meeting of 2 December 2021, the Group's parent company name changed from Momentum Group AB to Alligo AB.

At the end of the period, the Group comprised the parent company Alligo AB and a total of 32 Swedish and foreign subsidiaries. The parent company's operations comprise Group-wide management, including Legal and Investor Relations functions. Income takes the form of a management fee from Group companies for Group-wide services and costs which the parent company has provided.

The parent company's revenue for the period amounted to MSEK 19 (13) and the loss after financial items totalled MSEK -12 (-21). Profit has been charged with items affecting comparability of MSEK 0 (-4). The distribution of Momentum Group during the first quarter of 2022 corresponded to the carrying amount of MSEK 43. The balance sheet total amounted to MSEK 3,964 (3,984), with equity accounting for 42 per cent (46) of total assets. The number of employees at the parent company at the end of the period was 2 (2).



OTHER INFORMATION

RISKS AND UNCERTAINTIES

Alligo's profits, financial position and strategic position are affected by both internal factors over which the Group has control and external factors where the opportunity to influence the course of events is limited. The most significant external risk factors for Alligo are the economic and market situation, as well as changes in the number of employees, productivity and willingness to invest within the industrial and construction sectors, combined with structural changes and the competitive situation.

Russia's invasion of Ukraine has created uncertainty and affected the prices of energy and raw materials. There remains uncertainty about how the war will progress, but higher prices for energy and raw materials, inflation and increased interest rates have a direct impact on the economy, which represents a risk to demand on Alligo's markets. Alligo does not have any dealings with companies that have links to Russia or Belarus.

Exchange rate fluctuations and a weak Swedish krona may make purchases more expensive, particularly in dollars, which risks having a negative impact on margins. Alligo is constantly working to offset changes in purchase prices by adapting our customer pricing.

The risk of pandemic-related effects has decreased since the beginning of 2022, but cannot be ruled out in the future. The business has therefore ensured it is very well prepared to handle changes in the global situation and in the economy.

For a more detailed summary of the Group's other risks and uncertainties, see pages 28–31 of the annual report for 2022. The parent company is indirectly affected by the above risks and uncertainties through its function in the Group.

GROUP TARGETS[1]

Financial targets

Alligo's financial targets focus on profitable growth, financial stability and dividend. The targets have been set based on Alligo's conditions during a medium-term strategy period.

GROWTH

>5%
Organic growth

Average organic growth shall be more than 5 per cent per year over a business cycle. Further growth shall also be made through acquisitions.

PROFITABILITY

>10%
Adjusted EBITA margin

The adjusted EBITA margin shall be more than 10 per cent per year.

INDEBTEDNESS

<3X
Ratio of net operational liabilities to adjusted EBITDA

Ratio of net operational liabilities to adjusted EBITDA shall be less than a multiple of 3.

DIVIDEND

30-50%
Dividend from net profit

The dividend as a percentage of net profit shall be 30-50 per cent, taking into account other factors such as financial position, cash flow and growth opportunities.

Sustainability targets

The sustainability targets are based on Alligo's vision and material sustainability issues and are designed to make Alligo a leader in sustainable development in our industry.

RESPONSIBLE SUPPLIER RELATIONSHIPS

100%
Signing of Code of Conduct

All key suppliers must have signed Alligo's Supplier Code of Conduct.

SATISFIED CUSTOMERS

>75
Customer Satisfaction Index

All concept brands on all of the Group's geographic markets shall achieve a Customer Satisfaction Index (CSI) of more than 75.

HEALTH

<5%
Sickness absence

Sickness absence shall be less than 5 per cent of total scheduled hours.

GENDER EQUALITY

>30%
Proportion of female managers

The proportion of female managers shall be more than 30 per cent.

CLIMATE IMPACT

↓CO_2
Reduced carbon emissions

Work was carried out in 2022 to map the climate emissions generated in the supply chain. Alligo will use the results of this to set targets for reduced emissions.

1) Adopted during the first quarter of 2022.

THE SHARE

In accordance with a resolution at the Extraordinary General Meeting of 2 December 2021, the Group's parent company has changed its name from Momentum Group AB to Alligo AB. As of 15 December 2021, the listed class B share is traded under the short name ALLIGO B with the ISIN code SE0009922305 on Nasdaq Stockholm, otherwise the name change does not affect shareholders or trading in the share.

The share and share capital

As part of the preparations for the distribution of Momentum Group during the first quarter of 2022, Nordstjernan requested the conversion of 498,363 Class A shares to the corresponding number of Class B shares in Alligo. This resulted in a change to the number of shares and votes in Alligo in February 2022. At the end of the period, the share capital amounted to MSEK 102. The distribution by class of share at the end of the period on 30 September 2023 was as shown in the table below:

CLASS OF SHARE	30/09/2023
Class A shares	564,073
Class B shares	50,342,116
Total number of shares before repurchasing	**50,906,189**
Less: Repurchased Class B shares	-855,300
Total number of shares after repurchasing	**50,050,889**

The quotient value is SEK 2.00 per share. Each Class A share entitles the holder to ten votes and each Class B share to one vote. All shares carry equal rights to the company's assets, earnings and dividends. Only the Class B share is listed on the Stockholm Stock Exchange. A conversion provision in the Articles of Association allows for conversion of Class A shares into Class B shares. Nordstjernan AB is the only shareholder whose shareholding provides total voting rights in excess of one-tenth of the voting rights of all the shares in the company. Nordstjernan's shareholding corresponds to 54.6 per cent of the outstanding shares and 49.6 per cent of the votes in Alligo.

Incentive programmes

Call option programme 2022/2025

The 2022 Annual General Meeting approved a call option programme containing a maximum of 185,000 options, corresponding to approximately 0.36 per cent of the total number of shares and approximately 0.33 per cent of the total number of votes in the company. The programme is designed for key personnel in senior positions and provides the opportunity to acquire call options at market price for Class B shares repurchased by Alligo. After two years, a subsidy will be paid equivalent to the premium paid for each call option (before tax) provided that the option holder's employment at the Group has not been terminated and that the call options have not been divested prior to this point. The subsidy is recognised as an accrued expense until the time when the employment condition is met. The subsidy is also charged with social security contributions. Each call option entitles the holder to acquire one (1) repurchased Class B share in the company on three occasions: 1) during the period from 2 June 2025 to 16 June 2025 inclusive, 2) during the period from 18 August 2025 to 1 September 2025 inclusive, and 3) during the period from 3 November 2025 to 17 November 2025 inclusive. The redemption price has been calculated as SEK 129.30, based on 120 per cent of the volume-weighted average price during the period 12 May to 25 May 2022. If the share price at the time the call option is exercised exceeds SEK 194.00, the redemption price shall be increased krona for krona by the amount in excess of SEK 194.00. The option premium has been calculated as SEK 7.82 by an independent third party according to the accepted Black-Scholes model. 185,000 call options have been allotted and acquired by employees on market terms. Of these, 80,000 have been acquired by the Group CEO and CFO and 105,000 by other key personnel. The option premium paid totals MSEK 1.4.

Holding of treasury shares

On 15 August, Alligo's Board of Directors, on the basis of the authorisation granted by the Annual General Meeting of 24 May 2023, decided to repurchase some of the company's own Class B shares. The aim of this repurchase is to enable companies or businesses to be acquired in the future using treasury shares, while also facilitating the adaptation of the Group's capital structure. The repurchase will take place on an ongoing basis, on one or more occasions, up to the Annual General Meeting in 2024. During the third quarter, 430,000 shares were repurchased, corresponding to 0.8 per cent of the total number of shares and 0.8 per cent of the total number of votes.

As at 30 September 2023, Alligo's holding of Class B treasury shares amounted to 855,300, corresponding to 1.7 per cent of the total number of shares and 1.5 per cent of the total number of votes. There were no changes to the holding of treasury shares after the end of the period.

