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## **Momentum publishes prospectus for its initial public offering on Nasdaq First North Growth Market**

**Momentum Software Group AB (publ) ("Momentum" or "the Company"), a SaaS company that offers cloud-based property management systems to Swedish property owners, announced on 17 November 2021 the intention to list the Company's shares on Nasdaq First North Growth Market (the "Listing" or the "Offer"). The prospectus for the Offer has today been approved and registered by the Swedish Financial Supervisory Authority and has been published on the Company's website. The first trading day is expected to be December 8, 2021.**

Momentum offers cloud-based property management systems for Swedish real estate companies. Property systems are business-critical for real estate companies, but the real estate sector has long been lagging in terms of digitalisation compared with many other industries[1]. According to Momentum, a growing focus on efficiency and sustainability, as well as an expectation from tenants of user-friendly and fast digital communication, drives demand for modern platforms and cloud-based solutions with smart decision support. Momentum's transition to offering a standardised SaaS solution for property management and energy monitoring has meant, among other things, a higher share of recurring revenues, a net revenue retention that indicates a good development of existing customers' subscription revenues and improved profitability. In 2020, Momentum had approximately 10,000 users with the real estate companies and over one million tenants and housing applicants who used Momentum's solutions. The company sees several potential paths for continued growth, with a clear strategy for product expansion, new customers, and acquisitions.

### **The Offer in brief**

- The Offer will be conducted at a fixed price of SEK 61 per share, corresponding to a market value for the Company's shares of approximately SEK 915 million before the Offer and approximately SEK 1,015 million after the completion of the Offer
- The Offer comprises 3,706,345 shares, which corresponds to approximately 22 percent of the total number of shares in the Company after the completion of the Offer. The Offer comprises 1,639,345 newly issued shares and 2,067,000 shares sold by Bas Invest IV AB[2] and Smörklampen AB ("Selling Shareholders"). The newly issued shares are expected to provide the Company with approximately SEK 100 million before deductions for transaction costs related to the Offer
- To cover any over-allotment in the Offer, the Selling Shareholder has granted an over-allotment option to Skandinaviska Enskilda Banken AB ("SEB") to acquire a maximum of 555,951 existing shares, corresponding to 15 percent of the number of

shares in the Offering ("Over-Allotment Option"). Provided that the Over-Allotment Option is fully exercised, the Offer comprises 4,262,296 shares, which corresponds to 26 percent of the shares in Momentum after the completion of the Offer

- The total value of the Offer amounts to SEK 226 million (and approximately SEK 260 million if the Offer is fully subscribed and the Over-Allotment Option is fully exercised) before deduction of transaction costs
- Lannebo Fonder, Enter Fonder, JoFam (an investment company owned by Per Josefsson and family), and Öhman Fonder have undertaken to acquire shares in the Offer corresponding to a total value of SEK 185 million, corresponding to approximately 71 percent of the Offer, provided that the Offer is fully subscribed and that the Over-allotment Option is fully exercised
- The Company, Bas Invest IV AB, members of the board of directors and the executive management team as well as certain other shareholders have entered into customary lock-up commitments in favour of SEB for a period of (i) 180 days from the first day of trading for the Company and certain other shareholders, and (ii) 360 days from the first day of trading for BAS Invest IV AB, members of the board of directors and the executive management team. Lock-up commitments from Bas Invest IV AB, the members of the board and the executive management team correspond to approximately 66 percent of the number of shares in the Company after the completion of the Offer, assuming that the Over-Allotment Option is fully exercised
- The shares are intended to be offered to qualified and institutional investors in Sweden and abroad (apart from, among others, the USA), as well as to the public in Sweden
- The application period for the public in Sweden is expected to take place between 29 November and 6 December 2021. The application period for institutional investors is expected to take place between 29 November and 7 December 2021
- The prospectus including full terms and conditions will be published today, 26 November 2021, on the Company's website ([www.group.momentum.se](http://www.group.momentum.se)), SEB's website ([www.sebgroup.com/prospectuses](http://www.sebgroup.com/prospectuses)) and Avanza's website ([www.avanza.se](http://www.avanza.se))
- Estimated first day of trading on Nasdaq First North Growth Market for Momentum's shares is 8 December 2021 under the symbol "MSOFT"