Distribution of Momentum Group

An Extraordinary General Meeting on 23 March 2022 voted through a proposal from the Board of Directors to distribute all of the company's shares in Momentum Group AB to the shareholders of Alligo. This distribution contained a total of 50,480,889 shares, of which 564,073 were Class A shares and 49,916,816 were Class B shares, corresponding to all of the shares in Momentum Group. One Class A share in Alligo provided entitlement to one Class A share in Momentum Group and one Class B share in Alligo provided entitlement to one Class B share in Momentum Group.

This distribution corresponded to a total sum of MSEK 43, based on the carrying amount, constituting a dividend per share of approximately SEK 0.84. Alligo's 425,300 Class B treasury shares did not provide entitlement to allotment of shares in Momentum Group. The record date for the distribution was 25 March 2022. Momentum Group's net assets prior to distribution were MSEK 486. Remeasurement to fair value on distribution, corresponding to the market value of MSEK 4,038 of Momentum Group on listing, resulted in an impact on earnings of MSEK 3,553.

CONDENSED CONSOLIDATED INCOME STATEMENT

MSEK	2023 JUL-SEP	2022 JUL-SEP	2023 JAN-SEP	2022 JAN-SEP	30/09/2023 12 months to	2022 JAN-DEC
Revenue	2,122	2,118	6,797	6,488	9,520	9,211
Other operating income	26	36	86	92	116	122
Total operating income	**2,148**	**2,154**	**6,883**	**6,580**	**9,636**	**9,333**
Cost of goods sold	-1,240	-1,256	-4,031	-3,887	-5,627	-5,483
Personnel costs	-392	-380	-1,311	-1,243	-1,787	-1,719
Depreciation, amortisation, impairment losses and reversal of impairment losses	-138	-112	-395	-360	-521	-486
Other operating expenses	-203	-240	-676	-689	-963	-976
Total operating expenses	**-1,973**	**-1,988**	**-6,413**	**-6,179**	**-8,898**	**-8,664**
Operating profit	**175**	**166**	**470**	**401**	**738**	**669**
Financial income	4	1	10	3	11	4
Financial expenses	-35	-16	-90	-38	-113	-61
Net financial items	**-31**	**-15**	**-80**	**-35**	**-102**	**-57**
Profit/loss after financial items	**144**	**151**	**390**	**366**	**636**	**612**
Taxes	-31	-33	-85	-79	-137	-131
Profit/loss for the period, continuing operations	**113**	**118**	**305**	**287**	**499**	**481**
Profit/loss for the period, discontinued operations	**-**	**-**	**-**	**3,581**	**-**	**3,581**
Profit/loss for the period, Group total	**113**	**118**	**305**	**3,868**	**499**	**4,062**
Profit/loss for the period attributable to:						
Parent Company shareholders	**113**	**118**	**303**	**3,868**	**496**	**4,061**
Profit/loss for the period, continuing operations	113	118	303	287	496	480
Profit/loss for the period, discontinued operations excluding impact on earnings of the distribution of Momentum Group	-	-	-	28	-	28
Impact on earnings of the distribution of Momentum Group	-	-	-	3,553	-	3,553
Non-controlling interests	**0**	**0**	**2**	**0**	**3**	**1**
Profit/loss for the period, continuing operations	0	0	2	0	3	1
Profit/loss for the period, discontinued operations	-	-	-	0	-	0
Earnings per share						
Continuing operations, before and after dilution, SEK	2.25	2.34	6.01	5.69	9.84	9.51
Discontinued operations excluding impact on earnings of the distribution of Momentum Group, before and after dilution, SEK	-	-	-	0.55	-	0.55
Impact on earnings of the distribution of Momentum Group, before and after dilution, SEK	-	-	-	70.38	-	70.38

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MSEK	2023 JUL-SEP	2022 JUL-SEP	2023 JAN-SEP	2022 JAN-SEP	30/09/2023 12 months to	2022 JAN-DEC
Profit/loss for the period	**113**	**118**	**305**	**3,868**	**499**	**4,062**
OTHER COMPREHENSIVE INCOME FOR THE PERIOD						
Components that will not be reclassified to profit/loss for the period:						
Remeasurement of defined benefit pension plans	0	0	0	0	0	0
Tax attributable to components that will not be reclassified	0	0	0	0	0	0
	0	**0**	**0**	**0**	**0**	**0**
Components that will be reclassified to profit/loss for the period:						
Translation differences	-9	15	-4	38	15	57
Fair value changes for the period in cash flow hedges	0	0	5	2	-2	-5
Tax attributable to components that will be reclassified	0	0	-1	-1	1	1
	-9	**15**	**0**	**39**	**14**	**53**
Other comprehensive income for the period	**-9**	**15**	**0**	**39**	**14**	**53**
Comprehensive income for the period	**104**	**133**	**305**	**3,907**	**513**	**4,115**
Profit/loss for the period attributable to:						
Parent Company shareholders	**104**	**133**	**303**	**3,907**	**510**	**4,114**
Non-controlling interests	**0**	**0**	**2**	**0**	**3**	**1**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MSEK	30/09/2023	30/09/2022	31/12/2022
ASSETS			
Non-current assets			
Intangible non-current assets	2,747	2,632	2,655
Right-of-use assets	1,140	943	983
Tangible non-current assets	616	550	574
Financial investments	2	0	0
Other non-current receivables	28	23	24
Deferred tax assets	65	70	67
Total non-current assets	**4,598**	**4,218**	**4,303**
Current assets			
Inventories	2,461	2,187	2,275
Accounts receivable	1,264	1,216	1,285
Other current receivables	209	324	286
Cash and cash equivalents	73	31	215
Total current assets	**4,007**	**3,758**	**4,061**
TOTAL ASSETS	**8,605**	**7,976**	**8,364**
EQUITY AND LIABILITIES			
Equity			
Equity attributable to Parent Company shareholders	3,481	3,211	3,408
Non-controlling interests	22	2	5
Total equity	**3,503**	**3,213**	**3,413**
Non-current liabilities			
Non-current interest-bearing liabilities	1,836	1,668	1,749
Non-current lease liabilities	809	630	661
Provisions for pensions	0	0	0
Other non-current liabilities and provisions	455	392	415
Total non-current liabilities	**3,100**	**2,690**	**2,825**
Current liabilities			
Current interest-bearing liabilities	0	140	0
Current lease liabilities	387	343	352
Accounts payable	999	960	1,070
Other current liabilities	616	630	704
Total current liabilities	**2,002**	**2,073**	**2,126**
TOTAL LIABILITIES	**5,102**	**4,763**	**4,951**
TOTAL EQUITY AND LIABILITIES	**8,605**	**7,976**	**8,364**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

MSEK	Share capital	Reserves	Retained earnings incl. profit/loss for the year	Total	Non-controlling interests	Total equity
	Equity attributable to Parent Company shareholders					
Opening equity, 01/01/2022	**102**	**-5**	**3,332**	**3,429**	**19**	**3,448**
Profit/loss for the period			3,868	**3,868**		**3,868**
Other comprehensive income		39		**39**		**39**
Distribution of shares in Momentum Group[1]			-4,038	**-4,038**	-17	**-4,055**
Dividend			-88	**-88**		**-88**
Premium received for issued share options			1	**1**		**1**
Repurchase of share options			0	**0**		**0**
Closing equity, 30/09/2022	**102**	**34**	**3,075**	**3,211**	**2**	**3,213**
Opening equity, 01/01/2022	**102**	**-5**	**3,332**	**3,429**	**19**	**3,448**
Profit/loss for the period			4,061	**4,061**	1	**4,062**
Other comprehensive income		53		**53**		**53**
Distribution of shares in Momentum Group[1]			-4,038	**-4,038**	-17	**-4,055**
Dividend			-88	**-88**		**-88**
Premium received for issued share options			1	**1**		**1**
Repurchase of share options			0	**0**		**0**
Acquisitions of partly owned subsidiaries				**0**	4	**4**
Changes in ownership share in partly owned subsidiaries			-1	**-1**	-2	**-3**
Option liability, acquisitions[2]			-9	**-9**		**-9**
Closing equity, 31/12/2022	**102**	**48**	**3,258**	**3,408**	**5**	**3,413**
Opening equity, 01/01/2023	**102**	**48**	**3,258**	**3,408**	**5**	**3,413**
Profit/loss for the period			303	**303**	2	**305**
Other comprehensive income		0		**0**		**0**
Dividend			-151	**-151**		**-151**
Repurchase of own shares			-46	**-46**		**-46**
Acquisitions of partly owned subsidiaries				**0**	15	**15**
Option liability, acquisitions[3]			-33	**-33**		**-33**
Closing equity, 30/09/2023	**102**	**48**	**3,331**	**3,481**	**22**	**3,503**

1) Distribution of Momentum Group AB. Corresponds to the market value of Momentum Group at listing on Nasdaq Stockholm on 31 March 2022 (based on the opening price).

2) Pertains to the value of the put options in relation to non-controlling interests in the acquired subsidiary Profeel Sweden AB which grant the shareholders the right to sell shares to Alligo. The price of the options is dependent on the results achieved at the company and may be extended by one year at a time from 2026 onwards.

3) Pertains to the value of the put options in relation to non-controlling interests in the acquired subsidiaries Z-Profil AB, Kents Textiltryck i Halmstad Aktiebolag, Olympus Profile i Uddevalla AB and Topline AB which grant the shareholders the right to sell shares to Alligo. The price of the options is dependent on the results achieved at the company and may be extended by one year at a time from 2026 onwards.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

MSEK	2023 JUL-SEP	2022 JUL-SEP	2023 JAN-SEP	2022 JAN-SEP	30/09/2023 12 months to	2022 JAN-DEC
Operating activities						
Profit/loss after financial items	144	151	390	366	636	612
Adjustment for non-cash items	132	105	386	361	510	485
Income taxes paid	-40	5	-129	-76	-103	-50
Cash flow from operating activities before changes in working capital	**236**	**261**	**647**	**651**	**1,043**	**1,047**
Change in inventories	-82	-165	-159	-283	-225	-349
Change in operating receivables	-47	-186	150	-73	123	-100
Change in operating liabilities	-73	-1	-171	-205	-57	-91
Cash flow from operating activities	**34**	**-91**	**467**	**90**	**884**	**507**
Investing activities						
Net investments in non-current assets	-34	-21	-123	-97	-178	-152
Acquisition of subsidiaries and other business units	-4	-8	-126	-119	-151	-144
Cash flow from investing activities	**-38**	**-29**	**-249**	**-216**	**-329**	**-296**
Financing activities						
Borrowings	0	199	92	1,791	172	1,871
Repayment of loans	-96	-86	-256	-1,833	-481	-2,058
Other transactions with shareholders	-	-	-	-	-7	-7
Repurchase/sale of call options	-	-	-	1	-	1
Repurchase/sale of treasury shares	-46	-	-46	-	-46	-
Dividends paid	-	-	-151	-88	-151	-88
Cash flow from financing activities	**-142**	**113**	**-361**	**-129**	**-513**	**-281**
Cash flow for the period, continuing operations	**-146**	**-7**	**-143**	**-255**	**42**	**-70**
Cash flow for the period, discontinued operations (see note 7)	-	-	-	7	-	7
Cash flow for the period, Group total	**-146**	**-7**	**-143**	**-248**	**42**	**-63**
Cash and cash equivalents at the beginning of the period	219	38	215	345	31	345
Exchange difference in cash and cash equivalents	0	0	1	0	0	-1
Cash and cash equivalents in discontinued operations	-	-	-	-66	-	-66
Cash and cash equivalents at the end of the period	**73**	**31**	**73**	**31**	**73**	**215**

CONDENSED PARENT COMPANY INCOME STATEMENT

MSEK	2023 JUL-SEP	2022 JUL-SEP	2023 JAN-SEP	2022 JAN-SEP	30/09/2023 12 months to	2022 JAN-DEC
Revenue	4	5	19	13	23	17
Other operating income	0	-1	3	3	4	4
Total operating income	**4**	**4**	**22**	**16**	**27**	**21**
Operating expenses	-8	-13	-29	-37	-40	-48
Operating profit	**-4**	**-9**	**-7**	**-21**	**-13**	**-27**
Financial income and expenses	-3	0	-5	0	-7	-2
Profit/loss after financial items	**-7**	**-9**	**-12**	**-21**	**-20**	**-29**
Appropriations	-	-	-	-	32	32
Profit/loss before tax	**-7**	**-9**	**-12**	**-21**	**12**	**3**
Taxes	1	2	2	4	-3	-1
Profit/loss for the period	**-6**	**-7**	**-10**	**-17**	**9**	**2**

There are no items at the parent company that are recognised under other comprehensive income.
Total comprehensive income therefore corresponds to the profit/loss for the period.

CONDENSED PARENT COMPANY BALANCE SHEET

MSEK	30/09/2023	30/09/2022	31/12/2022
ASSETS			
Intangible non-current assets	0	0	0
Tangible non-current assets	0	-	-
Financial non-current assets	3,434	3,492	3,432
Total non-current assets	**3,434**	**3,492**	**3,432**
Current receivables	507	492	457
Cash and bank	23	0	175
Total current assets	**530**	**492**	**632**
TOTAL ASSETS	**3,964**	**3,984**	**4,064**
EQUITY, PROVISIONS AND LIABILITIES			
Restricted equity	102	102	102
Non-restricted equity	1,554	1,742	1,761
Total equity	**1,656**	**1,844**	**1,863**
Untaxed reserves	1	-	1
Provisions	4	4	4
Non-current liabilities	1,835	1,657	1,739
Current liabilities	468	479	457
TOTAL EQUITY, PROVISIONS AND LIABILITIES	**3,964**	**3,984**	**4,064**

NOTES

NOTE 1 Accounting policies

The interim report for the Group has been prepared in accordance with IFRS, with the application of IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act and the Swedish Securities Markets Act. Disclosures in accordance with paragraph 16A of IAS 34 are made in the financial statements and related notes, as well as in other sections of the report. The interim report for the parent company has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Securities Markets Act, which is consistent with the provisions of Recommendation RFR 2 Accounting for Legal Entities of the Swedish Financial Reporting Board. The accounting policies and assessment criteria applied are the same as in the annual report for 2022.

Amounts quoted in the interim report are stated in millions of Swedish kronor (MSEK) unless otherwise indicated. Amounts in parentheses refer to the comparison period.

Discontinued operations

The operations of Momentum Group are reported in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. The distribution of Momentum Group has been reported in accordance with IFRIC 17 Distributions of Non-cash Assets to Owners. The shares in the discontinued operations of Momentum Group were distributed to the shareholders of Alligo with a record date of 25 March 2022 and reported as discontinued operations in accordance with IFRS 5. Discontinued operations are recognised separately from continuing operations in the income statement, with retroactive effect for earlier periods. Momentum Group's earnings up to the point of distribution, and the non-cash gain that the distribution of Momentum Group has generated in accordance with IFRIC 17, are recognised on a line in the income statement. The gain reflects the difference between the market value of Momentum Group's shares (based on the opening price on the first day of trading, 31 March 2022) and the carrying amount of the company on the consolidated balance sheet. The Group also reports a profit/loss after tax from the distributed operations up to the point of distribution. See Note 7 Discontinued operations for further information.

Incentive programme 2022/2025

The subsidy for the call option programme 2022/2025 equivalent to the premium paid for each call option (before tax) is recognised as an accrued expense until the time when the employment condition is met. The subsidy is also charged with social security contributions.