#### **CEO Richard Durlow comments:**

*"A listing is an important next step on our journey to offer a completely new generation of SaaS services for real estate companies. In recent years, we have seen a rapidly increasing order intake and a clear word of mouth effect where satisfied customers recommend us to their colleagues in the industry. We see great opportunities to continue to scale up the business organically as well as through a selective acquisition agenda. Through the listing, we get the prerequisites to continue our growth journey as a digitalization partner in the real estate industry."*

#### **Chairman of the Board Paul Rönnerberg comments:**

*"We are proud of Momentum's success and successful transition to offering modern standardized SaaS solutions for the real estate industry. The upcoming listing is a proof of the impressive business that Momentum's management and employees have established, with a modern and easy-to-use platform, strong financial position, and satisfied customers. The company is well positioned for continued growth and Bas Invest intends to remain a large and active owner in Momentum with a long-term growth focus. We look forward to welcoming new shareholders on that journey."*

## About Momentum

Momentum is a SaaS company that develops, sells and implements cloud-based systems for property management and energy monitoring in Sweden. In property management, the Company offers the platform Momentum Property, which is a comprehensive system for property owners and property managers with support for, among other things, contract and rental administration, marketing and leasing, inspection and fault reporting. In addition, the My Pages interface is included with extensive functionality aimed to the property owner's customer, the tenant. Via Momentum Energy, Momentum offers a platform for collecting, processing, and analyzing energy data.

Momentum generates revenue via both subscription agreements and service revenue. Momentum uses its own resources for product development, implementation, support, sales and marketing. The company's head office is located in Stockholm, but there are also offices in Falun and Malmö.

Momentum's customers consist of property owners and property managers in Sweden. In 2020, Momentum had approximately 10,000 users at the real estate companies and more than one million tenants and housing applicants who used Momentum's solutions. In 2020, rental notices amounting to more than SEK 20 billion were created in Momentum Property, and more than 100 million square meters of living space were managed in Momentum's products.

In 2016, Momentum began a transition from customized, locally operated software ("On-premise") to modern standardized SaaS solutions. These are developed based on best practice, i.e. analyzes Momentum has made based on experience and feedback from customers. The transition, which is still ongoing, has been successful and has meant, among other things, that the Contracted Annual Recurring Revenue ("CARR[3]"), has grown at an annual rate of 19.1 percent during the period 31 December 2018 - 30 September 2021. On a rolling 12-month basis, the Company's revenue per 30 September 2021 amounted to SEK 91.7 million and EBITDA amounted to SEK 30.9 million. At the same time, CARR amounted to SEK 73.8 million.

## Background for the Offer

Momentum identifies several potential venues for continued growth, with a clear strategy for product expansion, new customers, and acquisitions. The Company's Board of Directors, together with the main owner Bas Invest IV AB, therefore considers that the Offer and Listing of the Company's shares is a logical and important step in Momentum's continued development. The Listing is expected to increase awareness of the Company and its operations among current and potential customers, suppliers, and employees, as well as provide access to the Swedish and international capital markets, which is expected to promote the Company's continued growth and development.

Momentum intends to use the net proceeds from the new share issue in the Offer to position the Company for future growth through acquisitions.

## Prospectus and application

The prospectus has today been approved and registered by the Swedish Financial Supervisory Authority and has been published on the Company's website ([www.group.momentum.se](http://www.group.momentum.se)). The prospectus is also published on SEB's website for prospectuses ([www.Sebgroup.com/prospectuses](http://www.Sebgroup.com/prospectuses)) and Avanza's website ([www.avanza.se](http://www.avanza.se)). Registration can be made via the internet platform at SEB and Avanza.

## Preliminary timetable

- Application period for the general public in Sweden: 29 November - 6 December 2021
- Application period for institutional investors: 29 November - 7 December 2021
- First trading day at First North Growth Market: December 8, 2021
- Settlement date: 10 December 2021

## Stabilisation measures

SEB may, in its role as stabilisation manager, in connection with the Offer, conduct transactions in order to maintain the market price for the shares at a level above that which might otherwise prevail in the open market. Such stabilisation transactions may be carried out on Nasdaq First North Growth Market, in the OTC market or otherwise, at any time during the period starting on the date of commencement of trading in the shares on Nasdaq First North Growth Market and ending not later than 30 calendar days thereafter. However, SEB has no obligation to undertake any stabilisation measures and there is no assurance that stabilisation measures will be undertaken. Under no circumstances will transactions be conducted at a price higher than the one set in the Offer.