NOTE 2 Operating segments

The Group's operating segments consist of the geographic segments of Sweden, Norway and Finland. The operating segments reflect the operational organisation, as used by Group's corporate management and the Board of Directors to monitor operations. Group-wide includes the Group's management and support functions.

The support functions include Investor Relations and Legal. Financial items and taxes are not broken down by operating segment and are instead reported as a whole in Group-wide. Intra-Group pricing between the operating segments takes place on market terms. The accounting policies are the same as for the consolidated financial statements.

	JULY-SEP 2023						
MSEK	Sweden	Norway	Finland[1]	Total segments	Group-wide	Eliminations	Group total
External revenue	1,087	618	417	**2,122**			**2,122**
Internal revenue	68	12	0	**80**		-80	**0**
Revenue	**1,155**	**630**	**417**	**2,202**	**-**	**-80**	**2,122**
Adjusted EBITA	**138**	**39**	**18**	**195**	**-4**	**-**	**191**
Items affecting comparability[4]	1	-	-1	**0**	-	-	**0**
Amortisation of intangible assets in connection with corporate acquisitions	-11	-2	-3	**-16**	-	-	**-16**
Operating profit	**128**	**37**	**14**	**179**	**-4**	**-**	**175**
Non-current assets	3,190	753	560	**4,503**	0	-	**4,503**

	JULY-SEP 2022						
MSEK	Sweden	Norway	Finland[1]	Total segments	Group-wide	Eliminations	Group total
External revenue	1,117	626	375	**2,118**	-	-	**2,118**
Internal revenue	58	5	0	**63**	-	-63	**0**
Revenue	**1,175**	**631**	**375**	**2,181**	**-**	**-63**	**2,118**
Adjusted EBITA	**137**	**32**	**20**	**189**	**-8**	**0**	**181**
Items affecting comparability[2]	-	-	-	**-**	-	-	**-**
Amortisation of intangible assets in connection with corporate acquisitions	-10	-4	-1	**-15**	-	-	**-15**
Operating profit	**127**	**28**	**19**	**174**	**-8**	**0**	**166**
Non-current assets	3,035	667	423	**4,125**	0	-	**4,125**

NOTE 2 Operating segments cont.

MSEK	Sweden	Norway	Finland[1]	Total segments	Group-wide	Eliminations	Group total
			JAN-SEP 2023				
External revenue	3,623	1,890	1,284	**6,797**			**6,797**
Internal revenue	217	24	0	**241**		-241	**0**
Revenue	**3,840**	**1,914**	**1,284**	**7,038**	**-**	**-241**	**6,797**
Adjusted EBITA	**378**	**103**	**45**	**526**	**-7**		**519**
Items affecting comparability[4]	-3	-	-1	**-4**	-	-	**-4**
Amortisation of intangible assets in connection with corporate acquisitions	-31	-8	-6	**-45**	-	-	**-45**
Operating profit	**344**	**95**	**38**	**477**	**-7**	**-**	**470**
Non-current assets	3,190	753	560	**4,503**	0	-	**4,503**

MSEK	Sweden	Norway	Finland[1]	Total segments	Group-wide	Eliminations	Group total
			JAN-SEP 2022				
External revenue	3,535	1,834	1,119	**6,488**	-	-	**6,488**
Internal revenue	159	13	0	**172**	-	-172	**0**
Revenue	**3,694**	**1,847**	**1,119**	**6,660**	**-**	**-172**	**6,488**
Adjusted EBITA	**357**	**73**	**45**	**475**	**-17**	**0**	**458**
Items affecting comparability[2]	-1	-	-4	**-5**	-4	-	**-9**
Amortisation of intangible assets in connection with corporate acquisitions	-32	-12	-4	**-48**	-	-	**-48**
Operating profit	**324**	**61**	**37**	**422**	**-21**	**0**	**401**
Non-current assets	3,035	667	423	**4,125**	0	-	**4,125**

MSEK	Sweden	Norway	Finland[1]	Total segments	Group-wide	Eliminations	Group total
			JAN-DEC 2022				
External revenue	5,105	2,559	1,547	**9,211**	-	-	**9,211**
Internal revenue	234	32	5	**271**	-	-271	**0**
Revenue	**5,339**	**2,591**	**1,552**	**9,482**	**-**	**-271**	**9,211**
Adjusted EBITA	**610**	**107**	**62**	**779**	**-23**	**-**	**756**
Items affecting comparability[3]	-9	-6	-5	**-20**	-4	-	**-24**
Amortisation of intangible assets in connection with corporate acquisitions	-41	-16	-6	**-63**	-	-	**-63**
Operating profit	**560**	**85**	**51**	**696**	**-27**	**-**	**669**
Non-current assets	3,120	659	433	**4,212**	0	-	**4,212**

1) The Finland operating segment also includes Estonia.
2) Items affecting comparability in Sweden and Group-wide relate to costs ahead of the separate listing of Momentum Group. Costs affecting comparability in Finland relate to severance costs in connection with a change of management.
3) Items affecting comparability in Sweden and Norway relate to costs for organisational changes in connection with establishing new sales organisations as well as rental costs for the coordination of logistics. Items affecting comparability in Finland relate to severance costs in connection with a change of management and rental costs. In addition, the period has been impacted by items affecting comparability relating to costs ahead of the separate listing of Momentum Group.
4) Items affecting comparability relate to acquisition costs, costs for organisational changes and efficiency measures in connection with the savings programme implemented.

NOTE 3 Revenue by category

COUNTRY

MSEK	2023 JUL-SEP	2022 JUL-SEP	2023 JAN-SEP	2022 JAN-SEP	2022 JAN-DEC
Sweden	1,087	1,117	3,623	3,535	5,105
Norway	618	626	1,890	1,834	2,559
Finland	417	375	1,284	1,119	1,547
Total revenue	**2,122**	**2,118**	**6,797**	**6,488**	**9,211**

PRODUCT BRANDS

MSEK	2023 JUL-SEP	2022 JUL-SEP	2023 JAN-SEP	2022 JAN-SEP	2022 JAN-DEC
Own brands					
Sweden	266	252	845	793	1,167
Norway	102	95	287	249	374
Finland	49	30	123	85	136
Total own brands	**417**	**377**	**1,255**	**1,127**	**1,677**
External brands					
Sweden	821	865	2,778	2,742	3,938
Norway	516	531	1,603	1,585	2,185
Finland	368	345	1,161	1,034	1,411
Total external brands	**1,705**	**1,741**	**5,542**	**5,361**	**7,534**
Total revenue	**2,122**	**2,118**	**6,797**	**6,488**	**9,211**

NOTE 4 Fair value of financial instruments

The Group has financial instruments where level 3 has been used to determine the fair value. Financial liabilities measured at fair value through profit or loss pertain to additional purchase considerations not yet paid and at the beginning of the period amounted to MSEK 13. Additional purchase considerations in the amount of MSEK 8 were paid during the period January to September 2023. New additional purchase considerations amounted to MSEK 2 from the acquisition of Kents Textiltryck i Halmstad Aktiebolag, MSEK 6 from the acquisition of Kitakone Oy and MSEK 19 from the acquisition of Pirilä Group Oy. Additional purchase considerations not yet paid amounted to MSEK 32 at the end of the period. The additional purchase considerations are based on gross profit for the years 2023 and 2024, as well as revenue growth. The additional purchase considerations are valued on an ongoing basis using a probability assessment, where an evaluation is made of whether they will be paid at the agreed amounts. Management has taken into account here the risk for the outcome of future cash flows. The fair value of the Group's financial assets and liabilities is estimated to be the same as their carrying amount. The Group does not use net recognition for any of its material assets or liabilities. There were no transfers between levels or measurement categories during the period.

CHANGES IN CONTINGENT PURCHASE CONSIDERATIONS

LIABILITIES, MSEK	
Opening contingent purchase considerations, 01/01/2023	**13**
Contingent additional purchase considerations added 2023	27
Additional purchase considerations paid 2023	-8
Additional purchase considerations paid 2023 in excess of estimated value	-
Revaluation of contingent additional purchase considerations 2023	0
Translation effect	0
Closing contingent additional purchase considerations, 30/09/2023	**32**
Expected payments	
Expected payments < 12 months	13
Expected payments > 12 months	19

NOTE 5 Business combinations

Business combinations in 2023

Share transfers

Alligo made six corporate acquisitions with closing during 2023. None of these acquisitions is deemed significant enough to require a separate presentation of the acquisition analysis.

- On 6 December 2022, Alligo signed an agreement to acquire 70 per cent of the shares in Profilföretaget Z-Profil AB, which has operations in Umeå and Skellefteå. The acquisition strengthens Alligo's position in corporate branded clothing and product media in Sweden. Z-Profil generates annual revenue of approximately MSEK 40 and has 13 employees. Closing took place on 2 January 2023.
- On 22 December 2022, Alligo signed an agreement to acquire 70 per cent of the shares in corporate branding companies Kents Textiltryck i Halmstad AB and Olympus Profile i Uddevalla AB. The companies generate annual revenue of just over MSEK 40, have 15 and 13 employees respectively and sell workwear, corporate branded clothing and product media. Closing took place on 2 January 2023.
- On 3 April, Alligo acquired 100% of the shares in Finnish company Kitakone Oy, which runs a store in Jyväskylä selling tools, fittings and chemicals to the construction and vehicle service and repair markets. Kitakone generates annual revenue of approximately MEUR 3 and has eight employees. Closing took place in conjunction with the acquisition.
- On 24 May, Alligo signed an agreement to acquire 70 per cent of the shares in corporate branding company Topline AB, which sells workwear, corporate branded clothing and product media. Topline has operations in Borås and Gothenburg and is also established in Kalmar through its subsidiary Topline Kalmar AB. Together the two companies generate annual revenue of just over MSEK 60 and have 16 employees. Closing took place on 1 June.
- On 7 June, Alligo acquired 100 per cent of the shares in Finnish company Tampereen Pirkka-Hitsi Oy, which runs two stores – one in Pirkkala and one in Varkaus – and specialises in the sale and servicing of welding machines. Pirkka-Hitsi generates annual revenue of approximately MEUR 5.0 and has 13 employees. Closing took place in conjunction with the acquisition.

During the period, the acquired companies have contributed MSEK 135 to the Group's revenue and MSEK 11 to the Group's EBITA. Calculated as if closing had taken place on 1 January 2023, the acquired companies have contributed MSEK 189 to the Group's revenue and MSEK 15 to the Group's EBITA. The total purchase consideration for the acquisitions amounted to MSEK 171, of which MSEK 27 comprised additional purchase considerations. Acquisition costs of approximately MSEK 2 were recognised as other operating expenses in 2023.

Additional purchase considerations paid

Additional purchase considerations of approximately MSEK 8 were paid during the period in relation to the acquisitions of Kents Textiltryck i Halmstad Aktiebolag, Liukkosen Pultti Oy, Magnusson Agentur AB and Imatran Pultti Oy. The outcome for the additional purchase considerations is in line with previously made assessments.

Acquisition analyses

Some of the surplus value in the preliminary acquisition analyses has been allocated to customer relations, while the unallocated surplus value has been assigned to goodwill. Goodwill relates to unidentifiable intangible assets and synergies within procurement, logistics, IT and administration, for example, that are expected to arise as a result of the acquisition. Goodwill has an indefinable useful life and is not amortised but is tested for impairment annually or where there are indications of a decline in value. The estimated value of customer relations is amortised over an estimated useful life of 10 years. The main reason why the acquisition analyses are considered to be preliminary is that only a short time has passed since the acquisitions.

SHARE TRANSFERS MSEK	Carrying amount	Fair value adjustment	Fair value
ACQUIRED ASSETS			
Intangible non-current assets		48	48
Right-of-use assets		25	25
Other non-current assets	4	2	6
Inventories	47	-11	36
Other current assets	75		75
TOTAL ASSETS	**126**	**64**	**190**
ACQUIRED PROVISIONS AND LIABILITIES			
Non-current liabilities	1		1
Lease liabilities		25	25
Deferred tax liability	2	10	12
Current operating liabilities	55		55
TOTAL PROVISIONS AND LIABILITIES	**58**	**35**	**93**
NET OF ASSETS AND LIABILITIES (identified)	**68**	**29**	**97**
Goodwill			88
Non-controlling interests			-14
Purchase consideration			**171**
Of which additional purchase consideration			-27
Additional purchase consideration paid			8
Cash and cash equivalents in acquired companies			-26
EFFECT ON THE GROUP'S CASH AND CASH EQUIVALENTS			**126**

NOTE 5 Business combinations cont.

CORPORATE ACQUISITIONS CONDUCTED

Acquisitions – from the 2015/2016 financial year onwards	Closing	Revenue[1]	Number of employees[1]
Tønsberg Maskinforretning AS, NO	April 2016	MNOK 20	10
Astrup Industrivarer AS, NO	November 2016	MNOK 240	50
TriffiQ Företagsprofilering AB, SE	September 2017	MSEK 70	18
AB Knut Sehlins Industrivaruhus, SE	October 2017	MSEK 40	14
Reklamproffsen Skandinavien AB, SE	March 2018	MSEK 35	12
Profilmakarna i Södertälje AB, SE	April 2018	MSEK 25	8
MFG Components Oy[3], FI	October 2018	MEUR 1	3
TOOLS Løvold AS, NO	January 2019	MNOK 95	28
Lindström Group's PPE business[3], FI	April 2019	MEUR 6	5
Company Line Förvaltning AB, SE	June 2019	MSEK 75	25
AMJ Papper AB, SE	March 2020	MSEK 15	6
Swedol AB[4], SE/NO/FI	April 2020	MSEK 3,650	1,046
Imatran Pultti Oy, FI	April 2021	MEUR 5	11
RAF Romerike Arbeidstøy AS, NO	October 2021	MNOK 16	4
Liukkosen Pultti Oy, FI	February 2022	MEUR 4.5	12
Lunna AS, NO	March 2022	MNOK 82	26
H E Seglem AS[3], NO	June 2022	MNOK 40	8
Magnusson Agentur AB, SE	July 2022	MSEK 27	6
LVH AS, NO	August 2022	MNOK 13	4
Profeel Sweden AB[5], SE	November 2022	MNOK 70	18
Z-profil AB[2], SE	Jan 2023	MSEK 40	13
Kents Textiltryck i Halmstad Aktiebolag[2], SE	Jan 2023	MSEK 40	15
Olympus Profile i Uddevalla AB[2], SE	Jan 2023	MSEK 40	13
Kitakone Oy, FI	April 2023	MEUR 3	8
Topline AB[2], SE	June 2023	MSEK 60	16
Pirilä Group Oy (Tampereen Pirkka-Hitsi Oy), FI	June 2023	MEUR 5	13

Acquisitions – after the end of the period
-

1) Refers to full-year information at the time of acquisition.
2) Alligo acquired 70 per cent of the shares in each company.
3) The acquisition was carried out as a conveyance of assets and liabilities.
4) Following the closure of the public offering to the shareholders of Swedol AB, Alligo's holding amounted to approximately 99 per cent of the shares. The compulsory redemption of the remaining shares outstanding in Swedol was called for and preferential rights to the shares was granted by the arbitration board in the compulsory redemption dispute proceedings in early July 2020. Alligo subsequently owns 100 per cent of the shares and votes in Swedol.
5) Alligo acquired 75 per cent of the shares.