The Over-Allotment Option may be utilised to over-allot shares in order to facilitate any stabilisation transaction. The stabilisation transactions, if conducted, may be discontinued at any time without prior notice but must be discontinued no later than within the aforementioned 30-day period. SEB must, no later than by the end of the seventh trading day after stabilisation transactions have been undertaken, in accordance with article 5(4) of the Market Abuse Regulation (EU) 596/2014 and the Commission Delegated Regulation (EU) 2016/1052, disclose that stabilisation measures have been undertaken. Within one week of the end of the stabilisation period, SEB will disclose whether or not stabilisation measures were undertaken, the date on which stabilisation started, the date on which stabilisation was last carried out as well as the price range within which stabilisation was carried out for each of the dates when stabilisation measures were conducted.

## Advisors

SEB is acting as Global Coordinator and Bookrunner in connection with the Offer. White & Case is acting as legal advisor to Momentum, and Advokatfirman Hammarskiöld & Co AB is acting as legal advisor to SEB. In connection with the Offer, SEB and Avanza Bank AB (publ) are acting as Retail Distributors.

FNCA Sweden AB is appointed as the Company's Certified Adviser and can be reached at telephone: +46 (0) 8 528 00 39 and e-mail: [info@fnca.se](mailto:info@fnca.se).

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## Important information

This announcement is not and does not form a part of any offer for sale of securities in Momentum.

Copies of this announcement are not being made and may not be distributed or sent into the United States, Australia, Canada, Japan or any other jurisdiction in which such distribution would be unlawful or would require registration or other measures. This announcement does not constitute an offer for sale or purchase of securities in the United States. The securities referred to in this announcement have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and accordingly may not be offered or sold in the United States absent registration or an exemption from the registration requirements of the Securities Act and in accordance with applicable U.S. state securities laws. The Company does not intend to register any offering in the United States or to conduct a public offering of securities in the United States.

The securities described herein have also not been and will not be registered under the applicable securities laws of the United States, Australia, Canada or Japan and, subject to certain exemptions, may not be offered or sold in or into or for the account or benefit of any person having a registered address in, or located or resident in the United States, Australia, Canada or Japan. There will be no public offering of the securities described herein in Australia, Canada or Japan.

Any offering of the securities referred to in this announcement will be made by means of a prospectus. This announcement is not a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (together with any related implementing and delegated regulations, the "Prospectus Regulation"). Investors should not invest in any securities referred to in this announcement except on the basis of information contained in the aforementioned prospectus.

In any EEA Member State other than Sweden and the United Kingdom, this communication is only addressed to and is only directed at qualified investors in that Member State and the United Kingdom within the meaning of the Prospectus Regulation, i.e., only to investors who can receive the offer without an approved prospectus in such EEA Member State or the United Kingdom.

This communication is only being distributed to and is only directed at persons in the United Kingdom that are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") or (ii) high net worth entities, and other persons to whom this announcement may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "Relevant Persons"). This communication must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this communication relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. Persons distributing this communication must satisfy themselves that it is lawful to do so.

Matters discussed in this announcement may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe," "expect," "anticipate," "intends," "estimate," "will," "may," "continue," "should" and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The information, opinions and forward-looking statements contained in this

announcement speak only as at its date, and are subject to change without notice. The Company does not undertake any obligation to review, update, confirm or release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this announcement.

In connection with the offer or sale of securities referred to herein, the financial advisor engaged by the Company may over-allot securities/conduct stabilization or effect transactions with a view to supporting the market price of the securities at a level higher than that which might otherwise prevail. Any stabilization action or over-allotment will be conducted by the financial advisor and/or its subsidiary in accordance with all applicable laws and rules.

[1] Digitalization of buildings in the Nordics & Baltics – Arthur D. Little och Telia, 2021

[2] Subject to the completion of the Offer, certain other shareholders are expected to transfer shares to Bas Invest IV AB, which in turn will sell the shares in the Offer: one employee is expected to transfer 140,400 shares and a former employee is expected to transfer 88,500 shares.

[3] The value of contracted annual normalized subscription income less churned annual recurring revenue

## Contacts

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## About Us

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Momentum Software is a SaaS company providing property owners with platforms that digitalize and simplify everyday life for property owners and their tenants. Customers consist of private and municipally owned real estate companies managing both residential and commercial property in Sweden. During 2020 approximately 10 000 users and more than one million tenants used products developed by Momentum. Read more: [momentum.se](https://momentum.se)

## Attachments

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