NOTE 6 Pledged assets and contingent liabilities

Group, MSEK	30/09/2023	30/09/2022	31/12/2022
Pledged assets	3	3	3
Contingent liabilities	11	17	11

Parent Company, MSEK	30/09/2023	30/09/2022	31/12/2022
Pledged assets	-	-	-
Contingent liabilities	-	-	-

NOTE 7 Discontinued operations

Alligo's subsidiary Momentum Group AB (Components & Services business area) was classified during the fourth quarter of 2021 as discontinued operations and since then has been recognised in accordance with the applicable accounting policies of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. The distribution of the business was completed during the first quarter of 2022, when Momentum Group was distributed to the shareholders and listed on Nasdaq Stockholm on 31 March 2022. Momentum Group's net assets prior to distribution were MSEK 486. Remeasurement to fair value on distribution, corresponding to the market value of MSEK 4,038 of Momentum Group on listing, resulted in an impact on earnings of MSEK 3,553.

Momentum Group is recognised as discontinued operations in the consolidated statement of comprehensive income for the period January to March 2022 and for the period January to December 2021. The consolidated statement of comprehensive income for the comparison periods of January to March 2021 and the 12 months up to and including 31 March 2022 has been recalculated according to the same principles. The profit/loss of Momentum Group has been excluded from the individual rows of the consolidated income statement and the net profit/loss is instead reported as "Profit/loss for the period, discontinued operations". On the balance sheet as at 31 December 2021, assets and liabilities relating to Momentum Group are recognised as "Discontinued operations, assets held for distribution" and "Discontinued operations, liabilities held for distribution" respectively.

Information on the income statement, balance sheet and cash flows for discontinued operations is presented below.

INCOME STATEMENT

Group, MSEK	2023 JUL-SEP	2022 JUL-SEP	2023 JAN-SEP	2022 JAN-SEP	30/09/2023 12 months to	2022 JAN-DEC
Revenue	-	-	-	399	-	399
Other operating income	-	-	-	2	-	2
Total operating income	**-**	**-**	**-**	**401**	**-**	**401**
Cost of goods sold	-	-	-	-211	-	-211
Personnel costs	-	-	-	-101	-	-101
Depreciation, amortisation, impairment losses and reversal of impairment losses	-	-	-	-15	-	-15
Other operating expenses	-	-	-	-37	-	-37
Total operating expenses	**-**	**-**	**-**	**-364**	**-**	**-364**
Operating profit	**-**	**-**	**-**	**37**	**-**	**37**
Net financial items	**-**	**-**	**-**	**-1**	**-**	**-1**
Profit/loss after financial items	**-**	**-**	**-**	**36**	**-**	**36**
Taxes	-	-	-	-8	-	-8
Profit/loss for the period, Components & Services	**-**	**-**	**-**	**28**	**-**	**28**
Reclassification of translation differences from other comprehensive income	-	-	-	1	-	1
Impact on earnings of the distribution of Momentum Group	-	-	-	3,552	-	3,552
Profit/loss for the period, discontinued operations	**-**	**-**	**-**	**3,581**	**-**	**3,581**

NOTE 7 Discontinued operations cont.

ASSETS AND LIABILITIES

MSEK	30/09/2023	31/12/2022
ASSETS		
Intangible non-current assets	-	-
Right-of-use assets	-	-
Tangible non-current assets	-	-
Other non-current receivables	-	-
Deferred tax assets	-	-
Total non-current assets	**-**	**-**
Inventories	-	-
Accounts receivable	-	-
Other current receivables	-	-
Cash and cash equivalents	-	-
Total current assets	**-**	**-**
TOTAL ASSETS HELD FOR DISTRIBUTION	**-**	**-**
LIABILITIES		
Non-current interest-bearing liabilities	-	-
Non-current lease liabilities	-	-
Other non-current liabilities and provisions	-	-
Total non-current liabilities	**-**	**-**
Current interest-bearing liabilities	-	-
Current lease liabilities	-	-
Accounts payable	-	-
Other current liabilities	-	-
Total current liabilities	**-**	**-**
TOTAL LIABILITIES HELD FOR DISTRIBUTION	**-**	**-**
NET ASSETS HELD FOR DISTRIBUTION	**-**	**-**

CASH FLOW STATEMENT

Group, MSEK	2023 JUL-SEP	2022 JUL-SEP	2023 JAN-SEP	2022 JAN-SEP	30/09/2023 12 months to	2022 JAN-DEC
Cash flow from operating activities	-	-	-	8	-	8
Cash flow from investing activities	-	-	-	0	-	0
Cash flow from financing activities	-	-	-	-1	-	-1
Cash flow for the period from discontinued operations	**-**	**-**	**-**	**7**	**-**	**7**

SIGNATURES

The Board of Directors and the Chief Executive Officer deem that the interim report gives a true and fair view of the business, financial position and performance of the company and of the Group and describes the significant risks and uncertainties faced by the company and the constituent companies of the Group.

Stockholm, 26 October 2023

Alligo AB (publ)

Göran Näsholm Chair of the Board	Johan Sjö Board member	Pontus Boman Board member
Stefan Hedelius Board member	Cecilia Marlow Board member	Christina Åqvist Board member

Johanna Främberg
Board member
Employee representative

Clein Johansson Ullenvik
Group President and CEO

This interim report has been reviewed by the company's auditors.

The information in this report is such that Alligo AB (publ) is obliged to publish under the EU Market Abuse Regulation. The information was submitted for publication through the agency of the Chief Executive Officer on 26 October 2023 at 08:00 CEST.

REVIEW REPORT

To the Board of Directors of Alligo AB (publ.), Co.Reg. No. 559072-1352

Introduction

We have reviewed the condensed interim financial information (interim report) of Alligo AB (publ.) as of 30 September 2023 and the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, 26 October 2023

KPMG AB

Helena Arvidsson Älgne
Authorized Public Accountant
Auditor in charge

Jonas Eriksson
Authorized Public Accountant

KEY PERFORMANCE INDICATORS (KPIs)

Group	2023 JUL-SEP	2022 JUL-SEP	2023 JAN-SEP	2022 JAN-SEP	30/09/2023 12 months to	2022 JAN-DEC
IFRS KEY PERFORMANCE INDICATORS						
Earnings per share						
Continuing operations, before and after dilution, SEK	2.25	2.34	6.01	5.69	9.84	9.51
Discontinued operations, before and after dilution[1], SEK	-	-	-	0.55	-	0.55
Impact on earnings of the distribution of Momentum Group, before and after dilution, SEK	-	-	-	70.38	-	70.38
ALTERNATIVE KEY PERFORMANCE INDICATORS						
Income statement-based KPIs						
Revenue, MSEK	2,122	2,118	6,797	6,488	9,520	9,211
Gross profit, MSEK	882	862	2,766	2,601	3,893	3,728
Operating profit, MSEK	175	166	470	401	738	669
Items affecting comparability, MSEK	0	-	-4	-9	-19	-24
Amortisation of intangible assets in connection with corporate acquisitions, MSEK	-16	-15	-45	-48	-60	-63
Adjusted EBITA, MSEK	191	181	519	458	817	756
Depreciation/amortisation of tangible and other intangible non-current assets, MSEK[2]	-27	-26	-81	-78	-108	-105
Adjusted EBITDA excl. IFRS 16, MSEK	213	204	583	524	904	845
Profit after financial items, MSEK	144	151	390	366	636	612
Gross margin, %	41.6	40.7	40.7	40.1	40.9	40.5
Operating margin, %	8.2	7.8	6.9	6.2	7.8	7.3
Adjusted EBITA margin, %	9.0	8.5	7.6	7.1	8.6	8.2
Profit margin, %	6.8	7.1	5.7	5.6	6.7	6.6
Profitability KPIs						
Return on working capital (adjusted EBITA/WC), %					32	34
Return on capital employed, %					12	11
Return on equity[1, 3], %					15	16
Financial position KPIs						
Net financial liabilities, MSEK	2,959	2,750	2,959	2,750	2,959	2,547
Net operational liabilities, MSEK	1,763	1,777	1,763	1,777	1,763	1,534
Ratio of net operational liabilities to adjusted EBITDA					2.0	1.8
Equity[4], MSEK	3,481	3,211	3,481	3,211	3,481	3,408
Equity/assets ratio, %	40	40	40	40	40	41
Other KPIs						
No. of employees at the end of the period	2,476	2,367	2,476	2,367	2,476	2,371
Share price at the end of the period, SEK	102	77	102	77	102	79

1) Adjusted for the impact on earnings of the distribution of Momentum Group AB.

2) Total depreciation/amortisation of tangible and intangible non-current assets, excluding amortisation of intangible assets in connection with corporate acquisitions and the effects of IFRS 16.

3) Refers to the Group total (continuing operations and discontinued operations).

4) Refers to equity attributable to the Parent Company's shareholders.

DEFINITIONS AND PURPOSE OF KPIs

Alligo reports key performance indicators in order to describe the underlying profitability of the business and improve comparability. The Group applies ESMA's guidelines on alternative key performance indicators.

Gross margin

Ratio of gross profit, i.e. revenue minus cost of goods sold, to revenue.

» Used to measure product profitability.

Operating profit

Profit before financial items and tax

» Used to present the Group's earnings before interest and taxes.

Items affecting comparability

Items affecting comparability include revenue and expenses that do not arise regularly in the operating activities.

» Excluding items affecting comparability increases the comparability of results between periods.

Adjusted EBITA[1]

Operating profit adjusted for items affecting comparability before amortisation and impairment of intangible assets.

» Used to present the Group's earnings generated from operating activities.

Adjusted EBITDA[1]

Operating profit adjusted for items affecting comparability before depreciation and write-down of tangible non-current assets and amortisation and impairment of goodwill and other intangible non-current assets incurred in connection with corporate acquisitions and equivalent transactions, excluding effects on operating profit of reporting in accordance with IFRS 16.

» This key performance indicator is used to calculate the debt ratio, excluding the effects of IFRS 16.

Operating margin

Operating profit (EBIT) relative to revenue.

» Used to measure the Group's earnings generated before interest and tax and provides an understanding of the earnings performance over time. Specifies the percentage of revenue remaining to cover interest payments and tax and to provide profit after the Group's expenses have been paid.

Adjusted EBITA margin[1]

Adjusted EBITA as a percentage of revenue.

» Used to measure the Group's earnings generated from operating activities and provides an understanding of the earnings performance over time. The adjusted EBITA margin based on revenue from both external and internal customers is presented per business area (operating segment).

Profit margin

Profit after financial items as a percentage of revenue.

» Used to assess the Group's earnings generated before tax and presents the share of revenue that the Group may retain in earnings before tax.

Return on working capital (adjusted EBITA/WC)

Adjusted EBITA for the most recent 12-month period divided by average working capital measured as total working capital (accounts receivable and inventories less accounts payable) at the end of each month for the most recent 12-month period and the opening balance at the start of the period divided by 13.

» The Group's internal profitability target, which encourages high adjusted EBITA and low tied-up capital. Used to analyse profitability in the Group and its various operations.

Return on capital employed

Operating profit plus financial income for the most recent 12-month period divided by average capital employed measured as the balance sheet total less non-interest-bearing liabilities and provisions at the end of the most recent four quarters and the opening balance at the start of the period divided by five.

» Presented to show the Group's return on its externally financed capital and equity, meaning independent of its financing.

Return on equity

Net profit for the most recent 12-month period divided by average equity measured as total equity attributable to parent company shareholders at the end of the most recent four quarters and the opening balance at the start of the period divided by five.

» Used to measure the return generated on the capital invested by the shareholders.

Net financial liabilities

Net financial liabilities measured as non-current interest-bearing liabilities and current interest-bearing liabilities, less cash and cash equivalents at the end of the period.

» Used to monitor the debt trend and analyse the Group's total indebtedness including lease liabilities.

Net operational liabilities

Net operational liabilities measured as non-current interest-bearing liabilities and current interest-bearing liabilities, excluding lease liabilities and net provisions for pensions, less cash and cash equivalents at the end of the period.

» Used to monitor the debt trend and analyse the Group's total indebtedness excluding lease liabilities and net provisions for pensions.

Ratio of net operational liabilities to adjusted EBITDA[1]

Net operational liabilities divided by adjusted EBITDA for a rolling 12-month period.

» This key performance indicator shows the multiple of the adjusted EBITDA result for the most recent 12-month period that would be needed in order to settle net operational liabilities. As a debt ratio, the indicator shows the Group's resilience and interest rate sensitivity.

Equity/assets ratio

Equity attributable to parent company shareholders as a percentage of the balance sheet total at the end of the period.

» Used to analyse the financial risk in the Group and show how much of the Group's assets are financed by equity.

Change in revenue from like-for-like sales

Revenue from like-for-like sales refers to sales in local currency from stores that were part of the Group during the current period and the entire corresponding period in the preceding year.

» Used to analyse the underlying sales growth driven by changes in volume, the product and service offering, and the price for similar products and services across different periods, excluding growth driven by newly opened stores.

Organic growth

Organic growth refers to sales in local currency from stores that were part of the Group during the current period and the entire corresponding period in the preceding year, as well as sales from new stores opened during the year.

» Used to analyse the underlying sales growth driven by changes in volume, the product and service offering, and the price for similar products and services across different periods, including growth driven by newly opened stores.

Other units

Other units refers to acquired or divested units during the corresponding period.

1) As of Q1 2023, Alligo has added the word 'Adjusted' to the name of the KPI for clarity. The calculation of the KPI remains unchanged.

DERIVATION OF ALTERNATIVE KPIs

Alligo uses certain financial key performance indicators in its analysis of the business and its performance that are not calculated in accordance with IFRS. The company believes that these alternative key performance indicators provide valuable information for the company's Board of Directors, owners and investors, as they enable a more accurate assessment of current trends and Alligo's performance when combined with other key performance indicators calculated in accordance with IFRS. As not all listed companies calculate these financial key performance indicators in the same way, there is no guarantee that the information is comparable with other companies' key performance indicators of the same name. Hence, these financial key performance indicators must not be viewed as a replacement for those measures calculated in accordance with IFRS.

GROSS PROFIT **MSEK**	**2023** **JUL-SEP**	**2022** **JUL-SEP**	**2023** **JAN-SEP**	**2022** **JAN-SEP**	**30/09/2023** **12 months to**	**2022** **JAN-DEC**
Revenue	2,122	2,118	6,797	6,488	9,520	9,211
Cost of goods sold	-1,240	-1,256	-4,031	-3,887	-5,627	-5,483
Gross profit	**882**	**862**	**2,766**	**2,601**	**3,893**	**3,728**

ADJUSTED EBITA **MSEK**	**2023** **JUL-SEP**	**2022** **JUL-SEP**	**2023** **JAN-SEP**	**2022** **JAN-SEP**	**30/09/2023** **12 months to**	**2022** **JAN-DEC**
Operating profit	175	166	470	401	738	669
Items affecting comparability						
Restructuring costs	-	-	-	4[2]	15[1]	19[1, 2]
Organisational changes[3]	-	-	4	-	4	-
Split and listing expenses	-	-	-	5	-	5
Amortisation and impairment of intangible assets in connection with corporate acquisitions	16	15	45	48	60	63
Adjusted EBITA	**191**	**181**	**519**	**458**	**817**	**756**
Operating profit excl. IFRS 16	170	163	453	389	717	653
Amortisation and impairment of other intangible non-current assets	8	8	26	26	35	35
Depreciation and write-downs of tangible non-current assets	19	18	55	52	73	70
Adjusted EBITDA	**213**	**204**	**583**	**524**	**904**	**845**

1) Costs for organisational changes in connection with establishing new sales organisations as well as rental costs for the coordination of logistics.
2) Severance costs in connection with a change of management.
3) Acquisition costs, costs for organisational changes and efficiency measures in connection with the savings programme implemented.

WORKING CAPITAL **MSEK**	**2023** **JUL-SEP**	**2022** **JUL-SEP**	**2023** **JAN-SEP**	**2022** **JAN-SEP**	**30/09/2023** **12 months to**	**2022** **JAN-DEC**
Average operating assets						
Average inventories	2,321	1,961	2,321	1,961	2,321	2,068
Average accounts receivable	1,215	1,125	1,215	1,125	1,215	1,164
Total average operating assets	**3,535**	**3,085**	**3,535**	**3,085**	**3,535**	**3,231**
Average operating liabilities						
Average accounts payable	-971	-999	-971	-999	-971	-1,015
Total average operating liabilities	**-971**	**-999**	**-971**	**-999**	**-971**	**-1,015**
Average working capital	**2,565**	**2,086**	**2,565**	**2,086**	**2,565**	**2,216**
Adjusted EBITA					817	756
Return on working capital (adjusted EBITA/WC), %					**32**	**34**

CAPITAL EMPLOYED **MSEK**	**2023** **JUL-SEP**	**2022** **JUL-SEP**	**2023** **JAN-SEP**	**2022** **JAN-SEP**	**30/09/2023** **12 months to**	**2022** **JAN-DEC**
Average balance sheet total	8,350	8,015	8,350	8,015	8,350	8,054
Average non-interest-bearing liabilities and provisions						
Average non-interest-bearing non-current liabilities	-431	-395	-431	-395	-431	-400
Average non-interest-bearing current liabilities	-1,657	-1,610	-1,657	-1,610	-1,657	-1,665
Total average non-interest-bearing liabilities and provisions	**-2,088**	**-2,005**	**-2,088**	**-2,005**	**-2,088**	**-2,065**
Average capital employed	**6,262**	**6,010**	**6,262**	**6,010**	**6,262**	**5,989**
Operating profit					738	669
Financial income					11	4
Total operating profit + financial income					**749**	**673**
Return on capital employed, %					**12**	**11**

RETURN ON EQUITY MSEK	30/09/2023 12 months to	2022 JAN-DEC
Average equity[4]	3,389	3,236
Profit/loss for the period[4]	496	508
Return on equity, %	**15**	**16**

NET FINANCIAL LIABILITIES MSEK	30/09/2023 12 months to	2022 JAN-DEC
Non-current interest-bearing liabilities	2,645	2,410
Current interest-bearing liabilities	387	352
Cash and cash equivalents	-73	-215
Net financial liabilities	**2,959**	**2,547**

NET OPERATIONAL LIABILITIES MSEK	30/09/2023 12 months to	2022 JAN-DEC
Net financial liabilities	2,959	2,547
Financial lease liabilities	-1,196	-1,013
Net provisions for pensions	0	0
Net operational liabilities	**1,763**	**1,534**
Adjusted EBITDA rolling 12 months	904	845
Ratio of net operational liabilities to adjusted EBITDA	**2.0**	**1.8**

EQUITY/ASSETS RATIO MSEK	2023 JUL-SEP	2022 JUL-SEP	2023 JAN-SEP	2022 JAN-SEP	30/09/2023 12 months to	2022 JAN-DEC
Balance sheet total (closing balance)	8,605	7,976	8,605	7,976	8,605	8,364
Equity[4]	3,481	3,211	3,481	3,211	3,481	3,408
Equity/assets ratio, %	**40**	**40**	**40**	**40**	**40**	**41**

4) Refers to equity or profit attributable to the parent company's shareholders.

Q3
2023

FIVE REASONS TO INVEST IN ALLIGO

1 MARKET GROWTH AND RESILIENT CUSTOMER SEGMENTS

Alligo's markets consist of corporate customers in Sweden, Norway and Finland. The different markets provide stable growth and complement each other well. Customers are a balanced mix of small and medium-sized enterprises, large companies and public-sector agencies. Together, the different industry segments provide excellent opportunities for continued organic growth and good resilience in weaker economic times.

2 SCALABLE PLATFORM A FOUNDATION FOR CONTINUED GROWTH

Alligo has built an integrated organisation that can scale up and grow, both organically and through acquisitions. The cost structure is adaptable and functions such as IT, logistics, procurement, sales and finance are coordinated and streamlined. The Group is continuously working to improve its operational efficiency and develop the organisation using digital solutions.

3 OWN BRANDS INCREASE COMPETITIVENESS AND PROFITABILITY

Own brands enable greater control of the product development process, which Alligo uses to offer a product range that is tailored to our defined industry segments. The extensive development of own brands and services means customers can be offered a unique and competitive product range, with increased profitability for Alligo.

4 SUSTAINABLE ENTERPRISE

Sustainability is an integral part of the business – from strategy to working methods and helping customers make sustainable choices – and increases competitiveness as well as reducing risk. Alligo carries out targeted work together with stakeholders with the aim of becoming a leader in sustainability in the industry. The long-term goal is to establish a genuinely sustainable business.

5 LEADER IN THE CONSOLIDATION PROCESS ON THE NORDIC MARKETS

The markets in the Nordic countries are undergoing a consolidation process, which can benefit relatively large groups such as Alligo. Alligo is actively involved in the consolidation process and has leading positions in Sweden and Norway. There are good opportunities for sustainable, profitable growth and Alligo will continue to invest and strengthen its position, both organically and through acquisitions, on all markets where the Group operates.

STRATEGIC DIRECTION

MISSION – WE MAKE BUSINESSES WORK

If we do our job right, our customers will have what they need to do their job right – both as companies and as employees. They have tools and consumables where they need them, when they need them. They have workwear and personal protective equipment that protects them against the weather and against hazards. With our expertise, we can help customers to develop their business and make it safer and more efficient.

VISION – WE ARE UNBEATABLE...

...as a partner to our customers
...as an employer for our employees
...as a partner to our suppliers
...as a leader in sustainable development in our industry

Our vision describes what we want to achieve in the longer term. We must not be satisfied with being one of the leaders in the industry, we must be unbeatable. To achieve this, we must meet – and exceed – the expectations of our stakeholders

STRATEGIC OBJECTIVES

To strengthen Alligo's strategic position, we work on the basis of four strategic objectives, which have been identified as being particularly important in order for us to achieve our vision and generate profitable growth:

- We provide our customers with what they need in a friendly way
- We are the workplace where the best people want to work and we help them grow
- We have our industry's most efficient operations and reliable processes
- We are known as the leader in sustainable development in our industry

INTEGRATED SUSTAINABILITY WORK

By working with sustainability as an integrated part of our strategy, we aim to become the unrivalled leader in sustainable development in our sector.

ALLIGO'S MATERIAL SUSTAINABILITY ISSUES AND THE SUSTAINABLE DEVELOPMENT GOALS TO WHICH THEY ARE LINKED:

8 DECENT WORK AND ECONOMIC GROWTH

Decent work and economic growth

- Customer satisfaction
- Diversity and equality
- Work environment and health
- Skills development
- Working conditions and human rights in the supply chain

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Responsible consumption and production

- Product quality and safety
- Environmental impact and chemicals
- Transparent sustainability communication and help customers to make sustainable choices
- Anti-corruption

13 CLIMATE ACTION

Climate action

- Climate impact

Q3 2023

INFORMATION FOR SHAREHOLDERS

FINANCIAL CALENDAR

Year-end Report 2023	16 February 2024
Interim Report Q1 Jan-Mar 2024	25 April 2024
Annual General Meeting 2024	23 May 2024
Interim Report Q2 Jan-Jun 2024	17 July 2024
Interim Report Q3 Jan-Sep 2024	24 October 2024

WWW.ALLIGO.COM

Financial reports, press releases, share information and other relevant company information can be found on the Group's website. You will also find a subscription service here where you can subscribe to press releases and financial reports.

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